

# FORM A

1.	Name of the Company: Punj Lloyd Limited ("the Company")	
2.	Annual financial statements for the year ended: March 31, 2015	
3.	Type of audit observation	<p>Un-qualified / Matter of Emphasis:</p> <p>(1) The auditors of the Company in their report have invited attention to deductions made / amount withheld by some customers aggregating to Rs. 49.35 crores which are being carried as trade receivables. These amounts are outstanding due to dispute with the customers. Pending ultimate outcome of the matter is presently unascertainable, no adjustments have been made in the Company's financial statements.</p> <p>(2) The auditors of the Company in their report have invited attention regarding recoverability of unbilled revenue (work-in-progress) on account of claims aggregating to Rs. 735.80 crores which are subject matter of arbitration. Pending ultimate outcome of the matter which is presently unascertainable, no adjustments have been made in the Company's financial statements.</p> <p>(3) The auditors of the Company have invited attention regarding recoverability of unbilled revenue (work-in-progress) on account of claims aggregating to Rs. 391.09 crores and enforcement of the performance security amounting to Rs. 171.08 crores by the customer at a project of the Thailand branch, as reported by the independent auditor of the said branch. Pending ultimate outcome of the matter which is presently unascertainable, no adjustments have been made in the Company's financial statements.</p>
4.	Frequency of observation	<p>(1) This Emphasis of matter is continuing since March 31, 2005.</p> <p>(2) This was subject matter of qualification in auditor's report since March 31, 2008 till March 31, 2012 and emphasis of matter since March 31, 2013.</p> <p>(3) This Emphasis of matter is continuing since March 31, 2014.</p>

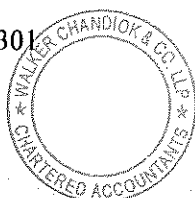
*Walker Chandio & Co LLP*

For Walker Chandio & Co LLP  
(formerly Walker, Chandio & Co.)  
Chartered Accountants  
Firm registration no.: 001076N/N500013

For and on behalf of board of directors of  
**Punj Lloyd Limited**

*Anupam Kumar*  
Anupam Kumar  
Partner

Membership no.: 501301



*Atul Punj*  
Atul Punj  
Chairman  
DIN: 00005612

*J P Chalasani*  
J P Chalasani  
Managing Director and Group CEO  
DIN: 00308931

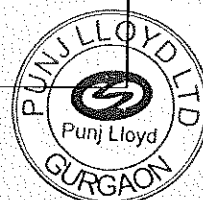
Place: Gurgaon

Date: May 22, 2015

*Phiroz Vandrevalla*  
Phiroz Vandrevalla  
Chairman - Audit  
Committee  
DIN: 01778976

*P. M. Krishnan*  
P. M. Krishnan  
Director-Finance  
DIN: 00003925

*Nidhi K Narang*  
Nidhi K Narang  
Chief Financial Officer - Group





ANNUAL REPORT  
2014-2015

# NAVIGATING CHANGE



# NAVIGATING CHANGE



**GREATER FOCUS**  
**ENHANCED EFFICIENCIES**  
**MORE CONTROLS**

In a fairly short span of time, Punj Lloyd has grown from an Indian pipeline contractor to a global EPC conglomerate with a diversified project portfolio that covers both energy and infrastructure sectors in over 23 countries. Unfortunately, over the last few years global project companies have been severely affected by a combination of factors including macro-economic slowdown, geo-political tensions, among others. For a company like Punj Lloyd, which was on a high growth trajectory, the adverse business environment has thrown up a new set of business challenges. But since overcoming difficulties lies at the heart of Punj Lloyd's business ethos, it was imperative to undertake course correction and realign the business to meet the requirements of today. Consequently, the Company has embarked on an extensive programme of internal change. Through this enormous exercise, we have successfully assembled the building blocks of a reformed organisation ready to embark on a new growth path.

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# CHAIRMAN'S MESSAGE



DEAR SHAREHOLDER

**ON 29 MAY 2015, THE GOVERNMENT OF INDIA'S CENTRAL STATISTICAL ORGANISATION (CSO) RELEASED THE PROVISIONAL ESTIMATES OF THE COUNTRY'S NATIONAL INCOME FOR 2014-15. ACCORDING TO THESE NUMBERS, GROSS DOMESTIC PRODUCT (GDP) AT CONSTANT PRICES GREW BY 7.3% FOR THE YEAR, AND BY 7.5% FOR THE LAST QUARTER, I.E. JANUARY-MARCH 2015. THERE WAS CONSIDERABLE EXCITEMENT IN NEWSPAPERS AND TELEVISION CHANNELS, FOR WE HAD APPARENTLY OVERTAKEN CHINA'S GDP GROWTH OF 7% IN THE SAME QUARTER.**

While there still remain queries about how the new GDP and gross value added (GVA) series have been calculated, it is fair to say that the economy has shown signs of picking up over the last few quarters. Unfortunately for your Company, and the construction and infrastructure sectors of the country, the pickup is at best extremely modest. Consider the latest GDP estimates. Construction has grown by just 4.8% in 2014-15 — 2.5 percentage points below real GDP growth. In fact, the last two quarters have grown far lower than the average for the year: 3.1% during October-December 2014 and, worse still, a mere 1.4% for January-March 2015.

Similarly, gross fixed capital formation (GFCF) as a share of GDP, which had crossed 30% in the first two quarters of the financial year dropped to under the 30% mark in the second half of the year. Generating sustained real GDP growth of 8% plus requires GFCF to rise to at least a third of GDP. As the latest estimates suggest, we are still far from there.

Not surprisingly, therefore, the entire construction sector has continued to remain seriously stressed both operationally and financially. Your Company is no exception. Add to it, the fact that oil prices have dropped drastically from levels over US\$100 a barrel to around US\$60 a barrel by the end of FY2015. Consequently, many new investments in this sector have been stalled, further affecting orders for our core construction business. However, we have reacted fast to this development and aggressively focused on the building and infrastructure segment world-wide to grow the order book.

As I mentioned in the press release accompanying your Company's annual results, "FY2015 has been a challenging year for companies in the infrastructure sector and Punj Lloyd was no exception. We had entered the year with an insufficient order book, which is reflected in the reduced turnover for FY2015. Profits and cash flows were further affected by deferment of settlement of Company's claims on certain projects, both domestic and overseas."

Let me first touch upon your Company's consolidated financial results before sharing with you my views of where we are heading in FY2016.



COMPANY OUGHT TO DO MUCH BETTER IN FY2016 THAN IT HAS IN FY2015 AND THE YEAR EARLIER

FOR FY2015, PUNJ LLOYD RECEIVED RS.745 CRORE ON ACCOUNT OF CLAIMS

CURRENT ORDER BACKLOG RS.21,152 CRORE

FY2016 WILL FOCUS ON CLAIMS SETTLEMENT

- At Rs. 7,875 crore, total income for FY2015 was 30% below that of the previous year due to a significantly lower order book at the beginning of the year.
- EBITDA stood at Rs. 251 crore or 3% of total income; 61% less than the previous year.
- Finance cost, at Rs.1,002 crore, was 14% higher than the previous year. I shall discuss this shortly.
- PBT was (-) Rs.1,221 crore, as against (-) Rs.636 crore in FY2014.
- PAT was (-) Rs.1,154 crore, as against (-) Rs.644 crore in the previous year.

In what was clearly a financially stressed year, we have seriously focused on four initiatives. The first has been to reach out to existing and new clients in India as well as abroad to grow the order book, which is the DNA of anyone in the construction and infrastructure business. Our current order backlog (or unexecuted order book) position is healthier at Rs. 21,152 crore. And we have recently received three key orders — two for oil and gas in Malaysia and Kuwait, and one for the Asian Highway project in India — amounting to a total of Rs. 5,681 crore. Thus, looking forward, the order book position is significantly better than on 1 April 2014, and augurs well for higher revenues and income in the course of FY2016.

Second, we have concentrated on bringing about greater operational efficiencies, higher productivity and better use of our capital stock. Much of the efforts throughout FY2015 were to create operational accountability across all lines of our business — be it in purchases of equipment and consumables; in tendering; in overheads and in manpower costs. Some of these are described in the chapter on Management Discussion and Analysis. These initiatives are now bearing fruit. I believe that such necessary frugality will result in reducing direct and indirect costs as a percentage of revenue in FY2016 and the years ahead. And, with it, bring down the incremental pressure on working capital and its associated interest costs.

Third, we have been monetising non-core assets. As an example, in January 2015 we sold our entire 17.74% stake in Global Health Pvt. Ltd. which owns Medanta Hospital in Gurgaon to Dunearn Investments (Mauritius) Pte Ltd, a wholly-owned subsidiary of Temasek. We are also actively looking to monetising some other non-core assets to raise cash to reduce leverage and allocate, where needed, for our core businesses.

Fourth, we have single-mindedly focused on collections from clients. This is a significant bone of contention for all construction enterprises. In essence, almost all infrastructure projects involve changes of scope and delivery parameters. When these occur from the clients' side, the contractors lodge claims for such changes. Elsewhere in the world, these are discussed by both parties and settled at mutually acceptable terms. Occasionally, these go for third-party arbitration.

Unfortunately, in India, these not only always go to arbitration but also, when the arbitrator's decisions favour the contractor, are escalated by clients to courts of law with their attendant delays. Consequently, all construction companies, especially those involved in infrastructure projects in India, are saddled with substantial claims — amounts that have already been paid for, which have expended larger working capital with its additional interest charge, and have not been settled. Much of the finance cost and interest burden of Indian construction companies is on account of the failure of claims settlement. Given the importance that the Government of India has placed upon infrastructure growth, this aspect needs urgent attention and clear, legally enforceable guidelines. Hopefully, we will see these in the course of FY2016.

Thankfully for your Company, its management's efforts and focus on settling claims has started to show results. For FY2015, Punj Lloyd received Rs.745 crore on account of such claims. Though tiny in comparison with the entire basket of disputed claims, the funds were useful in helping us tide over a difficult liquidity situation. FY2016 will see even greater focus on claims settlement.

The new Indian Government is slowly starting 'to walk the talk' to unlock infrastructure development in the country. To begin with, through the Union Government Budget 2015-16, there is a fresh allocation of US\$ 2.25 billion to roads and USD1.6 billion to railways. This is intended to improve liquidity in the system by pushing forward EPC, Cash Contract and Annuity models for the awarding of projects in these sectors. The Road Ministry has already announced an ambitious target of building 30 kms length of road per day during FY2016, and one is witnessing a pick-up in projects available for bidding. The Budget also proposes the creation of a 'National Investment in Infrastructure

Fund' with an initial annual allocation of US\$ 3.25 billion. The fund will be expected to invest in public sector infrastructure finance companies which, in turn, will be able to leverage their higher credit rating to access domestic and international debt markets.

Another silver lining, is the developments in defence. The Government on its part has opened up FDI into the sector with a cap of 49%. It is significantly revamping its procurement processes and providing an impetus to the 'make in India' initiative in this sector primarily through the offset agreement where a proportion of the projects have to be catered to by domestic suppliers. The offset obligations itself is estimated to open up a market of Rs. 250 billion in the next 7 to 8 years. Punj Lloyd has spent the last few years building its capabilities and relationships in specific domains within defence including long range guns and aviation equipment. This business is well poised for significant value accretion by leveraging the increasing opportunities for private sector participation in the sector.

It might be too early to say, but I do believe that your Company is finally turning the corner. It has a better order book. It is actively scouting for profitable new orders. It has begun a major journey in putting in place the vital building blocks of operational efficiency and working capital optimisation. It is unwaveringly focusing on claims settlement. It is monetising non-core assets. And is creating a lean and more productive organisation.

Therefore, my opinion is that your Company ought to do much better in FY2016 than it has in FY2015 and the year earlier. With greater efforts of the management and all employees of the organisation, a better infrastructure scenario of the country and the sectors where we operate and, no less importantly, your good wishes, we should get there.

Thanks for being with us through thick and thin.

With best regards,

Yours sincerely,

Atul Punj  
Chairman

## **CHAIRMAN (EMERITUS)**

SNP Punj

## **BOARD OF DIRECTORS**

Atul Punj	Executive Chairman
J P Chalasani	Managing Director & Group CEO
P N Krishnan	Director - Finance
Phiroz Vandrevalla	Independent Director
Ms Ekaterina Sharashidze	Independent Director
M Madhavan Nambiar	Independent Director

## **AUDIT COMMITTEE**

Phiroz Vandrevalla	Independent Director, Chairman of the Committee
Ms Ekaterina Sharashidze	Independent Director
M Madhavan Nambiar	Independent Director
P N Krishnan	Executive Director

## **STAKEHOLDERS' RELATIONSHIP COMMITTEE CUM SHAREHOLDERS' /INVESTORS' GRIEVANCE COMMITTEE**

M Madhavan Nambiar	Independent Director, Chairman of Committee
Atul Punj	Executive Director
P N Krishnan	Executive Director

## **NOMINATION & REMUNERATION COMMITTEE**

Phiroz Vandrevalla	Independent Director, Chairman of the Committee
Ms Ekaterina Sharashidze	Independent Director
M Madhavan Nambiar	Independent Director

## **RISK MANAGEMENT COMMITTEE**

J P Chalasani	Executive Director, Chairman of the Committee
P N Krishnan	Executive Director
Mithlesh Satija	Vice President and Chief Risk Officer

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Atul Punj	Executive Director, Chairman of the Committee
J P Chalasani	Executive Director
M Madhavan Nambiar	Independent Director

## **CHIEF FINANCIAL OFFICER**

Nidhi K Narang

## **GROUP PRESIDENT-LEGAL & COMPANY SECRETARY**

Dinesh Thairani



## AUDITORS

Walker, Chandiok & Co. LLP, Chartered Accountants

## REGISTRAR

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Karvy Selenium Tower B, Plot No. 31 & 32,  
Gachibowli Financial District, Hyderabad 500 032  
T +91 40 6716 2222  
F +91 40 2300 1153

## BANKERS

Andhra Bank	IFCI Limited
Axis Bank	Indian Bank
Bank Muscat, Oman	Indian Overseas Bank
Bank of Baroda	Indusind Bank
Bank of India	International Finance Corporation, Washington DC
Barwa Bank	Life Insurance Corporation of India
Bank Emirates	Mashreq Bank PSC, Dubai
Canara Bank	Oriental Bank of Commerce
Central Bank of India	RBL Bank
DBS Bank Limited	Standard Chartered Bank
Dhanlaxmi Bank	State Bank of Bikaner and Jaipur
Doha Bank, Qatar	State Bank of Hyderabad
Dubai Islamic Bank UAE	State Bank of India
Export - Import Bank of India	State Bank of Patiala
First Gulf Bank, Abu Dhabi	The Jammu & Kashmir Bank Limited
HDFC Bank Ltd	The Karur Vysya Bank Ltd
ICICI Bank Limited	UCO Bank
IDBI Bank Limited	Union National Bank, Abu Dhabi
	United Bank of India

# CORPORATE INFORMATION

PUNJ LLOYD  
HAS MOVED FROM  
A REGION SPECIFIC  
BUSINESS MODEL TO

**OUR  
STRENGTH**

**A VERTICAL BASED  
BUSINESS MODEL**





**PIPELINES**

**TANKAGE**

**PROCESS**

**HIGHWAYS & RAILWAYS**

**BUILDINGS & INFRASTRUCTURE**

**OFFSHORE**

**POWER**



**A STRONG CENTRAL  
PROCUREMENT GROUP (CPG)**



**A HIGH PERFORMANCE  
AGILE HR**



**IT - THE INDISPENSABLE  
BUSINESS ENABLER**



**TOP CLASS FACILITY AT MALANPUR -  
MANUFACTURING FOR NICHE MARKETS**

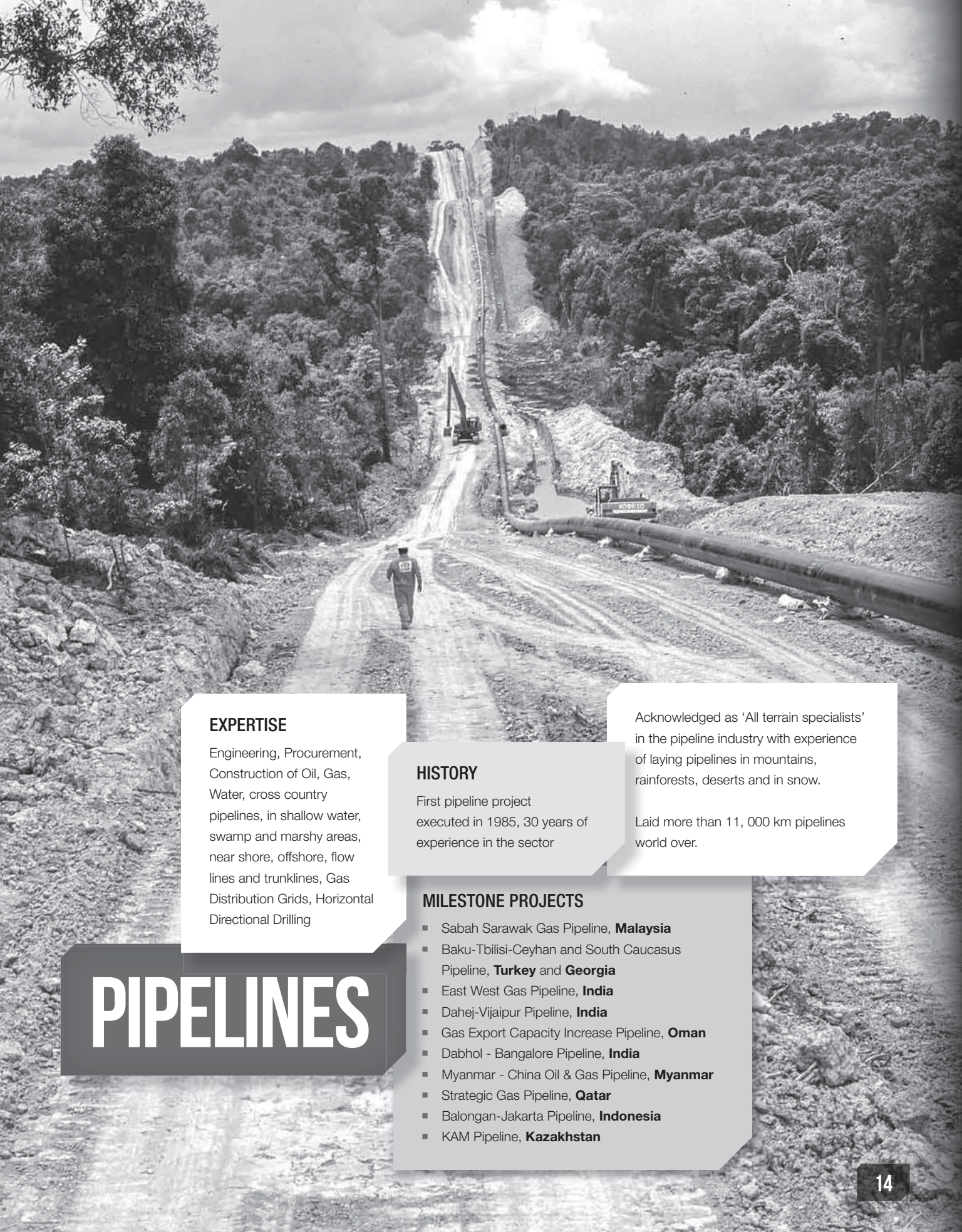
- Central Procurement Group (CPG) set up in India, Middle East and South East Asia along with that of group companies
- Structure based on commodity buy philosophy
- Establishment of systems and processes for all purchases
- Procurement effectiveness is monitored by measuring:
  - I) Saving on account of Value Engineering
  - II) Negotiated Saving
  - III) Bottom Line Impact is measured through savings achieved against budget
- A specialised service provider for effectively executing reverse auctions

- Focus on transforming the Company into a leaner, more result oriented, process driven business organisation
- HR reorganisation to successfully move from geography centric to function-wise business model
- Redefining HR structures and budgets for verticals
- Creation of a single pool of specialised project related manpower, which is deployed across different projects
- New performance management system launched
- Introduction of the National Pension Scheme as an additional retirement benefit
- HR practices benchmarked with the market by conducting the 'Great Place to Work' Survey

- Positioned as a proactive business partner fulfilling the requirements for strict processes and controls within the Company
- Key role in the establishment of all processes and systems including CPG
- Replication of the CPG purchasing process on ERP with controls, so that no purchase related documentation is done outside the IT system
- The complete centralised treasury management for Finance is now done through the IT systems resulting in effective control over cash management between the corporate headquarters and project sites
- Centralised inventories created for several functions like the HSE, Corporate Communication for data management and efficient working

- 65 acre manufacturing facility at Malanpur (Madhya Pradesh) with capability for large bed size precision machining and fabrication operations
- Component manufacturing for energy, aviation, defence and shipping sectors
- Complements some of company's EPC activities
- Multi-modal production approach
- Plant is accredited with ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Safety Management System), ISO 50001 (Energy Management) and AS9100C (Quality for Aerospace Standards)
- Niche repeat clients – Saab in Defence, INOX in Wind Energy, Andrez Hydrel in Hydrel, NPCIL in Nuclear, Toshiba in Gas based, Fincantieri in Shipping Services
- Active participation in new product introductions for global and Indian customers in aviation and artillery





## EXPERTISE

Engineering, Procurement, Construction of Oil, Gas, Water, cross country pipelines, in shallow water, swamp and marshy areas, near shore, offshore, flow lines and trunklines, Gas Distribution Grids, Horizontal Directional Drilling

## HISTORY

First pipeline project executed in 1985, 30 years of experience in the sector

Acknowledged as 'All terrain specialists' in the pipeline industry with experience of laying pipelines in mountains, rainforests, deserts and in snow.

Laid more than 11, 000 km pipelines world over.

## MILESTONE PROJECTS

- Sabah Sarawak Gas Pipeline, **Malaysia**
- Baku-Tbilisi-Ceyhan and South Caucasus Pipeline, **Turkey** and **Georgia**
- East West Gas Pipeline, **India**
- Dahej-Vijaipur Pipeline, **India**
- Gas Export Capacity Increase Pipeline, **Oman**
- Dabhol - Bangalore Pipeline, **India**
- Myanmar - China Oil & Gas Pipeline, **Myanmar**
- Strategic Gas Pipeline, **Qatar**
- Balongan-Jakarta Pipeline, **Indonesia**
- KAM Pipeline, **Kazakhstan**

# PIPELINES



## EXPERTISE

- Design, Engineering, Fabrication & Erection of storage tank/terminals for oil, water, chemicals, cryogenic applications (LPG and LNG)
- Tank Refurbishment

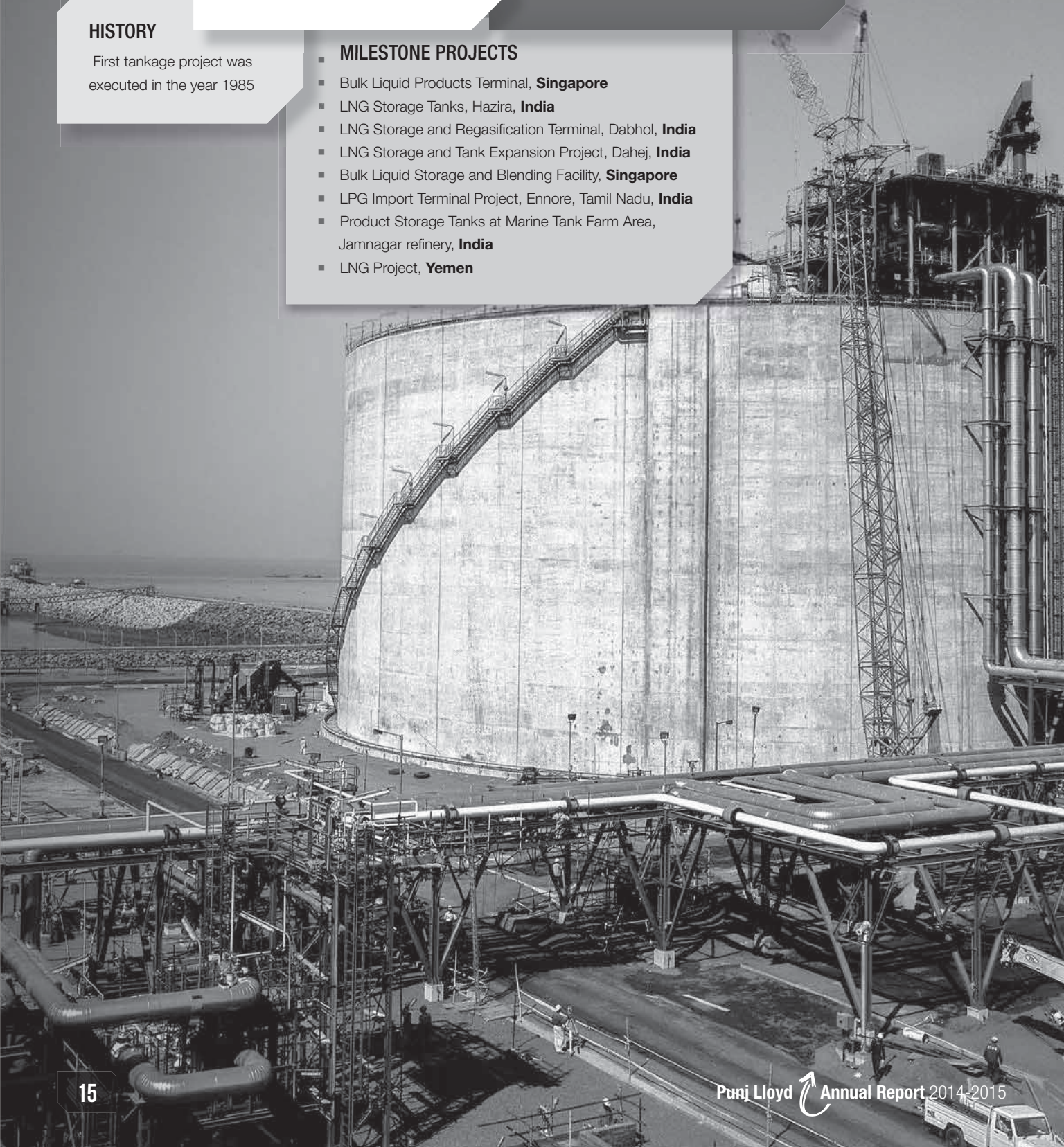
## HISTORY

First tankage project was executed in the year 1985

## MILESTONE PROJECTS

- Bulk Liquid Products Terminal, **Singapore**
- LNG Storage Tanks, Hazira, **India**
- LNG Storage and Regasification Terminal, Dabhol, **India**
- LNG Storage and Tank Expansion Project, Dahej, **India**
- Bulk Liquid Storage and Blending Facility, **Singapore**
- LPG Import Terminal Project, Ennore, Tamil Nadu, **India**
- Product Storage Tanks at Marine Tank Farm Area, Jamnagar refinery, **India**
- LNG Project, **Yemen**

# TANKAGE







# PROCESS

## HISTORY

First process plant was executed in 1985

## EXPERTISE

Engineering, Procurement and Construction work for refineries and petrochemical plants like hydrocracker unit, sulphur recovery, MTBE, CDU, VDU VBU and oil & gas field development projects

## MILESTONE PROJECTS

- Hydrogen Generation and Hydrocracker Unit, Haldia, **India**
- Motor Spirit Quality Upgradation, **India**
- Fuel Systems, New Doha International Airport, **Qatar**
- Process and Utility Facilities, Mangalore, **India**
- Visbreaker Unit and Sulphur Block, Manali Refinery, **India**
- Process and Utility Facilities at top side and inside Cavern, **India**
- Delayed Coker Unit and LPG Merox Block, Vadodara Refinery, **India**





## EXPERTISE

Engineering, procurement, fabrication and installation of offshore wellhead and process platforms, including topsides and jackets, risers, submarine pipelines, underwater cables and single buoy mooring systems

## HISTORY

First offshore project in 1997, first offshore pipeline project in 2002

## MILESTONE PROJECTS

- Heera Field Redevelopment, **India**
- South Utility Platform, **Indonesia**
- KE-40 Platform Deck Removal, **Indonesia**
- Uran Trombay Jawahardeep Oil Pipeline, **India**
- Panaran Pemping Gas Pipeline, **Indonesia**

# OFFSHORE



# BUILDINGS & INFRASTRUCTURE

## HISTORY

First project Sewerage and Storm Water System in 1991

## EXPERTISE

### Transportation

Metro Systems, Airports, Seaports

### Integrated Resorts and Buildings

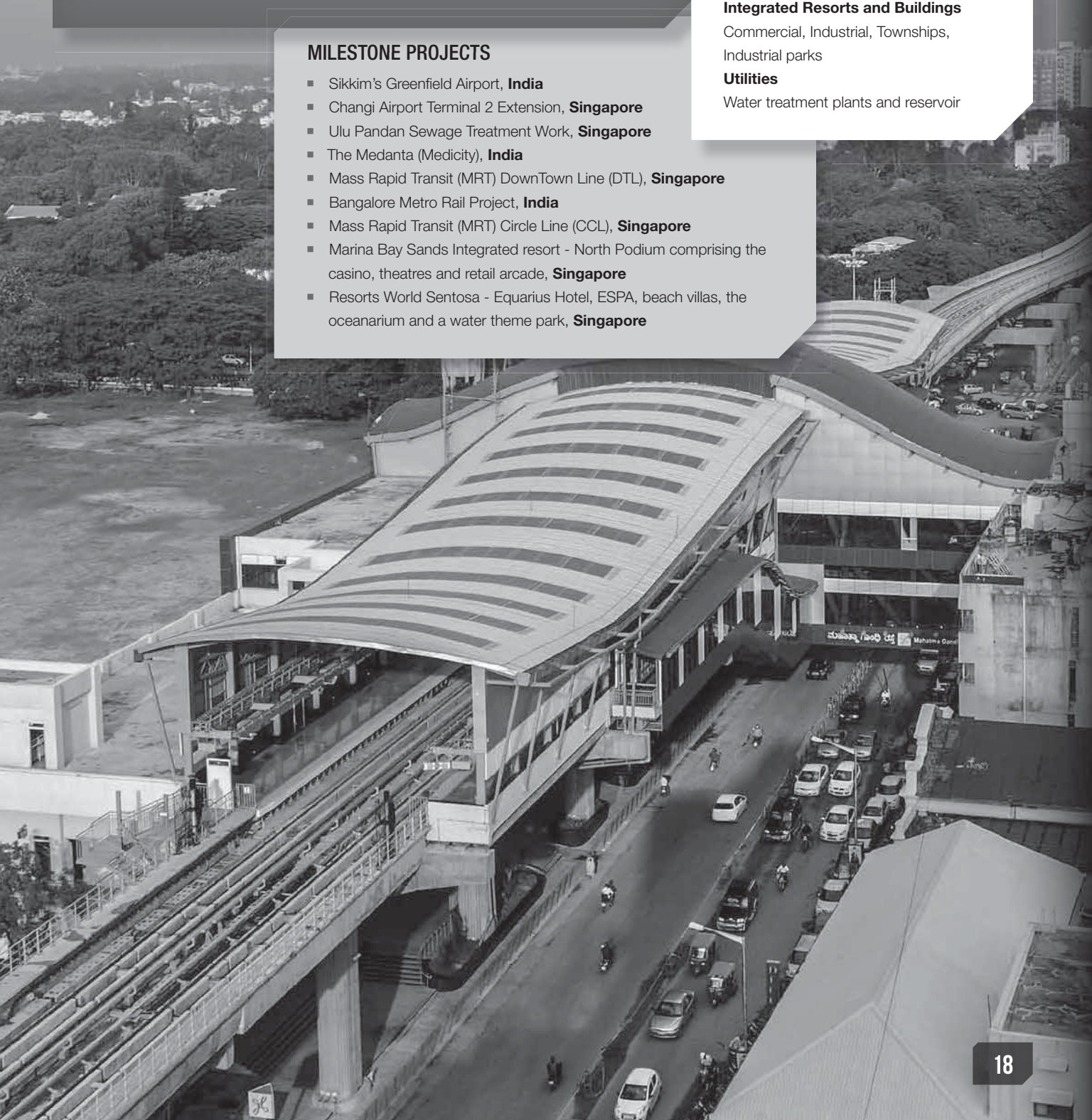
Commercial, Industrial, Townships, Industrial parks

### Utilities

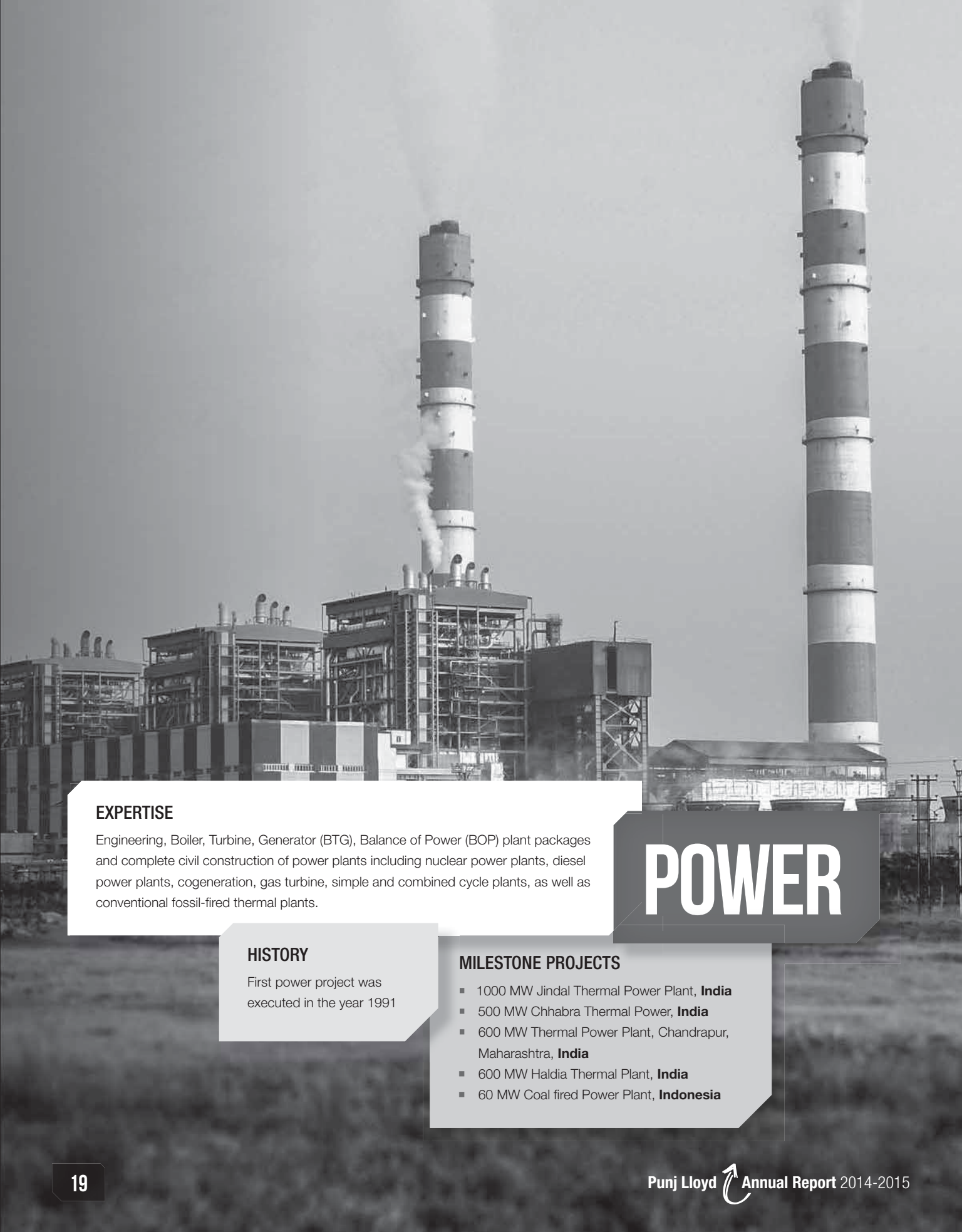
Water treatment plants and reservoir

## MILESTONE PROJECTS

- Sikkim's Greenfield Airport, **India**
- Changi Airport Terminal 2 Extension, **Singapore**
- Ulu Pandan Sewage Treatment Work, **Singapore**
- The Medanta (Medicity), **India**
- Mass Rapid Transit (MRT) Downtown Line (DTL), **Singapore**
- Bangalore Metro Rail Project, **India**
- Mass Rapid Transit (MRT) Circle Line (CCL), **Singapore**
- Marina Bay Sands Integrated resort - North Podium comprising the casino, theatres and retail arcade, **Singapore**
- Resorts World Sentosa - Equarius Hotel, ESPA, beach villas, the oceanarium and a water theme park, **Singapore**







## EXPERTISE

Engineering, Boiler, Turbine, Generator (BTG), Balance of Power (BOP) plant packages and complete civil construction of power plants including nuclear power plants, diesel power plants, cogeneration, gas turbine, simple and combined cycle plants, as well as conventional fossil-fired thermal plants.

# POWER

## HISTORY

First power project was executed in the year 1991

## MILESTONE PROJECTS

- 1000 MW Jindal Thermal Power Plant, **India**
- 500 MW Chhabra Thermal Power, **India**
- 600 MW Thermal Power Plant, Chandrapur, Maharashtra, **India**
- 600 MW Haldia Thermal Plant, **India**
- 60 MW Coal fired Power Plant, **Indonesia**





## EXPERTISE

Engineering, Procurement and Construction of national and international Roads, Highways and Expressways

## HISTORY

1st Road project, Vadodara-Halol Tollway, India in 1999

Constructed highways under the prestigious Golden Quadrilateral and the East West corridor in India

## MILESTONE PROJECTS

- Hyderabad Vijayawada Road, **India**
- Upgradation of Dharmavaram- Tuni Section of NH-5, Andhra Pradesh, **India**
- Yio Chu Kang Expressway Interchange, **Singapore**
- Upgradation of Belgaum- Maharashtra Border Section of NH-4, **India**
- KPE, longest subterranean road tunnel in Southeast Asia, **Singapore**
- Construction of Jaipur Bypass, **India**
- Upgradation NH - 31 of Khagaria to Purnea, **India**

# HIGHWAYS & RAILWAYS

# MANAGEMENT DISCUSSION AND ANALYSIS



## INTRODUCTION

Punj Lloyd Limited ('Punj Lloyd', 'PLL' or 'the Company') is a diversified EPC (Engineering, Procurement and Construction) conglomerate with a global presence in the energy and civil infrastructure sectors. Leveraging a strong foundation built on smooth delivery of challenging projects, high standards of safety and quality, skilled people and equipment assets, the Company has built long-lasting relationships with globally renowned customers.

The Company has a global outlook and focuses on projects

in emerging economies. Today, it has a wide presence across countries in South Asia, Middle East, Africa and South East Asia. This diversified business model has its advantages and disadvantages that need to be balanced meticulously. On the one hand, the business spread exposes the Company to risks that are naturally associated with entering new markets and socio-political environments. On the other hand, such heterogeneity of markets and sectors helps hedge the business against fluctuations in any particular market or region.

The core EPC business is developed through the parent Company, Punj Lloyd Limited, its Singapore-based subsidiary, Sembawang Engineers and Constructors (acquired in 2006), and the standalone engineering services provider, PL Engineering. In addition, Punj Lloyd has made investments in certain non-core businesses that include component manufacturing with a focus on defence, infrastructure development and oil & gas

upstream facilities.

Over the last four to five years, at a time when Punj Lloyd was on a rapid expansion path, there were external shocks from several quarters as well that warranted a realignment of the growth strategy.

- First, a global slowdown in infrastructure made bidding very competitive; and cutthroat pricing put severe pressure on margins that got eroded due to even small variations from planned execution schedules.
- Second, India – Punj Lloyd's main market – witnessed a virtual freeze in infrastructure investments.
- Third, several projects under execution were stalled or delayed by developers.
- Fourth, legitimate financial closures and payments for executed work were withheld by clients, resulting in an aggravated liquidity crunch in the system.
- Fifth, some of the Company's large markets like Libya witnessed major political disorder.

In this milieu, with liquidity at premium, Punj Lloyd had to resort to an incremental debt exposure to fund its on-going operations. The financial leveraging became unsustainable and warranted a meticulously planned corrective action. FY2015 was all about preparing the groundwork for successful implementation of a revised business strategy.

To begin with, the Company



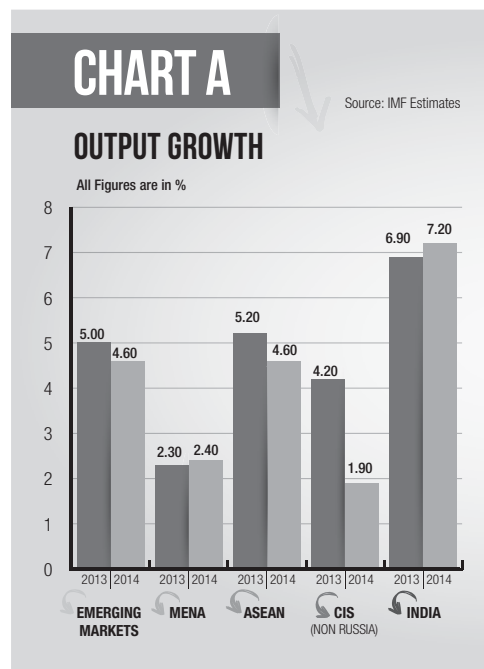
has adopted a modified business plan that realigns corporate objectives with realities of the present business scenario. The focus today is on optimising cash flows and de-leveraging the balance sheet – a goal that will require creating a leaner organisation, streamlining of processes and systems, focusing on efficiencies in project execution, minimising costs and strengthening risk management for new projects. During FY2015, while expending considerable energy on the projects under execution and growing the order book in a difficult market condition, the Company has taken several steps internally to create the foundations of an organisation that is better tuned to take up the challenge of turning around Punj Lloyd's business performance.

## MACRO ECONOMIC ENVIRONMENT



From a global macroeconomic perspective, two major factors had a strong bearing on Punj Lloyd's business. These were (i) the general economic slowdown in the emerging economies and, (ii) the sharp fall in oil prices during the second half of FY2015.

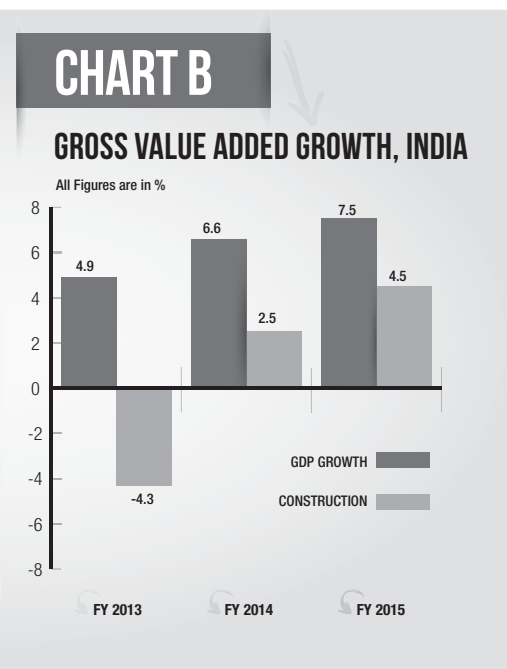
Estimates of the International Monetary Fund (IMF), as reported in the World Economic Outlook (WEO), April 2015, suggest that emerging markets and developing economies witnessed a drop in economic growth from 5% in Calendar Year (CY) 2013 to



4.6% in CY 2014. This growth is further estimated to reduce to 4.3% in CY2015. Some of the larger emerging economies have witnessed a growth slowdown; and the sentiments do not seem to augur well for investments in infrastructure, at least in the short run.

Among Punj Lloyd's key markets, Middle East and North Africa (MENA) continued to witness a low to moderate growth of 2.4% in CY2014; South East Asia (ASEAN-5) saw growth reduce from 5.2% in CY2014 to 4.6% in CY2015; the non-Russian CIS countries recorded a sharp fall from 4.2% in CY2014 to 1.9% in CY2015. Only India is an outlier, having recorded an improvement from 6.9% in CY2014 to 7.2% in CY2015. **Chart A** gives the details.

The Central Statistical Organisation (CSO) of the Government of India

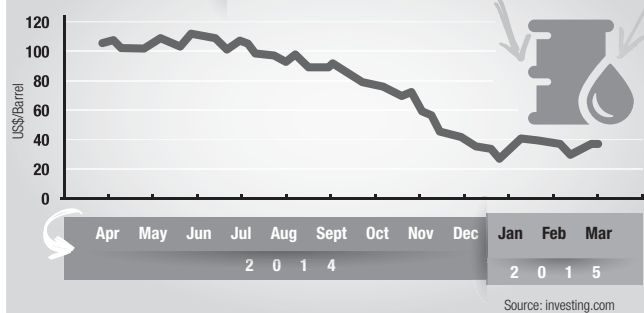


has refined and adjusted methods of calculating certain macroeconomic parameters. Consequently, a comparative analysis of long term trends is erroneous. However, data over the short term reflect a positive movement that is in line with the IMF estimates. Real Gross Value Added (GVA), which is replacing the traditional Gross Domestic Product (GDP), witnessed a gradual positive trend over the last three years – moving from 4.9% in FY2013 to 6.6% in FY2014 to 7.5% in FY2015. Construction activity in the country, which contracted by 4.3% in FY2013 is also on a revival mode with growth of 2.5% in FY2014 and 4.5% in FY2015. Having said so, it needs emphasising that these growth rates are still on the lower side and pale in comparison to the double digit numbers witnessed a few years earlier.

**Chart B** plots the CSO data.

## CHART C

### CRUDE OIL FUTURES (CLM-5)



The new BJP-led NDA government that took charge in May 2014 has sent positive signals with a spate of initiatives. Some of these will take some time to make an impact on the ground as the structural weaknesses in the economy run deep. However, there is renewed optimism in business sentiments that are translating into greater investments.

Foreign investors seem to have taken a positive cue from the developments. Not only have there been much higher foreign portfolio investments (FPI) into the stock market but also positive trends in the more sticky foreign direct investments or FDI. In fact, FDI into India increased by 24.5% from US\$ 36 billion in FY2014 to US\$ 44.9 billion in FY2015. Regarding portfolio investments, there has been over seven times higher net inflows in FY2015 compared to FY2014 – US\$ 40.9 billion in FY2015 compared to US\$ 5 billion in FY2014.

A corollary to the improved investor sentiments is that growth in gross fixed capital formation (GFCF), which had hit a low of

-0.3% in FY2013 and has steadily improved in the last two years to 4.1% in FY2015.

The other good news is the gradual easing of inflationary pressures. With inflation under control, the Reserve Bank of India (RBI) has signalled a steady lowering of interest rates with two successive cuts in the benchmark repo rate – reducing from 8% in December 2014 to 7.5% in April 2015. Going forward the RBI's monetary policy will balance the growth objectives with need to maintain stability in domestic prices and the rupee exchange rates.

Traditionally, Punj Lloyd has been a predominant EPC player in the oil and gas sector. The Company entered FY2015 with 34.5% of its order backlog related to oil and gas and offshore projects. Investments in oil and gas infrastructure have a strong correlation with the price of crude oil. On that score, FY2015 was a bad year. There has been a complete churn in the global oil and gas economy.

Four things have affected the sector. First, there is low demand because of weak economic activity, increased efficiency, and a growing switch away from oil to other fuels. Second, turmoil in Iraq and Libya—two big oil producers with nearly 4m barrels a day of combined production – did not affect global output. The market had more than enough crude oil to meet the demand. Third, USA became the world's largest oil producer. Though it

does not export crude oil, it now imports much less, which has created considerable excess supply. Finally, the Saudis and their Gulf allies decided not to sacrifice their own market share to keep prices up. Consequently, as **Chart C** shows, crude oil price reduced during the course of the year from levels above US\$ 100 a barrel to around US\$ 40 a barrel and is today trading around US\$ 60 a barrel. With such a steep fall in price, there has been a significant slowdown in projects under implementation in the oil and gas sector and new investments have mostly been put on hold. Thus, EPC contractors like Punj Lloyd who have established competencies in the sector, witnessed large erosion in market demand.

## THE INFRASTRUCTURE SECTOR



Global infrastructure development has been plagued by large number of projects being stuck in the pipeline. In an environment characterised by slowdown in economic activity coupled with rising public and private debt, putting the infrastructure development programmes back on track has become very challenging. Political uncertainty and regulatory reform are becoming key risk factors influencing global investment decisions, especially in long gestation and longer payback projects such as infrastructure.



Although some national governments, multilateral agencies and development banks are making efforts to unclog the existing infrastructure project pipeline, in the hiatus, EPC contractors like Punj Lloyd will have to continue to operate in a bearish and highly competitive market where industry growth is muted and careful calibrated decisions will have to be made in selecting projects that balance risks and returns.

In India, the investment climate is still plagued with structural issues of the past few years. For one, the country is trying to deal with the legacy of a large number of stalled projects. According to the Economic Survey 2014-15 by the Government of India, for every Rs.100 of projects under implementation, Rs.10.3 worth of projects are stalled – the bulk of these being in manufacturing and infrastructure. Within infrastructure, 80 stalled projects were related to electricity and power, where the primary issue is non-availability of coal linkages. The other 143 stalled infrastructure projects were related to construction and real estate, where the major impediment was the lack of adequate clearances.

This legacy of stalled projects has generated a vicious cycle of financial instability for infrastructure related companies and banks. Typically, when a project gets delayed a contractor is entitled to raise claims against all these cost over runs. These are

actual expenses incurred by the contractor for such delays. In an environment of stalled projects, India has witnessed a massive build up of claims initiated by construction companies on their customers. While there is a prescribed arbitration mechanism that includes a hearing and settlement system supervised by an arbitration panel selected by both disputing parties, this process has not been effective with most disputes being taken by the clients to the courts. Inability to recover much of these expenses has affected the balance sheet of construction companies, which in turn has resulted in defaults on obligations to lending agencies, which are primarily banks.

In a welcome move, the

Government of India has initiated a bill on revising arbitration processes to make them more effective. Till this becomes the law of the land, the pain of long drawn dispute processes for claims will continue.

That India needs large scale investments in infrastructure to sustain high growth is known. While there have been various problems in infrastructure development in India, it is also true that the new government at the centre is taking strides in the positive direction. For instance, the Government of India has significantly increased allocation of investments in infrastructure in the Union Budget 2015-16 by Rs.70,000 crore, with a focus on railways and roads.



## BUSINESS PERFORMANCE



In a nutshell, the business environment in the last few years has not been conducive for fast growth. Regarding Punj Lloyd, not only have customers slowed down progress in projects, but also the Company's strained balance sheet has led to working capital pressures that have impeded swift project execution on some fronts.

Since the financial numbers of a project-based company like Punj Lloyd is based on a percentage to completion method of accounting, revenues and variable costs are booked on the basis of progress in project execution while fixed costs like establishment cost, finance costs and depreciation are all booked on actual expenses of the period. In FY2015, the revenues have dropped sharply due to a sizeable order book remaining stalled in Libya where work could not be

undertaken and a slowdown in addition to the order book as at the beginning of the year. These have not been in line with fixed costs, resulting in losses.



## FINANCIAL MANAGEMENT

Under these conditions, naturally, the Company's financial position was under considerable stress. Generating adequate liquidity to support business operations was a challenge. Punj Lloyd, consciously decided to seek the support of its over 35 banks and lenders to work on a Rectification Plan rather than a Restructuring Plan.

This exercise has translated into a Corrective Action Plan for the business, which will be able to sustain the commitments of the revised financial obligations. From a financial point of view, through a mechanism of refinancing and further extension of fund based and non-fund based facilities being extended for working capital, the Company will be able to optimise debt servicing burden, correct the cash flow mismatch and to ensure adequate liquidity for executing orders at hand.

The Company has been successful in securing approvals and sanctions from well over a majority of the lenders and the facilities should be executed soon. This revised financial scheme will also achieve a more efficient banking arrangement.



## RESULTS SNAPSHOT

**Table 1** lists an abridged profit and loss account of the Company as a standalone entity as well as on a consolidated basis.

Punj Lloyd is going through a phase of business correction. There is now much greater focus on strengthening the core EPC business by growing the order book to bring the scale of operations at par with the size of the Company's organisation. While doing so, there is continuous focus on enhancing internal efficiencies. For the non-core businesses, while the Company will continue to take steps to create value, it will also seek strategic opportunities to monetise some of the underlying assets and help deleverage the Company's balance sheet.

On all these fronts, there have been some positive developments in FY2015 and the seeds of a turnaround have been sown.

For instance, thanks to concerted efforts, Punj Lloyd's order booking in FY2015 was more than what it achieved in the two year period between FY2012 and FY2014. Consequently, the order backlog on a consolidated basis has increased to Rs. 21,152 crore as on 31 March 2015. This provides a respectable foundation for the Company's revenue generation capabilities in the next few years.

Internally, the Company's organisation structure has been realigned with greater functional focus and performance

**TABLE 1**

**PUNJ LLOYD'S FINANCIAL PERFORMANCE IN FY2015** (Rs. Crore)

	Standalone		Consolidated	
	FY15	FY14	FY15	FY14
Revenue	4,882	8,229	7,090	10,855
Other Incomes	807	282	785	319
<b>TOTAL INCOME</b>	<b>5,689</b>	<b>8,511</b>	<b>7,875</b>	<b>11,174</b>
Cost of Sales	(5,128)	(7,483)	(7,624)	(10,536)
<b>EBIDTA</b>	<b>561</b>	<b>1,028</b>	<b>251</b>	<b>638</b>
<b>EBIDTA%</b>	<b>10%</b>	<b>12%</b>	<b>3%</b>	<b>6%</b>
Finance Cost	(860)	(771)	(1,002)	(882)
Depreciation	(314)	(245)	(470)	(392)
<b>PBT</b>	<b>(613)</b>	<b>12</b>	<b>(1,221)</b>	<b>(636)</b>
Tax	106	(4)	67	(8)
<b>PAT</b>	<b>(507)</b>	<b>8</b>	<b>(1,154)</b>	<b>(644)</b>

accountability. Key support functions of purchase, information technology and human resource have been repositioned as business enablers with direct impact on the Company's operational efficiencies. The entire process of management of health, safety and environment has been made more proactive and developed as a key differentiator for Punj Lloyd as a business brand.

With the sale of the Company's 17.7% shareholding in Global Health Private Limited, which owns the Gurgaon based Medanta Medicity hospital, there has been the first significant accomplishment in planned debt reduction through monetisation of non-core assets. There have also been much more focused efforts at staking claims for various issues related to delays and stalling of projects by customers. Many of these claims are in the arbitration process and the Company expects some recoveries in the next couple of years.

## ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) BUSINESS



While the Company has capabilities of a full EPC service provider, most of its business deals with engineering and construction projects. This business is executed by the parent Company (Punj Lloyd Limited), its Singapore-based subsidiary (Sembawang Engineers and Constructors) and

PL Engineering, a standalone engineering service provider.



### PUNJ LLOYD LTD

FY2015 witnessed a major exercise in internal organisational restructuring. The primary aim of this was to move from a region-specific to a business segment specific organisational model that could better leverage the Company's functional experience and benefit from economies of scale. This transition was initiated from 1 April 2014. The new structure has a matrix layout with business verticals and common functions under each of them. These, in turn, are supported by the central support functions. With this, today, the Company has a more focused management system with greater levels of transparency and accountability.

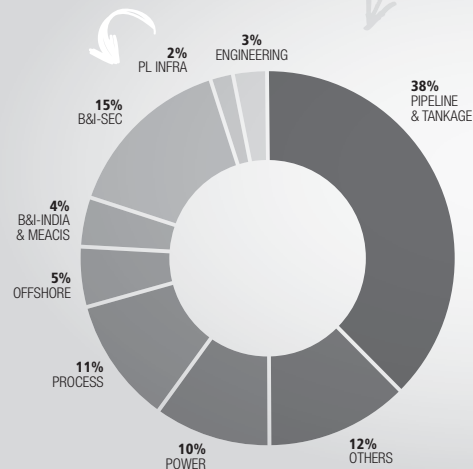
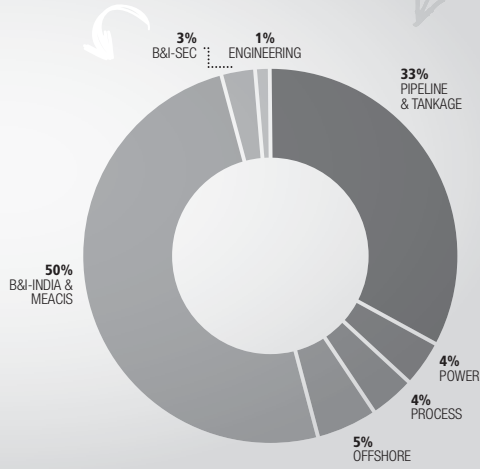
In terms of operation, the verticals under the revised organisation structure include:

- Pipelines and Tankage
- Process
- Offshore
- Power
- Buildings and Infrastructure (including highways, mass rapid transport systems and railways).

These verticals are supported by core functions including the central procurement group (CPG), human resources (HR), information technology (IT) and the health, safety and environment (HSE) function.

In addition, the Company has set up a team that looks at strategic initiatives which focuses on customers for business development using a model of key account management. The team's activities include identifying, exploring and developing relationships and network to secure large contracts that are typically on negotiated terms. The project values are usually over US\$ 200 million each and spread across all the operational verticals. This team has started making inroads and was successful in securing three projects during FY2015. These include:

- The mega Rs. 3,515 crore (US\$ 581 million) Rapid Tank Farm order from PRPC Refinery and Cracker Sdn. Bhd, a subsidiary under the Petroliaam Nasional Berhad (Petronas) group – Malaysia's national energy company. The tank farm is part of the Refinery and Petrochemical Integrated Development (RAPID), in Pengerang, Johor, Malaysia. The scope of work includes project management, design, engineering, interface with other contractors and third parties, procurement, construction, inspection and testing, pre-commissioning and commissioning.
- Project for expansion and revamping of Ahmadi Depot, Kuwait, awarded by the Kuwait National Petroleum Company (KNPC). The contract, valued at Rs.1,418 crore (US\$ 236.09 million), is scheduled to be

**CHART D****VERTICAL WISE REVENUE OF THE GROUP****CHART E****VERTICAL WISE ORDER BOOK OF THE GROUP****TABLE 2**  
**VERTICAL-WISE REVENUES**  
**OF THE GROUP** (Rs. crore)

REVENUE	AMOUNT
Pipeline & Tankage	2,698
Others	832
Power	704
Process	784
Offshore	383
B&I-India & MEACIS	318
B&I-Sembawang (SEC)	1,031
PL Infra	125
Engineering	215
<b>Total</b>	<b>7,090</b>

**TABLE 3**  
**VERTICAL-WISE ORDER-BACKLOG**  
**OF THE GROUP** (RS. CRORE)

REVENUE	AMOUNT
Pipeline & Tankage	6,891
Power	936
Process	844
Offshore	1,015
B&I-India & MEACIS	10,566
B&I-Sembawang (SEC)	727
Engineering	173
<b>Total</b>	<b>21,152</b>

completed in 35 months. The scope of work includes detailed engineering, design, procurement, construction and commissioning of 11 new floating roof product tanks with a capacity of approximately 228,000 cubic metres. It also includes allied civil work, interconnecting piping, construction of multiproduct loading points, sub-station with all electrical systems including emergency power supply and control building besides replacement of depot automation systems, integration to the new tank gauging system, upgrading of existing Vapour Recovery Unit (VRU), cathodic protection system with remote monitoring, fire protection system and all utility packages. With this project, Punj Lloyd has entered a new geography – Kuwait – which is the Company's 23rd country

of operation, and holds great potential for more projects.

- Construction of a 42 km, 2x3 lane dual carriageway project between Doraigh and Noubat Dokaim from the Ministry of Public Work and Highways, Yemen. This project, valued at Rs.1,270 crore (US\$ 211.41 million), is funded by the Saudi Development Fund (SDF). Unfortunately, this project has not taken off due to the political and armed turmoil in Yemen.

**Chart D** and **Table 2** give the distribution of Punj Lloyd's revenues across verticals on a consolidated basis. Pipelines and Tankage, which are related to the oil and gas industry, continue to dominate in terms of contribution to revenues, even though along with Sembawang, the B&I segment is gaining share.

**Chart E** and **Table 3** give the vertical-wise spread of the

Company's order backlog. While Pipelines and Tankage continue to have a strong presence, the largest vertical in the order book as on 31 March 2015 is Buildings and Infrastructure. This reflects Punj Lloyd's ability to adjust its business strategy and shift focus away from the oil and gas segment in favour of civil infrastructure, which is witnessing larger opportunities particularly in the MENA region.

## PIPELINES AND TANKAGE

Punj Lloyd has grown by leveraging its core strength in delivering energy related projects. Today, it is one of the leading pipeline contractors in emerging markets. These cover onshore projects that include work on field development and pipelines including cross-country pipelines. The Company has also gained recognition for construction of large scale Tankage and Terminals, ranging from cryogenic double walled full containment tanks to atmospheric floating and fixed roof storage Tanks and Terminals. In fact, Punj Lloyd and its subsidiaries have constructed three LNG and LPG tank farms in India and over 300 tanks globally.

In FY2015, Pipelines and Tankage constituted 38.1% of the Company's revenues and 32.6% of the Company's order backlog.

## PROJECT UPDATE

For Pipelines business in India, the focus has been on sorting issues

of existing or stalled projects under execution and, wherever possible, closing out open ended subjects, including raising claims from customers. This is true for the three stalled projects: the Hazira-Dahej naphtha pipeline, the Dahej-Vijaipur pipeline for GAIL and the Kochi-Kuttinad (Spreads 6 and 7) pipeline for GAIL. For the Vijaipur-Kota pipeline for GAIL, the contract has been closed, punch list approved and complete closure is expected in the first half of FY2016.

Tankage projects in India at various stages of completion and contractual disputes are being sorted out with a focus on minimising liquidated damages. This is applicable for the CPCL sulphur tanks, the project on engineering, procurement, construction and commissioning (EPCC) basis for Indian Strategic Petroleum Reserves Limited (ISPRL) at Mangalore, Karnataka and various up-gradation work for the Mangalore Refinery.

Punj Lloyd has a large portfolio of projects in the Middle East and South East Asia under this vertical. These projects have moved to various levels of completion in FY2015.

## QATAR

- **Polysilicon Project – Train 1 and 2:** The Company has completed 90% of the project and, provided other contractors perform, the project will be complete by the end of FY2016.
- **Strategic Gas Pipeline for**

**Qatar Petroleum:** While two pipelines were commissioned in FY2012, with the supply line not ready, the customer has not been willing to take this over. Discussions are on for commercial closure.

## UAE

- **EPC of Shah Gas Gathering Project – Package 1 for the Abu Dhabi Gas Development Company Limited:** This was a complex technical project, which was successfully completed in July 2014 and commissioned in November 2014 with gas supplies starting in January 2015. The quality of execution was appreciated by the customer by declaring a bonus and bestowing the title of best performing contractor to Punj Lloyd
- **The Spiking Project** was ready for commissioning in October 2014. At present, commercial closure discussions are on with the customer.
- **ADCO Tie-in Field Development** is under discussion for commercial closure, after which some additional work is expected
- **Gulf Fluor:** This erstwhile Simon Carves project includes construction of the sulphuric acid plant. The plant was commissioned in August 2014. Presently, however, arbitration process is on.
- **The ENOC Project of Jet Fuel Tank Farm and Pipeline** from Jebel Ali to Dubai International Airport has

achieved commissioning in March 2014 with the pipeline being commissioned in FY2015. Discussions are on with the customer for financial closure.

## SAUDI ARABIA

- **SATORP:** The port tank farm for Saudi Aramco and Total, awarded to a joint venture of Dayim-Punj Lloyd was commissioned in FY2014. Commercial closure and punch list was achieved in FY2015 and settlement payments received post the balance sheet date.
- **SP2:** Utility and export pipelines for Saudi Aramco and Sinopec were completed as per original project scope. The customer has given some additional work that is expected to be completed by the end of the year.

## LIBYA

- **TMGP and KTGP:** These two projects were under hold since the revolution started in Libya in February 2011. The current political situation remains volatile and projects remain incomplete. Punj Lloyd is in constant touch with the customer who has released some payments and even settled a variation order.

## MALAYSIA

- **Sabah - Sarawak Pipeline:** The project achieved mechanical closure in December 2014. There has





been a need to re-route the pipeline due to land related issues. This will entail additional orders for Punj Lloyd. However, the Company is first settling the commercial issues related to this difficulty.

- **Vale:** Electro-mechanical work was completed in October 2014 and Punj Lloyd is working on financial closure.

## MYANMAR

- **The Myanmar-China Oil and Gas Pipeline:** Punj Lloyd has been working on 200 km of the 450 km gas line and 180 km of the oil line. The work is around 90% complete with the gas pipeline being commissioned in FY2014. For the oil pipeline, Punj Lloyd is ready with completion but the client is not ready with the receiving station. This delay has led to a commercial issue, which is being actively solved.

In terms of new projects, the two large orders secured in Kuwait and Malaysia by the

Strategic Initiatives team, fall under the Pipeline and Tankage vertical. The Company is also actively exploring opportunities in South America, bidding in Eastern Europe and looking to leverage opportunities in Africa.



## PROCESS

Punj Lloyd has been executing a gamut of process units for refineries whether it be greenfield or upgrading of existing refineries. The Company caters to the need for capacity expansion with upgrading of various units like hydrogen and hydrocracker, MSQ up-gradation and coke drum, simultaneously contributing to meeting newer environmental directives. It has also delivered many process units ranging from sulphur blocks and visbreaker to petro-fluid catalytic cracking (PFCC) and methyl tertiary butyl ether (MTBE) projects. For the petrochemical industry, Punj Lloyd has been involved in all stages of the polymerisation process, including those associated with

the production of low density polyethylene (LDPE) and linear low density LDPE.

The process vertical contributed 11.1% of the Company's revenues and 4% of the unexecuted order book as on 31 March 2015.

## PROJECT UPDATE



While the Company did bid for a couple of projects, it did not secure any new contracts for this vertical during FY2015. Among the projects under execution, the largest share was for Shell's lube oil blending project in Singapore. Some small work is being executed at the Paradeep Refinery.

The Company is actively bidding to increase its process portfolio. This includes bids for compressor stations in Greece and Albania, which are part of a trans-European gas pipeline.



## OFFSHORE

Punj Lloyd has been providing engineering, procurement,

fabrication and installation services for offshore wellhead and process platforms, including topsides and jackets, risers, submarine pipelines, underwater cables and single buoy mooring systems in India, South East Asia and Middle East.

The offshore vertical contributed 5.4% of the Company's revenues and 4.8% of the unexecuted order book as on 31 March 2015.

Due to the prevailing market conditions characterised by lower margins and high competition, the Company's offshore vertical has revised its business strategy and focused on completing the projects under execution instead of participating in low margin bids. In addition, there have been concrete efforts to reduce capital outlay. The update on the major projects being currently executed is given below:

- **Gujarat State Petroleum Corporation Limited (GSPC)** awarded a contract for submarine pipeline on a lump-sum turnkey basis: The scope of work includes a 20" OD pipeline (approximately 24.5 km), a 10" OD pipeline (approximately 15 km), optic fibre cable and onshore work. After some initial environment related issues, the Supreme Court gave a go ahead order for Stage 1 of the Project. Punj Lloyd is continuing with its work and has finished the mechanical part of the offshore contract and 'gas-in' has been achieved in May 2014.

A small portion of the work remains to be completed along with all issues related to documentation. The Company expects to complete this by the second quarter of FY2016. The customer has provided proactive support by releasing money in time and settling legitimate claims. This has helped in on-time delivery.

- **WO16 cluster and SB14 Pipeline Project in Bombay High from ONGC:** The scope includes laying of 122 km of submarine pipeline, risers and I/J tubes, modification of existing facilities, hook-up and testing. The project was hit by the unfortunate accident of one of the barges in operations. The barge has since been salvaged but due to pipes being lost and reordering of new line pipes, the pipe laying activity got delayed and could only be taken up in FY2015. The Company has sub-contracted the entire remaining scope of work under this project to a third party. It is now expected to close by the end of third quarter of FY2016.

- **British Gas awarded a prestigious offshore contract in the Panna oil and gas fields, offshore Mumbai, India:** This was for the installation of pipeline end manifold (PLEM), PLEM piles and 1.54 km of a 12" dia pipeline and a CALM buoy, replacing the existing single point mooring system. The project was successfully

completed and handed over to the client during FY2014. British Gas has issued an Acceptance Certificate to the Company in FY2015.

- **Composite work for laying of 30 km LPG pipeline (onshore and offshore) from BPCR / HPCR to Uran for Bharat Petroleum Limited:**

While claims settlement by the client is still pending, Punj Lloyd remobilised resources and achieved mechanical completion in August 2014. Settlement of claims between the client and Punj Lloyd is currently under arbitration.

- **Installation of three compressor units for the Platform Compressor station on the PTT Riser Offshore Platform in**

**Thailand:** Around 96% of the project has been completed but there have been some extraneous factors in the past due to which the project got delayed substantially. Due to lack of resolution of change order and claims thereof, the project underwent financial constraint and the Company had to demobilise resources. Punj Lloyd subsequently re-initiated discussions with the client and has remobilised resources at the project site for completing the remaining work. The claims on change orders are being discussed in parallel.

- **New Hout Pipeline Project in Al-Khafji, Saudi Arabia from Al-Khafji Joint Operations:**

Worth Rs.314 crore (US\$ 57.75



million), the project has been delayed on account of changes in laws and regulations in the Kingdom of Saudi Arabia. The Company has submitted change orders and claims to the client. A number of discussions were held to find a win-win solution for both the client and the Company. Punj Lloyd has completed major portions of engineering and procurement activities; and is working on a subcontracting strategy to execute the balance scope of work.

■ **B-127 cluster Pipeline**

**Project in Mumbai from**

**ONGC:** The project is worth Rs.730 crore. Punj Lloyd's scope of work includes detailed engineering designs, surveys, procurement, fabrication, load-out, tie down/sea fastening, low-out / sail out, transportation, installation, hook-up, pre-commissioning and commissioning of 115.5 km rigid submarine pipelines in nine segments; relocation of

existing single buoy mooring; installation of new PLEM along with anchor piles; and topside modifications of four existing platforms. The project was halted throughout FY2015 due to issues that were outside Punj Lloyd's control. The Company has had multiple rounds of discussions with the client on issues impacting the project, and is hopeful of a solution.



Despite long term promise, the power sector in India has been buffeted by strong headwinds. The thermal energy segment continues to suffer from inadequate support from coal suppliers, lack of coal block allocations and financial stress on account of politically determined low tariff rates. And while nuclear energy is getting the attention of the policy-makers, not much has happened in terms of actually augmenting generation capacities.

For the Company, the vertical faces a diminishing order book. The challenge is to rebuild a strong order pipeline. There have been some strategic shifts to fulfil this objective. For one, the scope of projects being bid for has been expanded to transmissions, substations and distribution. For another, there is a conscious effort to increase presence in international markets. Besides, emphasis is on taking up contracts for renewable

energy, especially solar, where the Company can build on credentials gathered by successfully executing construction of solar power plants. With this strategic shift, the vertical has started its journey to create a sustainable order backlog.

In FY2015, power accounted for 9.9% of revenues and is 4.4% of the unexecuted order book at the end of the year.

## PROJECT UPDATE

Considerable momentum has been achieved in the projects under execution. Both units of the 2 x 300 MW Haldia Thermal Power Project for CESC have been commissioned. COD has been accomplished for both the units of the 2 x 300 MW Dhariwal Thermal Power Project, also for CESC. For the 2 x 270 MW GVK Thermal Power Project, both units have been synchronized.

The projects under Nuclear Power Corporation of India Limited (NPCIL) in Rajasthan and Gujarat are progressing well. The client has been proactive and supported the project execution process by providing advances to meet working capital requirements.

The 3 x 18 MW thermal power project for CKP in Indonesia had been lagging. Punj Lloyd has succeeded in arresting this slowdown by forcefully pushing execution. The first unit is expected to be ready by December 2016. The customer has provided for cost over runs and given a time extension.



## BUILDINGS AND INFRASTRUCTURE

Punj Lloyd has consciously increased its emphasis in this vertical. This is being achieved through development of new businesses and assertive participation in MRTS / railways, buildings and utilities markets in South Asia, MENA and South East Asia. Market conditions have also been favourable to this business, and its share in the Company's revenues has increased to 4.5% in FY2015; and in the order backlog to 50% as on 31 March 2015. This is excluding Sembawang, which is also primarily a B&I player.

## PROJECT UPDATE

### ■ AS – 4 Road Project:

Widening and strengthening of existing 2-lane to 4-lane of the Guwahati-Nalbari Section of NH-31. The project is near completion.

### ■ Sikkim Airport Project:

Construction of a greenfield airport in Pakyong, Sikkim, which includes earthwork in filling, the world's highest reinforced retaining wall, drainage systems including culverts, aerodrome pavements, and others. The project was affected by local village level disturbances related to land that stopped work in the short non-monsoon season.

### ■ Tata Capitol Heights: Civil, structure, waterproofing and auxiliary work for construction



of an integrated residential and retail complex called Capitol Heights in Nagpur. This is nearing completion.

### ■ BMRCL Reach II:

Construction of three elevated metro stations at Bengaluru, viz. Magadi Road, Deepanjali Nagar and Mysore Road including viaduct portion of track within stations. This is nearing completion and trial runs have already started.

### ■ Anpara Railway Project:

There has been considerable progress on earthwork in formation, ground improvement, construction of bridge, P-Way work, workshop building, S&T, electrical and other miscellaneous work in connection with augmentation of MGR system and the railway siding at the Anpara 'D' 2 x 500 MW thermal power plant project.

### ■ AIIMS Building Project: This

involves construction of the medical college and hostel complex. It includes project planning, construction of civil work including finishing, electrification, plumbing and

all building services for the Ministry of Health and Family Welfare. The project is more than 80% complete. The college is already in operation.

### ■ Delhi Police Housing:

It primarily entailed the development, operation and maintenance of a residential zone of over 5,000 units (covering approximately 40 lakh square feet), along with utilities such as sewerage and water treatment. It also included development and commercial operations of non-residential infrastructure such as schools, healthcare, convenience shopping, as per the norms laid down in the Delhi Master Plan 2021. Unfortunately, there have been legal issues at the customer's end and the project has not yet commenced.

### ■ Belgaum Maharashtra Road Project: This is under operation and maintenance.

### ■ Khagaria-Purnea Road Project: This project is also under operation and maintenance.

### ■ Integrated Infrastructure Work of Zliten City Libya

**and construction of 42 km, three lane dual carriageway in the Republic of Yemen:**

The project has been stopped due to major political and military strife in the country.

The following projects have been commissioned:

■ **AS1 Road Project:**

Strengthening and widening of the existing single lane to four-lane of the Silchar-Balachera section of NH-54 in Assam.

■ **AS5 Road Project:**

Strengthening and widening of the existing single lane to four-lane of the Kamrup-Rangia section of NH-31 in Assam.

■ **Reach III BMRCL:**

Construction of three elevated metro stations in Bengaluru, viz. Rajaji Nagar, Kuvempu and Malleshwaram, including viaduct portion of track within stations

■ **ASF Insignia Building**

**Work:** Construction of an IT SEZ building with three-level basements including civil, masonry, structural, waterproofing, plastering, internal, external and basement

finishing, external development and façade work.

Punj Lloyd successfully secured a Rs.666 crore EPC highway contract – AH 48 project – from the Ministry of Road Transport and Highways (MoRTH) for 90.57 km of the Asian Highway network.

The Asian Highway Network is a part of the Asian Land Transport Infrastructure Development (ALTID) project being supported by United Nations Economic and Social Commission for Asia and the Pacific (ESCAP); it is a cooperative project for improving transport facilities throughout 32 nations and providing road links to Europe.

The scope of work comprises rehabilitation and upgrading to 2/4-Lane of Bhutan Border at Pasakha to Bangladesh Border at Changrabandha covering the Jaigaon, Hasimara, Dhupguri sections and the Mainaguri-Changrabandha section.

The project is scheduled for completion in 30 months.

Despite being relatively new in the B&I space, Punj Lloyd's delivery quality has been well established. The BMRCL and the Government of Karnataka have chosen the Rajaji Nagar Station, being constructed by PLL, to inaugurate Reach III of the Bangalore Metro. Earlier, the MG Road station, also built by PLL, was chosen for inauguration in Reach I.

In the short to medium term, the infrastructure sector in South Asia and MENA offers innumerable opportunities in

transportation – such as metro systems, airports, highways and expressways to the entire gamut of buildings, residential colonies and industrial parks. Punj Lloyd is well positioned to leverage these opportunities.

**SEMBAWANG ENGINEERS AND CONSTRUCTORS PTE LIMITED**



Sembawang Engineers and Constructors (or Sembawang) is one of the largest project development and delivery groups in South-East Asia with a global presence. It specialises in complex projects such as mega infrastructure, high-rise building and utilities work. With a history spanning over 33 years, Sembawang has received many awards and accolades from industry authorities, such as Lloyd's Register Quality Assurance Limited, Singapore Productivity and Standards Board, and the Building & Construction Authority of Singapore. The company offers a full spectrum of project development and delivery solutions classified under the Buildings, Infrastructure, Utilities and Mining sectors.

■ **Buildings:** Sembawang offers key construction solutions to a wide range of building projects, comprising residential and commercial buildings, as well as highly sophisticated special purpose structures. Its comprehensive construction management expertise



allows consistent delivery with impeccable quality and exceptional efficiencies.

- **Infrastructure:** The track record of its infrastructure business comprises a range of complex projects, including underground metro stations, expressways, airport buildings, shipyard and tunnels, as well as plants and supporting facilities of various scales.
- **Utilities:** Sembawang builds a diversified range of environmental projects and power plants, as well as providing full coverage of industry-supporting services tailored to meet specific needs of plant owners and operators, including maintenance and operations services.
- **Mining:** Mining investment and development is Sembawang's latest venture, with the acquisition of green-field coal mines in Indonesia. It includes construction of the entire infrastructure, apart from the mining operations and support work. This business has been kept in abeyance given the prevailing negative cycle in coal prices.

Over the last few years, Sembawang has spread its global presence outside of Singapore into Malaysia, Indonesia, Hong Kong SAR, China, United Arab Emirates and Bahrain.

## PROJECT UPDATE

- **The Lower Seletar Water Work,** a project worth SG\$

180.6 million, was completed in February 2015 with minor balance work being done.

- **Two stations and the tunnel for MRT Downtown Line 2, Singapore:** Around 95% of work is complete. The project is valued at SG\$ 378.2 million and is scheduled for completion in the second quarter of FY2016.
- **Changi Prison Complex, Singapore:** Work on the new prison headquarters is around 75% complete. Valued at SG\$ 118.5 million, this project should be handed over to the customer in the second quarter of FY2016.
- **McNair Towers in Kallang Whampoa:** These involve four blocks of buildings for the Housing and Development Board of Singapore, and is valued at SG\$ 106.6 million. Sembawang has attained 67% completion in one of these buildings and full completion and hand-over is expected by the end of FY2016.
- **The Resort World Sentosa project:** Worth SG\$ 419 million, this was completed in 2012. It attained financial closure with settlement of claims in November 2014.
- **Diamond Hill Station, Hong Kong:** Sembawang is executing the construction work for this project of value SG\$ 260 million as a joint venture where it holds 55% stake. By the end of FY2015, around 67% of the project had been completed.



## NEW BUSINESS

Sembawang is executing around SG\$ 100 million worth of civil work in the RAPID tank farm project in Singapore, which was secured by the Punj Lloyd group in FY2015.

In 2014, the company launched a new initiative for project management services (PMS) with initial focus on the Middle East. In December 2014, it secured its first PMS contract for a customer in Dubai who is in the hospitality business. The customer is developing hotels in Dubai with a new concept that caters to the budget traveller and is expected to expand across the Middle East. The project is at a conceptual stage.

## RECOGNITION

For the Lower Seletar Water Work project, Sembawang's impeccable safety record was recognised and the company received 90% of the bonus for



good safety performance on site. For the Singapore metro project, Sembawang was recognised for its environment management practices and received a certificate of merit from the Singapore Land Transport Authority in 2014.

## PL ENGINEERING



The true mettle of a construction company's engineering competencies is when these are recognised and accepted by external customers. Developing a strong foundation in engineering has been at the core of the Punj Lloyd Group's business strategy. Over the years, it has consciously focused on developing engineering capabilities that are world class which can

independently compete in the external market. This is precisely what PL Engineering – the Company's engineering subsidiary – does. It bids for standalone engineering projects in addition to internally supporting Punj Lloyd's engineering requirements.

Today, PL Engineering (PLE) is a full spectrum design and engineering company that provides services in energy, product and infrastructure sectors. It operates through a network of delivery centres in India and abroad that leverages the benefits of client facing technology offices with cost effective and efficient back-end delivery from India. The business has grown steadily. In FY2015, around 70% of its consolidated revenues were generated from businesses outside the Punj Lloyd group.

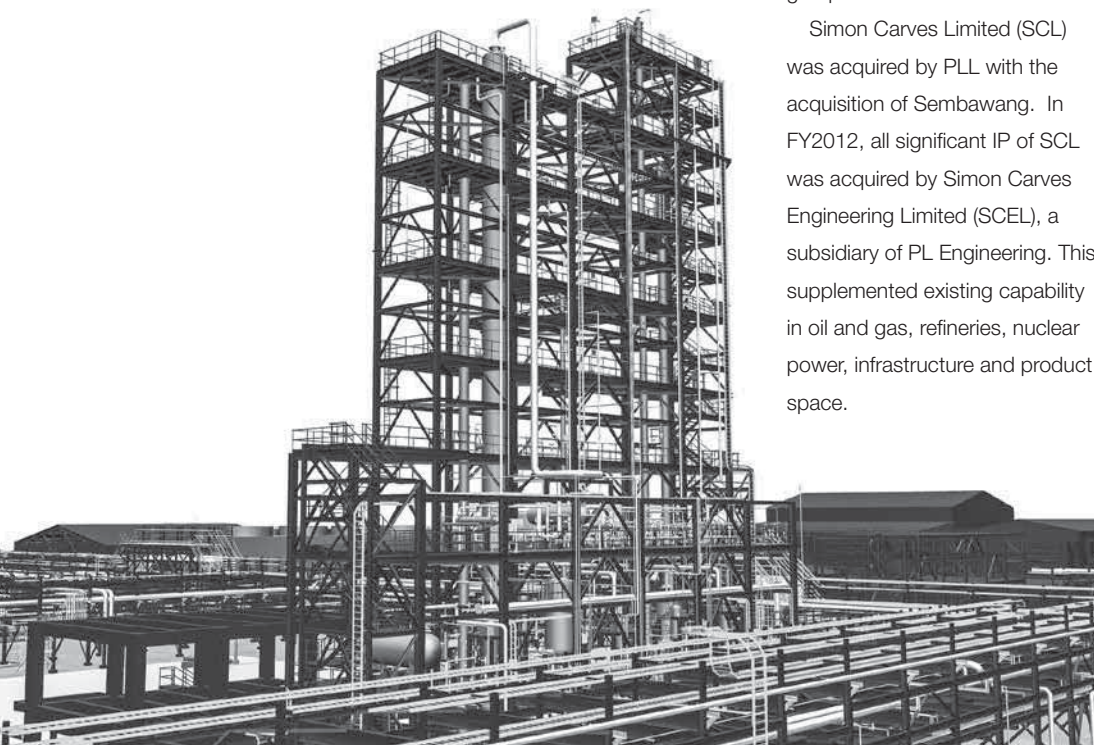
Simon Carves Limited (SCL) was acquired by PLL with the acquisition of Sembawang. In FY2012, all significant IP of SCL was acquired by Simon Carves Engineering Limited (SCEL), a subsidiary of PL Engineering. This supplemented existing capability in oil and gas, refineries, nuclear power, infrastructure and product space.

Regrettably, the economic slowdown in India and dwindling opportunities globally have impacted PLE's business pipeline. There were several headwinds in the market and the sharp drop in crude oil prices was the final obstacle to an already difficult year. The order book was under stress as the company entered FY2015. However, the Company continued to focus on executing the existing orders and consolidated revenue increased to Rs.215 crore in FY2015 from Rs. 192 crore in FY2014.

Even under trying market conditions, the team at PLE was successful in acquiring several new projects, although margins were under pressure. One of the significant achievements for PLE in FY2015 was securing a high value project from GASCO, Abu Dhabi. In addition, leveraging the strong capabilities of Simon Carves in the petrochemicals segment, the company secured a detailed engineering project from Dow Chemicals.

PLE also operates in the product engineering space through Aero Euro Engineering India, a JV with GECL of France. This business has not been able to scale up as per plans with the partner – GECL – being under severe financial stress in the last few years.

PLE continues to proactively pursue a number of significant prospects globally; and there is high probability of securing some large orders in the course of FY2016. The company has



also intensified its marketing efforts by expanding the business development team globally. On a positive note, PLE has been successfully empanelled with a number of government entities in the Middle East, which can increase its opportunities to secure more business in the region.

PLE's strategy continues to focus on stabilising the order book with more emphasis on businesses that generate annuities. There is now an emphasis on developing new business verticals like infrastructure (Building, MEP, LEV etc.) and ITES. PLE is also exploring opportunities for inorganic growth through acquisition for some of the identified growth areas. In addition, there is a focus on targeting mid-sized clients in Europe and America. These are customers who typically do not have their own captive engineering facility in India. PLE will provide them with an offshore development centre (ODC) with a dedicated team of engineers. It is in talks with a few companies to promote this business model.

## OPERATIONS: SUPPORT SERVICES



Recognising the key role support functions have in Punj Lloyd's abilities to deliver projects, there has been a renewed focus on certain functional domains as part of the Company's corrective action plan. The emphasis has

been to make these functions true business enablers to establish necessary improvements in decision making, corrective plans and process controls across the entire business operations. Developments in some of the major support functions are discussed in this section.



## PROCUREMENT

The procurement function underwent a major transformation during FY2015. Given the challenges confronting Punj Lloyd's business today, there is need for much greater process control and a focus on centralised purchasing to benefit from economies of scale.

Since April 2014, the Central Procurement Group (CPG) has been revamped and covers operations across India, Middle East and South East Asia. The procurement process at Sembawang has been synergised with CPG with effect from January 2015. The CPG follows a commodity buy philosophy and the purchase organisation is structured likewise.

A focus area for the procurement function has been the redesign of systems and processes to make them more effective in tune with the new business plan. On this front, a reworked, well-documented procurement process has been put in place where the process flows are mapped with all related activities. In addition, a clearly defined CPG

hierarchy and approval limits have been established. The laid out processes have been made effective through concurrent systems integration and much of the control mechanism has been introduced within the IT system.

The value add of the process function is continuously monitored for effectiveness and efficiency.

Effectiveness is monitored by measuring:

- Saving on account of 'Value Engineering', which entails usage of new technology, new material or alternate vendors'
- 'Negotiated Saving' through effective negotiation, benchmarking, bottom up costing, life cycle costing and reverse auctions; and
- 'Bottom Line Impact' — measured through savings achieved against the budget.

Efficiency is monitored by tracking the cycle time of the entire process of Indent to Order release. This cycle time builds in the efficiencies of user departments as well as the CPG.

In a major policy initiative, it has been made mandatory for all procurement above Rs.10 lakh to go through the reverse auction process. A specialised service provider has been hired for effectively executing such reverse auctions.



## HUMAN RESOURCE (HR)

Over the years, Punj Lloyd has had HR policies and practices



that are aligned with its overall organisational strategy. In the last few years, with a slowdown in the economy and its consequences on the Company's businesses, the HR function has focused on rightsizing Punj Lloyd into a leaner, more result oriented and process driven organisation.

The HR reorganisation that ensued was carried out globally, and redefined the Company from its earlier geography-centric organisation structure to function-wise business verticals. This included re-formulating HR structures and budgets for each vertical.

The new vertical organisation structure is supported at the project level by creating a single pool of project related manpower, which is then deployed across different projects. HR is playing a critical role in maintaining this pool and optimising its availability and deployment.

To create a more result oriented organisation, a new performance management system, PRIDE, was launched in 2014 which has operated successfully across

geographies. An enhanced version of this system is being launched in 2015, which will extend performance management to the next level of employees.

Punj Lloyd has benchmarked its HR practices with the market by conducting the 'Great Place to Work' Survey. This has provided better understanding of issues faced by employees.

All the HR policies have been reviewed and revised according to requirements of the businesses. To foster better discipline across the Company, an HR policy related initiative has been undertaken that emphasises zero tolerance towards any policy violation related to leave, attendance, management or sexual harassment.

The Company has also introduced the National Pension Scheme as an additional retirement benefit.

The continuous efforts to attract new talent and train the existing workforce continues. There has been a revamping of the induction process to help integrate new entrants into the organisation culture faster. An 'HR Buddy' is assigned to all new employees for the first one month. This is a 'go to' person for any new entrant to discuss any issues.

Identification of training needs is undertaken along with Mid-Year Review of performance – where both the employee and the manager mutually agree on training needs, if any, and sign off the form. Training calendars are

released each quarter. Training programmes are provided to graduate engineering trainees (GETs) to inculcate a holistic view of the business and imbibe both technical as well as behavioural skills to develop them for future leadership positions. Senior leaders in the respective functions have been assigned as mentors to GETs to provide guidance and leadership to the young team members.

To create a talent pool of future graduates, Punj Lloyd coordinated with some of the premier technology institutes of the country to hire fresh graduates through its University Liaisoning Program. During FY2015, the Company hired 30 graduates from various disciplines.

On the administrative front several initiatives were undertaken to reduce costs. This includes efforts at closing or shifting unviable offices and optimising costs of booking air tickets and the coordinated use of Company-pooled cars or cabs.







## INFORMATION TECHNOLOGY

At Punj Lloyd, IT is used as a proactive business tool to fulfil the requirements of establishing strict processes and controls within the Company. Today, this is being done with minimal new investments and a focus on in-house development across existing platforms. Major IT initiatives have involved providing support to key functions like the CPG, finance and inventory as well as HR — and much of these involved customising the existing Oracle-based ERP system.

For CPG, the entire purchasing process has been further tightened with complete replication on the ERP with necessary controls in place so that, barring extreme exceptions, no purchase related documentation is done outside the IT system. This includes a mail alert system and a budgetary control mechanism.

For finance, further enhancement was done for improved flow of data between the central office and sites providing better support for systems based centralised treasury management. Upgrades have been done for better tracking of inventory across all the sites.

An HR helpdesk has been put in place that manages all employee related complaints and requests including those that are related to administration functions.

In addition, several functions like health, safety and environment (HSE) have been supported with the transition of their documents from Excel to an approval based online reporting system.

IT will continue to play a much greater role in the Company as a business enabler and necessary investments will continue to be made after careful evaluation.

## HEALTH, SAFETY AND ENVIRONMENT



Punj Lloyd has always laid emphasis on HSE. During FY2015, the focus deepened with an objective of converting this into a critical brand differentiator for the organisation.

A global HSE meet was organised at the corporate office in Delhi during July 2014 comprising Punj Lloyd's HSE heads from various projects and regions. This meet provided a forum for sharing of best safety practices, learning from incidents, understanding the changing scenario, management expectations and laying down the path forward for HSE at Punj Lloyd.

A corporate HSE website has been developed on the PLL Intranet. This provides accessibility to all PLL employees on HSE related issues. It provides latest updates, policies, management system documentation, audit reports, recognitions, HSE best practices

and learning from incidents. The website is being transformed to include all verticals and regions across the globe.

Considerable efforts have been put on improving safety related monitoring of projects. The Company developed an in-house online system and launched it in January 2015 to record monthly safety statistics. All projects have to submit, validate and approve monthly safety statistics by 7th of every following month. The approved data is available for review and analysis.

An HSE related internal rewards and recognition system has been put in place to encourage improvements in HSE. On the Company's Founder's Day, the following awards are given:

**Chairman's Trophy:** Best project in India and Overseas.

**MD's Trophy:** Best project in each vertical.

An HSE peer audit has been put in place in addition to existing system of three-stage audits, i.e. Certification Body, Corporate and Project HSE. This is done to develop competency and auditing skill to create a talent pool and help in sharing and learning of best practices across verticals and regions. Moreover, a procedure has been introduced to evaluate the HSE performance of the Company's various subcontractors before awarding a contract to any one of them.

To familiarise employees with PLL HSE systems online, quizzes were conducted on National Safety Day and World



Environment Day. An online HSE opinion poll has been initiated to seek opinion of employees on various HSE aspects to further strengthen systems and programs within PLL. HSE Connect – a one click solution on the HSE website – has been implemented for employees to reach the Corporate HSE with innovative ideas and suggestions; and rewards are being given for the best implemented suggestions.

## REWARDS AND RECOGNITION

- **Polysilicon Project, Qatar:**  
17 million safe man hours certificate, which is the highest ever safe million man hour's certificate for any construction project in PLL.
- **KSK Power Project, India:**  
Annual Safety Award for 2014 by SEPCO. This is the fourth consecutive year where PLL has been honoured with such an award for outstanding HSE performance among contractors.
- **CPCL Project, India:**  
Received certificate from CPCL for winning three consecutive external HSE audits.
- **Paradip Indmax, India:**  
Rated as the best contractor in HSE implementation for three consecutive years.

## OTHER BUSINESSES

In addition to the core EPC business, Punj Lloyd has made

investments in certain related businesses where it perceived an opportunity for value creation. In this, the Company has a two pronged strategy. On the one hand, it will continue to invest in pushing for growth in a judicious manner while preserving as much capital as possible. On the other, it will also pursue any opportunity for strategic monetisation of these assets to recover cash and draw down existing debt. This is being done by taking a balanced judgement based on future opportunities and risks.

## PUNJ LLOYD INFRASTRUCTURE LIMITED

Since its inception in 2010, Punj Lloyd Infrastructure Limited (PLIL) has extended the scope of Punj Lloyd's presence in the infrastructure sector by going up the value chain and being a project developer who owns the underlying asset. While developing this business, the Company has focused on leveraging the core EPC strength

of the group. PLIL's projects have longer term exposure to risks and returns have a longer gestation period. Consequently, even with a good performing asset portfolio, the business needs continuous infusion of capital to sustain. Over the years, PLIL has treaded a cautious path and focused on very selective projects whose capital outlays were not substantive and risk profiles were relatively better.

Given this backdrop and the general slowdown in the infrastructure sector, PLIL focused on executing past projects in FY2015 while bidding very selectively for new projects. To its credit, PLIL has been successful in executing projects well ahead of schedule. While for some cases this generates certain direct financial incentives, for others, it allows earlier generation of revenues. Consequently, faster execution increases the present value of the underlying asset.

- PLIL has completed the NHAI road project in Bihar, five months ahead of schedule. The work involves two-laning with





paved shoulder of Khagaria-Purnea section of NH-31 from 270 km to 410 km. There has been a recommendation for bonus given the early completion.

- The 5 MW solar power project at Baap, Rajasthan, has been commissioned and revenue generation has begun ahead of schedule. The 21 MW solar power project at Punjab was also commissioned ahead of schedule and revenue generation has started.
- PLIL secured an additional 21 MW solar power project in Punjab. The power purchase agreement (PPA) has been done with an optimal tariff structure. It has financial sanctions for this project and execution should be complete by the end of FY2016.
- The Delhi Police Housing project, the largest project in PLIL's portfolio, has been delayed due to several reasons. First, there were issues with land ownership that was resolved in 2014. Second, it

faced public interest litigation on environment related grounds, which has also been subsequently resolved. In the process of these delays PLIL has had to recomplete the financial closure and bank sanctions that are time bound and was completed twice before. Camps have been set up at the project site and PLIL is awaiting completion of financial sanctions from lenders to commence work on this project.

Today, PLIL's portfolio is worth around Rs.2,000 crore. It is selectively focusing on new projects, especially in roads and solar power.

## **MANUFACTURING AND DEFENCE**

Punj Lloyd has developed a 65 acre manufacturing facility at Malanpur, Gwalior (Madhya Pradesh) that has state of the art capability for large sized precision machining and fabrication operations. It was originally envisioned as the back-end for the Company's foray into defence equipment manufacturing. However, recognising that defence contracts, though large in size, tend to have long gestation periods that create underutilised plant facilities, Punj Lloyd has started using this capacity to manufacture and machine critical components for the energy, aviation and the oil and gas sectors.

Today, the plant is accredited

with ISO 9001 (Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (Safety Management System), ISO 50001 (Energy Management) and AS9100C (Quality for Aerospace Standards) and is well positioned to develop its business by establishing strong relationships with customers.

Across all its segments, it has successfully penetrated at least one OEM where it has generated repeat orders SAAB in Defence, INOX in wind energy; in hydro, there is Andrez Hydrel; in nuclear, it is the Nuclear Power Corporation of India (NPCIL); in gas based energy, there is Toshiba; and in shipping, Fincantieri. Successfully meeting the needs of such customers has not only helped build the potential for growing the order book but also generated revenues that have made the plant break even with a very competitive cost structure.

In addition, the plant continued to support the foray into defence by actively participating in new product introductions for global and Indian customers in aviation and artillery.

The defence manufacturing sector got a boost with the government opening up greater FDI and promoting the 'Make in India' campaign for defence related products. While the signals have been positive, much greater clarity is required at the ground level for kick-starting investments. Today, the procurement structure is such that private layers need



to undertake a large amount of investment in new product development with high degree of risk that several of these products will not be absorbed by the defence forces. Hence, while orders are large, there needs to be large investments in product development and testing before revenues can be generated.

In this scenario, Punj Lloyd has adopted a strategy that lays emphasis on carefully identifying programmes that have greater probability of absorption in the defence forces. In addition, utilising its experience, Punj Lloyd has evolved a development and testing model that optimises costs and capital outlay.

The Company has continued to participate in programmes related to artillery systems and has established strong relationships with the ordinance factories and ordinance boards. It also has a strong working relationship with Hindustan Aeronautics Limited (HAL) and some global suppliers in the aviation and defence space. The Company intends to leverage these relationships to reach the next level of presence in the defence sector, where it starts commercial production of some developed components.

## CONSOLIDATED FINANCIAL PERFORMANCE

- Punj Lloyd Group's Gross Income reduced to Rs.7,875 crore in FY2015 as against Rs.11,174 crore in the previous

financial year

- EBITDA reduced to Rs.251 crore as compared to previous year's Rs.638 crore
- There was an increase in Financing Charges by 13.6% to Rs.1,002 crore, compared to the previous year's figure of Rs.882 crore
- FY2015, therefore, saw a losses after tax increased to Rs.1,154 crore versus a loss of Rs.644 crore in the previous year.

## RISKS



In the business of executing construction projects, Punj Lloyd has to deal with several stakeholders and is exposed to uncertainties over a period of time. Many of these translate into identifiable risks that are inherent over a construction project's life cycle. Some others are unexpected and cannot be controlled. In addition, the Company's diversified growth strategy has a twin implication for risks. On the one hand, entry into newer and dispersed geographies and sectors exposes the Company to larger set of risks. On the other, this diversification provides a hedge against risks associated with downturns in any specific geography or sector.

For an enterprise of Punj Lloyd's size it is imperative to continue maintaining a strong order book that can sustain capital and establishment costs. To fulfil this objective in the present hyper-competitive market environment,

Punj Lloyd has to strike a very fine balance between attempting to leverage opportunities and exposing the Company to greater levels of risk. Under these conditions, proper identification and management of risks is very important in determining the ability of the organisation to sustainably create value by delivering projects on time and in line with customer expectations.

Risk management at Punj Lloyd is done at two levels. First, there is a macro perspective of risks charted out to define business strategy and influence decisions being undertaken at a strategic level. Second, risk management is an inherent and integral part of operations at Punj Lloyd, which governs the execution of each individual project.

At the organisation level, there are clearly defined roles for the senior management in terms of timely identification, mitigation and management of risks. There are risk management teams that are responsible for managing and reporting of risks to senior management. Each project goes through a detailed risk evaluation and the identified risks are tracked through three stages of project lifecycle: the sales decision process, the bidding and estimation processes, and project execution. Operational risks are managed through a risk register and risk manual.

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

## LIQUIDITY RISKS

Today, the most difficult risk is that of a liquidity crunch. Faced with tough financial conditions, most customers including government players are not making timely payments. Several contractual issues are getting dragged into arbitration or judicial intervention leading to a significant increase in claims. There are inordinate delays in claims settlements, which are locking in large chunks of the Company's capital.

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

## DEBT SERVICING

Having taken on debt to service growth, Punj Lloyd's balance sheet remains leveraged. This has led to a series of obligations for pay-outs to banks and financial institutions, which need to be continuously met, which is difficult in a scenario with liquidity crunch. The risks associated with any default to such pay-outs are significant.

## BRAND RISK

Being in the service industry, Punj Lloyd's business faces risks in terms of loss of brand value. Strong relationships based on good delivery can be affected by any major catastrophe in a project, especially involving danger to life. The Company has reinforced its HSE practices to manage this risk. In addition, an inability to meet financial obligations may affect the Company's ability to finance its operations, which can have a major impact on the brand value attributed by customers, even leading to blacklisting.

## MARKET RISKS

Even as the global economy slowly recovers from the prolonged downturn, large ticket infrastructure spends will take time to kick in. Consequently, demand for construction service remains muted. And in the pockets where there is demand, one finds stiff competition from players trying to get most of a shrinking pie. Therefore, companies are exposed to significant market risks in terms of not getting orders or securing these at such prices as may put unsustainable pressure on margins.

## POLITICAL RISKS

To secure business in today's environment, the Company is entering into uncharted markets in Africa, Middle East and Latin America. Many of these geographies have an inherent risk of socio-political uncertainty. While Punj Lloyd always evaluates

such risks, it has to take certain calculated strategic decisions as many of these markets is where major infrastructure development is taking place.

## INTERNAL CONTROLS AND THEIR ADEQUACY



The Board has adopted the policies and procedure for ensuring the orderly and efficient conduct of its business, including adherence to the company policies, the optimum utilisation and safeguard of its assets, the prevention and detection of frauds and errors, completeness of accounting records and timely preparation of reliable accounting reports and disclosures.

Pursuant to Section 134 of the Companies Act 2013, the Board, through the Operating Management has laid down Internal Financial Controls and procedures to be followed by the Company.

During FY2015, the Company had outsourced the internal audit to KPMG Consulting, which is a leading audit and accounting firm. This process continues and ensures greater independence in executing and reporting of internal control review results to Audit Committee of the Board.

## CORPORATE SOCIAL RESPONSIBILITY



The Company has a Board-level committee that supervises its



CSR activities. Given stressed financial condition of the business, the Company does not have to make any obligatory contributions towards CSR from a regulatory perspective. However, it has continued to implement some of its existing CSR initiatives.

As part of the Rural Development programme, Punj Lloyd undertook social work while executing its project in Assam, which benefited the local community. This included laying of pipes under the road near Mayna Sundori village to prevent water logging, construction of Police point at Baihata Charially village for better traffic management and executing earth-work for the Idgah and Nalbari temple. Total expense incurred for these various activities was around Rs.35 lakh.

Punj Lloyd also encourages its employees to participate and excel in the field of sports. It actively supports one of its employees, Sunil Kumar, to participate in amateur athletics. He has taken part and won

medals in multiple state - and national and international level championships. Punj Lloyd incurred around Rs.1 lakh expense on this account during FY2015.

## OUTLOOK



Global economic conditions are expected to improve moderately in FY2016. Given the focus on infrastructure that the new Government of India has, one does expect to see some improvements on the ground for the infrastructure development sector. However, most markets will remain competitive and Punj Lloyd will have to best leverage its good customer relationships to penetrate the markets.

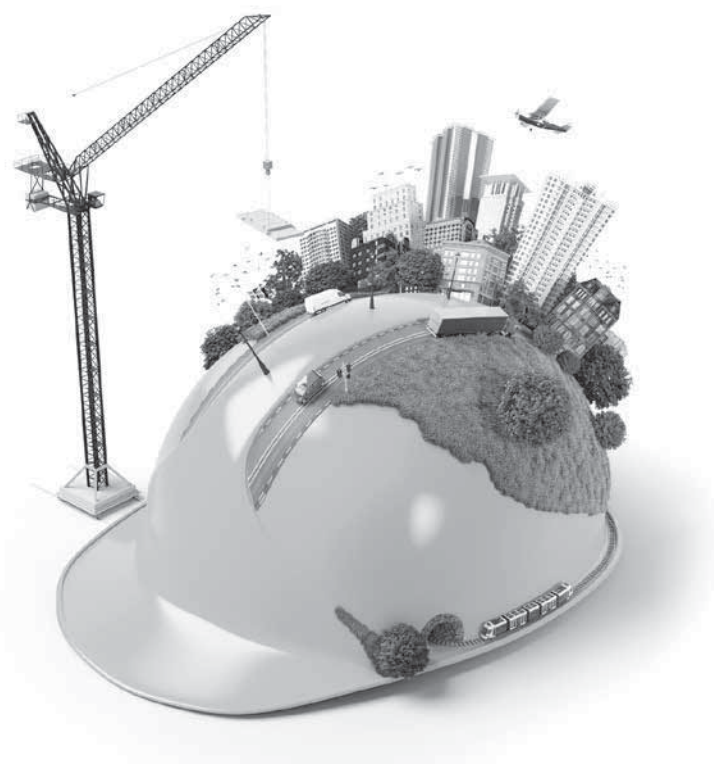
The Company is entering FY2016 with a much better order book. Some of the internal restructuring and process improvement initiatives within the Company has gained pace and FY2016 will be the first real test of execution, which

should see better performance from the Company. The thrust will be on creating a culture of continuous improvement within the organisation so that internal efficiencies can be leveraged as a competitive strength in the market.

Liquidity constraints will prevail. There is a large backlog in terms of sunk in cash. One expects some improvement is securing claims and resolving past issues,

which should release much needed capital for the Company.

Like in the case of infrastructure in India, one believes that the worst is behind for Punj Lloyd. FY2016 will be challenging for the Company, however, it is cautiously optimistic of its prospects. Clearly, FY2016 will be a forward step in reviving the business with strict adherence to the corrective action plan developed by the management.



## CAUTIONARY STATEMENT



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

# DIRECTORS' REPORT



Your Directors are pleased to present the Twenty Seventh Annual Report and the audited accounts of Punj Lloyd Limited ("the Company") for the financial year ended March 31, 2015:

## FINANCIAL HIGHLIGHTS

The financial performance of the Company, for the year ended March 31, 2015 is summarized below:

(Rs. Crores)

Particulars	2014-15	2013-14
Total revenue	5,688.67	8,511.09
Earnings before interest (finance costs), tax, depreciation and amortisation (EBIDTA)	560.77	1,027.92
Less: Finance costs	859.54	771.15
Profit/ (Loss) before tax, depreciation and amortisation	(298.77)	256.77
Less: Depreciation and amortisation expenses	313.74	244.76
Profit/ (Loss) before tax (PBT)	(612.51)	12.01
Less: Tax expenses (net of deferred tax effect and minimum alternate tax credit entitlement/ written off (net))	(105.85)	4.20
Profit/ (Loss) after taxation (PAT)	(506.66)	7.81
Add: Surplus brought forward	962.33	954.52
Less: Adjustment relating to depreciation on fixed asset (Pursuant to enactment of Schedule II to the Companies Act, 2013)	25.41	-
Surplus available for appropriation	430.26	962.33
Less: Appropriations	-	-
Net surplus carried to balance sheet	430.26	962.33

## DIVIDEND

To conserve the cash resources, your Directors have not recommended any dividend on the equity shares for the financial year ended March 31, 2015.

## OPERATIONS REVIEW

The growth in Construction and Infrastructure Sector of the Country has been extremely modest. Modest growth, coupled with delays in settlement of claims/ litigations with the customers, has continued to stress your Company, both operationally and financially. During the current year, there have been focussed efforts on strengthening the core EPC business and towards settlement of claims with customers. The Company, as a whole, is going through the phase of business correction by enhancing internal efficiencies. Additionally, as a step towards debt reduction through monetization of non-core assets, the Company sold its stake in Global Health Pvt. Ltd.

Total income of your Company decreased from Rs. 8,511.09 crores in financial year ended March 31, 2014 to Rs. 5,688.67 crores in current year. EBITDA reduced to Rs. 560.77 crores in comparison to last year's Rs. 1,027.92 crores. Finance costs for the current year increased to Rs. 859.54 crores as against Rs. 771.15 crores during last year. All above has resulted in a net loss after tax of Rs. 506.66 crores as against a profit after tax of Rs. 7.81 crores in previous year.

## BUSINESS REVIEW

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

## HEALTH, SAFETY AND ENVIRONMENT (HSE)

The Company has always laid emphasis on HSE. During the year under review the focus deepened with an objective of converting this into a critical brand differentiator for the organisation. A detailed note on the HSE practices and initiatives by the Company is included in Management Discussion and

Analysis Section of the Annual Report.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Dr. Naresh Trehan, Independent Director and Mr. Luv Chhabra, Whole Time Director stepped down from the Board w.e.f. February 12, 2015 and May 11, 2015 respectively. The Board wishes to place on record deep sense of appreciation for the valuable contributions made by them to the Board and the Company during their tenure as Directors.

In terms of Section 2(19) and 203 of the Companies Act, 2013, Mr. Nidhi K. Narang has been appointed as Chief Financial Officer with effect from September 03, 2014.

In terms of Section 149(7) of the Companies Act, 2013, Mr. Phiroz A. Vandrevalla, Ms. Ekaterina A. Sharashidze and Mr. M. M. Nambiar, Independent Directors of the Company have given declarations to the Company to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Mr. P.N. Krishnan retires by rotation, and being eligible, offers himself for reappointment at the ensuing Annual General Meeting ("the AGM"). The Board of Directors recommends his appointment.

Brief resume of Mr. P.N. Krishnan seeking re-appointment at the AGM, as required under Clause 49 of the Listing Agreement and Companies Act 2013, forms part of the Notice convening the AGM.

## MEETINGS OF THE BOARD

During the year, the Board of Directors of the Company met 6 times on May 20, 2014, August 04, 2014, September 03, 2014, November 14, 2014, January 07, 2015 and February 13, 2015.

## POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Nomination and Remuneration Committee in its meeting held on May 20, 2014 had recommended to the Board of Directors a Policy on Directors' Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of a director and relating to remuneration for the Directors, Key Managerial Personnel and Other Employees in terms of sub-section (3) of section 178 of the Companies Act, 2013. The Board of directors in its meeting held on May 20, 2014 have approved and adopted the same. The said policy is enclosed as **Annexure – I** to this Report.

## FORMAL ANNUAL PERFORMANCE EVALUATION OF THE BOARD AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement, Independent Directors at their separate meeting held on January 07, 2015, without participation of the Non-independent Directors and Management, have considered and evaluated the Board's performance and performance of the Chairman and Non-independent Directors. The Independent Directors in the said meeting have also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Board of Directors in their meeting held on January 07, 2015 have evaluated the performance of each of the Independent Directors (without participation of the relevant Director).

The criteria for performance evaluation have been detailed in the Corporate Governance Report which is attached as **Annexure - II** to this Report.

## DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements of Sub-Sections (3)(c) and (5) of Section 134 of the Companies Act, 2013, it is hereby confirmed:

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review;
3. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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 of the Company on a 'going concern' basis.
5. that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

6. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## AUDIT COMMITTEE

The Audit Committee comprises of Mr. Phiroz Vandrevalla, Independent Director as Chairman and Ms. Ekaterina Sharashidze, Mr. P.N. Krishnan, Mr. M. Madhavan Nambiar as Members.

The Board of Directors have accepted all the recommendation of the Audit Committee.

## VIGIL MECHANISM

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Company is committed to the highest possible standard of openness, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (whistle blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and takes appropriate steps to protect a whistleblower that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the whistle blower if the whistle blower so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the Managing Director and Group CEO of the Company for raising any concerns. It is through CEO Konnect ([ceokonnct@punjlloyd.com](mailto:ceokonnct@punjlloyd.com)).

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

## EMPLOYEE STOCK OPTION SCHEME

As at the beginning of the financial year under review, i.e., April 01, 2014, no stock options were in force under the Company's existing "Employee Stock Option Plan 2005" and "Employee Stock Option Plan 2006". Also, during the financial year ended on March 31, 2015, no fresh stock options were issued to the employees under any plan.

The Company has never provided any loan to its employees to purchase the shares of the Company.

The Company has not issued any shares with differential voting rights.

The Company has not issued any sweat equity shares.

## CORPORATE GOVERNANCE

As stipulated under Clause 49 of the Listing Agreements executed with the



Stock Exchanges, the Report on Corporate Governance and the requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is attached as **Annexure - II** to this Report and forms part of the Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

The Company has formed a CSR Committee comprising of Mr. Atul Punj as Chairman and Mr. J.P. Chalasani, Mr. M. Madhavan Nambiar as other members.

The said Committee has developed a Policy on CSR, which has been approved by the Board of Directors in its meeting held on May 20, 2014.

The Company has taken initiatives and undertaken certain projects as part of CSR initiatives during the financial year 2014-15 and the report on the CSR activities is attached as **Annexure - III** to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## AUDITORS AND AUDITORS' REPORT

M/s Walker Chandio & Co LLP (formerly Walker, Chandio & Co), Chartered Accountants had been appointed as statutory auditors of the Company from the conclusion of the AGM of the Company held on August 04, 2015 until the conclusion of the Fourth consecutive AGM of the Company, subject to ratification of their appointment at each AGM.

The Company has received letter from the statutory auditors to the effect that their appointment, if ratified, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for appointment.

The observations of the Auditors have been fully explained in note 35 (a), (b) and (c) to the Financial Statements.

## SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

M/s. Suresh Gupta & Associates, Company Secretaries have been appointed as Secretarial Auditors of the Company and their Secretarial Audit Report is attached as **Annexure - IV** to this Report.

The observations of the Secretarial Auditors in respect of amount unspent on CSR activities have been fully explained in clause 6 of Corporate Social Responsibility Report Attached as **Annexure - III** to this Report.

## COST AUDITORS

The Board has appointed M/s Bhavna Jaiswal & Associates, (Membership No. 25970), Cost Accountants, Delhi, as Cost Auditors of the Company for conducting the audit of cost records of the Company for the financial year 2014-15.

## FIXED DEPOSITS

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

## PARTICULARS OF EMPLOYEES

The details as required in terms of the provisions of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure - V** to this Report.

The details of employees as required in terms of the provisions of Section 197 read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as **Annexure - VI** to this Report.

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2014-15, no complaints were received.

## CONSUMPTION OF ENERGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, regarding conservation of energy, technology absorption and foreign exchange earning and outgo are attached as **Annexure - VII** to this Report.

## LOANS, GUARANTEES AND INVESTMENT

In accordance with Section 134(3)(g) of the Companies Act, 2013, the particulars of loans guarantees and investments under Section 186 of the Companies Act, 2013 are given in the note No. 42 (a) of stand alone Financial Statements read with respective heads to the Financial Statements.

## RELATED PARTY TRANSACTIONS

In accordance with Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements with related parties, referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form **AOC.2** are attached as **Annexure - VIII** to this Report.

## RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. The details of elements of risk are provided in the Management Discussion and Analysis section of the Annual Report.

## INTERNAL FINANCIAL CONTROLS

Pursuant to Section 134 of the Companies Act 2013, the Directors, based on the representation received from the operating management, state that:-

- The Board, through the operating management has laid down Internal Financial Controls to be followed by the Company.
- To the best of their knowledge and ability and inputs provided by various assurance providers confirm that such financial controls are adequate and were operating effectively.

## EXTRACTS OF ANNUAL RETURN

In terms of Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014, the extracts of Annual Return of the Company in Form **MGT.9** is attached as **Annexure - IX** to this Report.

## SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders have been passed by any regulators or courts or tribunals impacting the going concern status and company's operations in future.

## Consolidated Financial Statements

In accordance with Section 129 of the Companies Act 2013, Consolidated Financial Statements are attached and form part of the Annual Report and the same shall be laid before the ensuing AGM along with the Financial Statements of the Company.

## Subsidiaries, Joint Ventures & Associate Companies

As required under the first proviso to sub-section (3) of Section 129 of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the subsidiaries, associates and joint venture companies in Form **AOC.1** is annexed to the Financial Statements and forms part of the Annual Report, which covers the performance and financial position of the subsidiaries, associates and joint venture companies.

The annual accounts of the subsidiary companies are available on the website of the Company viz. [www.punjilloyd.com](http://www.punjilloyd.com) and will also be available

for inspection by any member or trustee of the holder of any debentures of the Company at the Registered Office and Corporate Office. A copy of the above accounts shall be made available to any member on request.

## Acknowledgement

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

For and on behalf of the Board of Directors

Atul Punj  
Chairman

Place: Gurgaon  
Date: May 22, 2015

# ANNEXURE I



## POLICY OF THE NOMINATION AND REMUNERATION COMMITTEE

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement have made it mandatory for all listed companies to appoint a Nomination and Remuneration Committee, inter alia, for the purpose of identifying persons who are qualified to be appointed as directors or be appointed in key management of the company. Punj Lloyd Limited has a Nomination and Remuneration Committee consisting of non-executive directors.

### OBJECTIVE OF THE POLICY

The objective of the policy is to ensure Board diversity and independence in order to help provide the maximum experience and access to knowledge that can be derived from the Board. Further, it is the objective of the policy that it may be aligned to the various HR policies of the Company in regard to appointment of key managerial personnel and senior management.

### BOARD INDEPENDENCE

To ensure Board Independence, the Company shall appoint requisite number of persons as Independent Directors, who meet the criteria of independence under the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, as amended from time to time.

### CRITERIA FOR EVALUATION OF PERFORMANCE

There must be clearly defined benchmarks for evaluation of performance of every director, key managerial personnel or senior management. The performance evaluation should keep in mind factors such as attendance at meetings, contribution at such board or board committee meetings

and value addition that has been done by the directors. The evaluation must also take in to consideration the future strategy to be adopted by the Company.

### CRITERIA FOR DETERMINATION OF REMUNERATION

The Committee shall determine the remuneration for its directors, the senior management and key managerial personnel while keeping the following criteria in mind:

- the remuneration shall be of such an amount that is in consonance with the services that are being provided to the Company;
- the remuneration is consummate with reference to remuneration paid to people in similar positions in peer companies;
- the remuneration is consummate with the experience that the director or personnel brings to the Company;
- the remuneration must be of a level that is sufficient to attract, retain and motivate the best talent in the market to work for the Company;
- the remuneration is a fair balance of perquisites, commissions and salary and also includes in the case of directors any sitting fees;
- the remuneration may include both long term and short term incentives;
- the remuneration must be decided while keeping in mind the organisation structure of the Company and of the Board;
- the remuneration must co-relate to the clearly defined benchmarks for performance evaluation;
- the remuneration is revised on the basis of the performance of the director/ personnel; and
- the remuneration must be in accordance with the permissible law.



# ANNEXURE II — CORPORATE GOVERNANCE REPORT



## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

## DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of uniformity is as on March 31, 2015. The Report is updated as on the date of the report wherever applicable

## BOARD OF DIRECTORS

### COMPOSITION OF THE BOARD

As on date, The Company's Board consists of 6 Directors, half of which are Independent Directors. The Executive Chairman of the Board of Directors is a Promoter Director. The composition of the Board satisfies the conditions of the Listing Agreement executed with the Stock Exchanges.

**Table 1: Composition of the Board of Directors as on March 31, 2015**

Name of the Director	Category
Mr. Atul Punj	Promoter, Executive
Mr. J.P. Chalasani	Executive
Mr. Luv Chhabra*	Executive
Mr. P.N. Krishnan	Executive
Mr. Phiroz Vandrevala	Independent
Ms. Ekaterina Sharashidze	Independent
Mr. M. Madhavan Nambiar	Independent

Note : Dr. Naresh Kumar Trehan resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

\* Resigned with effect from May 11, 2015.

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

## BOARD MEETINGS

During the year, the Board of the Company met 6 times on May 20, 2014, August 04, 2014, September 03, 2014, November 14, 2014, January 07, 2015 and February 13, 2015. The maximum gap between any two Board meetings was less than four months. Meetings are usually held at Corporate office I, at 78 Institutional Area, Sector 32 Gurgaon 122001, India.

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

matters, resolutions are passed by circulation and same is placed before the Board in the next meeting.

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

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

## INFORMATION SUPPLIED TO THE BOARD

Among others, information supplied to the Board includes:

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

## DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

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

Name of the Director	No. of other Directorships***	No. of Board Level Committee Memberships / Chairmanships in other Indian Public Companies		Attendance Particulars*****		
		Member****	Chairman****	No. of Board Meetings		Attendance at last AGM
				Held	Attended	Attended
Mr. Atul Punj	7	0	0	6	5	Yes
Mr. J.P. Chalasani	4	0	1	6	6	No
Mr. Luv Chhabra **	6	2	1	6	5	Yes
Mr. P.N. Krishnan	0	0	0	6	6	Yes
Dr. Naresh Kumar Trehan*	N.A.	N.A.	N.A.	5	3	No
Mr. Phiroz Vandrevala	2	0	0	6	4	Yes
Ms. Ekaterina Sharashidze	0	0	0	6	6	No
Mr. M. Madhavan Nambiar	7	0	0	6	6	No

\* Since resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

\*\* Since resigned from the Board of Directors of the Company w.e.f. May 11, 2015

Notes:

\*\*\* The Directorships held by Directors as mentioned above does not include Punj Lloyd Limited, alternate directorships and directorships in foreign companies, companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

\*\*\*\* In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committee / Shareholders' / Investors' Grievance Committees of all public limited Companies (excluding Punj Lloyd Limited) have been considered.

\*\*\*\*\*Includes Attendance, if any, through Video Conferencing facilities, provided to the directors to facilitate participation in the meetings.

## BOARD INDEPENDENCE

In compliance with Clause 49 of the Listing Agreement with the stock exchanges, half of the Board of Directors of the Company, i.e. 3 out of 6, comprises of Independent Directors. An Independent Director means a non-executive director, other than a nominee director of the Company:

- Who, in the opinion of the Board, is a person of integrity and possesses relevant experience;
- who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
  - who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- who, neither himself nor any of his relatives —
  - holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
    - a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company;
    - any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
  - holds together with his relatives two per cent or more of the total voting power of the Company; or
  - is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
  - is a material supplier, service provider or customer or a lessor or lessee of the Company;
- who 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 and reimbursement of travelling expenses for attending the Board meetings. No sitting fee is paid for attending the meetings of any Committee.

The details of all remuneration paid or payable to the Directors are given in Table 3.

**Table 3: Remuneration paid or payable to Directors for the year ended March 31, 2015**

Name of the Director	Salary	Sitting Fees	Perquisites	Performance Incentive	Deferred Benefits (PF & Superannuation)	Commission	Total
Mr. Atul Punj	0	0	0	0	0	0	0
Mr. J.P. Chalasani	26,453,095	0	2,557,668	0	4,490,676	0	33,501,439
Mr. Luv Chhabra**	11,053,704	0	6,060	0	3,063,492	0	14,123,256
Mr. P.N. Krishnan	21,673,140	0	32,460	0	1,402,812	0	23,108,412
Dr. Naresh Kumar Trehan*	0	150,000	0	0	0	0	150,000
Mr. Phiroz Vandrevalla	0	200,000	0	0	0	0	200,000
Ms. Ekaterina Sharashidze	0	300,000	0	0	0	0	300,000
Mr. M. Madhavan Nambiar	0	300,000	0	0	0	0	300,000

\*Since resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

\*\* Since resigned from the Board of Directors of the Company w.e.f. May 11, 2015

The details of Current Service Tenure, Notice period and Severance Fees of Executive Directors are given in Table 4.

**Table 4: Details of Current Service Tenure, Notice period and Severance Fees of Executive Directors:**

Name of the Director	Current Tenure and last re-appointment date	Notice Period / Severance Fees
Mr. Atul Punj	5 years; July 1, 2013	3 Months Notice or Basic Salary in lieu thereof.
Mr. J.P. Chalasani	5 years; January 31, 2014	-do-
Mr. Luv Chhabra*	5 years; July 1, 2011	-do-
Mr. P.N. Krishnan	5 years; November 01, 2013	-do-

\* Resigned w.e.f. May 11, 2015

As on April 01, 2014, there were no outstanding stock options issued to any director of the Company. Further no stock options were issued to any director of the Company during the year ended on March 31, 2015.

The Board of Directors of the Company has satisfied itself that plans are in place for orderly succession for appointments to the Board and to senior management.

## SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

Details of the shares of the Company held by Non-Executive Directors are given in Table 5.

**Table 5: Details of Shares held by Non-Executive Directors as on March 31, 2015**

Name of the Director	No. of Shares Held (face value of Rs. 2 each)
Dr. Naresh Kumar Trehan*	4,000
Mr. Phiroz Vandrevalla	5,000
Ms. Ekaterina Sharashidze	Nil
Mr. M. Madhavan Nambiar	Nil

\*Held jointly with others. Since resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

As on March 31, 2015, none of the Non-Executive Directors held any convertible instruments of the Company.

## INDEPENDENT DIRECTORS

The shareholders at the Annual General Meeting held on August 04, 2014 had appointed Dr. Naresh Kumar Trehan, Mr. M Madhavan Nambiar, Mr. Phiroz Vandrevalla and Ms. Ekaterina Sharashidze as Independent Directors of the Company for a period of five years with effect from August 04, 2014. The terms and conditions of their appointment have been disclosed on the website of the Company.

Dr. Naresh Kumar Trehan has resigned from the Board of the Company w.e.f. February 12, 2015.

None of the Independent Directors neither serve in more than seven listed companies nor any Independent Director who is a Whole Time Director in any other Company serves as Independent Director in more than 3 listed companies.

## SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met once on January 07, 2015, without the attendance of Executive Directors and members of management. All the Independent Directors were present in that meeting.

The Independent Directors in the said meeting had, inter-alia:

- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## FAMILIARISATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has framed various programmes to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such programmes have been disclosed on the Company's website at the following link :

<http://punjlloydgroup.com/investors/sites/default/files/pdf/PUNJ%20LLOYD%20LIMITED-FAMILIARIZATION.pdf>

## COMMITTEES OF THE BOARD

### AUDIT COMMITTEE

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

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

Name of the Members	Status	Category	No. of Meetings Attended	Dates on which Meetings Held
Dr. Naresh Kumar Trehan*	Chairman	Independent	1 out of 4	May 20, 2014
Mr. Phiroz Vandrevala	Chairman	Independent	3 out of 4	August 04, 2014
Ms. Ekaterina Sharashidze	Member	Independent	4 out of 4	November 14, 2014
Mr. P.N. Krishnan	Member	Executive	3 out of 4	February 13, 2015
Mr. M. Madhavan Nambiar	Member	Independent	2 out of 4	

\* Since resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. Mr. M. Madhavan Nambiar is financially literate and all other members of the Audit Committee have accounting or related financial management expertise.

The Director Finance, Chief Financial Officer and representatives of the Statutory Auditors and Internal Auditors are regularly invited by the Audit Committee to its meetings. Mr. Dinesh Thairani, Company Secretary, is the secretary to the Committee.

The constitution of the Audit Committee meets the requirements of relevant provisions of the Companies Act 2013 as well as that of the Listing Agreements.

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

Pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder, and Clause 49 of the Listing Agreement, the terms of reference, roles and responsibilities of the Committee were restated :-

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;

Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Reviewing / Examining, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c)

of sub-section 3 of section 134 of the Companies Act, 2013

- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

Reviewing, with the management, Annual / Quarterly financial statements before submission to the Board for approval;

Monitoring /Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Review and monitor the auditor's independence and performance, and effectiveness of audit process;

Approval or any subsequent modification of transactions of the Company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the Company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;



Discussion with internal auditors of any significant findings and follow up there on ;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

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;

To review the functioning of the Whistle Blower mechanism;

Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Committee shall have such powers and rights as are prescribed under the provisions of the Listing Agreement and the Companies Act, 2013 and the rules made thereunder, as notified or may be notified from time to time.

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

Management discussion and analysis of financial condition and results of operations.

Statement of significant related party transactions (as defined by the Audit Committee) submitted by management.

Management letters/letters of internal control weaknesses issued by the statutory auditors.

Internal audit reports relating to internal control weaknesses.

The appointment, removal and terms of remuneration of the chief internal auditor.

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

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

A statement in summary form of transactions with related parties in 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.

## NOMINATION AND REMUNERATION COMMITTEE

The particulars of Composition, Meetings and Attendance records of the Nomination and Remuneration Committee are given in Table 7.

**Table 7: PARTICULARS OF COMPOSITION AND ATTENDANCE RECORDS OF NOMINATION AND REMUNERATION COMMITTEE**

Name of the Members	Status	Category	No. of Meetings		Dates on which Meetings Held
			Held	Attended	
Dr. Naresh Kumar Trehan*	Chairman	Independent	2	2	May 20, 2014 November 14, 2014
Mr. Phiroz Vandrevalla	Chairman	Independent	2	1	
Ms. Ekaterina Sharashidze	Member	Independent	2	2	
Mr. M. Madhavan Nambiar **	Member	Independent	2	-	

\* Since resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

\*\* Appointed as member with effect from February 13, 2015

The matters referred to the Committee are:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, in accordance with the requirements of the Act, relating to the remuneration for the directors, key managerial personnel and other employees.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- To carry out evaluation of every director's performance.
- To consider and recommend to the Board, the remuneration to be paid by the Company to Executive Directors / Whole time Directors of the Company, keeping in view the provisions of Listing Agreement with Stock Exchanges;
- To perform such other functions as have been referred / may be referred by the Board or required in accordance with the Act, Listing Agreements or SEBI Regulations as amended from time to time.

The Nomination and Remuneration Committee had formulated the following policies:

- Policy on Directors' Appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and relating to remuneration for the directors, key managerial personnel and other employees (which is attached as **Annexure I** to the Directors Report).
- Policy on Board diversity
- The Criteria for performance evaluation of Independent Directors and the Board as provided herein below:

**Evaluation Criteria for Performance Evaluation of Executive Directors, Independent Directors, Committee and Board of Directors**

Executive Director (s)	Independent Director(s)	Committee of Board	Board
<ol style="list-style-type: none"> <li>How well has he performed in his area of responsibility with respect to budget and business plan?</li> <li>How well has he performed in development and expansion of business with respect to his area of operation?</li> <li>How well does he involve himself in day to day affairs of the Company?</li> <li>Does he show willingness to spend time and effort learning about the Company and its business?</li> <li>How successfully the director brought his knowledge and experience to bear in the consideration of strategy?</li> <li>Is he up-to-date with the latest developments in areas such as the corporate governance framework and financial reporting and in the industry and market conditions?</li> </ol>	<ol style="list-style-type: none"> <li>How well prepared and informed is he for the Board/ Committee meetings and is his attendance at meetings satisfactory?</li> <li>Does he demonstrate willingness to devote time and effort to understand the Company and its business?</li> <li>What has been the quality and value of his contributions at Board/Committee meetings?</li> <li>Does he constructively challenge the matters and decisions at the Board/ Committee meetings?</li> <li>How successfully has he brought his knowledge and experience to bear in the consideration of strategy?</li> <li>How effectively and proactively has he followed up in his areas of concern?</li> <li>How well does he communicate with fellow Board members and senior management?</li> <li>Does he behave in accordance with Company's values and beliefs?</li> <li>How well do they maintain their independence according to Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement applicable only for Independent Director.</li> <li>Do the non executive directors willing to participate in events outside Board meetings such as site visits?</li> <li>How well do they adhere the code for Independent Director pursuant to Schedule IV of the Companies Act, 2013?</li> </ol>	<ol style="list-style-type: none"> <li>Does the Committee has full and common understanding of its roles and responsibilities.</li> <li>How effective the Committee has been vis-à-vis the roles and responsibilities assigned to it?</li> <li>Is the composition of the Committee appropriate, with the right mix of knowledge and skills to maximize performance in the light of future strategy?</li> <li>Does Committee members come to meetings familiar with the agenda, backup reports and other materials circulated beforehand?</li> <li>How well does the Board communicate with its Committees, the management team, Company employees and others?</li> <li>Is the Committee as a whole up to date with latest developments in the regulatory environment and the market?</li> <li>Is appropriate, timely information of the right length and quality provided to the Committee, and is management responsive to requests for clarification or amplification?</li> <li>Does the Committee provide helpful feedback to Board on its requirements?</li> <li>How well has the Committee performed against any objective that was set?</li> <li>Are sufficient Committee meetings of appropriate length held to enable proper consideration of issues? Is time used effectively?</li> </ol>	<ol style="list-style-type: none"> <li>Whether the Board has full and common understanding of its roles and responsibilities.</li> <li>Is the Board as a whole up to date with latest developments in the regulatory environment and the market?</li> <li>Whether the Board has full understanding of the business plan and performance of operations and management of the Company and received regular input on this from Chief Executive?</li> <li>How effective has the Board's contribution been to the development of strategy, policy and to ensuring robust and effective risk management?</li> <li>Has the Board responded effectively to any problems or crises that have emerged, and could/should these have been foreseen?</li> <li>Is appropriate, timely information of the rights length and quality provided to the Board, and is management responsive to requests for clarification or amplification? Does the Board provide helpful feedback to management on its requirements?</li> <li>Do the Board members receive their information in a timely manner and come to meetings familiar with the agenda, backup reports and other materials circulated beforehand.</li> <li>Does the Board regularly monitors and evaluates progress towards strategic goals and assesses operational performance?</li> <li>Whether the Board holds an appropriate number of meetings each year and Board meetings include appropriate level of information, of appropriate length for productive use of its time?</li> <li>Does the Board has established a Committee structure that enables clear focus on the important issues facing the Company? Are the Committees functioning satisfactorily?</li> <li>Is the composition of the Board and its Committees appropriate, with the right mix of knowledge and skills to maximize performance in the light of future strategy?</li> <li>How well does the Board communicate with its Committees, the management team, Company employees and others?</li> <li>How has the Board responded to any problems or crises that arose?</li> <li>How effectively does the Board use mechanisms such as the AGM and the annual report?</li> <li>Are relationships inside and outside the Board working effectively?</li> </ol>

**STAKEHOLDERS' RELATIONSHIP COMMITTEE CUM SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The particulars of Composition, Meetings and Attendance records of the Stakeholders' Relationship Committee cum Shareholders' / Investors' Grievance Committee are given in Table 8.

**Table 8 : Particulars of Composition and Attendance records of Stakeholders' Relationship Committee cum Shareholders' / Investors' Grievance Committee**

Name of the Members	Status	Category	No. of Meetings		Date on which Meetings held
			Held	Attended	
Dr. Naresh Kumar Trehan*	Independent	Chairman	1	-	August 04, 2014
Mr. M. Madhavan Nambiar ***	Independent	Chairman	-	-	
Mr. Atul Punj	Promoter, Executive	Member	1	1	
Mr. Luv Chhabra**	Executive	Member	1	1	
Mr. P.N. Krishnan****	Executive	Member	1	-	

\* Since resigned from the Board of Directors of the Company w.e.f. February 12, 2015.

\*\* Since resigned from the Board of Directors of the Company w.e.f. May 11, 2015

\*\*\* appointed with effect from February 13, 2015

\*\*\*\* appointed with effect from May 11, 2015

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

- Consider and resolve the grievances of security holders of the Company.
- Specifically look into the redressal of shareholder(s) and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
- Perform such other functions as have been referred / may be referred by the Board or required in accordance with the Act, Listing Agreements or SEBI Regulations as amended from time to time.

During the year 2014-15, the Company received a total of 26 queries/complaints (to be updated) from various shareholders relating to non-receipt of dividend, annual report, and share certificates etc. The same were attended to the satisfaction of the shareholders. At the end of the year on March 31, 2015, no complaint was pending. Mr. Dinesh Thairani is the Compliance Officer of the Company.

## RISK MANAGEMENT COMMITTEE

In terms of the provisions of revised Clause 49 of the Listing Agreement, a Risk Management Committee had been constituted with Mr. J.P. Chalasani, Managing Director & Group CEO as Chairman and Mr. Luv Chhabra, Director Corporate Affairs, Mr. P.N. Krishnan, Director Finance and Mr. Mithlesh Satija, Chief Risk Officer as members

The particulars of Composition, Meetings and Attendance records of the Committee are given in Table 9.

**Table 9: Particulars of Composition and Attendance records of Risk Management Committee**

Name of the Members	Status	Category	No. of Meetings		Date on which Meetings held
			Held	Attended	
Mr. J.P. Chalasani	Executive	Chairman	1	1	November 14, 2014
Mr. Luv Chhabra*	Executive	Member	1	1	
Mr. P.N. Krishnan	Executive	Member	1	1	
Mr. Mithlesh Satija	Chief Risk Officer	Member	1	1	

\* Since resigned from the Board of Directors of the Company w.e.f. May 11, 2015

The Committee is empowered pursuant to its terms of reference:

1. To develop and implement the Risk Management Policy of the Company.
2. To lay down risk assessment and minimization procedures.
3. To frame, implement, review and monitor Risk Management Plan of the Company
4. To perform such other functions as may be referred to it by the Board

The Committee in its meeting held on November 14, 2014 had developed and implemented a Risk Management Manual containing the Risk Management Policy and Project Schedule Risk Assessment.

The Committee in its above meeting had also formulated and implemented a Risk Management Plan for the Company including the procedure to inform Board Members about risk assessment and minimization procedures.

## CEO / CFO CERTIFICATION

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

## CODE OF CONDUCT

The Board of Directors of the Company has adopted the Code of Conduct for Directors and Senior Management Personnel. The Code is applicable to Executive and Non-Executive Directors as well as Senior Management Personnel. As per revised clause 49 of the Listing Agreement, the duties of Independent Directors have been suitably incorporated in the said Code as laid down in the Companies Act, 2013. A copy of the code is available on Company's website [www.punjlloyd.com](http://www.punjlloyd.com)

A declaration signed by the Managing Director & Group CEO is given below:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for Directors and Senior Management Personnel in respect of the financial year 2014-15.

For Punj Lloyd Limited

**J.P. Chalasani**  
Managing Director & Group CEO

## SUBSIDIARY COMPANIES

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

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

The Company has a policy for determining material subsidiaries and the same has been disclosed on the Company's website at the following link: <http://punjlloydgroup.com/investors/policy-material-subsidiaries/material-subsidiary-policy>

## MANAGEMENT

### MANAGEMENT DISCUSSION AND ANALYSIS

This Annual Report has a detailed section on Management Discussion and Analysis.

### DISCLOSURES BY MANAGEMENT TO THE BOARD

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

### DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

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

### RELATED PARTY TRANSACTIONS

The Company has formulated a policy on materiality of Related Party Transactions and dealing with Related Party Transactions and the same has been disclosed on the Company's website at the following link: <http://punjlloydgroup.com/investors/investor/related-party-transaction-policy>

All related party transactions including those transactions of repetitive in nature requiring omnibus approval are placed before the Audit Committee for approval.

The details of related party transactions entered into by the Company pursuant to each Omnibus approval given, are reviewed by the Audit Committee.

### WHISTLE-BLOWER POLICY

The Company has in place a vigil mechanism in the form of Whistle Blower Policy. It aims at providing avenues for employees to raise complaints and to receive feedback on any action taken and seeks to reassure the employees that they will be protected against victimization and for any whistle blowing conducted by them in good faith. The policy is intended to encourage and enable the employees of the Company to raise serious concerns within the organization rather than overlooking a problem or handling it externally. The Company is committed to the highest possible standard of openness, probity and accountability. It contains safeguards to protect any person who uses the Vigil Mechanism (whistle blower) by raising any concern in good faith. The Company does not tolerate any form of victimization and take appropriate steps to protect a whistleblower

that raises a concern in good faith and treats any retaliation as a serious disciplinary offence that merits disciplinary action. The Company protects the identity of the whistle blower if the whistle blower so desires, however the whistle blower needs to attend any disciplinary hearing or proceedings as may be required for investigation of the complaint. The mechanism provides for a detailed complaint and investigation process. If circumstances so require, the employee can make a complaint directly to the Chairman of the Audit Committee. The Company also provides a platform to its employees for having direct access to the MD and CEO of the Company for raising any concerns. It is through CEO Konnect ([ceokconnect@punjlloyd.com](mailto:ceokconnect@punjlloyd.com)).

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

### CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS AND CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Pursuant to the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (the Regulations), which replace the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has laid down a code of conduct for regulation, monitoring and reporting of insider trading by employees of the Company, including directors, and other "connected persons" (as defined in the Regulations), in relation to the securities of the Company (the Code). The Code clearly specifies the guidelines and procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning of the consequences of violations. The code clearly specifies, among other matters, that Directors and specified employees of the Company and other "connected persons can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, as per the code.

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

Further pursuant to the above regulations, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The Company will adhere to the principles for fair disclosure of unpublished price sensitive information as laid down in the above code without diluting the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as applicable (the "Regulations") in any manner.

Mr. Vinay Krishnan Sood, Associate Vice President is designated as Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information.

## SHAREHOLDERS

### RE-APPOINTMENT OF DIRECTORS

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

### COMMUNICATION TO SHAREHOLDERS

The Company puts forth key information about the Company and its performance, including quarterly results, official news releases and



presentations to analysts, on its website regularly for the benefit of the public at large.

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

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

## SCORES

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

## INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

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

## DETAILS OF NON-COMPLIANCE BY THE COMPANY

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

**Table 10: Details of last three Annual General Meetings**

Financial Year	Date	Time	Venue	No. of Special Resolutions Passed
2011-12	July 31, 2012	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi 110010	1
2012-13	August 02, 2013	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi 110010	1
2013-14	August 04, 2014	10.30 A.M.	Air Force Auditorium, Subroto Park, New Delhi 110010	5

## ANNUAL GENERAL MEETING 2015

Date	August 14, 2015
Venue	Air Force Auditorium, Subroto Park, New Delhi 110 010
Time	10.30 A.M.
Book Closure	August 07, 2015 to August 14, 2015 (both days inclusive)

## COMPLIANCE

### MANDATORY REQUIREMENTS

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

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

### NON- MANDATORY REQUIREMENTS

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

### NON EXECUTIVE CHAIRMAN'S OFFICE

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

### SHAREHOLDER RIGHTS - FURNISHING OF HALF-YEARLY RESULTS

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

### AUDIT QUALIFICATIONS

The observations of the Auditors have been fully explained in note 35 (a), (b) and (c) to the Financial Statements.

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

### SEPARATE POSTS OF CHAIRMAN AND CEO

The Company is in compliance of the above since Mr. Atul Punj is the Chairman and Mr. J.P. Chalasani is the Managing Director & Group CEO.

### REPORTING OF INTERNAL AUDITOR

The Internal Auditor reports directly to the Audit Committee.

### SHAREHOLDER INFORMATION

### GENERAL BODY MEETINGS

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

## CALENDAR OF FINANCIAL YEAR ENDED MARCH 31, 2015

The meetings of Board of Directors for approval of Quarterly Financial Results during the financial year ended March 31, 2015 were held on the following dates:

First quarter	August 04, 2014
Second quarter	November 14, 2014
Third quarter	February 13, 2015
Fourth quarter and Annual	May 22, 2015

## TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2016

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending March 31, 2016 are as follows:

First quarter	Second week of August 2015
Second quarter	Second week of November 2015
Third quarter	Second week of February 2016
Fourth quarter and annual	Last week of May 2016

## LISTING DETAILS

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

## LISTING FEES

Annual listing fees for the year 2015-16 has been paid by the Company to the Stock Exchanges.

## DEPOSITORY FEES

Annual Custody /Issuer fees for the year 2014-15 will be paid by the Company to National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as and when bills are received from them.

## DEBT SECURITIES

1. Listing on Wholesale Debt Market (WDM) on BSE
2. Debenture Trustee : IDBI Trusteeship Services Limited

## STOCK DATA

Table 11 below gives the monthly high and low prices and volumes of Company's (Punj Lloyd) equity shares at BSE Limited (BSE) and the National Stock Exchange Limited (NSE) for the year 2014-15.

**Table 11: High and Low Prices and Trading Volumes at the BSE and NSE**

Month	BSE (in Rs. Per Share)			NSE (in Rs. Per Share)		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
Apr 2014	36.80	27.85	23,688,122	36.85	27.80	85,328,248
May 2014	46.80	28.80	37,789,936	46.80	28.50	127,205,064
Jun 2014	60.85	41.20	61,983,336	60.90	41.15	212,598,528
Jul 2014	54.30	41.00	5,736,441	54.40	41.10	19,209,552
Aug 2014	43.80	35.70	6,024,968	43.85	35.60	18,518,888
Sep 2014	45.20	33.70	13,932,637	45.25	34.00	36,944,096
Oct 2014	39.40	34.75	5,446,671	39.35	34.75	17,745,012
Nov 2014	42.20	35.45	11,409,154	42.25	35.25	31,694,236
Dec 2014	42.45	32.85	13,389,429	42.45	32.80	41,772,888
Jan 2015	39.00	35.20	7,487,293	39.00	35.15	26,397,356
Feb 2015	40.75	32.45	13,439,630	40.75	32.35	42,974,680
Mar 2015	39.60	28.00	7,352,265	39.60	28.00	23,632,074

Source: BSE and NSE website

## STOCK PERFORMANCE

Chart A: Share prices of Punj Lloyd Limited versus Sensex

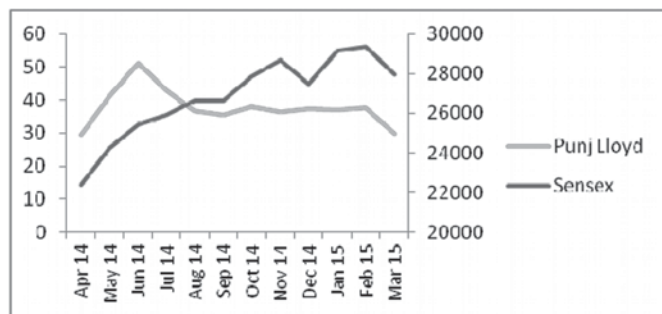
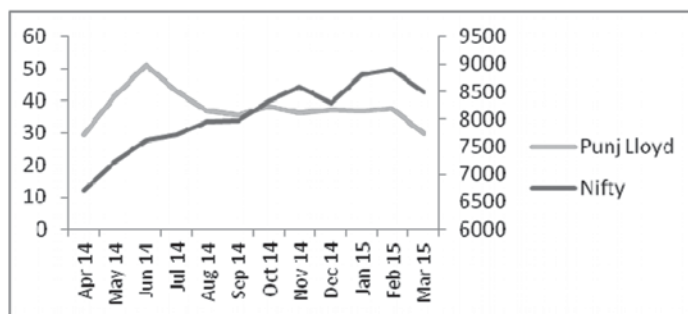


Chart B: Share prices of Punj Lloyd Limited versus Nifty



## SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

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

### Karvy Computershare Pvt. Ltd.

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032.  
Tel.: +91 40-67162222  
Fax: +91 40-23001153 E-mail: einward.ris@karvy.com

In compliance with the SEBI circular dated December 27, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, Punj Lloyd has established connections with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its Share Transfer Agent.

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

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

As on March 31, 2015, there were 355153 shareholders holding 332071161 shares of Rs. 2 each in electronic form. This constitutes 99.99% of the total paid up capital of the Company.

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

There are no legal proceedings against the Company on any share transfer matter. Table 12 gives details about the nature of complaints and their status as on March 31, 2015.

**Table 12: Number and nature of complaints for the year 2014-15**

Particulars	Non-Receipt of Certificates	Non-Receipt of Dividend	Others (Non-Receipt of Annual Reports/ Non Receipt of Demat Credit, etc.)	Total
Received during the year	2	18	6	26
Attended during the year	2	18	6	26
Pending as on March 31, 2015	Nil	Nil	Nil	Nil

## GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) had undertaken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies, whereby companies have been permitted to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. The Companies Act 2013 also allows the Company to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

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

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

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

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

## TRANSFER OF UNPAID / UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the Company has credited Rs.86,403 lying in the unpaid / unclaimed dividend account, to the Investor Education and Protection Fund pursuant to Section 205C of the Companies Act 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules 2001.

## EQUITY SHARES IN THE SUSPENSE ACCOUNT

As per Clause 5A(1) of the Listing Agreement, an aggregate of 2,310 equity shares are lying in the pool account /suspense account in respect of 41 shareholders. None of the shareholders approached the Company for transfer of shares from suspense account during the year. The voting rights on the shares outstanding in the suspense account as on March 31, 2015 shall remain frozen till the rightful owner of such shares claims the shares.

## SHAREHOLDING PATTERN AND DISTRIBUTION

Tables 13 and 14 gives the shareholding pattern and distribution.

**Table 13: Shareholding Pattern as on March 31, 2015**

Category		As on March 31, 2015	
		Total No. of Shares	Percentage
A.	Shareholding of Promoter and Promoter Group		
a.	Indian Promoters	45,513,590	13.71
b.	Foreign Promoters	77,121,970	23.22
	Total shareholding of Promoter & Promoter Group	122,635,560	36.93
B.	Public Shareholding		
1.	Institutions		
a.	Mutual Funds / UTI	3,003,167	0.90
b.	Banks / Financial Institutions	22,026,600	6.63
c.	Foreign Institutional Investors	18,495,399	5.57
2.	Non-Institutions		
a.	Bodies Corporate	33,379,245	10.05
b.	Resident Individuals	124,607,986	37.53
3.	Others		
a.	Non Resident Indians	7,080,974	2.13
b.	Trusts	31,650	0.01
c.	Clearing Members	834,664	0.25
d.	Foreign National	500	0.00
	Total Public Shareholding	209,460,185	63.07
C.	Shares held by Custodians and against which Depository Receipts have been issued		
a.	Promoter & Promoter Group	Nil	N.A.
b.	Public	Nil	N.A.
	<b>Grand Total</b>	<b>332,095,745</b>	<b>100.00</b>



**Table 14: Distribution of shareholding by share class as on March 31, 2015**

S. No.	Shareholding Class	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1	1 - 5,000	352,890	97.98	77,547,704	23.65
2	5,001 - 10,000	4,205	1.17	15,287,606	4.60
3	10,001 - 20,000	1,749	0.49	12,966,103	3.90
4	20,001 - 30,000	438	0.12	5,399,586	1.63
5	30,001 - 40,000	224	0.06	4,036,436	1.22
6	40,001 - 50,000	137	0.04	3,170,900	0.95
7	50,001 - 100,000	299	0.08	10,335,235	3.11
8	100,001 and above	236	0.07	202,352,175	60.93
<b>Total:</b>		<b>360,178</b>	<b>100.00</b>	<b>332,095,745</b>	<b>100.00</b>

## 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 has a Central workshop situated at Banmore, Madhya Pradesh for carrying out repair and maintenance of construction equipment. For its defence business and for precision machining and systems integration, the Company has a machining and integration facilities at Plot No. Part of L1, Industrial Area, Ghirongi, Malanpur, Dist. Bhind, Madhya Pradesh.

## INVESTOR CORRESPONDENCE ADDRESS

Company	<p>Mr. Dinesh Thairani Compliance Officer <b>Punj Lloyd Limited</b> Corporate Office I, 78, Institutional Area, Sector 32, Gurgaon 122001 Tel. No. +91-124 2620493; Fax No. +91-124-2620111 E-mail: investors@punjlloyd.com</p>
Registrars	<p>Mr. K. S. Reddy Assistant General Manager <b>Karvy Computershare Private Limited</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel.: +91-40--67162222; Fax: +91-40-23001153 E-mail: einward.ris@karvy.com</p>
Depositories	<p><b>National Securities Depository Limited</b> Trade World, 4<sup>th</sup> Floor, Kamala Mills Compound, Senapati Bapat Marg Lower Parel, Mumbai 400013 Tel.: +91-22-2499 4200; Fax: +91-22-2497 6351 E-mail: info@nsdl.co.in</p>
	<p><b>Central Depository Services (India) Limited</b> Phiroze Jeejeebhoy Towers, 17<sup>th</sup> Floor, Dalal Street Mumbai 400 001 Tel.: +91-22-2272 3333; Fax: +91-22-2272 3199 E-mail: investors@cdslindia.com</p>

**For Punj Lloyd Limited**

**Atul Punj**  
**Chairman**

**Place:** Gurgaon  
**Date:** May 22, 2015

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



To,  
The Members of Punj Lloyd Limited

We have examined the compliance of conditions of Corporate Governance by Punj Lloyd Limited ("the Company") for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the Company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **Walker Chandiok & Co LLP**  
(Formerly walker, chandiok & Co)  
Chartered Accountants  
Firm Registration No.: 001076N/N500013

per **Anupam Kumar**  
Partner  
Membership No. 501531

Place : Gurgaon  
Date : May 22, 2015

## CEO/CFO CERTIFICATION



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

Dear Sirs,  
We, the undersigned hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by Punj Lloyd Limited during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting in Punj Lloyd Limited and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting. We have disclosed to the auditors and the audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and Audit Committee
  - (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Faithfully

**J.P. Chalasani**  
Managing Director & Group CEO

**P.N. Krishnan**  
Director -Finance

Place : Gurgaon  
Date : May 22, 2015

# ANNEXURE III — CORPORATE SOCIAL RESPONSIBILITY REPORT (CSR)



## FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

S. No.		
1	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects Or programs.	Company's CSR policy is focused on enhancing the lives of the local community in which it operates. Details of projects undertaken shared below
2	The Composition of the CSR Committee	Mr. Atul Punj (Executive Director, Chairman of the Committee), Mr. J.P. Chalasani (Managing Director & Group CEO), Mr. M. Madhavan Nambiar (Independent Director)
3	Average net profit of the company for last three financial years	Rs. 45.52 Cr.
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 0.91 Cr.
5	Details of CSR spent during the financial year	Rs. 0.36 Cr.
a	Total Amount to be spent for the financial year	Rs. 0.91 Cr.
b	Amount unspent	Rs. 0.55 Cr.
c	Manner in which the amount spent during the financial year is detailed below	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified.	sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs <b>Subheads:</b> (1) Direct expenditure on projects or programs. (2) Overheads :	cumulative expenditure upto the reporting period.	Amount spent: Direct or through implementing agency
(i)	Support individuals from under-privileged back-ground to excel in sports	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	The Company actively supported Sunil Kumar to participate in amateur athletics. He has taken part and won medals in multiple State level and National level championships.	4,000,000	149,356	149,356	Direct
(ii)	Rural infrastructure development	Rural Development	As part of its Rural Development program, Punj Lloyd undertook multiple social works for the benefit of the local community while executing the Assam project. Laying of pipes under the road near Mayna Sundori village to prevent water logging, construction of Police point at Baihata Charially village for better traffic management and executing earth-work for the Idgah and Nalbari temple in the local area are examples of the social work.	6,000,000	3,437,374	3,437,374	Direct
<b>TOTAL</b>				10,000,000	3,586,730	3,586,730	

\*Give details of implementing agency:

6	Reasons for not spending full amount	Delay in tying up with more aspiring sportspersons. Hence total amount allocated to supporting sports could not be spent. The rural work as part of rural development program was completed well within budget. Hence the shortfall in total actual spend
7	Responsibility Statement	The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.
<b>J.P. Chalasani</b> <b>( Managing Director &amp; Group CEO )</b>		<b>Atul Punj</b> <b>(Chairman CSR Committee)</b>

Date : May 22, 2015

Place : Gurgaon

# ANNEXURE IV — SECRETARIAL AUDIT REPORT



FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
**Punj Lloyd Limited**

CIN: L74899DL1988PLC033314  
Punj Lloyd House 17-18, Nehru Place,  
New Delhi 110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Punj Lloyd Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') so far as they are applicable to the Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; **(Not applicable to the Company during the Audit Period);**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (Not in force yet hence not applicable to the Company during the audit period).
- (ii) The Listing Agreements entered into by the Company with the following Stock Exchange(s):
  - (a) BSE Limited
  - (b) National Stock Exchange of India Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that the Company has an unspent amount in respect of Corporate Social Responsibility.

**We further report that,** having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Building and Other Construction Workers' Welfare Cess Act, 1996;
- (b) Petroleum Act, 1934 and rules made thereunder;
- (c) The Mines Act, 1952 and Rules made thereunder;
- (d) Inter State Migrant Workmen Act, 1979; and
- (e) Explosives Act, 1884 read with Rules made thereunder.

Undisputed Statutory dues including provident fund, employees state insurance in some cases have not been regularly deposited in time and delays in such deposits have been noticed.



**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period:

- (i) The Company had taken approval from shareholders to issue Non Convertible Debentures ("NCDs") in the Extra-ordinary General Meeting held on 30th September 2014. However the Company had not taken any further step to issue NCDs during the Audit Period.
- (ii) The Company has redeemed Non Convertible Debentures amounting to Rs. 142.50 Crore;
- (iii) The Company in its Annual General Meeting held on 4th August 2014 has taken following approval under section 180 of the Act:
  - (a) Giving authority to the Board of Directors to borrow upto Rs. 10,000 Crore;
  - (b) Giving authority to the Board of Directors to create charge/ hypothecation/ mortgage over properties/undertakings of the Company.

We further report that during the audit period no events occurred which had a major bearing on the Company's affairs in pursuance of above referred laws, rules, regulations, guidelines and standards.

*For Suresh Gupta & Associates  
Company Secretaries*

*Suresh Gupta  
FCS No.: 5660  
CP No.:5204*

*Date: May 22, 2015  
Place: New Delhi*

This report is to be read in conjunction with our letter of even date which is marked as '**Annexure A**' and forms an integral part of this report.

#### **Annexure A**

To,

The Members

#### **Punj Lloyd Limited**

CIN: L74899DL1988PLC033314

Punj Lloyd House 17-18, Nehru Place,  
New Delhi 110019

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company and our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*For Suresh Gupta & Associates  
Company Secretaries*

*Suresh Gupta  
FCS No.: 5660  
CP No.:5204*

*Date: May 22, 2015  
Place: New Delhi*

# ANNEXURE V — DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS



(SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year.  
and
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-

Name	Designation	Directors Remuneration to Median Remuneration	Percentage Increase in Remuneration
J.P. Chalasani	Managing Director & Group CEO	81.426	0%
P.N. Krishnan	Director - Finance	56.148	0%
Luv Chhabra*	Director	34.328	0%
Nidhi K. Narang	Chief Financial Officer	N.A.	NA since appointed to the position w.e.f. September 03, 2014
Dinesh Thairani	Group President - Legal & Company Secretary	N.A.	10%

\* Since resigned with effect from May 11, 2015

3. The percentage increase in the median remuneration of employees in the financial year.  
The percentage increase in the median remuneration of employees in the financial year 2014 is 7.6%
4. The number of permanent employees on the rolls of the Company.  
The number of permanent employees on the rolls of the Company as on 31st March 2015 is 7,567 across all the locations globally.
5. The explanation on the relationship between average increase in remuneration and Company performance.  
The reward philosophy of the Company is to provide market competitive increments, keeping the Company performance in perspective, while simultaneously driving a performance culture. The total compensation is a mix of Fixed Pay and Variable pay. Variable compensation is directly linked to an individual performance rating and business performance.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.  
Since most of the key managerial team is new, with three of the four key managers being part of the organization for less than 2 years, they have been hired at market competitive rates. Keeping in mind the Company performance the key managerial personnel were not paid variable salaries.
7. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.

Close Price	April 01, 2014	March 31, 2015	% Change
NSE	Rs. 29.05	Rs. 29.65	2.1%
BSE	Rs. 29.15	Rs. 29.65	1.7%
Market Cap	April 01, 2014	March 31, 2015	% Change
NSE	Rs. 964.75 Cr.	Rs. 984.68 Cr.	2.1%
BSE	Rs. 968.07 Cr.	Rs. 984.68 Cr.	1.7%
IPO vs March 31, 2015	IPO	March 31, 2015	% Change
Price (adjusted)	Rs. 140	Rs. 29.65	-79%
Price / Earning	April 01, 2014	March 31, 2015	% Change
NSE	N.A.	N.A.	N.A.
BSE	N.A.	N.A.	N.A.

**8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Considering the company performance, only one Key managerial personnel was given a salary increase of 10% as salary correction whereas other employees were given an average salary increase of 7.6% to match inflation and to keep them motivated.

**9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.**

The four Key Managerial Personnel are :

J.P. Chalasani, Managing Director & Group CEO

P.N. Krishnan, Director - Finance

Nidhi K. Narang, Chief Financial Officer

Dinesh Thairani, Group President - Legal & Company Secretary

Remuneration of the Key Managerial persons is as per the industry standards. In Financial Year 2015 no variable was paid to the key managerial personnel.

**10. The key parameters for any variable component of remuneration availed by the directors.**

In Financial Year 2015, no variable was paid to the directors.

**11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.**

The highest paid director is the Managing Director & Group CEO. There is one employee based overseas whose salary is higher than the salary of Managing Director & Group CEO. The ratio of the remuneration of the Managing Director & Group CEO vs. this employee is 0.885.

**12. Affirmation that the remuneration is as per the remuneration policy of the Company.**

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

# ANNEXURE VI — DETAILS OF EMPLOYEES



(SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(2) & (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Employee Name	Total CTC Paid	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of commencement of employment	Age	Last Employment Held before Joining the Company
<b>Employed throughout the year</b>								
1	Amit Jain	10,641,680	Vice President	Master of Engineering - Environmental Engineering, Bachelor of Engineering - Civil	20	Jun 19, 2000	47	RPG Transmissions
2	Amitava Bose	11,474,664	Executive Vice President-P&T	Master of Engineering - Civil, Bachelor of Engineering - Civil	25	Jan 07, 1996	49	REC & CO. Kolkata
3	Anil Kumar	7,300,497	Additional General Manager - Estimation	B.E. - Civil Engineering	28	Dec 03, 2012	53	AI Darwish Engineering W.L.L
4	Antonio Roquim Neto	35,348,304	Executive Vice President - Strategic Initiatives	Bachelor of Business Administration	8	Feb 20, 2014	38	Construtora OAS S.A
5	Ashis Bhattacharjee	6,293,451	General Manager	Diploma - Mechanical Engineering	24	Jan 25, 2011	46	Kazstroy
6	Ashok Wadhawan	9,999,996	President - Manufacturing	PGDBM, B.E. - Mechanical	19	Jan 06, 2014	45	Ge India Industrial Pvt. Ltd.
7	Ashok Kumar Mohanty	10,539,269	Associate Vice President	PGD - Personnel Management & Labour Laws, LL.B	36	Sep 05, 1989	57	L&T
8	Atul Jain	33,819,205	President & CEO	Bachelor of Engineering - Chemical	32	Jun 09, 1982	54	Punj Lloyd Group
9	Brian David Cole	7,440,000	Project Manager	Mechanical Engineering	42	Sep 07, 2014	63	Apache Corporation
10	Deepa Kapoor	7,643,377	Group Head-Hr, CSR & Skill Development	MBA	22	May 20, 2013	47	Genpact
11	Dhulipala Purushotham	7,735,963	Additional General Manager	Bachelor of Engineering - Civil, Master of Technology - Civil	23	Jun 02, 2010	50	Consilium Qatar LLC.
12	Dinesh Thairani	8,909,687	Group President-Legal & Company Secretary	C.S., LL.B	26	Mar 01, 1994	50	Rama Paper Mills Ltd.
13	Harish Kumar	10,114,996	President New Markets Development	Master in Development Management	34	Oct 01, 2013	58	Skill Group of Companies
14	Jagpal Singh	10,567,200	Advisor	Bachelor of Engineering - Civil	47	Jun 04, 2010	70	EIL
15	J.P. Chalasani	33,501,439	Managing Director & Group CEO	B.E. - Mechanical	36	Jan 31, 2014	58	Reliance Power Ltd.
16	Jon Paul Mathis	9,517,000	Manager - Commissioning & Training	Liberal Art	26	Sep 30, 2013	57	Semi China
17	Joseph Lennis Noronha	6,163,367	Additional General Manager	Bachelor of Engineering - Mechanical	31	Mar 18, 2006	51	Galfar Engineering & Contracting Wll, Oman
18	Krishna Kumar Saha	16,539,402	Executive Vice President	Bachelor of Engineering - Civil	31	May 01, 1994	56	Neo Parisutan Pvt. Ltd.
19	Luv Chhabra	14,123,256	Director Corporate Affairs	Bachelor of Technology, MBA	38	Jul 01, 2001	59	Kec International Ltd.
20	Meenu Bindru	12,945,636	Associate Vice President	Master of Science - Leadership & Strategy, MBA - Marketing & Finance, ICWAI	20	May 21, 2012	45	Farah Leisure Parks
21	Nishchal Kumar	10,427,817	Associate Vice President	Bachelor of Engineering - Mechanical	24	Apr 02, 1996	45	Chambal Fertilizers
22	P.N. Krishnan	23,108,412	Director Finance	M.F.M., LL.B, C.S.	35	Feb 28, 2013	57	Pyramid Infrastructure Private Ltd.
23	Perumal Raj	15,743,700	Vice President	Bachelor of Engineering - Mechanical, PGD - Business Management	25	Jan 30, 2012	48	General Electric International Inc



Sl. No.	Employee Name	Total CTC Paid	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of commencement of employment	Age	Last Employment Held before Joining the Company
<b>Employed throughout the year</b>								
24	Prabalan Chandrasekara Pandian	10,600,452	General Manager - BD & Contracts	B.E. - Civil Engineering, MBA and M.S. - Project Management	24	Aug 09, 2010	44	Nakheel- UAE
25	Rajeev Gupta	6,433,903	Associate Vice President	Bachelor of Engineering - Mechanical	20	May 16, 1995	43	Punj Lloyd Group
26	Rajendra A Khandalkar	18,911,621	President & CPO	B.E. - Mechanical, Diploma - Materials Management	31	Mar 10, 2014	53	Reliance Power Ltd.
27	Rakesh Kumar Grover	7,844,807	Advisor	B.S.C Engg. - Mechanical	43	Jun 18, 2012	64	L&T Power
28	Ramasubbu Singaraja	6,132,546	Deputy General Manager	Bachelor of Engineering - Mechanical	33	Aug 24, 2012	53	Petrofac
29	Ravindra Kansal	33,887,749	Group President	Bachelor of Engineering - Chemical	33	Nov 22, 2005	55	LOB Ltd.
30	Sandeep Maurya	11,405,792	General Manager	Bachelor of Engineering - Marine, MBA	14	May 05, 2008	37	Sembawang E&C Pvt. Ltd.
31	Sanjay Kumar Goyal	10,336,213	Vp And Bidding & Estimation Leader	Bachelor of Engineering - Civil	29	Nov 18, 2013	50	Continental Engineering Corporation
32	Satish Kumar Gupta	14,447,620	Vice President - Project Services	Bachelor of Technology - Mechanical	45	Jan 03, 2010	66	Bunduq Oil Producing Company
33	Shiva Santosh Kumar Boppana	10,758,144	Associate Vice President	Bachelor of Engineering - Mechanical, Diploma - Piping Design & Engineering	18	Nov 11, 2009	41	Dodsall
34	Simon Callaway	13,799,920	General Manager	Bachelor of Engineering - Chemical	22	Oct 17, 2011	47	Genesis Projects Initiation Services
35	Srinivas Moka	11,995,200	Business Development Leader	Master - International Business	19	Sep 15, 2013	43	Intershore Africa Durban, SA
36	Subhashish Rakshit	11,086,533	Associate Vice President	Bachelor of Engineering - Mechanical	27	Jul 15, 1998	49	Incorporated Engineers
37	Subir Singh Jain	14,994,000	Vice President	Master of Technology - Thermal Engineering, Bachelor of Engineering - Mech, PGD - Operations	24	Apr 01, 2012	49	Al Suwaidi Industrial Services Co. Ltd.
38	Sundar Ramachandran	6,338,922	Vice President-It	M.SC - Statistics	22	Jan 06, 2014	43	Jsoft Solutions Ltd.
39	Suryanarayana Nalli	7,112,020	Additional General Manager - Procurement & Contracts	Master of Business Administration	29	Jul 08, 2012	52	Petrogas Enp India
40	Swaminathan Ravi	6,302,424	Construction Manager	Bachelor of Engineering - Civil	23	Oct 19, 2011	46	Redco Construction
41	Swatantra Kumar Goyal	7,251,379	Executive Vice President	Bachelor of Engineering - Civil	33	Sep 22, 1995	54	Sikand Constructions
42	Tariq Alam	9,371,420	Executive Vice President-Bd	PHD - Electronic & Electrical Engineering, Bachelor - Electronic & Electrical Engineering	11	Mar 12, 2014	41	Delta Solar Pte Ltd. Singapore
43	V.P. Sharma	16,689,936	President Offshore	Diploma - Mech	30	Apr 01, 2008	53	Punj Lloyd Group
<b>Employed between the year</b>								
1	Aman Kumar Attree	3,680,782	Group Head - HR	B. A Honors ,MBA	25	May 22, 2014	49	Hindustan Power Project Pvt Ltd.
2	Amer Ahmed Saleh	812,804	Business Development Advisor	B.S Industrial Engineering	40	Aug 07, 2013	65	The Sandi Group
3	Ankarao Mylapalli	4,250,480	General Manager	AMIE - Mechanical Engineering	24	Mar 23, 2011	47	Black Cat Construction CO. WLL
4	Arvind Kumar Singh	3,964,540	Additional General Manager	Master of Engineering - Civil	24	Sep 15, 2010	48	TRF Ltd.
5	Bharat Kaul	7,731,482	Senior General Manager	Bachelor of Engineering - Mechanical	19	May 20, 2002	43	Kirlosker AAF
6	Chandra Kishore Thakur	7,772,583	President & CEO -Power	B.SC, MBA	30	Aug 12, 2014	54	Lanco Infratech Ltd.
7	Gora Chand Basu	726,024	Advisor	B.SC - Civil Engineering	42	Jan 08, 1996	66	Bridge And Roof Co. (I) Pvt. Ltd.

Sl. No.	Employee Name	Total CTC Paid	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of commencement of employment	Age	Last Employment Held before Joining the Company
<b>Employed throughout the year</b>								
8	Himanshu Chiman Lal Panchal	2,976,000	Manager-HVAC	Bachelor of Engineering - Mechanical	24	Nov 24, 2014	49	Jacob - Amec - CH2MHILL
9	Jeya Kumar Raghvan Kunka	1,059,704	Manager - QA/QC	Diploma - Mechanical Engineering	26	Feb 03, 2011	45	Mpn, Nigeria
10	K.L. Saha	2,407,476	Vice President	Bachelor of Engineering (Mech)	36	Dec 15, 2007	59	Pt. Petrosea (Clough Group)
11	Kalpathy Ramanathan Venkatramani	561,020	Manager - Sub Contracts	Bachelor of Engineering - Electrical	33	May 01, 2013	57	Chennai Petroleum Corporation Ltd.
12	Kuldeep Kumar Kohli	8,401,433	President - Corporate Affairs	LL.B	44	Apr 01, 2012	61	Essar Group
13	Lalit Kumar Jain	4,730,753	President- Contracts & New Business Initiatives	B.E. Mechanical, MMS	22	Jul 31, 2014	43	NSL Renewable Power Ltd.
14	Lalit Kumar Sati	1,520,987	Manager	Diploma - Industrial Electronics	32	Jan 20, 2009	52	Ipedex
15	Madhavan Thampi Sivasankar	2,252,563	General Manager	Bachelor of Technology - Mechanical, PMP	21	Jul 23, 2011	46	Dopet
16	Narayanamoorthy Pethaperumal	4,513,665	Project Control Manager	Diploma - Mechanical Engineering	36	Sep 16, 2009	59	Dodsai
17	Nidhi Kumar Narang	8,125,414	Chief Financial Officer	Bachelor of Law (LL.B), MBA - Finance	31	Aug 14, 2014	53	Hindustan Power Project Pvt. Ltd.
18	Pardeep Singh Tandon	26,459,077	President & CEO	B.Tech - Civil Engineering	38	May 02, 2010	60	D.S.Construction
19	Prabhakaran K Chary	3,720,000	Additional General Manager	Diploma - Electrical Engineering	27	Sep 14, 2014	50	Weatherford Oiltools Me
20	Raj Kumar Sharma	7,204,670	President - Defence	Bachelor of Engineering - Electronics, M.SC - Defecne Studies	38	Jan 30, 2012	59	Northrop Grumman Electronics System
21	Sarab Pal Singh	2,310,711	Sr. General Manager - Projects	B.E. - Civil Engineering, M.S. - Construction Project Management	26	Nov 01, 2011	49	Target & Jima Const.Co. LLC
22	Shabu Earnest Veloor Joy	889,750	Civil Infrastructure Operations Leader	B.E - Civil	27	Jul 01, 2013	49	Tecton Engineering & Construction
23	Shantanu Karkun	7,042,962	President & Geo- Building & Infrastructure	B.Tech (Hons.) - Civil	36	Jul 18, 2014	58	Reliance Power Ltd.
24	Syed Mohammad Sarwar	3,747,192	General Manager	Bachelor of Engineering - Mechanical	26	Feb 26, 2011	48	Toyo Engineering Company
25	Thomas George Griles	2,108,000	Technical Author	Business Administration	8	Jan 24, 2015	57	Start Systems International
26	Vallavabhai Gokalbhai Patel	7,136,303	Additional General Manager	Bachelor of Engineering - Civil	36	Sep 03, 2006	61	Dynamic General Contracting
27	Vinod Sehdev	5,867,970	Associate Vice President	Diploma - Civil Engineering	30	Jul 01, 2013	51	D.S. Construction

Notes:-

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

# ANNEXURE VII



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014)

### A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Being in the construction industry, the provisions of Section 134(3)(m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption do not apply to the Company. Accordingly, these particulars have not been provided.

### B. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange Used in terms of actual outflows and Earned in terms of actual inflows:

<b>Used</b>	(Rs. Crores)
Project material consumed and cost of goods sold	1,065.22
Employee benefits expense	25.90
Foreign branches/unincorporated joint venture expenses	2,025.09
Finance costs	35.94
Contractor charges	202.35
Site expenses	0.44
Diesel and fuel	6.59
Repair and maintenance	0.09
Freight and cartage	2.05
Hire charges	3.51
Rent	0.01
Rates and taxes	0.34
Insurance	1.68
Consultancy and professional	78.69
Travelling and conveyance	77.97
Miscellaneous	3.72
<b>Earned</b>	(Rs. Crores)
Contract revenues	2,318.36
Sales of trade goods	816.48
Hiring charges	1.98
Interest received	5.59
Management services	62.82
Others	23.78

For and on behalf of the Board

Place : Gurgaon  
Date : May 22, 2015

Atul Punj  
Chairman

# ANNEXURE VIII



## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

### FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188 of the Companies Act, 2013	

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	PL Surya Urja Limited, step-down wholly owned subsidiary company.	Punj Lloyd Pte. Limited, wholly-owned subsidiary company.
(b)	Nature of contracts/ arrangements/ transactions:	Rendering of Engineering, Procurement & Construction (EPC) services	Sale of traded goods
(c)	Duration of the contracts/ arrangements/ transactions:	EPC contract w.r.t. a specific project only and hence one time transaction.	Recurring
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Rendering of EPC services comprises Design, Engineering, Procurement, Testing, Commissioning and handing over of 20 MW Solar Power PV Plant.	Sale of traded goods comprises sale of steel billets and related items.
		Further details are mentioned in note number 29 to the Standalone Financial Statements.	
(e)	Date(s) of approval by the Board, if any:	N.A.	N.A.
(f)	Amount paid as advances, if any:	Nil	Nil

For and on behalf of the Board

Place : Gurgaon  
Date : May 22, 2015

Atul Punj  
Chairman





## EXTRACTS OF ANNUAL RETURN

**(As required under Section 134(3)(a) of the Companies Act,  
2013 read with Rule 12(1) of Companies (Management & Administration) Rules, 2014)**

FORM NO. MGT.9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31-03-2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN:- **L74899DL1988PLC033314**
- ii) Registration Date : **September 26, 1988**
- iii) Name of the Company : **Punj Lloyd Limited**
- iv) Category / Sub-Category of the Company : **Public Limited Company**
- v) Address of the Registered office and contact details : **Punj Lloyd House, 17-18, Nehru Place, New Delhi – 110019, Website: www.punjilloyd.com**  
**Email: info@punjilloyd.com Tel: +91 124 262 0123 Fax: +91 124 262 0111**
- vi) Whether listed company **Yes / No**
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31 – 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032**

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Engineering, procurement and construction activities	42101, 42201, 42203, 42901	79.49
2	Trading of steel products	46620	19.13

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Spectra Punj Lloyd Ltd.	U51909DL1985PLC021607	Subsidiary	100.00	2(87)(ii)
2	Punj Lloyd Industries Ltd.	U74899DL1993PLC054888	Subsidiary	100.00	2(87)(ii)
3	Punj Lloyd Raksha Systems Pvt. Ltd.	U74999DL2013 PTC247911	Subsidiary	100.00	2(87)(ii)
4	Atna Investments Ltd.	U67120DL1989PLC035393	Subsidiary	100.00	2(87)(ii)
5	PLN Construction Ltd.	U74899DL1997PLC088400	Subsidiary	100.00	2(87)(ii)
6	PL Engineering Ltd.	U45201DL2006PLC156532	Subsidiary	80.32	2(87)(ii)
7	Punj Lloyd Engineering Pte. Ltd.	N.A.	Subsidiary	80.32	2(87)(ii)
8	Simon Carves Engineering Ltd.	N.A.	Subsidiary	80.32	2(87)(ii)
9	Punj Lloyd Infrastructure Ltd.	U45400DL2007PLC161684	Subsidiary	100.00	2(87)(ii)
10	Punj Lloyd Solar Power Ltd.	U40106DL2010PLC211739	Subsidiary	100.00	2(87)(ii)
11	Khagaria Purnea Highway Project Ltd.	U45203DL2011PLC214857	Subsidiary	100.00	2(87)(ii)
12	Indraprastha Metropolitan Development Ltd.	U45200DL2012PLC232075	Subsidiary	100.00	2(87)(ii)
13	PL Surya Urja Ltd.	U40106DL2013PLC257153	Subsidiary	100.00	2(87)(ii)
14	PL Sunshine Ltd.	U40106DL2015PLC277555	Subsidiary	100.00	2(87)(ii)
15	Punj Lloyd Upstream Ltd.	U11100DL2007PLC161686	Subsidiary	58.06	2(87)(ii)
16	Punj Lloyd Aviation Ltd.	U62200DL2007PLC163930	Subsidiary	100.00	2(87)(ii)
17	Sembawang Infrastructure (India) Pvt. Ltd.	U45203DL1996 PTC190367	Subsidiary	100.00	2(87)(ii)
18	Indtech Global Systems Ltd.	U74900DL1982PLC014233	Subsidiary	99.99	2(87)(ii)
19	Shitul Overseas Placement and Logistic Ltd (f.k.a. Punj Lloyd Systems Ltd.)	U74910DL2009PLC191789	Subsidiary	100.00	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
20	PLI Ventures Advisory Services Pvt. Ltd.	U74140DL2010 PTC206852	Subsidiary	100.00	2(87)(ii)
21	Dayim Punj Lloyd Construction Contracting Company Ltd.	N.A.	Subsidiary	51.00	2(87)(ii)
22	Punj Lloyd International Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
23	Punj Lloyd Kazakhstan, LLP	N.A.	Subsidiary	100.00	2(87)(ii)
24	Punj Lloyd Infrastructure Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
25	Punj Lloyd (B) Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
26	Punj Lloyd Aviation Pte. Ltd..	N.A.	Subsidiary	100.00	2(87)(ii)
27	Christos Aviation Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
28	Punj Lloyd Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
29	PT Sempec Indonesia	N.A.	Subsidiary	100.00	2(87)(ii)
30	PT Punj Lloyd Indonesia	N.A.	Subsidiary	100.00	2(87)(ii)
31	Buffalo Hills Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
32	Indtech Trading FZE	N.A.	Subsidiary	100.00	2(87)(ii)
33	Punj Lloyd Engineers & Constructors Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
34	Punj Lloyd Engineers & Constructors Zambia Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
35	PLI Ventures Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
36	Graystone Bay Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
37	Punj Lloyd Kenya Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
38	PL Global Developers Pte. Ltd.	N.A.	Subsidiary	100.00	2(87)(ii)
39	Punj Lloyd Thailand Co. Ltd.	N.A.	Subsidiary	49.00	2(87)(i)
40	Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
41	Punj Lloyd Sdn. Bhd.	N.A.	Subsidiary	100.00	2(87)(ii)
42	Punj Lloyd Delta Renewables Pte. Ltd.	N.A.	Subsidiary	51.00	2(87)(ii)
43	Punj Lloyd Delta Renewables Pvt. Ltd.	U51103DL2008PTC180660	Subsidiary	51.00	2(87)(ii)
44	Punj Lloyd Delta Renewables Bangladesh Ltd.	N.A.	Subsidiary	51.00	2(87)(ii)
45	Sembawang Engineers & Constructors Pte. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
46	Sembawang Development Pte. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
47	Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	N.A.	Subsidiary	63.30	2(87)(ii)
48	Contech Trading Pte. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
49	Construction Technology (B) Sdn. Bhd.	N.A.	Subsidiary	97.38	2(87)(ii)
50	Sembawang Mining (Kekal) Pte. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
51	PT Indo Precast Utama	N.A.	Subsidiary	97.38	2(87)(ii)
52	PT Indo Unggul Wasturaya	N.A.	Subsidiary	65.24	2(87)(ii)
53	Sembawang (Tianjin) Construction Engineering Co. Ltd.	N.A.	Subsidiary	68.17	2(87)(ii)
54	Sembawang Infrastructure (Mauritius) Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
55	Sembawang UAE Pte. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
56	Sembawang Malaysia Sdn. Bhd.	N.A.	Subsidiary	97.38	2(87)(ii)
57	Jurubina Sembawang (M) Sdn. Bhd.	N.A.	Subsidiary	97.28	2(87)(ii)
58	Tueri Aquila FZE	N.A.	Subsidiary	97.38	2(87)(ii)
59	Sembawang Bahrain SPC	N.A.	Subsidiary	97.38	2(87)(ii)
60	Sembawang Consult Pte. Ltd. (f.k.a. SC Architects and Engineers Pte. Ltd.)	N.A.	Subsidiary	97.38	2(87)(ii)
61	Sembawang Equity Capital Pte. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
62	Sembawang of Singapore - Global Project Underwriters Pte. Ltd. (f.k.a. Sembawang Securities Pte. Ltd.)	N.A.	Subsidiary	97.38	2(87)(ii)
63	Sembawang of Singapore - Global Project Underwriters Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
64	Sembawang Hongkong Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
65	Sembawang (Tianjin) Investment Management Co. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
66	PT Sembawang Indonesia	N.A.	Subsidiary	97.38	2(87)(ii)
67	Reliance Contractors Pvt. Ltd.	N.A.	Subsidiary	97.38	2(87)(ii)
68	Sembawang E&C Malaysia Sdn. Bhd.	N.A.	Subsidiary	97.38	2(87)(ii)
69	Thiruvananthapuram Road Development Company Ltd.	U45203MH2004PLC144789	Joint Venture	50.00	2(6)
70	Ramprastha Punj Lloyd Developers Pvt. Ltd.	U45400DL2007PTC166937	Joint Venture	50.00	2(6)
71	PLE TCI Engenharia LTDA	N.A.	Joint Venture	39.36	2(6)
72	AeroEuro Engineering India Pvt. Ltd.	U74900DL2011PTC219149	Joint Venture	40.16	2(6)
73	PT Kekal Adidaya	N.A.	Joint Venture	48.69	2(6)
74	Sembawang Precast System LLC	N.A.	Joint Venture	48.69	2(6)
75	Sembawang Caspi Engineers and Constructors LLP	N.A.	Joint Venture	48.69	2(6)
76	Air Works India (Engineering) Pvt. Ltd.	U74210MH1986PTC040889	Associates	23.30	2(6)
77	Reco Sin Han Pte. Ltd.	N.A.	Associates	19.48	2(6)
78	Punj Lloyd Dynamic LLC	N.A.	Joint Venture	48.00	2(6)

\* N.A. : Not Available

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

##### i) Category-wise Share Holding

Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014				No. of Shares Held at the End of the Year i.e. March 31, 2015				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
PROMOTER AND PROMOTER GROUP									
1. INDIAN									
Individual /HUF	24342586	0	24342586	7.33	23365245	0	23365245	7.04	-0.29
Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	22158427	0	22158427	6.67	22148345	0	22148345	6.67	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(1) :	46501013	0	46501013	14.00	45513590	0	45513590	13.71	-0.29
2. FOREIGN									
Individuals (NRIs/Foreign Individuals)	1430540	0	1430540	0.43	1430540	0	1430540	0.43	0.00
Bodies Corporate	75691430	0	75691430	22.79	75691430	0	75691430	22.79	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2) :	77121970	0	77121970	23.22	77121970	0	77121970	23.22	0.00
Total A=A(1)+A(2)	123622983	0	123622983	37.22	122635560	0	122635560	36.93	-0.29
PUBLIC SHAREHOLDING									
1. INSTITUTIONS									
Mutual Funds /UTI	704056	0	704056	0.21	3003167	0	3003167	0.90	0.69
Financial Institutions /Banks	22587423	0	22587423	6.80	22026600	0	22026600	6.63	-0.17
Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	34118961	0	34118961	10.27	18495399	0	18495399	5.57	-4.70
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(1) :	57410440	0	57410440	17.29	43525166	0	43525166	13.10	-4.47

Category of Shareholder	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014				No. of Shares Held at the End of the Year i.e. March 31, 2015				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. NON-INSTITUTIONS									
Bodies Corporate	25973922	90	25974012	7.82	33379155	90	33379245	10.05	2.23
Individuals									
(i) Individuals holding nominal share capital upto Rs.1 lakh	108108239	21812	108130051	32.56	115081070	23449	115104519	34.66	2.10
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	7471243	0	7471243	2.25	9503467	0	9503467	2.86	0.61
Others									
CLEARING MEMBERS	2517163	0	2517163	0.76	834664	0	834664	0.25	-0.51
FOREIGN NATIONALS	500	0	500	0.00	500	0	500	0.00	0.00
NON RESIDENT INDIANS	6917978	1045	6919023	2.08	7079929	1045	7080974	2.13	0.05
TRUSTS	50330	0	50330	0.02	31650	0	31650	0.01	-0.01
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B(2) :	151039375	22947	151062322	45.49	165910435	24584	165935019	49.96	4.47
Total B=B(1)+B(2) :	208449815	22947	208472762	62.78	209435601	24584	209460185	63.07	0.29
Total (A+B) :	332072798	22947	332095745	100.00	332071161	24584	332095745	100.00	0.00
Shares held by custodians for GDRs & ADRs									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	332072798	22947	332095745	100.00	332071161	24584	332095745	100.00	

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the Beginning of the Year i.e. April 01, 2014			Shareholding at the End of the Year i.e. March 31, 2015			% Change in Shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	Cawdor Enterprises Pvt. Ltd.	75691430	22.79	72	75691430	22.79	79.56	0.00
2	Satya Narain Prakash Punj / Indu Rani Punj	10537281	3.17	0	10537281	3.17	0	0.00
3	Indu Rani Punj / Satya Narain Prakash Punj	9997065	3.01	0	9997065	3.01	0	0.00
4	Uday Punj (HUF)	831246	0.25	0	781246	0.24	0	-0.01
5	Manglam Punj / Uday Punj	1090353	0.33	0	774962	0.23	0	-0.10
6	Uday Punj / Manglam Punj	624935	0.18	0	624935	0.18	0	0.00
7	Jyoti Punj	501725	0.15	0	501725	0.15	0	0.00
8	Uday Punj	757211	0.22	0	147211	0.04	0	-0.18
9	Atul Punj	1430540	0.43	0	1430540	0.43	0	0.00
10	Atul Punj (HUF)	820	0	0	820	0	0	0.00
11	Manglam Punj	1280	0	0	0	0	0	0.00
12	Dev Punj	335	0	0	0	0	0	0.00
13	Jai Punj	335	0	0	0	0	0	0.00
14	Spectra Punj Finance Pvt. Ltd.	22148305	6.67	100	22148305	6.67	88.71	0.00
15	Petro IT Ltd.	9000	0	0	0	0	0	0.00
16	K R Securities Pvt. Ltd.	1082	0	0	0	0	0	0.00
17	PLE Hydraulics Pvt. Ltd.	40	0	0	40	0	0	0.00
	<b>Total</b>	<b>123622983</b>	<b>37.22</b>		<b>122635560</b>	<b>36.93</b>		-0.29



(iii) Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.	Shareholder's Name	Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014		Cumulative Shareholding During the Year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	01-04-2014	123622983	37.23	-	-
	<b>Date Wise Increase/ decrease in promoter shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):</b>					
1	Uday Punj	01-04-2014	757211	0.23	757211	0.23
	Sold	04-04-2014	25000	0.01	732211	0.22
	Sold	11-04-2014	205000	0.06	527211	0.16
	Sold	19-09-2014	35000	0.01	492211	0.15
	Sold	31-10-2014	25000	0.01	467211	0.14
	Sold	07-11-2014	50000	0.01	417211	0.13
	Sold	14-11-2014	25000	0.01	392211	0.12
	Sold	21-11-2014	150000	0.05	242211	0.07
	Sold	05-12-2014	70000	0.02	172211	0.05
	Sold	12-12-2014	25000	0.01	147211	0.04
		31-03-2015	147211	0.04	147211	0.04
2	Manglam Punj / Uday Punj	01-04-2014	1090353	0.33	1090353	0.33
	Sold	24-10-2014	22270	0.01	1068083	0.32
	Sold	31-10-2014	93189	0.03	974894	0.29
	Sold	07-11-2014	175000	0.05	799894	0.24
	Sold	05-12-2014	24932	0.01	774962	0.23
		31-03-2015	774962	0.23	774962	0.23
3	Uday Punj (HUF)	01-04-2014	831246	0.25	831246	0.25
	Sold	31-10-2014	25000	0.01	806246	0.24
	Sold	07-11-2014	25000	0.01	781246	0.23
		31-03-2015	781246	0.23	781246	0.23
4	Satya Narain Prakash Punj / Indu Rani Punj	01-04-2014	10537281	3.17	10537281	3.17
	No Change	31-03-2015	10537281	3.17	10537281	3.17
5	Indu Rani Punj / Satya Narain Prakash Punj	01-04-2014	9997065	3.01	9997065	3.01
	No Change	31-03-2015	9997065	3.01	9997065	3.01
6	Atul Punj	01-04-2014	1430540	0.43	1430540	0.43
	No Change	31-03-2015	1430540	0.43	1430540	0.43
7	Petro IT Ltd.	01-04-2014	9000	0	9000	0.00
	Sold	21-11-2014	9000	0	0	0.00
		31-03-2015	0	0	0	0.00
8	Jai Punj	01-04-2014	335	0	335	0.00
	Sold	13-06-2014	335	0	0	0.00
9	Dev Punj	01-04-2014	335	0	335	0.00
	Sold	21-11-2014	335	0	0	0.00
10	K.R. Securities Pvt. Ltd.	01-04-2014	1082	0	1082	0.00
	Sold	21-11-2014	1082	0	0	0.00
		31-03-2015	0	0	0	0.00
11	Cawdor Enterprises Ltd.	01-04-2014	75691430	22.79	75691430	22.79
	No Change	31-03-2015	75691430	22.79	75691430	22.79
12	Spectra Punj Finance Pvt. Ltd.	01-04-2014	22148305	6.67	22148305	6.67
	No Change	31-03-2015	22148305	6.67	22148305	6.67
13	Jyoti Punj	01-04-2014	501725	0.15	501725	0.15
	No Change	31-03-2015	501725	0.15	501725	0.15
14	Manglam Punj	01-04-2014	1280	0	1280	0.00

Sl. No.	Shareholder's Name	Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014		Cumulative Shareholding During the Year	
			No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	Sold	12-09-2014	600	0	680	0.00
	Sold	07-11-2014	680	0	0	0.00
		31-03-2015	0	0	0	0.00
15	Atul Punj (HUF)	01-04-2014	820	0	820	0.00
	No Change	31-03-2015	820	0	820	0.00
16	PLE Hydraulics Pvt. Ltd.	01-04-2014	40	0	40	0.00
	No Change	31-03-2015	40	0	40	0.00
17	Manglam Punj / Uday punj	01-04-2014	624935	0.19	624935	0.19
	No Change	31-03-2015	624935	0.19	624935	0.19
	At the End of the year	31-03-2015	122635560	36.93	0	0.00

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014		Cumulative Shareholding During the Year	
			No. of Shares	% Of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	01-04-2014	39537287	11.90	-	-
	<b>Date Wise Increase/ decrease in promoter shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):</b>					
1	Citigroup Global Markets Mauritius Private Limited	01-04-2014	8844601	2.66	8844601	2.66
		31-03-2015	8844601	2.66	8844601	2.66
2	Merrill Lynch Capital Markets Espana S.A. S.V.	01-04-2014	2906835	0.87	2906835	0.87
	Sold	02-05-2014	1255624	0.37	1651211	0.49
	Sold	08-08-2014	430371	0.12	1220840	0.36
	Sold	29-08-2014	454	0	1220386	0.36
	Sold	21-11-2014	113260	0.03	1107126	0.33
	Sold	28-11-2014	6690	0	1100436	0.33
	Sold	19-12-2014	20693	0	1079743	0.33
	Sold	31-12-2014	7791	0	1071952	0.33
	Sold	16-01-2015	800	0	1071152	0.33
	Sold	30-01-2015	299065	0.09	772087	0.23
	Sold	06-02-2015	300785	0.09	471302	0.12
	Sold	13-02-2015	102302	0.03	369000	0.11
		31-03-2015	369000	0.11	369000	0.11
3	Dimensional Emerging Markets Value Fund	01-04-2014	1800182	0.54	1800182	0.54
	Sold	18-07-2014	230500	0.06	1569682	0.47
	Sold	28-11-2014	40178	0.01	1529504	0.46
	Sold	31-12-2014	52540	0.16	1476964	0.44
		31-03-2015	1476964	0.44	1476964	0.44
4	California Public Employees Retirement Systemself	01-04-2014	2470302	0.74	2470302	0.74
	Sold	30-06-2014	605558	0.18	1864744	0.56
	Sold	30-09-2014	312327	0.09	1552417	0.46
	Sold	31-12-2014	309841	0.09	1242576	0.37
	Sold	27-03-2015	194083	0.05	1048493	0.32
		31-03-2015	1048493	0.32	1048493	0.32

Sl. No.	For Each of the Top 10 Shareholders	Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014		Cumulative Shareholding During the Year	
			No. of Shares	% Of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
5	MV SCIF Mauritius	01-04-2014	2817978	0.84	2817978	0.84
	Sold	04-04-2014	63072	0.01	2881050	0.86
	Sold	11-04-2014	220710	0.06	3101760	0.93
	Sold	20-06-2014	62636	0.02	3039124	0.09
	Sold	30-06-2014	3039124	0.91	0	0.00
		31-03-2015	0	0	0	0.00
6	Life Insurance Corporation of India	01-04-2014	5848756	1.76	5848756	1.76
		31-03-2015	5848756	1.76	5848756	1.76
7	LIC of India Money Plus Growth Fund	01-04-2014	1772180	0.53	1772180	0.53
		31-03-2015	1772180	0.53	1772180	0.53
8	LIC of India Market Plus 1 Growth Fund	01-04-2014	5806337	1.74	5806337	1.74
		31-03-2015	5806337	1.74	5806337	1.74
9	Life Insurance Corporation of India P & Gs Fund	01-04-2014	2851473	0.85	2851473	0.85
		31-03-2015	2851473	0.85	2851473	0.85
10	Government Pension Fund Global	01-04-2014	4418643	1.37	4418643	1.37
	Sold	11-04-2014	204494	0.06	4214149	1.26
	Sold	18-04-2014	303959	0.09	3910190	1.17
	Sold	25-04-2014	425751	0.12	3484439	1.04
	Sold	02-05-2014	466070	0.14	3018362	0.90
	Sold	09-05-2014	579406	0.17	2438956	0.73
	Sold	16-05-2014	117700	0.03	2321256	0.69
	Sold	04-07-2014	812647	0.24	1508609	0.45
	Sold	11-07-2014	698609	0.21	810000	0.24
	Sold	18-07-2014	100000	0.03	710000	0.21
	Sold	25-07-2014	343000	0.10	367000	0.11
	Sold	01-08-2014	160000	0.04	207000	0.06
	Sold	08-08-2014	207000	0.06	0	0.00
		31-03-2015	0	0	0	0.00
	At the End of the year	31-03-2015	28017804	8.43	0	0.00

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014		Date	Cumulative Shareholding During The Year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
	At the beginning of the Year	01-04-2014	1440360	0.43	01-04-2014	1440360	0.43
	<b>Date Wise Increase/ decrease in promoter shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc):</b>						
1	Atul Punj	01-04-2014	1431360	0.43	31-03-2015	1431360	0.43
2	Dr. Naresh Trehan / Madhu Trehan	01-04-2014	3760	0.001	31-03-2015	3760	0.001
3	Madhu Trehan / Dr. Naresh Trehan	01-04-2014	240	0.00	31-03-2015	240	0.00
4	Phiroz Adi Vandrevalla	01-04-2014	5000	0.001	31-03-2015	5000	0.001
5	J.P. Chalasani	01-04-2014	0	0.00	31-03-2015	0	0.00
6	Luv Chhabra	01-04-2014	0	0.00	31-03-2015	0	0.00

Sl. No.	For Each of the Directors and KMP	Date	No. of Shares Held at the Beginning of the Year i.e. April 01, 2014		Date	Cumulative Shareholding During The Year	
			No. of Shares	% of Total Shares of the Company		No. of Shares	% of Total Shares of the Company
7	P.N. Krishnan	01-04-2014	0	0.00	31-03-2015	0	0.00
8	Ekaterina Alexandra Sharashidze	01-04-2014	0	0.00	31-03-2015	0	0.00
9	Maniedath Madhavan Nambiar	01-04-2014	0	0.00	31-03-2015	0	0.00
10	Nidhi Kumar Narang (CFO)	01-04-2014	0	0.00	31-03-2015	0	0.00
11	Dinesh Thairani (Company Secretary)	01-04-2014	0	0.00	31-03-2015	0	0.00
12	At the End of the year	01-04-2014	5000	0.001	31-03-2015	5000	0.001

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (2014-15)				
i) Principal Amount	5,259.90	64.37	-	5,324.27
ii) Interest due but not paid	7.97	0.11	-	8.08
iii) Interest accrued but not due	30.28	0.94	-	31.22
Total (i+ii+iii)	5,298.15	65.42	-	5,363.57
Change in Indebtedness during the financial year (2014-15)				
• Addition	898.57	182.47	-	1,081.04
• Reduction	1,135.03	64.37	-	1,199.40
Net addition / (reduction)	(236.46)	118.10	-	(118.36)
Indebtedness at the end of the financial year (2014-15)				
i) Principal Amount	5,023.44	182.47	-	5,205.91
ii) Interest due but not paid	21.35	-	-	21.35
iii) Interest accrued but not due	24.11	0.23	-	24.34
Total (i+ii+iii)	5,068.90	182.70	-	5,251.60

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Mr. J.P. Chalasani	Mr. L. Chhabra	Mr. P.N. Krishnan	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,614,672	11,053,704	20,689,740	57,358,116
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,388,608	0	1,001,400	4,390,008
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission				
	- as % of profit	0	0	0	0
	- others, specify...	0	0	0	0
5.	Others, please specify (PF, NPS, Gratuity, Medclaim, Suprannuation, Bonus/Ex-gratia as applicable)	4,498,159	3,069,552	1,417,272	8,984,983
	Total (A)	33,501,439@	14,123,256#	23,108,412\$	70,733,107
	Ceiling as per the Act	Nil	Nil	Nil	Nil

@ as approved by the Central Government vide SRN No. SRNC15404882/2014-CL-VII dated May 29, 2015.

# as approved by the Central Government vide SRN No. SRNC15409709/2014-CL-VII dated May 14, 2015.

\$ as approved by the Central Government vide SRN No. SRNC15410251/2014-CL-VII dated May 29, 2015.



B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Dr. Naresh Trehan	Mr. Phiroz Vandrewala	Ms. Ekaterina Sharashidze	Mr. M.M. Nambiar	
1	Independent Directors					
	• Fee for attending board committee meetings	150,000	200,000	300,000	300,000	950,000
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (1)	150,000	200,000	300,000	300,000	950,000
2	Other Non-Executive Directors	NONE				
	• Fee for attending board committee meetings	0	0	0	0	0
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B) = (1 + 2)	150,000	200,000	300,000	300,000	950,000*
	Total Managerial Remuneration					70,733,107
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

\* As per the provisions of Sub Section (2) read with sub section (5) of Section 197 of the Companies Act, 2013, sitting fees paid to directors are to be excluded while calculating the overall managerial remuneration.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/MTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		7,671,399	6,274,625	13,946,024
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		569,400	328,987	898,387
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0	418,422	418,422
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission				
	- as % of profit		0	0	0
	- Others, specify...		0	0	0
5.	Others, please specify		668,888	445,281	1,114,169
	Total		8,909,687	7,467,315	16,377,002

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

(All amounts in INR Crores, unless otherwise stated)

## PART "A" - SUBSIDIARIES

Name of the Entities	Country of Incorporation	% holding of Group as on March 31, 2015	Re-reporting Currency	Reporting period ended on	Exchange rate as on March 31, 2015	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Spectra Punj Lloyd Limited	India	100.00%	INR	March 31, 2015	1.00	5.00	(0.06)	64.30	59.36	-	9.51	0.19	(0.09)	0.10	-
Punj Lloyd Industries Limited	India	100.00%	INR	March 31, 2015	1.00	11.50	(0.00)	11.53	0.03	-	0.15	(0.36)	(0.05)	(0.41)	-
Atha Investments Limited	India	100.00%	INR	March 31, 2015	1.00	5.15	(4.57)	0.97	0.39	0.04	0.05	0.02	(0.01)	0.01	-
PLN Construction Limited	India	100.00%	INR	March 31, 2015	1.00	2.00	15.21	117.34	100.13	-	26.78	0.72	(0.23)	0.49	-
Punj Lloyd International Limited	British Virgin Islands	100.00%	USD	March 31, 2015	63.13	0.63	0.83	10.65	9.19	-	-	(0.37)	-	(0.37)	-
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00%	KZT	March 31, 2015	0.34	37.39	(93.62)	45.46	101.69	-	3.99	(26.95)	-	(26.95)	-
Punj Lloyd Pte. Limited	Singapore	100.00%	SGD	March 31, 2015	49.02	1,187.92	(1,881.10)	1,440.48	2,133.66	31.21	1,346.35	(268.84)	(1.03)	(269.87)	-
PL Engineering Limited	India	80.32%	INR	March 31, 2015	1.00	26.23	37.08	145.19	81.88	1.28	101.38	1.00	(3.04)	(2.04)	0.00
Punj Lloyd Infrastructure Limited	India	100.00%	INR	March 31, 2015	1.00	22.65	1.35	360.10	336.10	-	1.09	(3.72)	1.21	(2.51)	-
Punj Lloyd Upstream Limited	India	58.06%	INR	March 31, 2015	1.00	62.69	(22.10)	250.81	210.22	-	81.58	(17.87)	1.50	(16.37)	-
Punj Lloyd Aviation Limited	India	100.00%	INR	March 31, 2015	1.00	63.80	(54.67)	95.46	86.33	53.00	5.02	(13.56)	-	(13.56)	-
Sembawang Infrastructure (India) Private Limited	India	100.00%	INR	March 31, 2015	1.00	9.58	(25.03)	11.96	27.41	-	2.60	0.10	-	0.10	-
Indtech Global Systems Limited	India	99.99%	INR	March 31, 2015	1.00	0.82	0.10	0.95	0.03	-	0.08	0.07	(0.02)	0.05	-
Shitul Overseas Placement and Logistics Limited (Formerly Punj Lloyd Systems Limited)	India	100.00%	INR	March 31, 2015	1.00	0.20	(0.03)	0.17	-	-	-	(0.01)	-	(0.01)	-
PLU Ventures Advisory Services Private Limited	India	100.00%	INR	March 31, 2015	1.00	0.01	(1.87)	0.00	1.86	-	-	(0.01)	-	(0.01)	-
Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	51.00%	SAR	March 31, 2015	16.61	3.32	(209.49)	383.24	589.41	-	281.48	27.07	-	27.07	-
Punj Lloyd Infrastructure Pte. Limited	Singapore	100.00%	SGD	March 31, 2015	49.02	0.00	(20.64)	252.44	273.08	-	0.00	(23.09)	-	(23.09)	-
PT Punj Lloyd Indonesia	Indonesia	100.00%	USD	March 31, 2015	63.13	151.65	(489.07)	154.56	491.98	-	115.91	(33.30)	(3.26)	(36.56)	-
PT Sempec Indonesia	Indonesia	100.00%	USD	March 31, 2015	63.13	42.20	(16.27)	65.31	39.38	-	-	(4.58)	-	(4.58)	-
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00%	MYR	March 31, 2015	16.86	1.26	133.37	281.77	147.14	-	125.35	(110.50)	16.02	(94.48)	-
Punj Lloyd Sdn. Bhd.	Malaysia	100.00%	MYR	March 31, 2015	16.86	1.69	4.68	154.54	148.17	-	10.19	5.50	(1.10)	4.40	-
Punj Lloyd Engineers and Constructors Pte. Limited	Singapore	100.00%	SGD	March 31, 2015	49.02	0.00	(43.33)	-	43.33	-	0.01	(1.76)	-	(1.76)	-

# STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

(All amounts in INR Crores, unless otherwise stated)



Name of the Entities	Country of Incorporation	% holding of Group as on March 31, 2015	Re-reporting Currency	Reporting period ended on	Exchange rate as on March 31, 2015	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Punj Lloyd Engineers and Constructors Zambia Limited	Zambia	100.00%	ZMW	March 31, 2015	8.19	0.00	(0.23)	0.06	0.29	-	0.00	(0.02)	-	(0.02)	-
Buffalo Hills Limited	British Virgin Islands	100.00%	USD	March 31, 2015	63.13	0.01	10.76	10.78	0.01	-	-	(0.71)	-	(0.71)	-
Indtech Trading FZE	United Arab Emirates	100.00%	AED	March 31, 2015	16.96	1.70	0.71	2.53	0.12	-	1.94	1.51	-	1.51	-
PLU Ventures Limited	Mauritius	100.00%	USD	March 31, 2015	63.13	0.06	(6.94)	0.10	6.98	-	-	(0.08)	-	(0.08)	-
Punj Lloyd Aviation Pte. Limited	Singapore	100.00%	SGD	March 31, 2015	49.02	248.80	(4.21)	250.70	6.11	-	37.10	1.71	(6.07)	(4.36)	-
Christos Aviation Limited	Bermuda	100.00%	USD	March 31, 2015	63.13	0.00	(0.17)	0.00	0.17	-	0.00	(0.06)	-	(0.06)	-
Punj Lloyd (B) Sdn. Bhd. (w.e.f. August 02, 2014)	Brunei	100.00%	BND	March 31, 2015	49.02	0.00	(0.00)	-	-	-	0.69	(0.00)	-	(0.00)	-
Punj Lloyd Kenya Limited	Kenya	100.00%	KES	March 31, 2015	0.67	0.00	(1.32)	0.12	1.44	-	1.17	(0.06)	-	(0.06)	-
PL Global Developers Pte. Limited	Singapore	100.00%	SGD	March 31, 2015	49.02	0.00	(0.12)	0.00	0.12	-	-	(0.04)	-	(0.04)	-
Graystone Bay Limited	British Virgin Islands	100.00%	USD	March 31, 2015	63.13	0.32	(0.32)	-	-	-	11.05	(16.36)	-	(16.36)	-
Punj Lloyd Thailand (Co) Limited	Thailand	100.00%	THB	March 31, 2015	1.92	1.92	(1.03)	9.59	8.70	-	0.03	(1.21)	-	(1.21)	-
Punj Lloyd Delta Renewables Pte. Limited	Singapore	51.00%	USD	March 31, 2015	63.13	2.58	(3.80)	-	1.22	-	0.02	(0.04)	-	(0.04)	-
Punj Lloyd Delta Renewables Private Limited	India	51.00%	INR	March 31, 2015	1.00	0.19	(18.65)	33.02	51.48	-	6.55	(8.67)	0.15	(8.52)	-
Punj Lloyd Delta Renewables Bangladesh Limited	Bangladesh	51.00%	BDT	March 31, 2015	0.80	0.02	(0.06)	0.00	0.04	-	-	-	-	-	-
Punj Lloyd Raksha Systems Private Limited (w.e.f. February 04, 2015)	India	100.00%	INR	March 31, 2015	1.00	0.01	(0.00)	0.01	-	-	-	(0.00)	-	(0.00)	-
Punj Lloyd Engineering Pte. Limited	Singapore	80.32%	SGD	March 31, 2015	49.02	0.00	(0.42)	27.40	27.82	-	43.84	0.14	-	0.14	-
Simon Carves Engineering Limited	United Kingdom	80.32%	GBP	March 31, 2015	92.44	0.00	4.79	33.13	28.34	-	94.63	1.49	(0.34)	1.15	-
Punj Lloyd Solar Power Limited	India	100.00%	INR	March 31, 2015	1.00	15.10	0.66	72.33	56.57	-	10.25	(0.11)	0.04	(0.07)	-
Khagaria Purnea Highway Project Limited	India	100.00%	INR	March 31, 2015	1.00	46.60	(3.71)	736.61	693.72	-	112.69	(2.12)	-	(2.12)	-
Indraprastha Metropolitan Development Limited	India	100.00%	INR	March 31, 2015	1.00	0.05	(0.38)	83.67	84.00	-	-	(0.01)	-	(0.01)	-
PL Surya Urja Limited	India	100.00%	INR	March 31, 2015	1.00	20.00	(0.48)	171.43	151.91	-	3.46	(0.23)	-	(0.23)	-

## STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

(All amounts in INR Crores, unless otherwise stated)



Name of the Entities	Country of Incorporation	% holding of Group as on March 31, 2015	Reporting Currency	Reporting period ended on	Exchange rate as on March 31, 2015	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
PL Sunshine Limited (w.e.f. March 02, 2015)	India	100.00%	INR	March 31, 2015	1.00	10.55	(0.20)	12.18	1.83	-	-	(0.20)	-	(0.20)	-
Sembawang Engineers and Constructors Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	913.85	(292.14)	1,622.96	1,001.25	-	1,051.60	(180.95)	7.51	(173.44)	-
Sembawang Development Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	4.90	(32.64)	140.51	168.25	0.05	0.20	0.19	(0.01)	0.18	-
Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	Libya	63.29%	LYD	March 31, 2015	52.83	3.17	(6.41)	0.32	3.56	-	-	-	-	-	-
Contech Trading Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	24.51	2.24	26.76	0.01	-	-	(0.00)	-	(0.00)	-
Construction Technology (B) Sdn. Bhd.	Brunei	97.38%	SGD	March 31, 2015	49.02	45.34	(45.33)	0.04	0.03	-	-	(0.04)	-	(0.04)	-
Sembawang Mining (Kekal) Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	2.94	(2.59)	129.65	129.30	-	-	(0.06)	-	(0.06)	-
PT Indo Precast Utama	Indonesia	97.38%	SGD	March 31, 2015	49.02	4.54	(15.54)	2.05	13.05	-	-	-	-	-	-
PT Indo Unggul Wasturaya	Indonesia	65.25%	IDR	March 31, 2015	0.00	0.00	(0.00)	0.00	-	-	-	-	-	-	-
Sembawang (Tianjin) Construction Engineering Co. Limited	China	68.16%	RMB	March 31, 2015	10.26	25.51	(4.51)	27.55	6.55	-	-	(0.49)	-	(0.49)	-
Sembawang Infrastructure (Mauritius) Limited	Mauritius	97.38%	USD	March 31, 2015	63.13	1.70	(0.22)	1.57	0.09	-	-	(0.09)	-	(0.09)	-
Sembawang UAE Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	75.98	(81.63)	5.82	11.47	-	-	(1.59)	-	(1.59)	-
Sembawang Consult Pte. Ltd. (Formerly SC Architects and Engineers Pte. Limited)	Singapore	97.38%	SGD	March 31, 2015	49.02	2.45	(6.73)	1.60	5.88	-	2.19	(6.53)	-	(6.53)	-
Sembawang (Malaysia) Sdn. Bhd.	Malaysia	97.38%	MYR	March 31, 2015	16.86	1.69	(5.74)	0.07	4.12	-	-	(0.29)	-	(0.29)	-
Jurubina Sembawang (M) Sdn. Bhd.	Malaysia	97.38%	MYR	March 31, 2015	16.86	0.00	-	0.00	-	-	-	-	-	-	-
Tueri Aquila FZE	United Arab Emirates	97.38%	AED	March 31, 2015	16.96	1.70	(253.66)	22.28	274.24	-	1.23	1.23	-	1.23	-
Sembawang Bahrain SPC	Bahrain	97.38%	BHD	March 31, 2015	135.26	8.12	(4.18)	4.01	0.07	-	-	(0.07)	-	(0.07)	-
Sembawang Equity Capital Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	2.45	(2.08)	0.39	0.02	-	-	(0.04)	-	(0.04)	-
Sembawang of Singapore - Global Project Underwriters Pte. Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	0.21	(0.04)	0.18	0.01	-	-	(0.00)	-	(0.00)	-
Sembawang of Singapore - Global Project Underwriters Limited	Hong Kong	97.38%	HKD	March 31, 2015	8.06	0.00	(0.00)	-	-	-	-	(0.11)	-	(0.11)	-

## STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

(All amounts in INR Crores, unless otherwise stated)

Name of the Entities	Country of Incorporation	% holding of Group as on March 31, 2015	Reporting Currency	Reporting period ended on	Exchange rate as on March 31, 2015	Capital	Reserves	Total Assets	Total Liabilities	Investments (Other than investments in subsidiaries)	Turnover / Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
Sembawang Hong Kong Limited	Hong Kong	97.38%	HKD	March 31, 2015	8.06	0.48	(0.50)	4.02	4.04	-	0.58	0.58	-	0.58	-
Sembawang (Tianjin) Investment Management Co Limited	China	97.38%	RMB	March 31, 2015	10.26	3.25	1.99	47.50	42.26	-	1.17	1.17	(0.25)	0.92	-
PT Sembawang Indonesia	Indonesia	97.38%	IDR	March 31, 2015	0.00	0.00	(0.04)	0.01	0.05	-	-	(0.01)	(0.00)	(0.01)	-
Sembawang International Limited	Hong Kong	-	HKD	De-registered on June 27, 2014	8.06	-	-	-	-	-	-	(0.00)	-	(0.00)	-
Sembawang Commodities Pte. Limited	Singapore	-	SGD	Struck-off on April 16, 2014	49.02	-	-	-	-	-	-	(0.00)	-	(0.00)	-
Reliance Contractors Private Limited	Singapore	97.38%	SGD	March 31, 2015	49.02	0.15	2.63	3.29	0.51	-	-	(0.02)	-	(0.02)	-
Sembawang E&C Malaysia Sdn. Bhd. (w.e.f. July 25, 2014)	Malaysia	97.38%	MYR	March 31, 2015	16.86	-	-	-	-	-	-	-	-	-	-

Amounts below INR 50,000 are expressed as 0.00

### Names of Subsidiaries which are yet to commence operations

#### Sl. No. Name of the Subsidiary

- 1 Shitul Overseas Placement and Logistics Limited
- 2 Punj Lloyd Engineers and Constructors Zambia Limited
- 3 PL Global Developers Pte. Limited
- 4 Punj Lloyd Delta Renewables Bangladesh Limited
- 5 Punj Lloyd Raksha Systems Private Limited
- 6 PL Sunshine Limited
- 7 Sembawang of Singapore - Global Project Underwriters Limited
- 8 Sembawang E&C Malaysia Sdn. Bhd.

### Names of Subsidiaries which have been liquidated or sold during the year

#### Sl. No. Name of the Subsidiary

- 1 Sembawang International Limited
- 2 Sembawang Commodities Pte. Limited



## STATEMENT CONTAINING SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to section 129 (3) of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

(All amounts in INR Crores, unless otherwise stated)



## PART "B" : JOINT VENTURES AND ASSOCIATES

Sl. No.	Name of Joint Ventures /Associates	Latest reported balance sheet date	No. of shares and amount held by the company at the year end	Extent of Holding %	Networth attributable to shareholding as per latest reported balance sheet	Profit / (Loss) for the year considered in consolidation	Profit / (Loss) for the year not considered in consolidation	Description of how there is significant influence	Reason why the joint venture/associate is not consolidated
<b>Joint Ventures</b>									
1	Thiruvananthapuram Road Development Company Limited	March 31, 2015	17,030,000 equity shares amounting to Rs. 17.03 crores	50.00%	2.19	(0.81)	-	Note - A	N. A.
2	Ramprastha Punj Lloyd Developers Private Limited	March 31, 2015	5,000 equity shares amounting to Rs. 0.01 crores	50.00%	0.01	(0.00)	-	Note - A	N. A.
3	Punj Lloyd Dynamic LLC	March 31, 2015	Joint Venture of Punj Lloyd Engineers and Constructors Pte Limited	48.00%	0.34	-	-	Note - A	N. A.
4	AeroEuro Engineering India Private Limited	March 31, 2015	Joint Venture of PLE Engineering Limited and Constructors Pte Limited	40.16%	0.42	(0.18)	-	Note - A	N. A.
5	PLE TCI Engenharia Ltda	March 31, 2015	Joint Venture of PLE Engineering Limited	39.36%	0.03	-	-	Note - A	N. A.
6	PT Kekal Adidaya	March 31, 2015	Joint Venture of Sembawang Mining (Kekal) Pte Limited	48.69%	134.48	(7.28)	-	Note - A	N. A.
7	Sembawang Precast System LLC	March 31, 2015	Joint Venture of Sembawang Development Pte Limited	48.69%	-	-	-	Note - A	N. A.
8	Sembawang Caspi Engineers and Constructors LLP	March 31, 2015	Joint Venture of Sembawang Engineers and Constructors Pte Limited	48.69%	-	-	-	Note - A	N. A.
<b>Associates</b>									
1	Air Works India (Engineering) Private Limited	March 31, 2015	Associate of Punj Lloyd Aviation Limited	23.30%	48.50	3.24	-	Note - A	N. A.
2	Reco Sin Han Pte. Limited	March 31, 2015	Associate of Sembawang Engineers and Constructors Pte Limited	19.48%	0.05	-	-	Note - A	N. A.

Amounts below INR 50,000 are expressed as 0.00

Note - A : There is significant influence due to percentage(%) of Share Capital.

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

## Names of Joint Ventures which are yet to commence operations

## Sl. No. Name of the Joint Ventures

- 1 Punj Lloyd Dynamic LLC
- 2 PLE TCI Engenharia Ltda
- 3 Sembawang Caspi Engineers and Constructors LLP

## Names of Associates which have been liquidated or sold during the year

## Sl. No. Name of the Associate

- 1 Hazaribagh Ranchi Expressway Limited

Atul Punj  
ChairmanJ.P. Chalasani  
Managing Director & Group CEOP.N. Krishnan  
Director – Finance  
DIN: 00003925

DIN: 00005612

DIN: 00308931

Nidhi K Narang  
Chief Financial Officer – GroupDinesh Thairani  
Group President – Legal & Company Secretary

Place: Gurgaon

Date: May 22, 2015



## INDEPENDENT AUDITORS' REPORT

**To the Members of Punj Lloyd Limited**

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Punj Lloyd Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the returns for the year ended on that date audited by the branch auditors of the Company's overseas branches.

#### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, its loss and cash flows for the year ended on that date.

#### Emphasis of Matters

9. We draw attention to the following matters in the Notes to the standalone financial statements:
  - a. note 35 (b), regarding recoverability of unbilled revenue (work-in-progress) on account of claims aggregating to Rs. 735.80 crores which are subject matter of arbitration;
  - b. note 35 (c), regarding recoverability of unbilled revenue (work-in-progress) on account of claims aggregating to Rs. 391.09 crores and enforcement of the performance security amounting to Rs. 171.08 crores by the customer at a project of the Thailand branch, as reported by the independent auditors of the said branch; and
  - c. note 35 (a), in respect of deductions made/ amount withheld by some customers aggregating to Rs. 49.35 crores which are being carried as trade receivables. These amounts are outstanding due to disputes with the customers.

Pending ultimate outcome of the above matters which is presently unascertainable, no adjustments have been made in the accompanying financial statements. Our opinion is not modified in respect of these matters.

**Other Matter**

10. We did not audit the financial statements of certain branches and an unincorporated joint venture whose financial statements reflect total assets (net of elimination) of Rs. 4,314.20 crores as at 31 March 2015, total revenues (net of eliminations) of Rs. 1,973.98 crores and net cash flows aggregating to Rs. 50.89 crores for the year ended on that date, as considered in the aforesaid standalone financial statements. The financial statements of these branches and an unincorporated joint venture have been audited by other auditors whose reports and additional information thereon have been furnished to us by management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches and an unincorporated joint venture, is based solely on the reports of the such auditors. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. As required by Section 143(3) of the Act, we report that:
- we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
  - the reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
  - the Balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us;

- in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- on the basis of the written representations received from the directors as on 31 March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - the Company has disclosed the impact of pending litigations on its standalone financial position, as detailed in Note 31 to the standalone financial statements;
  - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 39 to the standalone financial statements ; and
  - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**  
 (Formerly Walker, Chandiok & Co)  
 Chartered Accountants  
 Firm's Registration No.: 001076N/N500013

per **Anupam Kumar**  
 Partner  
 Membership No.: 501531

Place: Gurgaon  
 Date: 22 May 2015

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015



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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount outstanding (Rs. crores)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Sales tax on the material components of the works contract	0.30	1998-99 to 2000-01	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Sales tax on the material components of the works contract and suppression of cement turnover	0.90	2004-05	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Misuse of Form G against purchase of cement	1.87	2001-02 to 2004-05	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Purchase against Form G not disclosed	0.27	2003-04	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Misuse of Form G against purchase of cement and LDO	5.89	2002-03 to 2004-05	Sales Tax Appellate Tribunal, Vizag

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**



Name of the statute	Nature of dues	Amount outstanding (Rs. crores)	Period to which the amount relates	Forum where dispute is pending
Bihar Entry Tax Act, 1993	Demand raised for entry tax for VAT paid items	0.21	2009-10	Commissioner of Commercial Tax, Patna
Bihar Value Added Tax Act, 2005	Disallowance of labour and other charges	25.51	2009-10	Commercial Tax Tribunal, Patna
Bihar Value Added Tax Act, 2005	Disallowance of ITC, classification and purchase	20.84	2010-11	Joint Commissioner Appeals, Patna
Bihar Value Added Tax Act, 2005	Disallowance of labour and other charges	4.20	2011-12	Joint Commissioner Appeals, Patna
Bihar VAT and CST Act, 1956	Disallowance of sales-in-the course of import	0.15	2011-12	Joint Commissioner Appeals, Patna
Chhattisgarh Entry Tax Act, 1976	Entry tax on materials and equipment	0.26	2005-06 and 2006-07	Supreme Court, New Delhi
Gujarat Sales Tax Act, 1969	CST against sales in transit	0.07	2002-03	Deputy Commissioner (Appeals), Vadodara
Gujarat Central Sales Tax Act, 1956	Refund assessment not appreciated by the department hence raised additional demand	4.43	2008-09	Commercial Tax Tribunal, Ahmadabad
Karnataka Sales Tax Act, 1957	Interest on entry tax	0.12	2002-03 to 2004-05	Jt. Commissioner Appeal, Bangalore
Kerala Value Added Tax Act, 2003	Disallowance of deduction	0.18	2006-07	Deputy Commissioner of Commercial Tax, Ernakulum and Commercial Tax Tribunal, Kochi
Kerala Value Added Tax Act, 2003	Tax on stock transfer and central purchase	1.59	2012-13	Deputy Commissioner of Commercial Tax, Ernakulum
Madhya Pradesh Commercial Tax Act, 1994	Sales tax on the material components of the works contract	0.05	2003-04	High Court, Bhopal
Madhya Pradesh Entry Tax Act, 1976	Entry tax on materials and equipment	0.01	2003-04	High Court, Bhopal
Madhya Pradesh Value Added Tax Act, 2002	Disallowance of sales in course of import and assessment under higher tax rate	0.80	2009-10 and 2010-11	Commercial Tax Tribunal, Bhopal
Madhya Pradesh Entry Tax Act, 1976	Entry tax on materials and equipments	0.35	2009-10 and 2010-11	Commercial Tax Tribunal, Bhopal
Punjab Value Added Tax Act, 2005	Disallowance of labour	0.14	2008-09	Deputy Commissioner, Patiala
Punjab Value Added Tax Act, 2005	Disallowance of sales-in-transit	24.33	2011-12	Commercial Tax Tribunal, Chandigarh
Punjab Value Added Tax Act, 2005	Disallowance of sales-in-transit	37.33	2012-13	Deputy Commissioner, Patiala
Uttar Pradesh Central Sales Tax Act, 1956	Misuse of Form C against purchase of equipments	0.74	1998-99	Commercial Tax Tribunal, Agra
Rajasthan Tax on the Entry of Goods in to the Local Area Act, 1957	Entry tax on materials and equipments	1.00	2005-06	High Court, Jodhpur
Uttar Pradesh Trade Tax Act, 1948	Entry tax demand and penalty	0.05	1999-00, 2000-01 and 2004-05	Commercial Tax Tribunal, Agra



# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015



Name of the statute	Nature of dues	Amount outstanding (Rs. crores)	Period to which the amount relates	Forum where dispute is pending
Uttar Pradesh Trade Tax Act, 1948	Penalty imposed for non-submission of Behti	0.11	2010-11	Commercial Tax Tribunal, Agra
West Bengal Value Added Tax Act, 2003	Non-submission of E-I forms and addition in turnover	23.60	2009-10	Joint Commissioner (Appeal), Midnapur
Haryana Local Area Development Tax Act, 2000	Entry tax on capital goods	0.40	2003-04	Supreme Court, New Delhi
The Finance Act, 2004 and the Service Tax Rules	Penalty for late payment of service tax	18.87	2003-04, 2005-06 and 2006-07	CESTAT, Delhi
Central Excise Act, 1944	Non-payment of excise duty	0.73	2006-07	Commissioner of Custom and Central Excise, Mumbai

(c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.

(viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the immediately preceding financial year; however, in the current financial year, the Company has incurred cash losses.

(ix) During the year, the Company has delayed in repayment of principal and interest to banks, financial institutions and debenture-holders. The delays with respect to principal and interest upto 90 days amounted to Rs. 168.86 crores and Rs. 87.19 crores, respectively; the delays between 91 to 180 days amounted to Rs. 64.90 crores and Rs. 44.06 crores, respectively and the delays between 181 to 382 days amounted to Rs. 12.05 crores and Rs. 1.45 crores, respectively, to banks, financial institutions and debenture-holders.

As at the year end, the Company has defaulted in repayment of loan and interest aggregating to Rs. 71.28 crores and Rs. 21.27 crores respectively to banks, financial institutions and debenture-holders. As at the balance sheet date, the periods of delays in these cases were up to 382 days and 168 days respectively.

(x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.

(xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per **Anupam Kumar**  
Partner  
Membership No.: 501531

Place: Gurgaon  
Date: 22 May 2015



	Notes	As at March 31, 2015	As at March 31, 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	66.42	66.42
Reserves and surplus	4	3,138.23	3,683.99
		<b>3,204.65</b>	<b>3,750.41</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	586.99	1,248.93
Deferred tax liabilities (net)	6	-	128.61
Other liabilities	9	6.37	28.27
Provisions	7	0.58	1.16
		<b>593.94</b>	<b>1,406.97</b>
<b>Current liabilities</b>			
Short-term borrowings	8	3,967.53	3,521.89
Trade payables	9	2,250.67	2,300.14
Other liabilities	9	2,866.87	2,976.11
Provisions	7	77.84	78.31
		<b>9,162.91</b>	<b>8,876.45</b>
<b>Total</b>		<b>12,961.50</b>	<b>14,033.83</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	1,109.51	1,507.06
Intangible assets	11	2.87	3.05
Intangible assets under development		2.89	-
Non-current investments	12	1,180.56	1,578.56
Deferred tax assets (net)	6	-	2.41
Loans and advances	13	394.40	517.22
Other assets	15	39.39	107.79
		<b>2,729.62</b>	<b>3,716.09</b>
<b>Current assets</b>			
Inventories	16	99.11	122.60
Unbilled revenue (work-in-progress)		5,958.61	6,073.53
Trade receivables	14	2,267.20	2,377.72
Cash and bank balances	17	246.63	176.31
Loans and advances	13	1,578.80	1,457.46
Other assets	15	81.53	110.12
		<b>10,231.88</b>	<b>10,317.74</b>
<b>Total</b>		<b>12,961.50</b>	<b>14,033.83</b>
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements.  
This is the balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
Managing Director  
& Group CEO  
DIN: 00308931

**P.N. Krishnan**  
Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary

**STATEMENT OF PROFIT AND LOSS** for the year ended March 31, 2015

*(All amounts in INR Crores, unless otherwise stated)*


	Notes	Year ended March 31, 2015	Year ended March 31, 2014
<b>Income</b>			
Revenue from operations	18	4,881.51	8,229.17
Other income	19	807.16	281.92
<b>Total income</b>		<b>5,688.67</b>	<b>8,511.09</b>
<b>Expenses</b>			
Projects materials consumed and cost of goods sold		2,565.73	3,364.27
Employee benefits expense	20	563.44	829.68
Other expenses	21	1,998.73	3,289.22
<b>Total expenses</b>		<b>5,127.90</b>	<b>7,483.17</b>
<b>Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)</b>		<b>560.77</b>	<b>1,027.92</b>
Depreciation and amortization expense	10 & 11	313.74	244.99
Less: recoupment from asset revaluation reserve		-	(0.23)
Depreciation and amortization expense (net)		313.74	244.76
Finance costs	22	859.54	771.15
<b>Profit/ (loss) before tax</b>		<b>(612.51)</b>	<b>12.01</b>
Tax expenses			
- Current tax		0.16	2.90
- Minimum alternate tax credit written off		7.83	-
- Deferred tax		(113.84)	1.30
<b>Total tax expense</b>		<b>(105.85)</b>	<b>4.20</b>
<b>Profit/ (loss) for the year</b>		<b>(506.66)</b>	<b>7.81</b>
Earnings per equity share [nominal value per share Rs. 2 each (Previous year Rs. 2)]	23		
Basic and Diluted (in Rs.)		(15.26)	0.24
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements.  
This is the statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
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DIN: 00005612

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Managing Director  
& Group CEO  
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Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary



	Year ended March 31, 2015	Year ended March 31, 2014
<b>Cash flows from operating activities</b>		
<b>Profit/ (loss) before tax</b>	<b>(612.51)</b>	<b>12.01</b>
Adjustment to reconcile profit/ (loss) before tax to net cash flows		
Depreciation/ amortization (net)	313.74	244.76
Profit on sale of fixed assets (net)	(28.52)	(18.07)
Provision for diminution in value of investment	3.86	-
Unrealized foreign exchange gain (net)	(103.69)	(51.94)
Exchange gain on redemption of investment in preference share of a subsidiary company	(7.23)	-
Unspent liabilities and provisions written back	(16.01)	(5.23)
Irrecoverable balances written-off	106.30	8.86
Net gain on sale of long-term investments	(547.39)	-
Interest expense	730.86	646.35
Interest income	(43.70)	(17.29)
Dividend income	(0.07)	(0.04)
<b>Operating profit/ (loss) before working capital changes</b>	<b>(204.36)</b>	<b>819.41</b>
Changes in working capital:		
Increase/ (decrease) in trade payables	(40.10)	205.53
Increase/ (decrease) in provisions	(4.17)	5.29
Decrease in other liabilities	(247.91)	(323.61)
Decrease in trade receivables	110.15	565.93
Decrease/ (increase) in unbilled revenue (work-in-progress)	114.92	(877.42)
Decrease in inventories	23.49	49.36
Decrease in loans and advances	16.72	190.22
Cash generated from/ (used in) operations	(231.26)	634.71
Direct taxes paid (net of refunds)	106.91	(50.77)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(124.35)</b>	<b>583.94</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including capital advances	(19.49)	(104.95)
Proceeds from sale of fixed assets	66.04	96.10
Purchase of investments	(2.41)	(39.05)
Proceeds from sale of investments	745.61	-
Proceeds from redemption of investment in preference share of a subsidiary company	239.61	-
(Investments in)/ redemption/maturity of bank deposits (having original maturity of more than three months)	1.31	(0.09)
Interest received	43.46	2.63
Dividends received	0.07	0.04
Increase in margin money deposits	(45.72)	(10.80)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>1,028.48</b>	<b>(56.12)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	189.45	503.91
Repayment of long-term borrowings	(755.91)	(492.07)
Proceeds from short-term borrowings (net)	444.63	203.21
Interest paid	(724.47)	(647.31)
<b>Net cash flow used in financing activities (C)</b>	<b>(846.30)</b>	<b>(432.26)</b>



	Year ended March 31, 2015	Year ended March 31, 2014
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>57.83</b>	<b>95.56</b>
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.60	(0.19)
Exchange difference	(26.18)	(117.95)
Cash and cash equivalents at the beginning of the year	150.48	173.06
<b>Cash and cash equivalents at the end of the year (also refer note 17)</b>	<b>182.73</b>	<b>150.48</b>

The accompanying notes form an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**  
*(Formerly Walker, Chandiok & Co)*  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
Managing Director  
& Group CEO  
DIN: 00308931

**P.N. Krishnan**  
Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary





## 1. Corporate information

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

## 2. Basis of preparation

These financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013 ("the 2013 Act"), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain tangible assets which are being carried at their revalued amounts and derivative financial instruments which have been measured at fair value.

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

### 2.1. Summary of significant accounting policies

#### (a) Changes in accounting policy

##### *Depreciation on fixed assets*

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, effective April 01, 2014, Schedule XIV has been replaced by Schedule II to the 2013 Act. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

- **Useful lives/ depreciation rates**  
Considering the applicability of Schedule II, the Company has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

The Company has used transitional provisions of Schedule II to adjust the impact arising on its first application. If an asset has nil remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount, after retaining residual value, if any, has been charged to the opening balance in the statement of profit and loss. The carrying amount of other assets, i.e., assets whose remaining useful life is not nil on April 01, 2014, is depreciated over their remaining useful life.

Had the Company continued to use the earlier policy of depreciating fixed asset, the loss for the current year would have been lower by Rs. 55.10 crores (net of taxes), statement of profit and loss and asset revaluation reserve at the beginning of the current year would have been higher by Rs. 25.41 crores (net of taxes) and Rs. 1.15 crores respectively and the fixed assets would correspondingly have been higher by Rs. 93.94 crores.

- **Component accounting**  
The Company was previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Now, the Company identifies and determines separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. However, this change in accounting policy did not have any material impact on financial statements of the Company.
- **Depreciation on assets costing less than Rs. 5,000**  
The Company was previously charging depreciation at the rate of 100% per annum on assets costing less than Rs. 5,000. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000 did not have any material impact on financial statements of the Company for the current year.

#### (b) Use of estimates

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

#### (c) Tangible fixed assets

Tangible assets, except a piece of land and few items of plant and equipment acquired before March 31, 1998, are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the Company



recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a significant inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

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

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

#### (d) Intangible assets

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

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

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

- i) Depreciation on fixed assets is calculated on straight-line basis using the rate arrived at based on the useful lives estimated by the management. The Company has used the following lives to provide depreciation on its fixed assets.

Asset Description	Useful lives estimated by the management (years)
Factory buildings	30
Other buildings	60
Plant and equipment	3 – 20
Furniture, fixtures and office equipments	3 – 20
Vehicles	3 – 10

- ii) Leasehold land, except for leasehold land which is under perpetual lease, is amortized on a straight line basis over the period of lease, i.e., 30 years.
- iii) Assets acquired under sale and lease back are depreciated on a straight line basis over the period of lease.
- iv) Intangible assets are amortized on a straight line basis, based on the nature and useful economic life of the assets as estimated by the management. The summary of amortization policies applied to the Company's intangible assets is as below:
  - a) Software of project division is amortized over the period of licenses or six years, whichever is lower.
  - b) Software of an unincorporated joint venture is amortized over the period of license or three years, whichever is lower.

#### (f) Impairment of tangible and intangible assets

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



and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and loss is accordingly reversed in the statement of profit and loss.

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

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

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

#### **(g) Sale and lease back transactions**

If a sale and leaseback transaction results in a finance lease, the profit or loss, i.e., excess or deficiency of sale proceeds over the carrying amounts is deferred and amortized over the lease term in proportion to the depreciation of the leased asset. The unamortized portion of the profit is classified under "Other liabilities" in the financial statements.

If a sale and leaseback transaction results in an operating lease, profit or loss is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

#### **(h) Leases**

##### **Where the Company is the lessee**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate

of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset 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 statement of profit and loss on a straight-line basis over the lease term.

##### **Where the Company is the lessor**

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

#### **(i) Investments**

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

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

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

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



**(j) Inventories**

Inventories are valued as follows:

- i) Project Materials (excluding scaffoldings): Lower of cost and net realizable value. Cost is determined on weighted average basis.
- ii) Scaffoldings (included in Project Materials): Cost less amortization/charge based on their useful life, which is estimated at seven years.
- iii) Scrap: Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(k) Unbilled revenue (work-in-progress)**

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

**(l) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue has been classified as "Other liabilities" in the financial statements. Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Company assesses the carrying value of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers.

- ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Company. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Company's share in unincorporated joint ventures.
- iii) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- iv) Revenue from management services is recognized pro-rata over the period of the contract as and when the services are rendered.
- v) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- vi) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- vii) Export Benefit under the Duty Free Credit Entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.
- viii) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods.
- ix) The Company collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

**(m) Borrowing costs**

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

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

**(n) Foreign currency transactions and translations**

**i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency



amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**ii) Conversion**

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

**iii) Exchange differences**

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

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

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

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

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

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

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

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

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

**v) Translation of integral and non integral foreign operations**

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

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

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





reserve relating to that foreign operation is recognized in the statement of profit and loss.

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

**(o) Employee benefits**

- i) The Company makes contribution to statutory provident fund and pension funds in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii) Gratuity liability is a defined benefit obligation. The Company has obtained an insurance policy under group gratuity scheme with Life Insurance Corporation of India/ ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of the employees of project division and amount paid/payable in respect of present value of liability for past services is charged to the statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year. Actuarial gains/losses are recognized in the statement of profit and loss in full in the period in which they occur.
- iii) In respect to overseas branches and unincorporated joint venture operations, provision for retirement and other employee benefits are made on the basis prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.
- iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term

compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

**(p) Income taxes**

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

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

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

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

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



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

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

**(q) Accounting for joint ventures**

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

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

**(r) Segment reporting**

**Identification of segments**

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

**Unallocated items**

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

**Segment accounting policies**

The Company prepares its segment information in conformity

with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**(s) Earnings per share**

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

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

**(t) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**(u) Cash and cash equivalents**

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

**(v) Derivative instruments**

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

**(w) Contingent liabilities**

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



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

**(x) Provisions**

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

best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(y) Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the management considers this to be the project period.

**(z) Measurement of EBITDA**

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



### 3. Share capital

	As at March 31, 2015	As at March 31, 2014
<b>Authorized shares</b>		
450,000,000 (Previous year 450,000,000) equity shares of Rs. 2 each	90.00	90.00
10,000,000 (Previous year 10,000,000) preference shares of Rs. 10 each	10.00	10.00
	<b>100.00</b>	<b>100.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
332,095,745 (Previous year 332,095,745) equity shares of Rs. 2 each	66.42	66.42
	<b>66.42</b>	<b>66.42</b>

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

##### Equity shares

	As at March 31, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	332,095,745	66.42	332,095,745	66.42
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>332,095,745</b>	<b>66.42</b>	<b>332,095,745</b>	<b>66.42</b>

#### (b) Terms/rights attached to equity shares

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

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

#### (c) Details of shareholders holding more than 5% of the equity shares of the Company

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% holding in the class	Nos.	% holding in the class
Cawdor Enterprises Limited	75,691,430	22.79	75,691,430	22.79
Spectra Punj Finance Private Limited	22,148,305	6.67	22,148,305	6.67

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

#### (d) Shares reserved for issue under options

The vesting period of all the stock options has expired and there are no options in force as at the reporting date. For further details, please refer note 25.

(e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.



#### 4. Reserves and surplus

	As at March 31, 2015	As at March 31, 2014
<b>Capital reserve</b>	<b>25.61</b>	<b>25.61</b>
<b>Securities premium account</b>	<b>2,485.55</b>	<b>2,485.55</b>
<b>Debenture redemption reserve</b>	<b>112.87</b>	<b>112.87</b>
<b>Asset revaluation reserve</b>		
Balance as per the last year	3.25	3.61
Less: Adjustment relating to depreciation on assets (refer note 2.1(a))	(1.15)	-
Less: amount transferred to the statement of profit and loss as reduction from depreciation	-	(0.23)
Less: adjustment on account of sale/disposal of revalued assets	-	(0.13)
<b>Closing balance</b>	<b>2.10</b>	<b>3.25</b>
<b>General reserve</b>	<b>98.18</b>	<b>98.18</b>
<b>Foreign currency translation reserve</b>		
Balance as per the last year	(3.80)	101.46
Add: Exchange difference during the year on net investment in non-integral operations	(12.54)	(105.26)
<b>Closing balance</b>	<b>(16.34)</b>	<b>(3.80)</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per the last year	962.33	954.52
Less: Adjustment relating to depreciation on assets (refer note 2.1(a))	(25.41)	-
Profit/ (loss) for the year	(506.66)	7.81
Less: Appropriations	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>430.26</b>	<b>962.33</b>
<b>Total reserves and surplus</b>	<b>3,138.23</b>	<b>3,683.99</b>




**5. Long-term borrowings**

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b><u>Debentures (secured)</u></b>				
10.50% debentures redeemable at par at the end of 5 years from the deemed date of allotment, i.e., October 15, 2010. Secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the moveable tangible and current assets of the Company.	-	300.00	300.00	-
12.00% debentures redeemable at par in ten equal half-yearly installments beginning at the end of 5 years from the date of allotment, i.e., January 02, 2009. Secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India.	90.00	120.00	45.00	30.00
10.00% debentures redeemable at par in four half-yearly installments in the ratio of 20:20:30:30 beginning at the end of 3.5 years from the deemed date of allotment, i.e., September 10, 2009. Secured by pari passu charge on the land situated at Jarod District, Vadodra, Gujarat, India, pari passu first charge on the moveable tangible assets of the project division of the Company (only upto Rs. 150 crores), subservient charge on moveable tangible and current assets of project division of the Company (upto Rs. 450 crores only). Further secured by charge on some of the investments of the Company.	-	-	-	127.50
<b><u>Term loans</u></b>				
<b><u>Indian rupee loan from banks (secured)</u></b>				
Loans carrying weighted average rate of interest of 11.49% (Previous year 11.43%), repayable in 36 to 60 monthly installments. Secured by way of exclusive charge on the equipment purchased out of the proceeds of loans.	1.75	9.44	7.75	13.36
Loans carrying weighted average rate of interest of 12.74% (Previous year 12.87%), repayable in 15 to 17 quarterly installments beginning at the end of 1 year from the disbursement. Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	37.08	74.69	44.05	44.05
Loan carrying rate of interest of 12.25% (Previous year 12.30%), repayable in 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement. Secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).	13.51	40.87	34.09	30.29
Loan carrying rate of interest of 12.75% (Previous year 12.75%), repayable in 17 equal quarterly installments beginning at the end of 12 months from the date of first disbursement.	109.41	168.23	58.82	41.77



	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured by way of first charge on the corporate offices of the Company, at Plot No. 78 & 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India. Further secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company (upto 0.5 times of loan outstanding).				
Loan carried rate of interest of 11.00%, repayable in 4 equal quarterly installments after the moratorium period of 9 months from the date of disbursement.	-	70.00	-	70.00
Secured by way of exclusive charge on land at Malanpur (up to Rs. 6.41 crores), building at Malanpur (up to Rs. 36.78 crores) and subservient charge on current assets of the Company. Collaterally secured by non-disposal undertaking of 8,000,000 shares of Global Health Private Limited, pledge of 30% shares in Punj Lloyd Infrastructure Limited and 17,516,100 shares in Air Works India (Engineering) Private Limited, an associate of the Company. Further secured by way of personal guarantee of the promoters (as defined).				
<b><u>Foreign currency loan from banks (secured)</u></b>				
3 months EBOR plus 2.50% (Previous year 3 months EBOR plus 2.50%) loan repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination.	-	25.31	14.52	33.79
Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.				
<b><u>Foreign currency loan from others (secured)</u></b>				
Loan carrying rate of interest of 5.77% (Previous year 5.77%), repayable in 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination.	59.42	72.28	29.75	21.68
Secured by first pari passu charge on the moveable tangible assets of the project division of the Company.				
<b><u>Indian rupee loan from financial institutions (secured)</u></b>				
Loans carrying weighted average rate of interest of 13.12% (Previous year 13.09%), repayable in 29 to 60 monthly installments beginning at the end of 12 months from the date of first disbursement.	2.56	30.98	36.41	47.57
Secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.				
Loan carrying rate of interest of 13.85% (Previous year 13.75%), repayable in 16 quarterly installments beginning at the end of 12 months from the date of first disbursement.	-	12.50	18.75	15.63
Secured by way of first pari passu charge on existing and future moveable tangible assets of the project division of the Company.				
Loan carrying rate of interest of 16.00% (Previous year 15.00%), repayable in 12 monthly installments beginning at the end of 1 month from the date of first disbursement.	-	-	6.00	12.00



	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured by way of first charge on the present and future current assets of the project division of the Company (excluding receivables of the projects financed by other banks).				
Loan carrying rate of interest of 13.00% (Previous year 13.00%), repayable in 36 monthly installments starting from October 2016.	58.33	50.00	-	31.25
Secured by way of first ranking pari-passu charge on entire current assets of the Company, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders of Company.				
Loan carried rate of interest of 12.00%, repayable in bullet payment at the end of 2 years from the date of disbursement.	-	35.00	-	-
Secured by way of pledge of 601,979 equity shares in Global Health Private Limited and further secured by way of personal guarantee of the promoters (as defined).				
Loan carrying rate of interest of 13.95% (Previous year 13.95%), repayable in 12 equal quarterly installments after the moratorium period of 2 years from the date of disbursement.	183.33	186.00	16.67	-
Secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company and subservient charge on the corporate offices of the Company, at Plot No. 78 & 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India.				
Loan carrying weighted average rate of interest of 11.50%, repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.	10.30	-	-	-
Secured by way of first ranking pari-passu charge on entire current assets of the Company, both present and future, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders of Company.				
<b>Other loans (secured)</b>				
Finance lease obligations carrying weighted average rate of interest of 14.89% (Previous year 13.83%).	21.30	53.63	39.58	34.56
Secured by first and exclusive charge by way of hypothecation on specific equipments financed through the loan.				
	<b>586.99</b>	<b>1,248.93</b>	<b>651.39</b>	<b>553.45</b>
The above amount includes				
Secured borrowings	586.99	1,248.93	651.39	553.45
Amount disclosed under the head "Other liabilities" (refer note 9)	-	-	(651.39)	(553.45)
<b>Net amount</b>	<b>586.99</b>	<b>1,248.93</b>	<b>-</b>	<b>-</b>



## 6. Deferred tax liabilities (net)

	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Impact of difference between tax depreciation and depreciation / amortization as per books	57.54	73.48
Difference in carrying value of scaffoldings as per income tax and financial books	4.19	5.24
Effect of expenditure not debited to statement of profit and loss but allowed / allowable in income tax	64.66	61.04
<b>Gross deferred tax liability</b>	<b>126.39</b>	<b>139.76</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	5.23	7.02
Unrealized foreign exchange on purchase of tangible assets	6.09	6.54
Impact of difference between assets of sale and lease back transactions as per tax books and as per financial reporting	8.27	-
Impact of unrealized profit on sale and lease back transactions	10.88	-
Effect of unabsorbed depreciation and carried forward losses #	95.92	-
<b>Gross deferred tax assets</b>	<b>126.39</b>	<b>13.56</b>
<b>Net Deferred tax liability*</b>	<b>-</b>	<b>126.20</b>

\*After setting off deferred tax assets aggregating Nil (Previous year Rs. 2.41 crores) in respect of certain branches.

# The Company has accounted for deferred tax assets on timing differences, including those on unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized at the balance sheet date, for which it is virtually certain that future taxable income would be generated by reversal of such deferred tax liability.

## 7. Provisions

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits</b>				
Provision for gratuity (also refer note 24)	0.58	1.16	1.50	1.61
Provision for compensated absences	-	-	17.11	20.59
	<b>0.58</b>	<b>1.16</b>	<b>18.61</b>	<b>22.20</b>
<b>Other provisions</b>				
Provision for current tax (net of advance tax)	-	-	59.23	56.11
	<b>-</b>	<b>-</b>	<b>59.23</b>	<b>56.11</b>
	<b>0.58</b>	<b>1.16</b>	<b>77.84</b>	<b>78.31</b>

## 8. Short term borrowings

	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
<b>Working capital loan repayable on demand</b>		
Loans carrying weighted average rate of interest of 13.28% (Previous year 12.77%). Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by the other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.	1,551.19	1,208.03
Loans carrying weighted average rate of interest of 12.61% (Previous year 11.89%). Secured by way of exclusive charge on the receivables of the specific projects financed, first pari passu charge on the current assets of the project division (excluding receivables of the projects financed by other banks), pari passu second charge on the movable tangible assets of the project division of the Company.	1,574.84	1,838.87
Loans carrying weighted average rate of interest of 13.38% (Previous year 10.09%).	271.45	278.77



	As at March 31, 2015	As at March 31, 2014
Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by other banks), pari passu charge on the receivables of the project financed and second charge on pari passu basis on movable tangible assets of the project division of the Company.		
Loans carrying weighted average rate of interest of 13.21%.	245.90	-
Secured by way of first ranking pari-passu charge on entire current assets of the Company, both present and future, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to others lenders of Company.		
Loan carrying rate of interest of 3.40% (Previous year 4.75%).	136.19	56.30
Secured by way of pari passu charge on the receivables financed.		
Loan carrying rate of interest of 3 Months First Gulf Bank (FGB) EIBOR + 2.5% p.a. (Previous year 3 Months FGB EIBOR + 2.5% p.a.)	5.49	75.55
Secured by way of charge on the receivables and assets of the project financed.		
<b>Unsecured</b>		
Buyer's line of credit from banks carrying weighted average rate of interest of 0.82% (Previous year 1.29%).	141.49	30.32
Cash credit from a bank carrying rate of interest of 3months EIBOR + 2.5%.	40.98	-
13% Inter-corporate deposit repayable on demand.	-	34.05
	<b>3,967.53</b>	<b>3,521.89</b>
The above amount includes:		
Secured borrowings	3,785.06	3,457.52
Unsecured borrowings	182.47	64.37
	<b>3,967.53</b>	<b>3,521.89</b>

## 9. Other liabilities

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Trade payables</b> (also refer note 42(c) for details of dues to micro and small enterprises)	-	-	<b>2,250.67</b>	<b>2,300.14</b>
<b>Other liabilities</b>				
Current maturities of long term borrowings (note 5)	-	-	651.39	553.45
Interest accrued but not due on borrowings	-	-	24.34	31.22
Interest accrued and due on borrowings	-	-	21.35	8.08
Unpaid dividends #	-	-	0.25	0.26
Service tax payable	-	-	0.23	2.05
Tax deducted at source payable	-	-	20.29	16.42
Advance billing	-	-	145.61	528.42
Advances from customers	-	-	1,535.52	1,424.05
Unearned income	6.37	28.27	27.16	40.25
Due to subsidiaries	-	-	409.95	337.79
Security deposits	-	-	7.89	7.93
Capital goods suppliers	-	-	20.41	21.36
Others	-	-	2.48	4.83
	<b>6.37</b>	<b>28.27</b>	<b>2,866.87</b>	<b>2,976.11</b>
	<b>6.37</b>	<b>28.27</b>	<b>5,117.54</b>	<b>5,276.25</b>

# There is no amount due and outstanding which is to be credited to Investor Education and Protection Fund.





## 10. Tangible assets

	Land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Tools	Vehicles	Total
<b>Gross block at cost or valuation</b>								
At April 01, 2013	17.99	194.06	2,374.47	33.89	23.38	13.22	93.43	2,750.44
Additions	-	-	103.81	0.49	0.22	0.00	2.93	107.45
Disposals (-)	-	-	124.47	5.58	5.06	0.01	9.76	144.88
Other adjustments								
Exchange differences	-	-	10.11	-	-	-	-	10.11
Foreign currency translation	-	-	22.84	1.03	0.63	-	0.88	25.38
Other	-	(1.07)	0.58	0.33	(0.01)	0.17	-	-
<b>At March 31, 2014</b>	<b>17.99</b>	<b>192.99</b>	<b>2,387.34</b>	<b>30.16</b>	<b>19.16</b>	<b>13.38</b>	<b>87.48</b>	<b>2,748.50</b>
Additions	-	-	14.88	0.24	0.61	-	0.09	15.82
Disposals(-)	-	-	225.16	0.29	0.70	0.02	11.69	237.86
Other adjustments								
Exchange differences	-	-	2.46	-	-	-	-	2.46
Foreign currency translation	-	-	25.30	0.68	0.12	-	4.28	30.38
<b>At March 31, 2015</b>	<b>17.99</b>	<b>192.99</b>	<b>2,204.82</b>	<b>30.79</b>	<b>19.19</b>	<b>13.36</b>	<b>80.16</b>	<b>2,559.30</b>
<b>Accumulated depreciation</b>								
At April 01, 2013	0.70	14.23	1,021.91	18.41	9.91	3.75	50.79	1,119.70
Charge for the year	0.22	3.81	226.14	2.96	1.49	0.63	8.79	244.04
Disposals(-)	-	-	119.17	5.42	3.67	0.00	7.30	135.56
Other adjustments								
Foreign currency translation	-	-	10.01	0.25	0.36	-	2.64	13.26
<b>At March 31, 2014</b>	<b>0.92</b>	<b>18.04</b>	<b>1,138.89</b>	<b>16.20</b>	<b>8.09</b>	<b>4.38</b>	<b>54.92</b>	<b>1,241.44</b>
Charge for the year	0.22	3.74	283.19	7.40	1.73	1.47	15.04	312.79
Disposals(-)	-	-	151.46	-	0.44	0.01	8.22	160.13
Other adjustments								
Foreign currency translation	-	-	13.03	0.46	0.24	-	3.12	16.85
Other (refer note 2.1(a))	-	0.33	27.74	1.44	8.37	0.44	0.52	38.84
<b>At March 31, 2015</b>	<b>1.14</b>	<b>22.11</b>	<b>1,311.39</b>	<b>25.50</b>	<b>17.99</b>	<b>6.28</b>	<b>65.38</b>	<b>1,449.79</b>
<b>Net block</b>								
<b>At March 31, 2014</b>	<b>17.07</b>	<b>174.95</b>	<b>1,248.45</b>	<b>13.96</b>	<b>11.07</b>	<b>9.00</b>	<b>32.56</b>	<b>1,507.06</b>
<b>At March 31, 2015</b>	<b>16.85</b>	<b>170.88</b>	<b>893.43</b>	<b>5.29</b>	<b>1.20</b>	<b>7.08</b>	<b>14.78</b>	<b>1,109.51</b>

- Gross block of plant and equipment includes Rs. 5.82 crores and accumulated depreciation includes Rs. 5.82 crores (Previous year Rs. 5.82 crores and Rs. 4.66 crores respectively) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 1998 by an external agency using "price indices released by the Economic Advisor's Office, Ministry of Industry/Verbal Quotation/Comparison/Estimation or any other method considered prudent in specific cases". Consequent to the said revaluation, there is an additional charge of depreciation of Rs. Nil (Previous year Rs. 0.23 crores). In accordance with the option given in the guidance note on accounting for the depreciation in companies, the Company has recouped such additional depreciation out of asset revaluation reserve until March 31, 2014. There is additional profit of Rs. Nil (Previous year Rs. 0.13 crores) on account of sale of assets, an equivalent amount has been withdrawn from revaluation reserve and credited to statement of profit and loss.
- Gross block of land includes Rs. 2.10 crores (Previous year Rs. 2.10 crores) on account of revaluation carried out in earlier years. The said revaluation was carried out during the year ended March 31, 2002 by an external agency using "price indices released by the Economic Advisor's Office, Ministry of Industry/Verbal Quotation/Comparison/estimation or any other method considered prudent in specific cases".



3. In compliance with the notification dated March 31, 2009 (as amended) issued by MCA, the Company has exercised the option available under paragraph 46 to the Accounting Standards 11- The effect of changes in foreign exchange rates. Accordingly, during the current year, the foreign exchange loss of Rs. 2.46 crores (Previous year Rs. 10.11 crores) has been added to gross block of plant and equipment.
4. Gross block of land includes leasehold land of cost Rs. 6.41 crores (Previous year Rs.6.41 crores). Accumulated depreciation thereon is Rs. 1.14 crores (Previous year Rs. 0.92 crores).
5. Gross block of vehicles includes vehicles of cost Rs. 1.27 crores (Previous year Rs. 6.55 crores) taken on finance lease. Accumulated depreciation there on is Rs. 0.90 crores (Previous year Rs. 3.36 crores).
6. Gross block of plant and equipment includes equipments of cost Rs. 114.16 crores (Previous year Rs. 109.93 crores) taken on finance lease. Accumulated depreciation thereon is Rs. 75.90 crores (Previous year Rs. 27.92 crores).
7. Gross block of buildings includes building of cost Rs. 98.76 crores (Previous year Rs. 98.76 crores) taken on finance lease. Accumulated depreciation thereon is Rs. 4.04 crores (Previous year Rs. 2.39 crores).

**11. Intangible assets**

	Computer software	Total
<b>Gross block</b>		
At April 01, 2013	13.42	13.42
Additions	0.04	0.04
Disposals(-)	0.62	0.62
Other adjustments		
Foreign currency translation	(0.00)	(0.00)
<b>At March 31, 2014</b>	<b>12.84</b>	<b>12.84</b>
Additions	0.77	0.77
Other adjustments		
Foreign currency translation	0.00	0.00
<b>At March 31, 2015</b>	<b>13.61</b>	<b>13.61</b>
<b>Amortization</b>		
At April 01, 2013	9.41	9.41
Charge for the year	0.95	0.95
Disposals(-)	0.57	0.57
Other adjustments		
Foreign currency translation	(0.00)	(0.00)
<b>At March 31, 2014</b>	<b>9.79</b>	<b>9.79</b>
Charge for the year	0.95	0.95
Other adjustments		
Foreign currency translation	0.00	0.00
<b>At March 31, 2015</b>	<b>10.74</b>	<b>10.74</b>
<b>Net block</b>		
<b>At March 31, 2014</b>	<b>3.05</b>	<b>3.05</b>
<b>At March 31, 2015</b>	<b>2.87</b>	<b>2.87</b>


**12. Non-Current Investments**

	As at March 31, 2015	As at March 31, 2014
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>Investment in subsidiaries</b>		
Punj Lloyd International Limited 100,000 (Previous year 100,000) equity shares of USD 1 each fully paid up. Of the above, Nil (Previous year 100,000) equity shares are under first pari passu charge with Debenture trustee.	0.44	0.44
Punj Lloyd Industries Limited 11,500,200 (Previous year 11,500,200) equity shares of Rs. 10 each fully paid up. Of the above, Nil (Previous year 11,500,194) equity shares are under first pari passu charge with Debenture trustee.	11.50	11.50
Atna Investments Limited 515,221 (Previous year 515,221) equity shares of Rs. 100 each fully paid up. Of the above, Nil (Previous year 399,215) equity shares are under first pari passu charge with Debenture trustee. (At cost less provision for other than temporary diminution in value Rs. 4.77 crore (Previous year Rs. 4.77 crore))	0.39	0.39
PLN Construction Limited 2,000,000 (Previous year 2,000,000) equity shares of Rs. 10 each fully paid up. Of the above, Nil (Previous year 1,999,994) equity shares are under first pari passu charge with Debenture trustee.	3.09	3.09
Punj Lloyd Pte Limited 573,346 (Previous year 573,346) equity shares of SGD 100 each and 1 (Previous year 1) equity share of SGD 1 each fully paid up. Of the above, Nil (Previous year 286,673) equity shares are under first pari passu charge with Debenture trustee.	167.97	167.97
PL Engineering Limited 5,000,000 (Previous year 5,000,000) equity shares of Rs 10 each fully paid up. Of the above, Nil (Previous year 4,999,994) equity shares are under first pari passu charge with Debenture trustee.	5.00	5.00
PLI Ventures Advisory Services Private Limited 10,100 (Previous year 10,100) equity shares of Rs. 10 each fully paid up.	0.01	0.01
Punj Lloyd Aviation Limited 53,998,710 (Previous year 53,998,710) equity shares of Rs 10 each fully paid up. Of the above, Nil (Previous year 53,998,704) equity shares are under first pari passu charge with Debenture trustee.	54.00	54.00
Punj Lloyd Infrastructure Limited 22,650,000 (Previous year 22,650,000) equity shares of Rs 10 each fully paid up. Out of the above, 7,500,000 equity shares have been issued at a premium of Rs. 10 each. Of the above Nil (Previous year 6,795,000) equity shares are pledged with a bank.	30.15	30.15
Punj Lloyd Upstream Limited 36,397,350 (Previous year 36,397,350) equity shares of Rs 10 each fully paid up.	36.40	36.40



	As at March 31, 2015	As at March 31, 2014
Sembawang Infrastructure (India) Private Limited 9,575,000 (Previous year 9,575,000) equity shares of Rs.10 each fully paid up.	0.10	0.10
Indtech Global Systems Limited 82,418 (Previous year 82,418) equity shares of Rs.100 each fully paid up. Of the above, Nil (Previous year 82,413) equity shares are under first pari passu charge with Debenture trustee.	1.70	1.70
Shitul Overseas Placement and Logistics Limited (formerly Punj Lloyd Systems Limited) 102,000 (Previous year 102,000) equity shares of Rs. 10 each fully paid up.	0.10	0.10
Dayim Punj Lloyd Construction Contracting Company Limited 51,000 (Previous year 51,000) equity shares of SAR 20 each fully paid up.	1.23	1.23
Spectra Punj Lloyd Limited 5,000,000 (Previous year 5,000,000) equity shares of Rs.10 each fully paid up. Of the above, Nil (Previous year 4,871,850) equity shares are under first pari passu charge with Debenture trustee.	5.05	5.05
Punj Lloyd Infrastructure Pte Limited 10 (Previous year Nil) equity shares of SGD 1 each fully paid up.	2.41	-
<b>Investment in joint ventures</b>		
Thiruvananthapuram Road Development Company Limited 17,030,000 (Previous year 17,030,000) equity shares of Rs. 10 each fully paid up.	17.03	17.03
Ramprastha Punj Lloyd Developers Private Limited 5,000 (Previous year 5,000) equity shares of Rs. 10 each fully paid up.	0.01	0.01
<b>Investment in others</b>		
Rajahmundry Expressway Limited 1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.	1.89	1.89
Andhra Expressway Limited 1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.	1.89	1.89
North Karnataka Expressway Limited 3,860,456 (Previous year 3,860,456) equity shares of Rs.10 each fully paid up.	3.86	3.86
GMR Hyderabad Vijaywada Expressways Private Limited 500,000 (Previous year 500,000) equity shares of Rs. 10 each fully paid up.	0.50	0.50
Hazaribagh Ranchi Expressway Limited 13,100 (Previous year 13,100) equity shares of Rs. 10 each fully paid up.	0.01	0.01
Kaefer Private Limited (formerly Kaefer Punj Lloyd Limited) 74,520 (Previous year 74,520) equity shares of Rs. 100 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 3.86 crore (Previous year Nil))	-	3.86
PT Punj Lloyd Indonesia 7,805 (Previous year 7,805) equity shares of USD 500 each fully paid up. Of the above, Nil (Previous year 7,800) equity shares are under first pari passu charge with Debenture trustee.	17.09	17.09



	As at March 31, 2015	As at March 31, 2014
<b>Unquoted preference instruments</b>		
<b>Investment in subsidiary</b>		
Punj Lloyd Pte Limited	782.46	1,014.84
450,000 (Previous year 450,000) redeemable convertible preference share of SGD 100 each and 1,400,000 (previous year 1,900,000) redeemable convertible preference share A of SGD 100 each fully paid up.		
Of the above, Nil (Previous year 450,000) redeemable convertible preference share are under first pari passu charge with Debenture trustee.		
<b>Unquoted other instruments</b>		
<b>Investment in subsidiary</b>		
Punj Lloyd Kazakhstan LLP	36.28	36.28
KZT 1,107,977,200 (Previous year 1,107,977,200) being 100% of the amount of Charter Capital.		
Of the above, Nil (Previous year 1,107,977,200) are under first pari passu charge with Debenture trustee.		
<b>Non-trade</b>		
<b>Unquoted equity instruments</b>		
<b>Investment in others</b>		
RFB Latex Limited	-	-
200,000 (Previous year 200,000) equity shares of Rs. 10 each fully paid up.		
(At cost less provision for other than temporary diminution in value Rs. 0.52 crore (Previous year Rs. 0.52 crore))		
Arooshi Enterprises Private Limited	-	-
598,500 (Previous year 598,500) equity shares of Rs. 10 each fully paid up.		
(At cost less provision for other than temporary diminution in value Rs. 0.60 crore (Previous year Rs. 0.60 crore))		
Global Health Private Limited	-	159.07
Nil (Previous year 8,601,979) equity shares of Rs. 10 each fully paid up.		
Of the above, Nil (Previous year 8,000,000) equity shares were under first pari passu charge with Debenture trustee and Nil (Previous year 601,979) equity shares were pledged with a bank.		
<b>Quoted equity instruments</b>		
<b>Investment in others</b>		
Berger Paints Limited	-	0.10
Nil (Previous year 61,600) equity shares of Rs. 2 each fully paid up.		
Pipavav Defence and Offshore Engineering Company Limited	0.00	0.00
1,000 (Previous year 1,000) equity shares of Rs. 10 each fully paid up.		
<b>Quoted other instrument</b>		
<b>Investment in others</b>		
IFCI Limited	-	5.00
Nil (Previous year 50) 8.39% tax free bonds of Rs. 1,000,000 each fully paid up		
	<b>1,180.56</b>	<b>1,578.56</b>
Aggregate amount of quoted investments (Market value: Rs. 0.01 crores (Previous year Rs. 6.42 crores))	0.00	5.10
Aggregate amount of unquoted investments	1,190.31	1,579.35
Aggregate provision for diminution in value of investments	9.75	5.89




**13. Loans and advances**

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured, considered good)				
Capital advances	1.96	1.96	-	-
Security deposits	5.72	5.11	7.43	11.59
Loan and advances to related parties	-	-	990.06	1,000.39
Advances recoverable in cash or kind	-	-	539.06	394.96
Other loans and advances				
Advance income-tax (net of provision for taxation)	255.64	359.58	-	-
Value added tax / sales tax recoverable (net)	131.08	142.74	-	-
Minimum alternate tax credit entitlement	-	7.83	-	-
Balances with statutory/government authorities	-	-	37.29	44.05
Others	-	-	4.96	6.47
	<b>394.40</b>	<b>517.22</b>	<b>1,578.80</b>	<b>1,457.46</b>

Loans and advances due from private limited companies in which Company's director(s) is/are director(s):

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
PLI Ventures Advisory Services Private Limited	-	-	1.23	1.23
Sembawang Infrastructure (India) Private Limited	-	-	9.57	11.80

**14. Trade receivables**

	As at March 31, 2015	As at March 31, 2014
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment (Includes retention money Rs. 162.99 crores (Previous year Rs. 184.51 crores))	1,117.81	970.50
Other receivables (Includes retention money Rs. 548.42 crores (Previous year Rs. 514.89 crores))	1,149.39	1,407.22
	<b>2,267.20</b>	<b>2,377.72</b>

Trade receivable due from private limited companies in which the Company's director(s) is/are director(s):

	As at March 31, 2015	As at March 31, 2014
PLI Ventures Advisory Services Private Limited	0.35	0.35
Sembawang Infrastructure (India) Private Limited	7.04	6.86
Air Works India (Engineering) Private Limited	2.43	2.43
Punj Lloyd Delta Renewables Private Limited	5.79	4.69


**15. Other assets**

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured, considered good)				
Non-current bank balances (refer note 17)	11.63	5.29	-	-
Others				
Interest receivable	-	-	75.89	75.65
Export benefit receivable	27.76	102.50	-	-
Investments held for sale	-	-	-	34.05
Receivables against sale of investments	-	-	0.42	0.42
Other receivable	-	-	5.22	-
	<b>39.39</b>	<b>107.79</b>	<b>81.53</b>	<b>110.12</b>

**16. Inventories**

	As at March 31, 2015	As at March 31, 2014
Project materials	99.11	121.94
Scrap	-	0.66
	<b>99.11</b>	<b>122.60</b>

**17. Cash and bank balances**

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents				
Balances with banks:				
On current accounts #	-	-	175.92	141.68
On cash credit accounts	-	-	-	0.13
On EEFC account	-	-	1.60	0.01
Deposit with original maturity of less than three months	-	-	1.09	3.40
Cash on hand	-	-	4.12	5.26
	<b>-</b>	<b>-</b>	<b>182.73</b>	<b>150.48</b>
Other bank balances				
Deposits with original maturity for more than 12 months*	-	-	-	1.62
Deposits with original maturity for more than 3 months but less than 12 months*	-	-	0.31	-
Margin money deposit**	11.63	5.29	63.59	24.21
	<b>11.63</b>	<b>5.29</b>	<b>63.90</b>	<b>25.83</b>
Amount disclosed under non-current assets (refer note 15)	(11.63)	(5.29)	-	-
	<b>-</b>	<b>-</b>	<b>246.63</b>	<b>176.31</b>

# Include unclaimed dividend of Rs. 0.25 crores (Previous year Rs. 0.26 crores).

\* Fixed deposits pledged for Rs 0.31 crores (Previous year Rs 1.62 crores) against guarantees.

\*\* Margin money deposits with a carrying amount of Rs. 75.22 crores (Previous year Rs. 29.50 crores) are subject to first charge to secure the Company's cash credit loans.


**18. Revenue from operations**

	Year ended March 31, 2015	Year ended March 31, 2014
Contract revenue (includes export benefit Nil (Previous year 4.45 crores))	3,880.40	7,212.47
Sale of traded goods	933.89	924.18
Other operating revenue		
Hire charges	4.40	14.34
Management services	62.82	78.18
	<b>4,881.51</b>	<b>8,229.17</b>

**19. Other income**

	Year ended March 31, 2015	Year ended March 31, 2014
Scrap sales	35.42	22.17
Unspent liabilities and provisions written back	16.01	5.23
Exchange differences (net)	127.11	211.80
Interest income on		
Bank deposits	2.88	1.10
Others	40.82	16.19
Net gain on sale of long-term investments	547.39	-
Profit on sale of fixed assets (net)	28.52	18.07
Dividend income on non-trade long term investments	0.07	0.04
Others	8.94	7.32
	<b>807.16</b>	<b>281.92</b>

**20. Employee benefits expense**

	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	504.88	738.19
Contribution to provident funds	11.89	14.83
Gratuity expense (also refer note 24)	2.76	1.62
Compensated absences	0.94	10.28
Staff welfare expenses	42.97	64.76
	<b>563.44</b>	<b>829.68</b>

**21. Other expenses**

	Year ended March 31, 2015	Year ended March 31, 2014
Contractor charges	1,128.20	2,128.64
Site expenses	85.39	83.60
Diesel and fuel	80.85	215.97
Repair and maintenance		
Buildings	3.65	0.11
Plant and equipments	3.09	16.66
Others	1.24	1.60
Rent	35.29	42.76
Freight and cartage	25.28	43.10
Hire charges	102.43	292.29
Rates and taxes	30.12	33.29
Insurance	39.42	49.09
Travelling and conveyance	105.70	84.69



	Year ended March 31, 2015	Year ended March 31, 2014
Payment to auditors (refer below)	1.10	1.36
Consultancy and professional	210.02	211.78
Irrecoverable balances written off	106.30	8.86
Provision for diminution in value of non-trade long term investment	3.86	-
Donations	-	0.54
CSR expenditure (refer note 38)	0.36	-
Miscellaneous	36.43	74.88
	<b>1,998.73</b>	<b>3,289.22</b>

**Payment to auditors**

	Year ended March 31, 2015	Year ended March 31, 2014
As auditors:		
Audit fee	0.32	0.36
Limited reviews	0.63	0.65
Certification	0.08	0.29
Reimbursement of expenses	0.07	0.06
	<b>1.10</b>	<b>1.36</b>

**22. Finance costs**

	Year ended March 31, 2015	Year ended March 31, 2014
Interest	730.86	646.35
Bank charges	128.68	124.80
	<b>859.54</b>	<b>771.15</b>

**23. Earnings per share (EPS)**

	2014-15	2013-14
a) Net profit/ (loss) after tax available for equity share holders (Rs. crores)	(506.66)	7.81
b) Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	332,095,745	332,095,745
c) Earnings per share - Basic and Diluted (Rs.)	(15.26)	0.24
d) Nominal value per equity share (Rs.)	2	2

**24. Gratuity and other post-employment benefit plans**

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

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

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

	2014-15	2013-14
Current service cost	1.72	1.98
Interest cost on benefit obligation	0.89	0.88
Expected return on plan assets	(0.77)	(0.72)
Net actuarial (gain)/loss	0.92	(0.52)
<b>Net benefit expense</b>	<b>2.76</b>	<b>1.62</b>
Actual return on plan assets	0.12	(0.09)



## Balance sheet

### Benefit asset/liability

	2014-15	2013-14
Present value of defined benefit obligation	11.93	11.05
Fair value of plan assets	(9.85)	(8.28)
Less: Unrecognized past service cost	-	-
<b>Net defined benefit obligation</b>	<b>2.08</b>	<b>2.77</b>

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

	2014-15	2013-14
Opening defined benefit obligation	11.05	11.07
Interest cost	0.89	0.88
Current service cost	1.72	1.98
Benefits paid	(2.76)	(2.28)
Actuarial (gains)/losses on obligation	1.03	(0.60)
<b>Closing defined benefit obligation</b>	<b>11.93</b>	<b>11.05</b>

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

	2014-15	2013-14
Opening fair value of plan assets	8.28	8.56
Expected return	0.77	0.72
Contributions by employer	3.43	1.34
Benefits paid	(2.74)	(2.25)
Actuarial gains/(losses)	0.11	(0.09)
<b>Closing fair value of plan assets</b>	<b>9.85</b>	<b>8.28</b>

The Company expects to contribute Rs. 1.50 crores (Previous year Rs. 1.61 crores) to gratuity fund in the next year.

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

	2014-15 %	2013-14 %
Group Gratuity Cash Accumulation Policy with Life Insurance Corporation of India	35.53	39.58
Group Balance Fund with ICICI Prudential Life Insurance Co. Limited	0.09	0.09
Group Short Term Debt Fund with ICICI Prudential Life Insurance Co. Limited	0.02	0.15
Group Debt Fund with ICICI Prudential Life Insurance Co. Limited	64.36	60.18

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

	2014-15	2013-14
Discount rate	7.80%	8.50%
Expected rate of return on assets	9.00%	9.00%
Salary increase rate	5.50%	5.50%
Employee turnover		
upto age 30 years	15.00%	15.00%
31-44 years	10.00%	10.00%
45 and above	5.00%	5.00%
Retirement age (in years)	60	60
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate





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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	11.93	11.05	11.07	11.43	8.57
Plan assets	9.85	8.28	8.56	7.22	5.81
Surplus/(deficit)	(2.08)	(2.77)	(2.51)	(4.21)	(2.76)
Experience adjustments on plan liabilities – (loss)/gain	0.53	1.08	1.16	(0.56)	0.57
Experience adjustments on plan assets – (loss)/gain	0.11	(0.09)	0.12	(0.01)	0.40

**Actuarial assumptions for compensated absences:**

	2014-15	2013-14
Discount rate	7.80%	8.50%
Salary increase rate	5.50%	5.50%
Employee turnover		
upto age 30 years	15.00%	15.00%
31-44 years	10.00%	10.00%
45 and above	5.00%	5.00%
Retirement age (in years)	60	60
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**25. Employee stock option plans (ESOP)**

The Company provides various share based payment schemes to its employees. The relevant details of the schemes are as follows:

	ESOP 2005 (Plan 1 and 2)	ESOP 2006 (Plan 1, 2, 3, 4, 5 and 6)
Date of Board of Directors approval	September 05, 2005	June 27, 2006
Date of Remuneration Committee approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 and April 3, 2006 for ESOP Plan 1 and 2 respectively	September 22, 2006
Number of options	4,000,000	5,000,000
Method of settlement	Equity	Equity
Vesting period	Four years from the date of grant	Four years from the date of grant
Exercise period	Three years from the date of vesting or one month from the date of resignation from service, whichever is earlier	Three years from the date of vesting or one year from the date of resignation from service, whichever is earlier
Vesting condition	Employee should be in service at vesting and exercise date	Employee should be in service at vesting and exercise date



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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	-	71,375	-	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	71,375	-	235.99
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	-	224,740	-	154.46
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	224,740	-	154.46
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	-	9,000	-	132.45
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	9,000	-	132.45
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The options under the ESOP 2005 (Plan 1) and ESOP 2006 (Plan 2), (Plan 3), (Plan 4) and (Plan 5) had expired on or before March 31, 2013 and hence there are no activities to report under these plans.

The vesting period of all the stock options expired before March 31, 2015. Also, the weighted average share price at the date of exercise is not applicable since there are no stock options in force as at the current and previous balance sheet date.

For the purpose of valuation of the options granted upto year ended March 31, 2015 under ESOP 2005 and ESOP 2006, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method, is Rs. Nil.

In March 2005, the Institute of Chartered Accountants of India has issued a Guidance Note on "Accounting for Employees Share Based Payments" applicable to employee share based plan the grant date in respect of which falls on or after April 1, 2005. The said Guidance Note requires the Pro-forma disclosures of the impact of the fair value method of accounting of employee stock compensation in the financial statements. As the Company has used the intrinsic value method and the management has obtained fair value of the options at the date of grant from an independent valuer, using the 'Black Scholes Valuation Model' at "Rs. Nil" per option, there is no impact on the reported profits/(losses) and earnings per share.



## 26. Leases

### a) Finance lease

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

	2014-15	2013-14
Gross block at the end of financial year	214.19	215.24
Written down value at the end of financial year	133.35	181.57
Details of payments made during the year:		
Principal	36.49	17.53
Interest	12.04	2.48

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

	As at March 31, 2015		
	Principal	Interest	Total
Payable within one year	39.58	6.64	46.22
Payable after one year but before end of fifth year	21.30	1.50	22.80

	As at March 31, 2014		
	Principal	Interest	Total
Payable within one year	34.56	10.85	45.41
Payable after one year but before end of fifth year	53.63	7.32	60.95

### b) Operating lease

The Company has entered into commercial leases for office premises. There are no contingent rents in the lease agreements. The lease term is for 1-3 years and is renewable at the mutual agreement of both the parties. There is no escalation clause in the lease agreements. There are no significant restrictions imposed by lease arrangements.

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

	As at March 31, 2015	As at March 31, 2014
Not later than one year	-	2.08
Later than one year and not later than five years	-	2.63
Later than five years	-	-

## 27. Interest in joint ventures:

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

### (a) List of Joint ventures

(i) Joint ventures of the Company

S. No	Name of joint ventures	Nature of project	Ownership interest as at		Country of incorporation
			March 31, 2015	March 31, 2014	
Jointly controlled entities					
1	Thiruvananthapuram Road Development Company Limited	Thiruvananthapuram city road improvement	50.00%	50.00%	India
2	Ramprastha Punj Lloyd Developers Private Limited	Real estate developers	50.00%	50.00%	India



S. No	Name of joint ventures	Nature of project	Ownership interest as at		Country of incorporation
			March 31, 2015	March 31, 2014	
Jointly controlled operations					
1	Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Revival of Ratnagiri Gas and Power Private Limited LNG Terminal project	See Note below	See Note below	*
2	Punj Lloyd PT Sempec Indonesia	Installation of 4 new well platforms	See Note below	See Note below	*
3	Punj Lloyd Group Joint Venture	Design and construction services of platform compression facilities	See Note below	See Note below	*
4	Public Works Company Tripoli Punj Lloyd Joint Venture	Laying of sewerage and water pipeline and city road development	See Note below	See Note below	*

(ii) Joint ventures of subsidiaries

S. No	Name of joint ventures	Nature of project	Ownership interest as at		Country of incorporation
			March 31, 2015	March 31, 2014	
Jointly controlled entities					
1	PT Kekal Adidaya	Extraction of coal	48.69%	48.69%	Indonesia
2	AeroEuro Engineering India Private Limited	Designing in aerospace sector	40.16%	40.16%	India
3	Punj Lloyd Dynamic LLC	Construction work	48.00%	48.00%	Qatar
4	Sembawang Caspi Engineers and Constructors LLP	Engineering, procurement and construction work	48.69%	48.69%	Kazakhstan
5	PLE TCI Engenharia Ltda	Engineering and design consultancy services	39.36%	39.36%	Brazil
6	Sembawang Precast System LLC	Pre cast production including precasting of columns and tunnel segments	48.69%	48.69%	Dubai
7	PLE TCI Engineering Limited	Engineering and Designing	@	@	India

<b>Jointly controlled operations</b>					
1	Total-CDC-DNC Joint Operation	Construction of a hotel and golf course recreation centre	38.95%	38.95%	*
2	Kumagai-Sembawang-Mitsui Joint Venture	Design and construction of the Potong Pasir and on Keng MRT Stations, including tunnels	43.82%	43.82%	*
3	Kumagai-SembCorp Joint Venture (DTSS)	Design and construction of Paya Lebar Deep Tunnel Sewerage System	48.69%	48.69%	*
4	Kumagai-SembCorp Joint Venture	Design and construction the Changi Airport MRT Station, including tunnels	48.69%	48.69%	*
5	Philipp Holzmann -SembCorp Joint Venture	Design and construction of Kranji Deep Tunnel Sewerage System	97.38%	97.38%	*
6	Semb-Corp Daewoo Joint Venture	Design and construction of Kallang and Paya Lebar Expressway	58.43%	58.43%	*
7	Sime Engineering Sdn Bhd Sembawang Malaysia Sdn Bhd Joint Venture	Engineering, procurement and construction works	48.69%	48.69%	*
8	Sime Engineering Sdn Bhd SembCorp Malaysia Sdn Bhd Joint Venture	Mechanical and piping erection works	48.69%	48.69%	*
9	Sembawang-Leader Joint Venture	Construction of Shatin to Central Link Diamond Hill Station	53.56%	53.56%	*

\* Country of incorporation not applicable, as these are unincorporated joint ventures.

@ Investment held for sale in the near future.

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


**(b) Interest in jointly controlled entities of the Company**

Company's share of	Name of jointly controlled entities			
	Thiruvananthapuram Road Development Company Limited		Ramprastha Punj Lloyd Developers Private Limited	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
<b>Assets</b>				
Non-current	129.24	117.69	0.58	0.58
Current	9.48	7.96	39.66	39.66
<b>Liabilities</b>				
Non-current	58.10	59.40	-	-
Current	78.42	63.25	40.25	40.24
Revenue	14.70	14.51	-	-
Expenditure	15.51	17.69	0.00	0.00
Income tax expenses	-	-	-	-
Capital commitments*	8.81	13.84	-	-
Contingent liabilities	1.34	1.34	-	-

**Notes:**

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

**28. Segment Information**
**Primary segment: Business segments -**

The Company has identified the business segment as its primary reportable segment. The Company's operating businesses are organized and managed separately according to the nature of products and services provided. The Company has identified Engineering, procurement and construction services and Trading of goods as its two reportable segments. A description of the types of products and services provided by each reportable segment is as follows:

**Engineering, procurement and construction** segment includes providing of engineering, procurement and construction services in oil, gas and infrastructure sectors.

**Trading of goods** segment includes purchase and sale of steel, mainly outside India.

The following table presents segment revenue, results, assets and liabilities in accordance with AS 17 – Segment Reporting as on March 31, 2015 and March 31, 2014:

	Engineering, procurement and construction services		Traded goods		Corporate unallocable		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Revenue</b>								
External revenue	3,884.80	7,226.81	933.89	924.18	62.82	78.18	4,881.51	8,229.17
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue from operations	3,884.80	7,226.81	933.89	924.18	62.82	78.18	4,881.51	8,229.17
<b>Result</b>								
Segment results	(396.64)	695.45	2.34	6.09	45.65	62.72	(348.65)	764.26
Finance costs							(859.54)	(771.15)
Interest income							43.70	17.29
Other income							551.98	1.61
Income tax							105.85	(4.20)
Net profit/ (loss)							(506.66)	7.81





	Engineering, procurement and construction services		Traded goods		Corporate unallocable		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Other information</b>								
Segment assets	9,512.39	10,157.77	498.35	477.18	2,950.76	3,398.88	12,961.50	14,033.83
Segment liabilities	3,644.94	3,907.36	362.70	444.27	5,749.21	5,931.79	9,756.85	10,283.42
Capital expenditure	18.05	114.58	-	-	3.89	3.02	21.94	117.60
Depreciation / amortization (net)	296.58	229.30	-	-	17.16	15.46	313.74	244.76
Non-cash expenses other than depreciation/ amortization	-	-	-	-	-	-	-	-

**Secondary segment: Geographical segments\* -**

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

The following table presents revenue from operations, unbilled revenue (work-in-progress) and trade receivables regarding geographical segments as at March 31, 2015 and March 31, 2014.

	Revenue from operations		Unbilled revenue (work-in-progress)		Trade receivable (including retention money)	
	Year ended March 31, 2015	Year ended March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
India	1,817.76	3,431.99	2,793.76	2,840.74	1,081.34	1,073.50
Other countries	3,063.75	4,797.18	3,164.85	3,232.79	1,185.86	1,304.22
	<b>4,881.51</b>	<b>8,229.17</b>	<b>5,958.61</b>	<b>6,073.53</b>	<b>2,267.20</b>	<b>2,377.72</b>

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

**29. Related Parties**
**Names of related parties where control exists irrespective of whether transactions have occurred or not:**
**Subsidiary Companies**

Spectra Punj Lloyd Limited  
Punj Lloyd Industries Limited  
Atna Investments Limited  
PLN Construction Limited  
Punj Lloyd International Limited  
Punj Lloyd Kazakhstan, LLP  
Punj Lloyd Pte. Limited  
PL Engineering Limited  
Punj Lloyd Infrastructure Limited  
Punj Lloyd Upstream Limited  
Punj Lloyd Aviation Limited  
Sembawang Infrastructure (India) Private Limited  
Indtech Global Systems Limited  
Shitul Overseas Placement and Logistics Limited (formerly Punj Lloyd Systems Limited)  
PLI Ventures Advisory Services Private Limited  
Dayim Punj Lloyd Construction Contracting Company Limited  
Punj Lloyd Infrastructure Pte. Limited (w.e.f August 31, 2014)

**Step Down Subsidiary Companies**

PT Punj Lloyd Indonesia  
PT Sempec Indonesia  
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.  
Punj Lloyd Sdn. Bhd.  
Punj Lloyd Engineers and Constructors Pte. Limited  
Punj Lloyd Engineers and Constructors Zambia Limited  
Buffalo Hills Limited  
Indtech Trading FZE  
PLI Ventures Limited  
Punj Lloyd Infrastructure Pte. Limited (upto August 31, 2014)  
Punj Lloyd Aviation Pte. Limited (w.e.f. January 02, 2014)\*  
Christos Aviation Limited  
Punj Lloyd (B) Sdn. Bhd. (w.e.f. August 02, 2014)\*  
Punj Lloyd Kenya Limited  
Sembawang Group Pte. Limited (upto March 31, 2014)\*  
PL Global Developers Pte. Limited  
Christos Trading Limited (upto March 31, 2014)\*



Graystone Bay Limited  
 Punj Lloyd Thailand (Co.) Limited  
 Punj Lloyd Delta Renewables Pte. Limited  
 Punj Lloyd Delta Renewables Private Limited  
 Punj Lloyd Delta Renewables Bangladesh Limited  
 Punj Lloyd Raksha Systems Private Limited (w.e.f. February 04, 2015)\*  
 Punj Lloyd Engineering Pte. Limited  
 Simon Carves Engineering Limited  
 PL Delta Technologies Limited @  
 Punj Lloyd Solar Power Limited  
 Khagaria Purnea Highway Project Limited  
 Indraprastha Metropolitan Development Limited  
 PL Surya Urja Limited (w.e.f. September 03, 2013)\*  
 PL Sunshine Limited (w.e.f. March 05, 2015)\*  
 Sembawang Engineers and Constructors Pte. Limited  
 Sembawang Development Pte. Limited  
 Sembawang Libya for General Contracting & Real Estate  
 Investment Joint Stock Company  
 Contech Trading Pte. Limited  
 PT Contech Bulan (upto March 31, 2014) \*  
 Construction Technology (B) Sdn. Bhd.  
 Sembawang Mining (Kekal) Pte. Limited  
 PT Indo Precast Utama  
 PT Indo Unggul Wasturaya  
 Sembawang (Tianjin) Construction Engineering Co. Limited  
 Sembawang Infrastructure (Mauritius) Limited  
 Sembawang UAE Pte. Limited  
 Sembawang Consult Pte. Limited (formerly SC Architects  
 and Engineers Pte. Limited)  
 Sembawang (Malaysia) Sdn. Bhd.  
 Jurubina Sembawang (M) Sdn. Bhd.  
 Tueri Aquila FZE  
 Sembawang Bahrain SPC  
 Sembawang Equity Capital Pte. Limited  
 Sembawang of Singapore – Global Project Underwriters Pte. Limited  
 Sembawang of Singapore – Global Project Underwriters Limited  
 Sembawang Australia Pty. Limited (upto February 20, 2014)  
 Sembawang Hong Kong Limited  
 Sembawang (Tianjin) Investment Management Co. Limited  
 PT Sembawang Indonesia  
 Sembawang International Limited (upto June 27, 2014)\*  
 Sembawang Tianjin Pte. Limited (upto March 12, 2014)  
 Sembawang Tianjin Heping Pte. Limited (upto March 12, 2014)  
 Sembawang Commodities Pte. Limited (upto April 16, 2014)\*

Reliance Contractors Private Limited  
 Sembawang E&C Malaysia Sdn. Bhd. (w.e.f. July 25, 2014)\*

### Joint Ventures

Thiruvananthapuram Road Development Company Limited  
 Ramprastha Punj Lloyd Developers Private Limited  
 Punj Lloyd Dynamic LLC  
 AeroEuro Engineering India Private Limited  
 PLE TCI Engineering Limited (upto March 31, 2014)@  
 PLE TCI Engenharia Ltda  
 PT Kekal Adidaya  
 Sembawang Precast System LLC  
 Sembawang Caspi Engineers and Constructors LLP  
 Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd  
 Limited  
 Punj Lloyd PT Sempec  
 Total-CDC-DNC Joint Operation  
 Kumagai-Sembawang-Mitsui Joint Venture  
 Kumagai-SembCorp Joint Venture  
 Philipp Holzmann-SembCorp Joint Venture  
 Kumagai-SembCorp Joint Venture (DTSS)  
 Semb-Corp Daewoo Joint Venture  
 Sime Engineering Sdn. Bhd. Sembawang Malaysia Sdn.  
 Bhd. Joint Venture  
 Sime Engineering Sdn. Bhd. SembCorp Malaysia Sdn. Bhd.  
 Joint Venture  
 Total Sempec Joint Operations (upto December 31, 2013)  
 Punj Lloyd Group Joint Venture  
 Public Works Company Tripoli Punj Lloyd Joint Venture  
 Sembawang – Leader Joint Venture

### Associates

Olive Group India Private Limited (upto August 12, 2013)  
 Hazaribagh Ranchi Expressway Limited (upto March 31,  
 2015)\*  
 Air Works India (Engineering) Private Limited  
 Olive Group Capital Limited (upto October 16, 2013)  
 Ventura Development (Myanmar) Pte Limited (upto March 12,  
 2014)  
 Reco Sin Han Pte Limited

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

@ Investment held for sale in the near future.


**Key Managerial Personnel with whom transactions have taken place during the year:**

Atul Punj	-	Chairman
Luv Chhabra	-	Director (Corporate Affairs)
Pawan Kumar Gupta (upto December 31, 2013)	-	Whole Time Director
P. N. Krishnan (w.e.f. November 01, 2013)	-	Director – Finance
J. P. Chalasani (w.e.f. January 31, 2014 and upto May 19, 2014)	-	Director and Group CEO
J. P. Chalasani (w.e.f. May 20, 2014)	-	Managing Director & Group CEO

**Enterprises over which Key Managerial Personnel or their relatives exercise significant influence and with whom transactions have taken place during the year:**

Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	Chairmanship of Father of Chairman
PTA Engineering and Manpower Services Private Limited	-	Shareholding of Chairman
PLE Hydraulics Private Limited	-	Shareholding of Chairman
Artcon Private Limited	-	Shareholding of Chairman
Mangalam Equipment Private Limited	-	Shareholding of Chairman
Petro IT Limited	-	Shareholding of Brother of Chairman

**Related party transactions**

The following table provides the total amount of transactions that have been entered with related parties for the relevant financial year:

	March 31, 2015	March 31, 2014
<b>INCOME</b>		
<b>Contract revenue</b>		
Khagaria Purnea Highway Project Limited	32.63	302.55
Indraprastha Metropolitan Development Limited	14.94	3.88
PL Surya Urja Limited	157.46	-
<b>Sale of traded goods</b>		
Punj Lloyd Pte. Limited	816.48	872.59
<b>Hire charges</b>		
Spectra Punj Lloyd Limited	1.16	0.48
PLN Construction Limited	1.05	0.47
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	0.57	11.16
Sembawang Infrastructure (India) Private Limited	-	0.07
Punj Lloyd Delta Renewables Private Limited	0.01	-
<b>Management services</b>		
PT Sempec Indonesia	-	0.46
Punj Lloyd Pte. Limited	11.45	10.00
PL Engineering Limited	0.43	0.50
Punj Lloyd Sdn. Bhd.	0.01	-
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	1.27	10.82
Punj Lloyd Aviation Limited	0.28	0.25
PT Punj Lloyd Indonesia	0.52	5.02
Dayim Punj Lloyd Construction Contracting Company Limited	10.61	12.31
Punj Lloyd Delta Renewables Private Limited	0.28	0.40
Punj Lloyd Upstream Limited	1.08	1.76
Punj Lloyd Infrastructure Limited	0.60	0.60
Sembawang Infrastructure (India) Private Limited	-	0.05
Sembawang Engineers and Constructors Pte. Limited	14.48	19.94



	March 31, 2015	March 31, 2014
<b>Interest income</b>		
Punj Lloyd Pte. Limited	4.62	4.54
Punj Lloyd Infrastructure Pte. Limited	0.03	-
Punj Lloyd International Limited	0.34	0.34
Punj Lloyd Upstream Limited	2.07	2.09
Punj Lloyd Aviation Limited	0.87	-
Spectra Punj Lloyd Limited	4.51	4.63
PT Punj Lloyd Indonesia	0.54	0.54
PLN Construction Limited	1.12	2.37
<b>Other income</b>		
Spectra Punj Lloyd Limited	3.02	1.38
PLN Construction Limited	0.16	0.17
Punj Lloyd Aviation Limited	0.23	0.22
Punj Lloyd Upstream Limited	0.23	0.30
Punj Lloyd Delta Renewables Private Limited	0.30	0.29
Punj Lloyd Infrastructure Limited	0.60	0.56
<b>EXPENSES</b>		
<b>Contractors charges</b>		
Punj Lloyd Engineering Pte. Limited	7.51	-
Punj Lloyd Delta Renewables Private Limited	6.90	5.00
PLN Construction Limited	21.06	5.79
<b>Project material consumed and cost of goods sold</b>		
Punj Lloyd Delta Renewables Private Limited	6.05	6.19
<b>Hire charges</b>		
Punj Lloyd Aviation Limited	2.32	3.02
Dayim Punj Lloyd Construction Contracting Company Limited	-	0.53
Spectra Punj Lloyd Limited	0.23	0.61
<b>Consultancy and professional</b>		
PL Engineering Limited	29.12	34.23
Aeroeuro Engineering India Private Limited	0.37	0.12
Indtech Trading FZE	-	0.42
Simon Carves Engineering Limited	1.64	1.58
Punj Lloyd Engineering Pte. Limited	1.54	-
<b>Managerial remuneration</b>		
Atul Punj	-	0.69
Luv Chhabra	1.41	1.39
Pawan Kumar Gupta	-	1.79
J.P. Chalasani	3.35	0.53
P.N. Krishnan	2.31	0.94
<b>Rent</b>		
Pt. Kanahya Lal Dayawanti Punj Charitable Society	1.37	1.37
PTA Engineering and Manpower Services Private Limited	0.19	0.18
PL Engineering Limited	0.99	-
Artcon Private Limited	0.02	0.02
Mangalam Equipment Private Limited	0.02	0.02
<b>Repair and maintenance</b>		
Spectra Punj Lloyd Limited	0.12	-



	March 31, 2015	March 31, 2014
<b>ASSETS</b>		
<b>Tangible assets purchased</b>		
Punj Lloyd Kazakhstan LLP	0.05	-
<b>Investment made during the year</b>		
Punj Lloyd Pte. Limited	-	883.10
Hazaribagh Ranchi Expressway Limited	-	34.05
Punj Lloyd Infrastructure Pte. Limited	2.41	-
<b>Investment sold/Redeemed during the year</b>		
Punj Lloyd Pte. Limited	232.40	-
Hazaribagh Ranchi Expressway Limited	34.05	-
<b>Bank Guarantees Issued during the year</b>		
Punj Lloyd Infrastructure Limited	2.21	12.00
Punj Lloyd Pte. Limited	93.14	81.94
Punj Lloyd Upstream Limited	-	2.69
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	93.97	-
Sembawang Infrastructure (India) Private Limited	-	1.90
Indraprastha Metropolitan Development Limited	-	39.52
Punj Lloyd Sdn. Bhd.	252.52	-
Punj Lloyd Delta Renewables Private Limited	0.01	5.41
<b>Bank Guarantees redeemed during the year</b>		
Punj Lloyd Kazakhstan LLP	-	110.64
Punj Lloyd Infrastructure Limited	1.80	20.65
Khagaria Purnea Highway Project Limited	-	33.20
Punj Lloyd Pte. Limited	-	94.60
Punj Lloyd Upstream Limited	2.06	19.66
Sembawang Engineers and Constructors Pte. Limited	-	11.84
Sembawang Infrastructure (India) Private Limited	0.73	1.50
Punj Lloyd Solar Power Limited	3.07	-
Punj Lloyd Delta Renewables Private Limited	4.24	10.07
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	-	57.44
<b>Corporate Guarantees issued during the year</b>		
Punj Lloyd Pte. Limited	-	427.84
Dayim Punj Lloyd Construction Contracting Company Limited	96.59	3.13
Sembawang Engineers & Constructors Pte. Limited	3.16	98.30
PL Surya Urja Limited	123.70	-
Indraprastha Metropolitan Development Limited	-	1,116.12
<b>Corporate Guarantees redeemed during the year</b>		
Punj Lloyd Pte. Limited	-	1,559.06
PL Engineering Limited	-	0.50
Punj Lloyd Upstream Limited	-	5.77
Punj Lloyd Aviation Limited	57.01	-
PT Punj Lloyd Indonesia	88.17	44.33
Dayim Punj Lloyd Construction Contracting Company Limited	30.72	249.35
Sembawang Engineers & Constructors Pte. Limited	301.73	427.11
Punj Lloyd Solar Power Limited	2.92	1.32
Khagaria Purnea Highway Project Limited	14.11	-





	March 31, 2015	March 31, 2014
Punj Lloyd Delta Renewables Private Limited	50.00	-
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	-	22.16
<b>Loans given during the year</b>		
Punj Lloyd Kazakhstan LLP	26.31	-
Punj Lloyd Pte. Limited	3.92	-
Punj Lloyd Infrastructure Limited	104.24	79.92
Punj Lloyd Upstream Limited	-	7.50
Punj Lloyd Aviation Limited	12.37	-
PT Punj Lloyd Indonesia	-	0.61
Punj Lloyd Infrastructure Pte. Limited	3.76	-
<b>Loans received back during the year</b>		
Punj Lloyd Kazakhstan LLP	-	8.09
Punj Lloyd Pte. Limited	117.79	1,135.26
Punj Lloyd Infrastructure Limited	15.60	-
PLN Construction Limited	12.88	10.55
Punj Lloyd Upstream Limited	-	5.70
Spectra Punj Lloyd Limited	1.54	0.17
Sembawang Infrastructure (India) Private Limited	0.21	-
<b>Balance outstanding as at end of the year</b>		
<b>Receivable/(payables)</b>		
Spectra Punj Lloyd Limited	25.18	17.05
PT Punj Lloyd Indonesia	(20.84)	(18.45)
Punj Lloyd International Limited	(2.91)	(3.11)
Punj Lloyd Kazakhstan LLP	9.55	8.98
PLN Construction Limited	46.75	53.70
Punj Lloyd Pte. Limited	295.31	296.34
Sembawang Engineers and Constructors Pte. Limited	34.22	28.14
PL Engineering Limited	(12.62)	(16.16)
Punj Lloyd Delta Renewables Private Limited	(1.28)	(0.51)
Dayim Punj Lloyd Construction Contracting Company Limited	34.04	28.07
Punj Lloyd Infrastructure Limited	8.24	6.80
Punj Lloyd Aviation Limited	51.82	50.30
Punj Lloyd Upstream Limited	18.54	15.06
Sembawang Infrastructure (India) Private Limited	11.60	13.45
PT Sempec Indonesia	(1.42)	(1.36)
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	(3.85)	(2.16)
PLI Ventures Advisory Services Private Limited	0.82	0.82
Sembawang UAE Pte. Limited	(0.28)	(0.27)
Tueri Aquila FZE	0.75	0.73
Punj Lloyd Engineers & Constructors Pte. Limited	39.79	37.80
Indtech Trading FZE	(2.43)	-
Sembawang Consult Pte. Limited	0.34	-
Air Works India (Engineering) Private Limited	1.53	1.53
Khagaria Purnea Highway Project Limited	10.30	14.29
Punj Lloyd Solar Power Limited	0.07	0.07
Indraprastha Metropolitan Development Limited	(9.21)	(6.77)



	March 31, 2015	March 31, 2014
PL Surya Urja Limited	5.52	(20.41)
Punj Lloyd Infrastructure Pte. Limited	(2.62)	(2.55)
Punj Lloyd Kenya Limited	0.92	0.65
Punj Lloyd Engineers & Constructors Zambia Limited	0.27	0.37
Punj Lloyd Thailand Co Limited	7.15	9.14
Punj Lloyd Engineering Pte. Limited	(2.18)	(0.58)
Simon Carves Engineering Limited	(2.80)	(2.65)
Punj Lloyd Sdn. Bhd.	(21.11)	-
Buffalo Hills Limited	(10.65)	-
Pt. Kanahya Lal Dayawanti Punj Charitable Society	(1.40)	(1.30)
PTA Engineering and Manpower Services Private Limited	(0.11)	(0.11)
Petro IT Limited	(0.71)	(0.58)
Artcon Private Limited	0.01	0.01
Mangalam Equipment Private Limited	0.00	0.00
<b>Remuneration payable</b>		
Luv Chhabra	0.05	0.06
Pawan Kumar Gupta	-	0.15
P N Krishnan	0.11	0.11
J P Chalasani	0.11	0.10
<b>Loans Receivable</b>		
Punj Lloyd International Limited	4.42	4.30
Punj Lloyd Kazakhstan LLP	33.26	6.76
PLN Construction Limited	4.88	17.76
Punj Lloyd Pte. Limited	313.83	433.58
PLI Ventures Advisory Services Private Limited	0.99	0.99
Punj Lloyd Aviation Limited	27.44	15.07
Punj Lloyd Infrastructure Limited	315.51	226.87
Punj Lloyd Upstream Limited	16.81	16.81
Sembawang Infrastructure (India) Private Limited	5.01	5.22
Spectra Punj Lloyd Limited	31.37	32.91
PT Punj Lloyd Indonesia	6.94	6.76
Punj Lloyd Infrastructure Pte. Limited	3.76	-
<b>Investments</b>		
Punj Lloyd International Limited	0.44	0.44
Punj Lloyd Industries Limited	11.50	11.50
Atna Investments Limited	5.16	5.16
Punj Lloyd Kazakhstan LLP	36.28	36.28
PLN Construction Limited	3.09	3.09
Punj Lloyd Pte. Limited	950.43	1,182.81
PL Engineering Limited	5.00	5.00
PLI Ventures Advisory Services Private Limited	0.01	0.01
Punj Lloyd Aviation Limited	54.00	54.00
Punj Lloyd Infrastructure Limited	30.15	30.15
Punj Lloyd Upstream Limited	36.40	36.40
Sembawang Infrastructure (India) Private Limited	0.10	0.10
Indtech Global Systems Limited	1.70	1.70



	March 31, 2015	March 31, 2014
Shitul Overseas Placement and Logistics Limited (formerly Punj Lloyd Systems Limited)	0.10	0.10
Dayim Punj Lloyd Construction Contracting Company Limited	1.23	1.23
Spectra Punj Lloyd Limited	5.05	5.05
PT Punj Lloyd Indonesia	17.09	17.09
Thiruvananthapuram Road Development Company Limited	17.03	17.03
Ramprastha Punj Lloyd Developers Private Limited	0.01	0.01
Punj Lloyd Infrastructure Pte. Limited	2.41	-
Hazaribagh Ranchi Expressway Limited	-	34.06
<b>Provision for diminutions in the value of investment</b>		
Atna Investments Limited	4.77	4.77
<b>Bank Guarantees outstanding</b>		
Indraprastha Metropolitan Development Limited	39.52	39.52
Punj Lloyd Pte. Limited	175.08	81.94
Punj Lloyd Aviation Limited	17.90	17.90
Punj Lloyd Infrastructure Limited	8.41	8.00
Punj Lloyd Upstream Limited	12.98	14.82
Sembawang Infrastructure (India) Private Limited	15.56	16.29
PT Punj Lloyd Indonesia	20.76	20.20
Punj Lloyd Oil and Gas (Malaysia) Sdn. Bhd.	405.43	301.16
Punj Lloyd Sdn. Bhd.	252.52	-
Punj Lloyd Delta Renewables Private Limited	29.73	33.96
Punj Lloyd Solar Power Limited	-	3.07
<b>Corporate Guarantees outstanding</b>		
Punj Lloyd Pte. Limited	549.92	540.36
PL Engineering Limited	50.98	50.98
Punj Lloyd Aviation Limited	-	57.01
Punj Lloyd Upstream Limited	90.49	88.06
Sembawang Infrastructure (India) Private Limited	0.48	0.48
Dayim Punj Lloyd Construction Contracting Company Limited	153.54	141.85
PT Punj Lloyd Indonesia	87.12	173.97
Sembawang Engineers and Constructors Pte. Limited	970.12	1,254.41
Indraprastha Metropolitan Development Limited	1,116.12	1,116.12
Punj Lloyd Delta Renewables Private Limited	55.56	105.56
Khagaria Purnea Highway Project Limited	601.89	616.00
Punj Lloyd Solar Power Limited	46.48	48.15
PL Surya Urja Limited	123.70	-



### 30. Capital and other commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) is Rs 0.20 crores (Previous year Rs. 5.30 crores).
- (b) For commitments relating to lease arrangements, please refer note 26.
- (c) Financial support given to a wholly owned subsidiary, Punj Lloyd Pte Limited, the outflow of which as at the reporting date is not practicable to ascertain in view of the uncertainties involved.

### 31. Contingent liabilities

	As at March 31, 2015	As at March 31, 2014
a) Liquidated damages deducted by customers not accepted by the Company and pending final settlement. #	170.05	170.05
b) Corporate guarantees given on behalf of subsidiaries, joint ventures and associates	2,730.27	3,020.20
c) Sales tax demands: *		
on disallowance of deduction on labour and services of the works contracts pending with sales tax authorities and High Court	39.29	23.71
for non submission of statutory forms	0.11	0.11
for purchases against sales tax forms not accepted by department	8.76	8.82
against the central sales tax demand on sales in transit/ sale in the course of import	2.84	2.84
d) Entry tax demands against entry of goods into the local area not accepted by department. *	4.68	4.56

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

\* The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of the above matters. However, based on favorable decisions/outcomes in similar cases earlier and based on legal opinions taken /consultations done with solicitors, the management believes that there are good chances of success in above mentioned cases and hence, no provision there against is considered necessary.

e) On March 17, 2010, the Company was subjected to a search and seizure operation under Section 132 and survey under Section 133A of the Income tax Act, 1961. During the search and seizure operation, statements of Company's officials were recorded in which they were made to offer some unaccounted income of the Company for the financial year 2009-10. The Company believes that the above statements were made under undue mental pressure and physical exhaustion and therefore Company has retracted the above statements subsequently. The Company has filed fresh returns of income for Assessment years 2004-05 to 2009-10 in pursuance of the notices dated August 25, 2010 from the Income Tax Department ("the Department"). The Department had completed the assessments for the assessment years 2004-05 to 2010-11 and issue demands aggregating to Rs. 229.13 crores, by making some frivolous additions to the total income of the Company, which has been adjusted against the income tax refunds of the said/subsequent years. The Company had filed the appeals against these additions on January 27, 2012 and June 12, 2013. During the second quarter of FY 2014-15, favorable orders have been received from the CIT (Appeals) dated August 29, 2014 for the assessment year 2004-05 to 2006-07 on all the additions made except for the addition of permanent establishment for which further appeal has been filed by the Company to ITAT, Delhi dated October 31, 2014 and based on the expert opinion, the Company is hopeful that it will get relief in appeal.

f) The Company, directly or indirectly through its subsidiaries, is severally or jointly involved in certain legal cases with its customers / vendors in the ordinary course of business. The management believes that due to the nature of these disputes and in view of numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The Company regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, changes its estimates accordingly. In view of aforesaid reasons, as of the reporting date, it is unable to determine the ultimate outcome of these matters.



### 32. Derivative instruments and un-hedged foreign currency exposure

The Company, in addition to its Indian operations, operates outside India through its branches and an unincorporated joint venture established in United Arab Emirates (UAE), Oman, Qatar, Libya, Thailand, Bahrain, Kuwait and Saudi Arabia.

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

	Currency	March 31, 2015			March 31, 2014		
		Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
(i) Trade payable to suppliers	EUR	505,140	67.19	3.39	1,238,169	82.46	10.21
	GBP	58,525	92.44	0.54	80,501	99.58	0.80
	SGD	687,348	49.02	3.37	536,932	49.95	2.68
	USD	83,546,861	63.13	527.43	80,868,231	61.44	496.85
	MYR	9,042	16.86	0.02	9,042	18.31	0.02
	HKD	2,672,445	8.06	2.15	10,835,653	7.72	8.37
	CHF	10,000	64.83	0.06	10,000	67.55	0.07
(ii) Other payable	EUR	73,138	67.19	0.49	79,456	82.46	0.66
	USD	2,073,939	63.13	13.09	2,713,867	61.44	16.67
(iii) Advances to suppliers	EUR	937,766	77.11	7.23	84,417	78.41	0.66
	GBP	34,801	97.12	0.34	11,322	83.39	0.09
	HKD	10,151,459	7.88	8.00	26,926,224	7.80	21.00
	SGD	231,302	41.20	0.95	231,708	40.60	0.94
	USD	2,577,993	59.83	15.42	3,234,262	59.27	19.17
	MYR	104,873	25.68	0.27	213,381	17.13	0.37
	CAD	800	45.92	0.00	-	-	-
(iv) Advance from customers	USD	4,870,902	59.22	28.85	6,860,631	52.45	35.98
	EUR	608,064	67.14	4.08	608,064	67.14	4.08
	BDT	7,158,464	0.76	0.55	-	-	-
(v) Loans taken	USD	35,777,250	63.13	225.86	38,923,168	61.44	239.14
	EUR	712,800	67.19	4.79	3,676,550	82.46	30.32
(vi) Trade receivables	USD	152,095,363	63.13	960.18	160,340,584	61.44	985.13
	AED	330,849	16.96	0.56	330,849	16.31	0.54
	SGD	4,465,745	49.02	21.89	665,807	49.95	3.33
	EUR	15,517	67.19	0.10	1,108,601	82.46	9.14
	IDR'000	13,464,623	0.00	6.43	10,860,792	0.01	5.76
	MYR	12,155,483	16.86	20.49	12,324,806	18.31	22.57
	SAR	170,786	16.61	0.28	448,569	15.97	0.72
	HKD	4,964,543	8.06	4.00	-	-	-
	MMK	79,500	0.06	0.00	-	-	-
(vii) Other receivables	SGD	2,489,580	49.02	12.20	1,820,667	49.95	9.09
	USD	3,582,481	63.13	22.62	3,490,360	61.44	21.44
(viii) Bank balances	USD	49,516	63.13	0.31	264,510	61.44	1.63
	HKD	1,455,997	8.06	1.17	7,003	7.72	0.01
	MMK	401,375	0.06	0.00	-	-	-
	BDT	902,330	0.80	0.07	-	-	-
(ix) Investments	USD	4,002,500	43.81	17.53	4,002,500	43.81	17.53
	KZT'000	1,107,977	0.33	36.28	1,107,977	0.33	36.28
	SGD	242,334,611	39.32	952.84	292,334,601	40.46	1,182.81
	SAR	1,020,000	12.05	1.23	1,020,000	12.05	1.23
(x) Loan to subsidiaries	USD	3,545,076	63.13	22.38	2,899,866	61.44	17.82
	SGD	64,019,821	49.02	313.83	86,801,840	49.95	433.58
(xi) Advances to/(Due to) subsidiaries	USD	(9,074,495)	63.13	(57.29)	(8,612,108)	61.44	(52.91)
	SGD	(67,955,766)	49.02	(333.12)	(46,412,173)	49.95	(231.83)
	MYR	(12,386,388)	16.86	(20.88)	(11,425,023)	18.31	(20.92)





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

S. No.	Foreign operations	Currency	March 31, 2015			March 31, 2014		
			Amount in foreign currency	Exchange rate	Amount	Amount in foreign currency	Exchange rate	Amount
(i)	Abu Dhabi	AED	119,105,326	16.96	202.00	(14,463,487)	16.31	(23.59)
(ii)	Oman	OMR	812,361	162.31	13.19	350,379	155.58	5.45
(iii)	Qatar	QAR	328,967,114	17.11	562.86	398,980,921	16.45	656.24
(iv)	Libya	LYD	149,408,451	52.83	789.32	180,658,736	48.46	875.52
(v)	Thailand	THB	2,563,595,129	1.92	491.95	524,037,774	1.84	96.64
(vi)	Thailand JV	THB	1,289,581,370	1.92	247.47	949,572,977	1.84	175.12
(vii)	Dubai	AED	(3,883,816)	16.96	(6.59)	(22,474)	16.31	(0.04)
(viii)	Bahrain	BHD	(6,295)	165.26	(0.10)	(13,383)	158.87	(0.21)
(ix)	Saudi Arabia	SAR	(12,601,916)	16.61	(20.93)	-	-	-
(x)	Kuwait	KWD	98,121	207.05	2.03	-	-	-

**33. Loans and advances in the nature of loans given to subsidiaries in terms of disclosure required as per clause 32 of the Listing Agreement:**

Name of the entities	Outstanding amount as at		Maximum amount outstanding during the year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Punj Lloyd Kazakhstan LLP	33.26	6.76	33.26	14.18
Punj Lloyd Pte Limited	313.83	433.58	433.58	1,538.71
Punj Lloyd Aviation Limited	27.44	15.07	27.44	15.07
Punj Lloyd Infrastructure Limited	315.51	226.87	325.47	226.87
Punj Lloyd Upstream Limited	16.81	16.81	16.81	19.51
PT Punj Lloyd Indonesia	6.94	6.76	6.94	6.80
Punj Lloyd International Limited	4.42	4.30	4.42	4.33
PLI Ventures Advisory Services Private Limited	0.99	0.99	0.99	0.99
Sembawang Infrastructure (India) Private Limited	5.01	5.22	5.22	5.22
Spectra Punj Lloyd Limited	31.37	32.91	32.91	33.08
Punj Lloyd Infrastructure Pte. Limited	3.76	-	3.76	-
PLN Construction Limited	4.88	17.76	17.76	28.31

All the above loans are repayable on demand.

**34. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 – “Construction Contracts” are as under:**

S. No.	Particulars	2014-15	2013-14
a)	Contract revenue recognized as revenue in the period (Clause 38 (a))	3,856.49	7,197.97
b)	Aggregate amount of costs incurred and recognized profits up to the reporting date on contract under progress (Clause 39 (a))	17,394.58	21,074.96
c)	Advance received on contract under progress (Clause 39 (b))	1,535.52	1,424.05
d)	Retention amounts on contract under progress (Clause 39 (c))	711.41	699.40
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	5,958.61	6,073.53
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	145.61	528.42



35. a) The Company had executed certain projects in earlier years on which the customers have made deductions/ withheld amounts aggregating to Rs. 49.35 crores (Previous year Rs. 53.91 crores), which are being carried as trade receivables. The Company has commenced arbitration/legal proceedings for recovery of amounts withheld and also for settlement of additional claims filed against these Customers. Pending outcome of arbitration/legal proceedings, amounts withheld/ deductions made are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of deductions by these customers and hence the above amounts are considered good of recovery.
- b) The Company has accrued claims amounting to Rs. 735.80 crores (Previous year Rs. 735.80 crores) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on the said project since it is of the view that the delay in execution of the project is attributable to the customer. Due to the said reasons, certain differences and dispute arose between both the parties and several rounds of discussions were held to explore the possibility of amicable resolution of the dispute mutually. The matter was referred to an Outside Expert Committee (OEC). Based on developments during the year, the Company has come to the view that the settlement process can be best resolved in finality, expeditiously and with legal enforceability only through arbitration and hence has re-commenced the arbitration proceedings, which were kept in abeyance owing to proceedings by the OEC. The management is confident of satisfactory settlement of the dispute and recovery of the said amounts, accordingly no adjustments have been considered necessary in these financial statements.
- c) During the previous year, the Company's branch in Thailand had received a termination notice for the Fourth Transmission Pipeline Project (the Project) with PTT Thailand (the Customer) on the grounds of delay in execution of the Project for reasons solely attributable to the Branch and for not honoring the contractual obligations of the Project. The Branch had retracted the notice by stating that the said grounds of termination were without merit and in turn there was a material breach on the part of the Customer in honoring the obligations. The Branch, in the best interest of the Project, had been executing the works but in view of the continuing breach of the contract terms by the Customer and no efforts to ratify the same, the branch had terminated the project and accounted a claim amounting to Rs. 391.09 crores for additional costs incurred due to the above stated reasons.

During the current year, the Customer, in continuation to the differences that arose between both parties and as mentioned above, has exercised its contractual rights to encash the performance bond amounting to Rs. 171.08 crores. The management is taking appropriate steps for the recovery of the said amounts and, based on the expert inputs, is confident of recovery of the amounts exceeding the recognized claim and performance bonds. Accordingly, no adjustments have been considered necessary in these financial statements.

36. a) The Company has an investment in the equity and preference capital amounting to Rs. 950.43 crores (Previous year Rs. 1,182.81 crores) and has loans outstanding to Rs. 313.83 crores (Previous year Rs. 433.58 crores) as at March 31, 2015 from Punj Lloyd Pte Limited, a subsidiary in Singapore. The subsidiary has accumulated losses of Rs. 1,194.30 crores as at March 31, 2015 (Previous year Rs. 681.62 crores). However, the subsidiary is holding certain strategic investments and considering the intrinsic value, based on the valuation carried out by an independent valuer, of such investments and also considering the long term business plan of the subsidiary, including the forecasts of profitability of operations, the Company is of the view that there is no other than temporary diminution in the value of investment and accordingly, no provision is considered necessary in the financial statements at this stage on the above account.
- b) The Company has an investment in the equity capital amounting to Rs. 17.09 crores (Previous year Rs. 17.09 crores) and has loans outstanding to Rs. 6.94 crores (Previous year Rs. 6.76 crores) from PT Punj Lloyd Indonesia, a step-down subsidiary in Indonesia. The step-down subsidiary has accumulated losses of Rs. 467.85 crores as at March 31, 2015 (Previous year Rs. 440.40 crores). However, considering the long term business plan of the step down subsidiary, including the forecasts of profitability of operations, the Company is of the view that there is no other than temporary diminution in the value of investment and accordingly, no provision is considered necessary in the financial statements at this stage on the above account.
37. The Company has unbilled revenue (work-in-progress) of Rs. 196.61 crores (Previous year Rs. 188.95 crores) on certain projects on account of variation orders arising due to change in scope of work and delays, which the management believes is attributable to the customers. The Management, based on the expert inputs, is of the view that the Company would collect the above stated amount upon completion of the processing of the claims by the clients. Accordingly, the above amounts are considered good of recovery.



**38. The disclosure as per the Guidance Note on Accounting for Expenditure on Corporate Social Responsibility (CSR) Activity read with Section 135 of the 2013 Act and Schedule VII thereof is as under:**

S. No.	CSR project of activity	Gross amount required to be spent during the year	Amount spent	CSR liability payable as at March 31, 2015
1	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	0.36	0.02	-
2	Rural development	0.55	0.34	-

**39.** The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under the law/ Accounting Standards for the material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

**40.** The Company has defaulted in repayment of principal and interest amounting to Rs. 71.28 crores (Previous year Rs. 6.57 crores) and Rs. 21.27 crores (Previous year Rs. 0.14 crores) respectively, as on March 31, 2015.

**41. Additional information required to be disclosed under paragraph 5 (viii) of general instructions for preparation of Statement of Profit and Loss as per Schedule III to the 2013 Act.**

**a) Projects materials consumed**

These comprise miscellaneous items meant for execution of projects. Since these items are of different nature and specifications, it is not practicable to disclose the quantitative information in respect thereof.

**b) Traded goods**

Sales of traded goods 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 material amounting to Rs. 931.55 crores (Previous year Rs. 918.09 crores) has been included under Project material consumed and cost of goods sold.

**c) Imported and indigenous projects materials consumed and cost of goods sold\***

	Amount		Percentage	
	2014-15	2013-14	2014-15	2013-14
A) Imported	1,065.22	1,034.70	65.27	52.53
B) Indigenous	566.75	935.16	34.73	47.47
<b>Total</b>	<b>1,631.97</b>	<b>1,969.86</b>	<b>100.00</b>	<b>100.00</b>

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

**d) Earnings in foreign currency**

	2014-15	2013-14
Hiring charges (including foreign operations Nil (Previous year 0.98))	1.98	13.22
Management services (including foreign operations 62.82 (Previous year 78.00))	62.82	78.00
Sale of traded goods	816.48	872.59
Interest income (including foreign operations 0.05 (Previous year 0.18))	5.59	5.60
Contract revenue (including foreign operations 1,911.16 (Previous year 3,376.28))	2,318.36	4,442.50
Others (including foreign operations 23.78 (Previous year 9.62))	23.78	12.78
<b>Total</b>	<b>3,229.01</b>	<b>5,424.69</b>

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



**e) Expenditure in foreign currency**

	2014-15	2013-14
Project material consumed and cost of goods sold	1,065.22	1,034.70
Employee benefits expense	25.90	17.77
Foreign branches/unincorporated joint venture expenses	2,025.09	3,378.95
Finance cost	35.94	49.47
Contractor charges	202.35	346.92
Site expenses	0.44	0.24
Diesel and fuel	6.59	-
Repair and maintenance	0.09	-
Freight and cartage	2.05	2.59
Hire charges	3.51	58.00
Rent	0.01	-
Rates and taxes	0.34	1.54
Insurance	1.68	0.73
Travelling and conveyance	77.97	53.85
Consultancy and professional	78.69	36.39
Miscellaneous	3.72	7.36
<b>Total</b>	<b>3,529.59</b>	<b>4,988.51</b>

**f) Value of imports calculated on CIF basis \***

	2014-15	2013-14
a) Projects materials consumed and cost of goods sold	1,066.97	1,036.76
b) Capital goods	-	0.76
<b>Total</b>	<b>1,066.97</b>	<b>1,037.52</b>

\* excluding foreign branches and an unincorporated joint venture.

- g)** Net dividend remitted in foreign exchange is Nil (Previous year Nil) as the Company had not declared any dividend for the years ended March 31, 2014 and 2013.

**42. Others**

- a)** Details of loan given, investments made and guarantee given covered u/s 186(4) of the 2013 Act has been disclosed under the respective heads of 'Related party transactions' given in note 29.
- b)** Contract revenues include Rs. 83.89 crores (Previous year Rs. 236.28 crores) representing the retention money which will be received by the Company after the satisfactory performance of the respective projects. The period of release of retention money may vary from six months to eighteen months depending upon the terms and conditions of the projects.
- c)** Micro and small enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, there are no dues to micro and small enterprises that are reportable as per the Micro, Small and Medium Enterprises Development Act, 2006 as at the year end.
- d)** The Company has international and domestic transaction with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Management of the Company is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the financial statements, particularly on account of tax expense and that of provision of taxation.



- e) Capitalization of expenditure  
During the current and previous year ended on March 31, 2015 and March 31, 2014, the Company has not capitalized any expenditure of revenue nature to the cost of tangible asset/ intangible assets under development.
- f) Amount in the financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 millions.
- g) Schedule III to the 2013 Act has become effective from April 01, 2014 for preparation of financial statements. Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
Managing Director  
& Group CEO  
DIN: 00308931

**P.N. Krishnan**  
Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary





## INDEPENDENT AUDITORS' REPORT

### To the Members of Punj Lloyd Limited

#### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Punj Lloyd Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group, and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for; safeguarding the assets of the Group and for; preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and read together with 'Other Matters' paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31 March 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### Emphasis of Matters

9. We draw attention to the following matters in the Notes to the consolidated financial statements:
  - a) Note 33 (b), regarding recoverability of unbilled revenue (work-in-progress) on account of claims aggregating to Rs. 735.80 crores which are subject matter of arbitration;
  - b) Note 33 (c), regarding recoverability of unbilled revenue (work-in-progress) on account of claims aggregating to Rs. 391.09 crores and enforcement of the performance security amounting to Rs. 171.08 crores by the customer at a project of the Thailand branch, as reported by the independent auditors of the said branch; and
  - c) Note 33 (a), in respect of deductions made/ amount withheld by some customers aggregating to Rs. 49.35 crores which



are being carried as trade receivables. These amounts are outstanding due to disputes with the customers.

Pending ultimate outcome of the above matters which is presently unascertainable, no adjustments have been made in the accompanying consolidated financial statements. Our opinion is not modified in respect of these matters.

### Other Matters

10. We did not audit the financial statements of certain subsidiaries and jointly controlled entities, included in the consolidated financial statements, whose financial statements reflect total assets (net of eliminations) of Rs. 8,494.07 crores as at 31 March 2015, total revenues (net of eliminations) of Rs. 5,141.69 crores and net cash flows amounting to Rs. 7.41 crores for the year ended on that date, as considered in the aforesaid consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 3.24 crores for the year ended 31 March 2015, as considered in the consolidated financial statements, in respect of certain associates, whose financial statements have not been audited by us. The financial statements of these subsidiaries, jointly controlled entities and associates have been audited by other auditors whose reports and additional information thereon have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears

from our examination of those books and the reports of the other auditors;

- c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the Group, its associates and jointly controlled entities has disclosed the impact of pending litigations on its consolidated financial position, as detailed in Note 30 to the consolidated financial statements;
  - (ii) the Group, its associates and jointly controlled entities have made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts, as detailed in Note 35 to the consolidated financial statements; and
  - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. The subsidiary companies, associate company and jointly controlled companies incorporated in India did not have any dues on account of Investor Education and Protection Fund.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per **Anupam Kumar**  
Partner  
Membership No.: 501531

Place: Gurgaon  
Date: 22 May 2015

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015



Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditors' reports of the subsidiary companies, associate company and joint controlled companies incorporated in India (to the extent applicable) (collectively hereinafter referred to as the "Indian entities of the Group"), we report that:

- (i) (a) All Indian entities of the Group, having fixed assets, have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Entities referred to in (i)(a) above have a regular program of physical verification of their fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of these entities and the nature of their assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the respective Indian entities of the Group, maintaining inventory, have conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management of entities referred to in (ii)(a) above are reasonable and adequate in relation to the size of these entities and the nature of their businesses.
- (c) These entities have maintained proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) None of the Indian entities of the Group have granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion and on consideration of the comments in the reports of the other auditors of the Indian entities of the Group, there is an adequate internal control system commensurate with the size of respective entities and the nature of their businesses for the purchase of inventory and fixed assets and for the sale of goods and services, as applicable. During the course of our audit and on the consideration of reports of the other auditors, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) None of the Indian entities of the Group have accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The statutory auditors of the respective Indian entities of the Group have broadly reviewed the books of account maintained by these entities pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, wherever applicable, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) Based on our audit and on consideration of the comments in the reports of the other auditors of the Indian entities of the Group, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited with the appropriate authorities, except in case of Holding Company and one subsidiary company incorporated in India wherein there have been delays in a large number of cases and slight delays in case of two subsidiary companies and one jointly controlled company incorporated in India.

Further, no undisputed amounts payable in respect of aforesaid statutory dues were outstanding at the 31 March 2015 for a period of more than six months from the date they became payable, except in case of one Indian subsidiary company wherein Rs. 1.32 crores was outstanding for tax deducted at source, which has since been paid.

- (b) Based on our audit and on consideration of the comments in the reports of the other auditors of the Indian entities of the Group, there are no dues in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess that have not been deposited on account of any dispute, except in case of the Holding Company, two subsidiary companies and one jointly controlled company incorporated in India, the details of which are as follows:

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**



Name of the statute	Nature of dues	Amount outstanding (Rs. crores)	Period to which the amount relates	Forum where dispute is pending
Andhra Pradesh General Sales Tax Act, 1956	Sales tax on the material components of the works contract	0.30	1998-99 to 2000-01	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Sales tax on the material components of the works contract and suppression of cement turnover	0.90	2004-05	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Misuse of Form G against purchase of cement	1.87	2001-02 to 2004-05	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Purchase against Form G not disclosed	0.27	2003-04	Sales Tax Appellate Tribunal, Vizag
Andhra Pradesh General Sales Tax Act, 1956	Misuse of Form G against purchase of cement and LDO	5.89	2002-03 to 2004-05	Sales Tax Appellate Tribunal, Vizag
Bihar Entry Tax Act, 1993	Demand raised for entry tax for VAT paid items	0.21	2009-10	Commissioner of Commercial Tax, Patna
Bihar Value Added Tax Act, 2005	Disallowance of labour and other charges	25.51	2009-10	Commercial Tax Tribunal, Patna
Bihar Value Added Tax Act, 2005	Disallowance of ITC, classification and purchase	20.84	2010-11	Joint Commissioner Appeals, Patna
Bihar Value Added Tax Act, 2005	Disallowance of labour and other charges	4.20	2011-12	Joint Commissioner Appeals, Patna
Bihar VAT and CST Act, 1956	Disallowance of sales-in-the course of import	0.15	2011-12	Joint Commissioner Appeals, Patna
Chhattisgarh Entry Tax Act, 1976	Entry tax on materials and equipment	0.26	2005-06 and 2006-07	Supreme Court, New Delhi
Gujarat Sales Tax Act, 1969	CST against sales in transit	0.07	2002-03	Deputy Commissioner (Appeals), Vadodara
Gujarat Central Sales Tax Act, 1956	Refund assessment not appreciated by the department hence raised additional demand	4.43	2008-09	Commercial Tax Tribunal, Ahmadabad
Karnataka Sales Tax Act, 1957	Interest on entry tax	0.12	2002-03 to 2004-05	Jt. Commissioner Appeal, Bangalore
Kerala Value Added Tax Act, 2003	Disallowance of deduction	0.18	2006-07	Deputy Commissioner of Commercial Tax, Ernakulum and Commercial Tax Tribunal, Kochi
Kerala Value Added Tax Act, 2003	Tax on stock transfer and central purchase	1.59	2012-13	Deputy Commissioner of Commercial Tax, Ernakulum
Madhya Pradesh Commercial Tax Act, 1994	Sales tax on the material components of the works contract	0.05	2003-04	High Court, Bhopal
Madhya Pradesh Entry Tax Act, 1976	Entry tax on materials and equipment	0.01	2003-04	High Court, Bhopal
Madhya Pradesh Value Added Tax Act, 2002	Disallowance of sales in course of import and assessment under higher tax rate	0.80	2009-10 and 2010-11	Commercial Tax Tribunal, Bhopal
Madhya Pradesh Entry Tax Act, 1976	Entry tax on materials and equipments	0.35	2009-10 and 2010-11	Commercial Tax Tribunal, Bhopal
Punjab Value Added Tax Act, 2005	Disallowance of labour	0.14	2008-09	Deputy Commissioner, Patiala

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**



Name of the statute	Nature of dues	Amount outstanding (Rs. crores)	Period to which the amount relates	Forum where dispute is pending
Punjab Value Added Tax Act, 2005	Disallowance of sales-in-transit	24.33	2011-12	Commercial Tax Tribunal, Chandigarh
Punjab Value Added Tax Act, 2005	Disallowance of sales-in-transit	37.33	2012-13	Deputy Commissioner, Patiala
Uttar Pradesh Central Sales Tax Act, 1956	Misuse of Form C against purchase of equipments	0.74	1998-99	Commercial Tax Tribunal, Agra
Rajasthan Tax on the Entry of Goods in to the Local Area Act, 1957	Entry tax on materials and equipments	1.00	2005-06	High Court, Jodhpur
Uttar Pradesh Trade Tax Act, 1948	Entry tax demand and penalty	0.05	1999-00, 2000-01 and 2004-05	Commercial Tax Tribunal, Agra
Uttar Pradesh Trade Tax Act, 1948	Penalty imposed for non-submission of Behti	0.11	2010-11	Commercial Tax Tribunal, Agra
West Bengal Value Added Tax Act, 2003	Non-submission of E-I forms and addition in turnover	23.60	2009-10	Joint Commissioner (Appeal), Midnapur
Haryana Local Area Development Tax Act, 2000	Entry tax on capital goods	0.40	2003-04	Supreme Court, New Delhi
The Finance Act, 2004 and the Service Tax Rules	Penalty for late payment of service tax	18.87	2003-04, 2005-06 and 2006-07	CESTAT, Delhi
Central Excise Act, 1944	Non-payment of excise duty	0.73	2006-07	Commissioner of Custom and Central Excise, Mumbai
Customs Act, 1962	Custom duty	17.89	2008-09	Commissioner of Custom (Preventive)
Income Tax Act, 1961	Demand u/s 156	0.61	AY 2010-11	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Demand u/s 156	0.73	AY 2011-12	Company is in the process of filing appeals to Commissioner of Income Tax (Appeal)
Bihar Value Added Tax Act, 2005	Entry tax	0.18	2011-12	Joint Commissioner Commercial Taxes- Central Division, Patna
Bihar Value Added Tax Act, 2005	VAT, interest and penalty	13.99	2010-11 and 2011-12	Joint Commissioner Commercial Taxes- Central Division, Patna
Income Tax Act, 1961	Tax and interest u/s 143(3)	0.25	AY 2011-12	Deputy Commissioner of Income Tax, New Delhi

(c) The Holding Company has transferred the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time. The subsidiary companies, associate company and jointly controlled companies incorporated in India did not have any dues on account of Investor Education and Protection Fund.



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF PUNJ LLOYD LIMITED, ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015



- (viii) In our opinion and on consideration of the comments in the reports of the other auditors of the Indian entities of the Group, five subsidiary companies and one jointly controlled company have been registered for less than five years.

Of the remaining Indian entities of the Group, there are accumulated losses more than fifty percent of their respective net worth in four subsidiary companies and one jointly controlled company incorporated in India and in case of others, wherever there are accumulated losses, the same are not more than fifty percent of their net worth. Further, the Holding Company and four subsidiary companies incorporated in India have incurred cash losses during the current year and six subsidiary companies incorporated in India had incurred cash losses in the immediately preceding financial year.

(ix) Based on our audit and on consideration of the comments in the reports of the auditors of Indian entities of the Group, during the year, the Holding Company and one subsidiary company incorporated in India have delayed in repayment of principal and interest to banks, financial institutions and debenture-holders. The delays with respect to principal and interest upto 90 days amounted to Rs. 168.86 crores and Rs. 98.69 crores respectively; the delays between 91 to 180 days amounted to Rs. 64.90 crores and Rs. 44.06 crores respectively and the delays between 181 to 382 days amounted to Rs. 12.05 crores and Rs. 1.45 crores respectively.

As at the year end, the Holding Company has defaulted in repayment of loan and interest aggregating to Rs. 71.28 crores and Rs. 21.27 crores respectively to banks, financial institutions and debenture-holders. As at the balance sheet date, the periods of delays in these cases were up to 382 days and 168 days respectively.

The remaining Indian entities of the Group have not defaulted in repayment of dues to banks, financial institutions and debenture holders during the year, wherever applicable.

- (x) In our opinion, the terms and conditions, on which the Holding Company has given guarantee for loans taken by others from banks or financial institutions, are not, prima facie, prejudicial to the interest of the Group. The subsidiary companies, associate company and joint venture companies incorporated in India have not given any guarantees for loan taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order, as reported by the other auditors, are not applicable to them.
- (xi) In our opinion and on consideration of the comments in the reports of the other auditors of the Indian entities of the Group, terms loans, wherever obtained, have been applied for the purpose for which these were obtained.
- (xii) No fraud on or by any of the Indian entities of the Group has been noticed or reported during the course of audit by the respective auditors.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

per **Anupam Kumar**  
Partner  
Membership No.: 501531

Place: Gurgaon  
Date: 22 May 2015



	Notes	As at March 31, 2015	As at March 31, 2014
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	66.42	66.42
Reserves and surplus	4	899.36	2,165.84
		<b>965.78</b>	<b>2,232.26</b>
<b>Preference shares issued by subsidiary company</b>		<b>20.01</b>	<b>20.01</b>
<b>Minority interest</b>		<b>(52.62)</b>	<b>(40.84)</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	1,824.81	2,341.42
Deferred tax liabilities (net)	6	16.34	155.35
Other liabilities	9	25.58	28.27
Provisions	7	8.61	7.64
		<b>1,875.34</b>	<b>2,532.68</b>
<b>Current liabilities</b>			
Short-term borrowings	8	4,288.88	3,906.07
Trade payables	9	3,868.94	3,980.18
Other liabilities	9	3,356.62	3,036.69
Provisions	7	128.21	137.29
		<b>11,642.65</b>	<b>11,060.23</b>
<b>Total</b>		<b>14,451.16</b>	<b>15,804.34</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	10	2,580.77	2,918.80
Intangible assets	11	7.93	10.05
Goodwill on consolidation		333.53	339.60
Capital work-in-progress		103.02	159.18
Non-current investments	12	67.91	243.88
Deferred tax assets (net)	6	6.92	61.44
Loans and advances	13	478.58	652.99
Other assets	15	39.39	147.01
		<b>3,618.05</b>	<b>4,532.95</b>
<b>Current assets</b>			
Inventories	16	150.13	180.71
Unbilled revenue (work-in-progress)		6,775.30	7,288.43
Trade receivables	14	2,411.14	2,402.51
Cash and bank balances	17	640.12	613.27
Loans and advances	13	812.75	661.10
Other assets	15	43.67	125.37
		<b>10,833.11</b>	<b>11,271.39</b>
<b>Total</b>		<b>14,451.16</b>	<b>15,804.34</b>
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the consolidated financial statements.  
This is the consolidated balance sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
Managing Director  
& Group CEO  
DIN: 00308931

**P.N. Krishnan**  
Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary



	Notes	Year ended March 31, 2015	Year ended March 31, 2014
<b>Income</b>			
Revenue from operations	18	7,090.26	10,854.85
Other income	19	784.89	319.48
<b>Total income</b>		<b>7,875.15</b>	<b>11,174.33</b>
<b>Expenses</b>			
Projects materials consumed and cost of goods sold		2,911.76	3,899.15
Employee benefits expense	20	1,062.88	1,538.02
Other expenses	21	3,649.21	5,098.86
<b>Total expenses</b>		<b>7,623.85</b>	<b>10,536.03</b>
<b>Earnings before interest (finance costs), tax, depreciation and amortization (EBITDA)</b>		<b>251.30</b>	<b>638.30</b>
Depreciation and amortization expense	10 & 11	470.26	392.71
Less: recoupment from asset revaluation reserve		-	0.23
Depreciation and amortization expense (net)		470.26	392.48
Finance costs	22	1,002.23	881.95
<b>Loss before tax</b>		<b>(1,221.19)</b>	<b>(636.13)</b>
Tax expenses			
- Current tax		25.78	7.71
- Minimum alternate tax credit entitlement/ written off (net)		7.43	(0.14)
- Deferred tax		(100.21)	0.17
<b>Total tax expense</b>		<b>(67.00)</b>	<b>7.74</b>
<b>Loss for the year</b>		<b>(1,154.19)</b>	<b>(643.87)</b>
Share of profits in associates (net)		3.24	7.25
Share of (profits)/losses transferred to Minority		9.84	88.39
<b>Loss for the year after taxes, minority interest and share of profit of associates</b>		<b>(1,141.11)</b>	<b>(548.23)</b>
Earnings per equity share [nominal value per share Rs. 2 each (Previous year Rs. 2)]	23		
Basic and Diluted (in Rs.)		(34.36)	(16.51)
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the consolidated financial statements.  
This is the consolidated statement of profit and loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
Managing Director  
& Group CEO  
DIN: 00308931

**P.N. Krishnan**  
Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary



	Year ended March 31, 2015	Year ended March 31, 2014
<b>Cash flow from operating activities</b>		
<b>Loss before tax</b>	<b>(1,221.19)</b>	<b>(636.13)</b>
Adjustment to reconcile loss before tax to net cash flows		
Depreciation/ amortization (net)	470.26	392.48
Profit on sale of fixed assets (net)	(34.63)	(37.69)
Net gain on deconsolidation of a step-down subsidiary	-	(0.01)
Provision for diminution in value of investment	4.36	4.55
Unrealized foreign exchange gain (net)	(21.18)	(2.26)
Unspent liabilities and provisions written back	(16.03)	(48.61)
Irrecoverable balances written off	165.69	14.73
Net gain on sale of long-term investments	(547.39)	(17.11)
Interest expense	840.51	716.09
Interest income	(40.83)	(13.27)
Dividend income	(0.07)	(0.05)
<b>Operating profit/ (loss) before working capital changes</b>	<b>(400.50)</b>	<b>372.72</b>
Changes in working capital:		
Increase/ (decrease) in trade payables	(101.85)	466.71
Decrease in provisions	(4.57)	(0.50)
Decrease in other liabilities	(122.75)	(394.03)
Decrease/ (increase) in trade receivables	(68.42)	864.32
Decrease in inventories	30.59	51.71
Decrease/ (increase) in unbilled revenue (work-in-progress)	513.13	(851.77)
Decrease/ (increase) in loans and advances	(44.74)	47.10
Decrease in other assets	-	0.05
Cash generated from/ (used in) operations	(199.11)	556.31
Direct taxes paid (net of refunds)	108.17	(102.67)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>(90.94)</b>	<b>453.64</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets, including CWIP and capital advances	(216.48)	(386.55)
Proceeds from sale of fixed assets	89.14	456.32
Proceeds from sale of investments	797.06	87.05
Purchase of investments	-	(39.05)
(Investments in)/ redemption/maturity of bank deposits (having original maturity of more than three months)	(63.22)	57.19
Interest received	52.92	13.69
Dividends received	0.07	0.05
Decrease/ (Increase) in margin money deposits	26.43	(257.60)
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>685.92</b>	<b>(68.90)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	658.12	1,110.41
Repayment of long-term borrowings	(765.86)	(1,231.69)
Proceeds from short-term borrowings (net)	381.79	213.40
Interest paid	(825.93)	(711.09)
<b>Net cash flow used in financing activities (C)</b>	<b>(551.88)</b>	<b>(618.97)</b>

**CONSOLIDATED CASH FLOW STATEMENT** for the year ended March 31, 2015

(All amounts in INR Crores, unless otherwise stated)



	Year ended March 31, 2015	Year ended March 31, 2014
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>43.10</b>	<b>(234.23)</b>
Exchange difference	(85.92)	(143.93)
Cash and cash equivalents at the beginning of the year	377.14	755.30
<b>Cash and cash equivalents at the end of the year (also refer note 17)</b>	<b>334.32</b>	<b>377.14</b>

The accompanying notes form an integral part of the financial statements.

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

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
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Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary





## 1. Corporate Information

Punj Lloyd Limited (the Company) is a public limited company domiciled in India. Its equity shares are listed on two stock exchanges in India. The Company along with its subsidiaries, joint ventures and its associates (collectively referred to as "the Group") is engaged in the business of engineering, procurement and construction in the field of oil, gas and infrastructure sectors. The Group caters to both domestic and international markets.

## 2. Basis of preparation

These consolidated financial statements of the group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 ("2013 Act"), read together with paragraph 7 of the Companies (Accounts) Rules 2014. The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except in case of certain tangible assets which are being carried at their revalued amounts and derivative financial instruments which have been measured at fair value.

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

### 2.1. Summary of significant accounting policies

#### (a) Changes in accounting policy

##### *Depreciation on fixed assets*

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, effective April 01, 2014, Schedule XIV has been replaced by Schedule II to the 2013 Act. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

- Useful lives/ depreciation rates

Considering the applicability of Schedule II, the Company and some of its subsidiaries and joint ventures have re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

These entities of the Group have used transitional provisions of Schedule II to adjust the impact arising on its first application. If an asset has nil remaining useful life on the date of Schedule II becoming effective, i.e., April 01, 2014, its carrying amount,

after retaining residual value, if any, has been charged to the opening balance of statement of profit and loss. The carrying amount of other assets, i.e., assets whose remaining useful life is not nil on April 01, 2014, is depreciated over their remaining useful life.

Had these entities of the Group continued to use the earlier policy of depreciating fixed asset, the consolidated loss for the current year would have been lower by Rs. 56.61 crores (net of taxes), statement of profit and loss and asset revaluation reserve at the beginning of the current year would have been higher by Rs. 26.00 crores (net of taxes) and Rs. 1.15 crores respectively and the fixed assets would correspondingly have been higher by Rs. 96.04 crores.

- Component accounting

Certain entities of the Group were previously not identifying components of fixed assets separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset. Now, these entities identify and determine separate useful life for each major component of the fixed asset, if they have useful life that is materially different from that of the remaining asset. However, this change in accounting policy did not have any material impact on consolidated financial statements of the Group.

- Depreciation on assets costing less than Rs. 5,000

Certain entities of the group were previously charging depreciation at the rate of 100% per annum on assets costing less than Rs. 5,000. As per the revised policy, these entities are depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after April 01, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000 did not have any material impact on consolidated financial statements of the Group for the current year.

#### (b) Principles of Consolidation

The consolidated financial statements have been prepared in accordance with applicable Accounting Standards as mentioned below, read with applicable provisions and Schedule III to the 2013 Act:

- Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances, intra-group transactions and unrealized profit or loss, except where cost cannot be recovered, in accordance with Accounting Standard 21 – "Consolidated Financial Statements". The results of operations of a subsidiary are included in the consolidated financial statements



from the date on which the parent subsidiary relationship came into existence.

- ii) Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method as per Accounting Standard 27 – “Financial Reporting of Interests in Joint Ventures”. Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.
- iii) The difference between the cost to the Group of investment in Subsidiaries and Joint Ventures and the proportionate share in the equity of the investee company as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill arising on consolidation is tested for impairment annually.
- iv) Minorities' interest in net profits of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the parent.
- v) Investments in Associates are accounted for using the equity method as per Accounting Standard 23 – “Accounting for Investments in Associates in Consolidated Financial Statements”. The investment is initially recorded at cost, identifying any goodwill or capital reserve arising at the time of acquisition. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. However, the share of losses is accounted for only to the extent of the cost of investment. Subsequent profits of such Associates are not accounted for unless the accumulated losses (not accounted for by the Group) are recouped. Where the associate prepares and presents consolidated financial statements, such consolidated financial statements of the associate are used for the purpose of equity accounting. In other cases, standalone financial statements of associates are used for the purpose of consolidation.
- vi) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's standalone financial statements. Differences in accounting policies, if any, 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.

- viii) As per Schedule III to the 2013 Act, read with applicable Accounting Standard and General Circular 39/2014 dated October 14, 2014, only the disclosures relevant to the consolidated financial statements have been disclosed. Further, additional statutory information disclosed in separate financial statements of the parents/ subsidiaries having no bearing on the true and fair view of the consolidated financial statements is not disclosed in these consolidated financial statements.

**(c) Use of estimates**

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

**(d) Tangible fixed assets**

Tangible assets, except a piece of land and few items of plant and equipment acquired before March 31, 1998, are stated at cost, less accumulated depreciation and impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalization criteria are met, and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a significant inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

Subsequent expenditure related to an item of tangible asset is added to its book value only if it increases the future benefits



from the existing asset beyond its previously assessed standard of performance. All other expenses on existing tangible assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

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

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

**(e) Intangible assets**

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

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

**(f) Depreciation on tangible fixed assets and amortization of intangible assets**

- i) Depreciation on fixed assets is calculated on straight-line basis using the rate arrived at based on the useful lives estimated by the management. The Group has used the following lives to provide depreciation on its fixed assets.

Asset Description	Useful lives estimated by the management (years)
Factory buildings	30
Other buildings	60
Plant and equipment	3 – 20
Furniture, fixtures and office equipments	3 – 20
Vehicles	3 – 10

- ii) Leasehold land is amortized on a straight line basis over the period of lease, i.e., 30 years, except for leasehold land which is under perpetual lease.
- iii) Assets acquired under sale and lease back transactions are depreciated on a straight line basis over the period of lease.
- iv) Depreciation on completed phase of road projects is provided over the period of concession agreement. Overlay cost included in the cost of Road is depreciated over a period of 5 years.
- v) In case of foreign companies comprised within the Group, depreciation is provided for on straight-line basis so as to write off the value of assets over their useful life, as estimated by the management, which range from 2 to 30 years.
- vi) Intangible assets are amortized on a straight line basis, based on the nature and useful economic life of the assets as estimated by the management. The summary of amortization policies applied to the Group's intangible assets is as below:
- a. Software of project division is amortized over the period of licenses or six years, whichever is lower.
- b. Software of an unincorporated joint venture is amortized over the period of license or three years, whichever is lower.

**(g) Preoperative expenditure pending allocation**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of indirect construction cost to the extent to which the expenditure is related to the construction or is incidental thereto. Other indirect expenditure (including borrowing cost) incurred during the construction period, which is neither related to the construction activity nor is incidental thereto, is charged to the consolidated statement of profit and loss. Income earned during the construction period is deducted from the total expenditure.

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

**(h) Impairment of tangible and intangible assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual



asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the consolidated statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and loss is accordingly reversed in the consolidated statement of profit and loss.

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

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

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

#### (i) Sales and leaseback transactions

If a sale and leaseback transaction results in a finance lease, the profit or loss, i.e., excess or deficiency of sale proceeds over the carrying amounts is deferred and amortized over the lease term in proportion to the depreciation of the leased asset. The unamortized portion of the profit is classified under "Other liabilities" in the consolidated financial statements.

If a sale and leaseback transaction results in an operating lease, profit or loss is recognized immediately in case the transaction is established at fair value. If the sale price is below fair value, any profit or loss is recognized immediately except that, if the loss is compensated by future lease payments at below market price, it is deferred and amortized in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over the fair value is deferred and amortized over the period for which the asset is expected to be used.

#### (j) Leases

##### **Where the Group is the lessee**

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership

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

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset 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 consolidated statement of profit and loss on a straight-line basis over the lease term.

##### **Where the Group is the lessor**

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

#### (k) Investments

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

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

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





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

**(l) Inventories**

Inventories are valued as follows:

- i) Project Materials (excluding scaffoldings): Lower of cost and net realizable value. Cost is determined on weighted average basis.
- ii) Scaffoldings (included in Project Materials): Cost less amortization/charge based on their useful life, which is estimated at seven years.
- iii) Scrap: Net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(m) Unbilled revenue (work-in-progress)**

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

**(n) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- i) Contract revenue associated with long term construction contracts is recognized as revenue by reference to the stage of completion of the contract at the balance sheet date. The stage of completion of project is determined by the proportion that contracts costs incurred for the work performed up to the balance sheet date bear to the estimated total contract costs. However, profit is not recognized unless there is reasonable progress on the contract. If total cost of a contract, based on technical and other estimates, is estimated to exceed the total contract revenue, the foreseeable loss is provided for. The effect of any adjustment arising from revisions to estimates is included in the consolidated statement of profit and loss of the year in which revisions are made. Contract revenue earned in excess of billing has been classified as "Unbilled revenue (work-in-progress)" and billing in excess of contract revenue has been classified as "Other liabilities" in the consolidated financial statements. Claims on construction contracts are included based on Management's estimate of the probability that they will result in additional revenue, they are capable of being reliably measured, there is a reasonable basis to support the claim and that such claims would be admitted either wholly or in part. The Group assesses the carrying value

of various claims periodically, and makes provisions for any unrecoverable amount arising from the legal and arbitration proceedings that they may be involved in from time to time. Insurance claims are accounted for on acceptance/settlement with insurers.

- ii) Revenue from long term construction contracts executed in unincorporated joint ventures under work sharing arrangements is recognized on the same basis as similar contracts independently executed by the Group. Revenue from unincorporated joint ventures under profit sharing arrangements is recognized to the extent of the Group's share in unincorporated joint ventures.
- iii) Annuity income, receivable as per the concession agreement, is recognized on a straight line basis over the period of the annuity.
- iv) Revenue from hire charges is accounted for in accordance with the terms of agreements with the customers.
- v) Revenue from management services is recognized pro-rata over the period of the contract as and when the services are rendered.
- vi) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the consolidated statement of profit and loss.
- vii) Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.
- viii) Export Benefit under the Duty Free Credit Entitlements is recognized in the consolidated statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds.
- ix) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods.
- x) The Group collects service tax and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

**(o) Borrowing costs**

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

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial





period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

**(p) Foreign currency transactions and translations**

**i) Initial recognition**

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

**ii) Conversion**

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

**iii) Exchange differences**

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

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

For the purpose of b and c above, the Group treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA

circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Group does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

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

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

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

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

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

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

**v) Translation of integral and non integral foreign operations**

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

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



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

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

#### **(q) Employee benefits**

- i) The Company makes contribution to statutory provident fund and pension funds in accordance with Employees' Provident Funds and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. The Company has no obligation, other than the contribution payable to respective funds. The Company recognizes contribution payable to respective funds as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.
- ii) The Company and few of its Indian subsidiaries operate defined gratuity plans for their respective employees, which are defined benefit obligations. The Company has obtained an insurance policy under group gratuity scheme with Life Insurance Corporation of India/ICICI Prudential Life Insurance Company Limited to cover the gratuity liability of its employees. The amount paid/payable in respect of present value of liability for past services is charged to the consolidated statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of each financial year.
- iii) In respect to overseas branches and unincorporated joint venture operations, provision for retirement and other employees' benefits are made on the basis prescribed in the local labour laws of the respective country, for the accumulated period of service at the end of the financial year.

- iv) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.
- v) In respect of overseas group entities, contributions made towards defined contribution schemes in accordance with the relevant applicable local laws, are charged to the consolidated statement of profit and loss of the year when the contribution to the respective funds are due. There are no obligations other than the contribution payable to the respective trusts. In respect of defined benefit obligations of the overseas Group companies, present value of liability for past services is charged to the consolidated statement of profit and loss on the basis of actuarial valuation on the projected unit credit method made at the end of the financial year.
- vi) Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

#### **(r) Income taxes**

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

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

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable



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

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

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

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

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

**(s) Accounting for joint venture operations**

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

**(t) Segment reporting**

**Identification of segments**

The Group's operating businesses are organized and managed separately according to the nature of products and services

provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

**Unallocated items**

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

**Segment accounting policies**

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

**(u) Earnings per share**

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

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

**(v) Employee stock compensation cost**

Measurement and disclosure of the employee share-based payment plans is done in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.

**(w) Cash and cash equivalents**

Cash and cash equivalents for the purposes of consolidated 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**

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



**(y) Contingent liabilities**

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

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

**(z) Provisions**

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an

outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**(aa) Operating cycle**

The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents and the management considers this to be the project period, except in case of certain group entities where the same has been considered as twelve months.

**(bb) Measurement of EBITDA**

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



### 3. Share capital

	As at March 31, 2015	As at March 31, 2014
<b>Authorized shares</b>		
450,000,000 (Previous year 450,000,000) equity shares of Rs. 2 each	90.00	90.00
10,000,000 (Previous year 10,000,000) preference shares of Rs. 10 each	10.00	10.00
	<b>100.00</b>	<b>100.00</b>
<b>Issued, subscribed and fully paid-up shares</b>		
332,095,745 (Previous year 332,095,745) equity shares of Rs. 2 each	66.42	66.42
	<b>66.42</b>	<b>66.42</b>

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

##### Equity shares

	As at March 31, 2015		As at March 31, 2014	
	Nos.	Amount	Nos.	Amount
At the beginning of the year	332,095,745	66.42	332,095,745	66.42
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>332,095,745</b>	<b>66.42</b>	<b>332,095,745</b>	<b>66.42</b>

#### (b) Terms/rights attached to equity shares

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

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

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

Name of the shareholder	As at March 31, 2015		As at March 31, 2014	
	Nos.	% holding in the class	Nos.	% holding in the class
Cawdor Enterprises Limited	75,691,430	22.79	75,691,430	22.79
Spectra Punj Finance Private Limited	22,148,305	6.67	22,148,305	6.67

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

#### (d) Shares reserved for issue under options

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

- (e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.





#### 4. Reserves and surplus

	As at March 31, 2015	As at March 31, 2014
<b>Capital reserve</b>		
Balance as per the last year	27.26	26.42
Add: adjustment on conversion of associate into subsidiary	-	0.84
<b>Closing balance</b>	<b>27.26</b>	<b>27.26</b>
<b>Securities premium account</b>	<b>2,500.60</b>	<b>2,500.60</b>
<b>Debenture redemption reserve</b>	<b>112.87</b>	<b>112.87</b>
<b>Asset revaluation reserve</b>		
Balance as per the last year	3.25	3.61
Less: adjustment relating to depreciation on assets (refer note 2.1(a))	(1.15)	-
Less: amount transferred to the consolidated statement of profit and loss as reduction from depreciation	-	(0.23)
Less: adjustment on account of sale/disposal of revalued assets	-	(0.13)
<b>Closing balance</b>	<b>2.10</b>	<b>3.25</b>
<b>Special reserve</b>		
(created by an Indian subsidiary under the Reserve Bank of India Act, 1934)		
Balance as per the last year	0.03	0.02
Add: amount transferred from surplus balance in the consolidated statement of profit and loss	0.00	0.01
<b>Closing balance</b>	<b>0.03</b>	<b>0.03</b>
<b>General reserve</b>	<b>99.04</b>	<b>99.04</b>
<b>Foreign currency translation reserve</b>		
Balance as per last year	(230.66)	(176.00)
Add: exchange difference during the year on net investment in non-integral operations	(98.22)	(54.66)
<b>Closing balance</b>	<b>(328.88)</b>	<b>(230.66)</b>
<b>Deficit in the consolidated statement of profit and loss</b>		
Balance as per last year	(346.55)	202.30
Less: adjustment relating to depreciation on assets (refer note 2.1(a))	(26.00)	-
Loss for the year	(1,141.11)	(548.23)
	(1,513.66)	(345.93)
Less: Appropriations		
Transfer to special reserve	(0.00)	(0.01)
Adjustment for acquisition of additional stake in a subsidiary from minority shareholders	-	(0.61)
Proposed preference dividend	(0.00)	(0.00)
Total appropriations	(0.00)	(0.62)
<b>Net deficit in the consolidated statement of profit and loss</b>	<b>(1,513.66)</b>	<b>(346.55)</b>
<b>Total reserves and surplus</b>	<b>899.36</b>	<b>2,165.84</b>



## 5. Long-term borrowings

	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>				
<b>Debentures</b>				
10.50% debentures redeemable at par at the end of 5 years from the deemed date of allotment, i.e., October 15, 2010. Secured by first charge on Flat No. 201, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India and subservient charge on the moveable tangible and current assets of the Company.	-	300.00	300.00	-
12.00% debentures redeemable at par in ten equal half-yearly installments beginning at the end of 5 years from the date of allotment, i.e., January 02, 2009. Secured by first pari passu charge on the moveable tangible assets of the project division of the Company and further secured by exclusive charge on the Flat No. 202, Satyam Apartment, Saru Section Road, Jamnagar, Gujarat, India.	90.00	120.00	45.00	30.00
10.00% debentures redeemable at par in four half-yearly installments in the ratio of 20:20:30:30 beginning at the end of 3.5 years from the deemed date of allotment, i.e., September 10, 2009. Secured by pari passu charge on the land situated at Jarod District, Vadodra, Gujarat, India, pari passu first charge on the moveable tangible assets of the project division of the Company (only upto Rs. 150 crores), subservient charge on moveable tangible and current assets of project division of the Company (upto Rs. 450 crores only). Further secured by charge on some of the investments of the Company.	-	-	-	127.50
<b>Term loans</b>				
<b>Indian rupee loan from banks</b>				
Loans carrying weighted average rate of interest of 11.51% (Previous year 11.45%), repayable in 15 to 60 monthly/quarterly installments. Secured by way of exclusive charge on the equipment/vehicles purchased out of the proceeds of the loan.	2.08	9.87	8.02	13.67
Loans carrying weighted average rate of interest of 12.74% (Previous year 12.87%), repayable in 15 to 17 quarterly installments beginning at the end of 1 year from the disbursement. Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.	37.08	74.69	44.05	44.05
Loan carrying rate of interest of 12.25% (Previous year 12.30%), repayable in 22 equal quarterly installments beginning at the end of 1 year from the date of first disbursement. Secured by way of pari passu first charge on the existing and future moveable tangible assets of the project division of the Company, pari passu second charge on current assets of the project division of the Company (excluding receivables of the projects financed by other banks).	13.51	40.87	34.09	30.29



	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<p>Loan carrying rate of interest of 12.75% (Previous year 12.75%), repayable in 17 equal quarterly installments beginning at the end of 12 months from the date of first disbursement.</p> <p>Secured by way of first charge on the corporate offices of the Company, at Plot No. 78 &amp; 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India. Further secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company (upto 0.5 times of loan outstanding).</p>	109.41	168.23	58.82	41.76
<p>Loan carrying rate of interest of 12.00% (Previous year 12.00%), repayable in 25 structured unequal semi-annual installments.</p> <p>Secured by way of charge on all moveable and immoveable tangible assets of a subsidiary.</p>	304.81	299.47	22.12	11.06
<p>Loan carried rate of interest of 11.00%, repayable in 4 equal quarterly installments after the moratorium period of 9 months from the date of disbursement.</p> <p>Secured by way of exclusive charge on land at Malanpur (up to Rs. 6.41 crores), building at Malanpur (up to Rs. 36.78 crores) and subservient charge on current assets of the Company. Collaterally secured by non-disposal undertaking of 8,000,000 shares of Global Health Private Limited, pledge of 30% shares in Punj Lloyd Infrastructure Limited and 17,516,100 shares in Air Works India (Engineering) Private Limited, an associate of the Company. Further secured by way of personal guarantee of the promoters (as defined).</p>	-	70.00	-	70.00
<p>Loan carrying weighted average rate of interest of 11.45% (Previous year 14.00%), repayable from financial year 2013 to financial year 2024.</p> <p>Secured by way of charge on moveable tangible assets and receivables of a joint venture.</p>	40.93	42.23	7.54	6.82
<b>Indian rupee loan from others</b>				
<p>Loans carrying weighted average rate of interest of 13.12% (Previous year 13.09%), repayable in 29 to 60 monthly installments beginning at the end of 12 months from the date of first disbursement.</p> <p>Secured by first and exclusive charge by way of hypothecation on certain specific equipments financed through the loan.</p>	2.56	30.98	36.41	47.57
<p>Loan carrying rate of interest of 14.50%, repayable in 22 monthly installments.</p> <p>Secured by way of pari-passu charge on moveable tangible assets of a subsidiary.</p>	1.76	-	3.81	-
<p>Loan carrying rate of interest of 11.36%, repayable in 84 monthly installments beginning at the end of 12 months from the date of first disbursement.</p> <p>Secured by first and exclusive charge by way of hypothecation of aircraft financed through the loan.</p>	-	-	-	8.09
<p>Loan carrying rate of interest of 16.00% (Previous year 15.00%), repayable in 12 monthly installments beginning at the end of 1 month from the date of first disbursement.</p> <p>Secured by way of first charge on the present and future current assets of the project division of the Company (excluding receivables of the projects financed by other banks).</p>	-	-	6.00	12.00



	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<p>Loan carrying rate of interest of 13.85% (Previous year 13.75%), repayable in 16 quarterly installments beginning at the end of 12 months from the date of first disbursement.</p> <p>Secured by way of first pari passu charge on existing and future moveable tangible assets of the project division of the Company.</p>	-	12.50	18.75	15.63
<p>Loan carrying rate of interest of 13.00% (Previous year 13.00%), repayable in 36 monthly installments starting from October 2016.</p> <p>Secured by way of first ranking pari-passu charge on entire current assets of the Company, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders of Company.</p>	58.33	50.00	-	31.25
<p>Loan carried rate of interest of 12.00%, repayable in bullet payment at the end of 2 years from the date of disbursement.</p> <p>Secured by way of pledge of 601,979 equity shares in Global Health Private Limited and further secured by way of personal guarantee of the promoters (as defined).</p>	-	35.00	-	-
<p>Loan carrying rate of interest of 13.95% (Previous year 13.95%), repayable in 12 equal quarterly installments after the moratorium period of 2 years from the date of disbursement.</p> <p>Secured by way of first pari passu charge on the moveable tangible assets of the project division of the Company and subservient charge on the corporate offices of the Company, at Plot No. 78 &amp; 95, and Medicity building situated at Sector 32 and 38 respectively at Gurgaon, Haryana, India.</p>	183.33	186.00	16.67	-
<p>Loan carrying weighted average rate of interest of 11.50%, repayable in 12 quarterly installments beginning at the end of 2 years from the date of first disbursement.</p> <p>Secured by way of first ranking pari-passu charge on entire current assets of the Company, both present and future, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible assets of the Company, both present and future, except those specifically charged to other lenders of Company.</p>	10.30	-	-	-
<p>Loans carrying weighted rate of interest of 12.00% (Previous year 12.00%), repayable in 25 structured unequal semi-annual installments.</p> <p>Secured by first pari passu charge on moveable and immoveable tangible assets of a subsidiary.</p>	118.49	101.43	3.50	1.75
<b>Foreign currency loan from banks</b>				
<p>Loan carrying rate of interest of LIBOR + 1.25% (Previous year LIBOR + 1.25%), repayable in 36 structured semi-annual installments.</p> <p>Secured by charge on the assets of a subsidiary.</p>	41.98	43.77	3.00	2.92
<p>Loan carrying rate of interest of 6M LIBOR + 4.20% (Previous year 6M LIBOR + 4.20%), repayable in 25 structured unequal semi-annual installments.</p> <p>Secured by charge on all moveable and immoveable assets of the subsidiary.</p>	147.98	139.87	10.73	5.78



	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<p>Loan carrying rate of interest of 13.15% (upto commercial operation date and 12.65% afterwards), repayable in 48 quarterly installments, beginning from March 2016.</p> <p>Secured by way of mortgage by deposit of title deed of immovable properties and hypothecation of movable assets, both existing and future, of the projects financed.</p>	121.12	-	2.58	-
<p>3 months EBOR + 2.50% (Previous year 3 months EBOR + 2.50%) loan repayable in 14 equal quarterly installments, beginning at the end of 1 quarter from the date of its origination.</p> <p>Secured by way of first pari passu charge on moveable tangible assets of the project division of the Company.</p>	-	25.31	14.52	33.79
<p>Loans carrying rate of interest of 3.00% (Previous year 3.10%), repayable in bullet payment in 2016.</p> <p>Secured by pledge of deposit of a subsidiary.</p>	-	37.96	37.26	-
<p>Loans carrying rate of interest of 4.80% (Previous year 4.80%), repayable in 2 equal annual installments, starting from April 2015.</p> <p>Secured by exclusive charge on the tangible and current assets of a subsidiary.</p>	150.67	285.35	150.67	-
<p>Loan carrying rate of interest of LIBOR + 4.50%, repayable in 10 equal quarterly installments commencing after a moratorium period of 18 months from the date of disbursement.</p> <p>Secured by way of exclusive charge of aircraft of a subsidiary. Further secured by pledge of shares held by the subsidiary as investment and by negative pledge over the assets of subsidiary.</p>	267.86	-	-	-
<b>Foreign currency loan from others</b>				
<p>Loan carrying rate of interest of 5.77% (Previous year 5.77%), repayable in 17 equal half yearly installments, beginning at the end of 4 years from the date of its origination.</p> <p>Secured by first pari passu charge on the moveable tangible assets of the project division of the Company.</p>	59.42	72.28	29.75	21.69
<p>Loan carrying rate of interest of 5.39% (Previous year 5.39%), repayable at the end of 2 years from the date of its origination.</p> <p>Secured by first pari passu charge on the moveable tangible assets of a subsidiary.</p>	15.03	29.26	37.58	21.94
<b>Other loans</b>				
<p>Finance lease obligations carrying weighted average rate of interest of 14.81% (Previous year 13.53%).</p> <p>Secured by first and exclusive charge by way of hypothecation on specific equipments financed through the loan.</p>	21.63	53.88	39.77	36.83



	Non-current portion		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Unsecured</b>				
<b><u>Foreign currency loan from banks</u></b>				
Loan carrying rate of interest of 7.50%.	8.97	-	3.33	-
Loan carrying rate of interest of 1.70% (Previous year 1.70%), repayable in 4 equal quarterly installments beginning at the end of one year.	-	94.91	93.14	-
<b><u>Other loans</u></b>				
Inter-corporate deposits	17.56	17.56	-	-
	<b>1,824.81</b>	<b>2,341.42</b>	<b>1,027.11</b>	<b>614.39</b>
The above amount includes				
Secured borrowings	1,798.28	2,228.95	930.64	614.39
Unsecured borrowings	26.53	112.47	96.47	-
Amount disclosed under the head "Other liabilities" (note 9)	-	-	(1,027.11)	(614.39)
<b>Net amount</b>	<b>1,824.81</b>	<b>2,341.42</b>	<b>-</b>	<b>-</b>

## 6. Deferred tax liabilities (net)

	As at March 31, 2015	As at March 31, 2014
<b>Deferred tax liability</b>		
Impact of difference between tax depreciation and depreciation/amortization as per books	105.20	80.66
Effect of expenditure not debited to consolidated statement of profit and loss but allowed/allowable in income tax	64.66	61.04
Difference in carrying value of scaffolding as per income tax and financial books	4.19	5.24
Others	4.18	-
<b>Gross deferred tax liability</b>	<b>178.23</b>	<b>146.94</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowable for tax purposes on payment basis	6.52	8.92
Unrealized foreign exchange on purchase of tangible assets	12.99	13.16
Impact of difference between assets of sale and lease back transactions as per tax books and as per financial reporting	8.27	-
Impact of unrealized profit on sale and lease back transactions	10.88	-
Effect of unabsorbed depreciation/carried forward losses #	130.15	30.95
<b>Gross deferred tax assets</b>	<b>168.81</b>	<b>53.03</b>
<b>Net deferred tax liability*</b>	<b>9.42</b>	<b>93.91</b>

\* After setting off deferred tax assets aggregating to Rs 6.92 crores (Previous year Rs 61.44 crores) in respect of certain branches, subsidiaries and joint ventures.

# The Company has accounted for deferred tax assets on timing differences, including those on unabsorbed depreciation and business losses, to the extent of deferred tax liability recognized at the balance sheet date, for which it is virtually certain that future taxable income would be generated by reversal of such deferred tax liability. Also, certain subsidiaries of the group have projected future profits, based on confirmed orders in hand for the subsequent years, which in the opinion of the management of those subsidiaries satisfies the condition of virtual certainty supported by convincing evidence. According, those subsidiaries have recognized deferred tax asset on unabsorbed depreciation and carried forward losses.





## 7. Provisions

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Provision for employee benefits</b>				
- Provision for retirement benefits	5.54	6.29	24.61	28.41
<b>Other provisions</b>				
- Proposed preference dividend	-	-	0.00	0.00
- Provision for current tax (net of advance tax)	3.07	1.35	103.60	108.88
	<b>8.61</b>	<b>7.64</b>	<b>128.21</b>	<b>137.29</b>

## 8. Short term borrowings

	As at March 31, 2015	As at March 31, 2014
<b>Secured</b>		
<b>Working capital loan repayable on demand</b>		
Loans from banks carrying weighted average rate of interest of 13.28% (Previous year 12.77%). Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by other banks) and second charge on pari passu basis on moveable tangible assets of the project division of the Company.	1,551.19	1,208.03
Loans from banks carrying weighted average rate of interest of 12.57% (Previous year 11.89%). Secured by way of exclusive charge on the receivables of the specific projects financed, first pari passu charge on the current assets of the project division (excluding receivables of the projects financed by other banks), pari passu second charge on the movable tangible assets of the project division of the Company.	1,583.45	1,847.12
Loan carrying rate of interest of USD LIBOR + 4.25% (Previous year USD LIBOR + 4.25%). Secured by way of charge on trade receivables of a subsidiary. Further secured by personal guarantee of joint venturers.	56.06	92.83
Loans from banks carrying weighted average rate of interest of 13.38% (Previous year 10.09%). Secured by way of first charge on pari passu basis on current assets (excluding receivables of the projects financed by other banks), pari passu charge on the receivables of the project financed and second charge on pari passu basis on movable tangible assets of the project division of the Company.	271.45	278.77
Loan from bank carrying rate of interest of 3.40% (Previous year 4.75%). Secured by way of pari passu charge on the receivables financed.	136.19	56.30
Loan from bank carrying rate of interest of 3 Months First Gulf Bank (FGB) EBOR + 2.5% pa (Previous year 3 Months FGB EBOR + 2.5% pa.) Secured by way of charge on the receivables and assets of the project.	5.49	75.55
Loan from bank carrying rate of interest of 7.75% (Previous year 7.75%). Secured by way of exclusive charge on the receivables of the specific projects financed, first pari passu charge on the current assets of a subsidiary.	36.56	34.54
Loans from bank carrying rate of interest of 7.50% (Previous year 6.00%). Secured by way of charge on building/ apartment of a subsidiary.	1.96	3.09
Loans from banks carrying weighted average rate of interest 14.51% (Previous year 13.56%). Secured by hypothecation charge over trade receivables of a subsidiary.	26.86	22.97



	As at March 31, 2015	As at March 31, 2014
Loans from banks carrying weighted average rate of interest of 13.21%. Secured by way of first ranking pari-passu charge on entire current assets of the Company, both present and future, except receivables exclusively charged to other lenders of the Company. First ranking pari-passu charge on movable and immovable tangible asset of the Company, both present and future, except those specifically charged to other lenders of Company.	245.90	-
Loans from banks carrying rate of interest of SIBOR+2% and 16.75% (Previous year SIBOR+2% and 13.75%). Secured by way of charge on the current assets of a subsidiary.	21.80	20.94
Loan carrying rate of interest of 3.30% (Previous year 6.36%). Secured by way of first charge on the current assets of a subsidiary.	128.03	171.51
<b>Unsecured</b>		
Cash credit carrying rate of interest of 15.00%.	2.50	-
Cash credit carrying rate of interest 3months EIBOR +2.5%.	40.98	-
Buyer's line of credit from banks carrying weighted average rate of interest 0.82% (Previous year 1.29%).	141.49	30.32
13.20% (Previous year 13.02%) inter-corporate deposits, repayable on demand.	38.97	64.10
	<b>4,288.88</b>	<b>3,906.07</b>
The above amount includes		
Secured borrowings	4,064.94	3,811.65
Unsecured borrowings	223.94	94.42
	<b>4,288.88</b>	<b>3,906.07</b>

## 9. Other liabilities

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Trade payables</b>	-	-	<b>3,868.94</b>	<b>3,980.18</b>
<b>Other liabilities</b>				
Current maturities of long-term borrowings (note 5)	-	-	1,027.11	614.39
Interest accrued but not due on borrowings	-	-	48.35	46.76
Interest accrued and due on borrowings	-	-	21.35	8.08
Unclaimed dividends #	-	-	0.25	0.26
Service tax payable	-	-	0.30	4.72
Tax deducted at source payable	-	-	42.56	25.00
Advance billing	-	-	459.59	630.06
Advance from customers	-	-	1,667.16	1,605.98
Unearned income	6.37	28.27	27.16	40.25
Security deposits	-	-	8.23	8.72
Capital goods suppliers	-	-	30.74	33.26
Others	19.21	-	23.82	19.21
	<b>25.58</b>	<b>28.27</b>	<b>3,356.62</b>	<b>3,036.69</b>
	<b>25.58</b>	<b>28.27</b>	<b>7,225.56</b>	<b>7,016.87</b>

# There is no amount due and outstanding which is to be credited to Investor Education and Protection Fund.



## 10. Tangible assets

	Land	Buildings	Plant and equipment	Furniture, fixtures and office equipments	Tools	Project Road	Vehicles	Total
<b>Gross block at cost or valuation</b>								
At April 01, 2013	23.60	230.89	3,669.43	125.52	13.22	103.47	181.24	4,347.37
Additions	0.22	-	128.92	3.81	-	510.41	3.35	646.71
Disposals (-)	-	15.24	134.23	18.35	0.01	-	13.04	180.87
Other adjustment								
Exchange differences	-	-	16.29	-	-	-	-	16.29
Foreign currency translation	0.12	1.09	75.16	4.38	-	-	1.16	81.91
Other	-	24.03	0.58	(24.77)	(0.01)	0.17	-	-
<b>At March 31, 2014</b>	<b>23.94</b>	<b>240.77</b>	<b>3,756.15</b>	<b>90.59</b>	<b>13.20</b>	<b>614.05</b>	<b>172.71</b>	<b>4,911.41</b>
Additions	0.18	-	134.25	2.17	-	127.19	0.63	264.42
Disposals(-)	-	1.00	273.98	1.00	0.02	-	20.78	296.78
Other adjustment								
Exchange differences	-	-	3.87	-	-	-	-	3.87
Foreign currency translation	(0.03)	0.31	14.54	(0.50)	0.17	-	(3.53)	10.96
<b>At March 31, 2015</b>	<b>24.09</b>	<b>240.08</b>	<b>3,634.83</b>	<b>91.26</b>	<b>13.35</b>	<b>741.24</b>	<b>149.03</b>	<b>4,893.88</b>
<b>Accumulated depreciation</b>								
At April 01, 2013	0.72	28.78	1,486.24	70.00	3.75	23.91	111.85	1,725.25
Charge for the year	0.21	7.02	333.00	9.71	0.63	20.68	18.19	389.44
Disposals(-)	-	10.09	127.40	15.13	-	-	9.44	162.06
Other adjustments								
Foreign currency translation	-	0.50	34.65	2.43	-	-	2.40	39.98
Other	-	18.13	-	(18.13)	-	-	-	-
<b>At March 31, 2014</b>	<b>0.93</b>	<b>44.34</b>	<b>1,726.49</b>	<b>48.88</b>	<b>4.38</b>	<b>44.59</b>	<b>123.00</b>	<b>1,992.61</b>
Charge for the year	0.22	6.45	387.65	13.81	1.47	36.53	20.49	466.62
Disposals(-)	-	0.58	177.62	2.11	0.02	-	21.74	202.07
Other adjustments								
Foreign currency translation	-	0.50	11.89	1.57	-	-	2.56	16.52
Other (refer note 2.1.(a))	-	0.33	28.16	9.98	0.44	-	0.52	39.43
<b>At March 31, 2015</b>	<b>1.15</b>	<b>51.04</b>	<b>1,976.57</b>	<b>72.13</b>	<b>6.27</b>	<b>81.12</b>	<b>124.83</b>	<b>2,313.11</b>
<b>Net block</b>								
<b>At March 31, 2014</b>	<b>23.01</b>	<b>196.43</b>	<b>2,029.66</b>	<b>41.71</b>	<b>8.82</b>	<b>569.46</b>	<b>49.71</b>	<b>2,918.80</b>
<b>At March 31, 2015</b>	<b>22.94</b>	<b>189.04</b>	<b>1,658.26</b>	<b>19.13</b>	<b>7.08</b>	<b>660.12</b>	<b>24.20</b>	<b>2,580.77</b>

- Gross block of plant and equipment includes Rs. 5.82 crores and accumulated depreciation includes Rs. 5.82 crores (Previous year Rs. 5.82 crores and Rs. 4.66 crores respectively) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 1998 by an external agency using "price indices released by the Economic Advisor's Office, Ministry of Industry/Verbal Quotation/Comparison/Estimation or any other method considered prudent in specific cases". Consequent to the said revaluation, there is an additional charge of depreciation of Rs. Nil (Previous year Rs. 0.23 crore). In accordance with the option given in the guidance note on accounting for the depreciation in companies, the Group has recouped such additional depreciation out of asset revaluation reserve until March 31, 2014. There is additional profit of Rs. Nil (Previous year Rs. 0.13 crore) on account of sale of assets, an equivalent amount has been withdrawn from revaluation reserve and credited to consolidated statement of profit and loss.



2. Gross block of land includes Rs. 2.10 crores (Previous year Rs. 2.10 crores) on account of revaluation of assets carried out in earlier years. The said revaluation was carried out during the year ended March 31, 2002 by an external agency using "Price indices released by the Economic Advisor's Office, Ministry of Industry/Verbal Quotation/Comparison/Estimation or any other method considered prudent in specific cases".
3. In compliance with the notification dated March 31, 2009 (as amended) issued by MCA, the Group has exercised the option available under paragraph 46 to the Accounting Standards 11- The effect of changes in foreign exchange rates. Accordingly, during the current year, the foreign exchange loss of Rs. 3.87 crores (Previous year Rs. 16.29 crores) has been added to gross block of plant and equipment.
4. Gross block of land includes leasehold land of cost Rs. 7.23 crores (Previous year Rs. 7.05 crores). Accumulated depreciation thereon is Rs. 1.15 crores (Previous year Rs. 0.93 crores).
5. Gross block of vehicles includes vehicles of cost Rs. 1.27 crores (Previous year Rs. 14.31 crores) taken on finance lease. Accumulated depreciation there on is Rs. 0.90 crores (Previous year Rs. 5.82 crores).
6. Gross block of plant and equipment includes equipments of cost Rs. 115.40 crores (Previous year Rs. 110.93 crores) taken on finance lease. Accumulated depreciation thereon is Rs. 76.21 crores (Previous year Rs. 28.07 crores).
7. Gross block of buildings includes building of cost Rs. 98.76 crores (Previous year Rs. 98.76 crores) taken on finance lease. Accumulated depreciation thereon is Rs. 4.04 crores (Previous year Rs. 2.39 crores).

**11. Intangible assets**

	Computer software	Total
<b>Gross block</b>		
At April 01, 2013	74.32	74.32
Additions	0.87	0.87
Disposal (-)	0.75	0.75
Other adjustments		
Foreign currency translation	3.81	3.81
<b>At March 31, 2014</b>	<b>78.25</b>	<b>78.25</b>
Additions	1.39	1.39
Other adjustments		
Foreign currency translation	(0.97)	(0.97)
<b>At March 31, 2015</b>	<b>78.67</b>	<b>78.67</b>
<b>Amortization</b>		
At April 01, 2013	62.47	62.47
Charge for the year	3.27	3.27
Disposal (-)	0.70	0.70
Other adjustments		
Foreign currency translation	3.16	3.16
<b>At March 31, 2014</b>	<b>68.20</b>	<b>68.20</b>
Charge for the year	3.64	3.64
Other adjustments		
Foreign currency translation	(1.10)	(1.10)
<b>At March 31, 2015</b>	<b>70.74</b>	<b>70.74</b>
<b>Net block</b>		
<b>At March 31, 2014</b>	<b>10.05</b>	<b>10.05</b>
<b>At March 31, 2015</b>	<b>7.93</b>	<b>7.93</b>


**12. Non-current investments**

	As at March 31, 2015	As at March 31, 2014
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Unquoted equity instruments</b>		
<b>Investments in associates</b>		
Air Works India (Engineering) Private Limited 17,516,100 (Previous year 17,516,100) equity shares of Rs. 1 each fully paid up (including goodwill of Rs. 9.46 crores). Of the above, Nil (Previous year 17,516,100) equity shares are pledged with a bank. Add: Share in opening accumulated losses Add: Share in profits for the year	53.00    (7.74) 3.24	53.00    (15.00) 7.26
	48.50	45.26
Reco Sin Han Pte Limited 10,000 (Previous year 10,000) equity shares of SGD 1 each fully paid up Add: Foreign currency translation differences	0.04  0.01	0.04  0.01
	0.05	0.05
Ventura Developments (Myanmar) Pte Limited Nil (Previous year Nil) equity shares of SGD 1 each fully paid up Add: Share in opening accumulated losses Less: Disposed off during the year	-  - -	0.18  (0.13) (0.05)
	-	-
Olive Group Capital Limited Nil (Previous year Nil) convertible ordinary shares of USD 0.10 each fully paid up (including goodwill of Rs. 48.04 crores) Add: Share in opening accumulated profits Less: Disposed off during the year	-  - -	98.41  25.88 (124.29)
	-	-
<b>Investment in others</b>		
Rajahmundry Expressway Limited 1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.	1.89	1.89
Andhra Expressway Limited 1,885,000 (Previous year 1,885,000) equity shares of Rs. 10 each fully paid up.	1.89	1.89
North Karnataka Expressway Limited 3,860,456 (Previous year 3,860,456) equity shares of Rs.10 each fully paid up.	3.86	3.86
Kaefer Private Limited (formerly Kaefer Punj Lloyd Limited) 88,200 (Previous year 88,200) equity shares of Rs.100 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 4.36 crore (Previous year Nil))	-	4.36
GMR Hyderabad Vijaywada Expressways Private Limited 500,000 (Previous year 500,000) equity shares of Rs. 10 each fully paid up.	0.50	0.50
Hazaribagh Ranchi Expressway Limited 13,100 (Previous year 13,100) equity shares of Rs. 10 each fully paid up.	0.01	0.01



	As at March 31, 2015	As at March 31, 2014
<b>Non-trade</b>		
<b>Unquoted equity instruments</b>		
<b>Investment in others</b>		
RFB Latex Limited	-	-
200,000 (Previous year 200,000) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.52 crore (Previous year Rs. 0.52 crore))		
Arooshi Enterprises Private Limited	-	-
598,500 (Previous year 598,500) equity shares of Rs. 10 each fully paid up. (At cost less provision for other than temporary diminution in value Rs. 0.60 crore (Previous year Rs. 0.60 crore))		
Global Health Private Limited	-	159.07
Nil (Previous year 8,601,979) equity shares of Rs. 10 each fully paid up. Of the above, Nil (Previous year 8,000,000) equity shares were under first pari passu charge with Debenture trustee and Nil (Previous year 601,979) equity shares were pledged with a bank.		
<b>Quoted equity instruments</b>		
<b>Investment in others</b>		
Panasonic Energy India Company Limited	0.00	0.00
1,300 (Previous year 1,300) equity shares of Rs 10 each fully paid up		
Triton Corporation Limited	0.00	0.00
6,000 (Previous year 6,000) equity shares of Rs 10 each fully paid up (At cost less provision for other than temporary diminution in value Rs. 0.01 crore (Previous year Rs. 0.01 crore))		
JCT Electronics Limited	0.00	0.00
600 (Previous year 600) equity shares of Rs 10 each, fully paid up (At cost less provision for other than temporary diminution in value Rs. 0.00 crore (Previous year Rs. 0.00 crore))		
Continental Constructions Limited	-	-
3,000 (Previous year 3,000) equity shares of Rs 10 each, fully paid up (At cost less provision for other than temporary diminution in value Rs. 0.00 crore (Previous year Rs. 0.00 crore))		
Max India Limited	0.00	0.00
2,500 (Previous year 2,500) equity shares of Rs. 2 each fully paid up		
Kirloskar Pneumatics Company Limited	0.00	0.00
1,000 (Previous year 1,000) equity shares of Rs 10 each fully paid up		
Hindustan Oil Exploration Company Limited	0.03	0.03
6,133 (Previous year 6,133) equity shares of Rs 10 each fully paid up		
Berger Paints Limited	-	0.10
Nil (Previous year 61,600) equity shares of Rs. 2 each fully paid up		
Pipavav Defence and Offshore Engineering Company Limited	0.00	0.00
1,000 (Previous year 1,000) equity share of Rs. 10 each fully paid up		





	As at March 31, 2015	As at March 31, 2014
<b>Quoted others instrument</b>		
<b>Investment in others</b>		
Samena Special Situations Fund	21.86	49.58
2,500,000 (Previous year 4,000,000) units of USD 1 each fully paid up		
Add: Foreign currency translation differences	(1.20)	2.90
Less: Disposed off during the year	(9.48)	(30.62)
	11.18	21.86
IFCI Limited	-	5.00
Nil (Previous year 50) 8.39% tax free bonds of Rs. 1,000,000 each fully paid up		
	<b>67.91</b>	<b>243.88</b>
Aggregate amount of quoted investments (Market value: Rs. 31.44 crores (Previous year Rs. 40.63 crores))	11.21	26.99
Aggregate amount of unquoted investments	62.19	218.02
Aggregate provision for diminution in value of investments	5.49	1.13

**13. Loans and advances**

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured, considered good)				
Capital advances	1.96	1.96	-	-
Security deposits	12.78	7.73	20.65	26.09
Advances recoverable in cash or kind	-	-	694.15	575.36
Other loans and advances				
Advance income-tax (net of provision for taxation)	291.64	396.18	-	-
Value added tax/ sales tax recoverable (net)	169.03	189.77	0.41	-
Minimum alternate tax credit entitlement (refer note 34)	3.17	10.60	-	-
Due from joint venture	-	46.75	53.74	4.61
Balances with statutory/government authorities	-	-	37.75	46.27
Others	-	-	6.05	8.77
	<b>478.58</b>	<b>652.99</b>	<b>812.75</b>	<b>661.10</b>

**14. Trade receivables**

	As at March 31, 2015	As at March 31, 2014
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	877.01	871.71
Other receivables	1,534.13	1,530.80
	<b>2,411.14</b>	<b>2,402.51</b>



## 15. Other assets

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
(Unsecured, considered good)				
Non-current bank balances (refer note 17)	11.63	44.51	-	-
Others				
Interest receivable	-	-	14.33	26.42
Export benefit receivable	27.76	102.50	-	-
Receivables against sale of investments	-	-	24.05	64.83
Investment held for sale	-	-	0.07	34.12
Other receivable	-	-	5.22	-
	<b>39.39</b>	<b>147.01</b>	<b>43.67</b>	<b>125.37</b>

## 16. Inventories

	As at March 31, 2015	As at March 31, 2014
Project materials	150.13	180.05
Scrap	-	0.66
	<b>150.13</b>	<b>180.71</b>

## 17. Cash and bank balances

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>Cash and cash equivalents</b>				
Balances with banks:				
– On current accounts #	-	-	320.21	364.15
– On cash credit accounts	-	-	-	0.13
– On EEFC account	-	-	1.60	0.01
Deposit with original maturity of less than three months	-	-	6.41	3.42
Cash on hand	-	-	6.10	9.43
	<b>-</b>	<b>-</b>	<b>334.32</b>	<b>377.14</b>
<b>Other bank balances</b>				
– Deposits with original maturity for more than 12 months	-	-	0.00	1.62
– Deposits with original maturity for more than 3 months but less than 12 months	-	-	67.08	2.24
– Margin money deposit	11.63	44.51	238.72	232.27
	<b>11.63</b>	<b>44.51</b>	<b>305.80</b>	<b>236.13</b>
Amount disclosed under non-current assets (refer note 15)	(11.63)	(44.51)	-	-
	<b>-</b>	<b>-</b>	<b>640.12</b>	<b>613.27</b>

# Includes unclaimed dividend of Rs. 0.25 crores (Previous year Rs. 0.26 crores).


**18. Revenue from operations**

	Year ended March 31, 2015	Year ended March 31, 2014
Contract revenue	5,881.31	9,789.28
Sale of traded goods	971.72	926.39
Annuity income	125.04	12.12
Other operating revenue		
Hire charges	90.32	112.28
Management services	21.87	14.78
	<b>7,090.26</b>	<b>10,854.85</b>

**19. Other income**

	Year ended March 31, 2015	Year ended March 31, 2014
Scrap sales	38.69	23.87
Unspent liabilities and provisions written back	16.03	48.61
Exchange differences (net)	91.17	168.25
Interest income on		
- Bank deposits	8.52	11.23
- Others	32.31	2.04
Net gain on sale of long-term investments	547.39	17.11
Profit on sale of fixed assets (net)	34.63	37.69
Dividend income on non-trade long-term investments	0.07	0.05
Net gain on deconsolidation of a step-down subsidiary	-	0.01
Others	16.08	10.62
	<b>784.89</b>	<b>319.48</b>

**20. Employee benefits expense**

	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, wages and bonus	959.18	1,367.75
Contribution to provident and other funds	32.00	39.59
Retirement benefits	5.19	18.08
Staff welfare expenses	66.51	112.60
	<b>1,062.88</b>	<b>1,538.02</b>

**21. Other expenses**

	Year ended March 31, 2015	Year ended March 31, 2014
Contractor charges	2,290.31	3,165.18
Site expenses	173.43	242.49
Diesel and fuel	125.72	305.61
Repairs and maintenance		
- Buildings	3.66	0.11
- Plant and equipments	28.54	37.69
- Others	9.54	11.56
Rent	70.94	75.55
Freight and cartage	39.25	63.48
Hire charges	182.24	509.12
Rates and taxes	57.85	43.37
Insurance	49.76	61.86
Travelling and conveyance	85.63	134.17



	Year ended March 31, 2015	Year ended March 31, 2014
Consultancy and professional	252.48	246.61
Irrecoverable balances written off	165.69	14.73
Provision for diminution in value of non-trade long-term investment	4.36	4.55
Donations	-	0.54
Miscellaneous	109.81	182.24
	<b>3,649.21</b>	<b>5,098.86</b>

## 22. Finance costs

	Year ended March 31, 2015	Year ended March 31, 2014
Interest	840.51	716.09
Bank charges	161.72	165.52
Discounting charges on commercial papers	-	0.34
	<b>1,002.23</b>	<b>881.95</b>

## 23. Earnings per share (EPS)

	2014-15	2013-14
a) Net loss after tax available for equity share holders (Rs. crores)	(1,141.11)	(548.23)
b) Weighted average number of equity shares for Basic and Diluted EPS (Nos.)	332,095,745	332,095,745
c) Earnings per share - Basic and Diluted (Rs.)	(34.36)	(16.51)
d) Nominal value per equity share (Rs.)	2	2

## 24. Gratuity and other post-employment benefit plans

The Company and few of its Indian subsidiaries operate defined gratuity plans for their respective employees, which are defined benefit obligations. Under the plans, every employee who has completed at least five years of service gets a gratuity on separation at 15 days of last drawn salary for each completed year of service. The Company has obtained an insurance policy under group gratuity scheme to cover the gratuity liability of its employees

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

### Consolidated statement of profit and loss

#### Net employee benefit expense recognized in the employee cost

	2014-15	2013-14
Current service cost	2.14	2.67
Interest cost on benefit obligation	1.09	1.08
Expected return on plan assets	(0.79)	(0.80)
Net actuarial (gain)/loss	0.92	(0.99)
Past service cost	-	-
<b>Net benefit expense</b>	<b>3.36</b>	<b>1.96</b>
Actual return on plan assets	0.12	(0.09)

### Consolidated balance sheet

#### Benefit asset/liability

	2014-15	2013-14
Present value of defined benefit obligation	14.39	13.44
Fair value of plan assets	(9.95)	(8.92)
Less: Unrecognised past service cost	-	-
Net defined benefit obligation	4.44	4.52


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

	2014-15	2013-14
Opening defined benefit obligation	13.44	13.77
Interest cost	1.09	1.08
Current service cost	2.14	2.67
Benefits paid	(3.33)	(2.71)
Actuarial (gains)/losses on obligation	1.05	(1.37)
<b>Closing defined benefit obligation</b>	<b>14.39</b>	<b>13.44</b>

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

	2014-15	2013-14
Opening fair value of plan assets	8.92	9.44
Expected return	0.79	0.79
Contributions by employer	3.43	1.34
Benefits paid	(3.30)	(2.68)
Actuarial gains/(losses)	0.11	0.03
<b>Closing fair value of plan assets</b>	<b>9.95</b>	<b>8.92</b>

The Company expects to contribute Rs. 1.50 crores (Previous year Rs. 1.61 crores) to gratuity fund in the next year.

**The principal assumptions used in determining gratuity obligations for the Company and its Indian subsidiaries are shown below**

	2014-15	2013-14
Discount rate	7.80%	8.50%
Expected rate of return on assets	9.00%	9.00%
Salary increase rate	5.50%	5.50%
Employee turnover		
upto age 30 years	15.00%	15.00%
31-44 years	10.00%	10.00%
45 and above	5.00%	5.00%
Retirement age (in years)	60	60
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

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

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

	2014-15	2013-14	2012-13	2011-12	2010-11
Defined benefit obligation	14.39	13.44	13.77	13.54	10.28
Plan assets	9.95	8.92	9.44	8.29	6.95
Surplus/(deficit)	(4.44)	(4.52)	(4.33)	(5.25)	(3.33)
Experience adjustments on plan liabilities - (loss)/gain	0.64	(0.60)	0.93	(0.85)	(0.66)
Experience adjustments on plan assets - (loss)/gain	0.11	0.00	0.12	0.00	0.49


**Actuarial assumptions for compensated absences:**

	2014-15	2013-14
Discount rate	7.80%	8.50%
Salary increase rate	5.50%	5.50%
Employee turnover		
upto age 30 years	15.00%	15.00%
31-44 years	10.00%	10.00%
45 and above	5.00%	5.00%
Retirement age (in years)	60	60
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

**25. Employee stock option plans (ESOP)**

(a) The Company provides various share based payment schemes to its employees. The relevant details of the schemes are as follows:

	ESOP 2005 (Plan 1 and 2)	ESOP 2006 (Plan 1, 2, 3, 4, 5 and 6)
Date of Board of Directors approval	September 05, 2005	June 27, 2006
Date of Remuneration Committee approval	Various dates subsequent to September 05, 2005	Various dates subsequent to June 27, 2006
Date of Shareholder's approval	September 29, 2005 and April 3, 2006 for ESOP Plan 1 and 2 respectively	September 22, 2006
Number of options	4,000,000	5,000,000
Method of settlement	Equity	Equity
Vesting period	Four years from the date of grant	Four years from the date of grant
Exercise period	Three years from the date of vesting or one month from the date of resignation from service, whichever is earlier	Three years from the date of vesting or one year from the date of resignation from service, whichever is earlier
Vesting condition	Employee should be in service at vesting and exercise date	Employee should be in service at vesting and exercise date

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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	-	71,375	-	235.99
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	71,375	-	235.99
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	-	224,740	-	154.46
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	224,740	-	154.46
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-





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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	-	9,000	-	132.45
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	9,000	-	132.45
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The options under the ESOP 2005 (Plan 1) and ESOP 2006 (Plan 2), (Plan 3), (Plan 4) and (Plan 5) had expired on or before March 31, 2013 and hence there are no activities to report under these plans.

(b) One of the Indian subsidiary of the Company provides share based payment scheme to its employees. During the year ended March 31, 2015, the relevant details of the scheme are as follows:

	ESOP 2008
Date of Board of Directors' approval	April 07, 2008
Date of Shareholders' approval	April 07, 2008
No. of options granted	238,000 156,000
Method of settlement	Cash
Vesting Period	Over the period of four years
Exercise Period	Three years from the date of vesting/listing, whichever is later
Vesting conditions	Continuous association with the Company and performance

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

	Number of options		Weighted average exercise price (Rs.)	
	2014-2015	2013-2014	2014-2015	2013-2014
Outstanding at the beginning of the year	53,980 21,000 94,000 123,000	63,480 27,000 136,000 156,000	100.00 32.00 385.00 100.00	100.00 32.00 385.00 100.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	19,640 9,500 14,000 26,000	9,500 6,000 42,000 33,000	100.00 32.00 385.00 100.00	100.00 32.00 385.00 100.00
Outstanding at the end of the year	34,340 11,500 80,000 97,000	53,980 21,000 94,000 123,000	100.00 32.00 385.00 100.00	100.00 32.00 385.00 100.00
Exercisable at the end of the year	34,340 11,500 80,000 97,000	53,980 21,000 94,000 123,000	100.00 32.00 385.00 100.00	100.00 32.00 385.00 100.00

The weighted average share price at the date of exercise is not applicable since no option is exercised.



- c) For the purpose of valuation of the options granted upto year ended March 31, 2015 under ESOP 2005, ESOP 2006 and ESOP 2008, the compensation cost relating to Employee Stock Options, calculated as per the intrinsic value method, is Rs. Nil.

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

## 26. Leases

### a) Finance lease

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

	2014-15	2013-14
Gross block at the end of financial year	215.43	224.00
Written down value at the end of financial year	134.28	187.72
Details of payments made during the year:		
- Principal	36.87	21.13
- Interest	12.10	2.84

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

	As at March 31, 2015		
	Principal	Interest	Total
Payable within one year	39.77	6.68	46.45
Payable after one year but before end of fifth year	21.63	1.08	22.71

	As at March 31, 2014		
	Principal	Interest	Total
Payable within one year	36.83	11.03	47.86
Payable after one year but before end of fifth year	53.88	7.35	61.23

### b) Operating lease

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

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

	As at March 31, 2015	As at March 31, 2014
Not later than one year	20.67	22.01
Later than one year and not later than five years	19.25	19.10
Later than five years	17.02	17.29



## 27. Segment Information

### Primary segment: Business segments -

The Company has identified the business segment as its primary reportable segment. The Company's operating businesses are organized and managed separately according to the nature of products and services provided. The Company has identified Engineering, procurement and construction services and Trading of goods as its two reportable segments. A description of the types of products and services provided by each reportable segment is as follows:

**Engineering, procurement and construction** segment includes providing of engineering, procurement and construction services in oil, gas and infrastructure sectors.

**Trading of goods** segment includes purchase and sale of steel, mainly outside India

The following table presents segment revenue, results, assets and liabilities in accordance with AS 17 – Segment Reporting as on March 31, 2015 and March 31, 2014:

	Engineering, procurement and construction services		Traded goods		Corporate unallocable		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>Revenue</b>								
External revenue	6,096.67	9,913.68	971.72	926.39	21.87	14.78	7,090.26	10,854.85
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue from operations	6,096.67	9,913.68	971.72	926.39	21.87	14.78	7,090.26	10,854.85
<b>Result</b>								
Segment results	(784.17)	242.02	6.57	8.30	(29.53)	(34.94)	(807.13)	215.38
Finance costs							(1,002.23)	(881.95)
Interest income							40.83	13.27
Other income							547.34	17.17
Income tax							67.00	(7.74)
Net profit/ (loss)							(1,154.19)	(643.87)
Share of profits in associates (net)							3.24	7.25
Share of (profits)/losses transferred to Minority							9.84	88.39
Loss for the year after taxes, minority interest and share of profit of associates							(1,141.11)	(548.23)
<b>Other information</b>								
Segment assets	12,603.91	13,339.40	-	0.40	1,847.25	2,464.54	14,451.16	15,804.34
Segment liabilities	5,751.52	5,979.78	362.70	444.27	7,403.77	7,168.86	13,517.99	13,592.91
Capital expenditure	268.68	660.85	-	-	3.89	3.02	272.57	663.87
Depreciation / amortisation (net)	418.86	342.77	-	-	51.40	49.71	470.26	392.48
Non-cash expenses other than depreciation/ amortisation	-	-	-	-	-	-	-	-



## Secondary segment: Geographical segments\* -

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

The following table presents revenue from operations, unbilled revenue (work-in-progress) and trade receivables regarding geographical segments as at March 31, 2015 and March 31, 2014.

	Revenue from operations		Unbilled revenue (Work-in-progress)		Trade receivable (including retention money)	
	Year ended March 31, 2015	Year ended March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
India	1,770.51	3,215.30	2,841.73	2,900.63	1,142.34	1,089.61
Other countries	5,319.75	7,639.55	3,933.57	4,387.80	1,268.80	1,312.90
	<b>7,090.26</b>	<b>10,854.85</b>	<b>6,775.30</b>	<b>7,288.43</b>	<b>2,411.14</b>	<b>2,402.51</b>

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

## 28. Related Parties

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

#### Joint ventures

Thiruvananthapuram Road Development Company Limited  
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited  
Ramprastha Punj Lloyd Developers Private Limited  
Total-CDC-DNC Joint Operation  
Kumagai-Sembawang-Mitsui Joint Venture  
Kumagai-SembCorp Joint Venture (DTSS)  
Kumagai-SembCorp Joint Venture  
Philipp Holzmann-SembCorp Joint Venture  
Semb-Corp Daewoo Joint Venture  
Sime Engineering Sdn. Bhd. Sembawang Malaysia Sdn. Bhd. Joint Venture  
Sime Engineering Sdn. Bhd. SembCorp Malaysia Sdn. Bhd. Joint Venture  
PT Kekal Adidaya  
Public Works Company Tripoli Punj Lloyd Joint Venture  
Sembawang Precast System LLC

Total Sempec Joint Operation (upto December 31, 2013)  
AeroEuro Engineering India Private Limited  
Punj Lloyd Dynamic LLC  
PLE TCI Engineering Limited (upto March 31, 2014)  
PLE TCI Engenharia Ltda  
Sembawang Caspi Engineering and Construction LLP  
Sembawang – Leader Joint Venture

#### Associates

Reliance Contractors Private Limited (upto August 05, 2013)  
Ventura Development (Myanmar) Pte. Limited (upto March 12, 2014)  
Reco Sin Han Pte. Limited  
Air Works India (Engineering) Private Limited  
Olive Group Capital Limited (upto October 16, 2013)  
Olive Group India Private Limited (upto August 12, 2013)  
Hazaribagh Ranchi Expressway Limited (upto March 31, 2015)

### Key Managerial Personnel with whom transactions have taken place during the year:

Atul Punj	-	Chairman
Luv Chhabra	-	Director (Corporate Affairs)
J. P. Chalasani (w.e.f. January 31, 2014 and upto May 19, 2014 )	-	Director and Group CEO
J. P. Chalasani (w.e.f. May 20, 2014)	-	Managing Director & Group CEO
P.N. Krishnan (w.e.f. November 01, 2013)	-	Director – Finance
Pawan Kumar Gupta (upto December 31, 2013)	-	Whole Time Director

### Enterprises over which Key Managerial Personnel or their relatives exercise significant influence and with whom transactions have taken place during the year:

Pt. Kanahya Lal Dayawanti Punj Charitable Society	-	Chairmanship of Father of Chairman
PTA Engineering and Manpower Services Private Limited	-	Shareholding of Chairman
PLE Hydraulics Private Limited	-	Shareholding of Chairman
Artcon Private Limited	-	Shareholding of Chairman
Mangalam Equipment Private Limited	-	Shareholding of Chairman
Petro IT Limited	-	Shareholding of Brother of Chairman



## Related party transactions

The following table provides the total amount of transactions that have been entered with related parties for the relevant financial year:

	March 31, 2015	March 31, 2014
<b>EXPENSES</b>		
<b>Consultancy and professional</b>		
AeroEuro Engineering India Private Limited	0.37	0.12
<b>Travelling Expenses</b>		
Air Works India (Engineering) Private Limited	1.23	1.86
<b>Managerial remuneration</b>		
Atul Punj	5.59	4.96
Luv Chhabra	1.41	1.39
Pawan Kumar Gupta	-	1.79
J.P. Chalasani	3.35	0.53
P.N. Krishnan	2.31	0.94
<b>Rent</b>		
Pt. Kanahya Lal Dayawanti Punj Charitable Society	1.37	1.37
PTA Engineering and Manpower Services Private Limited	0.19	0.18
Artcon Private Limited	0.02	0.02
Mangalam Equipment Private Limited	0.02	0.02
<b>ASSETS</b>		
<b>Investment made during the year</b>		
Hazaribagh Ranchi Expressway Limited	-	34.05
<b>Investment sold during the year</b>		
Hazaribagh Ranchi Expressway Limited	34.05	-
<b>BALANCE OUTSTANDING AS AT END OF THE YEAR</b>		
<b>Receivable/(payables)</b>		
Air Works India (Engineering) Private Limited	0.12	(0.37)
Ramprastha Punj Lloyd Developers Private Limited	40.24	40.23
Pt. Kekal Adidaya	53.74	51.36
Sembawang - Leader Joint Venture	-	0.08
Pt. Kanahya Lal Dayawanti Punj Charitable Society	(1.40)	(1.30)
PTA Engineering and Manpower Services Private Limited	(0.11)	(0.11)
Petro IT Limited	(0.71)	(0.58)
Artcon Private Limited	0.01	0.01
Mangalam Equipment Private Limited	0.00	0.00
<b>Remuneration payable</b>		
Atul Punj	0.47	-
Luv Chhabra	0.05	0.06
Pawan Kumar Gupta	-	0.15
P. N. Krishnan	0.11	0.11
J. P. Chalasani	0.11	0.10
<b>Investments</b>		
Reco Sin Han Pte. Limited	0.05	0.05
Air Works India (Engineering) Private Limited	48.50	45.26
Hazaribagh Ranchi Expressway Limited	-	34.06



## 29. Capital and other commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) is Rs 9.01 crores (Previous year Rs. 19.14 crores).
- (b) For commitments relating to lease arrangements, please refer note 26.

## 30. Contingent liabilities

	As at March 31, 2015	As at March 31, 2014
a) Liquidated damages deducted by customers not accepted by the Company and pending final settlement. #	170.05	170.05
b) Demand by custom authorities against import of aircraft	17.89	17.89
c) Sales tax demands: *		
on disallowance of deduction on labour and services of the works contracts pending with sales tax authorities and High Court	39.29	23.71
for non submission of statutory forms	0.11	0.11
for purchases against sales tax forms not accepted by department	8.76	8.76
against the central sales tax demand on sales in transit/ sale in the course of import in one of an overseas subsidiary	2.84	2.84
	21.20	25.82
d) Entry tax demands against entry of goods into the local area not accepted by department. *	4.68	4.56

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

\* The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of the above matters. However, based on favorable decisions/outcomes in similar cases earlier and based on legal opinions taken /consultations done with solicitors, the management believes that there are good chances of success in above mentioned cases and hence, no provision there against is considered necessary.

- e) On March 17, 2010, the Company was subjected to a search and seizure operation under Section 132 and survey under Section 133A of the Income tax Act, 1961. During the search and seizure operation, statements of Company's officials were recorded in which they were made to offer some unaccounted income of the Company for the financial year 2009-10. The Company believes that the above statements were made under undue mental pressure and physical exhaustion and therefore Company has retracted the above statements subsequently. The Company has filed fresh returns of income for Assessment years 2004-05 to 2009-10 in pursuance of the notices dated August 25, 2010 from the Income Tax Department ("the Department"). The Department had completed the assessments for the assessment years 2004-05 to 2010-11 and issue demands aggregating to Rs. 229.13 crores, by making some frivolous additions to the total income of the Company, which has been adjusted against the income tax refunds of the said/subsequent years. The Company had filed the appeals against these additions on January 27, 2012 and June 12, 2013. During the second quarter of FY 2014-15, favorable orders have been received from the CIT (Appeals) dated August 29, 2014 for the assessment year 2004-05 to 2006-07 on all the additions made except for the addition of permanent establishment for which further appeal has been filed by the Company to ITAT, Delhi dated October 31, 2014 and based on the expert opinion, the Company is hopeful that it will get relief in appeal.
- f) The Group, directly or indirectly through its subsidiaries, is severally or jointly involved in certain legal cases with its customers / vendors in the ordinary course of business. The management believes that due to the nature of these disputes and in view of numerous uncertainties and variables associated with certain assumptions and judgments, and the effects of changes in the regulatory and legal environment, both the precision and reliability of the resulting estimates of the related contingencies are subject to substantial uncertainties. The Group regularly monitors its estimated exposure to such loss contingencies and, as additional information becomes known, changes its estimates accordingly. In view of aforesaid reasons, as of the reporting date, it is unable to determine the ultimate outcome of these matters.





### 31. Derivative instruments and un-hedged foreign currency exposure

The Company, in addition to its Indian operations, operates outside India through its branches and an unincorporated joint venture established in United Arab Emirates (UAE), Oman, Qatar, Libya, Thailand, Bahrain, Kuwait and Saudi Arabia.

a) Particulars of un-hedged foreign currency exposures of the Indian operations (net of intra group balances) as at the Balance Sheet date:

		Currency	March 31, 2015			March 31, 2014		
			Amount in foreign currency	Rate	Amount	Amount in foreign currency	Rate	Amount
(i)	Trade payable to suppliers	EUR	505,140	67.19	3.39	1,238,169	82.46	10.21
		GBP	58,525	92.44	0.54	80,501	99.58	0.80
		SGD	687,348	49.02	3.37	536,932	49.95	2.68
		USD	83,546,861	63.13	527.43	80,868,231	61.44	496.85
		MYR	9,042	16.86	0.02	9,042	18.31	0.02
		HKD	2,672,445	8.06	2.15	10,835,653	7.72	8.37
		CHF	10,000	64.83	0.06	10,000	67.55	0.07
(ii)	Other payable	EUR	73,138	67.19	0.49	79,456	82.46	0.66
		USD	2,073,939	63.13	13.09	2,713,867	61.44	16.67
(iii)	Advances to suppliers	EUR	937,766	77.11	7.23	84,417	78.41	0.66
		GBP	34,801	97.12	0.34	11,322	83.39	0.09
		HKD	10,151,459	7.88	8.00	26,926,224	7.80	21.00
		SGD	231,302	41.20	0.95	231,708	40.60	0.94
		USD	2,577,993	59.83	15.42	3,234,262	59.27	19.17
		MYR	104,873	25.68	0.27	213,381	17.13	0.37
		CAD	800	45.92	0.00	-	-	-
(iv)	Advance from customers	USD	1,470,902	59.22	8.71	6,860,631	52.45	35.98
		EUR	608,064	67.14	4.08	608,064	67.14	4.08
		BDT	7,158,464	0.76	0.55	-	-	-
(v)	Loans taken	USD	35,777,250	63.13	225.86	38,923,168	61.44	239.14
		EUR	712,800	67.19	4.79	3,676,550	82.46	30.32
(vi)	Trade receivables	USD	58,087,213	63.13	366.70	70,752,541	61.44	434.70
		MMK	79,500	0.06	0.00	-	-	-
		EUR	15,517	67.19	0.10	1,108,601	82.46	9.14
(vii)	Bank balances	USD	49,516	63.13	0.31	264,510	61.44	1.63
		HKD	1,455,997	8.06	1.17	7,003	7.72	0.01
		MMK	401,375	0.06	0.00	-	-	-
		BDT	902,330	0.80	0.07	-	-	-

b) Particulars of un-hedged foreign currency exposures of the Indian subsidiaries (net of intra group balances) as at the Balance Sheet date:

		Currency	March 31, 2015			March 31, 2014		
			Amount in foreign currency	Rate	Amount	Amount in foreign currency	Rate	Amount
(i)	Payable to suppliers	USD	3,758,028	63.13	23.72	2,909,913	61.44	17.88
		GBP	92,211	92.44	0.85	-	-	-
		SGD	7,400	49.02	0.04	7,400	49.95	0.04
(ii)	Advance from customer	USD	1,084,913	63.13	6.85	-	-	-
(iii)	Term Loan	USD	20,047,060	63.13	126.56	15,933,170	61.44	97.89
(iv)	Trade receivables	USD	7,003,116	63.13	44.21	298,272	61.44	1.83
		EUR	11,897	67.19	0.08	14,897	82.46	0.12
		SGD	-	-	-	32,341	49.95	0.16
		GBP	11,475	92.44	0.11	-	-	-



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

S. No.	Foreign operations	Currency	March 31, 2015			March 31, 2014		
			Amount in foreign currency	Rate	Amount	Amount in foreign currency	Rate	Amount
(i)	Abu Dhabi	AED	(34,975,457)	16.96	(59.32)	(134,393,393)	16.31	(219.17)
(ii)	Oman	OMR	812,361	162.31	13.19	350,379	155.58	5.45
(iii)	Qatar	QAR	264,052,546	17.11	451.79	352,652,783	16.45	580.04
(iv)	Libya	LYD	148,949,711	52.83	786.90	180,199,996	48.46	873.30
(v)	Thailand	THB	3,121,810,808	1.92	599.08	968,813,310	1.84	178.67
(vi)	Thailand JV	THB	1,261,290,814	1.92	242.04	1,249,752,393	1.84	230.48
(vii)	Dubai	AED	(728,537)	16.96	(1.24)	1,822,823	16.31	2.97
(viii)	Bahrain	BHD	(6,295)	165.26	(0.10)	(13,383)	158.87	(0.21)
(ix)	Saudi Arabia	SAR	(12,601,916)	16.61	(20.93)	-	-	-
(x)	Kuwait	KWD	116,298	207.05	2.41	-	-	-

- d) The income and expenditures of the foreign subsidiaries are denominated in currencies other than reporting currency. Accordingly, the Company enjoys natural hedge in respect of its foreign subsidiaries' assets and liabilities. The Company's un-hedged foreign currency exposure in foreign subsidiaries is limited to the net investment (assets – liabilities) (net of intra group balances) in direct foreign entities, the particulars of which are as under:

S. No.	Foreign operations	Currency	March 31, 2015			March 31, 2014		
			Amount in foreign currency	Rate	Amount	Amount in foreign currency	Rate	Amount
(i)	Dayim Punj Lloyd Construction Contracting Company Limited	SAR	(53,171,039)	16.61	(88.32)	(58,139,064)	15.97	(92.85)
(ii)	Punj Lloyd International Limited	USD	-	-	-	3,076	61.44	0.02
(iii)	Punj Lloyd Kazakhstan, LLP	KZT'000	1,262,145	0.34	42.59	1,230,071	0.33	40.43
(iv)	Punj Lloyd Pte. Limited	SGD	(17,176,654)	49.02	(84.20)	165,502,990	49.95	826.69
(v)	Punj Lloyd Infrastructure Pte. Limited	SGD	(13,305,275)	49.02	(65.22)	-	-	-

**32. The disclosures as per provisions of Clauses 38, 39 and 41 of Accounting Standard 7 – “Construction Contracts” are as under:**

		2014-15	2013-14
a)	Contract revenue recognised as revenue in the period (Clause 38 (a))	5,803.63	9,698.69
b)	Aggregate amount of costs incurred and recognised profits up to the reporting date on contract under progress (Clause 39 (a))	37,901.85	42,083.81
c)	Advance received on contract under progress (Clause 39 (b))	1,662.27	1,599.39
d)	Retention amounts on contract under progress (Clause 39 (c))	1,007.25	1,006.80
e)	Gross amount due from customers for contract work as an asset (Clause 41(a))	6,775.13	7,267.68
f)	Gross amount due to customers for contract work as a liability (Clause 41 (b))	459.60	630.06



33. a) The Company had executed certain projects in earlier years on which the customers have made deductions/ withheld amounts aggregating to Rs. 49.35 crores (Previous year Rs. 53.91 crores), which are being carried as trade receivables. The Company has commenced arbitration/legal proceedings for recovery of amounts withheld and also for settlement of additional claims filed against these Customers. Pending outcome of arbitration/legal proceedings, amounts withheld/ deductions made are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of deductions by these customers and hence the above amounts are considered good of recovery.
- b) The Company has accrued claims amounting to Rs. 735.80 crores (Previous year Rs. 735.80 crores) on Heera Redevelopment Project with Oil and Natural Gas Corporation Limited, based upon management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on the said project since it is of the view that the delay in execution of the project is attributable to the customer. Due to the said reasons, certain differences and dispute arose between both the parties and several rounds of discussions were held to explore the possibility of amicable resolution of the dispute mutually. The matter was referred to an Outside Expert Committee (OEC). Based on developments during the year, the Company has come to the view that the settlement process can be best resolved in finality, expeditiously and with legal enforceability only through arbitration and hence has re-commenced the arbitration proceedings, which were kept in abeyance owing to proceedings by the OEC. The management is confident of satisfactory settlement of the dispute and recovery of the said amounts, accordingly no adjustments have been considered necessary in these consolidated financial statements.
- c) During the previous year, the Company's branch in Thailand had received a termination notice for the Fourth Transmission Pipeline Project (the Project) with PTT Thailand (the Customer) on the grounds of delay in execution of the Project for reasons solely attributable to the Branch and for not honoring the contractual obligations of the Project. The Branch had retracted the notice by stating that the said grounds of termination were without merit and in turn there was a material breach on the part of the Customer in honoring the obligations. The Branch, in the best interest of the Project, had been executing the works but in view of the continuing breach of the contract terms by the Customer and no efforts to ratify the same, the branch had terminated the project and accounted a claim amounting to Rs. 391.09 crores for additional costs incurred due to the above stated reasons. During the current year, the Customer, in continuation to the differences that arose between both parties and as mentioned above, has exercised its contractual rights to encash the performance bond amounting to Rs. 171.08 crores. The management is taking appropriate steps for the recovery of the said amounts and, based on the expert inputs, is confident of recovery of the amounts exceeding the recognized claim and performance bonds. Accordingly, no adjustments have been considered necessary in these financial statements.
34. Asset of Rs. 3.17 crores, (Previous year Rs. 10.60 crores) recognized by the Company and/or its subsidiaries as 'Minimum alternate tax credit entitlement' under 'Loans and advances', in respect of minimum alternate tax payment for current and earlier years, represents that portion of minimum alternate tax liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income tax Act, 1961. The management based on the present trend of profitability and also the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable the respective entities to utilize Minimum alternate tax credit assets.
35. The Group has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under the law/ Accounting Standards for the material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

36. Details of the Group's share in joint ventures included in the consolidated financial statements are as follows:

Group's share of	March 31, 2015	March 31, 2014
Assets		
- Non-current	217.48	423.20
- Current	140.61	289.38
Liabilities		
- Non-current	58.13	133.74
- Current	309.30	380.53
Revenue	193.92	304.26
Expenditure	216.58	318.13


**37. Punj Lloyd Group comprises the following entities:**

Name of the Entities	Country of Incorporation	% of voting power held as at	
		March 31, 2015	March 31, 2014
SUBSIDIARIES			
Spectra Punj Lloyd Limited	India	100.00	100.00
Punj Lloyd Industries Limited	India	100.00	100.00
Atna Investments Limited	India	100.00	100.00
PLN Construction Limited	India	100.00	100.00
Punj Lloyd International Limited	British Virgin Islands	100.00	100.00
Punj Lloyd Kazakhstan, LLP	Kazakhstan	100.00	100.00
Punj Lloyd Pte. Limited	Singapore	100.00	100.00
PL Engineering Limited	India	80.32	80.32
Punj Lloyd Infrastructure Limited	India	100.00	100.00
Punj Lloyd Upstream Limited	India	58.06	58.06
Punj Lloyd Aviation Limited	India	100.00	100.00
Sembawang Infrastructure (India) Private Limited	India	100.00	100.00
Indtech Global Systems Limited	India	99.99	99.99
Shitul Overseas Placement and Logistics Limited (formerly Punj Lloyd Systems Limited)	India	100.00	100.00
PLI Ventures Advisory Services Private Limited	India	100.00	100.00
Dayim Punj Lloyd Construction Contracting Company Limited	Saudi Arabia	51.00	51.00
Punj Lloyd Infrastructure Pte. Limited (w.e.f. August 31, 2014)	Singapore	100.00	-
STEP-DOWN SUBSIDIARIES			
PT Punj Lloyd Indonesia	Indonesia	100.00	100.00
PT Sempec Indonesia	Indonesia	100.00	100.00
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Sdn. Bhd.	Malaysia	100.00	100.00
Punj Lloyd Engineers and Constructors Pte. Limited	Singapore	100.00	100.00
Punj Lloyd Engineers and Constructors Zambia Limited	Zambia	100.00	100.00
Buffalo Hills Limited	British Virgin Islands	100.00	100.00
Indtech Trading FZE	United Arab Emirates	100.00	100.00
PLI Ventures Limited	Mauritius	100.00	100.00
Punj Lloyd Infrastructure Pte. Limited (up to August 31, 2014)	Singapore	-	100.00
Punj Lloyd Aviation Pte. Limited (w.e.f. January 02, 2014)	Singapore	100.00	100.00
Christos Aviation Limited	Bermuda	100.00	100.00
Punj Lloyd (B) Sdn. Bhd. (w.e.f. August 02, 2014)*	Brunei	100.00	-
Punj Lloyd Kenya Limited	Kenya	100.00	100.00
Sembawang Group Pte. Limited (up to March 31, 2014)	Singapore	-	-
PL Global Developers Pte. Limited	Singapore	100.00	100.00
Christos Trading Limited (up to March 31, 2014)	British Virgin Islands	-	-
Graystone Bay Limited	British Virgin Islands	100.00	100.00
Punj Lloyd Thailand (Co.) Limited	Thailand	100.00	100.00
Punj Lloyd Delta Renewables Pte. Limited	Singapore	51.00	51.00
Punj Lloyd Delta Renewables Private Limited	India	51.00	51.00



Name of the Entities	Country of Incorporation	% of voting power held as at	
		March 31, 2015	March 31, 2014
Punj Lloyd Delta Renewables Bangladesh Limited	Bangladesh	51.00	51.00
Punj Lloyd Raksha Systems Private Limited (w.e.f. February 04, 2015)*	India	100.00	-
Punj Lloyd Engineering Pte. Limited	Singapore	80.32	80.32
Simon Carves Engineering Limited	United Kingdom	80.32	80.32
PL Delta Technologies Limited	India	@	@
Punj Lloyd Solar Power Limited	India	100.00	100.00
Khagaria Purnea Highway Project Limited	India	100.00	100.00
Indraprastha Metropolitan Development Limited	India	100.00	100.00
PL Surya Urja Limited (w.e.f. September 03, 2013)	India	100.00	100.00
PL Sunshine Limited (w.e.f. March 05, 2015)*	India	100.00	-
Sembawang Engineers and Constructors Pte. Limited	Singapore	97.38	97.38
Sembawang Development Pte. Limited	Singapore	97.38	97.38
Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	Libya	63.29	63.29
Contech Trading Pte. Limited	Singapore	97.38	97.38
PT Contech Bulan (up to March 31, 2014)	Indonesia	-	-
Construction Technology (B) Sdn. Bhd.	Brunei	97.38	97.38
Sembawang Mining (Kekal) Pte. Limited	Singapore	97.38	97.38
PT Indo Precast Utama	Indonesia	97.38	97.38
PT Indo Unggul Wasturaya	Indonesia	65.25	65.25
Sembawang (Tianjin) Construction Engineering Co. Limited	China	68.16	68.16
Sembawang Infrastructure (Mauritius) Limited	Mauritius	97.38	97.38
Sembawang UAE Pte. Limited	Singapore	97.38	97.38
Sembawang Consult Pte Ltd (formerly SC Architects and Engineers Pte. Limited)	Singapore	97.38	97.38
Sembawang (Malaysia) Sdn. Bhd.	Malaysia	97.38	97.38
Jurubina Sembawang (M) Sdn. Bhd.	Malaysia	97.38	97.38
Tueri Aquila FZE	United Arab Emirates	97.38	97.38
Sembawang Bahrain SPC	Bahrain	97.38	97.38
Sembawang Equity Capital Pte. Limited	Singapore	97.38	97.38
Sembawang of Singapore – Global Project Underwriters Pte. Limited	Singapore	97.38	97.38
Sembawang of Singapore – Global Project Underwriters Limited	Hong Kong	97.38	97.38
Sembawang Australia Pty. Limited (up to February 20, 2014)	Australia	-	-
Sembawang Hong Kong Limited	Hong Kong	97.38	97.38
Sembawang (Tianjin) Investment Management Co. Limited	China	97.38	97.38
PT Sembawang Indonesia	Indonesia	97.38	97.38
Sembawang International Limited (up to June 27, 2014)*	Hong Kong	-	97.38
Sembawang Tianjin Pte. Limited (upto March 12, 2014)	Singapore	-	-
Sembawang Tianjin Heping Pte. Limited (up to March 12, 2014)	Singapore	-	-
Sembawang Commodities Pte Ltd. (up to April 16, 2014)*	Singapore	-	97.38
Reliance Contractors Private Limited (w.e.f. August 05, 2013)**	Singapore	97.38	97.38
Sembawang E&C Malaysia Sdn. Bhd. (w.e.f July 25, 2014)*	Malaysia	97.38	-



Name of the Entities	Country of Incorporation	% of voting power held as at	
		March 31, 2015	March 31, 2014
JOINT VENTURES			
Jointly controlled entities			
Thiruvananthapuram Road Development Company Limited	India	50.00	50.00
Ramprastha Punj Lloyd Developers Private Limited	India	50.00	50.00
Punj Lloyd Dynamic LLC	Qatar	48.00	48.00
AeroEuro Engineering India Private Limited	India	40.16	40.16
PLE TCI Engineering Limited (upto March 31, 2014)	India	@	@
PLE TCI Engenharia Ltda	Brazil	39.36	39.36
PT Kekal Adidaya	Indonesia	48.69	48.69
Sembawang Precast System LLC	United Arab Emirates	48.69	48.69
Sembawang Caspi Engineers and Constructors LLP	Kazakhstan	48.69	48.69
Jointly controlled operations			
Joint Venture of Whessoe Oil and Gas Limited and Punj Lloyd Limited	Refer Note No (i)	50.00	50.00
Total-CDC-DNC Joint Operation		38.95	38.95
Kumagai-Sembawang-Mitsui Joint Venture		43.82	43.82
Kumagai-SembCorp Joint Venture		48.69	48.69
Philipp Holzmann-SembCorp Joint Venture		97.38	97.38
Kumagai-SembCorp Joint Venture (DTSS)		48.69	48.69
Semb-Corp Daewoo Joint Venture		58.43	58.43
Sime Engineering Sdn. Bhd. Sembawang Malaysia Sdn. Bhd. Joint Venture		48.69	48.69
Sime Engineering Sdn. Bhd. SembCorp Malaysia Sdn. Bhd. Joint Venture		48.69	48.69
Total Sempec Joint Operations (up to December 31, 2013)		-	-
Public Works Company Tripoli Punj Lloyd Joint Venture		Refer Note No(ii)	Refer Note No(ii)
Sembawang – Leader Joint Venture		53.56	53.56
ASSOCIATES			
Olive Group India Private Limited (up to August 12, 2013)	India	-	-
Hazaribagh Ranchi Expressway Limited (up to March 31, 2015)*	India	-	@
Air Works India (Engineering) Private Limited	India	23.30	23.30
Olive Group Capital Limited (up to October 16, 2013)	British Virgin Islands	-	-
Reliance Contractors Private Limited (up to August 05, 2013)**	Singapore	-	-
Ventura Development (Myanmar) Pte. Limited (up to March 12, 2014)	Singapore	-	-
Reco Sin Han Pte. Limited	Singapore	19.48	19.48

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 and severally, liable to clients for any claims in these projects.

\* These entities have been incorporated/acquired or disposed off/struck off/liquidated during the year.

\*\* The Company acquired additional stake in this entity to make it its subsidiary on August 05, 2013. Before this date the said entity was an associate.

@ These entities are held with an intention of disposal in near future, hence excluded from consolidation.




**38. Additional information to consolidated accounts as at March 31, 2015 (Pursuant to Schedule III to the 2013 Act):**

Name of Entities	Net assets, i.e., total assets minus total liabilities		Share in profit / (loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss
<b>Parent Company</b>				
Punj Lloyd Limited	3,204.65	331.82%	(506.66)	44.40%
<b>Subsidiaries: Indian</b>				
Spectra Punj Lloyd Limited	4.94	0.51%	0.10	-0.01%
Punj Lloyd Industries Limited	11.50	1.19%	(0.41)	0.04%
Atna Investments Limited	0.58	0.06%	0.01	0.00%
PLN Construction Limited	17.21	1.78%	0.49	-0.04%
PL Engineering Limited	63.31	6.56%	(2.04)	0.18%
Punj Lloyd Infrastructure Limited	24.00	2.48%	(2.51)	0.22%
Punj Lloyd Upstream Limited	40.59	4.20%	(16.37)	1.43%
Punj Lloyd Aviation Limited	9.13	0.95%	(13.56)	1.19%
Sembawang Infrastructure (India) Private Limited	(15.45)	-1.60%	0.10	-0.01%
Indtech Global Systems Limited	0.92	0.10%	0.05	0.00%
Shitul Overseas Placement and Logistics Limited (Formerly Punj Lloyd Systems Limited)	0.17	0.02%	(0.01)	0.00%
PLI Ventures Advisory Services Private Limited	(1.86)	-0.19%	(0.01)	0.00%
Punj Lloyd Delta Renewables Private Limited	(18.46)	-1.91%	(8.52)	0.75%
Punj Lloyd Raksha Systems Private Limited (w.e.f. February 04, 2015)	0.01	0.00%	(0.00)	0.00%
Punj Lloyd Solar Power Limited	15.76	1.63%	(0.07)	0.01%
Khagaria Purnea Highway Project Limited	42.89	4.44%	(2.12)	0.19%
Indraprastha Metropolitan Development Limited	(0.33)	-0.03%	(0.01)	0.00%
PL Surya Urja Limited	19.52	2.02%	(0.23)	0.02%
PL Sunshine Limited (w.e.f. March 02, 2015)	10.35	1.07%	(0.20)	0.02%
<b>Subsidiaries: Foreign</b>				
Punj Lloyd International Limited	1.46	0.15%	(0.37)	0.03%
Punj Lloyd Kazakhstan, LLP	(56.23)	-5.82%	(26.95)	2.36%
Punj Lloyd Pte. Limited	(693.18)	-71.77%	(269.87)	23.65%
Dayim Punj Lloyd Construction Contracting Company Limited	(206.17)	-21.35%	27.07	-2.37%
Punj Lloyd Infrastructure Pte. Limited	(20.64)	-2.14%	(23.09)	2.02%
PT Punj Lloyd Indonesia	(337.42)	-34.94%	(36.56)	3.20%
PT Sempec Indonesia	25.93	2.69%	(4.58)	0.40%
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd.	134.63	13.94%	(94.48)	8.28%
Punj Lloyd Sdn. Bhd.	6.37	0.66%	4.40	-0.39%
Punj Lloyd Engineers and Constructors Pte. Limited	(43.33)	-4.49%	(1.76)	0.15%
Punj Lloyd Engineers and Constructors Zambia Limited	(0.23)	-0.02%	(0.02)	0.00%
Buffalo Hills Limited	10.77	1.12%	(0.71)	0.06%
Indtech Trading FZE	2.41	0.25%	1.51	-0.13%
PLI Ventures Limited	(6.88)	-0.71%	(0.08)	0.01%
Punj Lloyd Aviation Pte. Limited	244.59	25.33%	(4.36)	0.38%



Name of Entities	Net assets, i.e., total assets minus total liabilities		Share in profit / (loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss
Christos Aviation Limited	(0.17)	-0.02%	(0.06)	0.01%
Punj Lloyd (B) Sdn. Bhd. (w.e.f. August 02, 2014)	-	-	(0.00)	0.00%
Punj Lloyd Kenya Limited	(1.32)	-0.14%	(0.06)	0.01%
PL Global Developers Pte. Limited	(0.12)	-0.01%	(0.04)	0.00%
Graystone Bay Limited	-	-	(16.36)	1.43%
Punj Lloyd Thailand (Co) Limited	0.89	0.09%	(1.21)	0.11%
Punj Lloyd Delta Renewables Pte. Limited	(1.22)	-0.13%	(0.04)	0.00%
Punj Lloyd Delta Renewables Bangladesh Limited	(0.04)	0.00%	-	-
Punj Lloyd Engineering Pte. Limited	(0.42)	-0.04%	0.14	-0.01%
Simon Carves Engineering Limited	4.79	0.50%	1.15	-0.10%
Sembawang Engineers and Constructors Pte. Limited	621.71	64.37%	(173.44)	15.20%
Sembawang Development Pte. Limited	(27.74)	-2.87%	0.18	-0.02%
Sembawang Libya for General Contracting & Real Estate Investment Joint Stock Company	(3.24)	-0.34%	-	-
Contech Trading Pte. Limited	26.75	2.77%	(0.00)	0.00%
Construction Technology (B) Sdn. Bhd.	0.01	0.00%	(0.04)	0.00%
Sembawang Mining (Kekal) Pte. Limited	0.35	0.04%	(0.06)	0.01%
PT Indo Precast Utama	(11.00)	-1.14%	-	-
PT Indo Unggul Wasturaya	(0.00)	0.00%	-	-
Sembawang (Tianjin) Construction Engineering Co. Limited	21.00	2.17%	(0.49)	0.04%
Sembawang Infrastructure (Mauritius) Limited	1.48	0.15%	(0.09)	0.01%
Sembawang UAE Pte. Limited	(5.65)	-0.59%	(1.59)	0.14%
Sembawang Consult Pte Ltd. (Formerly SC Architects and Engineers Pte. Limited)	(4.28)	-0.44%	(6.53)	0.57%
Sembawang (Malaysia) Sdn. Bhd.	(4.05)	-0.42%	(0.29)	0.03%
Jurubina Sembawang (M) Sdn. Bhd.	-	-	-	-
Tueri Aquila FZE	(251.96)	-26.09%	1.23	-0.11%
Sembawang Bahrain SPC	3.94	0.41%	(0.07)	0.01%
Sembawang Equity Capital Pte. Limited	0.37	0.04%	(0.04)	0.00%
Sembawang of Singapore - Global Project Underwriters Pte. Limited	0.17	0.02%	(0.00)	0.00%
Sembawang of Singapore - Global Project Underwriters Limited	0.00	0.00%	(0.11)	0.01%
Sembawang Hong Kong Limited	(0.02)	0.00%	0.58	-0.05%
Sembawang (Tianjin) Investment Management Co Limited	5.24	0.54%	0.92	-0.08%
PT Sembawang Indonesia	(0.04)	0.00%	(0.01)	0.00%
Sembawang International Limited (up to June 27, 2014)	-	-	(0.00)	0.00%
Sembawang Commodities Pte. Limited (up to April 16, 2014)	-	-	(0.00)	0.00%
Reliance Contractors Private Limited	2.78	0.29%	(0.02)	0.00%
Sembawang E&C Malaysia Sdn. Bhd.	-	-	-	-



Name of Entities	Net assets, i.e., total assets minus total liabilities		Share in profit / (loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss
<b>Minority interest in all subsidiaries (including preference shares issued by a subsidiary)</b>	32.61	3.38%	9.84	-0.86%
<b>Joint ventures: Indian</b>				
Thiruvananthapuram Road Development Company Limited	2.19	0.23%	(0.81)	0.07%
Ramprastha Punj Lloyd Developers Private Limited	0.01	0.00%	(0.00)	0.00%
AeroEuro Engineering India Private Limited	0.42	0.04%	(0.18)	0.02%
<b>Joint ventures: Foreign</b>				
Punj Lloyd Dynamic LLC	0.34	0.04%	-	-
PLE TCI Engenharia Ltda	0.03	0.00%	-	-
PT Kekal Adidaya	134.48	13.92%	(7.28)	0.64%
Sembawang Precast System LLC	-	-	-	-
Sembawang Caspi Engineers and Constructors LLP	-	-	-	-
<b>Associate: Indian</b>				
Air Works India (Engineering) Private Limited	48.50	5.02%	3.24	-0.28%
<b>Associate: Foreign</b>				
Reco Sin Han Pte. Limited	0.05	0.01%	-	-
<b>Intra-group eliminations</b>	(2,122.57)	-219.80%	32.25	-2.84%
<b>Total</b>	<b>965.78</b>	<b>100.00%</b>	<b>(1,141.11)</b>	<b>100.00%</b>

The information in respect of above entities is extracted from their respective financial statements, which have been subject to audit by their respective auditors.

### 39. Others

#### a) Capitalization of expenditure

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

Particulars	As at March 31, 2015	As at March 31, 2014
Balance brought forward	20.26	54.83
Site expenses	2.27	0.05
Consultancy and professional	3.81	10.36
Interest	4.15	24.32
Bank charges	1.97	2.43
Miscellaneous	4.33	2.76
Less: Interest income	-	(0.03)
Total	36.79	94.72
Less: transferred to tangible assets	(17.04)	(74.46)
<b>Balance carried forward</b>	<b>19.75</b>	<b>20.26</b>



- b) Amounts in the consolidated financial statements are presented in INR crores, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00. One crore equals 10 millions.
- c) Schedule III to the 2013 Act has become effective from April 01, 2014 for preparation of consolidated financial statements. Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For **Walker Chandiok & Co LLP**  
(Formerly Walker, Chandiok & Co)  
Chartered Accountants

per **Anupam Kumar**  
Partner

Place: Gurgaon  
Date: May 22, 2015

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

**Atul Punj**  
Chairman  
DIN: 00005612

**J.P. Chalasani**  
Managing Director  
& Group CEO  
DIN: 00308931

**P.N. Krishnan**  
Director – Finance  
DIN: 00003925

**Nidhi K Narang**  
Chief Financial Officer – Group

**Dinesh Thairani**  
Group President –  
Legal & Company Secretary

## NOTES

## NOTES

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## NOTES

## NOTES

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## NOTES

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