Punj Lloyd Ltd
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04-02-2014

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,

Re: Clause 36

Pursuant to Clause 36 of the Listing Agreement, we wish to inform as under:

In relation to a contract awarded by SABIC UK Petrochemicals Limited to Simon Carves Limited, UK (Under Administration), SABIC had filed a claim against Punj Lloyd Ltd. ("**the Company**"), under the Parent Company Guarantee before the High Court of Justice, Technology and Construction Court, UK. This contract was entered into between Simon Carves and SABIC, prior to the acquisition of Simon Carves by Punj Lloyd in May 2006. The High Court has awarded GBP 13,069,154 (Great Britain Pounds Thirteen Million Sixty Nine Thousand One Hundred and Fifty Four) towards SABIC's claims for cost to complete the balance works and interest and GBP 2,250,000 (Great Britain Pounds Two Million Two Hundred and Fifty Thousand) towards legal cost. The High Court rejected SABIC's claims for payment of damages and Punj Lloyd's Counterclaim for return of bond amount of GBP 28,500,000 (Great Britain Pounds Twenty Eight Million and Five Hundred Thousand).

SABIC had terminated the contract with Simon Carves on the grounds of lack of due diligence and financial jeopardy. The Company has been advised by its legal advisors that the Judgement and Decree of the High Court is erroneous inter alia for reasons of incorrect construction of the limitation of liability provisions of the contract and 'top down' approach to computation of cost to complete.

The permission to appeal preferred by the Company has been declined 'on paper' by the Court of Appeals, UK. The Company is in the process of filing application for reconsideration of the decision through an oral hearing.

Thanking You,

Yours faithfully
For Punj Lloyd Limited

Dinesh Thairani
Group President – Legal and Company Secretary

NB