



PSL LIMITED

Seizing Opportunities - Beyond Boundaries



24th ANNUAL REPORT 2011-12

Views of new Pipe Mill / Off Line Welding Stations set up at PSL- Jaipur, presently engaged in the manufacture of API 5L X-70 grade pipes for IOCL



PSL LIMITED
24th ANNUAL REPORT 2011-12

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CORPORATE INFORMATION

Board of Directors

Shri Ashok Punj
Managing Director

Shri Alok Punj
Non-Executive Director

Shri M. M. Mathur
Whole-time Director

Shri R. K. Bahri
Whole-time Director

Shri D. N. Sehgal
Whole-time Director

Shri S. P. Bhatia
Whole-time Director

Shri G. Gehani
Whole-time Director &
Company Secretary

Shri C. K. Goel
Whole-time Director

Shri N. C. Sharma
Independent Director

Shri Prakash V. Apte
Independent Director

Shri Ashok Sharma
Independent Director

Shri Harry H. Shourie
Independent Director

Shri Paresh J. Shah
Independent Director

Shri Harsh Pateria
Independent Director

Share Transfer Agents

Karvy Computershare Private Limited
17-24, Vittal Rao Nagar, Madhapur,
Hyderabad-500 081

Statutory Auditors

(From 22/9/2011 to 27/9/2012)

Suresh C. Mathur & Co.
Chartered Accountants,
64, Regal Building, Connaught Place,
New Delhi-110001

Company Secretary & Compliance Officer

Shri G. Gehani

Chief Finance Officer

Shri K. Ramanathan

Principal Bankers

ICICI Bank limited
State Bank of India
Bank of Baroda
Punjab National Bank (International) Ltd.
Bank of India
Standard Chartered Bank
Export Import Bank of India
IDBI Bank Limited
Axis Bank Limited
Syndicate Bank
Oriental Bank of Commerce

Canara Bank
Indian Overseas Bank
Union Bank of India
ING Vysya Bank Limited
Yes Bank Limited
DBS Bank Limited
Deutsche Bank
Indian Bank
Kotak Mahindra Bank
Development Credit Bank

COMPANY'S EXISTENCE

Registered Office

Kachigam, Daman,
Union Territory of Daman & Diu-396210

Corporate Office

PSL Towers
615, Makwana Road, Marol,
Andheri (E),
Mumbai-400059

Legal & Secretarial Office

3rd Floor, Punj House,
M-13A, Connaught Circus,
New Delhi-110001

Marketing Offices

Western India

PSL Towers
615, Makwana Road,
Marol, Andheri (E)
Mumbai-400059

Northern India

1106, 11th Floor,
The Pinnacle,
The Claridges Office
Complex,
Shooting Range,
Faridabad - 121 001

Southern India

Meridian House, 8/2,
Montieth Lane,
Egmore,
Chennai-600008

Projects Office

3rd Floor, Punj House
M-13A, Connaught Circus
New Delhi-110001

Subsidiary Companies - In India

PSL Corrosion Control Services Ltd.

Survey No. 377/2,
Zari Cause Way Road,
Kachigam, Daman-396210,
Union Territory of Daman & Diu

PSL Gas Distribution Pvt. Ltd.

Punj House, M-13A,
Connaught Circus,
New Delhi-110001

PSL Infrastructure & Ports Pvt. Ltd.

3rd Floor, Punj House, M-13A,
Connaught Circus,
New Delhi-110001

- Abroad

Pipeline Systems Ltd.

C/o IFS, IFS Court, 28 Cybercity,
Ebene, Mauritius

PSL USA INC.

Corporation Trust Centre
1209, Orange Street,
Wilmington, New Castle,
19801, Delaware, USA

PSL North America, LLC

Corporation Trust Centre
1209, Orange Street,
Wilmington, Delaware, USA

PSL FZE

P.O. Box No. 42131,
Inner Harbour Plot No. HJ-02
Hamriyah Free Trade Zone,
Sharjah, UAE

COMPANY'S PLANTS

Within Indian Boundaries

- Survey No. 35, 37,41,301/1, and 308/1 & 2
Varsana & Nani Chirai,
Anjar & Bhachau, Kutch,
Gujarat
- Survey No. 38/1, 38/2, 39, 40 & 42
Varsana, Anjar, Kutch,
Gujarat
- East of N.H.-8A, Kandla Road,
Gandhidham, Kutch,
Gujarat
- Plot No. 4 & 5, Sector-12/B,
Kandla Road,
Gandhidham, Kutch,
Gujarat
- Kachigam, Daman
Union Territory of Daman & Diu-396210
- No. 22, Vaiyavoor, Maduranthakam Taluka
Kancheepuram Distt.,
Tamil Nadu
- Survey No. 207, Industrial Development Area,
Gurrampalem, Pendurthi,
Vishakhapatnam,
Andhra Pradesh
- Plot No. 2A, APIIC, Layout Phase-II,
Peddapuram-533437, Kakinada
Distt. East Godavari, Andhra Pradesh
- Survey No. 124, Khadat
Pilwai, Towards Mahudi Road,
Taluka -Mansa,
Distt. Gandhinagar,
Gujarat
- Khasra No. 46,48,73,82
Village-Gaduda, Tehsil- Phagi,
Jaipur, Rajasthan

Across the Seas

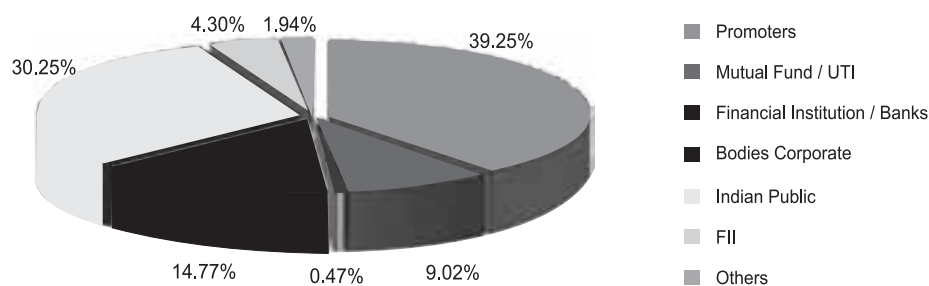
- 13092, Sea Plane Road,
Bay St. Louis,
Mississippi 39520, USA
- Post Box No. 42131, Inner Harbour,
Plot No. HJ-02,
Hamriyah Free Trade Zone,
Sharjah, UAE

FINANCIAL SNAPSHOTS

LAST DECADE AT A GLANCE

PARTICULARS	(₹ in Lacs)									
	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total Income	229099.40	266989.49	281065.51	354995.04	226176.61	168561.37	156338.22	167745.16	92942.05	42516.39
Total Expenditure	191124.22	230694.13	251802.24	326543.53	202855.41	151199.79	141409.34	157765.84	84505.77	36261.96
Operating Profit	37975.18	36295.36	29263.27	28451.51	23321.20	17361.58	14928.90	9979.32	8436.28	6254.43
Interest	19594.32	14144.73	10898.71	10071.93	5785.56	4349.77	4852.93	3242.80	2947.22	2931.39
Gross Profit	18380.86	22150.64	18364.55	18379.58	17535.64	13011.81	10075.97	6736.52	5489.06	3323.04
Depreciation	11414.88	11679.56	6634.81	5706.64	5119.60	4392.29	3385.96	2335.48	1638.86	1601.42
Profit Before Tax	6965.98	10471.07	11729.74	12672.93	12416.04	8619.52	6690.01	4401.04	3850.19	1721.62
Taxation	1550.00	2900.00	2900.00	4080.00	3939.00	2404.00	1771.00	1200.00	1050.00	250.00
Profit After Tax	5415.98	7571.07	8829.75	8592.93	8477.04	6215.52	4919.01	3201.04	2800.19	1471.62
Dividend Rate	40%#	40%	40%	50%	50%	50%	50%	45%	50%	40%
Equity	5333.38	5333.38	5333.20	4258.19	4258.13	3406.07	3195.45	2892.07	2892.02	2892.02
Reserves	86089.70	83708.73	78509.37	58593.49	52298.00	30213.64	23051.50	13866.66	13861.20	13303.66

20% already paid as Interim Dividend in April, 2012 whereas balance 20% duly recommended by Board shall be paid after Shareholders' approval in forthcoming Annual General Meeting.

SHAREHOLDING PIE CHART AS ON 31ST MARCH, 2012

NOTICE

To
The Members of
PSL LIMITED

Notice is hereby given that **Twenty Fourth Annual General Meeting** of the Company will be held on Thursday, the 27th day of September, 2012 at 9:30 A.M. at Hotel Sea Rock Inn at Devka Beach, Nani Daman- 396210, in Union Territory of Daman & Diu, to transact the following businesses:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company for the year ended on 31st March, 2012 and Profit & Loss Account of the Company as at that date, together with the Report of Auditors & Directors thereon.
2. To declare Dividend on Equity Shares for the year ended on 31st March, 2012.
3. To appoint a Director in place of Shri Harry H. Shourie, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri D.N. Sehgal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri R.K. Bahri, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri S.P. Bhatia, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Shri C.K. Goel, who retires by rotation and being eligible, offers himself for re-appointment.
8. To appoint Statutory Auditors of the Company for holding the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to consider and if thought fit to pass with or without modification(s) the following Resolution as an **“Ordinary Resolution”**:-

“RESOLVED THAT M/s. Suresh C. Mathur & Co., Chartered Accountants (Firm Registration No. 000891N) having their office at 64, Regal Building, Connaught Place, New Delhi - 110 001 be and are hereby appointed as Statutory Auditors of the Company for the Financial Year 2012-13 to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to finalise the remuneration payable together with out of pocket expenses, if any, to the so appointed Auditors.”

SPECIAL BUSINESS

9. RE-APPOINTMENT OF SHRI D.N. SEHGAL AS “WHOLE-TIME DIRECTOR” OF THE COMPANY

To consider and if thought fit to pass with or without modification(s) the following Resolution as an **“Ordinary Resolution”**:-

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof, for the time being in force) approval of the members of the company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri D. N. Sehgal as Whole-Time Director of the Company for a period of 5 (five) years with effect from 17th January, 2012 on a remuneration and benefits & amenities presently paid/ payable/ enjoyed to/ by Shri D.N. Sehgal, the Whole-Time Director of the Company comprising of basic salary of ₹ 5,75,000 per month and other benefits & perquisites in accordance with the approval of the shareholders of the Company accorded by them in their 20th Annual General Meeting held on 4th September 2008.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board “ which term shall also deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re- fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Schedule XIII or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board.”

10. RE-APPOINTMENT OF SHRI G. GEHANI AS “WHOLE-TIME DIRECTOR” OF THE COMPANY

To consider and if thought fit to pass with or without modification(s) the following Resolution as an **“Ordinary Resolution”**.

“RESOLVED THAT in accordance with the provisions of Section 198, 269, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof, for the time being in force) approval of members of the Company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri G. Gehani as Whole-Time Director of the Company for a period of 5 (five) years with effect from 31st July, 2012 on a remuneration and benefits & amenities presently paid/ payable/ enjoyed to/ by Shri G. Gehani, the Whole-Time Director of the Company comprising of basic salary of ₹ 3,25,000 per month and other benefits &

perquisites in accordance with the approval of the shareholders of the Company accorded by them in their 23rd Annual General Meeting held on 22nd September 2011.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board “ which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Schedule XIII or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board.”

11. APPROVAL FOR CONTINUATION OF SHRI R. K. BAHRI AS “WHOLE-TIME DIRECTOR” OF THE COMPANY INSPITE OF HIS ATTAINING THE AGE OF 70 YEARS

To consider and if thought fit to pass with or without modification(s) the following Resolution as a “**Special Resolution**”:-

“**RESOLVED THAT** pursuant to clause (c)(ii) of Part I of Schedule XIII of the Companies Act, 1956 and other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof, for the time being in force), approval be and is hereby accorded and is deemed to have been so accorded to Shri R. K Bahri continuing to act as Whole-Time Director of the Company in spite of his having attained the age of 70 years on 10th September, 2012 in accordance with the Resolution passed by the shareholders of the Company in their 21st Annual General Meeting held on 21st July, 2009 at the remuneration comprising of a basic salary of ₹ 5,75,000/- per month and other benefits and perquisites enjoyed/ being enjoyed by him pursuant to approval of the shareholders accorded by them in their 20th Annual General Meeting held on 4th September, 2008.”

“**RESOLVED FURTHER THAT** the said specific approval be and is hereby accorded and is deemed to have been so accorded with effect from 10th September 2012 i.e. the day on which he attained the age of 70 years.”

“**RESOLVED FURTHER THAT** unless and until there is a revision in his remuneration he shall continue to draw the aforesaid remuneration & avail the above said perquisites or any revised or re-fixed remuneration &/ or perquisites, benefits & amenities which may henceforth be approved by Board of Directors till his unexpired term of appointment i.e. till 31st March 2014 or any extension thereof which may hereafter be approved by the Shareholders.”

12. APPOINTMENT OF SHRI KESHAV PUNJ AS “SENIOR EXECUTIVE” OF THE COMPANY

To consider and if thought fit to pass with or without modification(s), the following Resolution as a “**Special Resolution**”:-

“**RESOLVED THAT** pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby accorded & is deemed to have been so accorded, for promoting Shri Keshav Punj son of Shri Ashok Punj, Managing Director of the Company from position of “Executive” to that of “Senior Executive” with effect from 1st August, 2012, on the terms and conditions, remuneration and perquisites as set out in the Explanatory Statement to this Notice.”

13. ENHANCEMENT IN REMUNERATION OF SHRI ARJUN PUNJ, SENIOR EXECUTIVE OF THE COMPANY PURSUANT TO SECTION 314 OF COMPANIES ACT,1956

To consider and if thought fit to pass with or without modification(s), the following Resolution as a “**Special Resolution**”:-

“**RESOLVED THAT** pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby given & is deemed to have been so given to Shri Arjun Punj, son of Shri Ashok Punj, Managing Director of the Company for holding and continuing to hold office or place of profit in the Company on the terms and conditions and at a monthly remuneration together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel allowance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits as mentioned in the Explanatory Statement and as applicable to other employees occupying a similar post(s) in the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board “ which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration or the scale and/ or other perquisites provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Section 314 or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board.”

14. ENHANCEMENT IN REMUNERATION OF SHRI RAGHAV PUNJ, SENIOR EXECUTIVE OF THE COMPANY PURSUANT TO SECTION 314 OF COMPANIES ACT,1956

To consider and if thought fit to pass with or without modification(s), the following Resolution as a “**Special Resolution**”:-

“**RESOLVED THAT** pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby given & is deemed to have been so given to Shri Raghav Punj, son of Shri Alok Punj, Non-Executive Director of the Company for holding and continuing to hold office or place of profit in the Company, on the terms and conditions and at a monthly remuneration together with

the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel allowance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits as mentioned in the Explanatory Statement and as applicable to other employees occupying a similar post(s) in the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board “ which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration or the scale and/ or other perquisites provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Section 314 or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board.”

15. ENHANCEMENT IN REMUNERATION OF SHRI KESHAV PUNJ, SENIOR EXECUTIVE OF THE COMPANY PURSUANT TO SECTION 314 OF COMPANIES ACT,1956

To consider and if thought fit to pass with or without modification(s), the following Resolution as a “**Special Resolution**”:-

“**RESOLVED THAT** pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby given & is deemed to have been so given to Shri Keshav Punj, son of Shri Ashok Punj, Managing Director of the Company for holding and continuing to hold office or place of profit in the Company on the terms and conditions and at a monthly remuneration together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel allowance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits as mentioned in the Explanatory Statement and as applicable to other employees occupying a similar post(s) in the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board “which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration or the scale and/ or other perquisites provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Section 314 or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board.”

By Order of the Board of Directors of

PSL LIMITED

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210

Sd/-

(G. GEHANI)

Director & Company Secretary

Dated: 1st August, 2012

NOTES:

1. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of matters covered pursuant “Special Business” is annexed hereto
2. **A member entitled to attend and vote at the Annual General Meeting (“the Meeting”) is entitled to appoint a proxy to attend the meeting and vote on a poll, if any, instead of himself/herself and the proxy need not be a member of the Company. Proxy form duly filled must reach the registered office of the Company not less than forty-eight hours before the meeting. A blank proxy form is annexed to this notice.**
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a Certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22nd day of September, 2012 to Thursday, the 27th day of September, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if any, declared at the meeting. The dividend on equity shares of the Company, if declared at the meeting will be paid to those members whose names appear as:-
 - a. Beneficial Owners, as at the end of business hours on 21st day of September, 2012 as per lists to be furnished by NSDL and CDSL in respect of shares held in electronic form and ;
 - b. Members in the Register of Members as on Thursday, the 27th day of September, 2012 after giving effect to valid transfer requests received before the close of business hours on 21st day of September, 2012.
5. The Final Dividend of ₹ 2.00 per share recommended by the Board of Directors of the Company in its meeting held on 29th May, 2012 is in addition to the Interim Dividend of ₹ 2.00 on each fully paid-up share declared and paid by the Board in April, 2012.
6. Since, the Balance Sheets of the seven Subsidiaries of the Company have not been attached to the Balance Sheet of the Company in terms of exemption granted by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated

8th February, 2011, the Consolidated Financial Statement of the Company and its all seven subsidiaries made in compliance with applicable Accounting Standards and duly audited by Company's Statutory Auditors has been included in the Annual Report. Additionally the Annual Accounts of the subsidiary companies and other related detailed information will be made available to the shareholders of the Company or any of its subsidiaries seeking such information at any point of time on specific request in writing to the Company. The Annual Accounts of these companies are open for inspection by any shareholder during business hours at the following offices of Company:-

- a. PSL LIMITED
Kachigam, Daman
Union Territory of Daman & Diu – 396 210
 - b. PSL LIMITED
3rd Floor, 'Punj House',
M-13A Connaught Circus
New Delhi 110 001
7. Members seeking any information with regard to Accounts of the Company and proposed Resolutions are requested to send their queries in writing to the Company at its Registered Office, so as to reach at least Seven days before the date of the Meeting, to enable the company to furnish the required information at the Meeting.
 8. For convenience of Members, an attendance slip is annexed to the proxy form. Members/Proxies are requested to affix their signatures at the space provided therein and thereafter hand over the attendance slip at the venue of the meeting. The Proxy of a Member should mark on the attendance slip as "Proxy".
 9. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
 10. Members holding physical shares are requested to send their Permanent Account Number (PAN) details while lodging their requests to the Company/Share Registrar for transfer of their said physical shares, failing which the transfer requests shall be rejected and the submitted transfer documents will be returned to the Lodger/Buyer.
 11. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the relevant details of Shri Harry H. Shourie, Shri D.N. Sehgal, Shri R.K. Bahri, Shri S. P. Bhatia & Shri C. K. Goel and Shri G. Gehani, Directors, are annexed herewith.
 12. Shareholders who have not encashed /received dividend/s declared and paid by the company for different financial years commencing from financial year 2004-05 to financial year 2011-12 may please approach the Company for payment of such unpaid dividend/s, failing which their unclaimed dividend/s shall be transferred to Investor Education Protection fund in accordance with provisions contained in Section 205C of Companies Act, 1956.

EXPLANATORY STATEMENT

(In Compliance of Section 173(2) of the Companies Act, 1956)

ITEM NO. 9. RE-APPOINTMENT OF SHRI D. N. SEHGAL AS "WHOLE-TIME DIRECTOR" OF THE COMPANY

Shri D.N. Sehgal is a very senior Whole-time Director of the Company and is currently heading Company's Marketing Department in Mumbai. Considering the immense contribution made by Shri Sehgal to the growth of the Company over few decades now, the shareholders of the Company have been renewing his appointment from time to time, each time generally for a period of five years. Accordingly, his present appointment which was made in 19th Annual General Meeting held on 27th September, 2007 was also for a period of five years which commenced from 17th January, 2007 and ended on 16th January, 2012. As the present term of his appointment expired on 16th January, 2012, the Board requested him to continue acting as Whole Time Director of the Company subject to the consent of the shareholders of the company in their Annual General Meeting.

The principal terms and conditions of Shri Sehgal's re-appointment are proposed to be as follows:-

- a) **Period of Agreement** - from 17.01.2012 to 16.01.2017
- b) **Remuneration** - ₹ 5,75,000/-p.m.

with authority to the Board/ Remuneration Committee constituted by the Board to re-fix his salary from time to time within the aforesaid period, keeping into view his performance and the ceilings, if any, fixed by statute subject to Shareholders' approval after such enhancement /re-fixation by the board.

- c) **Perquisites and Allowances**

- i) In addition to the salary, the appointee shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, club fees and leave travel concession for himself and his family in accordance with rules of the Company; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to/by the Board of Directors and the Appointee, such perquisites and allowances will however be subject to a maximum of 125% of his annual salary.

- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- iii) Provision for use of the Company's Car for official duties and telephone at residence (incl. Payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iv) Company's contribution to Provident Fund and Superannuation or Annuity fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

d) Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

- e) The terms and conditions of the said re-appointment may be altered and be varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Whole-Time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.
- f) The arrangement may be terminated by either party giving the other party 6 month's notice or the salary in lieu thereof.
- g) If at any time the Appointee ceases to be Director of the Company for any cause whatsoever, he shall also cease to be Whole-Time Director of the Company.
- h) If at any time the appointee ceases to be Whole-Time Director of the Company for any cause whatsoever, he shall not cease to be Director of the Company.
- i) The appointee is appointed by virtue of his employment in the Company and his re-appointment is subject to the provisions of Section 283(1) of the Act. If at any time the appointee ceases to be in the employment of the Company for any cause whatsoever, he shall also cease to be Whole-Time Director of the Company.
- j) The Appointee shall not be entitled to supplement his earning under the Agreements with any buying and selling commissions. He shall not also become interested or otherwise concerned directly or through his spouse and/or minor children, if any, in any selling agency of the Company, without the prior approval from the competent authority.
- k) The Appointee shall not have, inter alia, the following powers:-
 - i) the power to make calls on members in respect of monies unpaid on shares in the company;
 - ii) the power to issue debentures; and
 - iii) the power to invest the funds of the company in shares, stocks and securities.

In accordance with the provisions of Section 309 of the Act the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The Board of Directors recommends the Resolution for shareholders approval at Item no.9.

None of the Directors except Shri D. N. Sehgal is concerned or interested in the proposed Resolution.

This may be treated as an extract of the draft terms of appointment of Shri D.N. Sehgal pursuant to Section 302 of the Act

ITEM NO. 10: RE-APPOINTMENT OF SHRI G. GEHANI AS "WHOLE-TIME DIRECTOR" OF THE COMPANY

Shri G.Gehani has been heading Legal and Secretarial Department of the Company for more than 21 years now. After completion of his 16 years of service at different senior positions in the Company, Shri Gehani was appointed as a Whole Time Director by the Shareholders of the Company in their 19th Annual General Meeting held on 27th September, 2007 for a period of 5 years which commenced from 31st July, 2007 and ended on 30th July, 2012. Shri G.Gehani was requested to continue acting as Whole Time Director of the Company even after 30th July, 2012 by the Board subject to the consent of the shareholders in their Annual General Meeting.

The principal terms and conditions of Shri Gehani's re-appointment are proposed to be as follows:-

- a) **Period of Agreement** - from 31.07.2012 to 30.07.2017
- b) **Remuneration** - ₹ 3,25,000/-p.m.

with authority to the Board/ Remuneration Committee constituted by the Board to re-fix his salary from time to time within the aforesaid period, keeping into view his performance and the ceilings, if any, fixed by statute, subject to Shareholders' approval after such enhancement /re-fixation by the board.

c) **Perquisites and Allowances**

- i) In addition to the salary, the appointee shall also be entitled to perquisites and allowances like accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance, together with the reimbursement of expenses or allowance for utilities such as gas, electricity, water, furnishing and repairs, medical reimbursement, club fees and leave travel concession for himself and his family in accordance with rules of the Company; medical insurance and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to/by the Board of Directors and the Appointee, such perquisites and allowances will however be subject to a maximum of 125% of his annual salary.
- ii) For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.
- iii) Provision for use of the Company's Car for official duties and telephone at residence (incl. Payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- vi) Company's contribution to Provident Fund and Superannuation or Annuity fund, to the extent these either singly or together are not taxable under the Income Tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure, shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

d) **Minimum Remuneration :**

Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

- e) The terms and conditions of the said re-appointment may be altered and be varied from time to time by the Board as it may, in its discretion, deem fit, within the maximum amount payable to Whole-Time Director in accordance with Schedule XIII to the Companies Act, 1956 or any amendments made hereafter in this regard.
- f) The arrangement may be terminated by either party giving the other party 6 month's notice or the salary in lieu thereof.
- g) If at any time the Appointee ceases to be Director of the Company for any cause whatsoever, he shall also cease to be Whole-Time Director of the Company.
- h) If at any time the appointee ceases to be Whole-Time Director of the Company for any cause whatsoever, he shall not cease to be Director of the Company.
- i) The appointee is appointed by virtue of his employment in the Company and his re-appointment is subject to the provisions of Section 283(1) of the Act. If at any time the appointee ceases to be in the employment of the Company for any cause whatsoever, he shall also cease to be Whole-Time Director of the Company.
- j) The Appointee shall not be entitled to supplement his earning under the Agreements with any buying and selling commissions. He shall not also become interested or otherwise concerned directly or through his spouse and/or minor children, if any, in any selling agency of the Company, without the prior approval from the competent authority.
- k) The Appointee shall not have, inter alia, the following powers:-
 - i) to make calls on members in respect of monies unpaid on shares in the company;
 - ii) to issue debentures; and
 - iii) to invest the funds of the company in shares, stocks and securities.

In accordance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The Board of Directors recommends the Resolution for shareholders approval at Item no. 10.

None of the Directors except Shri G. Gehani is concerned or interested in the proposed Resolution.

This may be treated as an extract of the draft terms of appointment of Shri G. Gehani pursuant to Section 302 of the Act.

ITEM NO. 11. APPROVAL FOR CONTINUATION OF SHRI R. K. BAHRI AS "WHOLE-TIME DIRECTOR" OF THE COMPANY

Shri R. K. Bahri joined Company's board on 1st April, 1994. Since then he is continuously providing his guidance and support on the Board. Presently, he is heading Rebar Coating Division of the Company. Considering the immense contribution of Shri Bahri to the growth of the company over decades now, the shareholders of the Company have been renewing his appointment from time to time each time generally for a period of five years. His present appointment, which was made in 21st Annual General Meeting held on 21st September, 2009 was also for a period of five years commencing from 1st April, 2009 and ending on 31st March, 2014. The remuneration being drawn by him comprises of a Basic Salary of ₹ 5,75,000 per month and certain perquisites, benefits and amenities which are well in accordance with the approval granted by the shareholders in their 20th Annual General Meeting held on 4th September, 2008.

As Shri Bahri was born on 10th September, 1942, he attained the age of 70 years on 10th September, 2012. Since Shri Bahri is effectively contributing to the growth of the Company, your board has requested Shri Bahri to continue rendering his services to the Company in spite of his having attained the age of 70 years. However, in terms of Clause (c) (ii) of Part I of Schedule XIII of the Companies Act, 1956 and other relevant provisions of the said act, the shareholders of the Company have to accord their approval by way of passing of a Special Resolution in their general meeting for such continuation.

The Board of Directors recommends the Resolution for shareholders approval at Item no. 11.

None of the Directors except Shri R.K.Bahri is concerned or interested in the proposed Resolution.

ITEM NO. 12: ELEVATION OF SHRI KESHAV PUNJ TO THE POSITION OF "SENIOR EXECUTIVE" OF THE COMPANY

Shri Keshav Punj, son of Shri Ashok Punj, Managing Director of the Company has been working as "Executive" in the company with effect from 1st April, 2008 at a basic salary in a time scale grade of 40,000 -6000-70,000 in addition to usual perquisites and allowances some of which are directly linked to his basic salary as approved by Shareholders in their 22nd Annual General Meeting held on 30th September, 2010.

Ever since his appointment he has been contributing very effectively to the affairs of the company and has taken keen interest in solving various complex problems that the Company has been exposed to.

Keeping in view the necessary experience acquired by Shri Keshav Punj and his contribution in Company's day to day activities, the Board of Directors in its meeting held on 1st August, 2012 has promoted him to the position of "Senior Executive" with effect from 1st August, 2012 at a remuneration in his existing pay grade of ₹ 40,000-6000-70,000 p.m. earlier approved by the shareholders in their meeting held 30th September, 2010 or as may be revised by them. In addition to the Basic Salary, he will be entitled to the allowances, perquisites and benefits as per rules of the Company in vogue, the value whereof will not exceed twice the annual salary.

Since Shri Keshav Punj is relative of the Company's Managing Director, the aforesaid appointment was made subject to the approval of Company's shareholders as required under Section 314 (1) of the Companies Act, 1956.

The Board of Directors recommends the Resolution for shareholders approval at Item no. 12 .

None of the Directors except Shri Ashok Punj is concerned or interested in the proposed Resolution.

ITEM NO.13-15: ENHANCEMENT IN REMUNERATION OF SENIOR EXECUTIVES OF COMPANY PURSUANT TO SECTION 314 OF THE COMPANIES ACT, 1956

Shri Arjun Punj, Shri Raghav Punj and Shri Keshav Punj, relatives of Shri Ashok Punj, Managing Director and Shri Alok Punj, Non-Executive Director of the Company were appointed as 'Senior Executives' sometime back by way of Shareholders approval in their general meetings held on different dates. All the three Senior Executives have been presently drawing basic salaries in the grade of ₹ 40,000-6000-70,000 in addition to usual perquisites and allowances some of which are directly linked to their basic salaries as approved by Shareholders in their 19th Annual General Meeting held on 27th September, 2007 and 30th September, 2010 respectively.

Keeping in view the overall salary structure in the industry, the pay scales at various levels in the Company have since been revised. Accordingly, the Basic Salaries of Shri Arjun Punj, Shri Raghav Punj and Shri Keshav Punj are also proposed to be fixed in the grade of ₹ 95,000-15,000-1,25,000 w.e.f. 1st October, 2012 In addition to the Basic Salaries, they will be entitled to the allowances, perquisites and benefits as per rules of the Company in vogue, the value whereof will not exceed twice the annual salary.

Since Shri Ashok Punj, Managing Director and Shri Alok Punj, Director are interested in the holding of Office or place of profit by their aforesaid relatives, the consent of the shareholders by way of Special Resolutions in accordance with Section 314, sub-section (1) of the Companies Act, 1956 and any other relevant provision of the said act is necessary.

The Board of Directors recommends the Resolutions for shareholders approval at Item no. 13-15 .

None of the Directors except Shri Ashok Punj and Shri Alok Punj are concerned or interested in the proposed Resolutions.

By Order of the Board of Directors of
PSL LIMITED

Regd. Office: -
Kachigam, Daman
Union Territory of
Daman & Diu - 396 210

Sd/-
(G. GEHANI)
Director & Company Secretary

Dated: 1st August, 2012

ADDITIONAL INFORMATION

Particulars	SHRI HARRY H. SHOURIE
Date of Birth	15 th January 1944
Qualification	Masters in International Relations, MBA
Expertise in specific functional area	Finance Management
Directorship held in other Companies	Tri Nexus Advisory, CA, USA
Membership in committees of the Board	PSL Limited - Audit Committee
Brief Resume	<p>Shri Harry H. Shourie holds Masters degree in International Relations from University of Chicago in addition to an MBA from East Texas State University and a Bachelor Degree from Delhi University. He is primarily a Finance Professional having specialization in trade finance. Apart from being advisor for many export projects of United technologies, Hughes aircraft, Northrop aviation, Honeywell, Lockheed, Boeing, HP etc., he has also worked on different projects like South Korean Pipeline Export, Greenfield's Telecom in Philippines and also in Nigeria. He has also handled a major project for Union Bank of California.</p> <p>Having considered his experience in diverse fields such as Finance & International Business, Shri Shourie was inducted on Company's Board in December, 2005 and since then Shri Shourie is rendering very useful advice in the Board deliberations.</p>

Particulars	SHRI D.N. SEHGAL
Date of Birth	1 st January, 1947
Qualification	B.Tech. - (Prodn) Engg. (Hons), M.tech- Industrial Engg.
Expertise in specific functional area	General Management & Marketing
Directorship held in other Companies	Sehdev Projects Pvt. Ltd. PSL FZE PSL Infrastructure Ports Private Limited
Membership in committees of the Board	NIL
Brief Resume	<p>Shri D.N. Sehgal is a qualified Production Engineer having completed his Post Graduation Programme in Industrial Management & Engineering with distinction. Shri Sehgal has spent three decades in core sector of Indian Economy - eg. Marketing & Project Management of large value complex Industrial projects in Refinery, Petrochemical, Metallurgical & other onshore & offshore pipeline projects. Prior to joining PSL about 2 decades ago, he has held important portfolios in senior capacities in Dodsal Pvt. Ltd., BST Engineering Services Ltd., Dynacraft Machine Co. Ltd. and Mukund Iron Steel Works. He joined the Company's Board on September, 1994 and is directly responsible for execution of various important projects of the Company.</p>

Particulars	SHRI R.K. BAHRI
Date of Birth	10 th September, 1942
Qualification	B.E. Mech.
Expertise in specific functional area	General Management & Production
Directorship held in other Companies	PSL Corrosion Control Services Ltd. Eurocoustic Products Ltd. Indian Institute of Corrosion
Membership in committees of the Board	NIL
Brief Resume	<p>Shri R. K. Bahri, primarily a qualified Mechanical Engineer, had joined the Company as a Director in 1989 and later elevated to the position of Whole Time Director in April 1994. Prior to his induction, he had spent over two decades with M/s Fedders Lloyd Corporation in various senior positions. Shri Bahri introduced Fusion Bonded Epoxy Coating for Reinforced Steel Bars for the first time in India. He is also serving the Indian Institute of Interior Designs since its inception in various capacities and is the Trustee of NACE International India Section, Ex-Chairman of the Society for Advancement of Electrochemical Science & Technology (SAEST), Bombay Chapter.</p>

Particulars	Shri S.P. Bhatia
Date of Birth	18 th December, 1951
Qualification	B.Sc. Engg. (Mechanical)
Expertise in specific functional area	Management of various Projects
Directorship held in other Companies	Punj Corporation Private Limited
Membership in committees of the Board	PSL Limited - a) Committee of Directors b) Share Transfer Committee
Brief Resume	Shri S.P. Bhatia, born in 1951 is a BSC. Engg. (Mechanical) from Regional Engineering College, Kurukshetra. Shri Bhatia is working with the Group since 1983 and has served in different capacities in various divisions of the Group such as Insulation, Pipe Coating, Pipe Making, etc. Shri Bhatia, as head of the Projects Department, has been responsible for setting up of various projects and facilities at different locations of the Company in India. He has also been responsible for acquiring know-how on behalf of PSL from Byard Engg. Consultants - UK, UMRAN - Turkey and Dr. G.Valle- Italy, PWS-Germany & S.I.M- Korea for Pipe Making and Induction Bending Technologies.

Particulars	Shri C.K. Goel
Date of Birth	16 th November, 1957
Qualification	Diploma in Mech. Engg., Business Management, Refrigeration and Air Conditioning
Expertise in specific functional area	General Management & Production
Directorship held in other Companies	Nil
Membership in committees of the Board	Nil
Brief Resume	Shri C.K. Goel, born in 1957 has a post graduate diploma in Mechanical Engineering with specialization apart from a Diploma in Business Management, Refrigeration & Air Conditioning. He had joined PSL way back in 1978 and has now completed 33 years of working in responsible positions. Before taking over as In charge of an important production facility at Varsana in Gujarat, which includes the latest Two-Step Helical Spiral Pipe Mill, Shri Goel has handled and headed various projects and operations in Company's different plants.

Particulars	Shri G. Gehani
Date of Birth	27 th January, 1953
Qualification	FCS, M.Com, LL.B, DPM & IR and DCL & SP
Expertise in specific functional area	Legal & Secretarial
Directorship held in other Companies	Nil
Membership in committees of the Board	PSL Limited - a) Committee of Directors b) Audit Committee c) Share Transfer Committee
Brief Resume	Shri G.Gehani, born in 1953, is a fellow Member of Institute of Company Secretary of India (ICSI) and has to his Credit a few other degrees and Diplomas in different disciplines such as M.Com, LLB, DPM & IR and DCL & SP. Since completion of his Company Secretaryship way back in 1978 and prior to joining PSL in 1991 he worked at various senior positions in Public and Private Sector Companies such as Pawan Hans, CCIC, Taj Group of Hotels etc. Hence, out of total 34 years of post qualification experience, Shri Gehani has been heading the Legal & Secretarial Department of PSL Limited for more than 21 years now. He had effectively contributed in successful completion of Company's maiden IPO, FCCB issue, Right issue and few Preferential Allotments which directly helped in raising adequate funds for establishment of new Production Facilities. Shri Gehani has been associated with various Professional and Social Organizations of the country for last 25 years and has held Senior responsible positions in some of them.

DIRECTORS' REPORT

To The Members of PSL Limited

Your Directors have pleasure in presenting this 24th Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year ended 31st March 2012.

FINANCIAL RESULTS

The highlights of your Company's standalone Financial Results for the year ended on 31st March, 2012 and appropriation of divisible profits is given below:-

Particulars	(₹ in Crores)	
	Current Year (2011-12)	Previous Year (2010-11)
Net Sales	2277.94	2496.21
Other Income	13.05	34.22
Total	2290.99	2530.43
Profit before depreciation and finance cost is	432.60	413.29
After deducting depreciation and finance cost of	362.94	308.63
The profit for the year before Taxation Provisions is	69.66	104.66
From which is deducted Taxation Provision of	15.50	29.00
Thereby leaving a Net Profit of Which your directors have recommended to be appropriated as follows :-	54.16	75.66
a) Transfer to General Reserves	5.42	7.57
b) Proposed Dividend	24.78	24.83
c) Prior year payments	5.57	1.63
Thereby leaving a balance of for carrying over to next year's A/c	18.39	41.63

PERFORMANCE HIGHLIGHTS

(A) STANDALONE FINANCIAL STATEMENTS

1. During the Year Under Review

During the year, Indian economy witnessed various issues such as slower growth, high inflation, uncertain political environment and strong forex volatility. In spite of such adverse external environment an aggregate income of ₹2290.99 Crores was generated which was merely 9% lower than that of previous financial year when the economy did not suffer from all such adverse factors in one single year.

The Profit before depreciation and finance cost stood at ₹ 432.60 Crores as against ₹ 413.29 Crores in previous year thereby registering a growth of 4.7 %. However, the Net Profit before and after Tax stood at ₹ 69.66 Crores and ₹ 54.16 Crores during the year under review respectively against ₹ 104.66 Crores and ₹75.66 Crores in the previous year.

2. For the Year Under Review

a) Due to decline in Profit before Tax during the year, the amount of ₹ 5.42 Crores proposed to be transferred to the General Reserve Account is lesser than that transferred in the previous year.

- b) Due to similar reason as stated above, the credit balance of Profit & Loss Account proposed to be carried to Balance Sheet is ₹ 18.39 Crores, which is lesser than that of previous year balance.
- c) In addition to an Interim Dividend of ₹ 2.00 per share paid by the Company, the board has also recommended payment of ₹ 2.00 per share as final dividend, thereby aggregating to a total dividend of ₹ 4/- per share for the financial year 2011-12.

(B) CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, the consolidated Profit (before depreciation and finance cost) stood at ₹ 502.46 Crores as compared to ₹ 440.23 Crores in the previous year. The Net Profit before and after Tax stood at ₹ 62.77 Crores and ₹ 44.47 Crores respectively during the year under review as against ₹ 87.23 Crores and ₹ 52.39 Crores respectively in the previous year.

SUBSIDIARY COMPANIES

Your Company has seven subsidiary companies as detailed below:

1. PSL Corrosion Control Services Limited
2. PSL USA Inc
3. PSL North America LLC
4. Pipeline Systems Limited
5. PSL FZE
6. PSL Gas Distribution Private Limited
7. PSL Infrastructure and Ports Private Limited

In accordance with the provisions of Section 212 of the Companies Act 1956, your Company is required to attach the Directors' Report, Auditors Report, Balance Sheet and Statement of Profit and Loss Account of the subsidiary companies to the Balance Sheet of the company. However, the Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated 8th February, 2011 has granted a General exemption under Section 212(8) of the Companies Act, 1956 to all the companies from annexing annual accounts and other documents of subsidiary companies with the Annual Report of Holding Company subject to compliance of few prescribed conditions. As your Company complies with all the conditions as specified in the said circular and your Board of Directors had in its meeting held on 1st August, 2012 passed a Resolution giving its consent for not attaching Balance Sheet and other documents of its various Subsidiary Companies, a statement of the Company's interest in the Subsidiaries and a summary of the financials of the Subsidiaries is given along with the consolidated accounts.

The Annual Accounts of the Subsidiary Companies and other related detailed information will be made available to any member of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies will also be kept for inspection during the business hours at the Registered Office as well as at Legal & Secretarial Office of the company.

IMPORTANT OPERATIONAL ACHIEVEMENTS

Members are aware that amongst various pipe manufacturers in the country, your Company is the only one which has attached adequate importance to establish its pipe manufacturing facilities at various strategic locations of the country. Such decision taken in the past has indeed proved fruitful since a manufacturing capacity in the vicinity of the major pipeline projects as and when they arise, definitely helps in substantially saving on account of transportation cost thereby directly reducing the overall project cost, hence this factor gets more weightage in the minds of prospective customers. This benefits not only your Company, but also facilitates timely execution of major pipeline projects by reducing logistic difficulties and complexities in turn pleasing the owner companies.

PRESTIGIOUS ORDER FROM INDIAN OIL CORPORATION LIMITED

As stated above the strategic locational advantage of your Company's Jaipur Pipe Mill directly benefited the Company when Indian Oil Corporation Limited recently awarded a very prestigious order for "DE-BOTTLENECKING OF SALAYA-MATHURA PIPELINE". This order to the Company further proves, Company's planned development across the country as it demonstrate that proximity of pipe manufacturing to required delivery point is a key advantage both financially and in terms of logistic in the pipe supply business.

Having secured this prestigious order, your Company, in the shortest possible time, enhanced the production capacity at its Jaipur Pipe Mill from the previous levels of 150,000 MT per annum to 300,000 MT per annum, effectively doubling the capacity.

In addition, specialized coating facilities for Oil and Gas Pipelines were also installed and the whole unit obtained the requisite approval from Indian Oil Corporation Limited and other agencies to supply a portion of SALAYA-MATHURA PIPELINE order.

NEW FACILITY FOR THREE LAYER COATING ON LARGE DIAMETER PIPES

Continuing to set a pioneering pace, your Company, having secured large supply orders for water pipeline in the state of Gujarat, became the first manufacturer in India and amongst a handful worldwide, to undertake specialized three Layer Polyethylene Coating application on steel pipes having diameter upto 100".

The specialized facility was deployed and commissioned in a record time to meet client's requirement for the Gujarat Water & Irrigation Board, which had laid down this challenging specification which your Company was the first to respond to and achieve success in.

PERFORMANCE OF SUBSIDIARY COMPANIES

1. ON DOMESTIC FRONT

(i) PSL CORROSION CONTROL SERVICES LTD. - an Indian Company

PSL Corrosion Control Services Ltd. Operates through its various divisions such as Rebar Coating Division, Corrugated Steel Plate Bridge Division, Steel Structure Division etc.

The corrosion resistance FBE coated bars provided by the Company meets all international standards on the subject thereby directly contributing in country's efforts in developing its infrastructure sector. During the year under review, the Company could bag prestigious orders for providing FBE Coating to the Steel Bars for usage in various infrastructure projects of reputed Companies like ONGC, L&T, Navy, Tata Projects Ltd., CIDCO etc.

The division of manufacturing steel plate bridges has commenced its operations in India very recently. The division completed the FIRST ever Corrugated Steel Plate Bridge in India at Jawahar, by Govt. of Maharashtra. The project was successfully completed with the help of our collaboration with M/s Fixon, Korea in 21 days.

Another division of the Company namely Steel Structure Division was fortunate enough to bag an order from Reliance Group for constructing a Reliance Retail Mall at Ring Road in Rajkot, Gujarat. This division by using circular steel columns could complete this first steel structure mall in a record time of four months.

PSL Corrosion Control Services Ltd. is confident that with state of the art technologies that it uses in all its aforesaid three divisions, it will be in a position to bag more prestigious order for each of these three divisions in the Current Financial Year.

2. ON INTERNATIONAL FRONT

(i) PSL FZE - a UAE based company.

Your Company's subsidiary PSL FZE, in a systematic and time bound manner, doubled its pipe manufacturing capacity during the course of the year under review, taking it from 75,000 MT per annum to 150,000 MT per annum.

The project was successfully commissioned and the additional capacity has been deployed in serving the customer's pipe requirement in neighbouring Saudi Arabia.

(ii) PSL NORTH AMERICA LLC - a US based company.

Your Company's subsidiary in the U.S. "M/s PSL North America LLC" enhanced its pipe manufacturing capacity by adding a specialized module of 75,000 MT per annum capacity enabling the facility to produce pipes for structural application, as well as extra large diameter pipe for upto 110" diameter as opposed to its earlier limitation of 60" diameter maximum.

This important development will enable your subsidiary to serve the needs of the rapidly increasing water pipeline sector in the region.

APPROPRIATIONS

DIVIDEND

In addition to an Interim Dividend of ₹ 2.00 per equity share paid by the Company in April, 2012, your Directors are now pleased to recommend a final dividend of ₹ 2.00 per equity share of ₹ 10 /- each on all fully paid up equity shares. If approved by the Members the total dividend for the Financial Year 2011-12 amounting to ₹ 4.00/- per equity share would workout to 40% dividend generally not witnessed, particularly, during such Financial Year when the country's economy is struggling hard to maintain its various parameters.

After declaration of the said final dividend, your Company would complete seventeen successive years of payment of dividend ever since its Public Issue in February, 1995.

TRANSFER TO RESERVES

In accordance with the Companies (Transfer of Profits to Reserves) Rules, 1975, your Directors have recommended transfer of a sum of ₹ 5.42 Crores to the General Reserve A/c. As a result the accumulated reserves as on 31st March, 2012 would amount to ₹ 70.55 Crores. Similarly after retaining ₹ 18.41 Crores in the Profit and Loss account for the year under review, the accumulated credit Balance in the Profit and Loss Account appearing in the Balance Sheet as on 31st March, 2012 has aggregated to ₹ 35.76 Crores.

DIRECTORATE

During the year under review, Shri G.S.Sauhta, a Senior Director of our company submitted his resignation after completing 24 years of distinguished service in the Company out of a total of 38 years service to the group.

Your Board placed on record its very deep appreciation for a very useful role played by Shri Sauhta in the gradual growth of company in his tenure.

In accordance with the provisions of Section 256 of Companies Act, 1956 and Article 91 & 92 of the Articles of Association of your Company, Shri Harry H. Shourie, Shri D.N. Sehgal, Shri R.K. Bahri, Shri S.P Bhatia & Shri C.K. Goel, Directors of your Company retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

The Five Year term of Shri Gehani who was appointed w.e.f. 31st July, 2007 at 19th Annual General Meeting expired in July, 2012 as the Board has recommended his reappointment for further period of 5 years. The Shareholders at the ensuing Annual General Meeting would be requested to consider the said reappointment of Shri G. Gehani.

In Compliance of Clause 49 (IV) (G) of the Listing Agreement, a brief resume of the aforesaid five Directors eligible for re-appointment as well as that of Shri G. Gehani (to be considered for re-appointment as Whole-time Director) is annexed to the notice to enable the shareholders to consider their re-appointment.

STATUTORY COMPLIANCES

1. The Company Secretary as Compliance Officer of Company appointed in pursuance of Clause 47 (a) of the Listing Agreement, ensures timely compliance of SEBI regulations, applicable law, rules and regulations and provisions of Listing agreement. He also responds to different type of grievances and queries including the ones related to dividend of shareholders.
2. In compliance of Clause 32 of the Listing Agreement executed by the Company with the different Stock Exchanges, the Cash Flow Statement in the format prescribed by SEBI is annexed to this report.
3. In compliance of Clause 32 of the Listing Agreement and Accounting Standard AS-21 on consolidated financial statement, your Directors have pleasure in attaching the

Consolidated Financial Statements, which forms part of this Annual Report.

4. In compliance of Clause 49 VI (ii) of the Listing Agreement, Quarterly Compliance Report in the prescribed format is regularly sent to Stock Exchanges.
5. In order to comply with statutory obligation, Reconciliation of Share Capital Audit is done on quarterly basis to reconcile the total admitted capital with the two depositories in the country namely National Securities Depository Limited (NSDL) & Central Depository Services limited (CDSL) and the total issued and listed capital. Audit Reports furnished to this effect by a Practicing Company Secretary appointed for the purpose have been regularly submitted to the various Stock exchanges with which the Company's shares are listed.

INTERNAL CONTROL AND ADEQUACY

Your Company being well aware of the advantages of an effective control system in the Company has an adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against any loss from their unauthorized use or disposition. Transactions are authorized, recorded and reported correctly.

Accordingly, a separate Internal Audit Department headed by a Senior Person, who is a qualified Cost Accountant, has been set up. This Department carries out the Internal Audit of Accounts of different branches and critically analyses the same after which a Consolidated Internal Audit Report is placed before the Audit Committee in its meeting held every quarter for detailed deliberations on the same.

The team of Statutory Auditors being an external body achieves adequate effectiveness of its extensive Audit due to support of the Company's Internal Audit Department. Both Statutory as well as Internal Auditors are regularly invited at the Audit Committee Meetings wherein more light is thrown on the regular Internal Audit checks carried out to ensure that the responsibilities given to different Senior Officers of the Company across all plants are discharged effectively with an overall objective that the Company's assets are safeguarded and protected against losses from their unauthorized use or disposal.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the good corporate governance practices and adheres to the standards set out by the Securities Exchange Board of India / Stock Exchanges. A detailed report on Company's Compliances of various Corporate Governance norms as stipulated under Clause 49 of the Listing Agreement executed with National Stock Exchange and Bombay Stock Exchange is attached to this Report. The Auditor's Certificate confirming the compliance to the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement has been obtained and is annexed to the said Corporate Governance Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Clause 49 of the Listing Agreement, a separate Management Discussion and Analysis Report is annexed to Directors' Report and forms part of this Annual Report.

BOARD COMMITTEES

For assisting the Board of Directors on discharging its responsibilities in various fields effectively and efficiently following five Standing Committees with a defined mandate given to them have been constituted by the board :-

1. Audit Committee
2. Committee of Directors
3. Remuneration Committee
4. Shareholders'/ Investors' Grievance Committee
5. Share Transfer Committee

Meetings of these Committees are held periodically wherein certain important decisions in accordance with their respective mandates are taken which are thereafter ratified by the Board. Few Non-standing committees were also constituted during the year for dealing with specific assignments. Their term automatically expires after the assignment in question is completed.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions contained in Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- In the preparation of Annual Accounts of the year ended 31st March 2012, the applicable accounting standards were followed and there are no material departures;
- The accounting policies in consultation with Statutory Auditors are applied consistently to give a true and fair view of the state of affairs of the Company at the end of Financial Year ended 31st March, 2012 and Profit & Loss Account of the period under report.
- Proper and sufficient care has been taken for maintenance of adequate accounting records and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Annual Accounts have been prepared on a going concern basis.

AUDITORS

M/s Suresh C. Mathur & Co., Chartered Accountants, Statutory Auditors of the Company, retires at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Board of Directors of the Company has received a Certificate from the retiring Auditors that their appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

AUDITORS' REPORT

The notes to the accounts referred to in Auditors' Report are self-explanatory and therefore does not call for any further comments by the Board of Directors.

COST AUDITORS

Your Directors in accordance with the provisions of Section 233B of the Companies Act, 1956 and an Order no. F.No.52/26/CAB-2010 dated 03.05.2011 modified vide Order no. F.No.52/26/CAB-2010 dated 30.06.2011 issued by Cost Audit Branch, Ministry of Corporate Affairs has appointed Shri V.V. Deodhar, a practicing Cost Accountant as a Cost Auditor to conduct the Cost Audit of the Company for the financial year 2012-13. The said appointment has been approved by the Central Government.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures required pursuant to sub-section (1) (e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the Annexure forming part of this Report.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information, is being sent to the Members and others entitled thereto. However, since the said particulars will be made available at the Registered Office of the Company w.e.f 6th September, 2012, the members desirous of obtaining such particulars may write to the "Director & Company Secretary" of the Company at its Registered Office.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to thank all Investors, Suppliers, Clients, Financial Institutions, Banks, Regulatory and Government Authorities, Media and Stock Exchanges for their continued support.

Your Directors also place on record their appreciation for the contribution made by the employees at all levels. Our Company's consistent growth was made possible only by their hard work, solidarity, cooperation and support.

For and on behalf of the Board of Directors
PSL Limited

	Sd/-	Sd/-
Place : Mumbai	(ALOK PUNJ)	(ASHOK PUNJ)
Date : 1 st August, 2012	Director	Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988

	2011-12	2010-11
1. CONSERVATION OF ENERGY		
A) Power and Fuel Consumption		
Electricity		
a) Purchased		
Units (M.KWH)	33,523.71	41,191.92
Total Amount (₹ Crores)#	21.01	25.31
Average Rate/Unit (₹ /KWH)	6.27	6.15
b) Own Generation		
i) <i>Through Diesel Generator</i>		
Units (M.KWH)	15810.38	11897.54
Units per litre of diesel oil (KWH) ##	3.04	3.16
Average Cost/Unit (₹ /KWH)	14.30	12.90
ii) <i>Through Steam Turbine/Generator</i>		
Units (M.KWH)	NIL	NIL
Average Cost/Unit (₹ /KWH)	NIL	NIL
# Excludes electricity duty paid on purchases		
## Previous year's figure modified		
B) Technology Absorptions		
The Company is doing research and development for improvement in their items of manufacturing. Specific areas in which R & D is carried out by the Company:-		
i. Improvement of product quality and process efficiency		
ii. Optimising production efficiency		
iii. Cost deduction and economical efficient production		
iv. Pollution Control - to have pollution free environment in and around factory areas.		
v. Environmental Care		
vi. Optimisation of process parameters.		
2. FOREIGN EXCHANGE EARNINGS AND OUTGO	(₹ in Lacs)	(₹ in Lacs)
Earnings	56,803.12	46,352.45
Outgo on Royalty	NIL	NIL

For and on behalf of the Board of Directors
of **PSL Limited**

Place : Mumbai
Date: 1st August, 2012

Sd/-
(ALOK PUNJ)
Director

Sd/-
(ASHOK PUNJ)
Managing Director

CORPORATE GOVERNANCE

This report on Corporate Governance forms part of Directors' Report.

1) PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

Your Company is committed to conduct its business in compliance with the applicable laws, rules and regulations as amended from time to time and with the highest standards of business ethics. Your Company's philosophy on Corporate Governance is aimed at optimizing the balance between stakeholders' interests on one hand and corporate goals on the other through the efficient conduct of its business and meeting their obligations in a manner that is guided by fairness, transparency, integrity, equity and accountability.

The traditional view of Governance as a regulatory and compliance requirement has given way to adoption of governance norms tailored to the specific needs of the Company. The Company has a well defined policy framework, the broad terms of which are;

- a) to ensure transparency in all its operations which implies the maximum possible disclosure without compromising in any way the compliance of laws and regulations and the interest of the Company and its shareholders
- b) to ensure management's commitment in applying principles of openness, accountability, responsibility, independence, fairness and prudence in managing the company.
- c) to maintain high quality of products and services provided by the company on continuous basis.
- d) to ensure that better system of internal control exists in consistency with PSL's Code of Conduct, thus leading to greater accountability and better profit margins.
- e) to ensure that organization is managed in the best interests of all.
- f) to focus on quality training and development of employees and workers so as to achieve the overall corporate objectives, while ensuring employee integration across national boundaries.
- g) to ensure that the Company follows globally recognized Corporate governance practices.
- h) to ensure promotion of ethical values and setting up exemplary standards of ethical behavior in our conduct.

2) BOARD OF DIRECTORS

The Board presently consists of fourteen Directors of which seven are Executive Directors and seven are Non-Executive Directors (out of which six are Independent Directors). During the year Shri G. S. Sauhta, one of the Executive Director submitted his resignation after rendering his services to the Company for 24 long years (effective from 31st August, 2011). The composition of Board of Directors is in full conformity with Clause 49 of the Listing Agreement executed by the Company with Stock Exchanges.

The no. of positions held by our Company Directors as Director and Committee members in our company as well as in other Bodies Corporate during the year under review are as follows:-

Sr. No.	Name of the Directors	Category of Director	No. of positions held	
			Board Memberships	Memberships of Standing Committees#
1.	Ashok Punj	Managing Director	18	1
2.	Alok Punj	Non-Executive	9	4
3.	G.S. Sauhta*	Executive	4	Nil
4.	R. K. Bahri	Executive	4	Nil
5.	M.M. Mathur	Executive	1	2
6.	D. N. Sehgal	Executive	4	Nil
7.	S. P. Bhatia	Executive	2	2
8.	G. Gehani	Executive	1	3
9.	C. K. Goel	Executive	1	Nil
10.	N. C. Sharma	Independent & Non-Executive	5	8
11.	Prakash V. Apte	Independent & Non-Executive	4	2
12.	Harry H. Shourie	Independent & Non-Executive	2	1
13.	Ashok Sharma	Independent & Non-Executive	2	2
14.	Paresh J. Shah	Independent & Non-Executive	3	2
15.	Harsh Pateria	Independent & Non-Executive	2	2

Includes Board Membership & Committee Membership held in PSL limited & other Public Limited Companies, Subsidiary of Public Limited companies, Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

* Ceased to be a Director with effect from 31st August, 2011. Details of his board membership and committee membership is as per the last disclosure provided by him to the Board.

ATTENDANCE AT MEETINGS

During the financial year 2011-12, the Board of Directors met five times. The date of the said Board meetings were 14th May, 2011, 24th June, 2011, 12th August, 2011, 4th November, 2011 and 14th February, 2012 respectively. In compliance of Clause 41(1) (e) of Listing Agreement, it was ensured that the gap between any two Board Meetings did not exceed four months. After close of the Financial Year, the Board of Directors met on 29th May, 2012 to take on record the Audited Financial Results for the whole financial year 2011-12 and for submission of the said results to Stock Exchanges as per Clause 41 (1) (d) of the Listing Agreement. The last Annual General Meeting was held on 22nd September, 2011. Attendance of each Directors at the five Board meetings held for the last financial year 2011-12 and at the aforesaid last Annual General Meeting was as follows :-

Name of Directors	Board Meetings					Meetings attended	Last AGM
	14.05.11	24.06.11	12.08.11	04.11.11	14.02.12		
Ashok Punj	P	P	P	P	P	5	P
Alok Punj	P	P	P	P	P	5	P
G.S. Saubta #	P	P	P	-	-	3	-
R. K. Bahri	LOA	P	P	P	P	4	P
M. M. Mathur	LOA	P	LOA	P	P	3	NR
D. N. Sehgal	LOA	P	P	P	P	4	NR
Prakash V. Apte	P	P	P	P	P	5	P
N. C. Sharma	P	P	P	P	P	5	P
Ashok Sharma	P	LOA	LOA	P	P	3	NR
Harry H Shourie	P	LOA	P	P	P	4	NR
S. P. Bhatia	P	P	P	LOA	P	4	NR
C. K. Goel	LOA	P	P	LOA	LOA	2	NR
G. Gehani	P	P	P	P	P	5	P
Paresh J. Shah	LOA	P	P	LOA	P	3	NR
Sh. Harsh Pateria	P	P	P	P	P	5	NR
Directors Attended	No.	10	13	11	13		
	%	66.67	86.67	86.67	79	93	

P = Present

LOA = Leave of Absence

NR = Statutorily not Required to attend

Ceased to be a Director with effect from 31st August, 2011.

3) COMMITTEES OF BOARD OF DIRECTORS

The Board constitutes its need based Committees from time to time and at the time of their constitution fix mandate for each such Committee. However, some of the Committees have specific assignment delegated to them whereas the others being Standing Committees are permanent in nature and have to meet from time to time. The tenure of the former types of Committees expire after accomplishment of the specific objective set for them whereas the tenure for Standing Committees is unlimited although the constitution and the mandate of such Standing Committees keep changing based on the needs for such change.

For the year under review, the Board had constituted one need based committee namely Dividend Declaration Committee comprising of four members out of which three are members of Audit Committee. Dividend Declaration Committee was constituted to consider and declare Interim dividend for the financial year 2011-12. The meeting of the said committee was held on 12th April, 2012 wherein in accordance with the mandate given to it by the Board, the members of the committee declared and paid Interim Dividend of ₹ 2.00 on each fully paid-up share of ₹ 10/- each for the Financial Year 2011-12 on 26th April, 2012.

STANDING COMMITTEES

Throughout the year under review, the Board has following five Standing Committees each of which functions within its scope, power and role:-

- Audit Committee
- Committee of Directors
- Remuneration Committee
- Shareholders'/ Investors' Grievance Committee
- Share Transfer Committee

The scope, power and role of these committees was fixed keeping in view the relevant provisions of Companies Act, 1956, Listing Agreement and the specific view of the Board from time to time. Accordingly, these Standing Committees made decisions within the mandate given to them and all such decisions were then placed before the Board for its ratification/noting.

BRIEF ABOUT STANDING COMMITTEES

(a) Audit Committee

(i) Composition

Your company's Board has constituted audit committee comprising of qualified and independent members drawn from the Board itself. This Committee has been constituted in compliance of and in accordance with the provisions contained in clause 49 of the listing agreement read with section 292A of the Companies Act, 1956. During the year under review, there was no change in composition of the Audit Committee and presently it comprises of following six members:

Sr. No.	Name of Member	ED*/NED**/ I & NED***	Position
1.	Alok Punj	Non-Executive Director	Member
2.	Prakash V. Apte	Independent & Non-Executive Director	Member
3.	N.C. Sharma	Independent & Non-Executive Director	Member
4.	Harry H. Shourie	Independent & Non-Executive Director	Member
5.	Harsh Pateria	Independent & Non-Executive Director	Member
6.	G. Gehani	Director & Company Secretary	Member

* Executive Director

** Non Executive Director

*** Independent And Non Executive Director

All the above members have vast experience apart from adequate knowledge in the field of Finance and Accounting. The Statutory Auditors and other senior executives from Finance Department are invited to participate in the Meeting of the Audit Committee.

(ii) Terms of Reference

The present terms of reference, scope and function of the Audit Committee are as per the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement and includes other functions as assigned by the Board from time to time. The functions of the Audit Committee, inter-alia includes;

- Overview 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.
- Reviewing with the management, the Quarterly and Annual Financial Statements before submission to the Board for approval, with particular reference to :-
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 217 subsection (2AA) of the Companies Act, 1956.
 - 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.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with Stock Exchanges and legal requirements concerning financial statements.
 - Disclosure of any related party transactions.

- C. To discuss and review the Company's financial and risk management policies
- D. To review with the Management, the statement of uses/ application of funds raised through Public Issue, Rights Issue, and Preferential Issue etc.
- E. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- F. Discussing with internal auditors any significant finding and follow-up thereon.

The Audit Committee is also entitled to review such matters as are considered appropriate by it and referred to it by the Board.

(b) COMMITTEE OF DIRECTORS

The Board is authorised to constitute committees and delegate to them few powers and duties with respect to specific purposes as defined in various sections of the Companies Act, 1956. The Board has constituted one such committee i.e. Committee of Directors. The meetings of the said committee are held as and when need arises.

(I) TERMS OF REFERENCE

The major role and terms of reference of the committee is to deliberate and decide upon all such urgent matters, which cannot wait till convening of next Board Meeting. All decisions of the committee are placed before the Board for noting and ratification by the Board in its next meeting.

(II) COMPOSITION

The Committee presently comprises of following five members.

Sr. No.	Name of Member	ED*/ NED**/ I & NED***	Position
1.	Ashok Punj	Managing Director	Member
2.	Alok Punj	Non-Executive Director	Member
3.	M.M.Mathur	Executive Director	Member
4.	G. Gehani	Director & Company Secretary	Member
5.	S.P. Bhatia	Executive Director	Member

* Executive Director

** Non Executive Director

*** Independent and Non Executive Director

(III) MEETINGS & ATTENDANCE

During the year under review large number of meetings were held. Attendance of the members at the meetings was as follows:-

Sr. No.	Name of Member	No of meetings attended
1.	Ashok Punj	24
2.	Alok Punj	22
3.	M.M. Mathur	37
4.	G.Gehani	41
5.	S.P.Bhatia	40

(c) REMUNERATION COMMITTEE

(i) TERMS OF REFERENCE

Remuneration Committee has been constituted to recommend / review remuneration package of the Managing Director and Whole-time Directors and employees covered under Section 314 of Companies Act to the Board after taking into consideration the financial performance of the Company, Company's policy, trends in the industry, performance and past remuneration drawn by such personnel.

(ii) REMUNERATION POLICY

Remuneration policy of the company is framed with a view to ensure that the Company remain competitive in the industry so as to attract and retain best talent available in the market. Moreover, the policies to be designed most appropriately reward the talented individuals in their respective performances and contribution to the company's business.

(iii) COMPOSITION

The Committee presently comprises of following five members:-

Sr. No.	Name of Member	ED*/ NED**/ I & NED***	Position
1.	Alok Punj	Non-Executive Director	Member
2.	Prakash V. Apte	Independent & Non-Executive Director	Member
3.	Ashok Sharma	Independent & Non-Executive Director	Member
4.	Paresh J. Shah	Independent & Non-Executive Director	Member
5.	Harsh Pateria	Independent & Non-Executive Director	Member
6.	G.Gehani	Director & Company Secretary	Secretary

* Executive Director

** Non Executive Director

*** Independent And Non Executive Director

(iv) MEETINGS & ATTENDANCE

During the financial year 2011-12, the two meetings of Remuneration/ Remuneration Sub-Committee were held on 24th June, 2011 & 15th July, 2011 respectively which were attended by all the members except Shri Ashok Sharma At the said meetings the revised remuneration package of three Whole Time Directors namely Shri G.Gehani, Sh. S.P.Bhatia and Sh C.K. Goel were considered and recommended to the Board.

After the conclusion of the financial year 2011-12, another meeting of the Committee was held on 1st August, 2012 wherein enhancement of remuneration of three 'Senior executives' of the Company namely Shri Arjun Punj, Shri Raghav Punj and Shri Keshav Punj, relatives of Shri Ashok Punj, Managing Director and Shri Alok Punj, Director of the Company were considered and recommended in accordance with the provisions of Section 314 of the Companies Act, 1956.

(v) MEETINGS & ATTENDANCE

During the financial year 2011-12, five meetings of Audit Committee were held. The attendance at the said meetings is as follows:-

Date of Meeting	Name of Member						Attendance	
	Alok Punj	Prakash V. Apte	N. C. Sharma	Harry H. Shourie	Harsh Pateria	G. Gehani	No.	%
14.05.11	P	P	P	P	P	P	6	100
24.06.11	P	P	P	LOA	P	P	5	83.34
12.08.11	P	P	P	P	P	P	6	100
04.11.11	P	P	P	P	P	P	6	100
14.02.12	P	P	P	P	P	P	6	100
No. of Meetings attended	5	5	5	4	5	5		
% of Attendance	100	100	100	80	100	100		

P = Present

LOA = Leave of Absence

All the Audit Committee meetings were attended by Head of Finance Function, Head of Internal Audit and the Statutory Auditors of the Company.

INTERNAL AUDIT

PSL considers the Internal Audit Department as a powerful tool with focus on control and governance. Internal Audit promotes strong ethics and values within the organization.

At PSL, Internal Audit team aims at:-

- Effectiveness and efficiency of company's operations.
- Reliability of financial reporting.
- Compliance with laws and regulations of all major functional areas, purchase, store, quality, production, technical, marketing, sales & finance.
- Reporting on all major finding during the audit to the Board.

(d) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE**(i) TERMS OF REFERENCE**

The Shareholder's/ Investor's Grievance Committee was constituted by the Board to ensure that all the commitments to Shareholders/ Investors are fulfilled and this strengthens their relationship with the Company. The board terms of reference of this committee are as follows:

- to appoint Compliance Officer and determine the role and responsibility of such officer.
- to ensure timely attention to investor's complaints and resolution thereof.
- to review and redress complaints of Shareholders and Investors.
- Other grievances of shareholders.

(ii) COMPOSITION

The Committee comprises of following five members including Shri. G. Gehani, Director & Company Secretary of the Company who act as Secretary of this Committee:

Sr. No.	Name of Member	ED*/NED**/I & NED***	Position
1.	Alok Punj	Non-Executive Director	Member
2.	N.C. Sharma	Independent & Non-Executive Director	Member
3.	Ashok Sharma	Independent & Non-Executive Director	Member
4.	Paresh J. Shah	Independent & Non-Executive Director	Member
5.	G.Gehani	Director & Company Secretary	Secretary

* Executive Director

** Non Executive Director

*** Independent And Non Executive Director

(iii) COMPLIANCE OFFICER

Shri G.Gehani, Director and Company Secretary continued to act as "Compliance Officer" and hence complied with all the requirements of SEBI Regulations and Listing Agreement executed by the Company with the Stock Exchanges.

(iv) INVESTOR GRIEVANCE REDRESSAL

During the year under review, the Committee noted that a total of 177 Complaints were received from the investors and all of them were immediately Resolved to the full satisfaction of the investors of the Company as a result of which there were no outstanding complaints at the end of the financial year 2011-12.

(e) SHARE TRANSFER COMMITTEE**(i) TERMS OF REFERENCE**

The role and terms of reference of the Share Transfer Committee is to give approval of request for transfer and transmission of physical shares, deletion of name in case of joint shareholder of physical Equity Shares of the Company and also to deals with the request of dematerialization & rematerialisation of shares lodged with the Company/ Registrar and Transfer Agent.

(ii) COMPOSITION

The Committee comprises of following three members:

Sr. No.	Name of Member	ED*/NED**/I & NED***	Position
1.	M.M. Mathur	Executive Director	Member
2.	G. Gehani	Executive Director & Company Secretary	Member
3.	S.P. Bhatia	Executive Director	Member

* Executive Director

** Non Executive Director

*** Independent And Non Executive Director

REMUNERATION OF DIRECTORS**Whole Time Director**

Your Company's Board comprises of seven Whole time Directors appointed by the shareholders of the Company. Such appointments are generally for a tenure of five years at one time. Remuneration paid to these Whole time Directors are duly recommended by the Remuneration Committee and approved by the shareholders in the subsequent Annual General Meetings. In addition to basic salaries they are also entitled to

usual perquisites and allowances some of which are directly linked to their basic salaries.

The break-up of the Remuneration paid to Whole time Directors of the Company during the financial year 2011-12 are as follows:-

Sr. No.	Name	Salary (Basic + HRA)	Perquisites	Retirement	Commission	Total in (₹)
1.	Ashok Punj	11,615,000	39,600	828,000	Nil	12,482,600
2.	G.S.Sauhta*	2,903,750	Nil	207,000	Nil	3,110,750
3.	R.K.Bahri	11,615,000	599,600	1,863,000	Nil	14,077,600
4.	M.M.Mathur	11,615,000	581,600	828,000	Nil	13,024,600
5.	D.N.Sehgal	11,615,000	599,600	1,863,000	Nil	14,077,600
6.	S.P.Bhatia	5,807,500	294,100	931,500	Nil	7,033,100
7.	C.K.Goel	4,037,500	294,100	931,500	Nil	5,263,100
8.	G.Gehani	5,807,500	294,100	931,500	Nil	7,033,100
	Total	65,016,250	2,702,700	8,383,500	-	76,102,450

* Ceased to be a Director w.e.f 31st August, 2011.

NON-EXECUTIVE DIRECTOR

Your Company's Board comprises of seven Non-executive Directors out of which six are Independent Director. The remuneration paid to these Non-executive Directors for attending the Board Meetings and/ or Committee Meetings for the financial year 2011-12 are as follows :-

Sr. No.	Name of Directors	(in ₹)
1.	Sh. Alok Punj	220,000
2.	Prakash V. Apte	220,000
3.	N.C.Sharma	200,000
4.	Ashok Sharma	60,000
5.	Harry H. Shourie	160,000
6.	Paresh J. Shah	80,000
7.	Harsh Pateria	210,000
	Total	1,150,000

4) GENERAL BODY MEETINGS

The details of the last five General Meetings of the Shareholders of the Company are as follows:

For Financial Year	Date	Time	Venue	No. of Special Resolutions Considered
2010-11	22 nd September, 2011	9.30 A.M.	Hotel "Cidade De Daman", at Devka Beach, Nani Daman - 396210	2
2009-10	30 th September, 2010	9.30 A.M.	Hotel "Cidade De Daman", at Devka Beach, Nani Daman - 396210	2
2008-09	21 st July 2009	9.30 A.M.	Hotel "Miramar" at Devka Beach, Nani Daman - 396210	6
2007-08	4 th September, 2008	9.30 A.M.	Hotel "Cidade de Daman", at Devka Beach, Nani Daman - 396210	3
2006-07	27 th September, 2007	9.30 A.M.	Hotel "Cidade de Daman", Devka Beach, Nani Daman, U.T. of Daman & Diu-396210	4

5) DISCLOSURES

(a) Related party Disclosures

Your company has not entered into any transactions of material nature with any of its related parties that may have any potential conflict with interests of the Company. Suitable Disclosures as required by Accounting Standard- 18 (Related party Transactions) have been made in Annual Report.

(b) Statutory Compliance, Penalties And Strictures

(i) No penalties/ strictures have been imposed on the Company by Stock Exchange or SEBI or any other statutory authority for non-compliance by the Company on any matter related to the capital markets during the financial year 2011-12.

(ii) It is affirmed that no person entitled to access the Audit Committee was denied the said access.

(c) Non Mandatory Requirements

The non mandatory requirement such as constitution of a Remuneration Committee has been adopted by the Company.

6) CODE OF CONDUCT

The Code of conduct for all the Board Members and Senior Management Personnel of the Company has been laid down in accordance with the requirement of Clause 49 of the listing Agreement. The said Code of Conduct is posted on the website of the Company. As has been the practice of the Company in the past also for the Financial Year 2011-12, the Board members and senior management personnel have affirmed their compliance of the said code for the Financial Year 2011-12 also. A Declaration to this effect is annexed at the end of this report.

7) CEO/ CFO CERTIFICATION

Certificate from Managing Director and Chief Finance Officer for the financial year ended on 31st March, 2012 is annexed at the end of this report.

8) MEANS OF COMMUNICATION

(a) Information to Stock Exchanges and Newspaper Publicity

Quarterly, Half-Yearly /Annual Results of the Company are published in the newspapers in terms of Listing Agreement. These results are promptly submitted to Stock Exchanges. Additionally, in strict compliance of Listing Agreement requirements, the Company has always promptly reported dates of various Board Meetings, General Meetings, Book Closures/ Record Date to the Stock Exchanges and also published the information pertaining thereto in a leading Financial daily for information of shareholders and also displayed on the company's website www.pslimited.com.

Price sensitive information like receiving of orders/ award and other matters that are relevant to the shareholders has been timely informed to Stock Exchanges.

- (b) Company's Website
The Company regularly posts important information such as Quarterly/Audited Financial results, Shareholding pattern etc. on Company's website **www.pslimited.com** at the earliest.
The company by way of press releases in leading financial newspapers also informs significant information about important developments to stakeholders.
- (c) NSE Electronic Application Processing System (NEAPS)
The Shareholding pattern and Corporate Governance for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange for corporates.
- (d) SEBI Complaints Redress Systems (SCORES)
The investors complaints are now processed in a centralized web based complaints redress system termed as SEBI Complaints Redress Systems (SCORES). The Action taken reports are submitted online by the Company and resolved to the satisfaction of the investor through SCORES.
- (e) The Management's Discussions and Analysis Report forms part of the Annual Report.
- g) Listing at Stock Exchanges
National Stock Exchange
Bombay Stock Exchange
- h) ISIN No.
Under the depository System, the ISIN No. allotted to the Company's equity shares is INE474B01017
- i) Stock Codes
National Stock Exchange - PSL
Bombay Stock Exchange - 526801.
- j) Share Market Price Data High/Low of Company's shares for the year 2011-12 in BSE & NSE is as follows :-

Particulars	BSE		NSE	
	Price of Shares		Price of Shares	
	High	Low	High	Low
April 2011	96.95	73.80	99.00	73.80
May 2011	83.00	69.10	82.95	69.15
June 2011	78.80	68.00	78.40	67.60
July 2011	77.80	68.25	78.80	68.65
August 2011	72.95	55.10	72.25	54.25
September 2011	67.25	57.80	67.20	57.75
October 2011	66.70	57.80	66.90	55.00
November 2011	65.25	55.00	65.45	55.05
December 2011	58.35	50.40	58.00	50.10
January 2012	66.30	50.40	66.45	50.30
February 2012	71.80	59.50	71.85	59.60
March 2012	65.00	55.05	64.70	57.00

9) GENERAL SHAREHOLDERS INFORMATION

- a) Registered Office
Kachigam, Daman
Union Territory of Daman & Diu
- 396 210.
- b) Annual General Meeting
Date : 27th September, 2012
Day : Thursday
Time : 9.30 A.M.
Venue : **"Hotel Sea Rock Inn",
Devka Beach, Nani
Daman - 396 210
U.T. of Daman & Diu**
- c) Financial Calendar - April to March of each year
- d) Un-audited/Audited Results approval

Quarter	Ended on	Board meeting held on
First	30.06.2011	12 th August, 2011
Second	30.09.2011	4 th November, 2011
Third	31.12.2011	14 th February, 2012
Fourth	31.03.2012	29 th May, 2012

- e) Dates of Book closure
Saturday, the 22nd day of September, 2012 to Thursday, the 27th day of September, 2012 (Both days inclusive)
- f) Payment of Dividend
(i) Interim dividend @ ₹ 2.00/- per equity share of ₹ 10/- each paid in April, 2012
(ii) Final dividend @ ₹ 2.00/- per equity share of ₹ 10/- each already recommended by the

Share Price Comparison

Particulars	PSL Quoted at BSE	BSE (Sensex)	PSL Quoted at NSE	NSE (Nifty)
Share Price 01.04.11 (Open)	74.75	19463.11	75.40	5835
Share Price 31.03.12 (Close)	58.00	17404.20	58.20	5295.55
Increase/decrease in %	- 22.41%	- 10.58%	-22.81%	- 9.24%

- k) Share Transfer Agents
Karvy Computershare Private Limited
17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.
- l) Share Transfer System
The Company's equity shares are compulsorily traded in demat mode at the Stock Exchanges.

Equity shares in physical form lodged for transfer are processed by Share Transfer Agents of the company namely Karvy Computer Share Private Limited before a formal approval by Share Transfer Committee of the Board. The transfer/transmission of shares in physical form is normally processed and completed within 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through their respective Depositories.

- In terms of Clause 47C of the Listing Agreement entered into between the Company and different Stock Exchanges, a practicing Company Secretary has been appointed by the Company to examine the records and processing of share transfers

and for thereafter issuance of half yearly certificate which is sent to the Stock Exchanges.

- In accordance with SEBI's requirement, a practicing Company Secretary has been appointed by the Company who on quarterly basis conducts Secretarial audit for reconciliation of total issued share capital with depositories and in physical form.

- m) Distribution of Shareholding - Distribution of Shareholding of the Company as on 31st March, 2012 is as follows:

Category From To	No. of cases	% of cases	Amount (₹)	% of Amount
01- 5000	29326	84.87	42689580.00	7.99
5001 - 10000	2631	7.61	21295190.00	3.98
10001 - 20000	1313	3.80	19913930.00	3.72
20001 - 30000	416	1.20	10820270.00	2.20
30001 - 40000	201	0.58	7169380.00	1.34
40001 - 50000	157	0.45	7363980.00	1.38
50001 - 100000	269	0.78	20246040.00	3.79
100001 & above	242	0.70	405110740.00	75.78
TOTAL	34555	100.00	534609110.00	100.00

- n) Dematerialization of Shares 99.46% of equity shares of the Company have already been dematerialized

- o) Plant Location The Company's Plants are located at various diversified strategic locations such as:

- (i) In Gujarat - Varsana, Nanichirai, Gandhidham, Mahudi
- (ii) In Union Territory of Daman & Diu - Daman
- (iii) In Tamil Nadu - Maduranthakam (near Chennai)
- (iv) In Andhra Pradesh - Kakinada and Vishakhapatnam
- (v) In Rajasthan - Jaipur

- In addition to the aforesaid domestic plants,

1. Plant has been set up by PSL FZE, a subsidiary of the Company at Plot no. HJ02, Inner Harbour, Hamriyah Free Trade Zone, Sharjah, UAE.
2. Another Plant has also been set up by PSL- North America LLC, a Subsidiary of PSL USA INC at 13092, Sea Plane Road, Bay St Louis, Mississippi 39520, USA.

- p) Addresses for correspondence from Shareholders for queries/ complaints, if any: -

- | | |
|---|--|
| a) Shri G. Gehani
Director & Company Secretary
Legal & Secretarial Office
3rd Floor, 'Punj House'
M-13 A, Connaught Circus,
New Delhi - 110 001. | b) Karvy Computershare Private Limited
(Share Transfer Agents of PSL Limited)
17-24 Vittal Rao Nagar,
Madhapur,
Hyderabad - 500 081. |
|---|--|

10) OTHER USEFUL INFORMATION FOR SHAREHOLDERS UNCLAIMED DIVIDEND

- i) Pursuant to Section 205A and Section 205C and other applicable provisions, if any of the Companies Act, 1956 Dividends which are unclaimed for a period of 7 years are statutorily required to be transferred to Investor Protection Fund (IEPF) administered by Central Government and thereafter the same cannot be claimed by the Investors. To fulfill Company's statutory responsibility, the Company has already transferred all Dividends declared up to Financial Year 2004-2005 (Interim Dividend) to the said IEPF.

Members are required to submit their claims to the Company without any delay. Due dates for transfer of Unclaimed dividend by the Company to Investor Education Protection fund are as follows :

Financial Year	Type of dividend	Dividend No.	Date of declaration of dividend	Due date for transfer by the Company to IEP Fund
2004-2005	Final	18th	29/09/2005	04/11/2012
2005-2006	Interim	19th	22/01/2006	27/02/2013
2005-2006	Final	20th	31/08/2006	07/10/2013
2006-2007	Interim	21st	18/01/2007	23/02/2014
2006-2007	Final	22nd	27/09/2007	02/11/2014
2007-2008	Interim	23rd	15/01/2008	20/02/2015
2007-2008	Final	24th	04/09/2008	10/10/2015
2008-2009	Interim	25th	30/01/2009	07/03/2016
2008-2009	Final	26th	21/07/2009	26/08/2016
2009-2010	Interim	27th	26/04/2010	01/06/2017
2009-2010	Final	28th	30/09/2010	05/11/2017
2010-2011	Interim	29th	28/02/2011	05/04/2018
2010-2011	Final	30th	22/09/2011	28/10/2018
2011-2012	Interim	31st	12/04/2012	18/05/2019

- ii) Members still holding shares in physical form are requested to notify/send the following to the company's RTA to enable them to provide better services :-

- a) Any change in the address/bank details
- b) Particulars of the bank A/c in case the same have not been sent earlier.
- c) Copy of Income Tax Permanent Account Number Card for transfer/ transmission/ deletion of name etc.

- iii) Members holding shares in electronic form are advised that their address/ Bank details as furnished to the company by the respective depositories viz CDSL & NSDL, will be printed on the dividend warrants. Members are requested to inform the concerned DPs in case of any change in their address etc, to facilitate better and quicker service.

- iv) Although 99.46% of Company's shares have already been dematerialized, members still holding their shares in physical form are again requested to get them dematerialized so that their eventual trading at the Stock Exchanges is facilitated.

- v) For better service to the investors and Shareholders, members are requested to submit their valuable suggestions to the Secretarial and Legal Department of the Company.



DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with clause 49 (i)(D)(ii) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and Senior Management personnel of the Company have affirmed compliance of Company's Code of Conduct for the Financial Year ended on 31st March,2012.

For **PSL LIMITED**

Sd/-

(Ashok Punj)

Managing Director

Place : New Delhi

Date : 1st August, 2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members PSL Limited

We have examined the compliance of conditions of Corporate Governance by PSL Limited, for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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:

- i) We certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
- ii) We state that there are no investor grievance(s) pending for a period exceeding one month against the Company as per records maintained by the "Shareholders/Investors" Grievance Committee.
- iii) We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For & on behalf of
Suresh C.Mathur & Company
Chartered Accountants
Firm Registration No. 000891N

Sd/-

Suresh C. Mathur
Partner

Membership No. 1276

Place : Mumbai

Date : 1st August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

Generally speaking during 2011-12 Indian Economy found itself in the midst of conflicting demands namely managing the growth at the minimum desired level on one hand and keeping strict check on prices so as to contain the inflationary pressures.

As per the economic survey presented in the parliament, the Indian economy was estimated to grow by 6.9% in 2011-12, after having grown at the rate of 8.4% in each of the two preceding years. At the same time, as compared to many other economies of the world, India remains among the front-runners. Also, it is expected that our economy would rise up to 7.6% in 2012-13 and 8.6% in 2013-14. With Agriculture and Service Sector continuing to perform well, India's slowdown can be attributed almost entirely to weakening Industrial growth. The Service sector contributed 59% in GDP in 2011-12 as compared to 58% in 2010-11 with a growth rate of 9.4%. Inflation as measured by Wholesale price Index (WPI) was high during most of the year, though by the year's end there was clear slow down. Food inflation came down significantly with most of the remaining WPI inflation being driver by non-food manufacturing products. Reserve Bank of India also tightened the monetary policy to control inflation and inflationary expectations. The growth rate of investment registered significant decline and witnessed a sharp increase in Interest rates that resulted into higher cost of borrowing and other cost that affected profitability.

OPPORTUNITY AND THREATS

As a direct consequence of opening up of Indian economy in early 90's a great opportunity opened up for Indian industry to become part of the global industry. Achievement of impressive growth rates, particularly, in the times of depression when other developed economies were struggling to even survive directly helped in restoring international confidence in India's economy.

As far as pipe manufacturing industry is concerned while India has more than 7000 kms of Pipeline already laid forming a reasonably good network for economically effective transportation of crude oil and its products, enough is yet to be done on further enhancing the pipeline network through the length and breadth of our vast country. During the year under review amongst other projects of national importance was a project for laying down of pipeline aggregating to 1700 kms of length for Hazira-Vizapur-Jagdishpur pipeline project. This long pipeline was considered inevitable for transporting liquid gas from south basin offshore field of Mumbai right up to the interiors of Uttar Pradesh terminating at Jagdishpur.

The Indian pipeline industry is amongst the world's top three pipelines hub after Japan and Europe. If, an important survey conducted on pipeline industry is to be believed, of the total global pipeline projects 60% would be laid in North America, Middle East and South Asia. Presuming that the reality is close to these projections, the Indian Companies who have established a name in the domestic market will be indeed able to look forward to setting up of adequate pipe mills across the seas. Again based on reports of few authentic surveys the Indian Companies are likely to bag projects for manufacture of pipes

aggregating to more than 2 Lacs kms which might even constitute about 70% share of the global pipeline demand. To add to this optimistic situation would be a large demand that may arise for Indian Companies to bag orders from Japan in the post tsunami disaster climate in Japan since the Indian product because of geographical reasons would be definitely bestowed with cost advantage.

OUTLOOK

Overall growth of the pipeline industry would positively be affected by the growth in domestic and emerging market, largely driven by economic growth and increased government spending on pipeline projects. With the growing population and emerging economic spending power of Asian countries, energy needs are increasingly on rise. Based on the various surveys, in India around 200 new cities have been identified for implementation of City Gas Distribution network by 2015. On an average there is a need for laying 30-40 kms. of pipelines per city.

On the global front, the growth in the oil and gas pipelines expenditure will be fuelled by the emerging countries of China, Brazil and Venezuela as well as some mature markets such as Canada and Russia. The overall spending on the oil and gas pipeline systems will depend on the future oil price developments, the level of natural gas demand and the expansion of unconventional oil and gas activity. Connecting unconventional and offshore oil and gas to consumption centers would also help to drive the market. Economic growth in the Asia - Pacific has led to surge in demand for natural gas, crude oil and petroleum products. Countries in South Asia and South East Asia is dependent on oil and gas imports from Central Asia and the Middle East. Company's subsidiary PSL FZE has established itself well in the middle east. Another subsidiary setup in North America namely PSL North America LLC also bagged an order for Shale Gas Transmission from US based pipeline operators.

The outlook on the domestic front is also encouraging as apart from valuable orders received by the Company from some major players such as IOCL's Debottlenecking of Salaya- Mathura Pipeline Project, many more pipeline projects have been bid by the company and it is hoped that based on the past performances, our company would be successful in its bids.

Another most significant development in the Indian market impacting pipe manufacturers was the removal of some of the critical bottlenecks which have prevented, over the last 3 years, the construction of the National Gas Grid planned for implementation from 2008 onwards.

Gas Grid

Consisting of approximately 10 major cross country pipelines, this grid was to have been completed by 2013. However, only 2 of the 10 major segments could actually come forward for implementation, while the remaining 8 segments were kept in abeyance due to diverse reasons including :

- i. Jurisdictional disputes between Public Sector Undertaking charged with implementing 6 of the remaining 8 segments, and

- ii. The drastic drop and reduction in national gas output from the KG Basin which impacted the implementation of the balance 2 segments.

Due to policy resolution and judicial decisions which took place in the intervening 2 years 2010 - 2011, many of the reasons causing these delays were set aside, or resolved, enabling most of the remaining segments to come up for implementation with pressure on the implementing entities to expedite the projects and compensate for some of the lost time.

Based on the above, it is expected that 2013, 2014 and 2015 will see a surge in gas pipeline construction in the country, resulting in substantially improved capacity utilization among the pipeline manufacturing industry units.

Another significant factor aiding the above development is the conception of a policy to encourage import of LNG, in particular, on the east coast, to compensate or set off the reduction in gas production from KG Basin, and this policy when implemented will further enhance pipeline construction, in addition to the gas grid, to facilitate off take of this imported LNG.

RISKS AND CONCERN

The Company is exposed to various risks including the effect of demand dynamics, currency exchange rates, interest rates as well as risk associated with financial issues, hazard events and specific assets risk which are not different from those faced by the other players in the Pipeline Industry. Rise in prices of crude oil and Natural Gas affects the long term prospects of pipeline operators. Although the pipeline industry is generally immune to volatility in prices, high oil and gas prices will influence expansion plans of pipeline construction companies and pipeline operators.

In order to reduce the direct impact of such risks, many of which are due to external reasons, Company has a robust system of internal controls that helps protect the interests of the Company. A formal reporting and control mechanism ensures timely information availability and facilitates proactive risk management.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate system of internal control implemented by the management towards achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with applicable laws. The system of Internal Control facilitates the effectiveness and efficiency of operations, helps ensure the reliability of internal and external reporting and assist in compliance with laws and

regulations. The qualified, experienced and independent audit committee of the Board of Directors regularly reviews plans, significant audit findings, compliance with accounting standards and other legal requirements relating to financial statements.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The board has decentralized most of the operational powers to different operational levels at widely spread network of Company's plants so as to reduce the occurrence of inefficient operational performance due to lack of decision making powers. Delegation of powers at Senior and Middle management has been resorted to avoid such occurrences. However, important areas like funds requirements at different units and mode for raising such funds are done in a centralized manner.

Apart from routine up gradation of the production facilities at various plants set up by the company, planning for setting up of new projects at various strategic location is done at the Headquarters with the help of suitable inputs from experienced unit heads and management.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

Your Company placed strong emphasis on its Human Resources and truly believes that they are its assets and a key competitive advantage. Over the past few years, the Company has strengthened its various HR initiatives with focused interventions in continues learning & development, leadership development and behavioral training. Low employee turnover for many years at a stretch is adequate evidence of the successful operation of the aforesaid philosophy of the Company.

A code of conduct duly approved by the Board of Directors of the Company is in place and also well displayed on Company's website. Senior employees and Directors fully comply with the said Code of Conduct and such compliance is confirmed through issuance of suitable Certificate on yearly basis.

CAUTIONARY STATEMENT

Certain Statements made in this report relating to Company's objectives, outlook, future plans etc. may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual performance may differ materially from such estimates or projections whether express or implied. Important factors that could make a difference to the Company's operations include Government Regulations, Tax regimes, Economic developments within India and countries in which the company conducts business and other allied factors.

CEO/CFO CERTIFICATION

**The Board of Directors
PSL Limited**

**Ref: Financial Statements for the year 2011-12
Certification by Managing Director/CEO and CFO**

We, Ashok Punj, the Managing Director of PSL LIMITED appointed in accordance with provisions of the Companies Act, 1956 and K. Ramanathan, Chief Finance Officer of PSL LIMITED hereby certify that:

- (a) We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year 2011-12 and that to the best of our knowledge and belief:
- (i) these statements do not contain any false or 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 the company during the year which are fraudulent or illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and 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 the Audit Committee that :-
- (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year; and
 - (iii) there have been no instances of significant fraud of which we have become aware of and hence there has been no involvement of any management person or any employee having a significant role in the company's internal control system over financial reporting.

Sd/-
(Ashok Punj)
Managing Director

Sd/-
(K. Ramanathan)
Chief Finance Officer (CFO)

Place : Mumbai
Date : 1st August,2012

AUDITORS' REPORT

To,

The Members of PSL Limited

1. We have audited the attached Balance Sheet as at March 31, 2012 and also the Profit and Loss account and the Cash Flow statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - II. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - III. The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account.
 - IV. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - V. On the basis of the written representations received from the Directors, as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies in notes appearing thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2012;
 - (b) In the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For & on behalf of
Suresh C. Mathur & Company
Chartered Accountants
Firm Registration No. 000891N

Sd/-
SURESH C. MATHUR
Partner
Membership No.1276

Place: Mumbai
Date : 29th May, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. The Company has maintained proper records showing full particulars, including quantitative details at factory level. Consolidation of the Assets including quantity & value is under progress at the Corporate Office. In accordance with the phased programme for verification of fixed Assets, certain items of fixed Assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
2. The inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
3. According to information and explanation given to us the company has not granted any loans secured or unsecured to Companies, Firms or other parties which are of the nature required to be covered under Section 301 of the Companies Act 1956. However the company has given ₹ Nil (Previous Year ₹ 813.60 lacs) as interest free advance to wholly owned subsidiaries during the year, which is repayable on demand.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed Assets and for the sale of goods. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system, commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209 (1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. According to the records of the Company, the Company is regular in depositing undisputed Statutory dues including with-holding of taxes, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other Statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Fringe Benefit Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were outstanding, at the year end for a period of more than six months from the date they became payable.

As on March 31, 2012 according to the records of the Company the following are the particulars of disputed dues on account of Excise duty , Customs, Income Tax, Service Tax and Sales Tax that have not been deposited.

Sr. No.	Nature of Dues	Amount Under Dispute (₹ in Lacs)	Period to Which the Amount Relates	Forum where the dispute is pending
1.	Central Excise	25	2004-05-06	Tribunal, Ahmedabad
2	-- do --	38	2006	Remanded back by Tribunal, Ahmedabad and pending with Central Excise Commissioner, Rajkot
3.	-- do --	1467	2008	Tribunal, Ahmedabad
4.	-- do --	1452	2008	Commissioner Rajkot
5.	-- do --	8	2010	Jt.Commissioner C.Ex.Puducherry
6.	-- do --	3	2011	Commissioner Central Excise, Puducherry
7.	-- do --	34	2010	Appellate Tribunal Ahmedabad
8.	-- do --	10	2010	Appellate Tribunal Ahmedabad
9.	-- do --	35	2011	Addl.Comm. C.Ex. Rajkot

10.	Customs	179	2011	Commissioner of Customs Kandla
11.	-- do --	127	2011	Commissioner of Customs Kandla
12.	-- do --	309	2011	Commissioner of Customs Kandla
13.	-- do --	131	2011	Commissioner of Customs, Appeal Ahmedabad
14.	-- do --	13	2011	Commissioner of Customs, Appeal Ahmedabad
15.	Service Tax	45	2008	Tribunal Chennai
16.	-- do --	209	2009	Commissioner C.Ex. Puducherry
17.	-- do --	2	2009	Asst. Commissioner Service Tax, Vizag
18.	-- do --	15	2009	Asst. Commissioner Service Tax, Vizag
19.	-- do --	2	2010	Asst. Commissioner S.Tax , Rajkot
20.	-- do --	155	2010	Commissioner of Customs & C.Ex Rajkot
21.	-- do --	32	2011	Adl. Commissioner of S.Tax, Churchgate
22.	-- do --	31	2011	Commissioner Jaipur
23.	-- do --	6	2012	Adl. Commissioner of C.Ex.Vizag
24.	-- do --	21	2012	Commissioner of C.Ex & Customs. Rajkot
25.	Sales Tax	43	2000-01-02	Pending in AP High Court
26.	-- do --	1400	1999-2000	Tribunal Ahmedabad
27.	-- do --	1200	2003-04-05	AP High Court
28.	Income Tax	503.90	2005- 2006	Commissioner of Income Tax (Appeal) & ITAT
29.	-- do --	257.35	2009-2010	Commissioner of Income Tax (Appeal)

10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.

- Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institution, and banks.
- The Company does not have any outstanding Debentures.
 - According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 - In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - In our opinion and explanation given to us the Company has given Guarantees for loan taken by its subsidiaries from banks/financial institutions.
 - Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
 - According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment and no long-term funds have been used to finance short-term Assets (excludes Long Term working capital).
 - The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
 - The Company has not raised any money by way of issue of Debentures.
 - The Company has not raised any money during the year by way of Share Capital.
 - Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For & on behalf of
Suresh C. Mathur & Company
Chartered Accountants
Firm Registration No. 000891N

Sd/-

Suresh C. Mathur

Partner

Place : Mumbai

Date : 29th May, 2012

Membership No.: 1276

BALANCE SHEET AS AT MARCH 31, 2012

[₹ in lacs]

Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	1	5,333.38	5,333.38
(b) Reserves and Surplus	2	86,089.70	83,708.73
(c) Money Received against Share Warrants		Nil	Nil
2 Share Application Money Pending Allotment		Nil	Nil
3 Non-current Liabilities			
(a) Long-term Borrowings	3	26,630.46	50,223.23
(b) Deferred Tax Liabilities (Net)	4	745.46	583.14
(c) Other Long Term Liabilities	5	Nil	Nil
(d) Long-term Provisions		Nil	Nil
4 Current Liabilities			
(a) Short-term Borrowings	6	230,261.56	113,730.83
(b) Trade Payables		113,683.70	152,272.46
(c) Other Current Liabilities	7	53,262.83	29,036.27
(d) Short-term Provisions	8	4,795.73	5,087.81
TOTAL		520,802.82	439,975.85
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets	9		
(i) Tangible Assets		93,704.43	86,898.66
(ii) Intangible Assets		1.65	2.76
(iii) Capital Work-in-Progress		29,735.66	19,666.76
(iv) Intangible Assets under Development		Nil	Nil
(b) Non-current Investments	10	23,081.02	20,191.57
(c) Deferred Tax Assets (Net)		Nil	Nil
(d) Long-term Loans and Advances	11	3,755.12	9,088.75
(e) Other Non-current Assets	12	Nil	Nil
2 Current Assets			
(a) Current Investments	13	100.00	100.00
(b) Inventories	14	237,236.04	191,469.56
(c) Trade Receivables	15	70,454.72	55,376.33
(d) Cash and Cash Equivalents	16	20,877.20	19,359.98
(e) Short-term Loans and Advances	17	41,856.98	37,821.48
(f) Other Current Assets	18	Nil	Nil
TOTAL		520,802.82	439,975.85
The Notes form an integral part of these Financial Statement	1 to 39		

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Directors

Place: Mumbai
Date: 29th May, 2012

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

[₹ in lacs]				
	Particulars	Note No.	March 31, 2012	March 31, 2011
I.	Revenue from Operations	19	238,660.41	263,567.77
	Less: Excise Duty		10,866.03	13,946.47
			227,794.38	249,621.30
II.	Other Income	20	1,305.02	3,421.73
III.	Total Revenue (I + II)		229,099.40	253,043.03
IV.	Expenses:			
	Cost of Materials Consumed	21	181,284.18	236,365.96
	Manufacturing and Operating Costs	22	43,768.72	28,236.41
	Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	23	(54,911.76)	(65,926.61)
	Employee Benefits Expense	24	8,304.05	7,592.30
	Finance Costs	25	24,878.87	19,183.60
	Depreciation and Amortization Expense		11,414.88	11,679.56
	Other Expenses	26	7,394.48	5,445.50
	Total Expenses		222,133.41	242,576.72
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		6,965.99	10,466.31
VI.	Exceptional Items		NIL	NIL
VII.	Profit Before Extraordinary Items and Tax (V - VI)		6,965.99	10,466.31
VIII.	Extraordinary Items		NIL	NIL
IX.	Profit Before Tax (VII- VIII)		6,965.99	10,466.31
X.	Tax Expenses:			
	(1) Current Tax		1387.68	3,382.56
	(2) Deferred Tax		162.32	(482.56)
			1550.00	2900.00
XI.	Profit/(Loss) for the period from Continuing Operations (IX - X)		5,415.99	7,566.31
XII.	Profit/(loss) from Discontinuing Operations		NIL	NIL
XIII.	Tax Expense of Discontinuing Operations		NIL	NIL
XIV.	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)		NIL	NIL
XV.	Profit/(Loss) for the Period (XI + XIV)		5,415.99	7,566.31
XVI.	Earnings Per Equity Share (in ₹)			
	(1) Basic		10.13	14.16
	(2) Diluted		10.13	14.16
The Notes form an integral part of these Financial Statement		1 to 39		

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Directors

Place: Mumbai
Date: 29th May, 2012

**CASH FLOW STATEMENT
FOR THE YEAR ENDED ON MARCH 31, 2012
(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)**

		(₹ in lacs)	
Particulars		2011-12	2010-11
A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit Before Tax & Extra-ordinary Items		6,965.99	10,471.07
ADJUSTED FOR			
Add : Depreciation		11,414.88	11,679.56
Interest (Net)		19,594.32	14,144.73
Preliminary Expenses Written off		Nil	Nil
Technical Know how Written off		Nil	Nil
Less: Bad Debts Provision		Nil	(120.00)
Less: Profit on Sale of Fixed Assets		8.55	27.65
Add : Loss on Investments		Nil	Nil
Less: Dividend Income		7.50	7.50
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		37,959.14	36,140.21
Changes in			
Trade Receivables		(15,078.39)	(5,594.86)
Inventories		(45,766.48)	(79,174.73)
Trade Payables		(26,941.49)	95,949.58
Loans and Advances		3,312.24	15,051.02
CASH GENERATED FROM OPERATIONS		(46,514.98)	62,371.22
Tax Paid/Payable/Advance Tax		(3,959.09)	(3,769.50)
Technical Know how Fees		Nil	Nil
NET CASH FROM OPERATING ACTIVITIES	[A]	(50,474.07)	58,601.72
B) CASH FLOW FROM INVESTING ACTIVITIES			
Sale of Fixed Assets		20.67	4.76
Profit on Sale of Assets		8.55	27.65
Interest Received		1,075.63	759.08
Dividend Received		7.50	7.50
Sale/ (Purchase) of Investments		(2,889.45)	(48.20)
Purchase of Fixed Assets		(28,309.11)	(15,325.08)
NET CASH USED IN INVESTING ACTIVITIES	[B]	(30,086.21)	(14,574.29)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceed from Issue of Shares including Share Premium		Nil	1.98
FCCB Redemption		Nil	(855.75)
Interest Paid		(20,669.95)	(14,903.81)
Loans Received /Re-payments (Net)		1,05,982.10	(15,900.59)
Dividend Paid		(3,234.65)	(3,728.64)
NET CASH USED IN FINANCING ACTIVITIES	[C]	82,077.50	(35,386.81)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	[A+B+C]	1,517.22	8,640.62
CASH AND CASH EQUIVALENT - OPENING	[I]	19,359.98	10,719.36
CASH AND CASH EQUIVALENT - CLOSING	[II]	20,877.20	19,359.98
	[II-I]	1517.22	8640.62

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Directors

Place: Mumbai
Date: 29th May, 2012

Auditors' Certificate

We have verified the above Cash Flow Statement of PSL Limited derived from the Audited Financial Statements for the year ended March 31, 2012 and found the same is drawn in accordance therewith and also with the requirements of clause 32 of the Listing Agreements with Stock Exchange.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

Place: Mumbai
Date : 29th May, 2012

Sd/-
Suresh C. Mathur
Partner
M. No. 1276

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "1" – SHARE CAPITAL

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
Authorised Share Capital		
100,000,000 Equity Shares of ₹ 10/- each	<u>10,000.00</u>	<u>10,000.00</u>
Issued Share Capital		
53,460,911 Equity Shares of ₹ 10/- each	<u>5,346.09</u>	<u>5,346.09</u>
Subscribed & Fully Paid up		
53,296,811 Equity Shares of ₹ 10/- each fully paid	<u>5,329.68</u>	<u>5,329.68</u>
Subscribed but not Fully Paid up		
164100 Equity Shares of ₹ 10/- each Partly Paid	<u>16.41</u>	<u>16.41</u>
Less: Calls in Arrears by Directors	<u>NIL</u>	<u>NIL</u>
Calls in Arrears by Officers	<u>NIL</u>	<u>NIL</u>
Calls in Arrears by Others	<u>12.71</u> <u>3.70</u>	<u>12.71</u> <u>3.70</u>
Total	<u>5,333.38</u>	<u>5,333.38</u>

Particulars	As at March 31, 2012	As at March 31, 2011
	No. of Equity Shares	No. of Equity Shares
Equity Shares Outstanding at the Beginning of the Year	<u>53,460,911</u>	<u>53,460,911</u>
Add: Equity Shares Issued during the Year	<u>NIL</u>	<u>NIL</u>
Less: Equity Shares Bought Back during the Year	<u>NIL</u>	<u>NIL</u>
Equity Shares Outstanding at the End of the Year	<u>53,460,911</u>	<u>53,460,911</u>

The Company has only one class of Equity Shares having a par value of ₹ 10/- Per Share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders, except in case of Interim Dividend. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining Assets of the Company, after distribution of all preferential amounts, in proportion of their Shareholding.

The Details of Shareholders Holding more than 5% Shares

Sr. No.	Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Ashok Y Punj	<u>4,919,890</u>	<u>9.20</u>	<u>4,919,890</u>	<u>9.20</u>
2	Arjun A Punj	<u>3,011,580</u>	<u>5.63</u>	<u>3,011,580</u>	<u>5.63</u>
3	Keshav A Punj	<u>3,011,550</u>	<u>5.63</u>	<u>3,011,550</u>	<u>5.63</u>
4	Reliance Capital Trustee Co.Ltd. (Reliance Infrastructure Fund)	<u>2,849,600</u>	<u>5.33</u>	<u>2,849,600</u>	<u>5.33</u>

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "2" – RESERVES AND SURPLUS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Securities Premium Reserve		
Opening Balance	43,221.61	42,948.86
Add : Securities Premium Credited on Issue of Shares	NIL	NIL
Add: Excess Provision of FCCB Redemption Premium Written Back	NIL	272.75
Less: Allotment Money in Arrears (Directors Nil)	94.03	94.03
Less : Premium Utilised for various reasons		
Premium on Redemption of Debentures	NIL	NIL
For Issuing Bonus Shares	NIL	NIL
Closing Balance (A)	43,127.58	43,127.58
b-1. Other Reserves (Investment Allowance Utilised Reserve)		
As per Last Balance Sheet (B)	139.64	139.64
b-2. Other Reserves (General Reserve)		
Opening Balance	6,514.33	5,757.22
Add: Current Year Transfer	541.60	757.11
Less: Written Back in Current Year	NIL	NIL
Closing Balance (C)	7,055.93	6,514.33
c. Surplus		
Opening Balance	33,927.19	29,759.48
Add: Net Profit/(Net Loss) For the current year	5,415.99	7,571.07
Add: Transfer from Reserves	NIL	NIL
Less: Proposed Dividend	2,477.72	1,239.77
Less: Interim Dividend	NIL	1,242.98
Less: Transfer to Reserves	541.60	757.11
Less: Prior Years Expenses	557.30	163.50
Closing Balance (D)	35,766.56	33,927.19
Total (A+B+C+D)	86,089.71	83,708.74
Share Application Money Pending Allotment	NIL	NIL
Money Received against Share Warrant	NIL	NIL

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “3” – LONG TERM BORROWINGS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
A. Secured		
Term Loans From Banks :		
Foreign Currency Loan	15,343.00	22,325.00
Rupee Loan	11,224.22	27,892.52
Motor Vehicle Loans	63.24	5.71
Total	26,630.46	50,223.23
Nature of Security and Terms of Repayment for Long Term Secured Borrowing		
1. Foreign Currency Term Loan (ECB) amounting to USD 50 mn (March 31, 2011 USD 50 mn) is Secured against First Charge on parri passu basis on some of the Immovable & Moveable Assets of the Company. Terms of Repayment : USD 20 mn on 14th December 2012 and USD 30 mn on 16th January 2015.		
2. Term Loan amounting to ₹ Nil (March 31, 2011 ₹ 3,745.04 is secured against First Charge on pari passu basis on some of the Immovable & Moveable Assets of the Company).		
3. Term Loan amounting to ₹ 14,000 Lacs (March 31, 2011 ₹ 18,000 Lacs) is secured against First Charge on pari passu basis on some of the Immovable & Moveable Assets of the Company. Terms of Repayment : Two Quarterly Installments of ₹ 1000 Lacs each and Eight quarterly Installment of ₹ 1500 Lacs each Last Installment 30th September 2014.		
4. Term Loan amounting to ₹ 8,888 Lacs (March 31, 2011 ₹ 10,000 Lacs) is secured against Second charge on pari passu basis over the moveable Assets of the Company. Terms of Repayment : Monthly installment of ₹ 555.55 Lacs. Last Installment Date 29th July 2013.		
5. Term Loan amounting to ₹ 5,003.63 Lacs (March 31, 2011 Rs. 10,000 Lacs) is secured against Subsequent Charge on Fixed Assets and Current Assets of the Company. Terms of Repayment: Quarterly installment of ₹1,250 Lacs. Last Installment Date 31st March 2013.		
6. Vehicle Loans is Secured by Hypothecation of Specific Vehicles		
B. Unsecured		
Schedule Banks	NIL	NIL

NOTE “4” – DEFERRED TAX LIABILITIES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liabilities : Depreciation Difference	828.51	666.19
Deferred Tax Assets : Disallowances and Others	83.05	83.05
Net Deferred Tax Liability / (Assets)	745.46	583.14

NOTE “5” – OTHER LONG TERM LIABILITIES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Trade Payables	NIL	NIL
(b) Others	NIL	NIL
Total	NIL	NIL

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “6” – SHORT TERM BORROWINGS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Secured		
Loans repayable on demand		
i) From Banks	103,381.40	26,794.79
(Secured against Hypothecation of Project Current Assets and Second Charge on some of the Immoveable and Moveable Assets of the Company)		
ii) From Banks	126,880.16	61,936.04
(Secured against Hypothecation of Project Current Assets)		
(A)	230,261.56	88,730.83
(b) Unsecured		
Loans Repayable on Demand		
From Banks	NIL	25,000.00
(B)	NIL	25,000.00
Total (A+B)	230,261.56	113,730.83

NOTE “7” – OTHER CURRENT LIABILITIES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Current Maturities of Long-term Debt	26,900.29	13,856.15
(b) Current Maturities of Finance Lease Obligations	NIL	NIL
(c) Interest Accrued but not due on Borrowings	NIL	NIL
(d) Interest Accrued and due on Borrowings	2,038.14	493.71
(e) Income Received in Advance	NIL	NIL
(f) Unpaid Dividends	49.21	49.21
(g) Mobilisation Advance from Customer	15,105.87	7,836.42
(h) Other Payables	9,169.32	6,800.78
Total	53,262.83	29,036.27

NOTE “8” – SHORT TERM PROVISIONS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Provision for Employee Benefits		
Salary & Reimbursements	NIL	NIL
Contribution to PF	NIL	NIL
Gratuity (Funded)	930.33	465.48
Leave Encashment (Funded)	NIL	NIL
Superannuation (Funded)	NIL	NIL
ESOP /ESOS	NIL	NIL
(b) Others (Specify Nature)		
Provision for Taxation - Current Tax	1,387.68	3,382.56
Proposed Dividend	2,131.88	1,066.68
Tax on Proposed Dividend	345.84	173.09
Total	4,795.73	5,087.81

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “g” – FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at April 1, 2011	Additions	Disposals	As at March 31, 2012	Upto April 1, 2011	For the year	Disposals	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
I. TANGIBLE ASSETS										
Free Hold Land	5,681.97	295.93	NIL	5,977.90	NIL	NIL	NIL	NIL	5,977.90	5,681.97
Lease Hold Land	44.58	NIL	NIL	44.58	19.47	1.49	NIL	20.95	23.63	25.11
Office Buildings	117.23	NIL	NIL	117.23	30.65	4.33	NIL	34.99	82.25	86.57
Factory Building	13,627.06	3,348.73	NIL	16,975.78	6,284.02	770.32	NIL	7,054.33	9,921.45	7,343.04
Furniture & Fixtures	447.84	99.33	NIL	547.15	309.39	31.93	NIL	341.33	205.87	138.44
Plant and Equipment	110,310.89	14,109.35	NIL	124,420.26	38,452.11	10,221.40	NIL	48,673.50	75,746.75	71,858.79
Office Equipments	456.38	10.07	NIL	466.45	291.99	23.82	NIL	315.81	150.64	164.39
Lab Equipments	786.75	127.09	NIL	913.85	397.94	69.07	NIL	467.01	446.83	388.81
Computers	435.81	25.10	NIL	460.91	379.48	26.85	NIL	406.34	54.57	56.32
Motor Cars	1,051.76	149.56	57.75	1,143.58	768.15	92.68	37.08	823.73	319.85	283.62
Commercial Vehicles	105.10	NIL	NIL	105.10	103.70	0.42	NIL	104.13	0.97	1.38
Cycles	0.29	NIL	NIL	0.29	0.22	0.01	NIL	0.25	0.04	0.06
Earth Moving Equipments	3,599.06	75.00	NIL	3,674.06	3,186.73	125.67	NIL	3,312.39	361.67	412.34
Shed Construction	938.62	NIL	NIL	938.62	480.81	45.78	NIL	526.59	412.03	457.81
Total (A)	137,603.34	18,240.17	57.75	155,785.76	50,704.67	11,413.78	37.08	62,081.37	93,704.43	86,898.66
Total (Previous Year)	110,467.44	27,220.87	84.96	137,603.34	39,107.15	11,677.74	80.20	50,704.68	86,898.68	71,360.30
II. INTANGIBLE ASSETS										
Computer Software	35.36	NIL	NIL	35.36	32.60	1.10	NIL	33.71	1.65	2.75
Total (C)	35.36	NIL	NIL	35.36	32.60	1.10	NIL	33.71	1.65	2.75
Total (Previous Year)	35.36	NIL	NIL	35.36	30.76	1.83	NIL	32.60	2.74	4.58
TOTAL (A+C)	137,638.70	18,240.17	57.75	155,821.12	50,737.27	11,414.88	37.08	62,115.08	93,706.08	86,901.41
TOTAL (Previous Year)	110,502.80	27,220.87	84.96	137,638.70	39,137.91	11,679.57	80.20	50,737.28	86,901.42	71,364.88

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "10" – NON CURRENT INVESTMENTS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
A Investment in Subsidiaries		
Unquoted, Trade		
1400020 Equity Shares of ₹ 10/- each of PSL Corrosion Control Services Ltd (Previous Year 1400020)	140.00	140.00
26475242 Equity Shares of USD 1 /- of Pipeline Systems Ltd. Mauritius (Previous year 26475242 Equity Shares)	11,443.79	11,443.79
25003083 Equity Shares of USD 1 /- of PSL USA INC. (Previous year 20003083 Equity Shares)	10,552.95	8,313.50
170000 Equity Shares of ₹10/- each of PSL Gas Distribution Pvt.Ltd. (Previous Year 170000)	17.00	17.00
6420000 Equity Shares of ₹10/- each of PSL Infrastructure & Ports Pvt.Ltd. of ₹ 10/- each (Previous 220000 Equity Shares)	642.00	22.00
(A)	22,795.74	19,936.29
B. Investment in Associates		
Unquoted, Trade		
1330000 Equity Shares of ₹ 10/- each of BHI LTD. (Previous year 1330000 Shares)	133.00	133.00
150000 Equity Shares of ₹ 10/- each of Punj International Pvt.Ltd. (Previous Year 150000 Equity Shares)	15.00	15.00
7500 Equity Shares of ₹ 10/- each of Broken Hills International Ltd. (Previous year 7500 Equity Shares)	0.75	0.75
2000 Equity Shares of ₹ 100/- each of Punj Investments Pvt Ltd. (Previous year 2000 Equity Shares)	2.00	2.00
860000 Equity Shares of ₹ 10/- each of Eurocoustic Products Ltd. (Previous Year 860000 Equity Shares)	86.00	86.00
484000 Equity Shares of ₹ 10/- each of Punj Corporation Pvt.Ltd. (Previous Year 184000 Equity Shares)	48.40	18.40
(B)	285.15	255.15
C. Non Trade Investments Equity		
Unquoted, Trade		
128 Shares of Rs. 100/- each in The Gandhidham Mercantile Co-operative Bank Ltd. (Previous year 128 Shares)	0.13	0.13
(C)	0.13	0.13
Total	(A+B+C) 23,081.02	20,191.57

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "11" – LONG TERM LOANS & ADVANCES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Capital Advances		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(A)	NIL	NIL
b. Security Deposits		
Secured, Considered Good	1,261.80	3,227.91
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(B)	1,261.80	3,227.91
c. Loans and Advances to Related Parties		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(C)	NIL	NIL
d. Other loans and advances (specify nature)		
Secured, Considered Good		
Advance for Supply of Raw Material & Others	2,245.37	5,449.66
Loan to Employees	247.95	411.18
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(D)	2,493.32	5,860.84
Total	3,755.12	9,088.75

NOTE "12" – OTHER NON CURRENT ASSETS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Long term Trade Receivables (including trade receivables on deferred credit terms)		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(A)	NIL	NIL
b. Others (specify nature)		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(B)	NIL	NIL
c. Debts due by related parties		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(C)	NIL	NIL
Total	NIL	NIL

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "13" – CURRENT INVESTMENTS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Mutual Funds (Unquoted) (Units of ₹ 10 each, unless otherwise specified)		
Unquoted, Trade		
SBI Capital Protection Oriented Fund	100.00	100.00
(Previous year 100) (Current NAV 11.5613)		
	100.00	100.00

NOTE "14" – INVENTORIES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Raw Materials and Components (Valued at Cost)	26,682.87	36,363.14
Goods-in-Transit	NIL	NIL
(A)	26,682.87	36,363.14
b. Work-in-Progress (Valued at Cost)	188,698.52	129,856.53
Goods-in-Transit	NIL	NIL
(B)	188,698.52	129,856.53
c. Finished Goods (Valued at Cost or Realisable Value whichever is less)	16,311.72	20,241.94
Goods-in-Transit	NIL	NIL
(C)	16,311.72	20,241.94
d. Stores and Spares (Valued at Cost)	5,542.93	5,007.95
Goods-in-Transit	NIL	NIL
(D)	5,542.93	5,007.95
Total (A+B+C+D)	237,236.04	191,469.56

NOTE "15" – TRADE RECEIVABLES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Trade Receivables Outstanding for a period of exceeding Six Months from the date they are due for Payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	6,237.43	6,519.57
Unsecured, Considered Doubtful	NIL	120.00
Less: Provision for Doubtful Debts	NIL	120.00
(A)	6,237.43	6,519.57
b. Trade Receivables Outstanding for less than Six Months from the date they are due for Payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	64,217.29	48,856.77
Unsecured, Considered Doubtful	NIL	NIL
(B)	64,217.29	48,856.77
Total (A+B)	70,454.72	55,376.34

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "16" – CASH AND CASH EQUIVALENTS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
Balances with Banks	6,081.33	7,216.45
Fixed Deposits with Banks with more than 12 months Maturity (Under Lien ₹ 6281.46 Lacs)	14,664.52	12,025.13
Cheques, Drafts in Hand	NIL	NIL
Cash in Hand	84.42	71.47
Unclaimed Dividend	46.93	46.93
Total	20,877.20	19,359.98

NOTE "17" – SHORT TERM LOANS AND ADVANCES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
Secured, Considered Good		
Advance to Raw Material and Others	NIL	NIL
Advance Income Tax	1,030.00	3,044.11
Excise & VAT Deposits	40,826.98	34,777.37
Unsecured, Considered Good	NIL	NIL
Unsecured, Considered Doubtful	NIL	NIL
Total	41,856.98	37,821.48

NOTE "18" – OTHER CURRENT ASSETS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
Dividend, Interest Subsidy and Interest Receivable	NIL	NIL
Export Incentives receivables	NIL	NIL
Claims and Other Receivables	NIL	NIL
Total	NIL	NIL

NOTE "19" – REVENUE FROM OPERATIONS (GROSS)

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
a) Sale of Products		
H.Saw Pipes	155,393.56	1,65,588.83
Coating on Steel Pipes	72,911.02	83,269.15
Anodes	104.56	79.06
(A)	228,409.14	2,48,937.04
b) Sale of Services		
Rebar Coating	1,972.13	2,800.33
Induction Bending	923.04	1,530.35
(B)	2,895.19	4,330.68
c) Other Operating Revenues		
Equipment Sales	2,429.40	4,599.72
Process Waste Sales	3,966.72	2,572.93
Other Material Sales	959.96	3,127.40
(C)	7,356.08	10,300.05
Total (A+B+C)	238,660.41	2,63,567.77

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "20" – OTHER INCOME

		[₹ in lacs]	
	Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
i)	Dividend Income		
	From a Subsidiary	NIL	NIL
	From an Associate	7.50	7.50
ii)	Net Surplus on disposal of Assets	8.56	27.66
iii)	Rent and Compensation	45.70	45.47
iv)	Exchange Fluctuation Gain (Net)	868.66	1,529.69
v)	Insurance Claim	5.67	33.84
vi)	Provision No Longer required	48.64	74.85
vii)	Other Non Operating Income	320.29	1,702.72
	Total	1,305.02	3,421.73

NOTE "21" – COST OF MATERIALS CONSUMED

		[₹ in lacs]	
	Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
A.	Raw Materials		
	Opening Stock	36,363.14	22,968.64
	Purchase	171,603.93	249,760.46
		207,967.07	272,729.10
	Less : Sales	NIL	NIL
	Less: Closing Stock	26,682.89	36,363.14
		181,284.18	236,365.96
B.	Imported and Indigenous Raw Materials Consumed		
	Imported	62,055.38	104,055.66
	Percentage	34.23%	44.02%
	Indigenous	119,228.80	132,310.30
	Percentage	65.77%	55.98%
		181,284.18	236,365.96
		100.00%	100.00%
C.	Details of Raw Material Consumed		
	H. R. Coil	125,917.76	161,858.25
	Flux	908.49	1,305.95
	Filler Wire	838.66	956.99
	M S Wire	9.95	NIL
	Epoxy Powder	2,471.92	2,929.69
	Adhesive	518.59	526.05
	Polyethylene	3,809.13	4,719.15
	Polypropylene	9.94	NIL
	Inner Wrap	79.53	163.28
	Outer Wrap	206.45	299.41
	Coal Tar Enamel	877.05	1,705.22
	Coal Tar Tape	29.53	NIL
	Polyethylene Tape	239.94	270.61
	Wiremesh	513.67	298.12
	Cement	438.18	445.63
	Sand	82.47	100.90
	Iron Ore	980.08	1,204.97
	Aluminium	221.50	51.72
	Zinc	10.12	3.08
	Coating Materials and others	43,121.22	59,526.94
	Total	181,284.18	236,365.96

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “22” – MANUFACTURING & OPERATING COST

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Consumption of Stores and Spare Parts	6,176.55	4,661.67
Power & Fuel	2,184.20	2,521.18
Excise Duty and Service Tax	12,714.15	167.36
Sales Tax	2,301.28	5,944.19
Octroi	NIL	14.12
Freight and Cartage	16,325.29	10,264.29
Equipement Hire Charges	235.41	419.32
Interest	NIL	124.87
Labour Chares	732.30	585.83
Testing Charges	149.51	149.36
Other Manufacturing & Operating Expenses	557.53	369.04
Bar Straightening Charges	NIL	900.77
Water Charges	28.24	34.11
Dump Site Maintenance	2,364.26	2,080.29
Total	43,768.72	28,236.41
	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Imported and Indigenous Stores & Spare Parts Consumed		
Imported	685.11	526.32
Percentage	11.09%	11.29%
Indigenous	5,491.44	4,135.35
Percentage	88.91%	88.71%
	6,176.55	4,661.67
	100.00%	100.00%

NOTE “23” – CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Opening Stock		
Finished Goods	20,241.94	14,234.92
Work-in-Progress	129,856.53	69,936.94
(A)	150,098.47	84,171.86
Closing Stock		
Finished Goods	16,311.73	20,241.94
Work-in-Progress	188,698.50	129,856.53
(B)	205,010.23	150,098.47
Total	(54,911.76)	(65,926.61)
	(A - B)	

NOTE “24” – EMPLOYEE BENEFITS EXPENSES

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Salaries, Bonus etc.	6453.19	5657.69
Contributions to Provident and Other Funds	980.20	1211.16
Staff Welfare Expenses	870.66	723.45
Total	8,304.05	7,592.30

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “25” – FINANCE COST

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Interest Expense	19,594.32	14,144.73
Other Borrowing Costs	5,284.55	5,038.87
Total	24,878.87	19,183.60

[₹ in lacs]

NOTE “26” – OTHER EXPENSES

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Auditors Remuneration	25.00	25.00
Office Electricity Charges	52.62	85.02
Repairs to Building	24.84	16.13
Repairs to Machinery	63.03	46.11
Insurance	255.17	221.51
Rent, Rates & Taxes	1,257.70	970.10
Legal & Professional Fees	455.49	375.87
Office Maintenance	316.09	379.74
Telephone & Internet Charges	132.69	124.69
Travelling Expenses	520.34	378.37
Bad Debts	NIL	120.00
Business Promotion	3,843.65	2,018.36
Miscellaneous Expenses	447.86	684.58
Total	7,394.48	5,445.48

[₹ in lacs]

NOTE “26 A” – AUDIT FEES

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Payments to Auditor For :		
Taxation Matters	4.00	4.00
Company Law Matters	NIL	NIL
Management Services	18.00	18.00
Other Services	2.00	2.00
Re-imburement of Expenses	1.00	1.00

[₹ in lacs]

NOTE “27” – VALUE OF IMPORTS

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Raw Material	64,612.69	106,381.36
Stores & Spare Parts	501.73	269.18

[₹ in lacs]

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “28” – EXPENDITURE IN FOREIGN CURRENCY

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Travelling Expenses	124.86	119.81
Agency Commission & Others	54.03	98.99

NOTE “29” – EARNING IN FOREIGN CURRENCY

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Pipe Sales & Pipe Coating Receipts (FOB)	56,803.12	46,352.45

NOTE “30” – REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Year to which the Dividend relates	NIL	NIL
Number of Non-resident shareholders to whom Remittance were made	NIL	NIL
Number of Shares on which Remittances were made	NIL	NIL
Amount remitted	NIL	NIL

NOTE “31” – TRADE PAYABLES

- Trade Payables includes ₹. Nil (Previous Year ₹. Nil) Due to Micro and Small Enterprises Registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) ₹113683.70 lacs (Previous Year ₹152,272.46 Lacs) due to other Parties.
- No interest is paid/payable during the year to any Enterprise Registered under the MSME.
- The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of Suppliers under the MSME.

NOTE “32” – DERIVATIVE INSTRUMENTS

I. The Company has entered into the following Derivative Instruments:

- Forward Exchange contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
Forward Exchange Contracts entered into by the Company as on March 31, 2012.(payable): NIL
- Interest Rate Swaps to hedge against fluctuations in interest rate changes :
No of Contracts NIL
Notional Principal NIL
- Currency Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate.
No of Contracts One
Notional Principal USD 79.54 mn

II. The year end Foreign Currency Exposures that have not been hedged by a Derivative Instrument or otherwise are given below :

	March 31, 2012	March 31, 2011
Receivable /Payables (₹. In lacs)	(60,437.00)	(84,217.89)
Receivable /Payables (USD in Mn)	(118.13)	(188.61)

III. Derivative Instruments (causing an unhedged Foreign Currency Exposure): NIL

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “33” – RELATED PARTY DISCLOSURES

1.	Relationships		
	a) <u>Subsidiary Companies</u>		
	PSL Corrosion Control Services Ltd.	100% Subsidiary Company	
	Pipeline Systems Ltd., Mauritius	100% Subsidiary Company	
	PSL USA INC. , Delaware, USA	100% Subsidiary Company	
	PSL Gas Distribution Pvt. Ltd.	100% Subsidiary Company	
	PSL Infrastructure & Ports Pvt. Ltd.	100% Subsidiary Company	
	PSL FZE, Sharjah	100% Subsidiary Company of Pipeline Systems Ltd., Mauritius	
	PSL North America LLC	JV Company of PSL USA INC., Delaware, USA (78% holding)	
	b) <u>Associate</u>		
	BHI Ltd.		
	Broken Hills International Ltd.		
	Eurocoustic Products Ltd.		
	Punj International Pvt. Ltd.		
	Punj Investments Ltd.		
	Punj Corporation Private Ltd.		
	Rosoboronterra India Pvt. Ltd.		
	(Subsidiary of Punj Corporation Private Ltd.)		
	c) <u>Key Management Personnel</u>		
	Ashok Punj	: Managing Director	
	M. M. Mathur	: Director	
	R. K . Bahri	: Director	
	D. N. Sehgal	: Director	
	S.P.Bhatia	: Director	
	C K Goel	: Director	
	G.Gehani	: Director & Co. Secretary	
	Note: Related party relationship is as identified by the Company and relied upon by the Auditors		
2.	Transaction Carried out with Related Parties in ordinary course of business		
	<u>Nature of Transaction</u>		(₹ In Lacs)
	Particulars	Key Personnel	Subsidiary
	Purchase of Goods	NIL	NIL
	Purchase of Capital Goods	NIL	NIL
	Reimbursement of Expenses	NIL	83.60
	Lease Rental	NIL	1.49
	Remuneration	761.02	NIL
	Dividend Received	NIL	NIL
			7.50

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “34” – LEASE

Operating lease payments are recognized as expenditure in the Profit and Loss Account on a Straight-Line Basis, which is representative of the time pattern of benefits received from the use of Assets taken on lease. Lease rentals in respect of operating lease are recognized as Income over the Lease Period.

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
A. Premises taken on operating lease:		
The total Future Minimum Lease Rentals payable at the Balance Sheet date is as under		
For a Period not more than One Year	85.56	85.56
For a period more than One Year and not later than Five Years	427.80	427.80
For a period more than Five Years	256.68	342.24
B. Vehicles taken on Operating Lease	Nil	Nil
C. Premises given on Operating Lease		
Gross Carrying Amount	44.58	44.58
Depreciation for the year	1.49	1.49
Accumulated Depreciation	20.95	19.47
D. The total Future Minimum Lease Rentals Receivable at the Balance Sheet date is as under		
For a period not more than One Year	3.06	2.69
For a period more than One year and not later than Five Years	15.30	13.45
For a period more than Five Years	9.21	10.77

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE “35” – Disclosures pursuant to Accounting Standard-15 “Employee Benefits”

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
i) Defined Contribution Plan -		
The Company has Recognised the following amounts in the Profit and Loss accounts for the year		
Contribution to Employee Provident Fund - RPFC	296.00	261.14
Contribution to Employee Provident Fund - Trust	NIL	NIL
Contribution to Pension Fund	147.30	147.10
Contribution to Superannuation Fund	157.20	172.08
	600.50	580.32
ii) Defined Benefit Plan		
The following table set out the status of the Gratuity Plan		
(a) A Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation (DBO):		
Opening DBO	1,590.31	1,488.23
Current Service Cost	106.91	98.66
Interest Cost	408.08	131.20
Actuarial gain/(loss)	Nil	Nil
Past Service Cost	Nil	Nil
Liabilities Extinguished on Settlements	Nil	Nil
Benefits Paid	105.65	127.78
Closing DBO	1,999.65	1,590.31
(b) A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Opening Fair Value of Plan Assets	1,124.82	1,092.98
Expected Return	100.66	99.23
Actuarial gain/(loss)	NIL	NIL
Contribution by the Employer	28.38	60.38
Assets Distributed on Settlements	NIL	NIL
Benefits Paid	105.65	127.78
Closing fair value of Plan Assets	1,148.21	1,124.81
(c) A Reconciliation of the present value of the Defined Benefit Obligation and the Fair Value of the Plan Assets to the Assets Recognised in the Balance Sheet:		
Present value of the Defined Benefit Obligation at the end of the Period	1,999.65	1,590.31
Fair value of the Plan Assets at the End of the Year	1,148.21	1,124.82
Liability Recognised in the Balance Sheet	851.44	465.49
(d) The Total Expense Recognised in the Profit and Loss Account:		
Current service cost	106.91	98.66
Interest Cost	408.08	130.69
Expected Return on Plan Assets	(100.66)	(99.23)
Actuarial gains/(loss)	Nil	Nil
Past Service Cost	Nil	Nil
Losses/Gains on “Curtailements & Settlements”	Nil	Nil
Net Gratuity Cost	414.33	130.12
(e) For each major category of Plan Assets following is the percentage that each major category constitutes of the Fair Value of the Total Plan Assets:		
LIC of India	100%	100%
Government of India Securities	NIL	NIL
Corporate Bonds	NIL	NIL
Special Deposit Schemes/others	NIL	NIL
(f) Actual return on Plan Assets	9.30%	9.35%
(g) Following are the Principal Actuarial Assumptions used as at the Balance Sheet Date :		
Discount Rate	8.00%	8.00%
Expected Rates of Return on any Plan Assets	9.30%	9.35%
Average Salary Escalation Rate for Non Management for Each Year		
Average Salary Escalation rate for Non Management Every Third Year	5.33%	6.00%

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

NOTE "36"

The Accounting Standard (AS 17) relating to "Segment Reporting" has been complied with. As the Gross Income & Profit from the other segments are below the norms prescribed in AS-17 separate disclosures have not been made.

NOTE "37"

[₹ in lacs]

Particulars	March 31, 2012	March 31, 2011
I. Contingent Liabilities		
A. Counter Guarantees given by the Company for Bank Guarantees	51165.06	59,961.68
B. Other Guarantees Given by the Company on behalf of Subsidiary Company [Includes Corporate Guarantee as Security for a Standby Letter of Credit (SBLC) given by a bank in USA amounting to ₹ 31,200 Lacs (equivalent to USD 78 mn) towards security for Tax Exempt Variable Rate Demand Revenue Bonds - Series 2007A and Taxable Variable Rate Demand Revenue Bonds- Series 2007 B issued by Mississippi Business Finance Corporation USA on behalf of Company's wholly owned subsidiary]	185774.96	119,885.25
- Others	286.07	1,987.84
C. Letter of Credit Outstanding (Not yet committed)	15,719.50	65,767.35
D. Bills Discounting	12,010.90	8,092.21
E. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)	3,000.00	3,000.00
II. Income Tax Assessment Completed upto AY 2009-10 (March' 2009), Demand raised by the Department amounting to ₹ 257.35 Lacs is contested before CIT Appeal Mumbai. The Department has raised a demand of ₹ 723.90 Lacs for AY 2005-2006 u/s 143 (3) of the Income Tax Act read with u/s 263 of the Act. ITAT has directed the Assessing Officer to redo the Assessment, which is pending. Amount outstanding as on date ₹ 503.90 Lacs.		
III. Gujarat Water Supply & Sewerage Board (GWSSB), a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to "Gujarat Public Works Contracts Disputes Arbitration Tribunal" for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force majeure conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.		
IV. The renewal of leave & license admeasuring to 329216 Sqm (Area) of Kandla Port Trust is under progress before the competent authority.		
V. In the opinion of the Board the Current Assets are approximately of the value, if realised, in the ordinary course of the business. The Provision for Depreciation and for all known Liabilities are adequate and not in excess of the amount reasonably considered necessary. All the income accrued has been accounted for in the books.		
VI. Departmental Appeal : The Company is defending an appeal for a duty amount of ₹ 30900 Lacs filed by Commissioner of Customs Kandla before CESAT Ahmedabad, which was earlier won by the Company. As on date, no demand is payable, the matter is subjudice.		
VII. Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.		

NOTE "38"

The Financial Statements for the year ended 31st March 2011 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act 1956. Consequent to the notification under the Companies Act 1956 the Financial Statement for the year ended 31st March 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been re-classified to confirm to this year's classification.

NOTE "39"

Significant Accounting Policies and Practices adopted by the Company are disclosed in the statement annexed to these Financial Statements as **Annexure 1**.

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

For and on behalf of the Board of Directors

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Directors

Place: Mumbai
Date: 29th May, 2012

Statement of Significant Accounting Policies and Practices forming part of the Financial Statements for the year ended 31st March 2012)

These Financial Statements have been prepared on an Accrual Basis and under historical cost convention and in compliance. In all material aspects, with the applicable accounting principles in India, the applicable accounting standard notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

All the Assets and Liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of Assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

A. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B. Valuation of Inventories

The Raw Materials, Stores and Spare Parts are valued at cost, which is arrived on FIFO basis. Work in progress, Semi Finished Goods and Finished Goods are valued at cost or at the net realisable value, whichever is lower. Cost of Inventories comprises of all costs of purchase (other than refundable duties and taxes), costs of conversion & other costs incurred in bringing the inventories to their present condition and location. Costs of Raw Materials, Packing Materials and Stores and Spares are determined by the average cost method. Cost of Work in Progress and Finished Goods inventories are determined by the absorption costing method. Obsolete, defective, slow moving and unserviceable inventories are duly provided for.

C. Method of Depreciation and Amortisation

Depreciation is provided from the date the Assets have been installed and put to use on written down value method at the rates and in the manner prescribed by schedule XIV of the Companies Act, 1956. Lease hold land is being amortised over the period of lease. Depreciation on additions to Assets or on sale - discardment of Assets, is calculated on pro-rata basis from the month of such addition or upto the month of such sale/discardment, as the case may be.

D. Research and Development

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year when it is incurred.

E. Revenue Recognition / Income

Revenue Income is recognised on Accrual Basis except where mentioned otherwise, in particular:

Sales revenue is recognised when it is earned and no significant uncertainty exist as to its realisation or collection. Sales are net of sales return and trade discounts. Rebate, claims and discounts are accounted for as and when determined. Deductions made have been reduced from the Sales where found necessary.

Export Sales are accounted on the basis of acceptance by the customers and on the basis of export bill of lading.

Export Sales are accounted as per the prevailing exchange rate on the date of transaction.

Revenue from services is recognised on rendering of services.

The pipe coating income is recognised after inspection, approval by customers and after despatch. Interest Income is taken on Accrual Basis and it is netted off against Interest Payment during the year.

Dividend income on investments are accounted for when the right to receive the payment is established.

Expenditure is accounted for on Accrual Basis and provisions are made for all known liabilities.

F. Treatment of expenditure during construction period

Expenditure in the case of new units and substantial expansion of existing units during the construction period is included in the work-in-progress and the same is allotted to the respective Fixed Assets on the completion of the construction.

G. Fixed Assets

Fixed Assets are stated at cost of acquisition and installation. The cost includes Freight, Taxes and related incidental expenses less Cenvat Credit.

The Company has erected Factory Building Sheds and installed Plant and Machinery on lease hold land. The company had incurred some developmental expenditure which was earlier in CWIP on factory building, plant and on lease hold land which increase the future benefits from the existing Assets beyond its previously assessed standard of performance i.e. increase in capacity, modernisation & upgradation.

H. Foreign Currency Transactions

The Company is exposed to Currency Fluctuations on Foreign Currency transactions. With a view to minimize the volatility arising from fluctuations in the currency rates, the company follows established risk management policies including the use of exchange forward contracts and other derivative instruments.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Monetary Assets and Liabilities in Foreign Currency as at the Balance Sheet, Gains and losses arising on account of difference in foreign exchange rates on settlement / transaction of Monetary Assets and Liabilities are recognized in the Profit and Loss Account.

In respect of forward contracts assigned to the Foreign Currency Assets as at the Balance Sheet date, the proportionate premium / discount for the period up to the date of Balance Sheet is recognized in the Profit and Loss account. The exchange difference measured by the change rate between the inception of forward contract and date of Balance Sheet is applied on Foreign Currency amount of the forward contract and is recognized in the Profit and Loss account.

All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian currency at the appropriate rate of exchange prevailing on the date of Balance Sheet.

Balances in the form of Current Assets and Current Liabilities in Foreign Currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

I. Investments

Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term investments. However, fixed income long term securities are stated at cost, less amortization of premium/discount and provision for diminution to recognize a decline other than temporary.

J. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as Short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of Short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits:

a. Defined contribution plans

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme and Government Administered Pension Fund Scheme for all employees and Superannuation Scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the Profit and Loss Account in the financial year to which they relate.

The Company makes specified monthly contributions towards Employee Provident Fund to the respective Regional Provident Fund Authority.

b. Defined Benefit Gratuity Plan

The Company operates a Defined Benefit Gratuity Plan for employees. The Company contributes the same to LIC towards meeting the Gratuity obligations

c. Other Long term employee benefits

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

K. Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard -3 on Cash Flow Statement and present Cash Flows by operating investing and financing activities of the Company. Cash and cash equivalent presented in the Cash Flow Statement consists of Cash in Hand and demand deposits with banks as on the Balance Sheet date.

L. Borrowing Cost

Interest & other borrowing costs on specific borrowings relating to the qualifying Assets are capitalised. Other interests and borrowing costs are charged to Revenue.

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligations and in respect of which reliable estimate can be made. Provision is not discounted to

its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at the end of each year and adjusted to reflect the best current estimate.

Contingent Liabilities are not recognized but disclosed in Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

N. Management Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

O. Excise Duty /Service Tax and Sales Tax/Value Added Taxes

Excise duty/Service tax is accounted on the basis of both, payments made in respect of goods cleared/services provided as also provision made for goods lying in bonded warehouses. Sales Tax/Value Added Tax paid is charged to Profit and Loss account.

P. Accounting for Taxes on Income

Income Tax are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on income. Income taxes comprise both Current and Deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws. The company offsets advance payments and provisions for current tax and discloses the net amount it intends to settle and where it has a legally enforceable right to set off the recognised amount.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a Deferred Tax Assets or a Deferred Tax Liability. Deferred Tax Assets and Liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of Deferred Tax Assets at each Balance Sheet date is reduced to the extent that it is no longer reasonable certain that sufficient future taxable income will be available against which the Deferred Tax Assets can be realized.

Q. Impairment of Assets:

In the opinion of the Company's Management, there is no impairment to the Assets to which Accounting Standard 28 - "Impairment of Assets" applied requiring any revenue recognition.

Consolidated Statements



Consolidated Auditors' Report
Consolidated Balance Sheet
Consolidated Statement of Profit & Loss Account
Consolidated Cash Flow Statement
Notes to Consolidated Financial Statement

CONSOLIDATED AUDITORS' REPORT

To
The Members of PSL Limited

1. We have audited the attached Consolidated Balance Sheet of PSL Limited (the company) and its subsidiaries as at 31st March, 2012 and the Consolidated Profit and Loss Account for the year then ended annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with generally accepted Auditing Standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of PSL FZE (step down subsidiary of PSL Limited). The financial statements and other financial information of PSL FZE have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditor.
4. We did not audit the financial statements of PSL USA INC., (100% Subsidiary of PSL Limited) and the step down subsidiary PSL North America LLC., (78% JV Company of PSL USA INC) The Financial statement of PSL USA Inc., and PSL North America LLC., has been compiled for the purpose of consolidation have been prepared by the Management and is subjected to audit which is under progress as on date by their auditors. Our opinion, in so far as it relate to the amounts included in respect of such subsidiary and step down subsidiary is based solely on the said Financial Statements.
5. Subject to para 4 above, we report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21 on Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in the Consolidated Financial Statements.
6. On the basis of the information and explanations given to us and on the consideration of the separate audit reports on subsidiary, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of the Consolidated Balance Sheet of the Consolidated state of affairs of the Company and its Subsidiary as at 31st March, 2012;
 - b) In the case of the consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the year then ended; and
 - c) In the case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows of the company and its Subsidiary for the year then ended.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

Sd/-
Suresh C. Mathur
Partner
Membership No: 1276

Place : Mumbai
Date : 29th May, 2012

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012

				[₹ in lacs]
	Particulars	Note No.	As at March 31, 2012	As at March 31, 2011
I.	EQUITY AND LIABILITIES			
	1 Shareholders' Funds			
	(a) Share Capital	1	5,333.38	5,333.38
	(b) Reserves and Surplus	2	90,787.97	89,109.74
	(c) Money Received Against Share Warrants		Nil	Nil
	(d) Minority Interest		1,402.87	1,407.32
	2 Share Application Money Pending Allotment		Nil	Nil
	3 Non-current Liabilities			
	(a) Long-term Borrowings	3	66,798.40	79,059.06
	(b) Deferred Tax Liabilities (Net)	4	724.97	(1,611.31)
	(c) Other Long-term Liabilities	5	Nil	Nil
	(d) Long-term Provisions		Nil	Nil
	4 Current Liabilities			
	(a) Short-term Borrowings	6	260,855.48	135,253.86
	(b) Trade Payables		150,547.76	147,924.41
	(c) Other Current Liabilities	7	60,723.82	34,568.88
	(d) Short-term Provisions	8	5,075.73	6,573.26
	TOTAL		642,250.38	497,618.60
II.	ASSETS			
	Non-current Assets			
	1 (a) Fixed Assets	9		
	(i) Tangible Assets		171,610.73	144,004.64
	(ii) Intangible Assets		1.65	2.76
	(iii) Capital Work-in-Progress		32,303.33	21,200.45
	(iv) Intangible Assets under Development		Nil	Nil
	(b) Non-current Investments	10	299.28	269.28
	(c) Deferred Tax Assets (Net)		Nil	Nil
	(d) Long-term Loans and Advances	11	12,798.31	12,172.35
	(e) Other Non-current Assets	12	Nil	Nil
	2 Current Assets			
	(a) Current Investments	13	190.00	190.00
	(b) Inventories	14	260,502.28	201,694.33
	(c) Trade Receivables	15	87,500.16	52,964.16
	(d) Cash and Cash Equivalents	16	34,870.42	25,942.27
	(e) Short-term Loans and Advances	17	42,174.22	39,178.36
	(f) Other Current Assets	18	Nil	Nil
	TOTAL		642,250.38	497,618.60
The Notes form an Integral Part of these Consolidated Financial Statements		1 to 36		

As per our report attached
 For Suresh C. Mathur & Co.
 Chartered Accountants
 Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
 Partner
 M.No. 1276

K. RAMANATHAN
 Chief Finance Officer

ALOK PUNJ
 M.M. MATHUR
 R.K. BAHRI
 G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
 D.N. SEHGAL
 S.P. BHATIA
 C.K. GOEL

Directors

Place: Mumbai
 Date: 29th May, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

[₹ in lacs]

Particulars		Note No.	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
I.	Revenue from Operations	19	280,801.30	332,422.16
	Less: Excise Duty		10,866.03	13,946.47
			269,935.27	318,475.69
II.	Other Income	20	1,621.27	2,796.83
III.	Total Revenue (I + II)		271,556.54	321,272.52
IV.	Expenses:			
	Cost of Materials Consumed	21	216,196.27	283,874.36
	Manufacturing and Operating Costs	22	48,437.14	43,958.11
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(61,549.12)	(67,163.70)
	Employee Benefits Expense	24	9,686.80	8,682.09
	Finance Costs	25	29,767.32	21,039.48
	Depreciation and Amortization Expense		14,201.52	14,260.65
	Other Expenses	26	8,539.18	7,898.14
	Total Expenses		265,279.10	312,549.13
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		6,277.44	8,723.39
VI.	Exceptional Items		NIL	NIL
VII.	Profit Before Extraordinary Items and Tax (V - VI)		6,277.44	8,723.39
VIII.	Extraordinary Items		NIL	NIL
IX.	Profit Before Tax (VII- VIII)		6,277.44	8,723.39
X.	Tax Expense:			
	(1) Current Tax		1667.68	3,966.56
	(2) Deferred Tax		162.32	(482.56)
			1,830.00	3,484.00
XI.	Profit/(Loss) for the period from Continuing Operations (IX-X)		4,447.44	5,239.39
XII.	Profit/(Loss) from Discontinuing Operations		NIL	NIL
XIII.	Tax Expense of Discontinuing Operations		NIL	NIL
XIV.	Profit/(loss) from Discontinuing Operations (After Tax) (XII-XIII)		NIL	NIL
XV.	Profit/(Loss) for the period (XI + XIV)		4,447.44	5,239.39
XVI.	Earnings Per Equity Share (in ₹)			
	(1) Basic		8.28	9.80
	(2) Diluted		8.28	9.80
The Notes form an Integral Part of these Financial Statements		1 to 36		

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Directors

Place: Mumbai
Date: 29th May, 2012

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED ON MARCH 31, 2012
(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)**

(₹ in lacs)

Particulars	2011-12	2010-11
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra-Ordinary Items	6,277.44	8,723.39
ADJUSTED FOR		
Add : Depreciation	14,201.52	14,260.65
Interest (Net)	20,136.45	15,284.67
Preliminary Expenses Written off	Nil	Nil
Technical Know how Written off	Nil	Nil
Less: Bad Debts Provision	Nil	(120.00)
Less: Profit on Sale of Fixed Assets	8.55	27.65
Add : Loss on Investments	Nil	Nil
Less: Dividend Income	7.50	7.50
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	40,599.36	38,353.56
Changes in		
Trade Receivables	(34,536.00)	(29,209.07)
Inventories	(58,807.95)	(2,255.72)
Trade Payables	57,600.82	42,770.83
Loans and Advances	(246.32)	15,784.16
CASH GENERATED FROM OPERATIONS	4,609.91	65,443.76
Tax Paid/Payable/Advance Tax	(3,160.71)	(3,192.27)
Technical Know how Fees	Nil	Nil
NET CASH FROM OPERATING ACTIVITIES [A]	1,449.20	62,251.49
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	20.67	4.76
Profit on Sale of Assets	8.55	27.65
Interest Received	1,075.63	759.08
Dividend Received	7.50	7.50
Sale/ (Purchase) of Investments	(30.00)	(9.20)
Purchase of Fixed Assets	(52,930.05)	(19,360.16)
NET CASH USED IN INVESTING ACTIVITIES [B]	(51,847.70)	(18,570.37)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Issue of Shares including Share Premium	Nil	1.98
Others	Nil	(3,122.49)
FCCB Redemption	(4.45)	272.75
Interest Paid	(21,212.06)	(16,043.75)
Loans Received /Re-payments (Net)	84,053.58	(23,170.58)
Dividend Paid	(3,510.40)	(3,728.64)
NET CASH USED IN FINANCING ACTIVITIES [C]	59,326.67	(45,790.73)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT [A+B+C]	8,928.15	(2,109.61)
CASH AND CASH EQUIVALENT - OPENING [I]	25,942.27	28,051.88
CASH AND CASH EQUIVALENT - CLOSING [II-I]	34,870.42	25,942.27
	8,928.15	(2,109.61)

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Place: Mumbai
Date: 29th May, 2012

Directors

Auditors' Certificate

We have verified the above Cash Flow Statement of PSL Limited (Consolidated) derived from the Audited Financial Statements for the year ended March 31, 2012 and found the same is drawn in accordance therewith and also with the requirements of clause 32 of the Listing Agreements with Stock Exchange.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

Place: Mumbai
Date : 29th May, 2012

Sd/-
Suresh C. Mathur
Partner
M. No. 1276

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "1" – SHARE CAPITAL

[₹ in lacs]

Particulars	As at March 31, 2012		As at March 31, 2011	
Authorised Share Capital				
100,000,000 Equity Shares of ₹ 10/- Each	10,000.00		10,000.00	
Issued Share Capital				
5,34,60,911 Equity Shares of ₹ 10/- each	5,346.09		5,346.09	
Subscribed & Fully Paid up				
53,296,811 Equity Shares of ₹ 10/- each Fully Paid	5,329.68		5,329.68	
Subscribed but not Fully Paid up				
164100 Equity Shares of ₹ 10/- each Partly Paid	16.41		16.41	
Less: Calls in Arrears by Directors	NIL		NIL	
Calls in Arrears by Officers	NIL		NIL	
Calls in Arrears by Others	12.71	3.70	12.71	3.70
Total	5,333.38		5,333.38	

Particulars	As at March 31, 2012		As at March 31, 2011	
	No. of Equity Shares		No. of Equity Shares	
Equity Shares Outstanding at the Beginning of the Year	53,460,911		53,460,911	
Add : Equity Shares Issued during the Year	NIL		NIL	
Less : Equity Shares Bought Back during the Year	NIL		NIL	
Equity Shares Outstanding at the End of the Year	53,460,911		53,460,911	

The Company has only one class of Equity Shares having a par value of ₹ 10/- Per Share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of Shareholders except in case of interim dividend in the event of liquidation the Equity Share holders are eligible to receive the remaining Assets of the Company, after distribution of all preferential amounts, in proportion of their Shareholding.

The Details of Shareholders Holding more than 5% Shares

Sr. No.	Name of Shareholders	As at March 31, 2012		As at March 31, 2011	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Ashok Y Punj	4,919,890	9.20	4,919,890	9.20
2	Arjun A Punj	3,011,580	5.63	3,011,580	5.63
3	Keshav A Punj	3,011,550	5.63	3,011,550	5.63
4	Reliance Capital Trustee Co.Ltd. (Reliance Infrastructure Fund)	2,849,600	5.33	2,849,600	5.33

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "2" – RESERVES AND SURPLUS

[₹ in lacs]

	Particulars	As at March 31, 2012	As at March 31, 2011
a.	Securities Premium Reserve		
	Opening Balance	43,221.61	42,948.86
	Add : Securities Premium Credited on Issue of Shares	NIL	NIL
	Add: Excess Provision of FCCB Redemption Premium Written Back	NIL	272.75
	Less: Allotment Money in Arrears (Directors-Nil)	94.03	94.03
	Less : Premium Utilised for Various Reasons		
	Premium on Redemption of Debentures	NIL	NIL
	For Issuing Bonus Shares	NIL	NIL
	Closing Balance (A)	43,127.58	43,127.58
b-1.	Other Reserves (Investment Allowance Utilised Reserve)		
	As per Last Balance Sheet (B)	139.64	139.64
b-2.	Other Reserves (General Reserve)		
	Opening Balance	7,527.23	6,661.73
	Less: Investment in Subsidiary Companies	12.29	12.29
	Add: Current Year Transfer	602.36	877.79
	Less: Written Back in Current Year	NIL	NIL
	Closing Balance (C)	8,117.30	7,527.23
c.	Surplus		
	Opening Balance	38,370.96	34,755.97
	Add: Net Profit/(Net Loss) For the current year	331.40	5,239.39
	Add: Transfer from Reserves	NIL	NIL
	Less: Proposed Dividend	2,477.72	1,239.77
	Less: Interim Dividend	NIL	1,242.98
	Less: Transfer to Reserves	602.36	877.79
	Less: Share of Loss (Minority Interest)	NIL	(747.88)
	Less: Prior Years Expenses	613.24	(988.26)
	Closing Balance (D)	35,009.04	38,370.96
d.	Foreign Exchange Difference on Consolidation (E)	5,015.63	(46.68)
e.	Miscellaneous Expenditure (Preliminary & Pre-operative Expenses) (F)	(621.21)	(8.98)
	Total (A to F)	90,787.98	89,109.75
	Money Received against Share Warrant	NIL	NIL
	Share Application Money Pending Allotment	NIL	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "3" – LONG TERM BORROWINGS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
A. Secured		
i) Tax Exempt Variable Rate Demand Revenue	35,655.63	30,545.60
Bonds 2007A issued by Mississippi Business Corp USA		
ii) Taxable Variable Rate Demand Revenue	4,512.31	3,961.94
Bonds 2007A issued by Mississippi Business Corp USA		
iii) From Banks	26,567.22	44,545.81
iv) Motor Vehicle Loans	63.24	5.71
	66,798.40	79,059.06
Nature of Security and Terms of Repayment for Long Term Secured Borrowing		
i) Tax Exemption Bonds repayable in Semi Annual Equal Installment of USD 2.267 mn from May 2018. Last Installment May 2026. Secured by SBLC from a Bank.		
ii) Taxable Bonds repayable in Semi Annual Installment of USD 588.235 from November 2009. Last Installment November 2017. Secured by SBLC from a Bank.		
iii) From Banks		
1. ECB Loan (ECB) amounting to USD 50 mn (March 31, 2011 USD 50 mn) is Secured against First Charge on pari passu basis on some of the Immovable & Moveable Assets of the Company. Terms of Repayment : USD 20 mn on 14th December 2012 and USD 30 mn on 16th January 2015.		
2. Term Loan amounting to ₹ Nil (March 31, 2011 ₹ 3745.04 is secured against First Charge on pari passu basis on some of the Immovable & Moveable Assets of the Company).		
3. Term Loan amounting to ₹ 14000 Lacs (March 31, 2011 ₹ 18000 Lacs) is secured against First Charge on pari passu basis on some of the Immovable & Moveable Assets of the Company. Terms of Repayment : Two Quarterly Instalments of ₹ 1000 Lacs each and Eight quarterly Installment of ₹ 1500 Lacs each Last Installment 30th September 2014.		
4. Term Loan amounting to ₹ 8888 Lacs (March 31, 2011 ₹ 10000 Lacs) is secured against Second charge on pari passu basis over the Moveable Assets of the Company. Terms of Repayment : Monthly installment of ₹ 555.55 Lacs. Last Installment Date 29th July 2013		
5. Term Loan amounting to ₹ 5003.63 Lacs (March 31, 2011 ₹ 10000 Lacs) is secured against Subsequent Charge on Fixed Assets and Current Assets of the Company. Terms of Repayment: Quarterly installment of ₹ 1250 Lacs. Last Installment Date 31st March 2013.		
6. Term Loan Amounting to USD 31.75 mn (March 31, 2011 USD 31.75 mn) Secured by SBLC from a Bank. Term of repayment, bullet repayment in the month of March 2013.		
iv) Vehicle Loans is secured by Hypothecation of Specific Vehicles.		
B. Unsecured		
Schedule Bank	NIL	NIL

NOTE "4" – DEFERRED TAX LIABILITIES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
Deferred Tax Liabilities : Depreciation Difference	808.02	666.19
Deferred Tax Assets : Disallowances and Others	83.05	2,277.50
Net Deferred Tax Liability / (Assets)	724.97	(1,611.31)

NOTE "5" – OTHER LONG TERM LIABILITIES

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
a. Trade Payables	NIL	NIL
b. Others	NIL	NIL
Total	NIL	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "6" – SHORT TERM BORROWINGS

[₹ in lacs]

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Secured		
Loans Repayable on Demand		
i) From Banks		
(Secured against Hypothecation of Project Current Assets and Second Charge on some of the Immoveable and Moveable Assets of the Company)	103,381.40	26,794.79
ii) From Banks	126,880.16	61,936.04
(Secured against Hypothecation of Project Current Assets)		
iii) From Banks	30,593.92	21,523.03
(Secured against SBLC issued by a Bank)		
(A)	260,855.48	110,253.86
(b) Unsecured		
Loans Repayable on Demand		
From Banks	NIL	25,000.00
(B)	NIL	25,000.00
Total	260,855.48	135,253.86

NOTE "7" – OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Current Maturities of Long-term Debt	43,143.59	13,856.21
(b) Current Maturities of Finance Lease Obligations	NIL	NIL
(c) Interest Accrued but not due on Borrowings	NIL	NIL
(d) Interest Accrued and due on Borrowings	2,038.14	493.71
(e) Income Received in Advance	NIL	NIL
(f) Unpaid Dividends	49.21	49.21
(g) Mobilisation Advance from Customer	5,761.08	1,442.52
(h) Other Payables	9,731.80	18,727.23
Total	60,723.82	34,568.88

NOTE "8" – SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
(a) Provision for Employee Benefits		
Salary & Reimbursements	NIL	NIL
Contribution to PF	NIL	NIL
Gratuity (Funded)	930.33	465.48
Leave Encashment (Funded)	NIL	NIL
Superannuation (Funded)	NIL	NIL
ESOP /ESOS	NIL	NIL
(b) Others (Specify Nature)		
Provision for Taxation - Current Tax	1,667.68	4,868.01
Proposed Dividend	2,131.88	1,066.68
Tax on Proposed Dividend	345.84	173.09
Total	5,075.73	6,573.26

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2012

NOTES "9" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at April 1, 2011	Additions during the year	Deductions during the year	Adjustments/Transfer	As at March 31, 2012	Upto April 1, 2011	Depreciation for the Year	Depreciation Reserve	Adjustments/Transfer	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
I. TANGIBLE ASSETS												
Free Hold Land	5,681.97	295.93	NIL	NIL	5,977.90	NIL	NIL	NIL	NIL	NIL	5,977.90	5,681.96
Lease Hold Land	44.58	NIL	NIL	NIL	44.58	19.48	1.49	NIL	NIL	20.97	23.61	25.10
Office Buildings	204.53	NIL	NIL	NIL	204.53	36.31	8.97	NIL	NIL	45.29	159.25	168.22
Factory Buildings	36,424.44	3,348.73	NIL	NIL	39,773.17	6,779.01	776.03	NIL	NIL	7,555.04	32,218.13	29,645.43
Furniture and Fixtures	658.51	101.04	NIL	NIL	759.55	415.78	47.87	NIL	NIL	463.65	295.94	242.73
Plant and Machinery	150,788.76	36,637.95	NIL	1,954.47	189,381.19	45,672.44	12,758.16	NIL	1,098.32	59,528.92	129,852.26	105,116.33
Office Equipment	475.38	12.49	NIL	NIL	487.87	288.32	25.91	NIL	NIL	324.23	163.63	177.06
Lab Equipments	818.49	127.09	NIL	NIL	945.58	417.77	70.73	NIL	NIL	488.50	457.09	400.72
Computers	463.95	29.40	NIL	NIL	493.35	399.30	30.26	NIL	NIL	429.57	63.78	64.66
Motor Cars	1,411.54	191.57	60.54	NIL	1,542.57	933.68	129.03	39.43	NIL	1,023.26	519.31	477.85
Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	103.69	0.42	NIL	NIL	104.12	0.98	1.41
Cycles	0.29	NIL	NIL	NIL	0.29	0.22	0.01	NIL	NIL	0.25	0.04	0.07
Earth Moving Equipments	3,885.92	75.00	NIL	NIL	3,960.92	3,284.16	166.24	NIL	NIL	3,450.39	510.52	601.76
Shed Construction	2,310.60	152.24	NIL	NIL	2,462.84	909.24	185.29	NIL	NIL	1,094.53	1,368.31	1,401.36
TOTAL (A)	203,274.06	40,971.45	60.54	1,954.47	246,139.44	59,269.41	14,200.42	39.43	1,098.32	74,528.72	171,610.76	144,004.65
TOTAL (Previous Year) (B)	179,292.25	30,904.36	712.13	6,210.42	203,274.06	42,894.57	14,258.82	91.65	2,207.69	59,269.41	144,004.64	136,397.70
II. INTANGIBLE ASSETS												
Computer Software	35.36	NIL	NIL	NIL	35.36	32.60	1.10	NIL	NIL	33.71	1.65	2.75
TOTAL (C)	35.36	NIL	NIL	NIL	35.36	32.60	1.10	NIL	NIL	33.71	1.65	2.75
TOTAL (Previous Year) (D)	35.36	NIL	NIL	NIL	35.36	30.76	1.83	NIL	NIL	32.60	2.76	4.58
TOTAL (A+C)	203,309.42	40,971.45	60.54	1,954.47	246,174.80	59,302.01	14,201.52	39.43	1,098.32	74,562.43	171,612.42	144,007.40
TOTAL (Previous Year) (B+D)	179,327.61	30,904.36	712.13	6,210.42	203,309.42	42,925.33	14,260.65	91.65	2,207.69	59,302.01	144,007.40	136,402.28

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "10" - NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Investment in Associates		
Unquoted, Trade		
1470000 Equity Shares of ₹ 10/- each of BHI LTD. (Previous year 1470000 Shares)	147.00	147.00
150000 Equity Shares of ₹ 10/- each of Punj International Pvt. Ltd. (Previous Year 150000 Equity Shares)	15.00	15.00
7500 Equity Shares of ₹ 10/- each of Broken Hills International Ltd. (Previous year 7500 Equity Shares)	0.75	0.75
2000 Equity Shares of ₹ 100/- each of Punj Investments Pvt. Ltd. (Previous year 2000 Equity Shares)	2.00	2.00
860000 Equity Shares of ₹ 10/- each of Eurocoustic Products Ltd. (Previous Year 860000 Equity Shares)	86.00	86.00
484000 Equity Shares of ₹ 10/- each of Punj Corporation Pvt. Ltd. (Previous Year 184000 Equity Shares)	48.40	18.40
(A)	299.15	269.15
b. Non Trade Investments Equity		
Unquoted, Trade		
128 Shares of ₹ 100/- each in The Gandhidham Mercantile Co-Operative Bank Ltd. (Previous year 128 Shares)	0.13	0.13
(B)	0.13	0.13
Total (A + B)	299.28	269.28

NOTE "11"- LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Capital Advances		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(A)	NIL	NIL
b. Security Deposits		
Secured, Considered Good	3,193.64	3,359.57
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(B)	3,193.64	3,359.57
c. Loans and Advances to Related Parties		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(C)	NIL	NIL
d. Other Loans and Advances (Specify Nature)		
Secured, Considered Good		
Advance for Supply of Raw Material & Others	9,349.04	8,401.60
Loan to Employees	255.63	411.18
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(D)	9,604.67	8,812.78
Total (A+B+C+D)	12,798.31	12,172.35

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "12" - OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Long Term Trade Receivables (Including Trade Receivables on Deferred Credit Terms)		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(A)	NIL	NIL
b. Others (Specify Nature)		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(B)	NIL	NIL
c. Debts due by Related Parties		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(C)	NIL	NIL
Total (A+B+C)	NIL	NIL

NOTE "13" - CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Mutual Funds (Unquoted) (Units of ₹ 10- each, unless otherwise specified)		
Unquoted, Trade		
SBI Capital Protection Oriented Fund	190.00	190.00
(Previous Year 190) (Current NAV 11.5613)		
TOTAL	190.00	190.00

NOTE "14" - INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Raw Materials and Components (Valued at Cost)	42,054.60	44,016.83
Goods-in-Transit	NIL	NIL
(A)	42,054.60	44,016.83
b. Work-in-Progress (Valued at Cost)	188,698.52	129,856.53
Goods-in-Transit	NIL	NIL
(B)	188,698.52	129,856.53
c. Finished Goods (Valued at Cost or Realisable Value Whichever is Less)	24,098.50	22,735.35
Goods-in-Transit	NIL	NIL
(C)	24,098.50	22,735.35
d. Stores and Spares (Valued at Cost)	5,650.66	5,085.62
Goods-in-Transit	NIL	NIL
(D)	5,650.66	5,085.62
TOTAL (A+B+C+D)	260,502.28	201,694.33

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "15" - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
a. Trade Receivables Outstanding for a period exceeding Six Months from the date they are due for Payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	6,237.43	6,589.07
Unsecured, Considered Doubtful	NIL	120.00
Less: Provision for Doubtful Debts	NIL	120.00
(A)	6,237.43	6,589.07
b. Trade Receivables Outstanding for less than Six Months from the date they are due for Payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	81,262.73	46,375.10
Unsecured, Considered Doubtful	NIL	NIL
(B)	81,262.73	46,375.10
Total (A+B)	87,500.16	52,964.17

NOTE "16" - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Balances with Banks	18,138.00	10,244.34
Fixed Deposits with Banks with more than 12 months Maturity (Under Lien ₹ 6281.46 Lacs)	16,583.52	15,567.85
Cheques, Drafts in Hand	NIL	NIL
Cash in Hand	101.97	83.15
Unclaimed Dividend	46.93	46.93
Total	34,870.42	25,942.27

NOTE "17" - SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Secured, Considered Good		
Advance to Raw Material and Others	NIL	NIL
Advance Income Tax	1,347.24	4,400.99
Excise & VAT Deposits	40,826.98	34,777.37
Unsecured, Considered Good	NIL	NIL
Unsecured, Considered Doubtful	NIL	NIL
Total	42,174.22	39,178.36

NOTE "18" - OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2012	As at March 31, 2011
Dividend, Interest Subsidy and Interest Receivable	NIL	NIL
Export Incentives Receivables	NIL	NIL
Claims and Other Receivables	NIL	NIL
TOTAL	NIL	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "19" - REVENUE FROM OPERATIONS (GROSS)

(₹ in Lacs)

Particulars		For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
a)	Sale of Products		
	Saw Pipes	220,924.35	227,996.08
	Coating on Steel Pipes	44,834.57	84,552.22
	Anodes	1,027.61	79.06
	(A)	266,786.53	312,627.36
b)	Sale of Services		
	Rebar Coating	6,445.09	6,763.45
	Induction Bending	864.35	1,530.35
	(B)	7,309.44	8,293.80
c)	Other Operating Revenues		
	Equipment Sales	2,671.26	4,599.72
	Process Waste Sales	4,034.07	3,773.88
	Other Material Sales	NIL	3,127.40
	(C)	6,705.33	11,501.00
	Total (A+B+C)	280,801.30	332,422.16

NOTE "20" - OTHER INCOME

(₹ in Lacs)

Particulars		For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
i)	Dividend Income		
	From a Holding/ Subsidiary	43.00	129.00
	From an Associate	7.50	7.50
ii)	Net Surplus on Disposal of Assets	8.81	27.66
iii)	Rent and Compensation	45.70	45.47
iv)	Exchange Fluctuation Gain (Net)	868.66	573.17
v)	Insurance Claim	6.11	34.55
vi)	Provision no Longer Required	48.64	74.85
vii)	Other Non Operating Income	592.85	1904.63
	Total	1,621.27	2,796.83

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "21" - COST OF MATERIAL CONSUMED

(₹ in Lacs)

	Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
A.	Raw Material		
	Opening Stock	37,658.94	27,405.32
	Purchase	208,403.30	294,127.98
		246,062.24	321,533.30
	Less : Sales	NIL	NIL
	Less: Closing Stock	29,865.97	37,658.94
		216,196.27	283,874.36
B.	Details of Raw Material Consumed		
	H. R. Coil	158,283.57	184,581.95
	Flux	996.01	1,538.74
	Filler Wire	918.21	1,107.17
	M S Wire	9.95	NIL
	Epoxy Powder	2,514.72	2,935.37
	Adhesive	537.78	529.43
	Polyethylene	4,116.38	4,730.19
	Polypropylene	15.11	NIL
	Inner Wrap	79.53	163.28
	Outer Wrap	206.45	299.41
	Coal Tar Enamel	877.36	1,705.22
	Coal Tar Tape	29.53	NIL
	Polyethylene Tape	239.94	270.61
	Wiremesh	565.86	298.12
	Cement	438.18	445.81
	Sand	82.47	100.90
	Iron Ore	1,116.06	1,204.99
	Aluminium	221.50	51.72
	Zinc	10.12	3.08
	Coating Materials and Others	44,937.54	83,908.37
	Total	216,196.27	283,874.36

NOTE "22" - MANUFACTURING & OPERATING COST

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Consumption of Stores and Spare Parts	9,928.39	5,200.70
Power & Fuel	2,448.27	3,083.39
Excise Duty and Service Tax	12,723.93	483.99
Sales Tax	2,301.28	5,944.19
Octroi	105.42	123.01
Freight and Cartage	16,627.48	24,440.84
Equipment Hire Charges	317.17	419.32
Interest	NIL	124.87
Labour Charges	879.64	600.88
Testing Charges	155.07	150.37
Other Manufacturing & Operating Expenses	557.99	371.26
Bar straightening Charges	NIL	900.88
Water Charges	28.24	34.11
Dumpsite Maintenance	2,364.26	2,080.29
Total	48,437.14	43,958.11

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "23" - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Opening Stock		
Finished Goods	20,443.96	14,270.80
Work-in-Progress	130,927.48	69,936.94
(A)	151,371.44	84,207.74
Closing Stock		
Finished Goods	24,026.97	20,443.96
Work-in-Progress	188,893.59	130,927.48
(B)	212,920.56	151,371.44
Total	(61,549.12)	(67,163.70)

NOTE "24" - EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Salaries, Bonus etc.	7,749.99	6,695.79
Contributions to Provident and Other Funds	980.20	1,211.16
Staff Welfare Expenses	956.61	775.14
Total	9,686.80	8,682.09

NOTE "25" - FINANCE COST

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Interest Expense	20,136.45	15,284.67
Other Borrowing Costs	9,630.87	5,754.81
Total	29,767.32	21,039.48

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
NOTE "26" - OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Auditors Remuneration	32.43	33.85
Office Electricity Charges	56.78	86.28
Repairs to Building	30.02	66.01
Repairs to Machinery	63.03	51.04
Insurance	285.23	268.01
Rent, Rates & Taxes	1,478.34	2,235.97
Legal & Professional Fees	593.56	804.59
Office Maintenance	322.37	381.47
Telephone & Internet Charges	154.98	143.88
Travelling Expenses	604.72	527.69
Business Promotion	4,428.74	2,435.65
Miscellaneous Expenses	488.96	743.75
Total	8,539.16	7,778.19

NOTE "26 (A)"- AUDIT FEES

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Payments to Auditor For:		
Taxation Matters	4.00	4.00
Company Law Matters	NIL	NIL
Management Services	25.43	26.36
Other Services	2.00	2.49
Re-imbusement of Expenses	1.00	1.00

NOTE "27"- REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
Year to which the Dividend Relates	NIL	NIL
Number of Non-resident Shareholders to whom Remittance were made	NIL	NIL
Number of Shares on which Remittances were made	NIL	NIL
Amount Remitted	NIL	NIL

NOTE "28"- TRADE PAYABLES

- Trade Payables includes ₹ Nil (Previous Year ₹ Nil) Due to Micro and Small Enterprises Registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) ₹ 150547.76 lacs Previous Year ₹ 147924.41 Lacs) due to other Parties.
- No Interest is paid/payable during the year to any Enterprise Registered under the MSME.
- The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of Suppliers under the MSME.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

NOTE "29"- DERIVATIVE INSTRUMENTS

- I. **The Company has entered into the following Derivative Instruments:**
- a. Forward Exchange Contracts (being a Derivative Instrument), which are not intended for Trading or Speculative Purposes, but for Hedge Purposes, to establish the amount of reporting Currency Required or Available at the Settlement Date of Certain Payables and Receivables.
- Forward Exchange Contracts entered into by the Company as on March 31, 2012.(Payable): NIL
- b. Interest Rate Swaps to hedge against Fluctuations in Interest rate changes :
- No of Contracts NIL
- Notional Principal NIL
- c. Currency Swaps (Other Than Forward Exchange Contracts Stated Above) to hedge against fluctuations in changes in Exchange Rate.
- No of Contracts One
- Notional Principal USD 79.54 Mn
- II **Derivative Instruments (Causing an Unhedged Foreign Currency Exposure)** NIL

NOTE "30" - RELATED PARTY DISCLOSURES

Relationships			
a)	Subsidiary Companies		
	PSL Corrosion Control Services Ltd.	100%	Subsidiary Company
	Pipeline Systems Ltd., Mauritius	100%	Subsidiary Company
	PSL USA INC., Delaware, USA	100%	Subsidiary Company
	PSL Gas Distribution Pvt. Ltd.	100%	Subsidiary Company
	PSL Infrastructure & Ports Pvt. Ltd.	100%	Subsidiary Company
	PSL FZE, Sharjah.	100%	Subsidiary Company of Pipeline Systems Ltd., Mauritius
	PSL North America LLC.	JV Company of PSL USA INC., Delaware, USA (78% holding)	
	Investments in Associates		
b)	The Group Associates are:		
	Name	Country of Incorporation	% of Ownership Interest As at March 31, 2012
	Eurocoustic Products Ltd.	INDIA	48.09
	Broken Hills International Ltd.	INDIA	22.79
	BHI Limited	INDIA	49.66
	Punj International Pvt. Ltd.	INDIA	37.06
	Punj Investments Pvt. Ltd.	INDIA	14.78
	Punj Corporation Pvt. Ltd.	INDIA	37.75
	Rosoboronterra India Pvt. Ltd.	INDIA	
	These Associates have not been considered for consolidation being not material to the Group.		
c)	Key Management Personnel		
	Ashok Punj	:	Managing Director
	M. M. Mathur	:	Director
	R. K . Bahri	:	Director
	D. N. Sehgal	:	Director
	S.P.Bhatia	:	Director
	C K Goel	:	Director
	G.Gehani	:	Director & Co. Secretary

Note: Related Party Relationship is as identified by the Company and relied upon by the Auditors

The Financial Statements of PSL Limited (The Company and its Subsidiaries namely PSL Corrosion Control Services Limited, Pipeline Systems Limited, PSL USA Inc., PSL Gas Distribution Pvt.Ltd. and PSL Infrastructure & Ports Pvt.Ltd. have combined on a line by line basis by adopting together the book values like items of Assets, Liabilities, Income and Expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized Profits and Losses.

The Financial Statements of the Subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Company i.e. year ended 31st March 2012.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
NOTE “31” - LEASE

Operating Lease payments are recognized as expenditure in the Profit and Loss Account on a Straight-line Basis, which is representative of the time pattern of benefits received from the use of Assets taken on lease. Lease rentals in respect of operating lease are recognized as Income over the Lease Period.

(₹ in Lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
A. Premises taken on Operating Lease:		
The Total Future Minimum Lease Rentals payable at the Balance Sheet date is as under		
For a Period not more than One Year	85.56	85.56
For a period more than One Year and not later than Five Years	427.80	427.80
For a period more than Five Years	256.68	342.24
B. Vehicles taken on Operating Lease	Nil	Nil
C. Premises given on Operating Lease		
Gross Carrying Amount	44.58	44.58
Depreciation for the year	1.49	1.49
Accumulated Depreciation	20.95	19.47
D. The total Future Minimum Lease Rentals Receivable at the Balance Sheet Date is as under		
For a period not more than One Year	3.06	2.69
For a period more than One year and not later than Five Years	15.30	13.45
For a period more than Five Years	9.21	10.77

**NOTE “32”- Disclosures Pursuant To
Accounting Standard-15 “Employee Benefits”**

(₹ in lacs)

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
i) Defined Contribution Plan -		
The Company has Recognised the following amounts in the Profit and Loss accounts for the year		
Contribution to Employee Provident Fund - RPF	262.40	261.14
Contribution to Employee Provident Fund - Trust	NIL	NIL
Contribution to Pension Fund	146.62	147.10
Contribution to Superannuation Fund	157.19	172.08
	<u>566.21</u>	<u>580.32</u>
ii) Defined Benefit Plan		
The following table set out the status of the Gratuity Plan		
(a) A Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation (DBO):		
Opening DBO	1,590.31	1,488.23
Current Service Cost	106.91	98.66
Interest Cost	408.08	131.20
Actuarial (Gain)/loss	NIL	NIL
Past Service Cost	NIL	NIL
Liabilities Extinguished on Settlements	NIL	NIL
Benefits Paid	105.65	127.78
Closing DBO	<u>1,999.65</u>	<u>1,590.31</u>
(b) A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Opening Fair Value of Plan Assets	1,124.82	1,092.98
Expected Return	100.66	99.23
Actuarial Gain/ (loss)	NIL	NIL
Contribution by the Employer	28.38	60.38
Assets Distributed on Settlements	NIL	NIL
Benefits Paid	105.65	127.78
Closing fair value of Plan Assets	<u>1,148.21</u>	<u>1,124.81</u>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

**NOTE “32”- Disclosures Pursuant To
Accounting Standard-15 “Employee Benefits” (Contd.)**

[₹ in lacs]

Particulars	For the Year Ended March 31, 2012	For the Year Ended March 31, 2011
(c) A Reconciliation of the present value of the Defined Benefit Obligation and the Fair Value of the Plan Assets to the Assets Recognised in the Balance Sheet:		
Present value of the Defined Benefit Obligation at the end of the Period	1,999.65	1,590.31
Fair value of the Plan Assets at the End of the Year	1,148.21	1,124.82
Liability Recognised in the Balance Sheet	851.44	465.49
(d) The Total Expense Recognised in the Profit and Loss Account:		
Current service cost	106.91	98.66
Interest Cost	408.08	130.69
Expected Return on Plan Assets	(100.66)	(99.23)
Actuarial gains/(loss)	Nil	Nil
Past Service Cost	Nil	Nil
Losses/Gains on “Curtailments & Settlements”	Nil	Nil
Net Gratuity Cost	414.33	130.12
(e) For each major category of Plan Assets following is the percentage that each major category constitutes of the Fair Value of the Total Plan Assets:		
LIC of India	100%	100%
Government of India Securities	NIL	NIL
Corporate Bonds	NIL	NIL
Special Deposit Schemes/others	NIL	NIL
(f) Actual return on Plan Assets	9.30%	9.35%
(g) Following are the Principal Actuarial Assumptions used as at the Balance Sheet Date :		
Discount Rate	8.00%	8.00%
Expected Rates of Return on any Plan Assets	9.30%	9.35%
Average Salary Escalation Rate for Non Management for Each Year	5.33%	6.00%
Average Salary Escalation rate for Non Management Every Third Year		

NOTE “33”

The Accounting Standard (AS 17) relating to “Segment Reporting” has been complied with. As the Gross Income & Profit from the other segments are below the norms prescribed in AS-17 separate disclosures have not been made.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012
NOTE "34"

(₹ in Lacs)

	Particulars	As at March 31, 2012	As at March 31, 2011
I.	Contingent Liabilities		
	A. Counter Guarantees given by the Company for Bank Guarantees	51,165.06	59,961.68
	- Others	286.07	1,987.84
	B. Letter of Credit Outstanding (Not yet committed)	15,719.50	65,767.35
	C. Bills Discounting	12,010.90	8,092.28
	D. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	3,000.00	3,000.00
II.	Income Tax Assessment Completed upto AY 2009-10 (March'2009), Demand raised by the Department amounting to Rs. 257.35 Lacs is contested before CIT Appeal Mumbai. The Department has raised a demand of ₹ 723.90 Lacs for AY 2005-2006 u/s. 143 (3) of the. Income Tax Act read with section 263 of the Act. ITAT has directed the Assessing Officer to redo the Assessment, which is pending. Amount outstanding as on date ₹ 503.90 Lacs.		
III.	Gujarat Water Supply & Sewerage Board (GWSSB), a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to "Gujarat Public Works Contracts Disputes Arbitration Tribunal" for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force majeure conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.		
IV.	The renewal of leave & license admeasuring to 329216 Sqm (Area) of Kandla Port Trust is under progress before the Competent Authority.		
V.	In the opinion of the Board the Current Assets are approximately of the value, if realised, in the ordinary course of the business. The Provision for Depreciation and for all known Liabilities are adequate and not in excess of the amount reasonably considered necessary . All the income accrued has been accounted for in the books.		
VI.	Departmental Appeal : The Company is defending an appeal for a duty amount of ₹ 30900 Lacs filed by Commissioner of Customs Kandla before CESAT Ahmedabad, which was earlier won by the Company. As on date, no demand is payable. The matter is subjudice.		
VII.	Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.		

NOTE "35"

The Financial Statements for the year ended 31st March 2011 had been prepared as per then applicable Pre-Revised Schedule VI to the Companies Act 1956. Consequent to the notification under the Companies Act 1956 the Financial Statement for the year ended 31st March 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been re-classified to confirm to this year's classification.

NOTE "36"

Significant Accounting Policies and Practices adopted by the Company are disclosed in the statement annexed to these Financial Statements as **Annexure 1**.

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

(SURESH C. MATHUR)
Partner
M.No. 1276

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

Directors

Place: Mumbai
Date: 29th May, 2012

Statement of Significant Accounting Policies and Practices on Consolidated Accounts forming part of the Financial Statements for the year ended 31st March 2012)

These Financial Statements have been prepared on an Accrual Basis and under historical cost convention and in compliance. In all material aspects, with the applicable accounting principles in India, the applicable accounting standard notified under Section 211 (3C) and the other relevant provisions of the Companies Act, 1956.

All the Assets and Liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

A. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

B. Principles of Consolidation

The Consolidated Financial Statement has been prepared on the following basis:

- i) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards 21 (AS 21) – “Consolidated Financial Statements”, Accounting Standard 23 (AS-23)- “Accounting for investments in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.
- ii) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All Assets and Liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserves and in case of loss the same is charged to Profit and Loss account.
- iii) All subsidiaries of the Company are subsidiaries since inception of their business activities. Hence there is no capital reserve or goodwill arising on consolidation.
- iv) For the purpose of Consolidation, Accounting policies of the holding company have been adopted for all the entries.

C. Valuation of Inventories

The Raw Materials, Stores and Spare Parts are valued at cost, which is arrived on FIFO basis. Work in progress, Semi Finished Goods and Finished Goods are valued at cost or at the net realisable value, whichever is lower. Cost of Inventories comprises of all costs of purchase (other than refundable duties and taxes), costs of conversion & other costs incurred in bringing the inventories to their present condition and location. Costs of Raw Materials, Packing Materials and Stores and Spares are determined by the average cost method. Cost of Work in Progress and Finished Goods inventories are determined by the absorption costing method. Obsolete, defective, slow moving and unserviceable inventories are duly provided for.

D. Method of Depreciation and Amortisation

Depreciation is provided from the date the assets have been installed and put to use on written down value method at the rates and in the manner prescribed by schedule XIV of the Companies Act, 1956. Lease hold land is being amortized over the period of lease. Depreciation on additions to assets or on sale - discardment of assets, is calculated on pro-rata basis from the month of such addition or upto the month of such sale/discardment, as the case may be.

E. Research and Development

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year when it is incurred.

F. Revenue Recognition / Income

Revenue Income is recognised on accrual basis except where mentioned otherwise, in particular:

Sales revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Sales are net of sales return and trade discounts. Rebate, claims and discounts are accounted for as and when determined. Deductions made have been reduced from the Sales where found necessary.

Export Sales are accounted on the basis of acceptance by the customers and on the basis of export bill of lading.

Export Sales are accounted as per the prevailing exchange rate on the date of transaction.

Revenue from services is recognised on rendering of services.

The pipe coating income is recognised after inspection, approval by customers and after despatch. Interest Income is taken on accrual basis and it is netted off against Interest Payment during the year.

Dividend income on investments are accounted for when the right to receive the payment is established.

Expenditure is accounted for on accrual basis and provisions are made for all known liabilities.

G. Treatment of Expenditure during Construction Period

Expenditure in the case of new units and substantial expansion of existing units during the construction period is included in the work in progress and the same is allotted to the respective Fixed Assets on the completion of the construction.

H. Fixed Assets

Fixed Assets are stated at cost of acquisition and installation. The cost includes Freight, Taxes and related incidental expenses less Cenvat Credit.

The Company has erected factory building sheds and installed plant and machinery on lease hold land. The company had incurred some developmental expenditure which was earlier in CWIP on factory building, plant and on lease hold land which increase the future benefits from the existing assets beyond its previously assessed standard of performance i.e. increase in capacity, modernisation & up-gradation.

I. Foreign Currency Transactions

The Company is exposed to Currency Fluctuations on Foreign Currency transactions. With a view to minimize the volatility arising from fluctuations in the currency rates, the company follows established risk management policies including the use of exchange forward contracts and other derivative instruments.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Monetary Assets and Liabilities in Foreign Currency as at the Balance Sheet, Gains and losses arising on account of difference in foreign exchange rates on settlement / Transaction of Monetary Assets and Liabilities are recognized in the Profit and Loss Account.

In respect of forward contracts assigned to the Foreign Currency assets as at the Balance Sheet date, the proportionate premium / discount for the period up to the date of Balance Sheet is recognized in the Profit and Loss Account. The exchange difference measured by the change rate between the inception of forward contract and date of Balance Sheet is applied on foreign currency amount of the forward contract and is recognized in the Profit and Loss Account.

All loans and deferred credits repayable in Foreign Currency and outstanding at the close of the year are expressed in Indian currency at the appropriate rate of exchange prevailing on the date of Balance Sheet.

Balances in the form of Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

J. Investments

Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term investments. However, fixed income long term securities are stated at cost, less amortization of premium/discount and provision for diminution to recognize a decline other than temporary.

K. Employee Benefits

Short term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits:

a. Defined contribution plans

Defined contribution plans are Provident Fund Scheme, Employee State Insurance Scheme and Government Administered Pension Fund scheme for all employees and Superannuation Scheme for eligible employees. The Company's contribution to defined contribution plans are recognized in the Profit and Loss Account in the financial year to which they relate.

The Company makes specified monthly contributions towards Employee Provident Fund to the respective Regional Provident Fund Authority.

b. Defined Benefit Gratuity Plan

The Company operates a Defined Benefit Gratuity Plan for employees. The Company contributes the same to LIC towards meeting the Gratuity obligations.

c. Other Long term employee benefits

Entitlements to annual leave and sick leave are recognised when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

L. Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard -3 on Cash Flow Statement and present Cash Flows by operating investing and financing activities of the Company. Cash and cash equivalent presented in the Cash Flow Statement consists of Cash in Hand and demand deposits with banks as on the Balance Sheet date.

M. Borrowing Cost

Interest & other borrowing costs on specific borrowings relating to the qualifying assets are capitalised. Other interests and borrowing costs are charged to Revenue.

N. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligations and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent Liabilities are not recognized but disclosed in Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

O. Earning Per Share

The Company reports basic and diluted Earning Per Share in accordance with Accounting Standard 20 on Earning per Share. Basic Earnings per share is computed by dividing the Net Profit or Loss for the year by the weighted average number of equity shares outstanding during the year. Diluted Earning Per Share is computed by dividing the Net Profit or Loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

P. Management Estimates

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of Assets and Liabilities and disclosure of Contingent Liabilities on the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

Q. Excise Duty /Service Tax and Sales Tax/Value Added Taxes

Excise duty/Service tax is accounted on the basis of both, payments made in respect of goods cleared/services provided as also provision made for goods lying in bonded warehouses. Sales tax/Value added tax paid is charged to Profit and Loss account.

R. Accounting for Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on income. Income taxes comprise both Current and Deferred Tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws. The company offsets advance payments and provisions for current tax and discloses the net amount it intends to settle and where it has a legally enforceable right to set off the recognised amount.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a Deferred Tax Assets or a Deferred Tax Liability. Deferred Tax Assets and Liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of Deferred Tax Assets at each Balance Sheet Date is reduced to the extent that it is no longer reasonable certain that sufficient future taxable income will be available against which the Deferred Tax Assets can be realized.

S. Impairment of Assets:

In the opinion of the Company's Management, there is no impairment to the assets to which Accounting Standard 28 - "Impairment of Assets" applied requiring any revenue recognition.

**Statement Pursuant to Exemption received under Section 212(8) of the Companies Act, 1956 relating to
Subsidiary Companies as on March 31, 2012**

Sr. No.	Name of the Subsidiary	Reporting Currency	Year	Exchange Rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investment other than in subsidiary	Turnover	Profit/(Loss) before Tax	Provision for Current Taxes	Profit/(Loss) after Taxation	Proposed Dividend	Country of Incorporation	
															(₹ in lacs)	
1	PSL Corrosion Control Services Ltd.	INR	2011-12 2010-11	N.A. N.A.	140.00 140.00	5,226.77 4,670.40	6,136.96 7,540.97	6,136.96 7,540.97	104.00 104.00	4,819.88 4,309.97	887.65 1,790.85	273.33 578.13	612.32 1,212.72	- -	India	
2	Pipeline Systems Ltd.	USD	2011-12 2010-11	51.16 44.92	13,544.73 13,544.73	1,526.47 1,462.42	61,908.43 31,250.45	61,908.43 31,250.45	- -	8,770.07 11,581.41	64.06 80.28	- -	64.06 80.28	- -	Mauritius	
3	PSL USA INC #	USD	2011-12 2010-11	51.16 44.92	12,791.58 8,985.38	(5,760.97) (1,717.43)	48,601.42 42,523.61	48,601.42 42,523.61	- -	28,867.20 40,711.00	(1,640.06) (3,576.86)	- 32.50	(1,640.06) (3,609.36)	- -	USA	
4	PSL Gas Distribution Pvt. Ltd.	INR	2011-12 2010-11	N.A. N.A.	17.00 17.00	- -	17.05 17.05	17.05 17.05	- -	- -	- -	- -	- -	- -	India	
5	PSL Infrastructure & Ports Pvt.Ltd.	INR	2011-12 2010-11	N.A. N.A.	642.00 22.00	- -	643.23 22.05	643.23 22.05	- -	- -	- -	- -	- -	- -	India	

Note: Indian rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2012

- Amount includes results of its subsidiary namely PSL FZE, Sharjah incorporated under the laws of UAE.
- Amount include results of its subsidiary namely PSL North America LLC, incorporated under the law of State of Delaware.
- # In case of PSL USA INC. Unaudited Financial Results have been considered for consolidation.

As per our report attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

(SURESH C. MATHUR)
Partner
M.No. 1276

Place: Mumbai
Date: 29th May, 2012

For and on behalf of the Board of Directors

K. RAMANATHAN
Chief Finance Officer

ALOK PUNJ
M.M. MATHUR
R.K. BAHRI
G. GEHANI (Director & Co. Secretary)

Directors

ASHOK PUNJ
D.N. SEHGAL
S.P. BHATIA
C.K. GOEL

PSL Limited

Regd. Office: Kachigam, Daman, Union Territory of Daman & Diu - 396 210



Attendance Slip

Regd. Folio No. : _____ DP ID No. _____ Client ID No. _____
Name & Address : _____
of First/Sole Shareholder/Proxy _____
No. of Shares held : _____

I hereby record my presence at the 24th Annual General Meeting of the Company on Thursday, 27th day of September, 2012 at 9.30 a.m. at Hotel Sea Rock Inn at Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu.

Signature of Member/Proxy

Note: Member/Proxy wish to attend the meeting must bring this Attendance Slip and handover the slip at the entrance of the meeting hall duly signed.



Please tear here

PSL Limited

Regd. Office: Kachigam, Daman, Union Territory of Daman & Diu - 396 210



Proxy Form

Regd. Folio No. : _____ DP ID No. _____ Client ID No. _____
No. of Shares held : _____

I/We _____
of _____ in the district of _____ being a
Member/ Members of the above named Company, hereby appoint _____
of _____ in the district of _____
_____ or failing him/her _____ of
_____ in the district of _____ as my/our

Proxy to attend and vote for me/us and/or on my/our behalf at the 24th Annual General Meeting of the Company to be held on Thursday, the 27th day of September, 2012 at 9.30 a.m. at Hotel Sea Rock Inn at Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu and at any adjournment thereof.

Signed this _____ day of _____ 2012

Affix
Re 1/-
Revenue
Stamp

Note: a) Proxy need not be a member.
b) The Proxy form duly signed across the revenue stamp by the Member(s) should reach the Company's Registered Office at Kachigam, Daman, Union Territory of Daman & Diu - 396 210, atleast forty eight hours before the time fixed for the meeting.

Views of 3LPE/FBE Coating plant established at PSL - Jaipur





PSL LIMITED

Corporate Office: PSL Towers,
615, Makwana Road, Marol, Andheri (E), Mumbai - 400 059
www.psllimited.com