PSL

PSL LIMITED

25th ANNUAL REPORT 2012-2013

PSL LIMITED
25^{th} ANNUAL REPORT 2012-13

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CORPORATE INFORMATION

Shri Ashok Punj
Managing 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 C. K. Goel
Whole-time Director

Shri G. Gehani
Whole-time Director &
Company Secretary

Shri Sandip Sharma
Nominee Director

Shri Alok Punj
Non-Executive 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 Harsh Pateria
Independent Director

Share Transfer Agents	Karvy Computershare Private Limited 17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500 081	
Statutory Auditors (From 27/9/2012 to 19/3/2014)	Suresh C. Mathur & Co. Chartered Accountants, 64, Regal Building, Connaught Place, New Delhi-110001	
Company Secretary & **Compliance Officer**	Shri G. Gehani	
Principal Bankers	ICICI Bank Limited	Indian Overseas Bank
	State Bank of India	Union Bank of India
	Bank of Baroda	ING Vysya Bank Limited
	Punjab National Bank (International) Ltd.	Yes Bank Limited
	Bank of India	DBS Bank Limited
	Standard Chartered Bank	Deutsche Bank
	Export Import Bank of India	Indian Bank
	IDBI Bank Limited	Kotak Mahindra Bank
	Axis Bank Limited	Development Credit Bank
	Syndicate Bank	Abu Dhabi Commercial Bank
	Oriental Bank of Commerce	Bank of Bahrain & Kuwait
	Canara Bank	Federal Bank Limited

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** B-96, Greater Kailash Part-I New Delhi-110048	**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		
- Out of India	**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
- 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

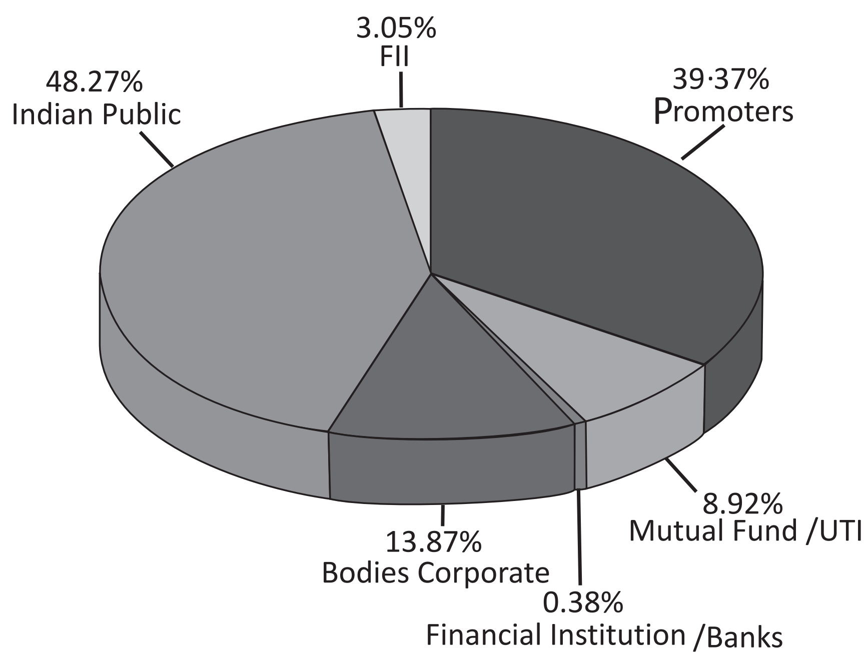
FINANCIAL SNAPSHOTS
LAST DECADE AT A GLANCE

(₹ in Lacs)

PARTICULARS	2012-13*	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Total Income	249729.77	229099.40	266989.49	281065.51	354995.04	226176.61	168561.37	156338.22	167745.16	92942.05
Total Expenditure	260364.29	191124.22	230694.13	251802.24	326543.53	202855.41	151199.79	141409.34	157765.84	84505.77
Operating Profit/ Loss	(10634.52)	37975.18	36295.36	29263.27	28451.51	23321.20	17361.58	14928.90	9979.32	8436.28
Interest	29374.36	19594.32	14144.73	10898.71	10071.93	5785.56	4349.77	4852.93	3242.80	2947.22
Gross Profit/Loss	(40008.88)	18380.86	22150.64	18364.55	18379.58	17535.64	13011.81	10075.97	6736.52	5489.06
Depreciation	19311.63	11414.88	11679.56	6634.81	5706.64	5119.60	4392.29	3385.96	2335.48	1638.86
Profit/Loss Before Tax	(59320.51)	6965.98	10471.07	11729.74	12672.93	12416.04	8619.52	6690.01	4401.04	3850.19
Taxation	(205.04)	1550.00	2900.00	2900.00	4080.00	3939.00	2404.00	1771.00	1200.00	1050.00
Profit/Loss After Tax	(59525.55)	5415.98	7571.07	8829.75	8592.93	8477.04	6215.52	4919.01	3201.04	2800.19
Dividend Rate	–	20%	40%	40%	50%	50%	50%	50%	45%	50%
Equity	5333.38	5333.38	5333.38	5333.20	4258.19	4258.13	3406.07	3195.45	2892.07	2892.02
Reserves	27278.13	86089.70	83708.73	78509.37	58593.49	52298.00	30213.64	23051.50	13866.66	13861.20

*Comprising of 18 months period.

SHAREHOLDING PIE CHART AS ON 30TH SEPTEMBER, 2013



NOTICE

To
The Members of
PSL LIMITED

Notice is hereby given that **Twenty Fifth Annual General Meeting** of the Company will be held on Wednesday, the 19th day of March, 2014 at 9:30 A.M. at Hotel Cidade De Daman, Nani Daman - 396210, in Union Territory of Daman & Diu, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account of the Company for the extended Financial Year 2012-13 comprising of 18 months period ended on 30th September, 2013 & the Balance Sheet of the Company as at that date, together with the Report of Auditors & Directors thereon.

2. To appoint a Director in place of Shri G. Gehani, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri Harsh Pateria, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Shri M.M. Mathur, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Shri Alok Punj, who retires by rotation and being eligible offers himself for re-appointment.

6. 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 2013-14 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

7. INCREASE IN AUTHORISED CAPITAL

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 94 and other applicable provisions of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from ₹ 100,00,00,000/- (Rupees One Hundred Crore Only) divided into 10,00,00,000 (Ten Crore) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 180,00,00,000/- (Rupees One Hundred Eighty Crores only) divided into 18,00,00,000 (Eighteen Crore) equity shares of ₹ 10/- (Rupees Ten) each."

8. ALTERATION IN MEMORANDUM OF ASSOCIATION

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 provision of Section 16 of the Companies Act, 1956 the existing clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by replacing in the said clause the figures and words:

"₹ 100,00,00,000 /- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore Only) equity shares of ₹ 10/- (Rupees Ten) each"

with the figures and words

"₹ 180,00,00,000/- (Rupees One Hundred Eighty Crore only) divided into 18,00,00,000 (Eighteen Crore Only) equity shares of ₹ 10/- (Rupees Ten) each".

9. ALTERATION IN ARTICLES OF ASSOCIATION

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

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions of the said Act, the Articles of Association of the Company be and are hereby altered as follows:

Under the heading **"SHARE CAPITAL AND VARIATION OF RIGHTS"**, Article 3 be altered by replacing the figures and words

"₹ 100,00,00,000 /- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore Only) equity shares of ₹ 10/- (Rupees Ten) each"

with the figures and words

"₹ 180,00,00,000/- (Rupees One Hundred Eighty Crore only) divided into 18,00,00,000 (Eighteen Crore Only) equity shares of ₹ 10/- (Rupees Ten) each".

10. RATIFICATION OF APPOINTMENT OF MR. SANDIP SHARMA AS NOMINEE OF ICICI BANK LIMITED

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

"RESOLVED THAT the appointment of Mr. Sandip Sharma who was appointed as Nominee Director of the Company with effect from August 19, 2013 in compliance of a letter of the said date issued by ICICI Bank an important lender of the Company and in respect of whom the Company has also accorded its consent vide clause 6(25) of the Master Restructuring Agreement dated 27th June, 2013 executed by the Company with ICICI Bank Limited be and is hereby ratified and that he shall be treated as Independent Director and therefore entitled to such fees and other allowances as are applicable to other Independent Directors of the Company."

11. RE-APPOINTMENT OF SHRI ASHOK PUNJ AS "MANAGING DIRECTOR"

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of Central Government, if required, the consent of the Company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri Ashok Punj as Managing Director of the Company for a period of 3 (Three) years with retrospective effect i.e. from 1st October, 2013 to 30th September, 2016 on such remuneration and benefits & amenities to Shri Ashok Punj, Managing Director of the Company which is comprising of a Basic Salary of ₹ 5,75,000/- per month and other benefits and perquisites subject to the condition that the total value of perquisites shall not exceed 125% of his annual salary in any financial year."

"RESOLVED FURTHER THAT where in any financial year closing after 30th September 2013, the Company has no profits or its profits are inadequate, the Company do pay remuneration to Shri Ashok Punj as is permitted under Schedule XIII of the Companies Act, 1956, and/or as may be allowed under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the following perquisites which shall not be calculated in computation of the ceiling on remuneration specified above:

(a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961,

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

(c) Encashment of leave at the end of the tenure."

12. RE-APPOINTMENT OF SHRI R.K.BAHRI AS "WHOLE TIME DIRECTOR"

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of Central Government, if required, the consent of the Company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri R.K.Bahri as Whole Time Director of the Company for a period of 3 (Three) years with effect from 1st April, 2014 to 31st March, 2017 on such remuneration and benefits & amenities to Shri R.K. Bahri, Whole Time Director of the Company, which is comprising of a Basic Salary of ₹ 5,75,000/- per month and other benefits and perquisites subject to the condition that the total value of perquisites shall not exceed 125% of his annual salary in any financial year."

"RESOLVED FURTHER THAT where in any financial year closing after 30th September 2013, the Company has no profits or its profits are inadequate, the Company do pay remuneration to Shri R.K. Bahri as is permitted under Schedule XIII of the Companies Act, 1956, and/or as may be allowed under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the following perquisites which shall not be calculated in computation of the ceiling on remuneration specified above:

(a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961,

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

(c) Encashment of leave at the end of the tenure."

13. REMUNERATION OF MR. ASHOK PUNJ, MANAGING DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of remuneration for the period 1.10.2013 to 30.09.2016

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹1,06,61,400/- (Rupees One Crore Six Lacs

Sixty One Thousand Four Hundred only) made by the Company to Mr. Ashok Punj, Managing Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act,1956 read with Schedule XIII of the Companies Act,1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. Ashok Punj be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT the approval of the Shareholders be and is hereby accorded to the payment of same remuneration as already approved by shareholders in their meeting held on 4th September, 2008 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the term from 01-10-2013 to 30-09-2016 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. Ashok Punj, Managing Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 30.09.2016,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 30.09.2016

to Mr. Ashok Punj"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

14. REMUNERATION OF MR. M.M.MATHUR, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 31.10.2014

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹ 1,17,84,355/- (Rupees One Core Seventeen Lacs Eighty Four Thousand Three Hundred Fifty Five only) made by the Company to Mr. M.M. Mathur, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act,1956 read with Schedule XIII of the Companies Act,1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. M.M. Mathur be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT that the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 21st July, 2009 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01-10-2013 to 31-10-2014 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. M.M. Mathur, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 31.10.2014,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 31.10.2014

to Mr. M.M.Mathur"

"RESOLVED FURTHER THAT Mr. G.Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

15. REMUNERATION OF MR. D.N.SEHGAL, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 16.01.2017

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹ 1,33,63,855/- (Rupees One Crore Thirty Three Lacs Sixty Three Thousand Eight Hundred Fifty Five only) made by the Company to Mr. D.N.Sehgal, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act,1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. D.N. Sehgal be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 27th September, 2012 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01.10.2013 to 16.01.2017 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. D.N. Sehgal, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 16.01.2017,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 16.01.2017

to Mr. D.N. Sehgal"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

16. REMUNERATION OF MR. R.K. BAHRI, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 31.03.2017

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹1,29,37,605/- (Rupees One Core Twenty

Nine Lacs Thirty Seven Thousand Six Hundred Five only) made by the Company to Mr. R.K.Bahri, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act,1956 read with schedule XIII of the Companies Act,1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. R.K.Bahri be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 21st July, 2009 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01.10.2013 to 31.03.2017 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. R.K. Bahri, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 31.03.2017

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 31.03.2017

to Mr. R.K.Bahri"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to:

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

17. REMUNERATION OF MR. G.GEHANI, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 30.07.2017

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors s ubsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹ 44,21,816/- (Rupees Fourty Four Lacs Twenty One Thousand Eight Hundred Sixteen only) made by the Company to Mr. G. Gehani, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act,1956 read with schedule XIII of the Companies Act, 1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr.G.Gehani be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT that the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 27th September, 2012 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01.10.2013 to 30.07.2017 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. G. Gehani, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 30.07.2017,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 30.07.2017

to Mr. G. Gehani"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

18. REMUNERATION OF MR. S.P.BHATIA, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 25.10.2016

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹ 44,21,816/- (Rupees Fourty Four Lacs Twenty One Thousand Eight Hundred Sixteen only) made by the Company to Mr. S.P. Bhatia, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. S.P.Bhatia be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 22nd September, 2011 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01.10.2013 to 25.10.2016 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. S.P.Bhatia, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 25.10.2016,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 25.10.2016

to Mr. S.P. Bhatia"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

19. REMUNERATION OF MR. C.K.GOEL, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 25.10.2016

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹ 14,96,816/- (Rupees Fourteen Lacs Ninety

Six Thousand Eight Hundred Sixteen only) made by the Company to Mr. C.K. Goel, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act, 1956 read with schedule XIII of the Companies Act, 1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. C.K. Goel be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT that the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 22nd September, 2011 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01.10.2013 to 25.10.2016 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. C.K. Goel, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 25.10.2016 ,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 25.10.2016

to Mr. C.K. Goel"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

20. ENHANCEMENT OF BORROWING POWERS

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof), the Company hereby accords its consent to Board of Directors for borrowing any sum or sums of money from time to time from anyone or more of the Company's bankers and/or from any one or more other persons, firms, bodies corporate, banks or financial institutions, whether in India or abroad, and whether by way of cash credit, advance or deposits, loans or bill discounting, by issue of debentures or any type or kind of Bond whether issued to an Indian or Foreign entity or other securities or otherwise and whether unsecured or secured by creating a mortgage, charge, hypothecation or lien or pledge of the Company's assets, licenses and properties, whether immovable or movable or of stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit), sundry debtors and work-in-progress and all or any of the undertaking of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, so that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed a sum of ₹ 6000 Crores (Rupees Six Thousand Crores Only) and the Board of Directors (including any Committee(s) thereof) are hereby authorised to execute such deeds and documents relating to debenture trust, mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and any other deeds and instruments or writings containing such conditions and covenants as the Directors may deem fit."

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: 14th February, 2014

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (earlier 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 Thursday, the 13th day of March, 2014 to Wednesday, the 19th day of March, 2014 (both days inclusive) for the purpose of 25th Annual General Meeting.

5. 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
   Pin 396 210

   (b) **PSL LIMITED**
   3rd Floor, 'Punj House',
   M-13A Connaught Circus
   New Delhi 110 001

6. 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.

7. 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".

8. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.

9. Members holding physical shares are requested to send their Permanent Account Number (PAN) details while lodging their requests to the Company/Share Registrars 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.

10. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the relevant details of Shri G. Gehani, Shri Harsh Pateria, Shri M.M. Mathur, and Shri Alok Punj Directors proposed to be reappointed are, annexed herewith.

11. For seeking approval of CDR package' preferential allotment of shares to promoter group and Lenders and for few other important matters a postal ballot is proposed to be sent to all the shareholders.

12. Shareholders who have not encashed /received dividend/s declared and paid by the Company for different financial years commencing from financial year 2006-07 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 205 C of Companies Act, 1956.

EXPLANATORY STATEMENT

{In Compliance of Section 102 of the Companies Act, 2013 (earlier 173(2) of the Companies Act,1956)}

ITEM NO. 7, 8 & 9: INCREASE IN AUTHORISED CAPITAL AND ALTERATION IN MEMORANDUM AND ARTICLES OF ASSOCIATION

At present Company's Authorized Capital is ₹ 100,00,00,000/- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crores only) equity shares of ₹ 10/- (Rupees Ten) each. In order to fully implement the CDR package approved by CDR EG, a substantial number of shares will have to be issued not only to the promoters for the equity to be inducted by them but even to lenders who may consider converting a portion of their lending into equity as proposed in this notice.

Keeping in mind the aforesaid conditions, it is proposed to increase the Authorised Capital of the Company from its present level of ₹ 100,00,00,000/- (Rupees One Hundred Crore only) to ₹ 180,00,00,000/- (Rupees One Hundred Eighty Crore only) divided into 18,00,00,000 (Eighteen Crore) equity shares of ₹ 10/- (Rupees Ten) each and effect necessary changes in the relevant provisions of Memorandum and Articles of Association.

Hence, the Resolutions at Item no. 7, 8 & 9.

None of the Directors/Key Managerial Personnel is concerned or interested in item nos. 7,8 and 9.

ITEM NO. 10 : RATIFICATION OF APPOINTMENT OF MR. SANDIP SHARMA AS NOMINEE OF ICICI BANK LIMITED

ICICI Bank one of the main lender of the Company had while exercising its right conferred by virtue of Debt Restructuring Agreement executed by the Company with them on 27th June, 2013 appointed Mr. Sandip Sharma as their Nominee Director on Company's Board of Directors. Accordingly, in compliance of such request of the ICICI Bank the Board of Directors in its meeting held on 30th October, 2013 approved the appointment of Shri Sandip Sharma as a Nominee Director on Company's Board. Shri Sandip Sharma will act as Independent Director and his said appointment will be governed by the fees and other terms and conditions as applicable to other Independent Directors of the Company.

Vide Item no. 10 in the Notice of the Annual General Meeting the shareholders have been requested for ratification of the aforesaid appointment of Shri Sandip Sharma.

Hence, the Resolution contained in Item No. 10 for consideration and ratification of the shareholders.

No other Director/Key Managerial Personnel except Mr. Sandip Sharma is, in any way, concerned or interested in the said resolution appointing Mr. Sandip Sharma as the Nominee Director on Company's Board.

ITEM NO. 11 : RE-APPOINTMENT OF SHRI ASHOK PUNJ AS "MANAGING DIRECTOR"

Shri Ashok Punj, main promoter of the Company is the Managing Director of the Company for last many years. The present term of Shri Ashok Punj expired on 31st October, 2013. Keeping in view the enormous progress that the Company has achieved over the years, the Board of Directors of the Company in its meeting held on 14th February, 2014 reappointed to Shri Ashok Punj for a further period of three years with effect from 1st of October, 2013 on the same terms and conditions which were in existence before expiry of his term subject to confirmation by the shareholders of the Company and approval of Central Government, if any.

The principle terms and conditions of Shri Ashok Punj's re-appointment are as follows:

Period of Agreement - From 01.10.2013 to 30.09.2016

(a) **Basic Salary** - ₹ 5,75,000/- p.m.

(b) **Perquisites and Allowances**

In addition to the salary, the appointee shall also be entitled to 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. However such perquisites and allowances will be subject to a maximum of 125% of his annual salary.

(c) **Minimum Remuneration :**

Not withstanding 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 may be allowed under Schedule XIII of Companies Act, 1956 and/or Schedule V of Companies Act, 2013 as may be allowed/approved by Central Government.

In accordance with the provisions of Section 269, 309 and Schedule XIII of the Companies Act, 1956 the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

Shri Ashok Punj is concerned or interested in this item.

No other Director/Key Managerial Personnel except Director Mr. Alok Punj is concerned or interested in this Item.

This may be treated as an extract of the draft terms of re appointment of Shri Ashok Punj pursuant to Section 302 of the Companies Act, 1956.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance**:

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA, INC	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. Ashok Punj is a Bachelor in Electrical Engineering and Master in System Engineering from Illinois Institute of Technology, Chicago, USA. Before taking charge as Managing Director of the Company, he was actively involved in the business of industrial insulation concentrating on the manufacturing segment of the business where he assisted in setting up of several industrial units in collaboration with well known international organization. He has over 35 year's of technical and managerial experience. Under his leadership and guidance Company has achieved enormously progress in last few years despite of slow down in the industry.

(2) **Past Remuneration:**

Salary details of Shri Ashok Punj for the period from 01.11.2008 to 31.10.2013 are as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	575000
Bonus (One Month Basic)	47917
Total (a)	**622917**
Perquisites	
HRA (60% of Basic)	345000
Provident Fund (12% of Basic)	69000
Total (b)	**414000**
Others	
LTA (Upto One Month Basic)	47917
Medical (Upto One Month Basic)	47917
Total (c)	**95834**
Total (a+b+c)	**11,32,751**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

Mr. Ashok Punj is the main promoter of the Company having himself got the Company incorporated wayback in 1987. Ever since the said incorporation, he has been performing the most useful role in the Company and that of Managing Director. During the last 25 years of Company's existence the Company not only grew on all fronts exponentially but even adequate diversification including forward and backward integration has been achieved.

In view of Mr. Punj's very vast knowledge and extremely rich experience in the technical field of pipe manufacturing your Directors are of the view that he should be re-appointed as Managing Director of the Company.

(5) **Remuneration proposed:**

Subject to the necessary approval Mr. Ashok Punj shall continue to get the same salary as he was getting in the past as per approval given by shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Mr. Ashok Punj is the main promoter of the Company and is the driving spirit behind the show. Under his dynamic leadership Company has grown leaps and bounds since incorporation, barring last year when it incurred losses for the reasons beyond control. His able guidance and support is very much required to bring the Company back out of the present phase and for future growth.

Remuneration paid/being paid to Mr. Ashok Punj is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Shri Ashok Punj is holding 9.23% equity shares of the Company. Except Shri Alok Punj he is not related with any Director of the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance has got badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core Assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 apply to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment schedule, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of conversion to Company's CDR Lenders to convert the portion of their respective outstanding Working Capital facility into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, the various formalities associated with implementation of CDR scheme (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV DISCLOSURES:

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	575000
Bonus (One Month Basic)	47917
Total (a)	**622917**
Perquisites	
HRA (60% of Basic)	345000
Provident Fund (12% of Basic)	69000
Total (b)	**414000**
Others	
LTA (Upto One Month Basic)	47917
Medical (Upto One Month Basic)	47917
Total (c)	**95834**
Total (a+b+c)	**11,32,751**

ITEM NO. 12 : RE-APPOINTMENT OF SHRI R.K. BAHRI AS "WHOLE TIME DIRECTOR"

Mr. R.K. Bahri is 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. Further prior to joining, he had held various senior positions for over two decades with M/s Fedders Lloyd Corporation. His imminent contribution is to introduce Fusion Bonded Epoxy Coating for reinforced Steel Bars for the first time in India. Keeping in view the enormous progress and efforts shown by Mr. Bahri the Company has achieved over the years, the Board of Directors of the Company reappointed to Shri R.K. Bahri for a further period of three years with effect from 1st of April, 2014 on the same terms and conditions which were in existence before expiry of his term subject to confirmation by the shareholders of the Company and approval of Central Government, if any.

The principle terms and conditions of Shri R.K. Bahri's re-appointment are as follows:

Period of Agreement - From 01.04.2014 to 31.03.2017

(a) **Basic Salary** - ₹ 5,75,000/- p.m.

(b) **Perquisites and Allowances**

In addition to the salary, the appointee shall also be entitled to 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. However such perquisites and allowances will be subject to a maximum of 125% of his annual salary.

(c) **Minimum Remuneration :**

Not withstanding 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 may be allowed under Schedule XIII of Companies Act, 1956 and/or Schedule V of Companies Act, 2013 as may be allowed/approved by Central Government.

In accordance with the provisions of Section 269, 309 and Schedule XIII of the Companies Act, 1956 the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

Shri R.K. Bahri is concerned or interested in this item.

No other Director /Key Managerial Personnel is concerned or interested in this Item.

This may be treated as an extract of the draft terms of re appointment of Shri R.K. Bahri pursuant to Section 302 of the Companies Act, 1956.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. R.K. Bahri is 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. Further prior to joining, he had held various senior positions for over two decades with M/s Fedders Lloyd Corporation.

His imminent contribution is to introduce 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.

(2) **Past Remuneration:**

Remuneration details of Shri R.K. Bahri for the period from 01.04.2009 to 31.03.2014 are as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	69,00,000
Bonus (One Month Basic)	5,75,000
Total (a)	**74,75,000**
Perquisites	
HRA (60% of Basic)	41,40,000
Superannuation (15% of Basic)	10,35,000
Provident Fund (12% of Basic)	8,28,000
Total (b)	**60,03,000**
Others	
LTA (Upto One Month Basic)	5,75,000
Medical (Upto One Month Basic)	5,75,000
Total (c)	11,50,000
Total (a+b+c)	**1,46,28,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He joined the Company as Director in 1989 and Whole Time Director w.e.f., April, 1994 and was lastly re-appointed as Whole Time Director w.e.f., 1st April, 2009 for a period of 5 years. He contribute to the growth of the Company for over two decades.

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. R.K. Bahri shall continue to get the same salary as he was getting in the past as per approval given by Shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability remuneration paid/being paid to Mr. R.K. Bahri are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. R.K. Bahri is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not hold any shares in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core Assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company ‘ PSL North America LLC’) and Sharjah (through its subsidiary company ’PSL FZE’) to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company’s debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company’s proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. **DISCLOSURES:**

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	69,00,000
Bonus (One Month Basic)	5,75,000
Total (a)	**74,75,000**
Perquisites	
HRA (60% of Basic)	41,40,000
Superannuation (15% of Basic)	10,35,000
Provident Fund (12% of Basic)	8,28,000
Total (b)	**60,03,000**
Others	
LTA (Upto One Month Basic)	5,75,000
Medical (Upto One Month Basic)	5,75,000
Total (c)	11,50,000
Total (a+b+c)	**1,46,28,000**

ITEM NO. 13 REMUNERATION OF MR. ASHOK PUNJ, MANAGING DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 30.09.2016

The members may recall that they had at their 20th Annual General Meeting held on 4th July 2009 approved the payment of remuneration to Mr. Ashok Punj, Managing Director for a period of 5 years commencing from 1st November 2009 to 31st October, 2014. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period ended on 30.09.2013.

As per conditions of Schedule XIII of the Companies Act, 1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr. Ashok Punj during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 1,78,61,400/- to Mr. Ashok Punj, Managing Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. Ashok Punj, Managing Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. Ashok Punj, be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,06,61,400/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,06,61,400/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri Mr. Ashok Punj, is concerned or interested in this item.

No other Director/Key Managerial Personnel except Director Mr. Alok Punj is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. Ashok Punj is a Bachelor in Electrical Engineering and Master in System Engineering from Illinois Institute of Technology, Chicago, USA. Before taking charge as Managing Director of the Company, he was actively involved in the business of industrial insulation concentrating on the manufacturing segment of the business where he assisted in setting up of several industrial units in collaboration with well known international organization. He has over 35 year's of technical and managerial experience. Under his leadership and guidance Company has achieved enormously progress in last few years despite of slow down in the industry.

(2) **Past Remuneration:**

Salary details of Shri Ashok Punj for the period from 01.11.2008 to 31.10.2013 are as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	575000
Bonus (One Month Basic)	47917
Total (a)	**622917**
Perquisites	
HRA (60% of Basic)	345000
Provident Fund (12% of Basic)	69000
Total (b)	**414000**
Others	
LTA (Upto One Month Basic)	47917
Medical (Upto One Month Basic)	47917
Total (c)	**95834**
Total (a+b+c)	**11,32,751**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

Mr. Ashok Punj is the main promoter of the Company having himself got the Company incorporated way back in 1987. Ever since the said incorporation, he has been performing the most useful role in the Company and that of Managing Director. During the last 25 years of Company's existence the Company not only grew on all fronts exponentially but even adequate diversification including forward and backward integration has been achieved.

In view of Mr. Punj's very vast knowledge and extremely rich experience in the technical field of pipe manufacturing your Directors are of the view that he should be re-appointed as Managing Director of the Company

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. Ashok Punj shall continue to get the same salary as he was getting in the past as per approval given by shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Mr. Ashok Punj is the main promoter of the Company and is the driving spirit behind the show. Under his dynamic leadership Company has grown leaps and bounce since Incorporation, barring last sometime where it incurred losses for the reasons beyond control. His able guidance and support is very much required to bring the Company back out of the present phase and for future growth.

Remuneration paid/being paid to Mr. Ashok Punj is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Shri Ashok Punj is holding 9.23% equity shares of the Company. Except Shri Alok Punj he is not related with any Director of the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. Monetizing of surplus / non-core Assets

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. Revamping of organization structure and rationalization of its workforce

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. Revamp of its Human Resources (HR) practices

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. Selective approach in taking domestic orders and expanding in international markets

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. Strengthen operating practices

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 apply to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment schedule, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of conversion to Company's CDR Lenders to convert the portion of their respective outstanding Working Capital facility into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, the various formalities associated with implementation of CDR scheme (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. DISCLOSURES:

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	575000
Bonus (One Month Basic)	47917
Total (a)	**622917**
Perquisites	
HRA (60% of Basic)	345000
Provident Fund (12% of Basic)	69000
Total (b)	**414000**
Others	
LTA (Upto One Month Basic)	47917
Medical (Upto One Month Basic)	47917
Total (c)	**95834**
Total (a+b+c)	**11,32,751**

ITEM NO. 14 REMUNERATION OF MR. M.M. MATHUR, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 30.10.2014

The members may recall that they had at their Twenty First Annual General Meeting held on 21st July 2009 approved the payment of remuneration to Mr. M.M. Mathur the Whole Time Director for a period of 5 years commencing from 1st November 2009 to 31st October, 2014. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period ended on 30.09.2013.

As per conditions of Schedule XIII of the Companies Act, 1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr.M.M. Mathur during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 1,89,84,355/- to Mr. M.M. Mathur, Whole Time Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. M.M. Mathur, Whole Time Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. M.M. Mathur be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,17,84,355/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,17,84,355/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri M.M. Mathur is concerned or interested in this item.

No other Director/Key Managerial Personnel is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13 (18 Months)	2011-12 (12 Months)
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13	2011-12
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. M.M. Mathur is M.A and Diploma in Management and expertise in General Management and Marketing. He is associated with the Company for over four decades during which he has held various senior positions. His rich experience is in Energy Sector as Service provider in oil and gas transmission of pipelines, onshore and offshore in areas of Internal and External coatings and cathodic Protection system. Company activities increased manifold consequent upon the continous expansion of facilities on one hand and bagging of high value prestigious order.

He is a member of several International Association viz; National Association of Pipelines Applicators, U.S.A. Indo German Chamber of commerce etc.

(2) **Past Remuneration:**

Salary details of Shri M.M. Mathur for the period from 01.11.2009 to 31.10.2014 are as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	69,00,000
Bonus (One Month Basic)	5,75,000
Total (a)	**74,75,000**
Perquisites	
HRA (60% of Basic)	41,40,000
Provident Fund (12% of Basic)	8,28,000
Superannuation Fund (15% of Basic)	10,35,000
Total (b)	**60,03,000**
Others	
LTA (Upto One Month Basic)	5,75,000
Medical (Upto One Month Basic)	5,75,000
Total (c)	**11,50,000**
Total (a+b+c)	**1,46,28,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He joined the Company as Director of the Company with effect from 29.09.2005 and Whole Time Director of the Company from 01.11.2009. In view of his rich experience in above field, your Directors are of view that he should be retained as Whole Time Director of the Company.

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. M.M. Mathur shall continue to get the same salary as he was getting in the past as per approval given by shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability remuneration paid/being paid to Mr. M.M. Mathur are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. M.M. Mathur is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not hold any shares in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance got badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. DISCLOSURES:

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	69,00,000
Bonus (One Month Basic)	5,75,000
Total (a)	**74,75,000**
Perquisites	
HRA (60% of Basic)	41,40,000
Provident Fund (12% of Basic)	8,28,000
Superannuation Fund (15% of Basic)	10,35,000
Total (b)	**60,03,000**
Others	
LTA (Upto One Month Basic)	5,75,000
Medical (Upto One Month Basic)	5,75,000
Total (c)	**11,50,000**
Total (a+b+c)	**1,46,28,000**

ITEM NO. 15 REMUNERATION OF MR. D.N. SEHGAL, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 16.01.2017

The members may recall that they had at their Twenty Fourth Annual General Meeting held on 27th September, 2012 approved the payment of remuneration to Mr. D.N. Sehgal the Whole Time Director for a period of 5 years commencing from 17th January, 2012 to 16th January, 2017. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period 2012-13 ended on 30.09.2013.

As per conditions of Schedule XIII of the Companies Act,1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of

Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr. D.N. Sehgal during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 2,05,63,855/- to Mr. D.N. Sehgal, Whole Time Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. D.N. Sehgal, Whole Time Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. D.N. Sehgal be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,33,63,855/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,33,63,855/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri D.N. Sehgal is concerned or interested in this item.

No other Director/Key Managerial Personnel is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13	2011-12
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

He is a qualified Production Engineer having completed his Post Graduation Programme in Industrial Management & Engineering with distinction.

He has spent three decades in core sector of Indian Economy eg. Marketing & Project Management of large value complex industrial projects in Refinery, petrochemicals, Metallurgical and other onshore & offshore pipelines projects.

He joined the Company's Board on September, 1994 and is directly responsible for execution of various important projects of the Company.

Further prior to joining PSL about two decades ago, he has held important portfolios in senior capacities in Dodsal Pvt. Ltd., BST Engineering Services Ltd., Dynacraft Machines Co. Ltd. and Mukund Iron Steel Works.

(2) **Past Remuneration:**

Remuneration details of Shri D.N.Sehgal for the period from 17.01.2012 to 16.01.2017 are as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	5,75,000
Bonus (One Month Basic)	47.916
Total (a)	**6,22,916**
Perquisites	
HRA (60% of Basic)	3,45,000
Superannuation (15% of Basic)	86,250
Provident Fund (12% of Basic)	69,000
Total (b)	**5,00,250**
Others	
LTA (Upto One Month Basic)	47,917
Medical (Upto One Month Basic)	47,917
Total (c)	**95,834**
Total (a+b+c)	**12,19,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He joined the Company as Director of the Company with effect from 02.05.1988 and Whole Time Director of the Company from 17.01.2012. In view of his rich experience in above field, your Directors are of view that he should be retained as Whole Time Director of the Company.

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. D.N. Sehgal shall continue to get the same salary as he was getting in the past as per approval given by shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability remuneration paid/being paid to Mr. D.N. Sehgal are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. D.N. Sehgal is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not have substantial shareholding in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance got badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core Assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. DISCLOSURES:

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	5,75,000
Bonus (One Month Basic)	47.916
Total (a)	**6,22,916**
Perquisites	
HRA (60% of Basic)	3,45,000
Superannuation (15% of Basic)	86,250
Provident Fund (12% of Basic)	69,000
Total (b)	**5,00,250**
Others	
LTA (Upto One Month Basic)	47,917
Medical (Upto One Month Basic)	47,917
Total (c)	**95,834**
Total (a+b+c)	**12,19,000**

ITEM NO. 16 REMUNERATION OF MR. R.K. BAHRI, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 31.03.2017

The members may recall that they had at their Twenty First Annual General Meeting held on 21st July 2009 approved the payment of remuneration to Mr. R.K. Bahri the Whole Time Director for a period of 5 years commencing from 1st April 2009 to 31st March, 2014. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period 2012-13 ended on 30.9.2013.

As per conditions of Schedule XIII of the Companies Act,1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr. R.K.Bahri during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 2,01,37,605/- to Mr. R.K. Bahri, Whole Time Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. R.K. Bahri, Whole Time Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. R.K. Bahri be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,29,37,605/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 1,29,37,605/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri R.K. Bahri is concerned or interested in this item.

No other Director/Key Managerial Personnel is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13	2011-12
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. R.K. Bahri is 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. Further prior to joining, he had held various senior positions for over two decades with M/s Fedders Lloyd Corporation.

His imminent contribution is to introduce 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.

(2) **Past Remuneration:**

Remuneration details of Shri R.K. Bahri for the period from 01.04.2009 to 31.03.2014 are as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	69,00,000
Bonus (One Month Basic)	5,75,000
Total (a)	**74,75,000**
Perquisites	
HRA (60% of Basic)	41,40,000
Superannuation (15% of Basic)	10,35,000
Provident Fund (12% of Basic)	8,28,000
Total (b)	**60,03,000**
Others	
LTA (Upto One Month Basic)	5,75,000
Medical (Upto One Month Basic)	5,75,000
Total (c)	11,50,000
Total (a+b+c)	**1,46,28,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He joined the Company as Director of the Company with effect from 29.09.2005 and Whole Time Director of the Company from 01.04.2009. In view of his rich experience in above field, Company should retain him as Whole Time Director of the Company..

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. R.K. Bahri shall continue to get the same salary as he was getting in the past as per approval given by shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability remuneration paid/being paid to Mr. R.K. Bahri are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. R.K. Bahri is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not hold any shares in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. Monetizing of surplus / non-core Assets

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. Revamping of organization structure and rationalization of its workforce

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. Revamp of its Human Resources (HR) practices

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. Selective approach in taking domestic orders and expanding in international markets

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company ' PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. **DISCLOSURES:**

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	69,00,000
Bonus (One Month Basic)	5,75,000
Total (a)	**74,75,000**
Perquisites	
HRA (60% of Basic)	41,40,000
Superannuation (15% of Basic)	10,35,000
Provident Fund (12% of Basic)	8,28,000
Total (b)	**60,03,000**
Others	
LTA (Upto One Month Basic)	5,75,000
Medical (Upto One Month Basic)	5,75,000
Total (b)	11,50,000
Total (a+b+c)	**1,46,28,000**

ITEM NO. 17 REMUNERATION OF MR. G. GEHANI, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 30.07.2017

The members may recall that they had at their Twenty Fourth Annual General Meeting held on 27th September, 2012 approved the payment of remuneration to Mr. G. Gehani the Whole Time Director for a period of 5 years commencing from 31st July 2012 to 30th July, 2017. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period 2012-13 ended on 30.09.2013.

As per conditions of Schedule XIII of the Companies Act,1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr. G. Gehani during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 1,16,21,816/- to Mr. G. Gehani, Whole Time Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. G. Gehani, Whole Time Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. G. Gehani be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 44,21,816/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 44,21,816/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri G. Gehani is concerned or interested in this item.

No other Director/Key Managerial Personnel is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13	2011-12
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. G. Gehani is fellow member of Institute of Company Secretaries of India (ICSI) and has to his credit a few degrees and Diplomas in different disciplines such as M.Com, LLB, DPM & IR and DCL & SP. After 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.

He has worked for 34 years in different senior position and gain diversified rich experience. Out of the said 34 years of post qualification experience, he has been heading legal and Secretarial Department of the Company for more than 22 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. He has been associated with various Professional and Social Organisations of the country for last 25 years and has held senior positions in some of them.

Further presently he is managing increase work load with high responsibilities for all statutory compliance with various Govt and other authorities.

Further compliances and responsibilities increased with the change in corporate laws and other laws which require more due diligence of laws to avoid increase penalty and punishment.

(2) **Past Remuneration:**

Salary details of Shri G. Gehani for the period from 31.07.2012 to 30.07.2017 are as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	3,25,000
Bonus (One Month Basic)	27,084
Total (a)	**3,52,082**
Perquisites	
HRA (60% of Basic)	1,95,000
Superannuation (15% of Basic)	48,750
Provident Fund (12% of Basic)	39,000
Total (b)	**2,82,750**
Others	
LTA (Upto One Month Basic)	27,083
Medical (Upto One Month Basic)	27,083
Total (c)	**54,166**
Total (a+b+c)	**6,89,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He has experience of more than 34 years in Industry and joined the Company as Director of the Company with effect from 31.07.2007 and Whole Time Director of the Company from 31.07.2012. Performance of the Company has improved for many years except last years. In view of his rich experience in above field, your Directors are of view that he should be retained as Whole Time Director of the Company.

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. G. Gehani shall continue to get the same salary as he was getting in the past as per approval given by shareholders.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability, remuneration paid/being paid to Mr. G. Gehani are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. G. Gehani is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not have any substantial shareholding in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance got badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core Assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. Strengthen operating practices

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. DISCLOSURES:

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Month
Salary	
Basic	3,25,000
Bonus (One Month Basic)	27,084
Total (a)	**3,52,082**
Perquisites	
HRA (60% of Basic)	1,95,000
Superannuation (15% of Basic)	48,750
Provident Fund (12% of Basic)	39,000
Total (b)	**2,82,750**
Others	
LTA (Upto One Month Basic)	27,083
Medical (Upto One Month Basic)	27,083
Total (c)	**54,166**
Total (a+b+c)	**6,89,000**

ITEM NO. 18 REMUNERATION OF MR. S.P. BHATIA, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 25.10.2016

The members may recall that they had at their Twenty Third Annual General Meeting held on 22nd September 2011 approved the payment of remuneration to Mr. S.P. Bhatia the Whole Time Director for a period of 5 years commencing from 26th October 2011 to 25th October 2016. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period ended on 30.09.2013.

As per conditions of Schedule XIII of the Companies Act,1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr. S.P. Bhatia during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 1,16,21,816/- to Mr. S.P. Bhatia, Whole Time Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. S.P. Bhatia, Whole Time Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. S.P. Bhatia be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 44,21,816/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 44,21,816/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri S.P. Bhatia is concerned or interested in this item.

No other Director/Key Managerial Personnel is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13	2011-12
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

He is primarily a BSC Mechanical Engineering qualified from, Regional Engineering College, Kurukshetra. He worked with the PSL Group since 1983 and has served in different capacities in various divisions of the Group such as insulation, Pipe Coating, Pipe making etc. He 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 Engineering consultants-UK, UMRAN- Turkey and Dr. G.Valle-Itly, PWS-Germany & S.I.M- Korea for pipe Making and Induction bend Technologyies.

(2) **Past Remuneration:**

Salary details of Shri S.P.Bhatia for the period from 26.10.2011 to 25.10.2016 are as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	39,00,000
Bonus (One Month Basic)	3,25,000
Total (a)	**42,25,000**
Perquisites	
HRA (60% of Basic)	25,35,000
Provident Fund (12% of Basic)	8,58,000
Total (b)	**33,93,000**
Others	
LTA (Upto One Month Basic)	3,25,000
Medical (Upto One Month Basic)	3,25,000
Total (c)	**6,50,000**
Total (a+b+c)	**82,68,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He joined the Company as Director of the Company with effect from 26.10.2006 and Whole Time Director of the Company from 26.10.2011. Performance of the Company has improved for many years except last years. In view of his rich experience in above field, your Directors are of view that he should continue as Whole Time Director of the Company due to increase work load and high responsibilities.

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. S.P. Bhatia shall continue to get the same salary as he was getting in the past as per approval given by shareholders

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability, remuneration paid/being paid to Mr. S.P. Bhatia are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. S.P. Bhatia is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not hold any shares in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance got badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core Assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans , downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. OTHER INFORMATION:

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	39,00,000
Bonus (One Month Basic)	3,25,000
Total (a)	**42,25,000**
Perquisites	
HRA (60% of Basic)	25,35,000
Provident Fund (12% of Basic)	8,58,000
Total (b)	**33,93,000**
Others	
LTA (Upto One Month Basic)	3,25,000
Medical (Upto One Month Basic)	3,25,000
Total (c)	**6,50,000**
Total (a+b+c)	**82,68,000**

ITEM NO. 19 REMUNERATION OF MR. C.K. GOEL, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 25.10.2016

The members may recall that they had at their Twenty Third Annual General Meeting held on 22nd September 2011 approved the payment of remuneration to Mr. C.K. Goel the Whole Time Director for a period of 5 years commencing from 26th October 2011 to 25th October 2016. Due to unexpected conditions/circumstances which were beyond the control of management, your Company has passed through a rough phase and incurred losses during the extended financial period ended on 30.09.2013.

As per conditions of Schedule XIII of the Companies Act,1956, if there are inadequate profits or Company has incurred losses it cannot pay remuneration beyond the limits laid down in Schedule XIII of the Companies Act, 1956, without approval of Central Government. Since the Company has incurred losses, which it did not envisage, the excess of remuneration paid to Mr. C.K. Goel during the financial period 2012-13, can be waived of with the approval of Central Government provided shareholders have given their approval through Special Resolution.

The Company has paid remuneration amounting to ₹ 86,96,816/- to Mr. C.K. Goel, Whole Time Director of the Company during the extended financial year 2012-13. As per Section 309 of the Companies Act, 1956, remuneration to a Whole Time Director of the Company cannot exceed either 5% of the net profits of the Company or the limits laid down in Schedule XIII of the Companies Act, 1956 without the approval of the Central Government. As your Company could not earn any profit during the period under consideration, therefore, the remuneration paid to Mr. C.K. Goel, Whole Time Director for the Financial Period 2012-13 was in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956. Further, it is proposed that in order to retain the professional experts, which is necessary for the future growth of the Company, it is proposed that Mr. C.K. Goel be given the same remuneration as was approved earlier by the members.

The approval of the Shareholders is sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 14,96,816/-; and

(b) to pay the same remuneration for the rest of his tenure.

Hence, the special resolution.

The approval of the Central Government is also being sought:

(a) for the waiver of the excess of remuneration amounting to ₹ 14,96,816/-; and

(b) to pay the same remuneration for the rest of his tenure.

Shri C.K.Goel is concerned or interested in this item.

No other Director/Key Managerial Personnel is concerned or interested in this Item.

Further information as required under 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956 is given as under:

I. GENERAL INFORMATION:

(1) **Nature of Industry** : Pipe Manufacturing

(2) **Financial performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
Sales	2483.66	2277.94
Profit (Loss) before Depreciation and Finance Expenses	(63.21)	432.60
Finance Expense and Depreciation	530.00	362.94
Profit (Loss) after Depreciation and Finance Expenses	(593.21)	69.66
Less : Taxation Provision	2.05	15.50
Profit (Loss) After Tax	(595.26)	54.16

Despite the decline in the growth rate in Indian Economy, Company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

(3) **Export performance:**

(₹ in Crores)

Particulars	2012-13	2011-12
FOB value of Export	329.53	463.52

(4) **Foreign Investments:**

(₹ in Crores)

Particulars	2012-13	2011-12
Pipeline Systems Limited, Mauritius	141.63	114.44
PSL USA INC.	130.34	105.53

Note: Information given herein above is in respect of accounting periods for which audited financial statements are available.

II. GENERAL INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details:**

Mr. C.K. Goel is post graduate diploma in Mechanical Engineering, with specialization apart from a Diploma in Business Management, Refrigeration & Air Conditioning. He had joined the Company way back in 1978 and has now completed 36 years of working in responsible positions.

Further 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, he has handled and headed various projects and operations in Company's different plants.

(2) **Past Remuneration:**

Remuneration details of Shri C.K. Goel for the period from 26.10.2011 to 25.10.2016 are as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	39,00,000
Bonus (One Month Basic)	3,25,000
Total (a)	**42,25,000**
Perquisites	
HRA (60% of Basic)	25,35,000
Provident Fund (12% of Basic)	8,58,000
Total (b)	**33,93,000**
Others	
LTA (Upto One Month Basic)	3,25,000
Medical (Upto One Month Basic)	3,25,000
Total (c)	**6,50,000**
Total (a+b+c)	**82,68,000**

(3) **Recognition or awards:**

Not applicable

(4) **Job profile and his suitability:**

He has experience of more than 36 years in Industry and promoted as Whole Time Director of the Company with effect from 26.10.2006. In view of his rich experience in above field, your Directors are of view that he should continue as Whole Time Director of the Company. Mr. C.K. Goel is taking over as incharge of an important production facility at various locations and doing his duties with earnest care and diligence.

(5) **Remuneration proposed:**

Subject to the necessary approval, Mr. C.K.Goel shall continue to get the same salary as he was getting in the past as per approval given by shareholders

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

In view of his vast experience, long association with the Company, size of the Company and the Company's constant efforts to revive and improve profitability, remuneration paid/being paid to Mr. C.K. Goel are justified to retain the managerial person according to the present trends in the industry and current scenario of the Company.

Remuneration paid/being paid to Mr. C.K. Goel is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.

(7) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

He does not have any shares in the Company.

III. OTHER INFORMATION:

(1) **Reason for loss or inadequate profits**

Due to economic slowdown in the industry the Company's performance got badly affected. Further the Company has been mainly focused on catering to the domestic markets.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

i. Delay in implementation of National Gas Grid

ii. Excess capacity in the industry leading to aggressive pricing

iii. Low capacity utilization

iv. Increase in Interest cost

v. Adverse Movement in Exchange Rate

(2) **Steps taken or proposed to be taken for improvement**

Initiatives being taken by the Company for revival of operations are as under:

A. **Monetizing of surplus / non-core Assets**

The Company is in the process of identifying surplus / non-core assets which can be monetized to release additional cash flows for the Company. The proceeds would be utilized towards part financing of its rehabilitation plan.

B. **Revamping of organization structure and rationalization of its workforce**

Currently the Company works on model where its various locations are staffed as per the peak requirement in the respective locations. Hence, at time where there is lesser demand at one of the locations, the Company has to incur the manpower costs for the idle staff without any corresponding contribution to the revenues during such period. In order to address this problem, the Company plans to form a centralized core pool of mobile resources which could be utilized across location depending on the production requirements. This could lead to substantial savings in its manpower costs.

C. **Revamp of its Human Resources (HR) practices**

The Company does not currently have streamlined HR policies and practices. Going forward, it plans to put in place a performance-based incentive model which would help in improving the productivity levels of the Company. The Company also plans to engage a reputed HR consultant to advise on instituting the HR best practices in the organization.

D. **Selective approach in taking domestic orders and expanding in international markets**

The Company has been hitherto focused on catering to the domestic markets. The Company now plans to increasingly cater to the international market, especially South and South-east Asia where substantial demand is expected to come up in the next few years. For instance, Bangladesh and Myanmar are expected to be major sources of demand for gas pipelines whereas demand for oil pipelines is expected to emanate from the African countries including Nigeria and Mozambique (as per Company estimates). Since, the export order typically have better margins, it would help improve the overall profitability of the Company. Also, the Company plans to have a more selective approach in the domestic markets and will reduce its exposure to the marginal customers where the order quantity is not sizeable and there are delays in offtake or payments. This would help the Company to focus on the bigger orders and also help in easing its working capital cycle.

E. **Strengthen operating practices**

The Company is in the process of strengthening operating practices at all levels to improve upon operating efficiencies and thereby reduce operating costs and level of inventories. This will involve work and motion study aimed at eliminating unproductive processes/steps to minimize waste of time & resources. This in turn will reduce the cycle time between arrival of raw materials and dispatch of finished pipes and thereby help in achieving a shorter working capital cycle.

(3) **Expected increase in productivity and profits in measurable terms**

Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Further Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

In addition to above Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

Company in March, 2013 applied to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme inter-alia provide for rescheduling of re-payment of loans, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of Lenders to convert a portion of their respective outstanding Working Capital into equity capital of the Company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, various formalities associated with implementation of CDR package (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

IV. **DISCLOSURES:**

Remuneration package of the managerial person is as under:

(Amount in ₹)

Particulars	Per Annum
Salary	
Basic	39,00,000
Bonus (One Month Basic)	3,25,000
Total (a)	**42,25,000**
Perquisites	
HRA (60% of Basic)	25,35,000
Provident Fund (12% of Basic)	8,58,000
Total (b)	**33,93,000**
Others	
LTA (Upto One Month Basic)	3,25,000
Medical (Upto One Month Basic)	3,25,000
Total (c)	**6,50,000**
Total (a+b+c)	**82,68,000**

ITEM NO. 20 ENHANCEMENT OF BORROWING POWERS

Section 180 (1)(c) of The Companies Act, 2013 provides for a power to Board of Directors of the Company to borrow money up to an amount, which is equivalent to the aggregate of paid-up capital of the Company and its free reserves. In a situation where the borrowings are likely to exceed the said limit, a prior consent is required from the Company in General Meeting. In our Company's case, the shareholders in their 23rd Annual General Meeting held on 2nd September, 2011 had authorised the Board to borrow up to an amount of ₹ 3000 Crores.

In terms of the CDR package approved by CDR Empowered Group in its meeting held on 23rd August, 2013 and communicated to the Company by CDR Cell vide its letter of approval dated 23rd September, 2013 an additional priority loan in the manner & upto an amount which is specified in the Letter of Approval will be sanctioned to the Company. Moreover, additional approval would also be required to meet CDR conditions.

In view of what is stated above, the shareholders are requested to accord their approval for enhancing the borrowing powers of the Board of Directors up to aggregate amount of ₹ 6000 Crores.

Since Resolution under consideration is in the interest of the Company, the Board recommends passing of the same.

None of the Directors/Key Managerial Personal are concerned or interested in this Resolution.

By Order of the Board of Directors of
PSL LIMITED

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

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

Dated: 14th February, 2014

ADDITIONAL INFORMATION

(With Reference to items 2, 3, 4 & 5 of "Ordinary Business")

Particulars	SHRI G. GEHANI
Date of Birth	27th 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 Director, 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 1979 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 35 years of post qualification experience, Shri Gehani has been heading the Legal & Secretarial Department of PSL Limited for more than 23 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 Organisations of the country for last 27 years and has held Senior responsible positions in some of them.

Particulars	SHRI M. M. MATHUR
Date of Birth	11th September, 1936
Qualification	M.A. & Diploma in Management
Expertise in specific functional area	General Management & Marketing
Directorship held in other companies	Nil
Brief Resume	Shri M.M.Mathur after completing his Graduation in Science obtained a Masters Degree in English in addition to a Diploma in Management. Shri M.M. Mathur's association with the Group now stretches to about four decades during which he has held various Senior positions. Most of Shri Mathur's experience is in the Energy Sector as Service provider in oil and gas transmission of pipelines, onshore and offshore in areas of Internal and External Coatings and Cathodic Protection System. Shri Mathur is a member of several International Associations viz; National Association of Pipeline Applicators, U.S.A. Indo-German Chamber of Commerce etc. Since his first appointment, he has been rendering valuable service to the Company by way of being not only on Company's Board, but even on few important Committees of Board such as Committee of Directors and Share Transfer Committee.

Particulars	SHRI ALOK PUNJ
Date of Birth	29th May, 1950
Qualification	B.E. (Industrial Engg.)
Expertise in specific functional area	General Management
Directorship held in other companies	- Eurocoustic Products Limited - Punj Investments Private Limited - Broken Hills International Private Limited - BHI Limited - Punj International Private Limited - Sai Shakti Properties Private Limited - PSL USA Inc. - PSL Corrosion Control Services Limited
Brief Resume	Shri Alok Punj, who attended a Bachelor of Engineering Programme in Industrial Engineering at Illinois Institute of Technology, Chicago has over three decades of experience in senior positions in different Engineering Companies of the world and also has experience in International Marketing and Projects, both in the Middle East and Far East. Having guided different companies as a Senior Management Personnel, the Company is now being benefited by his being there on Company's Board and even on few important Committees of Board such as Audit Committee, Committee of Directors, Remuneration Committee, and Shareholders'/ Investors' Grievance Committee.

Particulars	SHRI HARSH PATERIA
Date of Birth	24th September, 1958
Qualification	B.Sc
Expertise in specific functional area	Effective Management of various business organisations, involved in diverse activities
Directorship held in other companies	Primo Pick N. Pack Limited (Chairman) Primo Infrastructure Private Limited
Brief Resume	Shri Harsh Pateria born in 1958, after his academic attainments promoted a company under the name and style of Primo Pick N. Pack Limited, which was incorporated in 1985. Additionally, he started getting involved in few other business activities. Since then he has very ably managed the various business ventures and has acquired adequate exposure in company's management involving different activities associated with scheduling, planning, organising and implementing the policies of the organisation in an optimal manner. Considering his vast exposure as an industrialist, Shri Harsh Pateria was co-opted as "Director" in the Annual General Meeting held on 4th September, 2008 Since his appointment Shri Harsh Pateria has been rendering valuable services to the company by way of being not only on Company's Board, but even on few important committees of Board such as Audit committee and Remuneration Committee.

DIRECTORS' REPORT

To,
The Members of
PSL LIMITED

Your Directors hereby present this Twenty Fifth Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year 2012-13

EXTENSION OF FINANCIAL YEAR

The Financial Year 2012-13 which in the normal course would have completed on 31st March, 2013 was extended by a period of 6 months after necessary approval from Registrar of Companies to that effect. Thus, the so extended Financial Year 2012-13 comprised of 18 month period ended on 30th September, 2013.

FINANCIAL PERFORMANCE

The financial performance during the extended year under review is summarized below :

(₹ in Crores)

Particulars	Current Year		Previous Year	
Sales		2483.66		2277.94
Other Income		13.64		13.05
Total Income		2497.30		2290.99
Profit before depreciation and finance cost is		(63.21)		432.60
After deducting depreciation and Finance cost of		530.00		362.94
The profit/ (loss) for the year before Taxation Provisions is		(593.21)		69.66
From which is deducted a Taxation Provision of		2.05		15.50
Thereby Leaving a Net Profit / (Loss) of		(595.26)		54.16
Which your directors have recommended to be appropriated as follows :-				
a) Transfer to General Reserve	0.00		5.42	
b) Proposed Dividend	0.00		24.78	
c) Prior Year Payments	5.25	5.25	5.57	35.77
Thereby leaving a balance of for carrying over to next year's account.		(600.51)		18.39

COMPANY'S PERFORMANCE

(A) ON STANDALONE BASIS

1. DURING THE YEAR UNDER REVIEW

Despite the decline in the growth rate in Indian Economy, your company's total income amounted to ₹ 2497.30 Crores during the year under review in comparison to ₹ 2290.99 Crores in the previous year. The Net Loss before and after tax stood at ₹ (593.21) Crores and ₹ (595.26) Crores respectively.

Broadly some of the factors contributing to the decline in the financial performance of the Company during the year under review are detailed below:

1) Delay in implementation of National Gas Grid
2) Excess capacity in the industry leading to aggressive pricing
3) Low capacity utilization
4) Increase in Interest cost
5) Adverse Movement in Exchange Rate

2. FOR THE YEAR UNDER REVIEW

a) Due to the loss incurred by the company, no amount is proposed to be transferred to the General Reserve account.

b) Due to the reason as stated above, the debit balance of Profit & Loss Account proposed to be carried to Balance Sheet is ₹ 600.51 Crores.

c) Keeping in mind the loss incurred by the Company, the directors do not recommend any dividend for the extended financial year ended 30th September, 2013.

B. ON CONSOLIDATED BASIS

During the year under review, the consolidated total income stood at ₹ 3208.19 Crores as compared to ₹ 2715.56 Crores in the previous year. The Net Loss before and after tax amounted to ₹ (641.02) Crores and ₹ (659.92) Crores respectively.

RESTRUCTURING OF DEBTS

Members will agree that ever since Company's incorporation way back in 1987 adequate growth of the Company was registered in most of the financial years eventually enhancing the turnover as well as profitability year after year. As can be seen from the financial snapshot for last 10 years included in a table forming part of this Annual Report without a break in any year Company's reserves grew substantially which directly permitted your Board to recommend sizable dividends (not below 40%) year after year.

While all these years company grew at an exponential rate suddenly during the Financial Year 2012-13 your Company's operations were severally effected due to reasons (outlined above) which were mainly external. Such reduced operations had to create an adverse impact on the liquidity of the Company as a result of which your Company had no choice but to apply in March, 2013 to CDR Cell for restructuring of Company's debt through CDR mechanism envisaged under the guidelines issued by the Reserve Bank of India After considering Company's proposal, the final restructuring scheme was approved by CDR Empowered group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its letter of approval dated 23rd September, 2013. The scheme *inter-alia* provide for rescheduling of re-payment schedule, downward revision of interest rates, pledge of shares by promoters, contribution into share capital by promoters and promoters group & a right of conversion to Company's CDR Lenders to convert the portion of their respective outstanding Working Capital facility into equity capital of the company.

Consequent upon the aforesaid issuance of the LOA dated 23rd September, 2013, the various formalities associated with implementation of CDR scheme (including execution of Master Restructuring Agreement dated 19th November, 2013) are being carried out.

OPERATIONAL STATUS

Your Company is engaged in the business of manufacturing HSAW/ Spiral pipes, Providing of pipe coating & ancillary services such as induction pipe bending, turnkey HSAW plant manufacturing etc. Your Company is the largest manufacturer of HSAW pipes in India and has 1.40 million MTPA capacity in locations across India & 525000 MTPA capacities overseas.

Your Company has strategically located pipe mills and coating facilities in Chennai, Kandla, Vizag, Ahmedabad, Jaipur, Daman, Mississippi (through its subsidiary company 'PSL North America LLC') and Sharjah (through its subsidiary company 'PSL FZE') to cater to domestic as well as overseas market.

OPERATIONAL PERFORMANCE

During the year under review, your Company witnessed certain constraints due to external factors that affected its operational performance. Several delays in Implementation of the National Gas Grid projects due to jurisdictional disputes between public sector undertakings and drastic drop and reduction in national gas output have adversely impacted the pipeline sector in India. In anticipation of the demand leading from the gas grid and other pipeline projects, the production capacity have been added on exponential basis, However, as the demand has not picked up as expected, a situation of over supply in the Industry arose which resulted into cut down on margins & hence worsened the financial position of the businesses operating within the pipeline sector.

Due to the delays in implementation of country-wide projects such as the gas grid & water distribution projects, the accumulation of raw materials increased which resulted into higher inventory and lower capacity utilization. Other factors which added to the downfall were the stretched working capital cycle of the company due to higher levels of inventory and debtors resulting into increased Interest Cost and adverse movement in exchange rate.

Despite the aforesaid difficulties and strained liquidity position, your Company has managed to complete a host of projects on time and within budget.

PROGRESS ON OVERSEAS FRONT

(a) PSL USA Inc., USA :

PSL USA Inc., incorporated in December, 2006 in the state of Delaware, USA. This Company was incorporated as a wholly owned subsidiary of the Company to primarily take up contracts for manufacturing of pipes, keeping in view the upsurge in pipe laying activity in North America.

During the Financial Year 2007, PSL USA Inc. floated a joint venture (with 78 % holding) namely PSL North America LLC. A plant using state of the art technology to manufacture 24 meter long pipes, with installed capacity of 300,000 MTPA has been set up by the Company in Mississippi, USA. The Company has executed an order for Florida Gas Transmission Company LLC & is currently executing an order received from ETC Texas Pipeline limited for approx $54 million.

b) UAE PROJECT

Your Company's associate in the UAE – PSL FZE is engaged in manufacturing of steel pipes, anti-corrosive coating of steel pipes and export of steel pipes with a capacity of 150,000 MTPA. The Company has executed major orders for Hanwa Co. Ltd for $ 40 million and Saipem-Afcons Joint Venture for $ 22 million. The Company is now actively executing a major order received from Saline Water Conversion Corporation for $ 80 million.

APPROPRIATIONS

DIVIDEND

In view of high depreciation, interest and in the absence of profits during the current financial year, your Directors are unable to recommend any dividend for the year under review.

TRANSFER TO RESERVES

Keeping in mind the loss registered by the Company during the year under review, the Board of Directors did not propose transfer of any amount to the General Reserve Account.

ANNUAL ACCOUNTS OF SUBSIDIARY COMPANIES

In terms of the General Exemption granted by Ministry of Corporate Affairs, Government of India vide its general circular no. 2/2011 dated 8th February, 2011 regarding attaching of financial documents of the subsidiary companies with the Balance Sheet of the Holding Company subject to compliance of few conditions specified in the circular, the Board of Directors of the Company has granted its consent by way of resolution for not attaching the copy of Balance Sheet, Profit & Loss Account and other documents of the various subsidiaries with the Annual Accounts of the Company.

The Company will also make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. Further, these documents of the subsidiary companies will also be kept for inspection at the Registered Office of the Company and at the corporate office of the respective subsidiary companies. As required under the aforesaid circular, a summarized statement of financial position of the subsidiaries has been appended to this Annual Report.

As stipulated by Clause 32 of the Listing Agreement executed by the Company with the Stock Exchanges, the consolidated financial statements have been prepared by the Company in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements together with Auditors' Report form part of this Annual Report.

DIRECTORATE

During the year under review:-

(1) Shri Paresh J. Shah, an Independent and Non-Executive Director of the Company expressed his unwillingness to continue on the Board of the Company and submitted his resignation due to his prior commitments and conflict of interest in the professional assignments handled by him. The resignation was accepted by the Board of Directors in its meeting held on 15.05.2013. The Board while accepting his resignation recorded its deep appreciation for the valuable services rendered by Shri Paresh J. Shah during his tenure.

(2) In exercise of the right granted to ICICI Bank by way of restructuring agreement, the bank has appointed Shri Sandip Sharma as a "Nominee Director" on the Board of your Company w.e.f 12th August, 2013. The aforesaid appointment of Shri Sandip Sharma was also taken on record by the Board of Directors in its meeting held on 30th October, 2013

In terms of provisions of Section 256 of Companies Act, 1956 Shri G. Gehani, Shri Harsh Pateria, Shri M.M. Mathur and Shri Alok Punj Directors shall retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting. In Compliance of Clause 49 (IV) (G) of the Listing Agreement a brief resume of the said Directors is annexed to the notice to enable members to consider their re-appointment.

STATUTORY COMPLIANCES

1. The Company Secretary as Compliance Officer 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 included in the Annual Report.

3. In compliance of Clause 32 of the Listing Agreement and Accounting Standard AS-21, the consolidated financial statements are attached, which form part of the 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 accordance with statutory obligation, Secretarial 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 has set up a separate Internal Audit Department headed by a Senior Person, who is a qualified Cost Accountant for carrying out the Internal Audit of Accounts of different branches and critically analyse the same after which a Consolidated Internal Audit Report is placed before the Audit Committee in its every quarterly meeting for detailed deliberations on the same.

The team of Statutory Auditors being an External Body achieves adequate effectivity of its extensive Audit due to support of the Company's Internal Audit Department. Both Statutory as well as Internal Auditor 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 executed effectively with an overall objective that the Company's assets are safe guarded and protected against losses from unauthorized use or disposal.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In compliance of Clause 49 of the Listing Agreement executed by the Company with the stock exchanges, a separate report on Corporate Governance and Management Discussion Analysis Report together Auditors Certificate on the compliance with the conditions of Corporate Governance are appended hereto and forms part of this Annual Report.

BOARD COMMITTEES

For assisting the Board of Directors in discharging its responsibilities in various fields effectively & efficiently, various Standing and Non-standing Committees are constituted by the Board from time to time.

While the following five Standing Committees with a defined mandate given to them are permanent in nature, various Non-standing Committees are constituted for dealing with specific assignments, therefore their term automatically lapses after the assignment in question is completed are as under:

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

During the year under review meetings of these Committees were held periodically wherein certain important decisions in accordance with their respective mandates were taken which were thereafter ratified by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to 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 under review the applicable accounting standards read with the requirements set out in Companies Act, 1956/ 2013 have been followed
- 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 under review 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 are proposed to be appointed as Auditors of the Company for the Financial Year 2013-14. The Company has also received the necessary certificate pursuant to Section 224(1B) of the Companies Act, 1956.

Accordingly approval of the shareholders to the appointment of M/s Suresh C. Mathur & Co, Chartered Accountants as Auditors of the Company is being sought at the ensuing Annual General Meeting.

AUDITORS' REPORT AND OBSERVATIONS

The notes to the accounts referred to in Auditor's Report are self-explanatory and therefore do not call for any further comments.

Auditor's Observations and Management response to Auditor's Observations are given in the Annexure-I forming part of this Report.

COST AUDITORS

In accordance with the directions issued by Cost Audit Branch, Government of India vide an Order no. F.No.52/26/CAB-2010 dated 03.05.2011 pursuant to Section 233B of the Companies Act, 1956, your Directors have appointed Mr. V.V. Deodhar, a practicing Cost Accountant as a Cost Auditor to conduct the Cost Audit of "Steel Pipe Products" for the Financial Year 2013-14.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed by subsection (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-II forming part of this Report.

PARTICULARS OF EMPLOYEES

In compliance of Section 219(1)(b)(iv) of Companies Act, 1956 this report is being sent to the shareholders of the Company without containing therein the information in accordance with Sub-section 2A of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. However, any member interested in obtaining such particulars may write to the "Director & Company Secretary" of the Company at its Registered Office.

ACKNOWLEDGEMENTS

Your Directors place on record its appreciation for the assistance and support received from the lenders, Government authorities, customers and vendors and look forward to their continued co-operation.

Your Directors also thank the employees at all levels for the dedication and hard work put in to surge ahead in these challenging times.

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

Sd/-	Sd/-
(ASHOK PUNJ)	**(ALOK PUNJ)**
Managing Director	Director

Place: Mumbai
Date: 14th February, 2014

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE-I

Auditor's Observations (AO) and Management's Response (MR) to the Auditor's Observations in Auditor's Report for the extended year 2012-13

The director's refer to the auditor's observations as emphasis of matter in the auditor's report for the extended Financial Year 2012-13 and as required under section 217(3) of the Companies Act, 1956 provide their explanation as under:

Long Terms Borrowing : **Note No. 4 and Note No. 26 of Balance Sheet and Schedules**

(a) **Default in payments to banks and Finance Cost**

(AO) In respect of Note No. 4 and Note No. 26 of Standalone Financial Statement and remarks in the consolidated auditors observations that the company has defaulted in making payments to the lending banks during the period towards interest as well as principal amounts *w.e.f.* September 2012. Also remarked that interest on loans has not been calculated on accrual basis which if done would have increased the loss from ₹ 595.25 crores to ₹ 758.61 crores.

(MR) The company due to several internal and external factors faced financial crunch and therefore was not in position to service the loans/debts of the lenders timely. The company approached CDR cell in March 2013 and a package was approved vide letter of approval dated 23rd September, 2013. In terms of the letter of approval the moratorium of 2 years from the cutoff date i.e. 01 January, 2013 was allowed for repayment of the loans, the repayment schedule provided for repayment of the facility in 8 years as well as the interest rates were lowered and fixed at 10.25%. Besides aforesaid concession interest on the loan extended by the CDR Landers were funded by the Bank as FITL for the initial two years. In lieu of inadequate profit the company based on CDR guidelines not provided any interest on borrowings.

(b) **Employees Benefits and Expenses (Managerial Remuneration) Note No. 25**

(AO) During the extended financial year of 18 months the company incurred losses it could pay only a maximum remuneration of ₹ 4,00,000/- per month per Director. However the company paid to its Director the agreed remuneration which when compared with the aforesaid maximum remuneration resulted in payment of ₹ 5.91 crore as excess remuneration which is not permissible under section 198 and 309 of the Companies Act, 1956.

(MR) The company has paid to its Whole Time Directors remuneration strictly as was approved by the shareholders of the company in various earlier Annual General Meetings. However, during the year in question the company suffered a loss and the above provisions of the Companies Act relating to payment of a specified maximum remuneration when company makes losses, got attracted for the first time. The Company has decided to seek waiver of the recovery of such excess remuneration paid to the Whole Time Directors during the extended financial year 2012-13 from the Government and also seek permission of the government for paying the contractual and agreed salaries to the Whole Time Directors of the company w.e.f. 1/10/13.

(c) **Investment in subsidiaries Note No. 11**

(AO) Diminution in the value of Long Term Investment of ₹ 301.76 crore in its various subsidiaries.

(MR) The diminution in the value is of the temporary in nature.

(d) **Inventory / Current Assets Note No. 15 read with Note No. 24**

(AO) The closing inventory as on 30th September, 2013 shown by the company is ₹ 1497.03 crores which includes non moving old stock of ₹ 1047.63 crores while as the CA Firm appointed by ICICI Bank (MI) has valued the stocks at ₹ 400.33 crores. The valuation could not be quantified by the stock auditor *w.r.t.* the stocks which were very old.

(MR) Consequent upon receipt of the Stock Auditor's Report when it was noticed that there is a diminution in the value of the stocks by the amount of ₹ 514 cores, the said amount was reduced from the opening reserves and surplus of the Company.

(e) **Debtors Note No. 16 of Current Assets**

(AO) Auditors remarked that company has sundry debtors of ₹ 338.76 crores as on September 30, 2013. Company has not produced balance confirmation certificates of the amount outstanding as on 30th September, 2013.

(MR) Mails were sent to customers (Debtors) for their confirmation of year end Balances. But no significant reply was received from customers.

(f) **Fixed Assets Note No. 10 of Tangible Assets**

(AO) The company has capitalized WIP to an extent of ₹ 318.88 crores towards plant and machinery and buildings in all units. Expenses were incurred for replacing vital parts in order to make them functional though no new assets came into existence. Revaluation of factory land has been done and assets were valued at ₹ 514 crores against previous value of ₹ 59.78 crores.

(MR) Plant and machinery was repaired and expenses were incurred for a replacing vital part in order to make same functional and there was benefit of enduring nature to the company. The company has revalued the factory land and as per valuation report submitted by a valuer appointed by ICICI Bank (MI). Revaluation was done and previous book value of ₹ 59.78 crores was increased to ₹ 514.00 crores.

ANNEXURE-II

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

		September 30, 2013 (18 Months)	March 31, 2012 (12 Months)
I. CONSERVATION OF ENERGY			
A) Power and Fuel Consumption			
Electricity			
a) Purchased			
Units	(M.KWH)	**43,814.16**	33,523.71
Total Amount	(₹ Crores)#	**33.35**	21.01
Average Rate/Unit	(₹ KWH)	**7.61**	6.27
b) Own Generation			
i) Through Diesel Generator			
Units	(M.KWH)	**9809.08**	15810.38
Units per liter of diesel oil	(KWH) ##	**2.91**	3.04
Average Cost/Unit	(₹/KWH)	**16.22**	14.30
ii) Through Steam Turbine/Generator			
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:-

1. Improvement of product quality and process efficiency
2. Optimising production efficiency
3. Cost deduction and economical effcient production
4. Pollution Control - to have pollution free enviornment in and around factory areas.
5. Environmental Care
6. Optimisation of process parameters.

II FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹ in Lacs	₹ in Lacs
Earnings	**32,953.47**	56,803.12
Outgo on Royalty	**NIL**	NIL

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 frame work, 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 behaviour in our conduct.

2) BOARD OF DIRECTORS

The Board presently consists of fourteen Directors out of which seven are Executive Directors and seven are Non-Executive Directors (out of which six are Independent Directors and one is Nominee and Independent Director appointed by ICICI Bank one of the major and lead lenders of the Company). During the year, Shri Paresh J. Shah one of the Non-Executive and Independent Director submitted his resignation on 12/03/2013 which was accepted by the Board of Directors on 15/05/2013. 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 number of positions held by our Company Directors as Director and Committee Members in our Company as well as in other Bodies Corporate during the extended year under review are as follows:-

Sr. No.	Name of the Director	Category of Director	No. of positions held	
			Board Memberships #	Memberships of Standing Committee #
1.	Ashok Punj	Managing Director	17	1
2.	Alok Punj	Non-Executive	10	4
3.	R. K. Bahri	Executive	4	Nil
4.	M.M. Mathur	Executive	1	2
5.	D. N. Sehgal	Executive	4	Nil
6.	S. P. Bhatia	Executive	2	2
7.	G. Gehani	Executive	1	5
8.	C. K. Goel	Executive	1	Nil
9.	N. C. Sharma	Independent & Non-Executive	5	8
10.	Prakash V. Apte	Independent & Non-Executive	4	2
11.	Harinder Shourie	Independent & Non-Executive	2	1
12.	Ashok Sharma	Independent & Non-Executive	2	2
13.	Paresh J. Shah*	Independent & Non-Executive	2	2
14.	Harsh Pateria	Independent & Non-Executive	3	2
15.	Sandip Sharma**	Nominee & Independent	4	–

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 15/05/2013 details of his board membership and committee membership is as per the last disclosure provided by him to the Board.

** In exercise of the powers granted by an Master Restrucuring Agreement executed by the Company with lead and major lender ICICI Bank, ICICI Bank appointed Shri Sandip Sharma as Nominee Director on the Board of the Company with effect from 19/08/2013.

ATTENDANCE AT MEETINGS

During the financial year 2012-13 which has been extended by a period of six months ended on 30th September, 2013 , the Board of Directors met eight times. The date of the said Board meetings were 29th May, 2012, 1st August, 2012, 21st September, 2012, 8th November, 2012, 9th February, 2013, 5th March, 2013 , 15th May, 2013 and 12th August, 2013 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 28th November, 2013 to take on record the Audited Financial Results for the whole extended financial year 2012-13 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 27th September, 2012.

Attendance of each Directors at the eight Board meetings held during financial year 2012-13 ended on 30th September, 2013 and at the aforesaid last Annual General Meeting was as follows :-

Name of Directors	Board Meetings								Meetings attended	Last AGM
	29.05.12	01.08.12	21.09.12	08.11.12	09.02.13	05.03.13	15.05.13	12.08.13	No.	27.09.12
Ashok Pu nj	P	P	P	P	P	P	P	P	8	P
Alok Punj	P	P	P	P	LOA	P	P	LOA	6	P
R. K. Bahri	P	P	P	P	P	P	LOA	P	7	NR
M. M. Mathur	P	LOA	LOA	LOA	P	LOA	P	LOA	3	NR
D. N. Sehgal	P	P	P	LOA	P	P	LOA	P	6	NR
Prakash V. Apte	P	P	P	LOA	P	P	P	P	7	P
N. C. Sharma	P	P	P	P	P	P	P	P	8	P
Ashok Sharma	P	LOA	LOA	P	P	LOA	LOA	LOA	3	NR
Harinder Shourie	LOA	LOA	LOA	P	P	LOA	LOA	P	3	NR
S. P. Bhatia	P	P	LOA	LOA	P	P	P	P	6	NR
C. K. Goel	P	P	P	P	P	P	P	P	8	NR
G. Gehani	P	P	P	P	P	P	P	P	8	P
Paresh J. Shah#	LOA	LOA	P	P	P	LOA	-	-	3	NR
Harsh Pateria	P	LOA	LOA	P	LOA	LOA	P	P	4	NR
No of Directors Attended	**12**	**9**	**9**	**10**	**12**	**9**	**9**	**10**		
%	**85.71**	**64.29**	**64.29**	**71.43**	**85.71**	**64.29**	**69.23**	**76.92**		

P = Present

LOA = Leave of Absence

NR = Statutorily Not Required to attend

Ceased to be a Director with effect from 15/05/2013

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.

During the year under review, the Board had constituted one need based committee namely CDR Committee comprising of six members out of which two are Independent Directors. The meeting of the said committee was held on 20th October, 2013 wherein in accordance with the mandate given to it by the Board, the members of the committee took important decisions pursuant to the restructuring scheme as approved by the CDR Committee which was intimated to the Company vide its letter of approval dated 23rd September, 2013.

STANDING COMMITTEES

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

(a) Audit Committee
(b) Committee of Directors
(c) Remuneration Committee
(d) Shareholders'/ Investors' Grievance Committee
(e) Share Transfer Committee

The scope, power and role of these committees was fixed keeping in view the relevant provisions of Companies Act, 1956 and Companies Act, 2013, 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 subsequently 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 change in composition of the Audit Committee. Composition of Audit Committee and presently it comprises of following seven members:

S. 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
7.	Sandip Sharma#	Nominee & Independent Director	Member

* Executiv Director

** Non Executive Director

*** Independent and Non Executive Director

Appointed as Member of Audit Committee on 30TH October, 2013 vide the Master Restructuring Agreement executed by the Committee pursuant to the Restructuring Scheme approved by CDR Committee & intimated to the company vide its letter of approval dated 23rd September, 2013.

All the above members have vast experience apart from having 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;

A. 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.

B. Reviewing with the management, the Quarterly and Annual Financial Statements before submission to the Board for approval, with particular reference to :-

   i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of Section 217 sub-section (2AA) of the Companies Act, 1956.

   ii) Changes if any, in accounting policies and practices and reasons for the same.

   iii) Major accounting entries involving estimates based on the exercise of judgment by management.

   iv) Qualifications in draft audit report.

   v) Significant adjustments arising out of audit.

vi) The Going Concern Assumption.

vii) Compliance with Stock Exchanges and legal requirements concerning financial statements.

viii) 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.

(iii) MEETINGS & ATTENDANCE

During the extended financial year 2012-13, seven meetings of Audit Committee were held. The attendance at the said meetings is as follows:-

Name of Member	Date of Meeting							No. of Meetings attended	
	29.05.2012	01.08.2012	21.09.2012	08.11.2012	09.02.2013	15.05.2013	12.08.2013	No.	%
Alok Punj	P	P	P	P	LOA	P	LOA	5	71.43
Prakash V. Apte	P	P	P	LOA	P	P	P	6	85.71
N. C. Sharma	P	P	P	P	P	P	P	7	100
Harry H. Shourie	LOA	LOA	LOA	P	P	LOA	P	3	42.86
Harsh Pateria	P	LOA	LOA	P	LOA	P	P	4	57.14
G. Gehani	P	P	P	P	P	P	P	7	100
Attendance	5	4	4	5	4	5	5		
% of Attendance	83.33	66.67	66.67	83.33	66.67	83.33	83.33		

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 and Company Secretary of the Comany

(iv) 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:-

a) Effectiveness and efficiency of Company's operations.

b) Reliability of financial reporting.

c) Compliance with laws and regulations of all major functional areas, purchase, store, quality, production, technical, marketing, sales & finance.

d) Reporting on all major finding during the audit to 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 and Companies Act, 2013. 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:

S. No.	Name of Member	ED*/ 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

* Executiv Director
** Non Executive Director

(iii) MEETINGS & ATTENDENCE

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	27
2.	Alok Punj	25
3.	M.M. Mathur	41
4.	G.Gehani	54
5.	S.P.Bhatia	46

(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, 1956 to the Board after taking into consideration the financial performance experience, replacement cost of the Company, Company's policy, trends in the industry, performance, experience, replacement cost 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

During the year under review there was change in composition of Remuneration Committee. Mr. Paresh J. Shah who resigned from directorship with effect from 15th may 2013 and Mr. N. C. Sharma appointed as member of the Committee on 8th January 2013. The Committee presently 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.	Ashok Sharma***	Independent & Non-Executive Director	Member
4.	N.C. Sharma***	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 extended financial year 2012-13, one 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. The recommendation made by the remuneration committee was already considered & approved by the Shareholders of the Company in their last Annual General Meeting held on 27th September, 2012.

After the conclusion of the Financial year another meeting of Remuneration Committee was held on 8th January, 2014 wherein the committee approved waiver off Remuneration paid in excess of maximum prescribed Remuneration for Financial Year 2012-13 and also the Continuation of payment of Remuneration with effect from 1st October, 2013 as approved by shareholders.

(d) SHAREHOLDER'S/INVESTOR'S 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

During the year under review there was change in composition of Committee. Mr. Paresh J. Shah who resigned from directorship with effect from 15th may 2013. Presently the Committee comprises of following four 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.	G. Gehani*	Director & Company Secretary	Secretary

* Executiv 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 206 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 extended financial year 2012-13.

(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 deal with the request of dematerialization & rematerialisation of shares lodged with the Company/ Registrar and Transfer Agent.

(ii) COMPOSITION

During the year under review there was change in composition of Share Transfer Committee and presently it comprises of following three members:

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

* Executiv Director

(iii) MEETINGS & ATTENDANCE

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

S. No.	Name of Member	No. of meetings attended
1.	M.M. Mathur	3
2.	G. Gehani	2
3.	S.P. Bhatia	3

REMUNERATION OF DIRECTORS

WHOLE TIME DIRECTORS

Your Company's Board comprises of seven Whole time Directors including one Managing Director 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 extended financial year 2012-13 are as follows:-

S. No.	Name	Salary (Basic + HRA)	Perquisites	Retirement	Commission	Total
1.	Ashok Punj	1,65,60,000	59,400	12,42,000	NIL	1,78,61,400
2.	R.K.Bahri	1,65,60,000	12,09,355	23,68,250	NIL	2,01,37,605
3.	M.M.Mathur	1,65,60,000	11,82,355	12,42,000	NIL	1,89,84,355
4.	D.N.Sehgal	1,65,60,000	12,09,355	27,94,500	NIL	2,05,63,855
5.	S.P.Bhatia	93,60,000	6,82,316	15,79,500	NIL	1,16,21,816
6.	C.K.Goel	64,35,000	6,82,316	15,79,500	NIL	86,96,816
7.	G.Gehani	93,60,000	6,82,316	15,79,500	NIL	1,16,21,816
	Total	**9,13,95,000**	**57,07,413**	**1,23,85,250**	**NIL**	**10,94,87,663**

NON-EXECUTIVE DIRECTORS

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 extended financial year 2012-13 are as follows :-

Sr. No.	Name of Directors	Amount (in ₹)
1.	Alok Punj	2,40,000
2.	Prakash V. Apte	2,90,000
3.	N.C. Sharma	3,20,000
4.	Ashok Sharma	60,000
5.	Harry H. Shourie	1,20,000
6.	Paresh J. Shah*	80,000
7.	Harsh Pateria	1,60,000
	Total	**12,70,000**

* Ceased with effect from 15th May, 2013

4) GENERAL BODY MEETINGS

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

For Financial Year	Date	Time	Venue	No. of Special Resolutions Considered
2011-12	27th September, 2012	9:30 A.M	Hotel "Sea Rock Inn" at Devka Beach, Nani Daman -396210	5
2010-11	22nd September, 2011	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	2
2009-10	30th September, 2010	9:30 A.M.	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	2
2008-09	21st July, 2009	9:30 A.M.	Hotel "Miramar" at Devka Beach, Nani Daman -396210	6
2007-08	4th September, 2008	9:30 A.M.	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	3

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 last three financial years.

(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 2012-13, the Board members and senior management personnel have affirmed their compliance of the said code for the extended Financial Year 2012-13 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 extended financial year ended on 30th September, 2013 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.psllimited.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/Annual Audited Financial results, Shareholding pattern etc. on Company's website www.psllimited.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 corporate.
(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.	

9) GENERAL SHAREHOLDER INFORMATION

a. Registered Office : Kachigam, Daman Union Territory of Daman & Diu – 396 210.

b. Annual General Meeting : Date : 19th March, 2014
Day : Wednesday
Time : 9.30 A.M
Venue : **Hotel "Cidade De Daman"** Devka Beach, Nani Daman-396210 Union Territory of Daman & Diu

c. Financial Calendar : For the extended Financial Year 2012-13, April, 2012 to September, 2013

d. Un-audited / Audited Results approval

	Quarter	Ended on	Board Meeting held on
i.	First	30.06.2012	01.08.2012
ii	Second	30.09.2012	08.11.2012
iii.	Third	31.12.2012	09.02.2013
iv.	Fourth	31.03.2013	15.05.2013
v.	Fifth	30.06.2013	12.08.2013
vi.	Sixth	30.09.2013	28.11.2013

e. Dates of Book closure Thursday, the 13th day of March, 2014 to Wednesday, the 19th March, 2014 (Both days inclusive)

f. Payment of Dividend No Dividend declared and paid by the Company for the extended financial year 2012-13

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 Code National Stock Exchange - PSL Bombay Stock Exchange - 526801

j. Share Market Price Data for the Year extended 2012-13 High/Low of Company's shares in BSE & NSE is as follows:-

(in ₹)

Month	BSE Price of Shares		NSE Price of Shares	
	High	Low	High	Low
April 2012	71.00	58.65	67.60	58.35
May 2012	62.75	55.10	64.00	55.50
June 2012	60.80	55.10	61.80	55.10
July 2012	67.00	57.10	67.00	57.10
August 2012	63.90	55.40	64.00	55.50
September 2012	66.15	55.10	66.30	55.20
October 2012	64.00	56.05	63.80	56.05
November 2012	59.45	54.25	59.50	54.30
December 2012	60.90	54.80	60.90	54.35
January 2013	61.65	51.50	61.75	50.00
February 2013	52.60	37.00	52.60	37.25
March 2013	44.25	30.00	44.75	30.00
April 2013	37.60	30.05	37.70	30.80
May 2013	36.20	27.80	36.40	27.60
June 2013	28.10	20.85	28.40	20.80
July 2013	25.80	20.45	25.90	20.40
August 2013	22.35	16.60	22.50	16.45
September 2013	21.05	16.10	21.20	18.40

Share Price Comparison

Particulars	PSL Quoted at BSE	BSE (Sensex)	PSL Quoted at NSE	NSE (Nifty)
Share Price 02.04.12 (Open)	59.85	17429.96	59.40	5296.35
Share Price 30.09.2013 (Close)	18.80	19379.77	18.90	5735.30
Increase/decrease in %	- 68.59 %	11.19%	-68.18%	8.29%

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 of 30th September, 2013 is as follows:

Category From - To	No of Cases	% of cases	Amount	% of Amount
01-5000	26325	82.15	40516240.00	7.60
5001-10000	2874	8.97	23142980.00	4.34
10001-20000	1435	4.48	21840280.00	4.10
20001-30000	500	1.56	12887750.00	2.42
30001-40000	223	.70	7905050.00	1.48
40001-50000	152	.47	7070450.00	1.33
50001-100000	302	.94	22106000.00	4.15
100001 & above	234	.73	397499360.00	74.58
Total	**32045**	**100.00**	**532968110**	**100.00**

n) Dematerialization of Shares 99.77% of the 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. Plant has 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 Education 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 2005-06 (Final 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 ended	Type of dividend	Dividend No.	Date of declaration of dividend	Due date for transfer by the Company to IEP Fund
2006-2007	Interim	21st	18/01/2007	23/02/2014
2006-2007	Final	22nd	27/09/2007	02/10/2014
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	04/04/2018
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 99.77% 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 extended Financial Year ended on 30th September, 2013.

For **PSL LIMITED**
Sd/-
(Ashok Punj)
Managing Director

Place : Mumbai
Date : 14th February, 2014

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of PSL Limited

We have examined the compliance of conditions of Corporate Governance by PSL Limited, for the period ended on September 30, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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 we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Suresh C. Mathur & Company
Chartered Accountants

Sd/-
Suresh C. Mathur
Partner
Membership No. 1276
Firm Registration No. 000891N

Place: Mumbai
Date : 14th February, 2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENT

Indian economy continued to face problems of high inflation, slow economic growth and high interest rates. As a result no significant improvements were noticed in the year 2012-13. Even though no improvement is expected in the short term, the Steel Pipeline Industry is expected to grow in the long run as steel pipes find its applications in various Industries such as automobiles, airports, malls and transportation of oil, gas, water etc. Owing to the growing automobile/ energy/ water demand and increase in cost of transportation through rail/ road etc., pipeline networks are essential for the mobility of various resources in domestic, Industrial and urban infra segments.

OPPORTUNITIES AND THREATS

In accordance with the reports released by various surveys, the Indian Pipe Industry is still considered among the top three manufacturing hubs with Japan and Europe being the other two. However, since the Indian economy picked up the momentum much later as compared to US and rest of the world, the penetration level of Pipeline and Oil & Gas transportation in India is far lower being just 32% as the global average of 79% which represents a huge scope of the growth for the Indian Pipe Industry in future.

a) OPPORTUNITIES

Based on the various statistical reviews, the oil and gas industry has been growing at the rate of 9 % over the f/y 2009-12 which is expected to rise during the f/y 2012-16. While India's crude oil consumption has grown at CAGR of 4.3 % over the last ten years, it is expected to increase at a CAGR of 4.7% during the f/y 2012-16. Consumption of Natural gas has grown at a CAGR of 8.1.% , which is expected to increase at a CAGR of 19.2 %.

Currently, there are 16 crude oil pipelines with a capacity of 165 MMTPA, product pipelines with a capacity of 70 MMTPA, LPG Pipelines with a capacity of 4 MMTPA and gas pipelines with a capacity of 355 MMSCMD in India.

While continuing the subject of "Opportunities for Pipeline Industry" Government of India is aiming to add 14889 km of pipeline network which shall have a carrying capacity of 264 MMSCMD of gas. During 11th five year plan, Rs. 62,534 Crores has been invested in oil & as pipeline. In the 12th five year plan, the sector is expected to see investments amounting to Rs. 1, 48,933 Crores.

b) THREATS

The Pipeline Industry suffers from some major threats. Firstly, this industry is highly raw material intensive with the raw-material cost accounting for more than 70% of the total cost of the Pipe. Secondly, freight is another major concern as due to higher imports of the heavy raw-material comprising of HR Coil and the export of Pipes manufactured after conversion of HR Coil the freight cost in this industry is exorbitant and so becomes another major cost element in the landed cost of the pipes at the customer's destination. Thirdly, the frequent fluctuation in the international prices of the imported raw material and political factors affecting the large value projects result into making the Pipe making Business as a whole as a business which is subjected to many factors not within the control of individual enterprises.

OUTLOOK

As stated above, the opportunities for the growth of Pipeline industry is expecting to rise in the future as the demand for pipelines is continuously on the rise mainly due to the soaring crude oil prices. Also the penetration level of pipelines in oil and gas transportation is low at 32 % in India as against the global average of 79%, which represents huge scope of growth for the Indian Pipe Industry.

Regarding the Company's own outlook, Your Company is the largest producer of HSAW pipes in India as the principal competitors of your company mainly focus on the production of LSAW Pipes. Your Company has lower capital costs to build & operate pipe mills as compared to their competitors as HSAW pipe mills require lighter equipments. Owing to the wide geographical spread out in India & ability to relocate the HSAW pipe mills to a location near where the pipes are to be used, the company is able to incur lower transportation costs for delivery & this bid for large contracts at very competitive rates.

Your Company has vertically integrated itself to offer an exhaustive range of services in the HSAW Pipe Industry. Also with an increased emphasis on investments in oil and gas and irrigation & water supply sectors by the government, the future prospects for steel pipe industry appease positive.

RISKS AND CONCERNS

The risks and concerns faced by the Company are not different from the other players in the Pipeline Industry. However, in order to reduce the direct impact of such risks, many of which are caused due to external reasons, company follows a comprehensive and integrated risk management framework. Apart from inclusion of realistic data for procurement of raw-materials in the bids submitted by the Company from time to time, adequate control is exercised to actually purchase high valued raw-materials like H.R. Coil etc. from such a source from across the globe in a manner that is most beneficial to the Company for optimum utilization of its resources. The negotiation of transport contracts, be they shipping companies or be they road transporters is another vital area, where adequate energy and expertise of senior personnel is utilized to reduce the transportation cost to the bare minimum so as to maximize the Company's profitability.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Having realized the importance of internal control over the years of experience, a full fledged Internal Control Department has been set up within the Company. The Department is headed by a senior person, who ensures that internal controls are formulated and implemented by the management with an ultimate objective of efficiency in operations and optimum utilization of Company's resources. The reports are prepared on quarterly basis and are placed before the Audit Committee in its quarterly meetings for detailed deliberations and advice, if any, to the Internal Control Department. Policies to reduce raw-material wastage (being an important factor for cost reduction) are framed based on the experience gained by the Company in its different plants. Direct control over compliance of Accounting Standards is also exercised as part of the Internal Control effort.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1956 and the applicable accounting standard issued by the Institute of Chartered Accountants of India. The management of PSL accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein. Adequate powers have been deliberated to Senior and Middle Management to minimize the occurrences of inefficient operational performance due to lack of timely decision making. Most of the powers have been decentralized to the different operational levels at widely spread network of company's plants. However important areas like requirement of funds at different units & evolution of suitable mechanism to raise such funds is done in a centralized manner.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT

It has been recognized time and again by the senior management of the Company that Human Resources of the Company are great asset. Adequate attention is paid to motivational factors with a view to retain the quality personnel in the Company in spite of their high cost as it is strongly felt that recruitment and training of new personnel eventually cause a big drain on Company's finances without producing adequate productivity. Large number of long service awards presented year after year to individuals who have been with the Company for many many years is an evidence of the loyalty and dedication with which a sizeable work force is associated with the Company.

Training of individuals not only within the country's boundaries but even at work places of Company's collaborators from time to time directly results into betterment of individual traits eventually translated into quality production. By adoption of all such methods not only for induction of quality manpower but even for retaining such quality manpower has benefited the Company in creating a clear edge over its competitors as far as human resources is concerned.

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 2012-13
Certification by Managing Director/CEO and CFO

I, Ashok Punj, the Managing Director of PSL Limited appointed in accordance with provisions of the Companies Act, 1956 hereby certify that:

(a) I have reviewed Financial Statements and the Cash Flow Statement for the extended Financial Year 2012-13 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 extended year which are fraudulent or illegal or violative of the company's code of conduct.

(c) I 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) I 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 extended year;

   (ii) there have been no significant changes in accounting policies during the extended 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

Place: Mumbai
Date : 14th February, 2014

INDEPENDENT AUDITORS' REPORT

To,
The Members of PSL Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of PSL Limited ('the Company') which comprise the Balance Sheet as at 30th September, 2013, the Statement of Profit and Loss Account and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

The Financial Year of PSL Limited has been extended by 6 months so as to comprise of 18 months, i.e. from 1st April 2012 to 30th September 2013. An application was filed by the company with Registrar of companies, Goa on 24th May, 2013 and the approval was given on 3rd June, 2013 for the extension of six months in the financial year 2012-13 to prepare its accounts as at 30th September 2013.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of the information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30th September, 2013.

(ii) in the case of the Statement of Profit and Loss, of the loss of the Company for the period ended on that date and

(iii) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the period ended on that date.

Emphasis of Matter

1. We draw attention to:

   Long Term Borrowings: Note No. 4 of Balance Sheet and Schedules.

   a) **Default In Payment to Banks**

      Due to financial difficulty the Company has defaulted payments to the bank during this period towards interest as well as principal amount effective September 2012. Subsequently the Company has sought a restructuring program from the bankers. The Company had filed an application before the CDR Cell on 6th March, 2013 along with the Flash Report. The CDR Cell has approved the restructuring package in its meeting held on August 2013, the effective date being August 24, 2013. The outstanding amount as on 01.01.2013 of both CDR member banks and non CDR banks were restructured through this restructuring package. The Company has received letter of approval on 23rd September, 2013 conveying the Approval of CDR Empowered Group letter dated 23rd August, 2013 on the restructuring package of the Company. The details of proposed CDR scheme are given in Annexure "I" of Notes to Accounts.

      The Master Restructuring Agreement (MRA) is being drafted by Amarchand & Mangaldas & Suresh A. Shroff & Co. (AMSS) (Legal Counsel to the bankers) and is in the process of signing by the CDR member bankers as on this date of Balance Sheet. Non CDR member banks are yet to give their approval for this restructuring package and subsequent signature on the MRA.

      Finance Cost: Note No. 26 of Balance Sheet and Schedules.

      In terms of the approval (LOA) interest on the loans of CDR member banks and non CDR Banks shall be funded for a period of two years i.e. 01.01.2013 to 31.12.2014 as a fresh Term Loan namely FITL.

      However, the Company has calculated interest @ 10.25% based on restructuring package and charged interest on the Loan outstanding of non CDR member banks as on January 01, 2013 for the period 9 months ending September 30, 2013. The Company has not accounted the interest payable as above for the loan outstanding of CDR member banks.

As per the general Accounting Standards, the company is required to account for the interest on the loans on accrual basis. However, the company has not provided for interest on the loans of the CDR member banks for the period from 01.01.2013 to 30.09.2013 amounting to ₹163.36 crores.

The loss to the accounting period is understated to that extent. After accounting for the above, the loss for the accounting period will increase from ₹595.25 crores to ₹758.61 crores.

b) **Employee Benefits and Expenses (Managerial Remuneration):** Note No. 25

Pursuant to the provisions of Sections 198 and 309 of the Companies Act due to loss in the financial reporting period ending 30th September, 2013 the remuneration shall payable to the Directors should not exceed ₹0.48 crores per annum each director to be calculated based on the effective capital. The excess remuneration paid to Directors for this period of 18 months is ₹5.91 crores.

c) **Investments in Subsidiaries.** Note No.11 Non Current Investments.

Company's exposure in the nature of long-term investments of ₹301.76 Crores in its subsidiaries namely

i) PSL USA INC
ii) Pipeline Systems Mauritius
iii) PSL Corrosion Control Services Limited
iv) PSL Infrastructure and Ports Private Limited,
v) PSL Gas Distribution Private Limited.

On the basis of the book value of these companies, there is a diminution in the value of these investments, which in the opinion of the management is of temporary in nature.

d) **Inventory, Current Assets :** Note No. 15 to be read with Note No. 24

The closing inventory as on 30th September 2013 is ₹1497.03 crores which includes non moving old stock of ₹1047.63 crores. ICICI Bank Limited, the Monitoring Institution (MI) has appointed a CA firm as a stock auditor to verify and value the non moving old stock. The firm has submitted their draft report which was taken by the Company on records. As per this Audit Report the break-up is as under:

	Particulars	Amount in crores
a)	Old Coated Pipes at various locations	₹ 428.01
b)	Other very old coating materials, sand, iron ore etc.	₹ 619.62
	Total Amount	₹ 1047.63

The stock auditor has certified the value for item 'a' above as ₹400.33 crores and regarding item 'b' valuation is not quantified by the stock auditor with a remark that the stocks were very old and proper records were not produced by the Company.

However the company has valued the total stock as ₹1497.03 including the old non moving stock as ₹1047.03 crores.

The Company has therefore revalued its opening inventory being diminution as on 01.04.2012 by an amount of ₹514.00 Crores. This amount was reduced from the opening Reserves and Surplus of the Company.

e) **Debtors:** Note No. 16 of Current Assets.

i) The Company has Sundry Debtors of ₹338.76 Crores as on 30th September, 2013.

ii)

Less than Six Months	253.84 crores
More than Six Months and above.	84.92 crores

iii) The Company has not produced confirmation of balances confirming the amount outstanding as on September 30, 2013. In the absence of adequate evidence and information made available to us supporting the recoverability of this amount, we are further unable to comment on the financial impact of this matter on the profit / loss for the period ended on 30th September, 2013.

f) **Fixed Assets:** Note No. 10 Tangible Assets.

The Company has capitalized the capital WIP to an extent of ₹ 318.88 crores towards Plant & Machinery and Buildings in all units. We were informed that the Plant and Machinery which has repaired & had outlived its utility and expenses were incurred for replacing vital parts in order to make the same functional and the expenditure was of such nature that it bought in to existence a new machinery altogether and consequently, there was benefit of enduring nature to the company even though technically no new asset come into existence.

Due to CDR, the depreciation for the last quarter has been calculated on the basis of the working of all units instead of the full quarter.

The company has revalued the factory lands. As per valuation report submitted by a valuer appointed by ICICI Bank Limited (MI) revaluation has been done by ₹514.00 crores against the previous book value of ₹ 59.78 crores.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227 (3) of the Act, we report that:

   a) 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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

e) On the basis of written representations received from the directors as on 30th September, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 30th September, 2013 from being appointed as a director in terms of Section 274(1) (g) of the Act.

For Suresh C. Mathur & Co.,
Chartered Accountants,
(Firm Regn. No. 000891N)

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

Place: Mumbai
Dated: 28th November, 2013

ANNEXURE TO THE AUDITORS'S REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our Report of even date on the financial statements for the year ended on 30th September, 2013 of PSL Limited

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.

   b) A substantial portion of the fixed assets have been physically verified by the management during the period. In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

   c) Fixed assets were disposed off during the period were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affected the going concern status of the Company.

2. a) Subject to our remark in item no 1 in "Emphasis of Matter" the inventory has been physically verified by the management and the stock auditor during the period by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.

   b) The procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of inventory and the same is certified by the management. The discrepancies noticed on verification between physical stocks and the book records have been properly dealt with in the books of account.

3. a) Company has not granted unsecured loans and Inter Corporate Deposits to companies covered in the Register maintained under Section 301 of the Act. Hence the provisions of clause (iii)(a), (b), (c), (d) of paragraph 4 are not applicable to the Company.

   b) The company has taken the unsecured loan from companies under the same management covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved in the current year amounted to ₹ 17.48 Crore and the period-end balance of loans taken from such parties is ₹17.48 Crore.

   c) Based on the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of loans taken from such parties covered in the Register maintained under Section 301 are not prima facie prejudicial to the interests of the Company.

   d) According to the information and explanation given to us, the repayment of principal and interest has not been paid.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventory and fixed assets and for the work done. However, the internal controls over accounting of consumption, wastages, material reconciliation, need further strengthening.

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have so been entered.

   b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 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 within the meaning of Section 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of Section 58A, 58AA and any other relevant provisions of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.

7. In our opinion, the Company has an internal audit system, commensurate with the size and nature of its business. However, the scope needs to be enlarged to cover project related cost-to-complete workings and certain areas of head office accounting.

8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act and are of the opinion that's prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete. The Cost Audit is completed up to the period ended 31st March 2012.

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, however, there is some delay in depositing Govt. dues due to financial difficulties. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were outstanding, at the financial reporting period ending on 30th September 2013 for a period of more than six months from the date they became payable.

As on 30th September, 2013 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, Sales Tax & DGFT and have not been deposited.

Sl. No.	Amount under Dispute (₹ In Lacs)	Facts of the Case	Period which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
1.	25	Payment of Cenvat credit on coating of inputs	2004-05-06	Tribunal, Ahmedabad – Obtained Stay
2.	3752	Demand of duty on exempted orders	2006	Remanded back by Tribunal Admedabad, Received
3.	1467	Duty on Fusion Bonded Epoxy	2008	Transferred to Tribunal, Mumbai on Nov 12
4.	8	Duty on Fusion Bonded Epoxy Coating	2010	Commissioner (Appeals), Chennai
5.	3	Demand of differential Excise Duty	–	Appellate Tribunal, Chennai-Obtained Stay Order
6.	34	Demand of Cenvat Credit	2010	Transferred to Tribunal, Mumbai on Nov 12
7.	10	Relating to interest on incorrect Cenvat Credit	2010	Appellate Tribunal, Bangalore
8.	0.45	Excess Cenvat Credit taken	2012	Asstt. Commissioner, Vapi, Daman
9.	9	Goods cleared without payment of Excise Duty	2012	Addl. Commissioner of Central Excise, Jaipur
10.	18	Cenvat Credit availed on Capital Goods	2012	Addl. Commissioner, Daman
11.	2	Wrong availment of Cenvat Credit	2012	Asstt. Commissioner of Central Excise, Daman
12.	54	Demand of Central Excise Duty	2012	Commissioner, Central Excise, Ahmedabad
13.	0.32	Demand of Central Excise Duty	2013	Dy. Commissioner, Central Excise, Vizag
14.	181	Demand for non payment of duty on transportation charges	2013	Dy. Commissioner, Central Excise, Vizag
15.	202	Demand of Central Excise Duty	2013	Commissioner, Central Excise, Rajkot
16.	57	Demand of Central Excise Duty	2013	Commissioner, Central Excise, Rajkot
CUSTOMS / DGFT				
1.	871	Demand for differential custom duty	2012	Appeal with CESTAT, Mumbai is pending
2.	18900	Demand of duty & penalty	2012	Appeal with CESTAT, Mumbai is pending
3.	18900	Demand for duty	2013	Add. DGFT
SERVICE TAX				
1.	45	Tax on construction of Mall	2008	Tribunal, Chennai
2.	209	BAS	2009	Commissioner of Central Excise, Puducherry
3.	2	Demand for Interest Liability	2009	Asstt. Commissioner, Service Tax, Vizag
4.	15	Refund of excess amount paid	2009	Asstt. Commissioner, Service Tax, Vizag
5.	2	Demand of Service Tax BAS	2010	Transferred to Tribunal, Mumbai on Nov 12
6.	153	Service Tax on GTA not considered	2010	Commissioner of Customs & Central Excise, Rajkot
7.	32	Service Tax on ECB Loan	2011	Addl. Commissioner of Service Tax, Churchgate
8.	31	Denial of Credit of Service Tax on Outward Transport	2011	Commissioner, Jaipur
9.	6	Cenvat Credit availed on input services not covered	2012	Addl. Commissioner of Central Excise, Vizag-I, Commissioner
10.	21	Wrong availment of Cenvat Credit	2012	Commissioner of Central Excise & Customs, Rajkot
11.	30	Wrong availment of Cenvat Credit	2013	Jt. Commissioner
SALES TAX				
1.	43	Non payment of composition tax	2004	High court of A.P.
2	1200	Demand of duty	2005	High court of A.P.

CASES FILED AGAINST THE COMPANY

Financial Institution	Purpose
Syndicate Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of the cheque No 355113 for ₹ 12,50,00,000/- drawn on State Bank Of India
Syndicate Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of the cheque No 355114 for ₹ 12,50,00,000/- drawn on State Bank of India
Kotak Mahindtra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two cheques No 753765 & 753766 for ₹ 5,00,00,000/- each drawn on ICICI Bank
Kotak Mahindtra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two cheques No 483804 & 539241 for ₹ 5,00,00,000/- each drawn on ICICI Bank
Kotak Mahindtra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two cheques No 483805 & 539242 for ₹ 5,00,00,000/- each drawn on ICICI Bank
DBS Bank Limited	Legal Notice Regarding recall of credit facility for ₹ 2000 Million
Aditya Birla Finance Limited	Notice regarding recall of outstanding credit facility extended vide sanctioned letter dated 30/05/2012

10. The Company has no accumulated losses at the beginning of the financial reporting period ending on 30th September 2013. However, it has incurred cash losses during the current and financial reporting period.

11. Based on our audit procedures and on the information and explanations given by the management, The Company has defaulted in repayment of dues to financial institution, and banks due to financial difficulty. The Company operates in a multiple banking system availing facility for various coated pipe supply projects from respective bankers. In this circumstances amount of overdue principal and overdue interest as on a particular date and corresponding period of delay is not quantifiable.

12. According to the information and explanations given to us & based on the documents & records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures & other securities.

13. 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.

14. 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.

15. In our opinion and explanations given to us the Company has given Guarantees for loan taken by its subsidiaries from banks/financial institutions, but terms and conditions of such guarantees are not prejudicial to the interest of the Company.

16. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

17. 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 funds raised on short-term basis have been used for long-term investment due to financial crunch.

18. As per the Information & Explanations given to us, 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.

19. The Company has not raised any money by way of issue of Debentures, so no question arises of security or charges created in respect of Debentures.

20. The Company has not raised any money during the period by way of Share Capital. However, the Company has received share application of ₹11.12 crores which is pending allotment.

21. 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 Suresh C. Mathur & Co.,
Chartered Accountants,
(Firm Regn. No. 000891N)

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

Place: Mumbai
Dated: 28th November, 2013

BALANCE SHEET AS AT SEPTEMBER 30, 2013

(₹ in Lacs)

	Particulars	Note No.	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
I.	**EQUITY AND LIABILITIES**			
	1 Shareholders' Funds			
	(a) Share Capital	2	5,329.68	5,333.38
	(b) Reserves and Surplus	3	27,278.13	86,089.70
	(c) Money Received Against Share Warrants		NIL	NIL
	2 Share Application Money Pending Allotment	3A	1,111.76	NIL
	3 Non-current Liabilities			
	(a) Long-term Borrowings	4	345,469.40	26,630.46
	(b) Deferred Tax Liabilities (Net)	5	950.50	745.46
	(c) Other Long term Liabilities	6	NIL	NIL
	(d) Long-term Provisions	6A	1,340.57	930.33
	4 Current Liabilities			
	(a) Short-term Borrowings	7	35,500.00	230,261.56
	(b) Trade Payables		34,607.88	113,683.70
	(c) Other Current Liabilities	8	20,918.94	53,262.83
	(d) Short-term Provisions	9	NIL	3,865.40
	TOTAL		472,506.85	520,802.82
II.	**ASSETS**			
	Non-current Assets			
	1 (a) Fixed Assets	10		
	(i) Tangible Assets		188,795.95	93,704.43
	(ii) Intangible Assets		0.64	1.65
	(iii) Capital Work-in-Progress		6,367.34	29,735.66
	(iv) Intangible Assets Under Development		NIL	NIL
	(b) Non-current Investments	11	30,461.07	23,081.02
	(c) Deferred Tax Assets (Net)		NIL	NIL
	(d) Long-term Loans and Advances	12	42,355.32	42,088.78
	(e) Other Non-current Assets	13	NIL	NIL
	2 Current Assets			
	(a) Current Investments	14	NIL	100.00
	(b) Inventories	15	149,703.13	237,236.04
	(c) Trade Receivables	16	33,876.39	70,454.72
	(d) Cash and Cash Equivalents	17	12,065.11	20,877.20
	(e) Short-term Loans and Advances	18	8,881.91	3,523.32
	(f) Other Current Aassets	19	NIL	NIL
	TOTAL		472,506.86	520,802.82
The Notes form an integral part of these Financial Statements		1 to 40		

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 : 28th November, 2013

For and on behalf of the Board of Directors

Alok Punj — **Ashok Punj**
M.M. Mathur — **D.N.Sehgal**
R.K. Bahri — **S.P.Bhatia**
G. Gehani (Director & Co. Secretary) — **C.K.Goel**

Directors

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED SEPTEMBER 30, 2013

(₹ in Lacs)

	Particulars	Note No.	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
I.	Revenue From Operations	20	256,466.83	238,660.41
	Less: Excise Duty		8,100.63	10,866.03
			248,366.20	227,794.38
II.	Other Income	21	1,363.57	1,305.02
III.	**Total Revenue (I + II)**		249,729.77	229,099.40
IV.	Expenses:			
	Cost of Materials Consumed	22	182,048.06	181,284.18
	Manufacturing and Operating Costs	23	35,655.17	43,768.72
	Changes in Inventories of Finished Goods work-in-Progress and Stock-in-Trade	24	19,430.59	(54,911.76)
	Employee Benefits Expense	25	11,643.90	8,304.05
	Finance Costs	26	33,688.33	24,878.87
	Depreciation and Amortization Expense		19,311.63	11,414.88
	Other Expenses	27	7,272.60	7,394.48
	Total Expenses		309,050.28	222,133.41
V.	**Profit Before Exceptional and Extraordinary items and Tax (III-IV)**		(59,320.51)	6,965.99
VI.	Exceptional Items		NIL	NIL
VII.	**Profit Before Extraordinary Items and Tax (V - VI)**		(59,320.51)	6,965.99
VIII.	Extraordinary Items		NIL	NIL
IX.	**Profit Before Tax (VII- VIII)**		(59,320.51)	6,965.99
X	Tax Expense:			
	Current Tax		NIL	1,387.68
	Deferred Tax		(205.04) (205.04)	162.32 1,550.00
XI	**Profit /(Loss) for the period from Continuing Operations (IX - X)**		(59,525.55)	5,415.99
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)**		(59,525.55)	5,415.99
XVI	Earnings Per Equity Share:			
	(1) Basic		(111.34)	10.13
	(2) Diluted		(111.34)	10.13
The Notes form an integral part of these Financial Statements		1 to 40		

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 : 28th November, 2013

For and on behalf of the Board of Directors

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

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013 (PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(₹ in Lacs)

	Particulars		2012-13 (18 Months)	2011-12 (12 Months)
A)	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax & Extra-Ordinary Items		**(59320.51)**	6965.99
	ADJUSTED FOR			
	Add : Depreciation		**19,311.63**	11,414.88
	Interest (Net)		**27,737.82**	19,594.32
	Other Borrowing Cost		**4,313.97**	5,284.55
	Revaluation of Assets		**(51,400.00)**	NIL
	Prior Year Expenditure		**713.98**	NIL
	Less: Profit on Sales of Fixed Assets		**NIL**	(8.55)
	Less: Dividend Income		**(7.50)**	(7.50)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(58,650.61)**	43,243.69
	Changes in			
	Trade Receivables		**36,578.33**	(15,078.39)
	Inventories		**87,532.91**	(45,766.48)
	Trade Payables/Other Liabilities		**(114,878.57)**	(26,941.49)
	Loans And Advances		**(5,136.06)**	3,312.24
	CASH GENERATED FROM OPERATIONS	[A]	**(54,554.00)**	(41,230.43)
	Tax Paid/Payable/Advance Tax		**(489.07)**	(3,959.09)
	NET CASH FROM OPERATING ACTIVITIES		**(55,043.07)**	(45,189.52)
B)	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Sale of Fixed Assets		**NIL**	20.67
	Profit on Sale of Assets		**NIL**	8.55
	Interest Received		**1,636.54**	1,075.63
	Dividend Received		**7.50**	7.50
	Sale/ (Purchase) of Investments		**(7,280.05)**	(2,889.45)
	Purchase of Fixed Assets		**(39,633.82)**	(28,309.11)
	NET CASH USED IN INVESTING ACTIVITIES	[B]	**(45,269.83)**	(30,086.21)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Share Application Money Pending Allotment		**1,111.76**	NIL
	Unsecured Loan From Promoters		**1,748.00**	NIL
	Interest Paid		**(29,374.36)**	(20,669.95)
	Other Borrowing Cost		**(4,313.97)**	(5,284.55)
	Loans Received / Repayments (Net)		**122,329.38**	105,982.10
	Dividend Paid		**NIL**	(3234.65)
	NET CASH USED IN FINANCING ACTIVITIES	[C]	**91,500.81**	76,792.95
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	[A+B+C]	**(8,812.09)**	1,517.22
	CASH AND CASH EQUIVALENT - OPENING	[I]	**20,877.20**	19,359.98
	CASH AND CASH EQUIVALENT - CLOSING	[II]	**12,065.11**	20,877.20
		[II-I]	**(8,812.09)**	1,517.22

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 : 28th November, 2013

For and on behalf of the Board of Directors

Alok Punj — **Ashok Punj**
M.M. Mathur — **D.N.Sehgal**
R.K. Bahri — **S.P.Bhatia**
G. Gehani (Director & Co. Secretary) — **C.K.Goel**

Directors

Auditors' Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 30th September 2013. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company.

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

Place: Mumbai
Dated: 28th November, 2013

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE NO.1

Statement of Significant Accounting Policies and Practices
(Annexed) to and forming part of the Financial Statements for the period ended 30th September 2013)

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 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 Modvat 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.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

H. Foreign Currency or 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 / translation 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 then 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 is 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 recongnised 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 presents 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 relatable to the qualifying assets are capitalised. Other interests and borrowing costs are charged to Revenue.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

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 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.

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 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.

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

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 : 28th November, 2013

For and on behalf of the Board of Directors

Alok Punj | **Ashok Punj**
M.M. Mathur | **D.N.Sehgal**
R.K. Bahri | **S.P.Bhatia**
G. Gehani (Director & Co. Secretary) | **C.K.Goel**

Directors

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "2" – SHARE CAPITAL

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March31, 2012 (12 Months)
Authorised		
100,000,000 Equity Shares of ₹10/- each	**10,000.00**	10,000.00
Issued		
53,460,911 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
Less: Calls in Arrears by Directors	**NIL**	NIL
Calls in Arrears by Officers	**NIL**	NIL
Calls in Arrears by Others	**NIL**	NIL
	5,329.68	5,329.68
Subscribed but not Fully Paid up		
164100 Equity Shares of ₹ 10/- each Partly Paid	**NIL**	16.41
Less: Calls in Arrears by Directors	**NIL**	NIL
Calls in Arrears by Officers	**NIL**	NIL
Calls in Arrears by Others	**NIL**	12.71
	NIL	3.70
Total	**5,329.68**	5,333.38

NOTE "2 A"

Particulars	Equity Shares	
	As at September 30, 2013	As at March 31, 2012
	No. of Shares	No. of Shares
Shares outstanding at the Beginning of the year	**53,460,911**	53,460,911
Add: Shares Issued during the year	**NIL**	NIL
Less: Shares bought back/changes during the year	**1,64,100**	NIL
Shares outstanding at the end of the year	**53,296,811**	53,460,911

NOTE "2 B"

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. 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.

NOTE "2 C"

The details of Shareholders holding more than 5% Shares

Sr. No.	Name of Shareholder	As at September 30, 2013		As at March 31, 2012	
		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

* The shares held by Mr. Ashok Punj are pledged with ICICI Bank and SBI Bank

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "3" – RESERVES AND SURPLUS

(₹ in Lacs)

	Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
a.	**Securities Premium Reserve**			
	Opening Balance		**43,127.58**	43,221.61
	Add : Securities Premium Credited on Issue of Shares		**NIL**	NIL
	Add : Excess Provision of FCCB Redemption Premium Written Back		**NIL**	NIL
	Less : Allotment Money in Arrears (Directors-Nil)		**NIL**	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	(B1)	**139.64**	139.64
b-2.	**Other Reserves (General Reserve)**			
	Opening Balance		**7,055.93**	6,514.33
	Add: Current Year Transfer		**NIL**	541.60
	Less: Written Back in Current Year		**NIL**	NIL
	Closing Balance	(B2)	**7,055.93**	7,055.93
b-3.	**Other Reserves (Revaluation of Reserve)**			
	Revaluation of Land		**51,400.00**	NIL
	Closing Balance	(B3)	**51,400.00**	NIL
c.	**Surplus**			
	Opening Balance		**35,766.55**	33,927.19
	Add: Net Profit/(Net Loss) For the Current Year		**(59,525.55)**	5,415.99
	Add: Transfer from Reserves		**NIL**	NIL
	Less: Proposed Dividends		**NIL**	(2,477.72)
	Less: Interim Dividends		**NIL**	NIL
	Less: Transfer to Reserves		**NIL**	(541.60)
	Less: Diminution in value in WIP		**(51,400.00)**	NIL
	Less: Prior Year Expenses		**(524.88)**	(557.30)
	Add: Prior Year Excess Provision Withdrawn		**1,238.86**	NIL
	Closing Balance	(C)	**(74,445.02)**	35,766.56
	Total	(A to C)	**27,278.13**	86,089.70

NOTE "3 A"

	Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
	Share Application Money Pending Allotment	**1,111.76**	NIL
	Money Received Against Share Warrants	**NIL**	NIL

NOTE "4" – LONG TERM BORROWINGS

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
A. **Secured**			
Term Loans from Banks :			
Foreign Currency Loan		**31,350.00**	15,343.00
Rupee Loan		**312,348.88**	11,224.22
Motor Vehicle Loans		**22.52**	63.24
	(A)	**343,721.40**	26,630.46

All the Bank Loans are secured by First Charge on the Specific Immovable Property, entire Moveable Assets and the entire Current Assets of the Company on pari passu basis except for a Bank which has the First Exclusive Charge on the Specific Non Core Assets of the Company, namely land at Pipava, Mahudi and Panipat.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

During this period the Company has sought Restructuring package from all the Bankers towards the Bank Loan Outstanding. The Company has filed the Flash Report on 6th March 2013 before Corporate Debt Restructuring (CDR) Cell at Mumbai. The restructuring package was approved by the CDR cell with an effective date being 24.08.2013. The outstanding loan balance is worked out on the basis of the approved package and it is accounted. The interest rate was calculated @ 10.25% on the loan outstanding balance of non CDR member bankers as on 1st January 2013 and accounted the excess interest charged by the non CDR member banks during the period from 1st January 2013 to 30th September 2013 was adjusted accordingly in the interest account. Interest payable for CDR member banks were not accounted for the period from 1st January 2013 to 30th September 2013. The Master Restructuring Agreement (MRA) drafted by Amarachand & Mangaldas & Suresh A Shroff & Co. (AMSS) (Legal Counsel to the Bankers) appointed by the Banks through MI is under signature as on the date of Balance sheet.

The Repayment of Loan starts from 1st January 2015 and the Repayment completes in the third quarter of F.Y. 2023. The text of CDR approval is enclosed as Annexure 1 to the Balance Sheet.

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
B. Unsecured			
From Promoters' Companies		**1,748.00**	NIL
	(B)	**1,748.00**	NIL
Total	**(A+B)**	**345,469.40**	26,630.46

NOTE "5" – DEFERRED TAX LIABILITIES

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Deferred Tax Liabilities - Depreciation Difference	**1,055.85**	828.51
Deferred Tax Assets : Disallowances and Others	**105.35**	83.05
Net Deferred Tax Liability / (Assets)	**950.50**	745.46

NOTE "6" – OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a) Trade Payables	**NIL**	NIL
(b) Others	**NIL**	NIL
Total	**NIL**	NIL

NOTE : "6A" –LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a) Provision for Employee Benefits		
Superannuation (Unfunded)	**NIL**	NIL
Gratuity (Unfunded)	**1,340.57**	930.33
Leave Encashment (Unfunded)	**NIL**	NIL
ESOP / ESOS	**NIL**	NIL
(b) Others (Specify Nature)	**NIL**	NIL
Total	**1,340.57**	930.33

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "7" – SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
A. Secured			
Loans Repayable on Demand			
i) From Banks			
(Cash Credit as per DP Statement dated 30th September 2013 in line with CDR approval)			
(Secured against Hypothecation of Current Assets and Charge on the Assets of Company)		**35,500.00**	103,381.40
ii) From Banks		**NIL**	126,880.16
(Secured against Hypothecation of Project Current Assets)			
	(A)	**35,500.00**	230,261.56
B. Unsecured			
Loans Repayable on Demand from Banks		**NIL**	NIL
	(B)	**NIL**	NIL
Total	**(A+B)**	**35,500.00**	230,261.56

NOTE "8" – OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a) Current Maturities of Long-term Debt	**NIL**	26,900.29
(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	**NIL**	2,038.14
(e) Income Received in Advance	**NIL**	NIL
(f) Unpaid Dividends	**29.12**	49.21
(g) Mobilisation Advance from Customer	**16,826.21**	15,105.87
(h) Other Payables	**4,063.61**	9,169.32
Total	**20,918.94**	53,262.83

NOTE "9" – SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a) Provision for Employee Benefits		
Salary & Re-imbursements	**NIL**	NIL
Contribution to PF	**NIL**	NIL
Gratuity (Funded)	**NIL**	NIL
Leave Encashment (Funded)	**NIL**	NIL
Superannuation (Funded)	**NIL**	NIL
ESOP /ESOS	**NIL**	NIL
(b) Others (Specify Nature)		
Provision for Taxation - Current Tax	**NIL**	1,387.68
Proposed Dividend	**NIL**	2,131.88
Tax on Proposed Dividend	**NIL**	345.84
Total	**NIL**	3,865.40

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "10" – FIXED ASSETS

(₹ in Lacs)

PARTICULARS							DEPRECIATION/AMORTISATION				NET BLOCK	
		As at April 1, 2012	Additions	Revaluation	Disposals	**As at September 30, 2013**	Upto April 1, 2012	For the Period	Disposals	**Upto September 30, 2013**	**As at September 30, 2013**	As at March 31, 2012
I. TANGIBLE ASSETS												
Free Hold Land		5,977.90	.43	51,400	NIL	**57,378.33**	NIL	NIL	NIL	**NIL**	**57,378.33**	5,977.90
Lease Hold Land		44.58	NIL	NIL	NIL	**44.58**	20.95	2.23	NIL	**23.18**	**21.40**	23.63
Office Buildings		117.23	NIL	NIL	NIL	**117.23**	34.99	8.22	NIL	**43.22**	**74.01**	82.24
Factory Buildings		16,975.78	3,407.87	NIL	NIL	**20,383.66**	7,054.33	1,638.92	NIL	**8,693.25**	**11,690.41**	9,921.45
Furniture & Fixtures		547.16	26.45	NIL	NIL	**573.61**	341.33	61.63	NIL	**402.96**	**170.65**	205.87
Plant and Equipments		124,420.25	59,444.25	NIL	NIL	**183,864.51**	48,673.50	17,065.04	NIL	**65,738.53**	**118,125.98**	75,746.76
Office Equipments		466.45	12.63	NIL	NIL	**479.08**	315.81	33.40	NIL	**349.20**	**129.88**	150.64
Lab Equipments		913.85	75.37	NIL	NIL	**989.22**	467.01	105.91	NIL	**572.93**	**416.29**	446.83
Computers		460.91	9.27	NIL	NIL	**470.18**	406.34	36.81	NIL	**443.16**	**27.03**	54.57
Motor Cars		1,143.58	11.86	NIL	NIL	**1,155.44**	823.74	127.43	NIL	**951.16**	**204.28**	319.85
Commercial Vehicles		105.10	NIL	NIL	NIL	**105.10**	104.12	0.44	NIL	**104.57**	**0.53**	0.97
Cycles		0.29	NIL	NIL	NIL	**0.29**	0.24	0.02	NIL	**0.26**	**0.03**	0.04
Earth Moving Equipments		3,674.06	14.04	NIL	NIL	**3,688.10**	3,312.40	168.77	NIL	**3,481.16**	**206.94**	361.67
Shed Construction		938.62	NIL	NIL	NIL	**938.62**	526.59	61.80	NIL	**588.39**	**350.23**	412.03
TOTAL	**I**	155,785.76	63,002.18	51,400	NIL	**270,187.94**	62,081.36	19,310.63	NIL	**81,391.98**	**188,795.95**	93,704.43
TOTAL (Previous Year)	(a)	137,603.34	18,240.17	NIL	57.75	**155,785.76**	50,704.67	11,413.78	37.08	**62,081.37**	**93,704.43**	86,898.66
II. INTANGIBLE ASSETS				NIL								
Computer Software		35.36	NIL	NIL	NIL	**35.36**	33.71	1.00	NIL	**34.72**	**0.64**	1.65
TOTAL	**II**	35.36	NIL	NIL	NIL	**35.36**	33.71	1.00	NIL	**34.72**	**0.64**	1.65
TOTAL (Previous Year)	(b)	35.36	NIL	NIL	NIL	**35.36**	30.76	1.83	NIL	**32.60**	**2.76**	4.58
TOTAL	**I + II**	**155,821.12**	**63,002.18**	**51,400**	**NIL**	**270,223.30**	**62,115.07**	**19,311.63**	NIL	**81,426.70**	**188,796.59**	**93,706.07**
TOTAL (Previous Year)	(a+b)	137,638.70	18,240.17	NIL	57.75	**155,821.12**	50,737.27	11,414.88	37.08	**62,115.08**	**93,706.08**	86,901.42

1. The Company has Capitalized the Capital WIP to an extent of ₹ 318.88 Crores towards Plant & Machinery and Buildings in all units.
2. The Company has revalued the factory lands. As per Valuation report submitted by a valuer appointed by ICICI Bank Limited (MI) revaluation by ₹ 514 crore against the previous book value of ₹ 59.78 Crore.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "11" – NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
A. Investment in Subsidiaries		
Unquoted, Trade		
1400020 Equity Shares of ₹ 10/- each of PSL Corrossion Control Services Ltd. (Previous Year 1400020)	**140.00**	140.00
30859741 Equity Shares of USD 1 /- of Pipeline Systems Ltd. Mauritius (Previous year 26475242 Equity Shares)	**14,163.45**	11,443.79
29488083 Equity Shares of USD 1 /- of PSL USA, INC. (Previous year 25003083 Equity Shares)	**13,034.34**	10,552.95
170000 Equity Shares of ₹10/- each of PSL Gas Distribution Pvt. Ltd. (Previous Year 170000 Equity shares)	**17.00**	17.00
28210000 Equity Shares of ₹10/- each of	**2,821.00**	642.00
PSL Infrastructure & Ports Pvt. Ltd. (Previous Year 6420000 Equity Shares)		
(A)	**30,175.79**	22,795.74
B. Investment in Associates		
Unquoted, Trade		
1330000 Equity Shares of ₹ 10/- each of BHI Limited (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 484000 Equity Shares)	**48.40**	48.40
(B)	**285.15**	285.15
C. Non Trade Investments Equity		
Unquoted, Trade		
128 Shares of ₹ 100/- each in The Gandhidham Mercantile Co-Op. Bank Ltd. (Previous year 128 Shares)	**0.13**	0.13
(C)	**0.13**	0.13
(A+B+C)	**30,461.07**	23,081.02

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "12" – LONG TERM LOANS & ADVANCES

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
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		**2,418.82**	1,261.80
Unsecured, Considered Good		**NIL**	NIL
Doubtful		**NIL**	NIL
	(B)	**2,418.82**	1,261.80
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		**NIL**	NIL
Excise & Service Tax Deposits		**39,936.50**	40,826.98
Unsecured, Considered Good		**NIL**	NIL
Doubtful		**NIL**	NIL
	(D)	**39,936.50**	40,826.98
Total	(A+B+C+D)	**42,355.32**	42,088.78

NOTE "13" – OTHER NON CURRENT ASSET

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
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		**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
	(C)	**NIL**	NIL
Total	(A+B+C)	**NIL**	NIL

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "14" – CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Mutual Funds (Unquoted) **(Units of ₹ 10 each, unless otherwise specified)**		
Unquoted, Trade		
SBI Capital Protection Oriented Fund (Previous year 100)	**NIL**	100.00
	NIL	100.00

NOTE "15" – INVENTORIES

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
A. Raw Materials and Components (Valued at cost)		**10,272.68**	26,682.87
Goods-in Transit		**NIL**	NIL
	(A)	**10,272.68**	26,682.87
B. Work-in-Progress		**127,279.36**	188,698.52
Goods-in Transit		**NIL**	NIL
	(B)	**127,279.36**	188,698.52
C. Finished Goods (Valued at Cost or Realisable Value whichever is less)		**6,900.29**	16,311.72
Goods-in Transit		**NIL**	NIL
	(C)	**6,900.29**	16,311.72
D. Stores and Spares (Valued at Cost)		**5,250.79**	5,542.93
Goods-in Transit		**NIL**	NIL
	(D)	**5,250.79**	5,542.93
Total	**(A+B+C+D)**	**149,703.13**	237,236.04

NOTE "16" – TRADE RECEIVABLES

(₹ in Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
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		**8,492.33**	6,237.43
Unsecured, Considered Doubtful		**NIL**	NIL
Less: Provision for Doubtful Debts		**NIL**	NIL
	(A)	**8,492.33**	6,237.43
Trade Receivables Outstanding for less than Six Months from the date they are Due for Payment			
Secured, Considered Good		**NIL**	NIL
Unsecured, Considered Good		**25,384.06**	64,217.29
Unsecured, Considered Doubtful		**NIL**	NIL
	(B)	**25,384.06**	64,217.29
Total	**(A+B)**	**33,876.39**	70,454.72

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "17" – CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
a. Balances with Banks	**1,346.64**	6,081.33
b. Fixed Deposits with Banks with more than 12 Months Maturity	**10,666.93**	14,664.52
Fixed Deposits with Banks (Under Lien ₹10666.93 Lacs)		
c. Cheques, Drafts in Hand	**NIL**	NIL
d. Cash in Hand	**51.54**	84.42
e. Unclaimed Dividend	**NIL**	46.93
Total	**12,065.11**	20,877.20

NOTE "18" – SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Secured, Considered Good		
Advance to Raw Material and Others	**8,264.92**	2,245.37
Loan to Employees	**127.92**	247.95
Advance Income Tax	**489.07**	1,030.00
Unsecured, Considered Good	**NIL**	NIL
Unsecured, Considered Doubtful	**NIL**	NIL
Total	**8,881.91**	3,523.32

NOTE "19" – OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Dividend, Interest Subsidy and Interest Receivable	**NIL**	NIL
Export Incentives Receivables	**NIL**	NIL
Claims and other Receivables	**NIL**	NIL
Total	**NIL**	NIL

NOTE "20" – REVENUE FROM OPERATIONS (GROSS)

(₹ in Lacs)

Particulars		For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
A) Sale of Products			
H.Saw Pipes		**195,692.90**	155,393.56
Coating on Steel Pipes		**46,958.67**	72,911.02
Anodes		**224.55**	104.56
	(A)	**242,876.12**	228,409.14
B) Sale of Services			
Rebar Coating		**4,211.92**	1,972.13
Induction Bending		**1,694.87**	923.04
	(B)	**5,906.79**	2,895.17
C) Other Operating Revenues			
Equipment Sales		**1,422.03**	2,429.40
Process Waste Sale		**4,133.38**	3,966.72
Other Material Sales		**2,128.50**	959.98
	(C)	**7,683.91**	7,356.10
Total	**(A+B+C)**	**256,466.83**	238,660.41

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "21" – OTHER INCOME

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
i) **Dividend Income**		
From a Subsidiary	**NIL**	NIL
From an Associate	**7.50**	7.50
ii) Net Surplus on Disposal of Assets	**NIL**	8.56
iii) Rent and Compensation	**78.04**	45.70
iv) Exchange Fluctuation Gain (Net)	**0.02**	868.66
v) Insurance Claim /Sales Tax Claim	**21.46**	5.67
vi) Interest from Debtors for Bill Discounting	**1,216.39**	NIL
vii) Claims Received	**11.03**	NIL
viii) Provision No Longer Required	**NIL**	48.64
ix) Other Non Operating Income	**29.13**	320.29
Total	**1,363.57**	1,305.02

NOTE "22" – COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
A. Raw Material		
Opening Stock	**26,682.89**	36,363.14
Purchases	**165,637.85**	171,603.93
	192,320.74	207,967.07
Less : Sales	**NIL**	NIL
Less: Closing Stock	**10,272.68**	26,682.89
	182,048.06	181,284.18
B. Imported and Indigenous Raw Material Consumed		
Imported	**45,879.47**	62,055.38
Percentage	**25.20%**	34.23%
Indigenous	**136,168.59**	119,228.80
Percentage	**74.80%**	65.77%
	182,048.06	181,284.18
	100.00%	100.00%
C. Details of Raw Material Consumed		
H. R. Coil	**144,610.10**	125,917.76
Flux	**923.81**	908.49
Filler Wire	**875.11**	838.66
M S Wire	**18.40**	9.95
Epoxy Powder	**4,968.04**	2,471.92
Adhesive	**801.65**	518.59
Polyethylene	**6,619.32**	3,809.13
Polypropylene	**778.08**	9.94
Inner Wrap	**69.86**	79.53
Outer Wrap	**153.44**	206.45
Coal Tar Enamel	**670.22**	877.05
Coal Tar Tape	**0.14**	29.53
Polyethylene Tape	**1.79**	239.94
Wiremesh	**589.85**	513.67
Cement	**503.48**	438.18
Sand	**161.77**	82.47
Iron Ore	**968.97**	980.08
Aluminum	**124.54**	221.50
Zinc	**4.65**	10.12
Coating Materials and Others	**19,204.84**	43,121.22
Total	**182,048.06**	181,284.18

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "23" – MANUFACTURING & OPERATING COST

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Consumption of Stores and Spares Parts	3,774.45	6,176.55
Power & Fuel	4,170.95	2,184.20
Excise Duty and Service Tax	8,187.65	3,753.18
Sales Tax	8,610.83	6,406.47
Freight & Cartage	5,365.43	16,328.54
Equipment Hire Charges	2,402.21	235.41
Labour Charges	581.32	732.30
Interest on Bill Discounting	934.83	2,014.23
Testing Charges	7.47	149.51
Other Manufacturing & Operating Expenses	1,431.44	2,057.56
Water Charges	42.60	28.24
Dumpsite Maintenance	145.99	3,702.53
Total	35,655.17	43,768.72

	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Imported and Indigenous Stores & Spare Parts Consumed		
Imported	340.45	685.11
Percentage	9.00%	11.09%
Indigenous	3,434.00	5,491.44
Percentage	91.00%	88.91%
	3,774.45	6,176.55
	100.00%	100.00%

NOTE "24" – CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lacs)

Particulars		For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Opening Stock			
Finished Goods		16,311.73	20,241.94
Work-in-Progress		137,298.51	129,856.53
	(A)	153,610.24	150,098.47
Closing Stock			
Finished Goods		6,900.29	16,311.73
Work-in-Progress		127,279.36	188,698.50
	(B)	134,179.65	205,010.23
Total	(A-B)	19,430.59	(54,911.76)

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "25" – EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Salaries, Bonus etc.	**9,337.15**	6,453.19
Contributions to Provident and other funds	**1,300.24**	980.20
Staff Welfare Expenses	**1,006.51**	870.66
Total	**11,643.90**	8,304.05

NOTE "26" – FINANCE COSTS

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Interest Expense	**29,374.36**	19,594.32
Other Borrowing Costs	**4,313.97**	5,284.55
Currency Loss	**NIL**	NIL
Total	**33,688.33**	24,878.87

NOTE "27" – OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Conveyance	**105.96**	80.64
Travelling Expenses	**626.69**	520.34
Postage, Telegram and Telephones	**154.51**	132.69
Printing and Stationery	**114.46**	117.57
Rent, Rates & Taxes	**873.49**	1,257.70
Electricity Charges	**92.46**	52.62
Professional Charges	**721.19**	455.49
Repair and Maintenance (Plant)	**59.16**	63.03
Repair and Maintenance (Building)	**28.22**	24.84
Repair and Maintenance (Others)	**463.32**	316.09
Insurance	**267.06**	255.17
Auditors' Remuneration	**37.50**	25.00
Vehicle Expenses	**325.72**	249.65
General Expenses	**3,230.90**	3,843.65
Agency Commission	**171.95**	NIL
Total	**7,272.60**	7,394.48

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "27-A" – AUDIT FEES

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Payments to Auditor :		
As Audit Fees	**30.50**	18.00
For Taxation Matters	**4.00**	4.00
For Company Law Matters	**NIL**	NIL
For Management Services	**NIL**	NIL
For Other Services	**2.00**	2.00
For Reimbursement of Expenses	**1.00**	1.00
	37.50	25.00

NOTE "28" – VALUE OF IMPORTS

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Raw Material	**28,380.03**	6,4612.69
Stores & Spare Parts	**235.98**	501.73

NOTE "29" – EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Traveling Expenses	**167.25**	124.86
Agency Commission & Others	**NIL**	54.03

NOTE "30" – EARNING IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
Pipe Sales & Pipe Coating Receipt (FOB)	**32,953.47**	56,803.12

NOTE "31" – REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
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

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "32" – TRADE PAYABLES

a. 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) ₹34607.88 lacs (Previous Year ₹113,683.70 Lacs) due to other parties.

b. No interest is paid/payable during the year to any enterprise registered under the MSME.

c. 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 "33" – 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 September 30, 2013.(payable): USD 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	NIL
Notional Principal	NIL

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

	September 30, 2013 (18 Months)	March 31, 2012 (12 Months)
Receivable /Payables (₹ In lacs)	(2807.58)	(60437.00)
Receivable /Payables (USD in Mn)	(4.48)	(118.13)

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

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "34" – RELATED PARTY DISCLOSURES

1. Relationships

a) Subsidiary Companies

PSL Corrosion Control Services Ltd.	100% Subsidiary Company
PSL Gas Distribution Pvt.Ltd.	100% Subsidiary Company
PSL Infrastructure & Ports Pvt.Ltd.	100% Subsidiary Company
Pipeline Systems Ltd., Mauritius	100% Subsidiary Company
PSL USA INC. , Delaware , USA	100% Subsidiary Company
PSL FZE, Sharjah.	100% Subsidiary Company of Pipeline Systems Ltd., Mauritius
PSL North America LLC.	JV Company of PSL USA INC., Delware, USA (78% holding)

b) Associate

BHI Limited
Broken Hills International Ltd.
Eurocoustic Products Ltd.
Punj International Pvt. Ltd.
Punj Investments Ltd.
Punj Corporation Private Limited
Rosoboronterra India Pvt.Ltd.
(Subsidiary of Punj Corporation Private Limited)

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

2. Transaction Carried out with related parties in ordinary course of business

Nature of Transaction (₹ in Lacs)

Particulars	Key Personnel	Subsidiary	Associates
Purchase of Goods	NIL	43.67	NIL
Purchase of Capital Goods	NIL	NIL	0.49
Reimbursement of Expenses	NIL	9.98	314.13
Lease Rental	NIL	1.99	19.18
Remuneration	1,094.88	NIL	NIL
Dividend Received	NIL	NIL	7.50

NOTE "35" – 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 recognised as Income over the Lease period

	Particulars	September 30, 2013 (18 Months)	March 31, 2012 (12 Months)
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 late than one year	**85.56**	85.56
	For a period later than one year and not late than five years	**427.80**	427.80
	For a period later than Five Years	**256.68**	256.68
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**	20.95
D.	**The Total Future Minimum Lease Rentals Receivable at the Balance sheet date is as under**		
	For a period not late than one year	**3.06**	3.06
	For a period later than one year and not late than five years	**15.30**	15.30
	For a period later than five years	**9.21**	9.21

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "36" – DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 "EMPLOYEE BENEFITS"

(₹ in Lacs)

Particulars	For the Period Ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
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	**421.22**	296.00
Contribution to Employee Provident Fund - Trust	**NIL**	NIL
Contribution to Pension Fund	**110.19**	147.30
Contribution to Superannuation Fund	**246.31**	157.20
	777.73	600.50
ii) Defined Benefit Plan -		
The following table set out the status of the Gratuity Plan as required under AS 15 (Revised 2005)		
(a) A Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation (DBO)		
Opening DBO	**1,999.65**	1,590.31
Current Service Cost	**121.09**	106.91
Interest Cost	**62.46**	408.08
Actuarial (Gain)/Loss	**NIL**	NIL
Past Service Cost	**NIL**	NIL
Liabilities Extinguished on settlements	**NIL**	NIL
Benefits paid	**77.07**	105.65
Closing DBO	**2,106.13**	1,999.65
(b) A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Opening fair value of Plan Assets	**1,148.21**	1,124.82
Expected Return	**103.90**	100.66
Actuarial Gain/ (Loss)	**NIL**	NIL
Contribution by the Employer	**NIL**	28.38
Assets Distributed on Settlements	**NIL**	NIL
Benefits Paid	**77.07**	105.65
Closing Fair Value of Plan Assets	**1,175.04**	1,148.21
(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	**2,106.13**	1,999.65
Fair value of the Plan Assets at the End of the Year	**1,176.60**	1,148.21
Liability Recognised in the Balance Sheet	**929.53**	851.44
(d) The Total Expense Recognised in the Profit and Loss Account:		
Current Service Cost	**121.09**	106.91
Interest Cost	**62.46**	408.08
Expected Return on Plan Assets	**103.90**	(100.66)
Actuarial (Gains)/Loss	**NIL**	NIL
Past Service Cost	**NIL**	NIL
Losses/(Gains) on "Curtailments & Settlements"	**NIL**	NIL
Net Gratuity cost	**79.65**	414.33
(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%**	9.30%
(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%**	9.30%
Average Salary Escalation Rate for Non Management for Each Year Average Salary Escalation Rate for Non Management Every Third Year	**6.00%**	5.33%

NOTE "37"

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 FINANCIAL STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

NOTE "38"

(₹ in Lacs)

		Particulars	September 30, 2013 (18 Months)	March 31, 2012 (12 Months)
I.	**Contingent Liabilities**			
	A.	Counter Guarantees given by the Company for Bank Guarantees	**63,710.40**	51,165.06
	B.	Other Guarantees Given by the Company on behalf of		
		Subsidiary Company	**106,452.06**	185,774.96
		[Includes Corporate Guarantee as Security for a Standby Letter of Credit (SBLC) given by a Bank in USA amounting to ₹ 31.20 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]		
		- Others	**4,575.68**	286.07
			111,027.74	186,061.03
	C.	Letter of Credit Outstanding (Not yet committed)	**30.06**	15,719.50
	D.	Bills Discounting	**493.84**	12,010.90
	E.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	**–**	3,000.00
II.	Income Tax Assessment Completed upto AY 2010-11 (March'2010), Demand raised by the Department amounting to Rs 165.98 Lacs is contested before CIT (Appeal) Mumbai. Assessment for AY 2005-06 (March'05) u/s 263 r.w.s.143 (3) completed by the Department. Final Demand ₹43.59 lacs is contested before CIT (Appeal)			
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 Major 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 "39"

In terms of the approval (LOA) of CDR cell interest on the bank loans of CDR member banks and non CDR member banks shall be funded for a period of 2 years i.e. from 1/1/2013 to 31/12/2014 as a fresh term loan namely FITL. Interest @ 10.25% based on restructuring package was worked out and charged to interest account on the Loan Outstanding of non CDR member banks as on 1/1/2013 for the period of 9 months ending September,2013. Excess interest reversed to the Interest Account. Interest payable as above for the loan outstanding of CDR member bank was not provided which is amounting to ₹ 163.36 Crores.

NOTE "40"

Current Period Figures are for a period of 18 Months and hence not comparable with the pervious year figures which are for 12 months. The previous year figures have also been reclassified regrouped to confirm to this period's classification

As per our report attached

For and on behalf of the Board of Directors

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

(Suresh C. Mathur)
Partner
M.No. 1276

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 : 28th November, 2013

Consolidated Statements

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

CONSOLIDATED AUDITORS' REPORT

To
The Members of PSL Limited

We have audited the accompanying Consolidated Financial Statements of PSL LIMITED (''the Company'') which comprise the Consolidated Balance Sheet as at 30th September, 2013, the Consolidated Statement of Profit and Loss Account and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

The Financial Year of PSL Limited has been extended by 6 months so as to comprise of 18 months, i.e. from 1st April 2012 to 30th September 2013. An application was filed by the company with Registrar of companies, Goa on 24th May, 2013 and the approval was given on 3rd June, 2013 for the extension of six months in the Financial Year 2012-13 to prepare its accounts as at 30th September 2013.

Related party relationship is a identified by the Company and relied upon by the Auditors. The Financial Statements of PSL Limited (The Company and its Indian subsidiaries namely PSL Corrosion Control Services Limited, have combined on a line by line basis for 18 months period 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 PSL Gas Distribution Pvt. Ltd., PSL Infrastructure & Ports Pvt. Ltd., and overseas subsidiaries namely Pipeline Systems Ltd. and PSL USA Inc., used in the consolidation are drawn up to the period 31st March 2013 (12 months) as to that of the parent company i.e. 18 months (30th Sept 2013).

Management's Responsibility for the Consolidated Financial Statements:

The Company's Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated Financial Position, Financial performance and consolidated Cash Flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis on the matter:

Without qualifying our opinion, we draw attention to:

Default In Payment to Banks

Due to financial difficulty PSL Limited (Parent Company) has defaulted payments to the bank during this period towards interest as well as principal amount effective Sept 2012. Subsequently the Company has sought a restructuring program from the bankers. PSL LTD had filed an application before the CDR Cell 6th March, 2013 along with the Flash Report. The CDR Cell has approved the restructuring package in its meeting held on Aug 2013, the effective date being Aug 24, 2013. The outstanding amount as on 01.01.2013 of both CDR member banks and Non CDR banks were restructured through this restructuring package. PSL Limited has received letter of approval on 23rd September, 2013 conveying the Approval of CDR Empowered Group letter dated 23rd August, 2013 on the restructuring package of the Company.

The Master Restructuring Agreement (MRA) is being drafted by Amarchand & Mangaldas & Suresh A. Shroff & Co. (AMSS) (Legal Counsel to the bankers) and is in the process of signing by the CDR member bankers as on this date of Balance Sheet. Non CDR member banks are yet to give their approval for this restructuring package and subsequent signature on the MRA.

Opinion:

In our opinion and to the best of the information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the Financial Statements of the subsidiaries and step down subsidiary as noted below, the consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India.

(i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 30th September, 2013.

(ii) In the case of the Consolidated Statement of Profit and Loss, the loss of the Company for the period ended on that date and

(iii) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Company for the period ended on that date.

Other Matters:

In respect of the Financial Statements of the following foreign subsidiaries and the step down subsidiaries, we did not carry out their audit. These Financial Statements up to 31st March 2013 (12 months) have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the Consolidated Financial Statements are given below:

Audited by other Auditors:

Sr. No.	Particulars	Nature	Total Assets (₹ Lacs)	Total Revenues (₹ Lacs)	Net Cash Inflow/ (Outflows) (₹ Lacs)
1.	PSL FZE	Step down subsidiary of PSL Limited 100% subsidiary of Pipeline Systems Ltd.	94062.71	43297.69	(3123.65)
2.	PSL USA Inc.	100% subsidiary of PSL Limited	4781.95	------	(1405.72)
3.	PSL North America LLC	Step down subsidiary of PSL Limited & 78% subsidiary of PSL USA Inc.	86556.90	23028.99	(1975.69)

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

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

Place : Mumbai
Date : 28th November 2013

CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2013

(₹ in Lacs)

Particulars				Note No.	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
I.	EQUITY AND LIABILITIES					
	1	Shareholders' Funds				
		(a)	Share Capital	2	**5,329.68**	5,333.38
		(b)	Reserves and Surplus	3	**33,976.59**	90,787.97
		(c)	Money Received against Share Warrants		**NIL**	NIL
		(d)	Minority Interest		**620.97**	1,402.87
	2	Share Application Money Pending Allotment		3A	**1,111.76**	NIL
	3	Non-current Liabilities				
		(a)	Long-term Borrowings	4	**415,910.53**	66,798.40
		(b)	Deferred tax Liabilities (Net)	5	**950.50**	724.97
		(c)	Other Long term Liabilities	6	**NIL**	NIL
		(d)	Long-term Provisions	6A	**1,340.57**	930.33
	4	Current Liabilities				
		(a)	Short-term Borrowings	7	**89,019.42**	260,855.48
		(b)	Trade Payables		**55,092.11**	150,547.76
		(c)	Other Current Liabilities	8	**28,449.37**	60,723.82
		(d)	Short-term Provisions	9	**483.59**	4,145.40
		TOTAL			**632,285.09**	642,250.38
II.	ASSETS					
	Non-current Assets					
	1	(a)	Fixed Assets	10		
			(i) Tangible Assets		**281,032.17**	171,610.73
			(ii) Intangible Assets		**0.64**	1.65
			(iii) Capital Work-in-Progress		**16,882.04**	32,303.33
			(iv) Intangible Assets under Development		**NIL**	NIL
		(b)	Non-current Investments	11	**299.28**	299.28
		(c)	Deferred Tax Assets (net)		**4,713.11**	NIL
		(d)	Long-term Loans and Advances	12	**56,017.61**	53,369.66
		(e)	Other non-current Assets	13	**NIL**	NIL
	2	Current Assets				
		(a)	Current Investments	14	**29.21**	190.00
		(b)	Inventories	15	**185,612.52**	260,502.28
		(c)	Trade Receivables	16	**54,728.42**	87,500.16
		(d)	Cash and Cash Equivalents	17	**18,869.00**	34,870.42
		(e)	Short-term Loans and Advances	18	**11,318.78**	1,602.87
		(f)	Other Current Assets	19	**2,782.31**	NIL
			TOTAL		**632,285.09**	642,250.38
The Notes form an integral part of these Consolidated Financial Statements				1 to 37		

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 : 28th November, 2013

For and on behalf of the Board of Directors

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

(₹ in Lacs)

	Particulars		Note No.	As at September 30, 2013		As at March 31, 2012	
					(18 Months)		(12 Months)
I.	Revenue From Operations		20		**326,957.89**		280,801.30
	Less: Excise Duty				**8,100.63**		10,866.03
					318,857.26		269,935.27
II.	Other Income		21		**1,961.91**		1,621.27
III.	**Total Revenue**	**(I + II)**			**320,819.17**		271,556.54
IV.	Expenses:						
	Cost of Materials Consumed		22		**240,350.20**		216,196.27
	Manufacturing and Operating Costs		23		**43,558.16**		48,437.14
	Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade		24		**11,250.85**		(61,549.12)
	Employee Benefits Expenses		25		**13,277.49**		9,686.80
	Finance Costs		26		**39,580.02**		29,767.32
	Depreciation and Amortization Expenses				**25,327.69**		14,201.52
	Other Expenses		27		**11,576.99**		8,539.18
	Total Expenses				**384,921.40**		265,279.10
V.	**Profit Before Exceptional and Extraordinary Items and Tax**	**(III-IV)**			**(64,102.23)**		6,277.44
VI.	Exceptional Items				**NIL**		NIL
VII.	**Profit Before Extraordinary Items and Tax**	**(V - VI)**			**(64,102.23)**		6,277.44
VIII.	Extraordinary Items				**NIL**		NIL
IX.	**Profit Before Tax**	**(VII- VIII)**			**(64,102.23)**		6,277.44
X	Tax Expense:						
	(1) Current Tax			**95.59**		1,667.68	
	(2) Deferred Tax			**(1,985.50)**	**(1,889.91)**	162.32	1,830.00
XI	**Profit/(Loss) for the period from Continuing Operations**	**(IX - X)**			**(65,992.14)**		4,447.44
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)**			**(65,992.14)**		4,447.44
XVI	Earnings Per Equity Share:						
	(1) Basic				**(123.44)**		8.28
	(2) Diluted				**(123.44)**		8.28
The Notes form an integral part of these Consolidated Financial Statement			**1 to 37**				

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 : 28th November, 2013

For and on behalf of the Board of Directors

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

(₹ in Lacs)

Particulars			For the Period ended September 30, 2013 (18 Months)	For the Year Ended March 31, 2012 (12 Months)
A)	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net Profit Before Tax & Extra-Oridnary Items		**(64,102.23)**	6,277.44
	ADJUSTED FOR			
	Add : Depreciation		**25,327.69**	14,201.52
	Interest (Net)		**34,220.37**	20,136.45
	Other Borrowing Cost		**5,359.65**	9,630.87
	Preliminary Expenses Written off		**NIL**	NIL
	Technical Know how Written off		**NIL**	NIL
	Revaluation of Assets		**(51,400.00)**	NIL
	Prior Year Expenditure		**713.98**	NIL
	Less: Bad Debts Provision		**NIL**	NIL
	Less: Profit on Sale of Fixed Assets		**NIL**	8.55
	Add : Loss on Investments		**NIL**	NIL
	Less: Dividends Income		**50.50**	7.50
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		**(49,931.04)**	50,230.23
	Changes in			
	Trade Receivables		**32,771.74**	(34,536.00)
	Inventories		**74,889.76**	(58,807.95)
	Trade Payables/Other Liabilities		**(1,30,336.16)**	57,600.82
	Loans and Advances		**(15,146.17)**	(246.32)
	CASH GENERATED FROM OPERATIONS	**[A]**	**(87,751.87)**	14,240.78
	Tax Paid/Payable/Advance Tax		**(2,823.20)**	(3,160.71)
	Technical Know How Fees		**NIL**	NIL
	NET CASH FROM OPERATING ACTIVITIES		**(90,575.07)**	11,080.07
B)	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Sale of Fixed Assets		**NIL**	20.67
	Profit on Sale of Assets		**NIL**	8.55
	Interest Received		**2,032.91**	1,075.63
	Dividend Received		**50.50**	7.50
	Sale/ (Purchase) of Investments		**160.79**	(30.00)
	Purchase of Fixed Assets		**(67,926.83)**	(52,930.05)
	NET CASH USED IN INVESTING ACTIVITIES	**[B]**	**(65,682.63)**	(51,847.70)
C)	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds From Issue of Shares including Share Premium		**NIL**	NIL
	Minority Interest		**3,481**	(4.45)
	Share application money pending allotment		**1,111.76**	
	Unsecured Loan From Promoters		**1,748.00**	NIL
	Interest Paid		**(36,253.28)**	(21,212.06)
	Other Borrowing Cost		**(5,359.65)**	(9,630.87)
	Loan Received/Repayments (Net)		**1,75,528.07**	84,053.58
	Dividend Paid		**NIL**	(3,510.40)
	NET CASH USED IN FINANCING ACTIVITIES	**[C]**	**1,40,256.28**	49,695.80
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	**[A+B+C]**	**(16,001.42)**	8,928.15
	CASH AND CASH EQUIVALENT - OPENING	**[A]**	**34,870.42**	25,942.27
	CASH AND CASH EQUIVALENT - CLOSING	**[B]**	**18,869.00**	34,870.42
		[B-A]	**(16,001.42)**	8,928.15

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

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 : 28th November, 2013

Auditors' Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 30th September 2013. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company.

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

Place: Mumbai
Dated: 28th November, 2013

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

Note "1"

Statement of Significant Accounting Policies and Practices
(Annexed) to and forming part of the Financial Statements for the period ended September 30, 2013)

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 Statements have been prepared on the following basis:

i) The consolidated Financial Statements have been prepared in accordance with the Accounting Standard 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 recongnized 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 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 recongnised 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 recongnised 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 Modvat 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 / translation 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 is 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 recongnised 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 presents 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 relatable 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 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.

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

(Suresh C. Mathur)
Partner
M.No. 1276

For and on behalf of the Board of Directors

Alok Punj	**Ashok Punj**
M.M.Mathur	**D.N.Sehgal**
R.K.Bahri	**S.P.Bhatia**
G. Gehani (Director & Co Secretary)	**C.K.Goel**

Directors

Place : Mumbai
Date : 28th November, 2013

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

Note "2" – SHARE CAPITAL

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Authorised Share Capital		
100,000,000 Equity Shares of ₹ 10/- each	**10,000.00**	10,000.00
Issued		
53,460,911 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
Less: Calls in Arrears by Directors	**NIL**	NIL
Calls in Arrears by Officers	**NIL**	NIL
Calls in Arrears by Others	**NIL**	NIL
	5,329.68	5,329.68
Subscribed but not Fully Paid up		
164100 Equity Shares of ₹ 10/- each Partly Paid	**NIL**	16.41
Less: Calls in Arrears by Directors	**NIL**	NIL
Calls in Arrears by Officers	**NIL**	NIL
Calls in Arrears by Others	**NIL**	12.71
	NIL	3.70
Total	**5,329.68**	5,333.38

NOTE 2 A

(₹ In Lacs)

Particulars	Equity Shares	
	As at September 30, 2013	As at March 31, 2012
	No. of Shares	No. of Shares
Shares Outstanding at the Beginning of the Year	**53,460,911**	53,460,911
Add : Shares Issued during the Year	**NIL**	NIL
Less : Shares Bought Back/changes during the Year	**1,64,100**	NIL
Shares Outstanding at the End of the Year	**53,296,811**	53,460,911

NOTE 2 B

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. 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.

NOTE 2 C

The Details of Shareholders Holding more than 5% Shares

(₹ In Lacs)

Sr. No.	Name of Shareholder	As at September 30, 2013		As at March 31, 2012	
		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

* The shares held by Mr. Ashok Punj are pledged with ICICI Bank and SBI.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "3" – RESERVES AND SURPLUS

(₹ In Lacs)

Particulars			As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
a.	**Securities Premium Reserve**			
	Opening Balance		**43,127.58**	43,221.61
	Add : Securities Premium Credited on Share issue		**NIL**	NIL
	Add : Excess provision of FCCB Redemption Premium Written Back		**NIL**	NIL
	Less : Allotment Money in Arrears (Directors- Nil)		**NIL**	94.03
	Less : Premium Utilised for Various Reasons		**NIL**	NIL
	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	**(B1)**	**139.64**	139.64
b-2.	**Other Reserves (General Reserve)**			
	Opening Balance		**8,117.30**	7,527.23
	Less : Investment in Subsidiary Companies		**(12.29)**	(12.29)
	Add : Current Year Transfer		**25.00**	602.36
	Less : Written Back in Current Year		**111.17**	NIL
	Closing Balance	**(B2)**	**8,241.18**	8,117.30
b-3.	**Other Reserves (Revaluation of Reserve)**			
	Revaluation of Land		**51,400.00**	NIL
			NIL	NIL
	Closing Balance		**51,400.00**	NIL
c.	**Surplus**	**(B3)**		
	Opening Balance		**35,009.04**	38,370.96
	Add : Net Profit/(Net Loss) For the Current Year		**(65,992.14)**	4,447.44
	Add : Minority Interest		**4,263.28**	(4,116.04)
	Less : Proposed Dividends		**NIL**	(2,477.72)
	Less : Interim Dividends		**NIL**	NIL
	Less : Transfer to Reserves		**(25.00)**	(602.36)
	Less : Diminiution in Value in WIP		**(51,400.00)**	NIL
	Less : Prior Years Expenses		**(524.88)**	(613.24)
	Add : Prior Year Excess Provision Withdrawn		**1,238.86**	NIL
	Closing Balance	**(C)**	**(77,430.84)**	35,009.04
d.	**Foreign Exchange Difference on Consolidation**	**(D)**	**8,527.76**	5,015.63
e.	**Miscellaneous Expenditure (Preliminary and Pre-operative Expenses)**	**(E)**	**(28.73)**	(621.21)
	Total	**(A to E)**	**33,976.59**	**90,787.98**

NOTE "3A"

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Share Application Money Pending Allotment	**1,111.76**	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "4" – LONG TERM BORROWINGS

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
A. SECURED		
Term Loans		
From Banks		
Foreign Currency Loan	**100,291.13**	40,167.94
Rupee Loan	**312,348.88**	26,567.22
From Others		
NBFC	**1,500.00**	NIL
Motor Vehicle Loans	**22.52**	63.24
Total (A)	**414,162.53**	66,798.40

Borrowing in PSL USA INC.

Nature of Security and Terms of Repayment for Long Term Secured Borrowing

i) Tax Exemption Bonds repayable in Semi Annual Equal Instalment of USD 2.267 Mio from May 2018. Last Instalment May 2026 Secured by SBLC from a Bank.

ii) Taxable Bonds repayable in Semi Annual Instalment of USD 588.235 from November 2009. Last Instalment November 2017 Secured by SBLC from a Bank.

Borrowing in Pipeline Systems Ltd., Mauritius

Nature of Security and Terms of Repayment for Long Term Secured Borrowing

1. Term Loan Amounting to USD 33 Mio (March 31, 2012 USD 31.75 Mio) is Secured against Standby Letter of credit issued by ICICI Bank Ltd, Baharain

   Terms of Repayment : USD 33 Mio payable in February 2016

Borrowing in PSL Limited

All the Bank Loans are Secured by First Charge on the Specific Immovable Property , entire Moveable Assets and entire Current Assets of the Company on pari passu basis except for one Bank which has the First Exclusive Charge on the Non-Core Assets of the Company namely land at Pipava, Mahudi and Panipat.

During this period the Company has sought Restructuring package from all the Bankers towards the Bank Loan Outstanding. The Company has filed the Flash Report on 6th March, 2013 before Corporate Debt Restructuring (CDR) Cell at Mumbai. The restructuring package was approved by the CDR cell with an effective date being 24.08.2013. The outstanding loan balance is worked out on the basis of the approved package and it is accounted. The interest rate was calculated @ 10.25% on the loan outstanding balance of non CDR member bankers as on 1st January, 2013 and accounted the excess interest charged by the non CDR member banks during the period from 1st January, 2013 to 30th September, 2013 was adjusted accordingly in the interest account. Interest payable for CDR member banks were not accounted for the period from 1st January, 2013 to 30th September, 2013. The Master Restructuring Agreement (MRA) drafted by Amarachand & Mangaldas & Suresh A Shroff & Co. (AMSS) (Legal Counsel to the Bankers) appointed by the Banks through MI is under signature as on the date of Balance sheet.

The Repayment of Loan starts from 1st January, 2015 and the Repayment Completes in the Third Quarter of Financial Year 2023. The text of CDR approval is enclosed as Annexure 1 to the Balance Sheet.

Borrowing in PSL Corrosion Control Services Limited

Secured against First Charge on the entire Fixed Assets of the Company and First pari passu Charges on the Current Assets of the Company.

(₹ In Lacs)

	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
B. UNSECURED		
From Promoters' Companies	**1,748.00**	NIL
Total	**1,748.00**	NIL
Total (A) + (B)	**415,910.53**	66,798.40

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "5" – DEFERRED TAX LIABILITIES

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Deferred Tax Liabilities - Depreciation Difference	**1,055.85**	808.02
Deferred Tax Assets) Disallowances and others	**105.35**	83.05
Net Deferred Tax Liability / (Assets)	**950.50**	724.97

NOTE "6" OTHER LONG TERM LIABILITIES

(₹ In Lacs)

	Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a)	Trade Payables	**NIL**	NIL
(b)	Others	**NIL**	NIL
	Total	**NIL**	NIL

NOTE "6 A". LONG TERM PROVISIONS

(₹ In Lacs)

	Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a)	**Provision for Employee Benefits**		
	Superannuation (Unfunded)	**NIL**	NIL
	Gratuity (Unfunded)	**1,340.57**	930.33
	Leave Encashment (Unfunded)	**NIL**	NIL
	ESOP / ESOS	**NIL**	NIL
(b)	**Others (Specify nature)**	**NIL**	NIL
	Total	**1,340.57**	930.33

NOTE "7" – SHORT TERM BORROWINGS

(₹ In Lacs)

	Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Secured			
Loans Repayable on Demand			
(i)	From banks (Secured against Hypothecation of Project Current Assets and Second Charge on some of the Immovable and Moveable Assets of the Company)	**NIL**	103,381.40
(ii)	From Banks (Cash Credit as per DP statement dated 30th September 2013 in line with CDR approval) (Secured against Hypothecation of Current Assets and Charge on the Assets of Company)	**89,019.42**	157,474.08
	(A)	**89,019.42**	260,855.48
Unsecured			
Loans Repayable on Demand			
	From Banks	**NIL**	NIL
	(B)	**NIL**	NIL
	Total (A +B)	**89,019.42**	260,855.48

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "8" – OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a)	Current Maturities of Long-term Debt	**4,566.91**	43,143.59
(b)	Current Maturities of Finance Lease Obligations	**40.76**	NIL
(c)	Interest Accrued but not due on Borrowings	**NIL**	NIL
(d)	Interest Accrued and due on Borrowings	**NIL**	2,038.14
(e)	Income Received in Advance	**NIL**	NIL
(f)	Unpaid Dividends	**29.12**	49.21
(g)	Mobilisation Advance from Customers	**15,238.12**	5,761.08
(h)	Other Payables	**8,574.46**	9,731.80
	Total	**28,449.37**	60,723.82

NOTE "9" – SHORT TERM PROVISIONS

(₹ In Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a)	**Provision for Employee Benefits**		
	Salary & Reimbursements	**32.34**	NIL
	Contribution to PF	**NIL**	NIL
	Gratuity (Funded)	**NIL**	NIL
	Leave Encashment (Funded)	**NIL**	NIL
	Superannuation (Funded)	**NIL**	NIL
	Other Provision	**81.25**	NIL
(b)	**Others (Specify nature)**		
	Provision for Taxation - Current Tax	**370.00**	1,667.68
	Proposed Dividend	**NIL**	2,131.88
	Tax on Proposed Dividend	**NIL**	345.84
	Total	**483.59**	4,145.40

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "10" – FIXED ASSETS

(₹ in Lacs)

	GROSS BLOCK						DEPRECIATION/AMORTISATION					NET BOCK	
PARTICULARS	As at April 1, 2012	Additions	Revaluation	Disposals	Adjustments/ Transfer	As at September 30' 2013	Upto April, 1 2012	For the Period	Depreciation Reserve	Adjustments/ Transfer	Upto September 30, 2013	As at September 30, 2013	As at March 31, 2012
I. TANGIBLE ASSETS													
Free Hold Land	5,977.90	0.43	51,400.00	NIL	NIL	57,378.33	NIL	NIL	NIL	NIL	NIL	57,378.33	5,977.90
Lease Hold Land	44.58	NIL	NIL	NIL	NIL	44.58	20.97	2.23	NIL	NIL	23.20	21.38	23.61
Office Buildings	204.53	NIL	NIL	NIL	NIL	204.53	45.29	13.64	NIL	NIL	58.94	145.60	159.25
Factory Building	39,773.17	3,434.71	NIL	NIL	NIL	43,207.88	7,555.04	1,645.97	NIL	NIL	9,201.01	34,006.87	32,218.13
Furniture & Fixtures	759.55	29.19	NIL	NIL	NIL	788.74	463.65	80.10	NIL	NIL	543.75	245.03	295.94
Plant and Equipments	189,381.19	79,550.27	NIL	NIL	NIL	268,931.47	59,528.92	22,793.06	NIL	NIL	82,321.98	186,609.48	129,852.26
Office Equipments	487.87	17.50	NIL	NIL	NIL	505.37	324.23	35.96	NIL	NIL	360.19	145.17	163.63
Lab Equipments	945.58	75.37	NIL	NIL	NIL	1,020.95	488.50	107.94	NIL	NIL	596.44	424.51	457.09
Computers	493.35	12.44	NIL	NIL	NIL	505.79	429.57	40.89	NIL	NIL	470.47	35.32	63.78
Motor Cars	1,542.57	45.70	NIL	NIL	NIL	1,588.27	1,023.26	183.96	NIL	NIL	1,207.21	381.06	519.31
Commercial Vehicles	105.10	NIL	NIL	NIL	NIL	105.10	104.12	0.44	NIL	NIL	104.57	0.53	0.98
Cycles	0.29	NIL	NIL	NIL	NIL	0.29	0.25	0.02	NIL	NIL	0.28	0.01	0.04
Earth Moving Equipments	3,960.92	14.04	NIL	NIL	NIL	3,974.96	3,450.39	204.08	NIL	NIL	3,654.46	320.50	510.52
Shed Construction	2,462.84	168.45	NIL	NIL	NIL	2,631.29	1,094.53	218.39	NIL	NIL	1,312.92	1,318.37	1,368.31
TOTAL I	**246,139.44**	**83,348.10**	**51,400.00**	**NIL**	**NIL**	**380,887.55**	**74,528.73**	**25,326.68**	**NIL**	**NIL**	**99,855.43**	**281,032.17**	**171,610.73**
Total Previous Year (A)	**203,274.06**	**40,971.45**	**NIL**	**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**
II. INTANGIBLE ASSETS													
Computer Software	35.36	NIL	NIL	NIL	NIL	35.36	33.71	1.00	NIL	NIL	34.72	0.64	1.65
TOTAL II	**35.36**	NIL	NIL	NIL	NIL	**35.36**	**33.71**	**1.00**	NIL	NIL	**34.72**	**0.64**	**1.65**
Total (Previous Year) (B)	**35.36**	NIL	NIL	NIL	NIL	**35.36**	**32.60**	**1.10**	NIL	NIL	**33.71**	**1.65**	**2.75**
TOTAL I + II	**246,174.80**	**83,348.10**	**51,400.00**	**NIL**	**NIL**	**380,922.90**	**74,562.44**	**25,327.68**	**NIL**	**NIL**	**99,890.15**	**281,032.81**	**171,612.38**
Total (Previous Year) (A+B)	**203,309.42**	**40.971.45**	NIL	**60.54**	**1,954.47**	**246,174.80**	**59,302.01**	**14,201.52**	**39.43**	**1,098.32**	**74,562.43**	**171,612.41**	**144.007.40**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "11" – NON CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Investment in Associates		
Unquoted, Trade		
1470000 Equity Shares of ₹ 10/- each of BHI Limited (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 484000 Equity Shares)	**48.40**	48.40
(A)	**299.15**	299.15
Non Trade Investments Equity		
Unquoted, Trade		
128 Shares of ₹ 100/- each in The Gandhidham Mercantile Co-Op. Bank Ltd. (Previous Year 128 Shares)	**0.13**	0.13
(B)	**0.13**	0.13
(A+B)	**299.28**	299.28

NOTE "12" – LONG TERM LOANS & ADVANCES

(₹ In Lacs)

	Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a)	**Capital Advances**			
	Secured, Considered Good		**NIL**	NIL
	Unsecured, Considered Good		**NIL**	NIL
	Doubtful	(A)	**NIL**	NIL
			NIL	NIL
(b)	**Security Deposits**			
	Secured, Considered Good		**2,862.30**	3,193.64
	Unsecured, Considered Good		**NIL**	NIL
	Doubtful		**NIL**	NIL
		(B)	**2,862.30**	3,193.64
(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		**12,957.28**	9,349.04
	Loan to Employees		**NIL**	NIL
	Excise & VAT Deposits		**40,198.02**	40,826.98
	Unsecured, Considered Good		**NIL**	NIL
	Doubtful		**NIL**	NIL
		(D)	**53,155.30**	50,176.02
	Total	(A+B+C+D)	**56,017.61**	53,369.66

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "13" – OTHER NON CURRENT ASSETS

(₹ In Lacs)

Particulars			As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(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		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
	Total	(C)	NIL	NIL
		(A+B+C)	NIL	NIL

NOTE "14" – CURRENT INVESTMENTS

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Mutual Funds (Unquoted) (Units of ₹ 10/- each, Unless Otherwise Specified)		
Unquoted, Trade		
SBI Capital Protection Oriented Fund (Previous Year 100)	14.21	190.00
Axis Equity Fund	15.00	NIL
	29.21	190.00

NOTE "15" – INVENTORIES

(₹ In Lacs)

Particulars			As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
(a)	Raw Materials and Components (Valued at Cost)		20,256.46	42,054.60
	Goods-in-Transit		NIL	NIL
		(A)	20,256.46	42,054.60
(b)	Work-in-Progress		138,088.99	188,698.52
	Goods-in-Transit		NIL	NIL
		(B)	138,088.99	188,698.52
(c)	Finished Goods (Valued at Cost or Net Realisable Value whichever is Less)		21,184.29	24,098.50
	Goods-in-Transit		NIL	NIL
		(C)	21,184.29	24,098.50
(d)	Stores and Spares (Valued at Cost)		6,082.78	5,650.66
	Goods-in-Transit		NIL	NIL
		(D)	6,082.78	5,650.66
	Total	(A+B+C+D)	185,612.52	260,502.28

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "16" – TRADE RECEIVABLES

(₹ In Lacs)

Particulars		As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Trade Receivables Outstanding for a period exceeding Six Months from the date they are due for Payment			
Secured, Considered Good		**8,548.42**	6,237.43
Unsecured, Considered Good		**NIL**	NIL
Unsecured, Considered Doubtful		**NIL**	NIL
Less: Provision for Doubtful Debts		**NIL**	NIL
	(A)	**8,548.42**	6,237.43
Trade Receivables Outstanding for less than Six Months from the date they are due for Payment			
Secured, Considered Good		**NIL**	NIL
Unsecured, Considered Good		**46,180.00**	81,262.73
Unsecured, Considered Doubtful		**NIL**	NIL
	(B)	**46,180.00**	81,262.73
Total	(A+B)	**54,728.42**	87,500.16

NOTE "17" – CASH AND CASH EQUIVALENTS

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Balances with Banks	**5,646.08**	18,138.00
Fixed Deposits with Banks with more than 12 Months Maturity	**13,166.36**	16,583.52
Fixed Deposits with Banks(Under Lien ₹ 13166.36 Lacs)	**NIL**	NIL
Cheques, Drafts In Hand	**NIL**	NIL
Cash in Hand	**56.56**	101.97
Unclaimed Dividend	**NIL**	46.93
Total	**18,869.00**	34,870.42

NOTE "18" – SHORT-TERM LOANS AND ADVANCES

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Secured, Considered Good		
Advance to Raw Material and Others	**10,092.62**	NIL
Advance Income Tax	**489.07**	1,347.24
Loan to Employee	**150.58**	255.63
Unsecured, Considered Good	**586.51**	NIL
Total	**11,318.78**	1,602.87

NOTE "19" – OTHER CURRENT ASSETS

(₹ In Lacs)

Particulars	As at September 30, 2013 (18 Months)	As at March 31, 2012 (12 Months)
Dividend, Interest Subsidy and Interest Receivable	**NIL**	NIL
Export Incentives Receivables	**NIL**	NIL
Claims and other Receivables	**2,782.31**	NIL
	2,782.31	NIL

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "20" – REVENUE FROM OPERATIONS (GROSS)

(₹ In Lacs)

Particulars			For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
a)	**Sale of Products**			
	H.Saw Pipes		**2,33,933.23**	2,20,924.35
	Coating on Steel Pipes		**74,793.17**	44,834.57
	Anodes		**430.26**	1,027.61
		(a)	**3,09,156.66**	2,66,786.53
b)	**Sale of Services**			
	Rebar Coating		**8,410.22**	6,445.09
	Induction Bending		**1,707.09**	864.35
		(b)	**10,117.31**	7,309.44
c)	**Other Operating Revenues**			
	Equipment Sales		**1,422.03**	2,671.26
	Process Waste Sale		**4,133.38**	4,034.07
	Other Material Sales		**2,128.50**	Nil
		(c)	**7,683.91**	6,705.33
	Total	**(a+b+c)**	**3,26,957.89**	2,80,801.30

NOTE "21" – OTHER INCOME

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Dividend Income		
From a Subsidiary	**43.00**	43.00
From an Associate	**7.50**	7.50
Net Surplus on Disposal of Assets	**0.00**	8.81
Rent and Compensation	**78.04**	45.70
Exchange Fluctuation Gain (Net)	**0.81**	868.66
Insurance Claim /Sales Tax Claim	**21.46**	6.11
Interest From Debtors for Bill Discounting	**1,216.39**	NIL
Claims Received	**11.03**	NIL
Provision No Longer Required	**0.00**	48.64
Other Non Operating Income	**187.31**	592.85
Interest Income	**396.37**	Nil
Total	**1,961.91**	1,621.27

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "22" – COST OF MATERIAL CONSUMED

(₹ In Lacs)

	For the period Ended September 30, 2013 (18 Months)	For the year ended March 31, 2012 (12 Months)
Raw Materials		
Opening Stock	**29,865.97**	37,658.94
Purchases	**224,916.88**	208,403.30
	254,782.85	246,062.24
Less : Sales	**NIL**	NIL
Less: Closing Stock	**14,432.65**	29,865.97
	240,350.20	216,196.27
Details of Raw Material Consumed		
H. R. Coil	**189,021.59**	158,283.57
Flux	**1,067.31**	996.01
Filler Wire	**978.43**	918.21
M S Wire	**18.40**	9.95
Epoxy Powder	**5,618.35**	2,514.72
Adhesive	**1,140.66**	537.78
Polyethylene	**7,825.88**	4,116.38
Polypropylene	**1,045.26**	15.11
Inner Wrap	**69.86**	79.53
Outer Wrap	**153.44**	206.45
Coal Tar Enamel	**670.37**	877.36
Coal Tar Tape	**0.14**	29.53
Polyethylene Tape	**1.79**	239.94
Wiremesh	**2,110.63**	565.86
Cement	**1,299.25**	438.18
Sand	**161.77**	82.47
Iron Ore	**6,738.20**	1,116.06
Aluminum	**124.54**	221.50
Zinc	**4.65**	10.12
Coating Materials and others	**22,299.68**	44,937.54
	240,350.20	216,196.27

NOTE "23" – MANUFACTURING & OPERATING COST

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year ended March 31, 2012 (12 Months)
Consumption of Stores and Spares Parts	**5,690.52**	9,928.39
Power & Fuel	**4,877.41**	2,448.27
Excise Duty and Service Tax	**8,535.48**	12,723.93
Sales Tax	**8,610.83**	2,406.70
Freight & Cartage	**5,647.09**	16,627.48
Equipment Hire Charges	**3,233.86**	317.17
Labour Charges	**581.32**	879.64
Interest on Bill Discounting	**934.83**	NIL
Testing Charges	**19.74**	155.07
Other Manufacturing & Operating Expenses	**5,238.49**	557.99
Water Charges	**42.60**	28.24
Dumpsite Maintenance	**145.99**	2,364.26
Total	**43,558.16**	48,437.14

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "24" – CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE FOR THE PERIOD ENDED

(₹ In Lacs)

Particulars		For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Opening Stock			
Finished Goods		**24026.97**	20443.96
Work in Progress		**139292.03**	130927.48
	(A)	**163319.00**	151371.44
Closing Stock			
Finished Goods		**21184.29**	24026.97
Work in Progress		**130883.86**	188893.59
	(B)	**152068.15**	212920.56
Total	(A–B)	**11250.85**	(61549.12)

NOTE "25" – EMPLOYEE BENEFITS EXPENSES

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Salaries, Bonus etc.	**10782.83**	7749.99
Contributions to Provident and other Funds	**1322.26**	980.20
Staff Welfare Expenses	**1172.40**	956.61
Total	**13,277.49**	9,686.80

NOTE "26" – FINANCE COSTS

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Interest Expenses	**34220.37**	20136.45
Other Borrowing Costs	**5359.65**	9630.87
Currency Loss	**NIL**	NIL
Total	**39,580.02**	29,767.32

NOTE "27" – OTHER EXPENSES

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Conveyance	**119.14**	NIL
Travelling Expenses	**817.06**	604.72
Postage, Telegram and Telephones	**204.00**	154.98
Printing and Stationery	**114.46**	NIL
Rent, Rates & Taxes	**1977.11**	1,478.34
Electricity Charges	**99.99**	56.78
Professional Charges	**896.47**	593.56
Repair and Maintenance (Plant)	**355.50**	63.03
Repair and Maintenance (Building)	**28.27**	30.02
Repair and Maintenance (Others)	**463.32**	322.37
Insurance	**337.95**	285.23
Auditors' Remuneration	**48.54**	32.43
Vehicle Expenses	**349.13**	NIL
General Expenses	**5594.10**	4,917.70
Agency Commission	**171.95**	NIL
Total	**11,576.99**	8,539.16

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "27A" – AUDIT FEES

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Payments to Auditor		
As Audit Fees	**41.54**	25.43
For Taxation Matters	**4.00**	4.00
For Company Law Matters	**NIL**	NIL
For Management Services	**NIL**	NIL
For Other Services	**2.00**	2.00
For Re-imbursement of Expenses	**1.00**	1.00
	48.54	32.43

NOTE "28" – REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

(₹ In Lacs)

Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
Year to which the Dividend Relates	**NIL**	NIL
Number of Non-resident Shareholders to whom Remittances were made	**NIL**	NIL
Number of Shares on which Remittances were made	**NIL**	NIL
Amount Remitted	**NIL**	NIL

NOTE "29" – TRADE PAYABLES

a. 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) ₹55092.11 lacs (Previous Year ₹150547.76 Lacs) due to Other Parties

b. No Interest is paid/payable during the year to any Enterprise Registered under the MSME.

c. 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 "30" – 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 September 30, 2013.(Payable): USD 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 NIL

Notional Principal NIL

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE “31” – RELATED PARTY DISCLOSURES

Relationships			
(a)	**Subsidiary Companies**		
	PSL Corrosion Control Services Limited		100% Subsidiary Company
	Pipeline Systems Limited, Mauritius		100% Subsidiary Company
	PSL USA INC., Delaware, USA		100% Subsidiary Company
	PSL Gas Distribution Private Limited		100% Subsidiary Company
	PSL Infrastructure & Ports Private Limited		100% Subsidiary Company
	PSL FZE, Sharjah.		100% Subsidiary Company of Pipeline Systems Ltd., Mauritius
	PSL North America, LLC.		JV Company of PSL USA INC., Delware, USA (78% Holding)
(b)	**Associate**		
	BHI Limited		
	Broken Hills International Limited		
	Eurocoustic Products Limited		
	Punj International Private Limited		
	Punj Investments Limited		
	Punj Corporation Private Limited		
	Rosoboronterra India Private Limited (Subsidiary of Punj Corporation Private Limited)		
(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 “32” – DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT

Loan /Corporate Guarantee given on behalf of Subsidiary Companies

(₹ In Lacs)

Name of the Company	Relationship	Amount Outstanding As at September 30, 2013
PSL FZE	Step down Subsidiary of PSL Limited	56,887.71
PSL North America LLC	Step down Subsidiary of PSL Limited	49,564.35
PSL Corrossion Control Services.Ltd.	Subsidiary of PSL Limited	1,500.00

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

The Financial Statements of PSL Limited and its Indian Subsidiary namely PSL Corrossion Control Services Limited, have combined on a line by line basis for 18 months period by adopting together the book values like items of assets, liabilities, Income and Expenditure after fully eliminating intra group balances and intra group transactions resulting in unrealized Profits and Losses.

The Financial Statements of PSL Gas Distribution Pvt. Ltd., PSL Infrastructure & Ports Pvt. Ltd. and Overseas Subsidiaries namely Pipeline Systems Ltd. and PSL USA Inc., used in the consolidation are drawn upto the period 31st March, 2013 (12 months) as to that of the parent company i.e. 18 months (30th September, 2013).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "32A" – 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 recognised as income over the lease period.

(₹ In Lacs)

	Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
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 more than Five Years	**427.80**	427.80
	For a period more than Five Years	**256.68**	256.68
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**	20.95
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**	3.06
	For a period more than One year and not more than Five years	**15.30**	15.30
	For a period more than Five Years	**9.21**	9.21

NOTE "33" – Disclosures Pursuant To Accounting Standards-15 "Employee Benefits"

(₹ In Lacs)

	Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
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	**421.22**	262.40
	Contribution to Employee Provident Fund - Trust	**NIL**	NIL
	Contribution to Pension Fund	**110.19**	146.62
	Contribution to Superannuation Fund	**246.31**	157.19
		777.73	566.21
ii)	**Defined Benefit Plan -**		
	The following table set out the status of the Gratuity Plan as required under AS 15 (Revised 2005)		
	(a) **A Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation (DBO)**		
	Opening DBO	**1,999.65**	1,590.31
	Current Service Cost	**121.09**	106.91
	Interest Cost	**62.46**	408.08
	Actuarial Gain/(loss)	**NIL**	NIL
	Past Service Cost	**NIL**	NIL
	Liabilities Extinguished on Settlements	**NIL**	NIL
	Benefits Paid	**77.07**	105.65
	Closing DBO	**2,106.13**	1,999.65

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "33" – Disclosures Pursuant To Accounting Standard-15 "Employee Benefits"

(₹ In Lacs)

	Particulars	For the period Ended September 30, 2013 (18 Months)	For the year Ended March 31, 2012 (12 Months)
(b)	**A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:**		
	Opening Fair Value of Plan Assets	**1,148.21**	1,124.82
	Expected Return	**103.90**	100.66
	Actuarial Gain/ (loss)	**NIL**	NIL
	Contribution by the Employer	**NIL**	28.38
	Assets Distributed on Settlements	**NIL**	NIL
	Benefits Paid	**77.07**	105.65
	Closing Fair Value of Plan Assets	**1,175.04**	1,148.21
(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	**2,106.13**	1,999.65
	Fair Value of the Plan Assets at the End of the Year	**1,176.60**	1,148.21
	Liability Recognised in the Balance Sheet	**929.53**	851.44
(d)	**The Total Expenses Recognised in the Profit and Loss Account:**		
	Current Service Cost	**121.09**	106.91
	Interest Cost	**62.46**	408.08
	Expected Return on Plan Assets	**(103.90)**	(100.66)
	Actuarial Gains/(Loss)	**NIL**	NIL
	Past Service Cost	**NIL**	NIL
	Losses/(Gains) on "Curtailments & Settlements"	**NIL**	NIL
	Net Gratuity Cost	**79.65**	414.33
(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%	9.30%
(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%**	9.30%
	Average Salary Escalation Rate for Non Management for Each Year Average Salary Escalation Rate for Non Management Every Third Year	**6.00%**	5.33%

NOTE "34"

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 PERIOD ENDED ON SEPTEMBER 30, 2013

NOTE "35"

(₹ In Lacs)

Particulars			As at September 30, 2013 (18 Months)	As at March 31, 2013 (12 Months)
I.		**Contingent Liabilities**		
	a.	Counter Guarantees given by the Company for Bank Guarantees	**98,168.47**	51165.06
		- Others	**4575.68**	286.07
	b.	Letter of Credit Outstanding (Not yet Committed)	**30.06**	15,719.50
	c.	Bills Discounting	**2,059.77**	12,010.90
	d.	Estimated Amount of Contracts Remaining to be Executed on Capital Account and not provided for (Net of Advances)	**NIL**	3,000.00
II.		Income Tax Assessment Completed upto AY 2010-11 (March'2010), Demand Raised by the Department amounting to Rs 165.98 Lacs is contested before CIT (Appeal) Mumbai. Assessment for AY 2005-06 (March'05) u/s 263 r.w.s.143 (3) Completed by the Department. Final Demand ₹43.59 lacs is contested before CIT (Appeal)		
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 Major 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 "36"

Current Period figures are for a period of 18 months and hence not comparable with the Previous Year figures which are for 12 months. The Previous Year Figures have also been Re-classified Regrouped to confirm to this period's classification.

NOTE "37"

In terms of the approval (LOA) of CDR cell Interest on the Bank Loans of CDR member Banks and non CDR Member Banks shall be funded for a period of 2 years i.e. from 1/1/2013 to 31/12/2014 as a Fresh Term Loan namely FITL.

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 : 28th November, 2013

For and on behalf of the Board of Directors

Alok Punj **Ashok Punj**
M.M. Mathur **D.N.Sehgal**
R.K. Bahri **S.P.Bhatia**
G. Gehani (Director & Co. Secretary) **C.K.Goel**

Directors

Statement Pursuant To Exemption Received Under Section 212(8) of The Companies Act, 1956 Relating To Subsidiary Companies

(₹ In Lacs)

Sr. No.	Name of the Subsidiary	Reporting Currency	Period/ Year	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit /(Loss) before Tax	Provision for Current Taxes	Profit/ (Loss) after Taxation	Proposed Dividend	Country of Incorporation
1	PSL Corrosion Control Services Ltd.	INR	2012-13 (18 Months)	N.A.	140.00	5,389.53	11,755.46	11,755.46	43.21	4,638.47	261.64	98.88	162.76	-	INDIA
			2011-12	N.A.	140.00	5,226.77	6,136.96	6,136.96	104.00	4,819.88	887.65	275.33	612.32	-	
2	Pipeline Systems Ltd.	USD	2012-13 (12 Months)	62.70	16,766.13	2,880.21	97,372.97	97,372.97		43,421.94	1,007.62	-	1,007.62		Mauritius
			2011-12	51.16	13,544.73	1,526.47	61,908.43	61,908.43	-	8,770.07	64.06	-	64.06	-	
3	PSL USA INC.	USD	2012-13 (12 Months)	62.70	18,493.49	(7,175.97)	91,338.86	91,338.86		23,028.99	(7,636.97)		(7,636.97)		USA
			2011-12	51.16	12,791.58	(5,760.97)	48,601.42	48,601.42	-	28,867.20	(1,640.06)	-	(1,640.06)	-	
4	PSL Gas Distribution Pvt.Ltd.	INR	2012-13 (12 Months)		17.00		17.05	17.05	-	-	-	-	-	-	INDIA
			2011-12	N.A.	17.00	-	17.05	17.05	-	-	-	-	-	-	
5	PSL Infrastructure & Ports Pvt.Ltd.	INR	2012-13 (12 Months)		2,821.00	-	3,950.26	3,950.26	-	-	-	-	-	-	INDIA
			2011-12	N.A.	642.00	-	643.23	643.23	-	-	-	-	-	-	

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 31.03.2013

---- Amount includes results of its Subsidiary namely PSL FZE Sharjah Incorproated under the laws of UAE

---- Amount include results of its subsidiary namely PSL North America LLC incorporated under the law of State of Delware

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: 28th November, 2013

For and on behalf of the Board of Directors

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

Notes

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 25th Annual General Meeting of the Company on Wednesday, 19th day of March, 2014 at 9.30 a.m. at Hotel Cidade de Daman 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 25th Annual General Meeting of the Company to be held on Wednesday, the 19th day of March, 2014 at 9.30 a.m. at Hotel Cidade de Daman at Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu and at any adjournment thereof.

Signed this _______________ day of ___________________ 2014

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.

PSL LIMITED

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

Designed and Printed at Thomson Press

FORM-B

1	Name of the Company	**PSL Limited**
2	Annual Financial Statements for the year ended	**30th September,2013 (18 Months)**
3	Type of Audit qualification	**Drawing Attention**
4	Frequency of qualification	**Appeared for the First Time**
5	Draw attention to relevant notes in the annual Financial Statements and Management Response to the qualification in the Director Report	**Under the heading "Emphasis of Matter" qualification are contained in Auditors Report (Page No. 62 of Annual Report)** **Management Response to the Auditor qualification is included in Director,s Report (Page No. 50 of Annual Report)**
6	Additional Comments	**Nil**

For PSL Limited

Ashok Punj

(Managing Director)