Punj Lloyd Ltd
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www.punjlloyd.com

18.04.2014

Punj Lloyd™

National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai – 400051

Symbol: PUNJLLOYD

BSE Limited
Department of Corporate Services
25th Floor
P J Towers
Dalal Street
Mumbai – 400001

Scrip Code: 532693 / Scrip ID: PUNJLLOYD

Dear Sir/Madam,

Sub: Cap on FPI/FII under Consolidated FDI Policy

Punj Lloyd Limited is a diversified international conglomerate offering Engineering, Procurement and Construction (EPC) services in the Energy and Infrastructure sector along with engineering and manufacturing capabilities in the Defence Sector.

The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India has announced the new Consolidated FDI Policy on April 17, 2014, effective from the same day, wherein it has stated that investment by FPI/FII (through portfolio investment) in the Defence Sector is not permitted.

The said Policy under Para 6.2.6.1 requires FPI (Foreign Portfolio Investor)/FII (through portfolio investment) in companies holding defence licence as on August 22, 2013 (date of issue of Press Note 6 of 2013) to remain capped at the level existing as on the said date. No fresh FPI/FII (through portfolio investment) is permitted even if the level of such investment falls below the capped level subsequently.

The Company was issued a License on September 11, 2007 to manufacture defence items. Accordingly in our view the provisions of Para 6.2.6.1 of the new FDI Policy apply to the Company.

This is for your information and requisite action, if any, for the purpose of complying with the new FDI Policy.

Thanking You,

Yours faithfully,

For **PUNJ LLOYD LIMITED**

NBagaria

Dinesh Thairani
for Group President-Legal & Company Secretary

25 YEARS SINCE 1988