

Punj Lloyd

# Investor Communique

## Business overview – Q4 & FY2011

May 30, 2011

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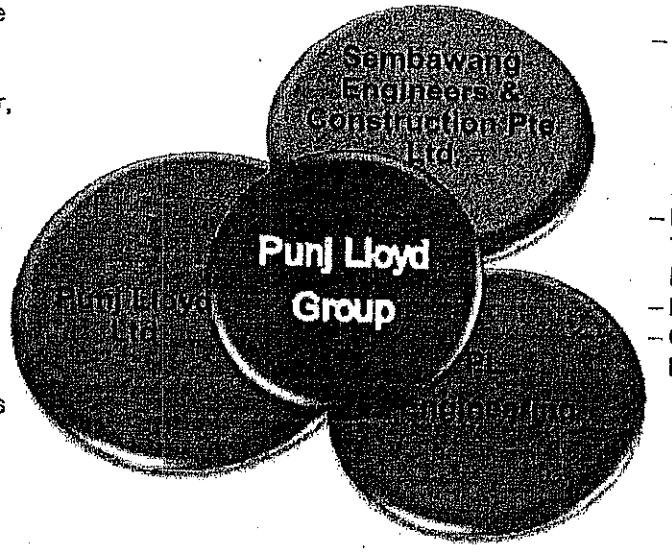
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# Punj Lloyd – The Group

## Punj Lloyd Limited
## (A Diversified Global EPC Conglomerate)

- **Energy**
  - Oil & Gas – Offshore Platform, Onshore Field Development, Pipelines, Tankage and Terminals, Process Plants;
  - Power : Thermal, Nuclear
  - Renewables : Non–conventional Power, Bio Fuels, Green Buildings & Infrastructure and Water
- **Infrastructure**
  - Transport :Subways & Metro Systems, Airports, Highways & Expressways, Tunnels & Caverns, Seaports & Terminals, Bridges, Flyovers & Interchanges
  - Utilities : Reservoirs & Treatment Plants
  - Building : Hospitality & Leisure, Commercial, Industrial, Institutional, Residential Complexes, Healthcare & Townships & Industrial Parks
- **Defence**
  - Land Systems, Aviation and Defence Electronics
- Onshore Drilling
- Polymers, Petrochemicals & Chemicals




## Sembawang Engineers & Constructors Pte Ltd
## (One of the leading EPC Co. in Singapore)

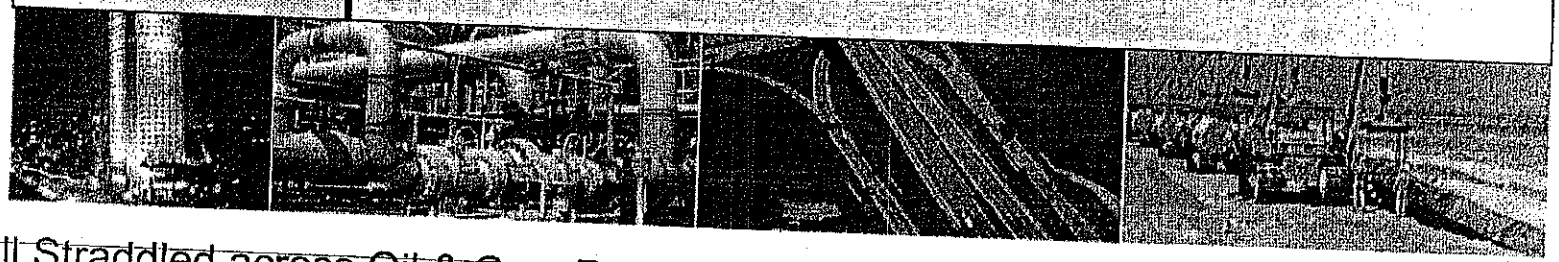
- Civil Infrastructure & Transportation – MRT Stations, Roads, Bridges, Airports, Expressways, Jetties, Residential & Commercial Building, Leisure & Hospitality
- Environment – Water and Wastewater Treatment plants & Sewage Treatment Plants, Reservoir, Tunnel & Caverns
- Power Plants
- Coal Mining & Commercial Real Estate Development

## PL Engineering Limited
## (An Engineering Services Co.)

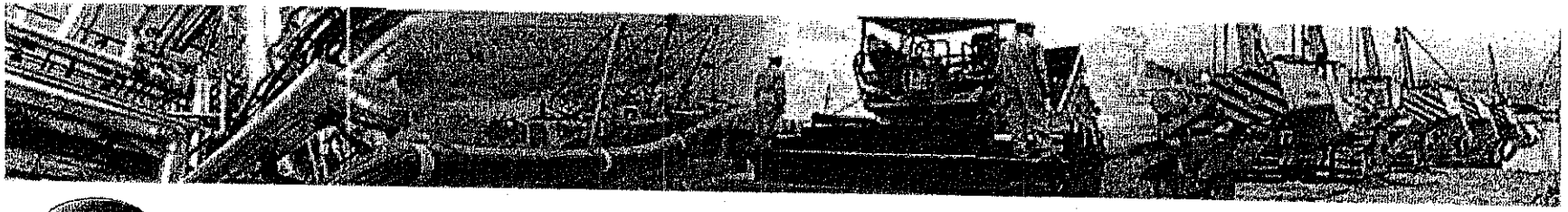
- Oil & Gas
- Petrochemicals, Chemicals & Fertilizers
- Power : Nuclear & Thermal
- Automotive & Aerospace

# Business Structure & Solutions

| | |
|---|---|
| **Oil & Gas** | Onshore & Offshore Pipelines, Onshore & Offshore field Development, Gas Processing, Tankage and Terminals |
| **Process** | Refineries, Polymers & Petrochemicals, Chemicals |
| **Power** | Thermal, Nuclear |
| **Utilities** | Water & Sewage Treatment Facilities, Reservoirs, Centralized Utilized |
| **Infrastructure** | Subway & Metro Systems, Airports, Highways & Expressways, Bridges, Flyovers & Interchanges, Tunnels & Caverns, Seaports & Terminals |
| **Buildings** | Hospitality & Leisure, Commercial, Industrial, Institutional & Residential Complexes, Healthcare, Townships & Industrial Parks |
| **Asset Management** | Asset Preservation & Maintenance |



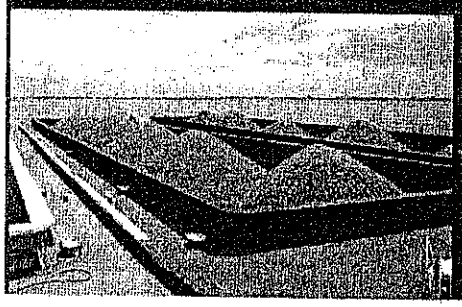
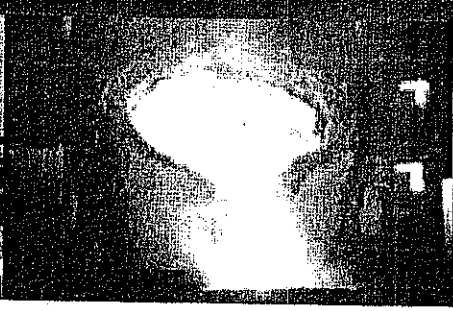
Well Straddled across Oil & Gas, Petrochemical, Power and Infrastructure segments

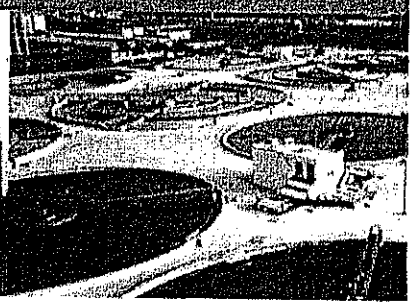


Punj Lloyd

# Financial Results
# &
# Operating Highlights

## Q4 & FY 2011



# Financial highlights – Q4 FY11 (Consolidated)

- Q4 FY11 Net Sales at ₹ 2,192 Cr. vs ₹ 1,700 Cr. in Q4 FY10 – positive growth of 29%
- Q4 FY11 EBITDA at ₹ 208 Cr. vs ₹ (194) Cr. in Q4 FY10
- Q4 FY11 EBITDA Margin at 9.49% vs (11.41%) in FY10
- Q4 FY11 PBT at ₹ 45 Cr. vs ₹ (334) Cr. in Q4 FY10
- Q4 FY11 EPS (Basic) of ₹ 0.53 per share vs. ₹ (9.06) per share in Q4 FY10

# Financial highlights – FY11 (Consolidated)

- FY11 Net Sales at ₹ 7,850 Cr. vs ₹ 10,448 Cr. in FY10 – negative growth of 25%
- FY11 EBITDA at ₹ 621 Cr. vs ₹ 541 Cr. in FY10
- FY11 EBITDA Margin at 7.91% vs 5.18% in FY10
- FY11 PBT at ₹ 16 Cr. vs ₹ 21 Cr. in FY10
- FY11 EPS (Basic) of ₹ (1.54) per share vs. ₹ (3.37) per share in FY10
- Order book of ₹ 22,805 Cr. as on May 30, 2011

# Financial highlights – Q4 FY11 (Standalone)

- Q4 FY11 Net Sales at ₹1206 Cr. vs ₹ 1,214 Cr. in Q4 FY10 – negative growth of 0.65%
- Q4 FY11 EBITDA at ₹ 148 Cr. vs ₹ 173 Cr. in Q4 FY10
- Q4 FY11 EBITDA Margin at 12.27% vs 14.25 in FY10
- Q4 FY11 PBT at ₹ 26 Cr. vs ₹ 75 Cr. in Q4 FY10
- Q4 FY11 EPS (Basic) of ₹ 0.96 per share vs. ₹ 4.20 per share in Q4 FY10

# Financial highlights – FY11 (Standalone)

- FY11 Net Sales at ₹ 4193 Cr. vs ₹ 7,117 Cr. in FY10 – negative growth of 41%
- FY11 EBITDA at ₹ 454 Cr. vs ₹ 782 Cr. in FY10
- FY11 EBITDA Margin at 10.82% vs 10.98% in FY10
- FY11 PBT at ₹ 11 Cr. vs ₹ 413 Cr. in FY10
- FY11 EPS (Basic) of ₹ 0.37 per share vs. ₹ 11.42 per share in FY10

## *Commenting on the Company's performance for Q4 and FY2011, Mr. Atul Punj, Chairman, Punj Lloyd Group, said:*

- *The rising commodity and oil prices, increasing interest rates, general inflationary trends, competitive pressure in our market and delays by some clients in providing clearances for work front, free issue equipment etc. have adversely affected the current years' financial performance.*

- *Civil and Political unrest in Libya and inadequate order booking from Middle East region has resulted in significant reduction in revenue with consequent impact on profitability.*

- *Sembawang, a PLL subsidiary, has acquired a 50% stake in a thermal coal mine in Central Kalimantan, Indonesia. This marks the entry of Sembawang in undertaking both project development and project delivery underwriting. This is expected to be a profitable business opportunity.*

- *While the present is challenging, I maintain complete confidence in our capabilities and strengths and believe that we remain very well positioned to leverage opportunities in the Energy and Infrastructure business.*

# FY11 - Financial Overview

₹ Cr

| Description | Standalone as at the end of | | Consolidated as at the end of | |
|---|---|---|---|---|
| | 31.3.2011 (Audited) | 31.3.2010 (Audited) | 31.3.2011 (Audited) | 31.3.2010 (Audited) |
| Sales & Contract Revenue | 4,193 | 7,117 | 7,850 | 10,448 |
| Other Operating Income | 264 | 86 | 317 | 91 |
| Other Income | 23 | 27 | 21 | 14 |
| Total Income | 4,480 | 7,230 | 8,188 | 10,553 |
| | | | | |
| EBIDTA | 454 | 782 | 621 | 541 |
| Interest Expense | 310 | 264 | 357 | 307 |
| Depreciation | 156 | 133 | 269 | 227 |
| PBT | 11 | 413 | 16 | (301) |
| Tax | (2) | 45 | 66 | 137 |
| PAT | 13 | 368 | (50) | (438) |
| Cash Profit | 169 | 501 | 219 | (211) |
| Equity Share Capital | 66 | 66 | 66 | 66 |
| Networth | 3,565 | 3,577 | 2,985 | 3,028 |

| Ratios | | | | |
|---|---|---|---|---|
| EBIDTA as % of Sales | 10.83% | 10.99% | 7.91% | 5.18% |
| Earning Per Share | 0.37 | 11.42 | (1.54) | (3.37) |
| Net Block of Fixed Assets (₹ Cr.) | 1,422 | 1,314 | 2,469 | 2,338 |
| Book value per Share (₹) | 107.35 | 107.71 | 89.88 | 91.18 |
| Net Debt to Equity (Times) | 0.82 | 0.93 | 1.11 | 1.27 |

* The board has approved a final dividend @ 7.5% i.e. 0.15 per share, for FY 2011.

# AUDITOR'S OBSERVATION AND OUR COMMENTS

**QUALIFICATION**

- The auditor of the company have qualified their report on standalone and consolidated financial results for the year ended March 31, 2011 and March 31, 2010 in respect of accounting of claim of Rs. 243 crores on Heera Redevelopment Project (HRP) with ONGC, based on management's assessment of cost over-run arising due to design changes and consequent changes in the scope of work on a project and also non-accounting of liquidated damages amounting to Rs. 65.49 crores deducted by the customer. Further, there are other debtors outstanding of Rs. 84.45 crores and unbilled work in progress of Rs. 160.33 crores relating to the said project as at March 31, 2011.

**Management Comments:**

- The Company has initiated arbitration proceedings against the customer during the year. The management is confident of recovery of amounts exceeding the recognized claim and waiver of liquidated damages and is also confident of recovery of other debtors and unbilled work in progress.

**QUALIFICATION**

- The auditors of the Company have qualified their report on standalone and consolidated financial results for the year ended March 31, 2011 in respect of the accounting of claims of Rs. 89.73 crores on two projects, based upon management's assessment of cost over-run arising due to delay in supply of free issue material by the customers, changes in scope of work and/or price escalation of materials used in the execution of the project.

**Management Comments:**

- The management, based on its assessment, is confident of recovery of amounts exceeding the recognized claims.

# AUDITOR'S OBSERVATION AND OUR COMMENTS

**MATTER OF EMPHASIS**

- The auditors of the Company in their report on standalone and consolidated financial results for the year ended March 31, 2011 have invited attention to deductions made/ amount with held by some customers aggregating to Rs 72.51 Crores.

**Management Comments:**

- The Company had executed certain projects for some customers in earlier years. These customers have withheld amounts aggregating to Rs. 72.51 Cr on account of liquidated damages and other deductions, which are being carried as sundry debtors. The Company has also filed certain claims against these customers. The Company has gone into arbitration/ court proceedings against these customers for recovery of amounts withheld as liquidated damages & other deductions and for claims of the Company. Pending outcome of arbitration, amounts withheld for liquidated damages & other deductions are being carried forward as recoverable. The Company has been legally advised that there is no justification in imposition of liquidated damages and other deductions by these customers and hence the above amounts are considered good for recovery and fairly stated.

**QUALIFICATION**

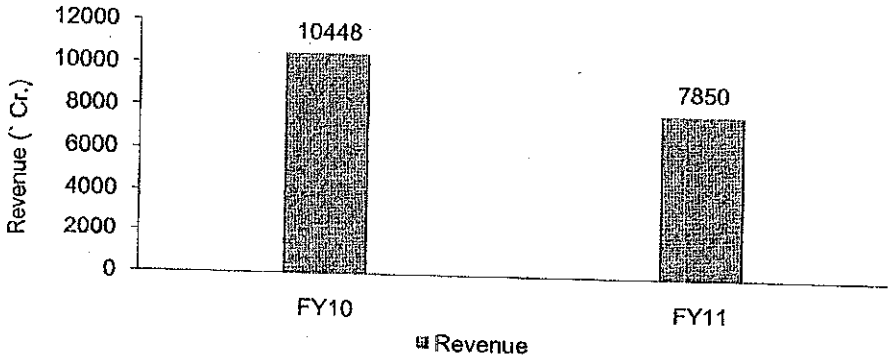
- The auditors of the Company have qualified their report on standalone and consolidated financial results for the year ended March 31, 2011 in respect of the one of the Company's branch and subsidiary at Libya which has assets aggregating to Rs. 990.73 crores and Rs. 1,219.07 crores respectively at Company and Group level as at March 31, 2011. The Branch has also received advances from customer of Rs. 513.39 crores.

**Management Comments:**

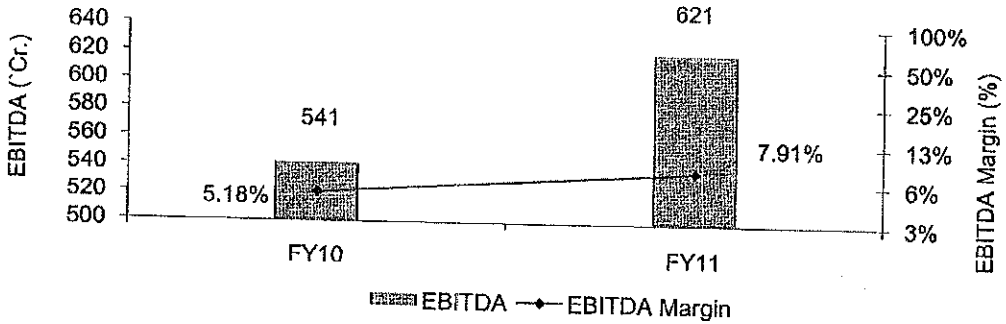
- Due to civil and political disturbances and unrest in Libya, the work on all the project has stopped, the resources have been demobilised and necessary intimation has been given to the customers. The Company has also filed the details of the outstanding assets with the Ministry of External Affairs, Government of India, Pending the outcome of the uncertainty, the aforesaid amounts are being carried forwards as realizable.

# Revenues & EBITDA

## REVENUE

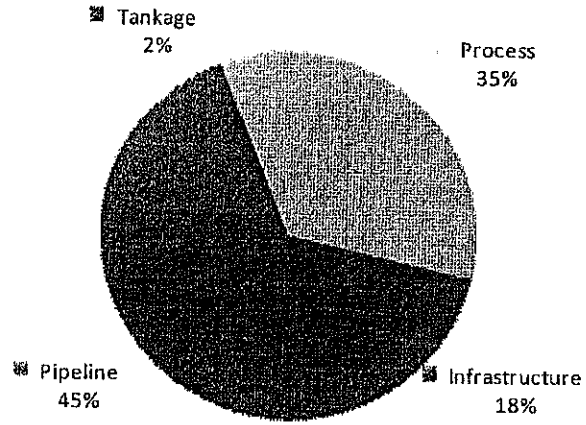



## EBITDA



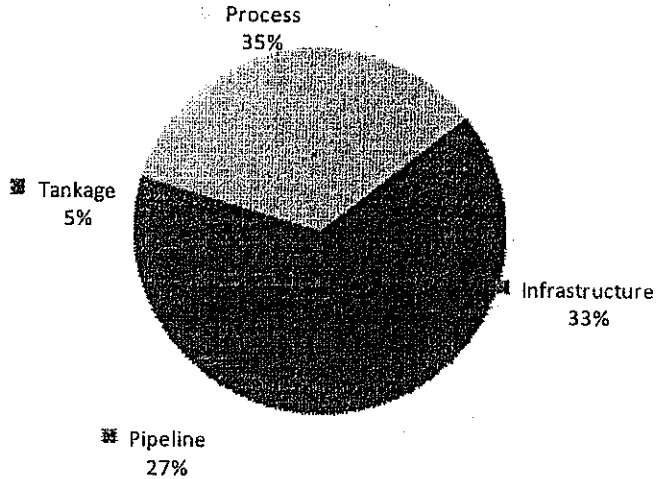
# Revenue Analysis – Sector wise break-up

FY 2010




| Description | ₹ Cr | % |
|---|---|---|
| Pipeline | 4,850 | 45% |
| Tankage | 251 | 2% |
| Process | 3,757 | 35% |
| Infrastructure | 2,017 | 19% |
| **Total** | **10875** | **100** |

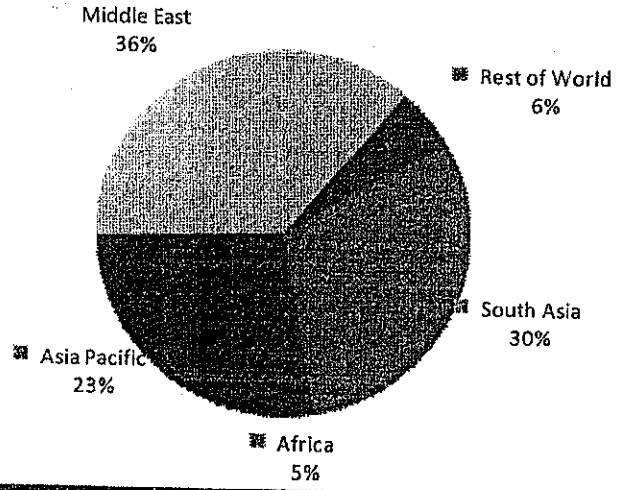
FY 2011




| Description | ₹ Cr | % |
|---|---|---|
| Pipeline | 2,199 | 27% |
| Tankage | 453 | 6% |
| Process | 2,836 | 35% |
| Infrastructure | 2,700 | 33% |
| **Total** | **8188** | **100** |

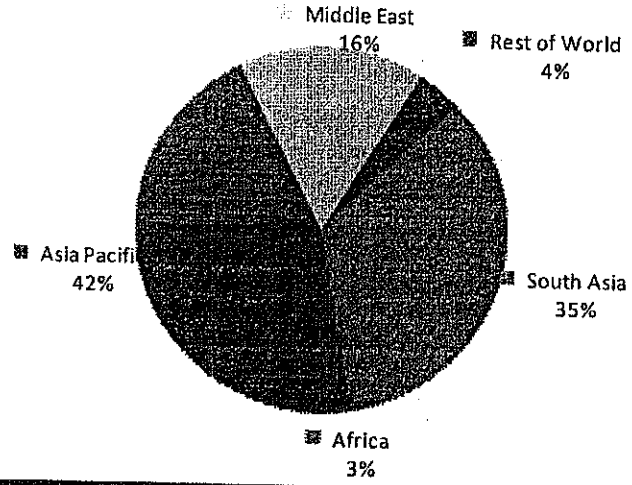
# Revenue Analysis – Geographical break-up

FY 2010




| Description | ₹ Cr | % |
|---|---|---|
| Africa | 503 | 5% |
| Asia Pacific | 2,471 | 23% |
| Middle East | 3,960 | 36% |
| Rest of World | 616 | 6% |
| South Asia | 3325 | 31% |
| **Total** | **10875** | **100** |

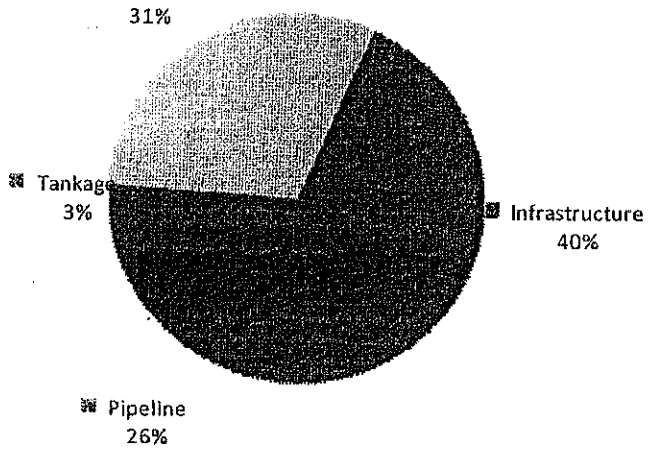
FY 2011




| Description | ₹ Cr | % |
|---|---|---|
| Africa | 249 | 3% |
| Asia Pacific | 3,469 | 42% |
| Middle East | 1314 | 16% |
| Rest of World | 329 | 4% |
| South Asia | 2827 | 35% |
| **Total** | **8188** | **100** |

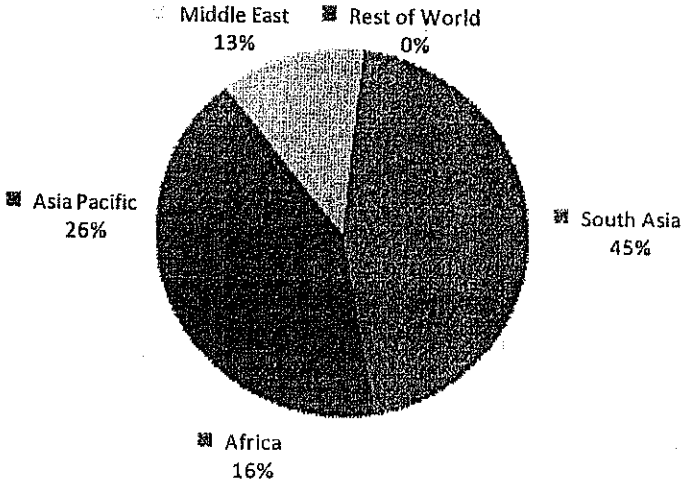
# Order Backlog as on May 30, 2011

## Business Segment




| Description | ₹ Cr | % |
|---|---|---|
| Pipeline | 6,016 | 26% |
| Tankage | 575 | 3% |
| Process | 6,996 | 31% |
| Infrastructure | 9,218 | 40% |
| **Total** | **22805** | **100** |

## Geographical Segment




| Description | ₹ Cr | % |
|---|---|---|
| Africa | 3,677 | 16% |
| Asia Pacific | 5,896 | 26% |
| Middle East | 2,875 | 13% |
| Rest of World | 18 | 0% |
| South Asia | 10338 | 45% |
| **Total** | **22805** | **100** |

# Order Book Update key orders bagged in FY2011

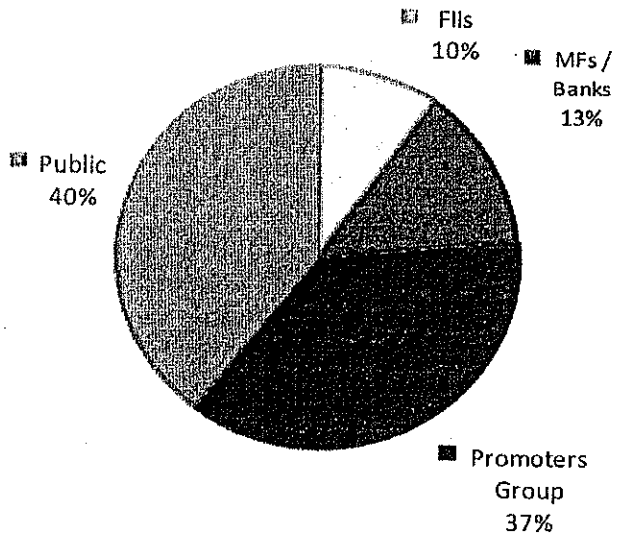
| Order | Detail | Value (₹ Cr.) |
|---|---|---|
| Energy | EPC contract of a new oil storage complex at Ras Lanuf Export Terminal from Harouge Oil Operations in Libya | 287 |
| Energy - Process Plant | Repeat order from Paradip Refinery, for Mechanical and Piping for FCC and PRU units | 169 |
| Energy - Process Plant | EPC order from Indian Oil Limited for Paradip Refinery Project for Kero Treatment Unit | 1,123 |
| Energy - Process Plant | Contract for the Shah Gas Development project in Abu Dhabi in consortium with Technicas Reunidas of Spain to execute the Gas Gathering Package Total order value 2056 Cr , our share RS 634 cr. | 634 |
| Energy - Process Plant | Order for Cuddalore Refinery Project of Nagarjuna Oil Corporation Ltd. In Tamil Nadu | 320 |
| Energy - Process Plant | Two Refinery Construction Projects to construct a Petro Fluid Catalytic Cracking (PFCC) unit and Offsite Facilities at The Mangalore Refinery | 179 |
| Energy - Process Plant | EPC project comprising of compressor package, Glycol Dehydration Package, pipeline, flare, utilities & other facilities | 394 |
| Pipelines - offshore | EPCIC order from Pertamina for three well head platforms and laying three segments of offshore gas pipeline along with 'wye' installation | 271 |
| Pipeline | EPC Project for laying of Oil & Gas pipelines<br>* Client name & project details are not specified owing to client confidentiality requirements | 2114 |
| Pipeline | Order from Saudi Aramco for EPC of offsite pipelines for the Yanbu' Export Refinery in . Scope of work includes EPC of steel pipelines | 450 |
| Pipeline | Repeat order for Onshore Gas Pipeline from PTT Public Company Limited in Thailand. | 1299 |

# Order Book Update key orders bagged in FY2011

| Order | Detail | Value (₹ Cr) |
|---|---|---|
| BOOT | BOOT Annuity Project from NHAI for upgradation of NH-31 from Khagaria to Purnea in Bihar | 735 |
| Construction | Civil contract from West Bengal Medical Services Corporation Limited (WBMSC) for planning, design and construction of three Medical Colleges in West Bengal | 183 |
| Construction | Contract from Resorts World Sentosa, to construct hotel, villas, marine life park and water theme park in Singapore. | 1,394 |
| Construction | Contract from Rajiv Gandhi Institute of Petroleum Technology to construct the institute complex and site in Rai Bareli | 179 |
| Construction | Contract from the Ministry of Health & Family Welfare for construction of Hospital Complex at AIIMS, Raipur | 115 |
| Construction | Civil works for two commercial building & podium at Panvel SEZ project site for Sunny Vista | 241 |
| Construction | Railways Contract for building a railway siding for the Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL) | 114 |
| Solar Utility | Solar EPC contract from the Public Health Engineering Department of the Government of Bihar | 232 |
| Water Treatment | EPC Contract from Petroleum Company Occidental, Mukhaizna for new water treatment plant at the oil production fields in | 322 |
| Water Treatment | Project from PUB, the national water agency of Singapore for construction of a new waterworks by Sembawang | 614 |

# Shareholding Pattern

## As on March 31, 2011




| | |
|---|---|
| IPO | January 2006 |
| Stock Split (FV ₹ 10/– to FV ₹ 2/–) | April 2007 |
| BSE Code | 532693 |
| NSE Code | PUNJLLOYD |
| NSDL / CDSL – ISIN | INE701B01021 |
| Bloomberg Code | PUNJ:IN |
| Reuters Code | PUJL.BO |

# Investor Relation - Contacts

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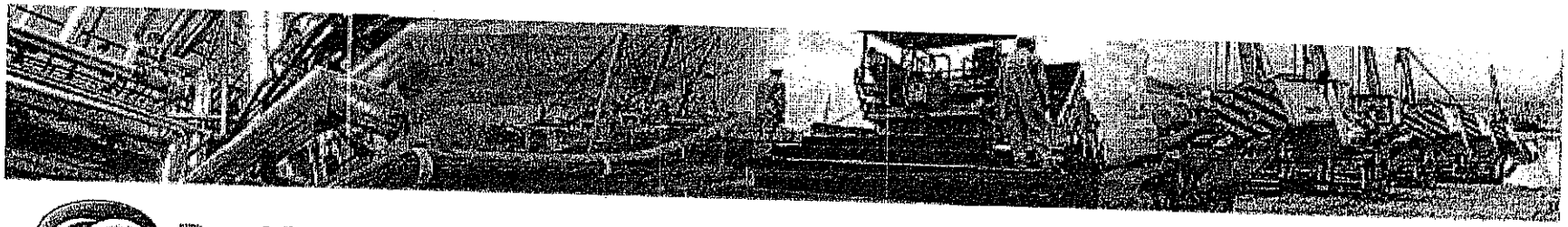
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# Thank You