

PUNJ LLOYD

update

Cleaning the Air

All vehicles in India are subject to Euro III norms. By 2010, the Expert Committee for Auto Fuel Policy has recommended that Euro IV norms be in place. Indian Oil Corporation, India's flagship national oil company, awarded to Punj Lloyd the Motor Spirit Quality Upgradation project at Haldia Refinery.



Dear Friends,

At this point in the evolution of our company, I would like to reflect on the opportunities and challenges facing us in the coming months. The current scenario is an exciting one for all our lines of business, be they pipelines, tankage, process, infrastructure, in all the regions that we are present, whether South Asia, Asia Pacific, Central Asia, Middle East or Africa.

While the market potential is enormous, as reflected in our current backlog, which is well in excess of US\$ 1 billion, the challenge is in being able to take these opportunities further. With the commitment and resilience that we as an organisation have demonstrated, we shall be more than up to meeting these challenges.

In recent months we have made a successful entry into the power sector and have added on Singapore as a new country where we are active. With the shifting of our Asia Pacific office to Singapore, we have a much more focused thrust into that region.

India itself offers enormous opportunities, as does the Middle East and Caspian regions. Our ability to take on more and more complex work on a turnkey basis is going to benchmark us against leading international players in this field. With the securing of the Uran Trombay offshore pipeline from ONGC, we once again have demonstrated our ability to build on our earlier success. This will help us consolidate our position in other areas that we may choose to enter.

It gives me great pride to be able to work alongside each and everyone of you. With our joint efforts I look forward to making this company the first truly multinational engineering construction company that originated from India.

Atul Punj
Chairman & Managing Director

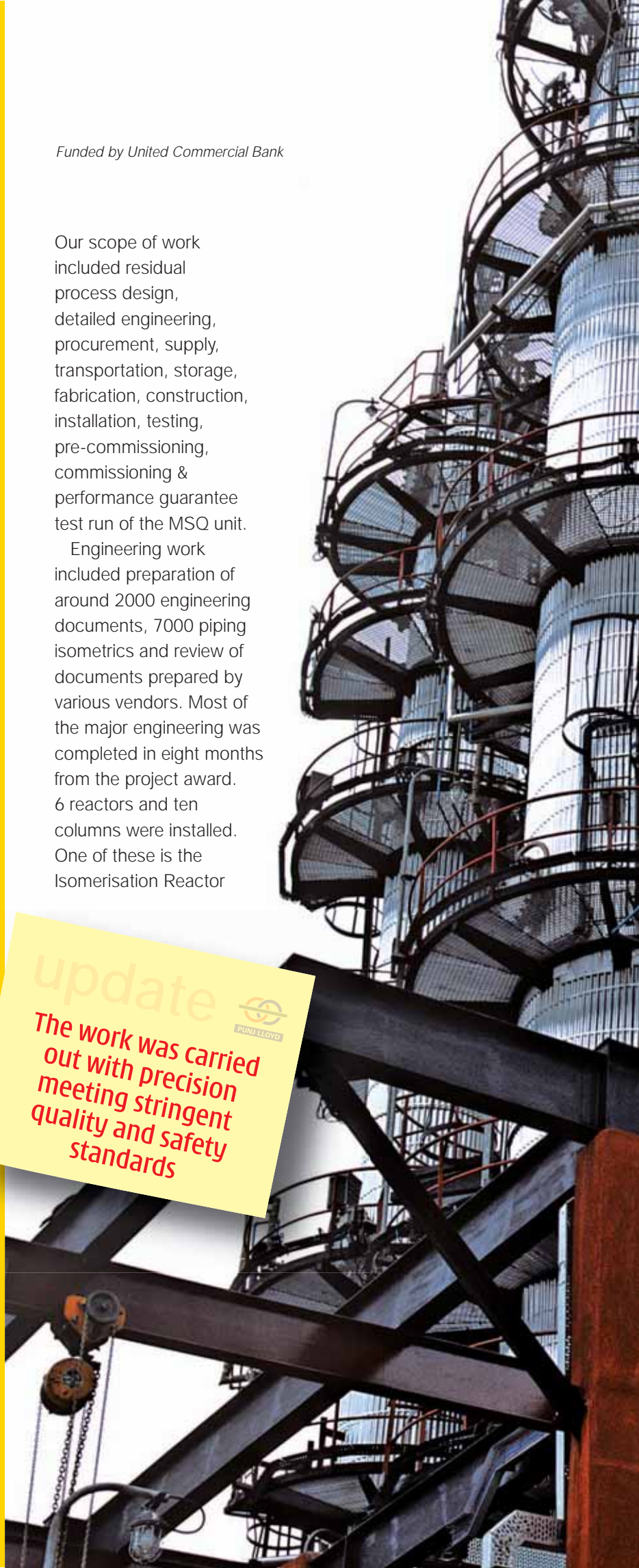
Funded by United Commercial Bank

Our scope of work included residual process design, detailed engineering, procurement, supply, transportation, storage, fabrication, construction, installation, testing, pre-commissioning, commissioning & performance guarantee test run of the MSQ unit.

Engineering work included preparation of around 2000 engineering documents, 7000 piping isometrics and review of documents prepared by various vendors. Most of the major engineering was completed in eight months from the project award. 6 reactors and ten columns were installed. One of these is the Isomerisation Reactor

update 
The work was carried
out with precision
meeting stringent
quality and safety
standards

insight





The EPC project executed by Punj Lloyd consists of Naphtha Splitter, Naphtha hydrotreating unit, Isomerisation unit, Reformate Splitter, Selective Hydrogeneration, FCC Gasoline Splitter, Selective Desulphurisation and Automatic on-line MS blend station.





endeavor to make India a cleaner, greener place, Punj Lloyd has earlier been a proud participant in several DHDS & DHT projects initiated by various refineries across India.

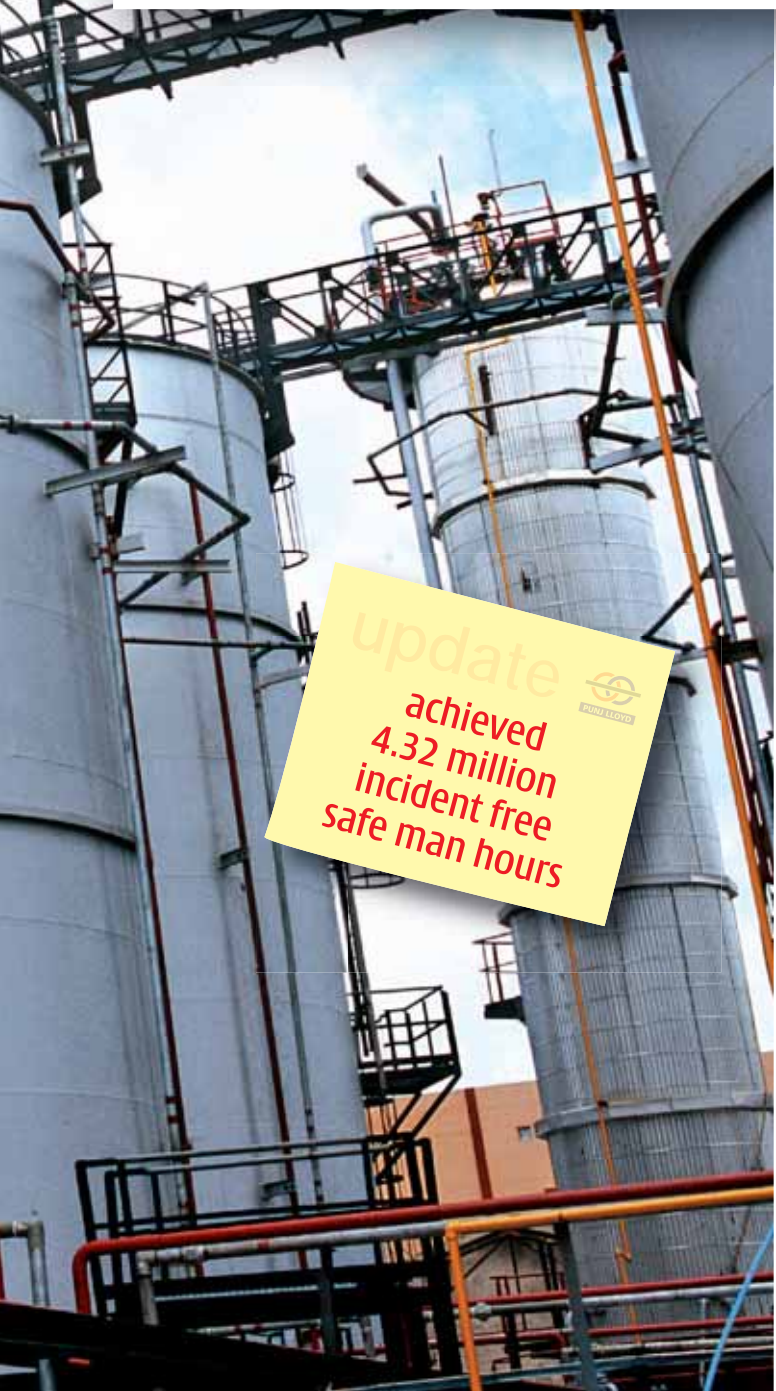
Some of the countries from which we sourced our specialised equipment are France, Germany, Japan, USA, Australia, Switzerland, Singapore, Sweden, Italy, Netherlands and Dubai.

The orders for all equipment were placed within six weeks of the project award. The civil and structural work were so well co-ordinated that within 24 hours of receiving equipment it was put on its foundation. After conducting soil investigation, piling, design and site work started within two months of the project being assigned to us, against the industry norm of four months.

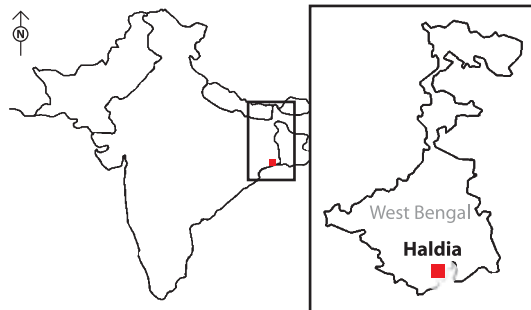
that will handle the most critical process in the plant.

The process is licensed from Axens, France. The selected technology and configuration will also produce a mix of Euro III and Euro IV equivalent Motor Spirit, required for the year 2010 as planned by the Expert Committee for Auto Fuel Policy.

This project is very close to Punj Lloyd's corporate philosophy as care for our environment is at the core of our activities. Joining hands with the government in its



update 
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 4.32 million
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 safe man hours**



Map not to Scale

Health, Safety and Environment

Before confined space entry, air quality was checked by a multi-gas detector for Oxygen, Hydrogen Sulphide and Methane, to ensure that the level of harmful gases is within the acceptable limit.

Equipment passports were issued after regular Electrical and Safety checks. Colour coding was done for tools and tackle. The International scaffolding tag system was implemented.

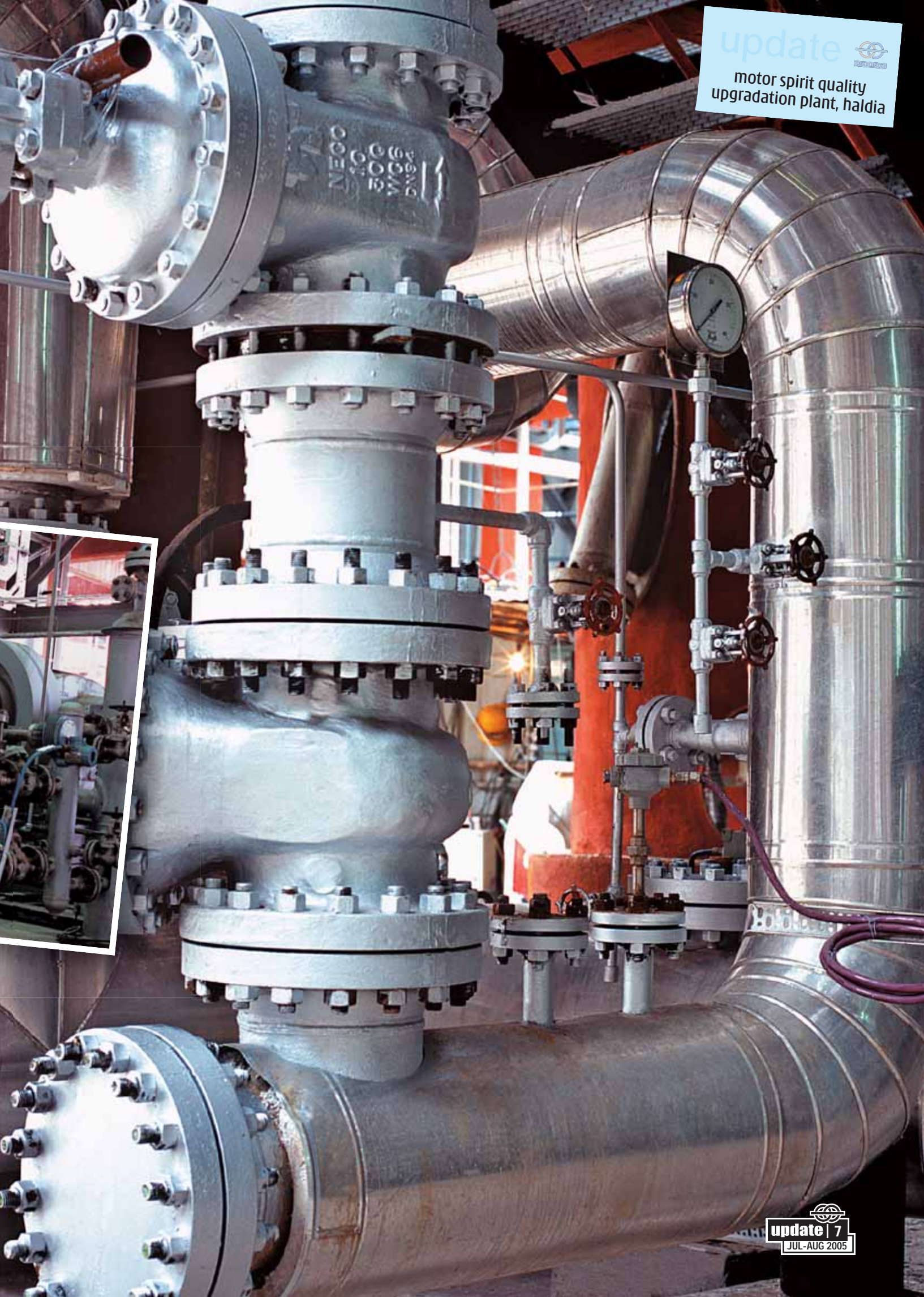
Health and Safety are at the focus of Punj Lloyd activities. Special measures were taken at site to ensure that the highest standards of safety are maintained at all times. We achieved 4.32 million incident free safe man hours at site.

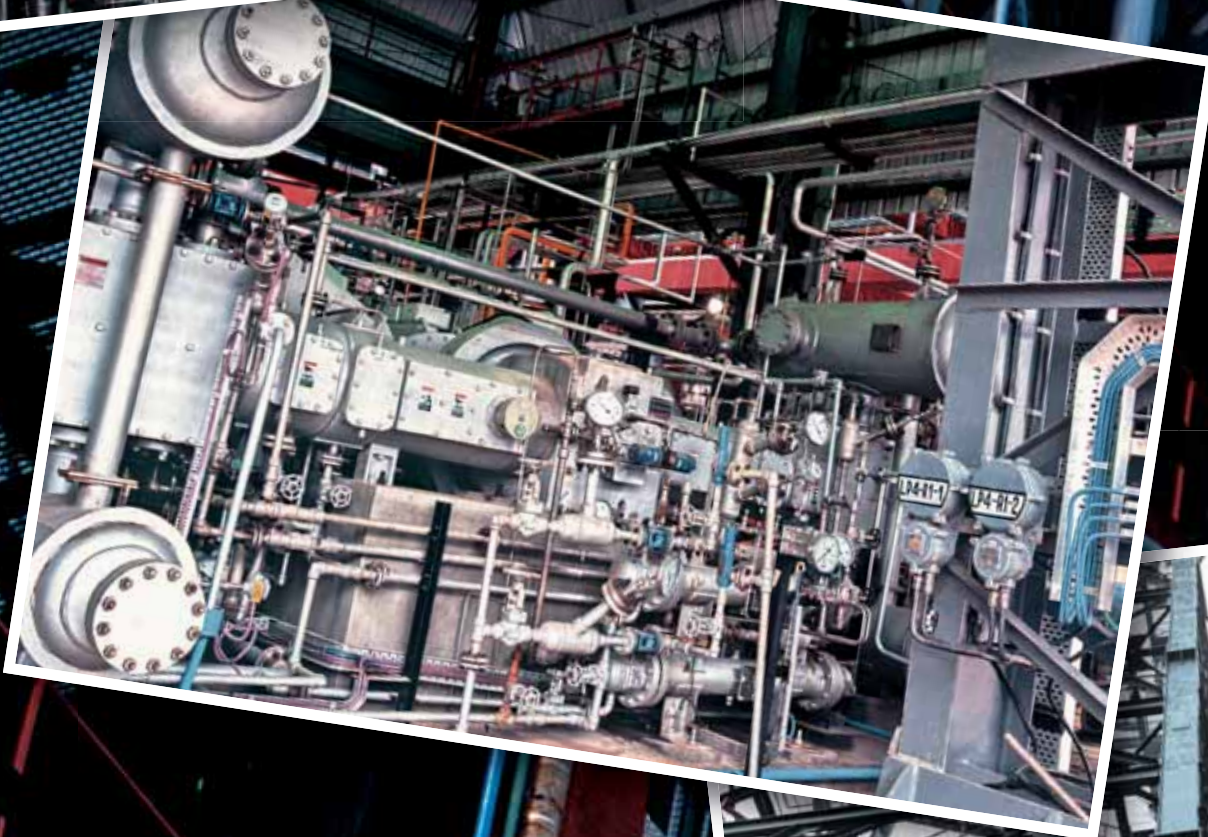
Permit to Work system was introduced and implemented for working at height, heavy lifts, excavation, radiography, electrical clearance, confined space entry, road cutting and piling rig permit. Full body harness, safety net and man basket were the norm for working at heights. To the uninitiated, it seemed as if the site bore the look of a trapeze arena.

We have also won accolades from the client IOCL. Impressed by the safety measures at



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Motor Spirit Quality

Upgradation Plant

Haldia



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challenge



site, they exhorted other contractors and sub contractors to follow our example.

Project Highlights

In a plot area of 12067 m² around 280 pieces of equipment were installed, including 10 columns, (58 m high), 6 reactors, 2 fired heaters, 65 vessels, 11 air coolers, 68 exchangers, 6 compressors, 95 pumps and 7 storage tanks alongwith civil & structural work for equipment foundations, compressor house, electrical sub station, fireproofing,

pipng, insulation work, electrical, instrumentation & control systems. Because of shortage of space much of the equipment had to be installed on three technological structures upto a height of 48.5 m. The complexity of working in a confined space, in an operating refinery, with heavy cranes, construction tools and equipment handled by 1400 personnel was a logistical challenge.

Another feat achieved was the design and procurement of specialised equipment and material from national and international sources in a short period, casting 1100 piles and 12000 m³ of concrete, installing 1800 MT structural steel, 950 m³ of fireproofing and erection of 280 pieces of equipment along with 209,000 ID of piping and 390 km of cabling work in a tight timeframe.

Teamwork, coordination, planning and efficient execution were in display, as we took up the challenge to complete the project in 18 months.

◆ P Vasudevan


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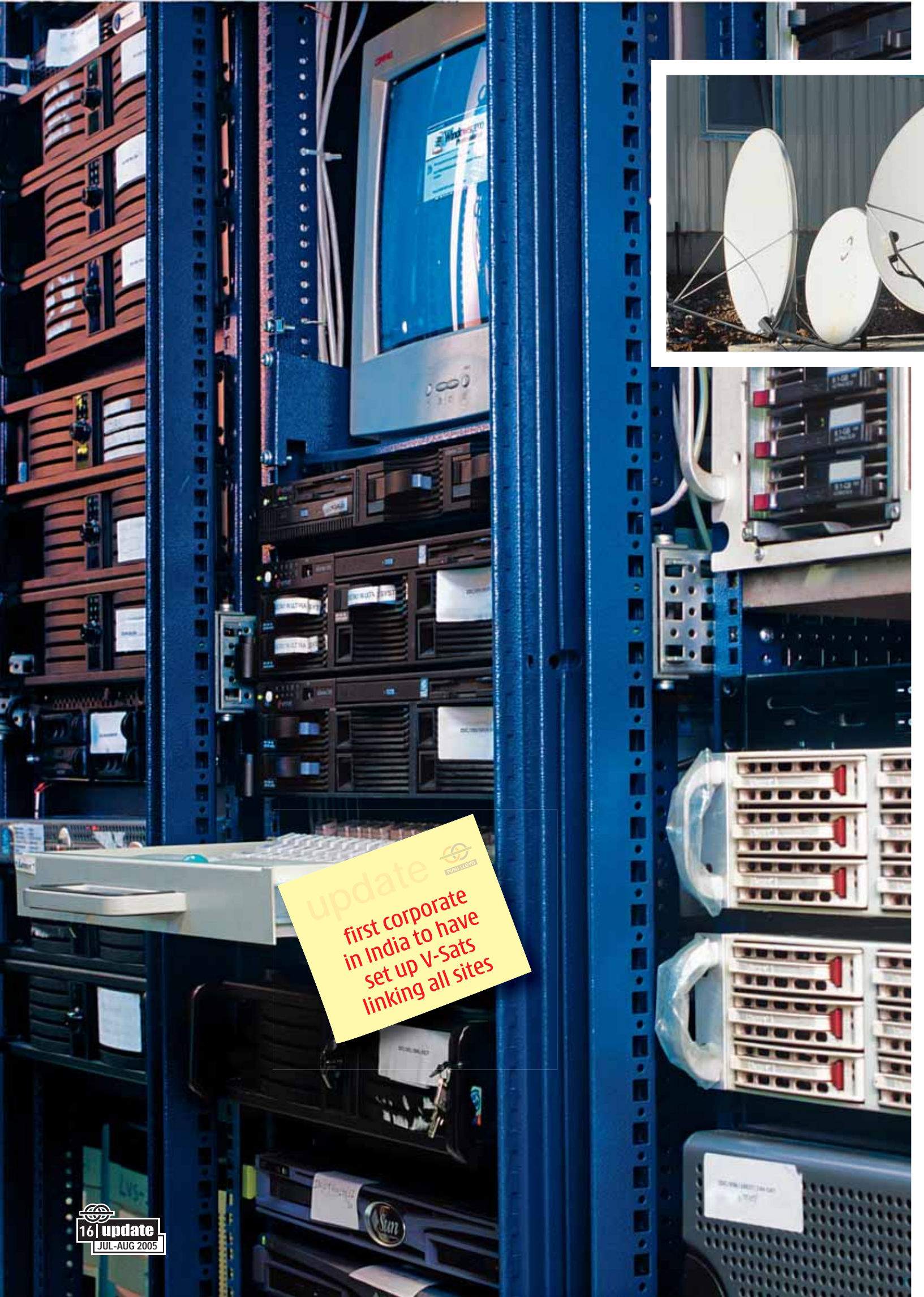


The Cutting Edge

IT infrastructure serves as the backbone to Punj Lloyd operations worldwide.

Technology advancements form an integral part of our business. Information Technology empowers our people with the information they need to make quick decisions, improve productivity and turn around time for our users. We are equipped with latest IT tools like Oracle Applications - an ERP Suite of repute, Maximo Applications, Primavera Project Planner and other engineering software like PDMS, CAD, STAAD Pro, Pipenet etc. These are supported by a communication framework that comprises intranet, extranet and wireless system, while our V-Sat network allows us to access, analyse and distribute data across multiple organisational levels on real time basis.

update 
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having our own private
citywide network
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update 
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linking all sites



History of IT

Recognising the importance of Information Technology (IT) Punj Lloyd embarked on a high growth plan from its inception. At a time when other comparable companies had started talking about ERP, we went ahead and implemented it in 1996. We are pioneers in Delhi, having its own private citywide network connecting our offices by a fibre optic link. All sites were upgraded to DAMA V-Sats, which gave us a virtual private network for data and voice communication between project sites and our Head Office, New Delhi. We were the first corporate in India to have set up V-Sats linking all sites.

Enterprise Resource Planning System

We are among the first engineering construction companies to have implemented an ERP system. ERP benefits provide real time, transparent and

consolidated information in one system. It helps standardise processes using a single, integrated computer system, which saves time and increases productivity. Being a web enabled system, an authorised user can access information, approve purchase orders, check the status at any time, extract reports and data from any part of the world in a secured environment. ERP synchronises the data flow across various departments and functions through one database management system, which consists of various modules of Oracle - Purchasing, Inventory, Payables, Receivables, Fixed Asset, Project.

Accounting, General Ledger and Cash Management.

We have also implemented Maximo applications to manage our large fleet of construction equipment. The entire life history for each equipment is maintained and

managed, preventive maintenance schedules, daily fuel consumption, maintenance work orders recorded. Maximo is integrated with the Oracle ERP system.

Lotus Notes

Punj Lloyd has a vibrant Intranet site built on Lotus/ Domino platform. Mobile users can easily access their mail from anywhere through the Intranet site.

Network And Communication

Our WAN network includes 20 V-Sats, Lease Lines and a radio link which connects Head Office with project sites. This allows us to access, analyse, and distribute real time data across multiple locations; reducing response time. ISD provides full



Helpdesk support to various locations in India as well as overseas. In India, current locations include Gurgaon, Panipat, Banmore, Sasaram, Haldia, Paradip, Kutch, Jamnagar, Belgaum, Rajamundry, Tuni, Hazira, Delhi, Noida and Dabhol. Overseas locations supported include Kazakhstan, Turkey, Oman, Indonesia, Abu Dhabi and Singapore.

IT Policy & Procedures

Punj Lloyd has various IT related policies and procedures for the smooth working of our IT systems. Our policies - Backup and recovery Policy, Password Policy, Email and Internet usage Policy, Software Policy and Security Policy – help in maintaining security and integrity of our systems. Joinees to the company are benefited by various IT related training programmes conducted in-house. The Information Systems Department at Punj Lloyd is committed to keep pace with future enhancements in technology. This mammoth IT infrastructure gives us an edge over competitors in providing speedy, accurate and cost effective solutions of highest quality, leading to better customer satisfaction.

♦ Raman Chadha



Progress in Kazakhstan...

Tengizchevroil Projects

At Tengiz, Kazakhstan, Punj Lloyd is currently working on two contracts for Tengizchevroil's (TCO) SGP/SGI project. The work is being done in a live plant and oil field. The two contracts are: Large Bore Small Bore Pipeline contract, and Mechanical and Off-Plots contract.

LBSB involves laying

333 km of underground pipelines, ranging from 2" to 24" dia, civil, piping and structural work for the associated metering stations, mid-line valve stations and well-heads.

The Mechanical and Off Plots contract involves mechanical work, erection of 103 vessels, with the associated structural steel,

piping, insulation and pre-commissioning.

The work is done at heights, in confined spaces, using cranes. At Tengiz, the work is especially hazardous as there is a high concentration of the toxic and inflammable hydrogen sulphide in the crude oil and gas at this field. H₂S is colourless, has a rotten egg smell at low concentrations and quickly deadens the sense of smell. The human senses cannot be relied upon to detect its presence. Gas detectors are needed.

Evacuation drills are conducted routinely to ensure safety. On occasions when a leak is detected, evacuations happen in a calm, coordinated manner.

Special clothing, rest shelters and beverages



are provided to protect the health of our employees in temperatures ranging from -45° to +50° Celsius.

In recognition of the high standards of safety maintained by Punj Lloyd, our clients have given us The Safety Milestone Award, for working more than 3.5 million hours without a day away on account of work-related injury, and The Safety Excellence Award, for the exemplary internal safety audit system.

◆ Paul Meilhon



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ISO 9001 : 2000 QMS
ISO 14001 : 1996 EMS
OHSAS 18001 : 1999 OHSMS