



PSL Limited

3rd Floor, 'Punj House',
M-13A, Connaught Circus,
New Delhi - 110 001
Tel. : 2341 5050 - 53 Fax : 2341 5054
E-mail : pslllegal@pslltd.co.in
Website : www.psllimited.com

Ref: PSL/2016-17/584

September 30, 2016

National Stock Exchange of India Limited

Listing Department
Exchange Plaza,
5th Floor, Plot No C/1, G Block,
Bandra Kurla Complex,
Bandra East, Mumbai-400 051
Tel: 022-26598235/36
Fax: 022-26598237/38
NSE Scrip Symbol: PSL

BSE Limited

Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001
Tel: 022-22728398
Fax: 022-22722037/39
BSE Scrip Code: 526801

Dear Sir(s),

Sub: Compliance of Regulation 44 & 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In compliance of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the details regarding the voting results of the businesses transacted at the 28th Annual General Meeting of the Company in the prescribed format.

We are also enclosing the consolidated report of the scrutinizer on e-voting and voting through Ballot paper dated September 30, 2016 pursuant to Section 108 & 109 of the Companies Act, 2013 and Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014.

Further, in compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are also enclosing 28th Annual Report for the financial year 2015-16 which were duly approved and adopted by the members as per the applicable provisions of the Companies Act, 2013.

Kindly take this information on your record and oblige.

Thanking you

Cordially Yours

For PSL LIMITED


NIKITA BANSAL

Company Secretary & Compliance Officer

Encl: a/a

PSL LIMITED – 28th ANNUAL GENERAL MEETING (AGM) VOTING RESULT

1.	Date of the AGM	:	September 29, 2016
2.	Total number of shareholders on record date	:	30119
3.	No. of shareholders present in the meeting either in person or through proxy	:	38
	• Promoters and Promoter Group	:	14
	• Public	:	24
4.	No. of Shareholders attended the meeting through Video Conferencing	:	Nil
	• Promoters and Promoter Group	:	
	• Public	:	

Item No. 1 - To receive, consider and adopt Standalone & Consolidated Financial Statements including Balance Sheet, Statement of Profit and Loss for the Financial Year ended on March 31, 2016 and Reports of the Board of Directors and Auditors thereon.

Resolution required: (Ordinary/ Special)									
Whether promoter/ promoter group are interested in the agenda/ resolution?									
Ordinary									
No									
Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3) =[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) =[(4)/(2)]*100	% of Votes against on votes polled (7) =[(5)/(2)]*	
Promoter and Promoter Group	E-Voting		0						
	Poll	20982710	20982710	100	20982710	0	100	0	
	Postal Ballot		0						
	Total		20982710						
Public- Institutions	E-Voting								
	Poll	32398715	0	0	0	0	0	0	
	Postal Ballot								
	Total								
Public- Non Institutions	E-Voting		15071						
	Poll	45553827	2666239	5.89	2681310	0	100	0	
	Postal Ballot		0						
	Total		2681310						
Total		98935252	23664020	23.92	23664020	0	100	0	

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For PSI Limited

For PSL Limited

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Company Secretary

Continuation Sheet

Item No. 2 - To Re-appointment of Shri R.K.Bahri (DIN 00044364), who retires by rotation and is eligible for re-appointment as Director:									
Resolution required: (Ordinary/ Special)					Ordinary				
Whether promoter/ promoter group are interested in the agenda/resolution?					No				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) =[(2)/(1)]*100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) =[(4)/(2)]*100	% of Votes against on votes polled (7) =[(5)/(2)]*100	
Promoter and Promoter Group	E-Voting		0						
	Poll	20982710	20982710	100	20982710	0	100	0	
	Postal Ballot		0						
	Total		20982710						
Public-Institutions	E-Voting								
	Poll	32398715	0	0	0	0	0	0	
	Postal Ballot								
	Total								
Public- Non Institutions	E-Voting		15071						
	Poll	45553827	2666239	5.89	2681310	0	100	0	
	Postal Ballot		0						
	Total		2681310						
Total		98935252	23664020	23.92	23664020	0	100	0	

For PSL Limited



Company Secretary

Item No. 3 - Re-appointment of Shri C.K.Goel (DIN 01372544), who retires by rotation and is eligible for re-appointment as Director:

Resolution required: (Ordinary / Special)					Ordinary			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) =[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) =[(4)/(2)]*100	% of Votes against on votes polled (7) =[(5)/(2)]*100
Promoter and Promoter Group	E-Voting		0					
	Poll	20982710	20982710	100	20982710	0	100	0
	Postal Ballot		0					
	Total		20982710					
Public- Institutions	E-Voting							
	Poll	32398715	0	0	0	0	0	0
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting		15071					
	Poll	45553827	2666239	5.89	2681310	0	100	0
	Postal Ballot		0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0



For PSL Limited

Company Secretary

Continuation Sheet

Item No. 4 - Appointment of M/s Suresh C. Mathur & Co., Chartered Accountants, as Statutory Auditors from the conclusion of this AGM until the conclusion of next AGM:									
Resolution required: (Ordinary/ Special)									
Whether promoter/ promoter group are interested in the agenda/resolution?									
Ordinary									
No									
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)] * 100	% of Votes against on votes polled (7) = [(5)/(2)] * 100	
Promoter and Promoter Group	E-Voting		0						PSL 0
	Poll	20982710	20982710	100	20982710	0	100		
	Postal Ballot		0						
	Total	20982710	20982710						
Public- Institutions	E-Voting		0	0	0	0	0	0	
	Poll	32398715							
	Postal Ballot								
	Total								
Public- Non Institutions	E-Voting		15071						
	Poll	45553827	2666239	5.89	2681310	0	100	0	
	Postal Ballot		0						
	Total		2681310						
Total		98935252	23664020	23.92	23664020	0	100	0	


Continuation Sheet

For PSL Limited



Company Secretary

Item No. 5 - To ratify the payment of remuneration to the Cost Auditor for the financial year 2016-17:

Resolution required: (Ordinary/ Special)									
Whether promoter/ promoter group are interested in the agenda/resolution?									
Ordinary									
No									
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100	
Promoter and Promoter Group	E-Voting		0						
	Poll	20982710	20982710	100	20982710	0	100	0	
	Postal Ballot		0						
	Total		20982710						
Public-Institutions	E-Voting								
	Poll	32398715	0	0	0	0	0	0	
	Postal Ballot								
	Total								
Public- Non Institutions	E-Voting		15071						
	Poll	45553827	2666239	5.89	2681310	0	100	0	
	Postal Ballot		0						
	Total		2681310						
Total		98935252	23664020	23.92	23664020	0	100	0	Cont

Continuation Sheet

For PSL Limited



Company Secretary

Item No. 6 - To note the ultimate beneficial owners of an allottee of 876926 equity shares namely M/s. Edelweiss Asset Reconstruction Company Ltd.:

Resolution required: (Ordinary/ Special)		Special		No					
Whether promoter/ promoter group are interested in the agenda/resolution?									
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares $=[(2)/(1)] * 100$	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled $=[(4)/(2)] * 100$	% of Votes against on votes polled (7) $=[(5)/(2)] * 100$	
Promoter and Promoter Group	E-Voting		0						PSL
	Poll	20982710	20982710	100	20982710	0	100	0	
	Postal Ballot		0						
	Total		20982710						
Public- Institutions	E-Voting								
	Poll	32398715	0	0	0	0	0	0	
	Postal Ballot								
	Total								
Public- Non Institutions	E-Voting		15071						
	Poll	45553827	2666239	5.89	2681310	0	100	0	
	Postal Ballot		0						
	Total		2681310						
Total		98935252	23664020	23.92	23664020	0	100	0	

Continuation Sheet

For PSL Limited

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Company Secretary

Item No. 7 - Re-appointment of Sh. Ashok Punj (DIN 00041911) as "Managing Director" of the Company:

Resolution required: (Ordinary/ Special)					Ordinary			
Whether promoter/ promoter group are interested in the agenda/resolution?					Yes			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting		0					
	Poll	20982710	20982710	100	20982710	0	100	0
	Postal Ballot		0					
	Total		20982710					
Public-Institutions	E-Voting							
	Poll	32398715	0	0	0	0	0	0
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting		15071					
	Poll	45553827	2666239	5.89	2681310	0	100	0
	Postal Ballot		0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0

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Continuation Sheet

For PSL Limited

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Company Secretary

Item No. 8 - Re-appointment of Sh. C. K. Goel (DIN 01372544) as "Whole-Time Director" of the Company:

Resolution required: (Ordinary/ Special)				Ordinary				
Whether promoter/ promoter group are interested in the agenda/resolution?				No				
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) =[(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) =[(4)/(2)]*100	% of Votes against on votes polled (7) =[(5)/(2)]*100
Promoter and Promoter Group	E-Voting	20982710	0	100	20982710	0	100	0
	Poll		20982710					
	Postal Ballot		0					
	Total		20982710					
Public-Institutions	E-Voting	32398715	0	0	0	0	0	0
	Poll							
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting	45553827	15071	5.89	2681310	0	100	0
	Poll		2666239					
	Postal Ballot		0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0



For PSL Limited

Company Secretary

Continuation Sheet

Item No. 9 - Re-appointment of Sh. R. K. Bahri (DIN 00044364) as "Whole-Time Director" of the Company:

Resolution required: (Ordinary/ Special)

Ordinary

Whether promoter/ promoter group are interested in the agenda/resolution?

No

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)] * 100	% of Votes against on votes polled (7) = [(5)/(2)] * 100
Promoter and Promoter Group	E-Voting		0					
	Poll	20982710	20982710	100	20982710	0	100	0
	Postal Ballot		0					
	Total		20982710					
Public-Institutions	E-Voting							
	Poll	32398715	0	0	0	0	0	0
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting		15071					
	Poll	45553827	2666239	5.89	2681310	0	100	0
	Postal Ballot		0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0



For PSL Limited

[Signature]

Company Secretary

Continuation Sheet

Item No. 10 - Fixation of Remuneration of Sh. Ashok Punj (DIN 00041911), "Managing Director" of the Company:

Resolution required: (Ordinary/ Special)									
Whether promoter/ promoter group are interested in the agenda/resolution?									
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)] * 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)] * 100	% of Votes against on votes polled (7) = [(5)/(2)] * 100	Special Yes
Promoter and Promoter Group	E-Voting		0						
	Poll	20982710	20982710	100	20982710	0	100	0	
	Postal Ballot		0						
	Total		20982710						
Public- Institutions	E-Voting								
	Poll	32398715	0	0	0	0	0	0	
	Postal Ballot								
	Total								
Public- Non Institutions	E-Voting		15071						
	Poll	45553827	2666239	5.89	2681310	0	100	0	
	Postal Ballot		0						
	Total		2681310						
Total		98935252	23664020	23.92	23664020	0	100	0	



For PSL Limited

Company Secretary

Continuation Sheet

Item No. 11 - Fixation of remuneration of Sh. C. K. Goel (DIN 01372544), "Whole-Time Director" of the Company

Resolution required: (Ordinary/ Special)					Special			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting		0					
	Poll	20982710	20982710	100	20982710	0	100	0
	Postal Ballot		0					
	Total		20982710					
Public- Institutions	E-Voting							
	Poll	32398715	0	0	0	0	0	0
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting		15071					
	Poll	45553827	2666239	5.89	2681310	0	100	0
	Postal Ballot		0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0



For PSL Limited

Secretary

Continuation Sheet

Item No. 12 - Fixation of remuneration of Shri R. K. Bahri (DIN 00044364), "Whole-Time Director" of the Company:

Resolution required: (Ordinary/ Special)					Special			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting		0					
	Poll	20982710	20982710	100	20982710	0	100	0
	Postal Ballot		0					
	Total		20982710					
Public-Institutions	E-Voting							
	Poll	32398715	0	0	0	0	0	0
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting		15071					
	Poll	45553827	2666239	5.89	2681310	0	100	0
	Postal Ballot		0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0



Continuation Sheet

Not to be signed

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Item No. 13 - Approval for availing the services of Shri R. K. Bahri as 'Whole Time Director' of the Company inspite of his attaining the age of 70 years:

Resolution required: (Ordinary/ Special)					Special			
Whether promoter/ promoter group are interested in the agenda/resolution?					No			
Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares (3) = [(2)/(1)]* 100	No. of Votes - in favour (4)	No. of Votes - against (5)	% of Votes in favour on votes polled (6) = [(4)/(2)]*100	% of Votes against on votes polled (7) = [(5)/(2)]*100
Promoter and Promoter Group	E-Voting		0					
	Poll		20982710	100	20982710	0	100	0
	Postal Ballot		0					
	Total	20982710	20982710					
Public- Institutions	E-Voting							
	Poll	32398715	0	0	0	0	0	0
	Postal Ballot							
	Total							
Public- Non Institutions	E-Voting		15071					
	Poll		2666239	5.89	2681310	0	100	0
	Postal Ballot	45553827	0					
	Total		2681310					
Total		98935252	23664020	23.92	23664020	0	100	0



For PSL Limited

Company Secretary

Continuation Sheet

CONSOLIDATED REPORT OF SCRUTINIZER

[Pursuant to Section 108 & 109 of the Companies Act, 2013 and Rule 20 & 21(2) of the Companies (Management and Administration) Rules, 2014]

To,
The Chairman of

September 30, 2016

28th Annual General Meeting of the Equity Shareholders of M/s. PSL Limited held on Thursday, the 29th day of September, 2016 at 9:30 a.m. at Hotel "Reevanta", Teen Batti, Devka Road, Nani Daman -396210

Dear Sir,

Sub: Consolidated Scrutinizer's Report on remote e-voting & physical poll conducted at the 28th Annual General Meeting (AGM) of M/s. PSL Limited held on 29th September, 2016

Pursuant to result of e-voting conveyed to you vide report dated September 30, 2016 of Mr. Avi Sangal, Practicing Company Secretary, and report dated September 30, 2016 of Mr. Ashok Pandita, Advocate in respect of physical voting (Poll) at 28th Annual General Meeting of Shareholders of M/s. PSL Limited held on Thursday, September 29, 2016 at 9.30 A.M. at the Hotel Reevanta, Teen Batti, Devka Road, Nani Daman, 396210 in union Territory of Daman & Diu, We now submit consolidated report of result of e-voting and physical vote as under:

1) Resolution No. 1 – Ordinary Resolution

To receive, consider and adopt Standalone & Consolidated Financial Statements including Balance Sheet, Statement of Profit and Loss for the Financial Year ended on March 31, 2016 and Reports of the Board of Directors and Auditors thereon.

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

2) Resolution No. 2 – Ordinary Resolution

To Re-appointment of Shri R.K.Bahri (DIN 00044364), who retires by rotation and is eligible for re-appointment as Director:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

For PSL LIMITED

Managing Director



3) Resolution No. 3 – Ordinary Resolution

Re-appointment of Shri C.K.Goel (DIN 01372544), who retires by rotation and is eligible for re-appointment as Director:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

4) Resolution No. 4 – Ordinary Resolution

Appointment of M/s Suresh C. Mathur & Co., Chartered Accountants, as Statutory Auditors from the conclusion of this AGM until the conclusion of next AGM:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

5) Resolution No. 5 – Ordinary Resolution

To ratify the payment of remuneration to the Cost Auditor for the financial year 2016-17:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

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For PSL LIMITED

Ashok Kumar
Managing Director



6) Resolution No. 6 – Special Resolution

To note the ultimate beneficial owners of an allottee of 876926 equity shares namely M/s. Edelweiss Asset Reconstruction Company Ltd.:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

7) Resolution No. 7 – Ordinary Resolution

Re-appointment of Sh. Ashok Punj (DIN 00041911) as “Managing Director” of the Company

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

8) Resolution No. 8 – Ordinary Resolution

Re-appointment of Sh. C. K. Goel (DIN 01372544) as “Whole-Time Director” of the Company:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

A. K. Sarda

For PSL LIMITED

Ashok Punj
Managing Director



9) Resolution No. 9 – Ordinary Resolution

Re-appointment of Sh. R. K. Bahri (DIN 00044364) as "Whole-Time Director" of the Company:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

10) Resolution No. 10 – Special Resolution

Fixation of Remuneration of Sh. Ashok Punj (DIN 00041911), "Managing Director" of the Company:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

11) Resolution No. 11 – Special Resolution

Fixation of remuneration of Sh. C. K. Goel (DIN 01372544), "Whole-Time Director" of the Company:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

A. K. Saxena

For PSL LIMITED

Ashok Punj
Managing Director



12) Resolution No. 12 – Special Resolution

Fixation of remuneration of Shri R. K. Bahri (DIN 00044364), "Whole-Time Director" of the Company:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

13) Resolution No. 13 – Special Resolution

Approval for availing the services of Shri R. K. Bahri as 'Whole Time Director' of the Company inspite of his attaining the age of 70 years:

Type of Voting	Valid votes						Invalid votes	
	Voted in Favour (Assent)			Voted Against (Dissent)				
	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted	% of valid votes	No. of members	No. of Votes Casted
Remote e-voting	5	15071	100	Nil	Nil	Nil	Nil	Nil
Poll at AGM	38	23648949		Nil	Nil		Nil	
Total	43	23664020		Nil	Nil		Nil	

Based on the above, Resolutions mentioned at serial no. 1 to 13 have been passed with requisite majority.

Results of the above polling may accordingly be declared by the Chairman of the Company.

Thanking you

Yours Sincerely,

Ashok Pandita
Ashok Pandita
Advocate
(Scrutinizer)

Avi Sangal
Avi Sangal
Practicing Company Secretary
(Scrutinizer)
M.No.: 31713
CP No.: 11984



Place: Daman
Date: September 30, 2016

For PSL LIMITED

Ashok Pandita
Managing Director

PSL LIMITED



**28th Annual Report
(2015-16)**

BOARD OF DIRECTORS

Shri Ashok Punj	- Managing Director
Shri R. K. Bahri	- Whole-time Director
Shri C. K. Goel	- Whole-time Director
Shri Alok Punj	- Non-Executive Director
Mrs. Manjula N. Bhatia	- Non-Executive Director
Shri N. C. Sharma	- Independent Director
Shri Ashok Sharma	- Independent Director
Shri Harry H. Shourie	- Independent Director
Shri Harsh Pateria	- Independent Director

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	3 rd Floor, Punj House, M-13A, Connaught Circus, New Delhi-110001
Marketing Offices	PSL Towers, 615, Makwana Road, Marol, Andheri (E), Mumbai-400059
Projects Office	3 rd Floor, Punj House M-13A, Connaught Circus, New Delhi-110001

SHARE TRANSFER AGENTS

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

STATUTORY AUDITORS

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

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

CONTENTS

Notice	2
Directors' Report	14
Independent Auditors' Report	45
Balance Sheet	56
Statement of Profit & Loss Account	57
Notes on Financial Statements	59
Consolidated Auditors' Report.....	81
Consolidated Balance Sheet.....	88
Consolidated Statement of Profit & Loss Account	89
Notes on Consolidated Financial Statements.....	91
Statement of Subsidiary Companies	111

NOTICE

To,
The Members of
PSL LIMITED

Notice is hereby given that Twenty Eighth Annual General Meeting of the Company will be held on Thursday, the 29th day of September, 2016 at 9:30 a.m. at Hotel "Reevanta", Teen Batti, Devka Road, Nani Daman -396210 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended on March 31, 2016 including Audited Balance Sheet as on even date and the Audited statement of Profit & Loss for the period ended on that date, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company duly consolidated with those of Company's various subsidiaries for the financial year ended on March 31, 2016, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Shri R.K. Bahri (DIN: 00044364), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri C. K. Goel (DIN: 01372544), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, 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 2016-17 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the remuneration payable together with out of pocket expenses, if any, to be paid to so appointed Auditors"

SPECIAL BUSINESS

5. **TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2016-17**

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

"RESOLVED THAT pursuant to section 148 and other applicable provisions if any, of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the consolidated fees of Rs. 4 lakh plus out of pocket expenses and applicable service tax, duly recommended by the Audit Committee and approved by the Board of Directors for Vikas Vinayak Deodhar, Cost Accountant Firm Registration No. 100025 appointed by the Board to conduct the audit of the Cost Records of the Company for the Financial Year 2016-17, be and is hereby ratified."

6. **TO NOTE THE ULTIMATE BENEFICIAL OWNERS OF AN ALLOTTEE OF 876926 EQUITY SHARES NAMELY M/S. EDELWEISS ASSET RECONSTRUCTION COMPANY LTD.**

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

"RESOLVED THAT allotment of 876926 equity shares of Rs 10/- each at a price of Rs. 26/- per share on preferential allotment basis to Edelweiss Asset Reconstruction Company Ltd., a lender of the Company made by the Board of Directors of the Company on May 24, 2016 in pursuance of an approval granted by shareholders of the Company through postal ballot on May 11, 2015 be and is hereby noted."

"RESOLVED FURTHER THAT the identity and other details of ultimate beneficial owners of the aforesaid allottee namely Edelweiss Asset Reconstruction Company Ltd. a lender of the Company as stated in explanatory statement attached to this notice be and is hereby noted."

"RESOLVED FURTHER THAT BSE Limited and National Stock Exchange limited, the two exchanges with which the Company's shares are listed be informed of the aforesaid noting of ultimate beneficial ownership status of Edelweiss Asset Reconstruction Company Ltd. being allottee of 876926 equity shares, by shareholders of the Company to enable the said stock exchanges to process the Company's applications for approvals for listing and trading of the aforesaid allotted shares with / at their exchanges."

7. **RE-APPOINTMENT OF SH. ASHOK PUNJ (DIN 00041911) AS "MANAGING DIRECTOR" OF THE COMPANY**

To Consider and if thought fit, to pass with or without modification, the following resolution as a **"Ordinary Resolution"**

"RESOLVED THAT pursuant to the provisions of Sections 196, 203 and all other applicable statutory provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant

to Article 121 and all other applicable Article of the Articles of Association of the Company and on the recommendation of Nomination and remuneration Committee made on August 03, 2016 which were duly approved by the Board of Directors subsequently at their meeting held on August 03, 2016 but subject to all approval(s) that may be required, the consent of the shareholders be and is hereby accorded to the re-appointment of Sh. Ashok Punj (DIN: 00041911), as Managing Director of the Company for a period of three years commencing from October 1, 2016 and ending on September 30, 2019.”

“**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, and execute all such documents, instruments and writings as may be required to give effect to the above Resolution.”

8. RE-APPOINTMENT OF SH. C. K. GOEL (DIN 01372544) AS “WHOLE-TIME DIRECTOR” OF THE COMPANY

To Consider and if thought fit, to pass with or without modification, the following resolution as a “**Ordinary Resolution**”

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 203 and all other applicable statutory provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 121 and all other applicable Article of the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee made on August 03, 2016 which were duly approved by the Board of Directors subsequently at their meeting held on August 03, 2016 but subject to all approval(s) that may be required, the consent of the shareholders be and is hereby accorded to the re-appointment of Sh. C. K. Goel (DIN 01372544), as Whole-time Director of the Company for a period of three years commencing from October 26, 2016 and ending on October 25, 2019.”

“**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, and execute all such documents, instruments and writings as may be required to give effect to the above Resolution.”

9. RE-APPOINTMENT OF SHRI R. K. BAHRI (DIN 00044364) AS “WHOLE-TIME DIRECTOR” OF THE COMPANY

To Consider and if thought fit, to pass with or without modification, the following resolution as a “**Ordinary Resolution**”

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 203 and all other applicable statutory provisions of the Companies Act, 2013 read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 121 and all other applicable Article of the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee made on August 03, 2016 which were duly approved by the Board of Directors subsequently at their meeting held on August 03, 2016 but subject to all approval(s) that may be required, the consent of the shareholders be and is hereby accorded to the re-appointment of Sh. R. K. Bahri (DIN 00044364), as Whole-time Director of the Company for a period of three years commencing from April 1, 2017 and ending on March 31, 2020.”

“**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and is hereby authorized to do all necessary acts, deeds and things, and execute all such documents, instruments and writings as may be required to give effect to the above Resolution.”

10. FIXATION OF REMUNERATION OF SH. ASHOK PUNJ (DIN 00041911) “MANAGING DIRECTOR” OF THE COMPANY

To Consider and if thought fit, to pass with or without modification, the following resolution as a “**Special Resolution**”

“**RESOLVED THAT** subject to necessary statutory approval(s) as may be applicable and pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable statutory provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 121 and all other applicable Article of the Articles of Association of the Company and on the recommendation of Nomination and remuneration Committee made on August 03, 2016 which were duly approved by the Board of Directors subsequently at their meeting held on August 03, 2016, the approval of the Shareholders of the Company be and is hereby accorded for fixation of remuneration of the Managing Director of the company comprising of basic salary of Rs. 2,50,000/-pm and benefits, amenities and perquisites as detailed in the explanatory statement annexed to this notice.”

“**RESOLVED FURTHER THAT** the remuneration payable to Sh. Ashok Punj, shall not exceed the overall ceiling of the total managerial remuneration as provided under the provisions of Section 197, Schedule V of the Companies Act, 2013 and any other Rule, Notification, Circular on the subject that may be in force for the time being or such other limits as may be prescribed from time to time.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the Remuneration Committee and/or any sub-committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time under any provision of Companies Act, 2013 or under Schedule V of the Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that so revised remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such revision/ re-fixation by the Board.”

11. FIXATION OF REMUNERATION OF SH. C. K. GOEL (DIN 01372544), “WHOLE-TIME DIRECTOR” OF THE COMPANY

To Consider and if thought fit, to pass with or without modification, the following resolution as a “**Special Resolution**”

“**RESOLVED THAT** subject to necessary statutory approval(s) as may be applicable and pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable statutory provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 121 and all other applicable

Article of the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee made on August 03, 2016 which were duly approved by the Board of Directors subsequently at their meeting held on August 03, 2016, the approval of the Shareholders of the Company be and is hereby accorded for fixation of remuneration of the Whole Time Director of the company comprising of basic salary of Rs. 2,50,000/-pm and benefits, amenities and perquisites as detailed in the explanatory statement annexed to this notice.”

“**RESOLVED FURTHER THAT** the remuneration payable to Sh. C.K. Goel, shall not exceed the overall ceiling of the total managerial remuneration as provided under the provisions of Section 197, Schedule V of the Companies Act, 2013 and any other rule, notification, circular on the subject that may be in force for the time being or such other limits as may be prescribed from time to time.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the Remuneration Committee and/or any sub- committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time under any provision of Companies Act, 2013 or under Schedule V of the Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that so revised remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such revision/ re-fixation by the Board.”

12. FIXATION OF REMUNERATION OF SHRI R. K. BAHRI (DIN 00044364) “WHOLE-TIME DIRECTOR” OF THE COMPANY

To Consider and if thought fit, to pass with or without modification, the following resolution as a “**Special Resolution**”

“**RESOLVED THAT** subject to necessary statutory approval(s) as may be applicable and pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable statutory provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to Article 121 and all other applicable Article of the Articles of Association of the Company and on the recommendation of Nomination and remuneration Committee made on August 03, 2016 which were duly approved by the Board of Directors subsequently at their meeting held on August 03, 2016, the approval of the Shareholders of the Company be and is hereby accorded for fixation of remuneration of the Whole Time Director of the company comprising of a basic salary of Rs. 2,50,000/-pm and benefits, amenities and perquisites as detailed in the explanatory statement annexed to the notice.”

“**RESOLVED FURTHER THAT** the remuneration payable to Sh. R.K. Bahri, shall not exceed the overall ceiling of the total managerial remuneration as provided under the provisions of Section 197, Schedule V of the Companies Act, 2013 and any other rule, notification, circular on the subject that may be in force for the time being or such other limits as may be prescribed from time to time.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the Remuneration Committee and/or any sub- committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time under any provision of Companies Act, 2013 or under Schedule V of the Companies Act, 2013, and/or any Statutory modification(s) thereof and provided further that so revised remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such revision/ re-fixation by the Board.”

13. APPROVAL FOR AVAILING THE SERVICES OF SHRI R.K. BAHRI AS ‘WHOLE TIME DIRECTOR’ OF THE COMPANY INSPITE OF HIS ATTAINING THE AGE OF 70 YEARS

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

“**RESOLVED THAT** to the provisions of Sections 196 (3) (a) read with clause (c) of Part I of Schedule V of the Companies Act, 2013 and any other applicable statutory provisions of the Companies Act, 2013 (including statutory modification(s) or re-enactment thereof, for the time being in force), approval be and is hereby accorded and is deemed to have been so accorded for availing the services of Shri R. K. Bahri by way of his continuing to act as Whole-Time Director of the Company, in spite of his having attained the age of 70 years on September 10, 2012”.

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

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: August 3, 2016

By Order of the Board of Directors of
PSL LIMITED

Sd/-
(Ashok Punj)
Managing Director

NOTES:

1. **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.**
2. **A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A single member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of matters covered under “Special Business” is annexed hereto.
4. 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 under Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the Meeting. Such representative shall possess a valid identity proof to be produced at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 26th day of September, 2016 to Thursday, the 29th day of September, 2016 (both days inclusive) for the purpose of 28th Annual General Meeting.
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. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.
10. As required by Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant details of Shri R. K. Bahri and Shri C.K.Goel, Directors proposed to be re-appointed is, annexed herewith.
11. Shareholders who have not encashed /received dividend/s declared and paid by the company for different financial years commencing from Financial Year 2008-09 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 and Protection fund in accordance with provisions contained in Section 205C/125 of Companies Act, 1956/2013.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershares Private Limited on all the Resolutions set forth in this Notice. The e-voting period commences on 26th September, 2016 (09:00 a.m. IST) and ends on 28th September, 2016 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 16th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a Resolution is cast by a Member, he shall not be allowed to change it subsequently. A separate communication is being sent to the Members to avail the e-voting facility.
13. The Facility for voting through ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. The results declared alongwith the Scrutinizer’s Report shall be placed on the Company’s website www.psllimited.com and on the website of Karvy at www.evoting.karvy.com within two days of passing of the Resolutions at the 28th Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
15. To support the “Green Initiative” in Corporate Governance taken by Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Karvy Computershares Private Limited, if shares are held in physical mode or with the depository participant if the shares are held in electronic mode.
16. Route map of the venue of Annual General Meeting is shown at page No. 112.

EXPLANATORY STATEMENT

(In Compliance of Section 102 of the Companies Act, 2013)

ITEM NO. 5 : TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR FINANCIAL YEAR 2016-17

Since Section 148 of the Companies Act, 2013 empowers the Central Government to direct that in respect of certain specified companies engaged in the production of certain specified goods, particulars relating to utilisation of material or labour or other items of costs shall be included in the books of accounts kept by such companies. Since our company gets covered by the relevant order of Central Government, the appointment of a Cost Auditor by our Company is mandatory.

In order to comply with the said statutory provisions read with Rule 14 of the Companies (Audit & Auditor) Rules, 2014 your Board of Directors, after the recommendations of the Audit Committee, has appointed Shri V. V. Deodher, a Practicing Cost Accountant based at Mumbai as Cost Auditor of the Company for the Financial Year 2016-17. Although the Board has fixed a remuneration of Rs. 4 Lac as consolidated fee plus out of pocket expenses and service tax as applicable, the consent of members of the company is sought for.

The Resolution on this Special Business item is detailed in item no. 5 of the accompanying notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in the Resolution set out in Item no. 5 of the Notice.

Hence, the Resolution contained in Item No. 5 is placed for consideration and ratification of the shareholders.

ITEM NO. 6: TO NOTE THE ULTIMATE BENEFICIAL OWNERS OF AN ALLOTTEE OF 876926 EQUITY SHARES NAMELY M/S. EDELWEISS ASSET RECONSTRUCTION COMPANY LTD.

After the sanctioning of scheme of restructuring of company's debts seven Promoters/Promoter's Group/Promoter Group Entities inducted their funds towards "Promoters Contribution". Additionally, in compliance of terms of aforesaid CDR Scheme certain portions of debt of different lenders were required to be converted into equity which includes allotment of 876926 equity shares to Edelweiss Asset Reconstruction Company Ltd.

In view of what is stated above, the members of the company had vide a postal ballot dated 30th March, 2015 passed a Special Resolution duly approving the preferential allotment of an aggregate of 50619232 (Five Crores Six Lacs Nineteen Thousand Two Hundred Thirty Two) equity shares of face value of Rs.10/- with a premium of Rs. 16/-each at a total price of Rs.26/- per share. The result of the said postal ballot, which was declared on 11th May, 2015 clearly indicated the shareholders approval for allotment of 876926 shares to the aforesaid lender namely Edelweiss Asset Reconstruction Company Ltd.

Since Regulation 73 (1)(e) of SEBI (Issue of Capital & Disclosures Requirements) Regulations, 2009 requires certain disclosures about the allottees to be made to the Members of the Company, the Shareholders are hereby informed of the following persons who are the ultimate beneficial owners/having ultimate control over the said lender namely Edelweiss Asset Reconstruction Company Ltd. being allottee of 876926 equity shares:

Sr. No.	Name of Shareholders of allottee	No. of Shares	% Holding	Natural Person who are the ultimate beneficial owners/ ultimately controlling the proposed allottee
1	Edelweiss Financial Services Limited	2272725	2.16	(A listed Company). Although keeping in view the proviso to Regulation 73(1)(e) of SEBI (ICDR) Regulations, 2009 no further disclosures regarding Ultimate Beneficial owners is required, the shareholding of such members/ shareholders who held more than 2% of this Company's share as on 30 th June, 2016 is given in the table hereunder.
2	M/s. Edelweiss Custodial Services Limited and its Nominee	49909148	47.41	Edelweiss Custodial Services Ltd is 100% Subsidiary of "Edelweiss Securities Limited" which in turn is 100% subsidiary of "Edelweiss Financial Services Limited" (A listed Company) No further disclosures required in view of proviso to Regulation 73(1)(e) of SEBI (ICDR) Regulations, 2009
3	Reeta Kuhad	14000000	13.30	Natural Person
4	Alok Tandon	14290852	13.57	Natural Person
5	Vineet Kashyap	7627275	7.25	Natural Person
6	Preeta Balia	2000000	1.90	Natural Person
7	Aakanksha Management Consultancy & Holdings Pvt. Ltd.	9900000	9.41	Mr. Srinivasan H.R. (Holding 91.98% Shares) Mrs. Soumithra Srinivasan (Holding 8.02% Shares)
8	M/s Gamla Livforsakringsaktiebolaget SEB Trygg Liv (publ)	5263158	5.00	Insurance Company. No further disclosures required in view of proviso to Regulation 73(1)(e) of SEBI (ICDR) Regulations, 2009
	TOTAL	105263158	100.00	

Details of shareholders holding more than 2% shares in Edelweiss Financial Services Limited

Sr. No.	Category & Name of the shareholders	No. of fully paid up equity shares held	Total as a % of Total voting rights
A	Promoters Individuals/HUF		
	Rashesh Chandrakant Shah	145301730	17.65
	Venkat Ramaswamy	58026560	7.05
	Vidya Rashesh Shah	35031200	4.26
	Any other – Bodies Corporate		
	Spire Investment Advisors LLP	41950000	5.10
	Total (A)	280309490	34.06
B	Public Institutions/ Mutual Funds/Foreign Portfolio Investors		
	First Carlyle Ventures Mauritius	68048557	8.27
	Privatbank IHAG ZURICH AG	31952620	3.88
	Saif Advisors Mauritius Limited A/C Saif India IV FII Holdings Limited	25633505	3.11
	Fidelity Investment Trust Fidelity Series Emerging Markets Fund	19647922	2.39
	Non-Institutions		
	Individual Share capital upto Rs. 2 lacs	44084917	5.36
	Individual Share capital in excess of Rs. 2 lacs	108831831	13.22
	Any Other		
	Foreign Individuals or NRI	17931436	2.18
	Bodies Corporate	18013266	2.19
	Total (B)	334144054	40.60
C	Custodian/DR Holder		
	Employee Benefit Trust	44896780	5.45
	Total (C)	44896780	5.45
	Total (A+B+C)	659350324	80.11

The Resolution at item no. 6 in the accompanying notice is with regard to noting of the said beneficial ownership status by the members of the Company.

None of the Director and Key Managerial Personnel and their relatives are concerned and interested, financially or otherwise, in the Resolutions proposed in the said item no. 6.

ITEM NO. 7: RE-APPOINTMENT OF SH. ASHOK PUNJ (DIN 00041911) AS “MANAGING DIRECTOR” OF THE COMPANY

As most of the members of the Company may be aware that Shri Ashok Punj is not only the promoter of the Company but he has been serving the Company as its “Managing Director” ever since the Company’s inception in August, 1987. Since the provisions of Companies Act pertaining to Appointment of Managing Director provide that the maximum tenure of his appointment cannot be more than five years at a stretch the members of the company have been in the past appointing Shri Ashok Punj as Managing Director for a period not exceeding five years. But sometime in the end of 2012 the company started facing financial crunch and the profits of the company in the subsequent years were inadequate for meeting the norms of managerial remuneration. Subsequently Section II of the then Schedule XIII of the Company Act, 1956 became applicable as a result of which the Managing Director / Whole Time Director could be appointed for a period not exceeding three years.

In view of what is stated above, the members of the Company in their 25th Annual General Meeting held on 19th March, 2014 appointed Shri Ashok Punj as Managing Director for a period of three years effective from 1st October, 2013 (since his earlier term expired on 30th September, 2013). Shri Punj’s present term, therefore, will expire on 30th September, 2016.

Considering the present scenario of the Company, which commenced after sanctioning of the scheme of restructuring of company’s debts it is considered essential that Shri Ashok Punj continues to discharge his responsibilities as Managing Director for a period of at least three more years.

The Nomination and Remuneration Committee constituted by the Board of Director of the Company in its meeting held on 3rd August, 2016 recommended the re-appointment of Shri Ashok Punj as Managing Director for a further period of three years commencing from 1st October, 2016. The Board of Directors of your company after due deliberations on the said recommendations accorded its approval in its meeting held on 3rd August, 2016 to the re-appointment of Shri Ashok Punj as stated herein above subject to all approvals (including the approval of the members) that may be required.

In order to enable the members to consider this important Special Business the Resolutions are listed at item no. 7 of the accompanying notice.

As per Article 122 of the Articles of Association of the Company, Sh. Ashok Punj, Managing Director, holding office as Managing Director shall not be liable to retire by rotation.

This may be treated as an extract of the draft of arrangement for re-appointment of Sh. Ashok Punj pursuant to Section 190 of the Companies Act, 2013.

Sh. Ashok Punj and his brother (Sh. Alok Punj a Non-Executive Director of the Company) may be deemed to be concerned or interested in the said resolution.

No other Director, key managerial personnel or their relatives are concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 8 & 9: RE-APPOINTMENT OF SHRI C. K. GOEL AND SHRI R. K. BAHRI RESPECTIVELY AS “WHOLE TIME DIRECTORS”

Shri C. K. Goel and Shri R. K. Bahri are currently the Whole Time Directors of the company. While Shri Goel was re-appointed by the members as Whole Time Director on 22nd September, 2011, Shri Bahri was re-appointed on 19th March, 2014 for a period of three years commencing from 1st April, 2014.

As the current term of Shri Goel is expiring on 25th October, 2016 and that of Shri Bahri is expiring on 31st March, 2017, the Nomination and Remuneration Committee in its meeting held on 3rd August, 2016 recommended the re-appointment of both these Directors for a further period of three years each. Accepting the recommendations of the Remuneration Committee your Board in its meeting held on 3rd August, 2016 re-appointed Shri Goel and Shri Bahri for further period of three years each commencing from 26th October, 2016 and 1st April, 2017 respectively subject, however, to all the approvals that may be required, including the approval of the Members at the forthcoming Annual General Meeting.

This may be treated as an extract of the draft of arrangement of re-appointment of Sh. C.K. Goel and Sh. R.K. Bahri pursuant to Section 190 of the Companies Act, 2013.

Shri C.K. Goel may be deemed to be concerned or interested, financially or otherwise, in the Resolution stated in item no. 8 of Special Business of accompanying Notice.

Shri R.K. Bahri may be deemed to be concerned or interested in the Resolution stated in item No. 9 of Special Business of accompanying Notice.

No other Director, key managerial personnel or their relatives are concerned or interested in the said Resolutions.

ITEM NO. 10, 11 & 12: FIXATION OF REMUNERATION OF SH. ASHOK PUNJ (DIN 00041911) “MANAGING DIRECTOR”, SH. C.K. GOEL (DIN 01372544) “WHOLE TIME DIRECTOR” AND SHRI R. K. BAHRI (DIN 00044364) “WHOLE-TIME DIRECTOR” OF THE COMPANY, RESPECTIVELY

As stated in Item No. 7, 8 and 9 above, Sh. Ashok Punj, has been re-appointed as Managing Director of the Company w.e.f. 1st October, 2016 and Sh. C.K. Goel and Sh. R.K. Bahri have been re-appointed as Whole Time Directors of the Company w.e.f. 26th October, 2016 & 1st April, 2017 respectively. Keeping in view the current scenario of acute financial crunch and on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on August 3, 2016 had approved substantial reduction in the current remuneration package of said three Directors.

In accordance with the provisions of Section 197 and Schedule V of the Companies Act, 2013 the terms of remuneration specified below are now being placed before the members in General Meeting for their approval.

This may be treated as an extract of the draft terms of arrangement of re-appointment of Sh. Ashok Punj, Sh. C.K. Goel and Sh. R.K. Bahri pursuant to Section 190 of the Companies Act, 2013.

Sh. Ashok Punj and his relatives (including Sh. Alok Punj, Non-Executive Director) may be deemed to be concerned or interested in the Resolution stated in item No. 10 of Special Business of accompanying Notice.

Shri C.K. Goel may be deemed to be concerned or interested, financially or otherwise, in the Resolution stated in item No. 11 of Special Business of accompanying Notice.

Shri R.K. Bahri may be deemed to be concerned or interested, financially or otherwise, in the Resolution stated in item No. 12 of Special Business of accompanying Notice.

No other Director, key managerial personnel or their relatives are concerned or interested, financially or otherwise, in the item Nos. 10, 11 & 12.

The principle terms and conditions of each of the above mentioned Director’s Remuneration are as follows:-

a) **Basic Salary** Rs. 2,50,000/- 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 :**

Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Appointee, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances in accordance with Schedule V of Companies Act, 2013 and/or as approved by the Central Government.

Further information as required under Section II of Part II Schedule V of the Companies Act, 2013 is given as under:

I. GENERAL INFORMATION

- 1) **Nature of Industry** : Pipe Manufacturing
- 2) **Date of commencement of commercial production** : Company commenced its commercial operation for Pipe Coating Plants in 1988
- 3) **Financial performance**

(₹ in Crore)

Particulars	2015-16	2014-15
Sales	106.06	150.25
Profit (Loss) before Depreciation and Finance Expenses	(1205.34)	(84.08)
Finance Expense and Depreciation	150.64	221.72
Profit (Loss) after Depreciation and Finance Expenses but before exceptional items	(1355.98)	(305.80)
Less : Exceptional Items	Nil	171.72
Less : Taxation Provision	Nil	Nil
Profit (Loss) after Tax	(1355.98)	(477.52)

During the year under review the total loss has increased from Rs. 477.52 crores in the previous year to Rs. 1355.98 crores thereby registering an increase of 184%.

4) **Export performance**

(₹ in Crore)

Particulars	2015-16	2014-15
FOB value of Export	Nil	Nil

5) **Foreign Investments**

(₹ in Crore)

Particulars	2015-16	2014-15
Pipeline Systems Limited, Mauritius	141.63	141.63
PSL USA, INC	130.34	130.34

Note: Information given herein above is in respect of accounting year for which Audited Financial Statements are available.

II. INFORMATION ABOUT THE APPOINTEE

Name of Director	Sh. Ashok Punj
Designation	Managing Director
Period of Agreement	from October 1, 2016 to September 30, 2019
Background Details	Mr. Ashok Punj is a Bachelor's degree in Electrical Engineering and Master's degree 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 37 years of technical and managerial experience. Under his leadership and guidance Company has achieved enormous progress in last few years despite general slow down in the industry.
Past Remuneration (Last Three years)	For Financial Year ended on: 1. March 31, 2016 (12 months) - Nil 2. March 31, 2015 (12 months) - 22,29,402 3. March 31, 2014 (6 months) - 34,28,804

Recognition or awards	Not Applicable
Job profile and his suitability	<p>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 29 years of Company's existence the Company not only grew on all fronts exponentially but even adequate diversification including forward and backward integration.</p> <p>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</p>
Remuneration proposed	Substantial reduction in the current remuneration package of Sh. Ashok Punj (Details as mentioned above)
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	<p>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 few years when it incurred losses for the reasons beyond its control. His able guidance and support is very much required to bring the Company back out of the present crises and for future growth.</p> <p>Remuneration proposed to be paid to Mr. Ashok Punj is as per normal industry standards and parameters and is commensurate with his status, position, duties and responsibilities.</p>
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	<p>As on 31st March, 2016 Shri Ashok Punj was holding 4.97% equity shares of the Company.</p> <p>Except Shri Alok Punj he is not related with any other Director of the Company.</p>
Directorship held in other public companies including private company which is a holding/subsidiary of public Company (excluding foreign companies and Section 8 companies)	<p>Eurocoustic Products Limited</p> <p>BHI Limited</p> <p>Lotus Court Limited</p> <p>PSL Gas Distribution Pvt. Ltd.</p> <p>PSL Infrastructure and Ports Pvt. Ltd.</p>
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil

Name of Director	Sh. C.K. Goel
Designation	Whole Time Director
Period of Agreement	from October 26, 2016 to October 25, 2019
Background Details	<p>Mr. C.K. Goel has a post graduate diploma in Mechanical Engineering, with specialization in Refrigeration & Air Conditioning, apart from a Diploma in Business Management. He had joined the Company way back in 1978 and has now completed 38 years of working in responsible positions.</p> <p>Further before taking over as in charge of an important production facility at Varsana in Gujarat, which includes Two-Step Helical Spiral Pipe Mill, he handled and headed various projects and operations in Company's different plants.</p>
Past Remuneration (Last Three years)	<p>For Financial Year ended on:</p> <ol style="list-style-type: none"> 1. March 31, 2016 (12 months) - 83,36,400 2. March 31, 2015 (12 months) - 80,97,200 3. March 31, 2014 (6 months) - 31,11,381
Recognition or awards	Not Applicable

Job profile and his suitability	He has experience of more than 35 years in Industry and was 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 currently in charge of production facilities at various locations and is doing his duties with earnest care and diligence.
Remuneration proposed	Substantial reduction in the current remuneration package of Sh. C. K. Goel (Details as mentioned above)
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 proposed to be 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 proposed to be paid to Mr. C. K. Goel is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.
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.

Name of Director	Sh. R.K. Bahri
Designation	Whole Time Director
Period of Agreement	from April 01, 2017 to March 31, 2020
Background Details	Mr. R. K. Bahri who is primarily a qualified Mechanical Engineer, had joined the Company as a Director in 1989. Prior to joining, he had held various senior positions for over two decades with M/s Fedders Lloyd Corporation Ltd. His major contribution was 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.
Past Remuneration (Last Three years)	For Financial Year ended on: 1. March 31, 2016 (12 months) - 94,92,600 2. March 31, 2015 (12 months) - 89,17,600 3. March 31, 2014 (6 months) - 34,28,804
Recognition or awards	Not Applicable
Job profile and his suitability	He joined the Company as Director of the Company with effect from 01.11.1989. In view of his rich experience in above field, Company should retain him as Whole Time Director of the Company.
Remuneration proposed	Substantial reduction in the current remuneration package of Sh. R. K. Bahri (Details as mentioned above).
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 the Company, Remuneration proposed to be paid to Mr. R.K. Bahri are justified to retain him according to the present trends in the industry and current scenario of the Company. Remuneration proposed to be paid to Mr. R.K. Bahri is as per normal industry standards and parameters and commensurate with his status, position, duties and responsibilities.
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 losses

During last three years the Company has faced set backs on account of deterioration of global economic environment, delay in implementation of projects by various Governments undertakings and various other factors as a result of which the Company could not record a good turnover and profits during the current financial year also.

There is also no ease from financial crunch being faced by the Company since the Company's lenders are not willing to extend financial support to the Company consequent upon the restructuring of debts of the Company way back in 2013.

2) Steps taken or proposed to be taken for improvement

With a view to improve its performance and profitability the Company had entered into an agreement with Jindal Tubular India Ltd. by way of which some of the manufacturing facilities of the Company were handed over to Jindal Tubular India Ltd. for Operation, Maintenance and Management of these facilities on profit sharing basis. However due to overall adverse market conditions as well as lack of big orders in the pipeline segment the aforesaid arrangement did not yield any positive results as was expected at the time of signing of the agreement.

In order to reduce the ideal labour the Company has taken steps to reduce the manpower deployed at various manufacturing plants as well as at other offices.

3) Expected increase in productivity and profits in measurable terms

Since your company has manufacturing plants and pipe mills strategically located in various places in India and has manufacturing capacity of 1.40 million MTPA in India, Subject to required support from banks it has good scope to bag big orders as and when the Government commences the work of National Gas grid as well as other projects which have been announced recently by the Governments which includes creation of 15000 Km pipeline through public private partnership and irrigation and water projects across the Country. This may improve the company's revenue and profits.

ITEM NO. 13: APPROVAL FOR AVAILING THE SERVICES OF SHRI R. K. BAHRI AS 'WHOLE TIME DIRECTOR' OF THE COMPANY INSPITE OF HIS ATTAINING THE AGE OF 70 YEARS

Section 196(3) of the Companies Act, 2013, inter alia, provides that no company shall appoint or continue the employment of a person who has attained the age of 70 years, as Managing Director, Whole time director or Manager unless the said appointment or continuation is approved by the members by passing a Special Resolution. Part 1 of Schedule V to the Act contains a similar relaxation.

As Shri Bahri was born on 10th September, 1942, he attained the age of 70 years on 10th September, 2012. Shri R. K. Bahri joined Company's board on 1st April, 1994. Since then he is continuously providing his guidance and support on the Board. Presently, he is heading Rebar Coating Division of the Company.

Keeping in view that Sh. R. K. Bahri has rich and varied experience in the Industry and he has been involved in the operations of the Company over a long period of time, it would be in the interest of the Company to continue the employment of Sh. R. K. Bahri as Whole Time Director inspite of his having attained the age of 70 years. Mr. R. K. Bahri has been again appointed as Whole Time Director of the Company by the Board of Directors in its meeting held on August 3, 2016 for 3 (three) years commencing from April 1, 2017 and ending on March 3, 2020.

The Board of Directors recommends the Resolution at Item No. 13 for shareholders approval.

None of the Directors except Shri R.K.Bahri, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the Resolution set out in Item No. 13 of the Notice.

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: 3rd August, 2016

By order of the Board of Directors of
PSL LIMITED

Sd/-
(Ashok Punj)
Managing Director

ADDITIONAL INFORMATION

(With Reference to items No.2 and 3 of “Ordinary Business”)

Name of Director	Shri R.K. Bahri
Date of Birth	10 th September, 1942
Expertise in specific functional area	General Management & Production
Directorship held in other companies (excluding foreign companies and Section 8 companies)	Eurocoustic Products Ltd. Indian Institute of Corrosion
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Brief Resume	<p>Mr. R. K. Bahri, primarily a qualified Mechanical Engineer, had joined the Company as a Director in 1989. Prior to joining, he had held various senior positions for over two decades with M/s Fedders Lloyd Corporation Ltd. His major contribution was to introduce Fusion Bonded Epoxy Coating for Reinforced Steel Bars for the first time in India.</p> <p>He has also been serving the Indian Institute of Interior Designs since its inception in various capacities and is the Trustee of NACE International India Section, Ex. Chairman of the Society for Advancement of Electrochemical Science & Technology (SAEST), Bombay Chapter.</p>
Number of shares held in the Company	Nil

Name of Director	Shri C.K. Goel
Date of Birth	16 th November 1957
Expertise in specific functional area	General Management & Production
Directorship held in other companies (excluding foreign companies and Section 8 companies)	Nil
Memberships / Chairmanships of Committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil
Brief Resume	<p>Sh. C. K. Goel is a post graduate diploma in Mechanical Engineering, with specialization in Refrigeration & Air Conditioning, apart from a Diploma in Business Management. He had joined the Company way back in 1978 and has now completed 38 years of working in responsible positions.</p> <p>Further before taking over as in charge of an important production facility at Varsana in Gujarat, which includes Two-Step Helical Spiral Pipe Mill, he handled and headed various projects and operations in Company's different plants.</p>
Number of shares held in the Company	Nil

DIRECTORS' REPORT

To,
The Members of
PSL LIMITED

Your Directors hereby present the Twenty Eight Annual Report along with Audited Statements of Accounts of the Company for the Financial Year 2015-16.

FINANCIAL RESULTS

(₹ in Crore)

Particulars	Standalone		Consolidated	
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
Gross Sales	101.87	151.18	276.75	304.37
Less: Excise Duty	1.04	4.86	1.04	4.85
Net Sales	100.83	146.32	275.72	299.52
Other Income	5.22	3.94	5.74	6.75
Total Income	106.06	150.26	281.46	306.26
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items & Tax	(1205.33)	(84.06)	(1181.82)	(117.08)
Less: Depreciation and Finance Cost	150.65	221.74	241.03	290.22
Less: Exceptional items	Nil	171.72	Nil	171.72
Profit/(Loss) Before Taxation Provisions	(1355.98)	(477.53)	(1422.85)	(579.02)
Less: Current Tax	Nil	Nil	27.13	Nil
Profit / (Loss) After Tax	(1355.98)	(477.53)	(1423.13)	(579.02)
Balance Carried to Balance Sheet	(1355.98)	(477.53)	(1423.13)	(579.02)

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the company for the financial period 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

DIVIDEND

In view of losses incurred by the Company during the year under review, your Directors have not recommended any dividend for the said year.

TRANSFER TO RESERVES

In view of absence of profits during the financial year under review, your Directors were unable to transfer any amount to the General Reserve Account.

INCREASE OF PAID UP CAPITAL

In compliance of one of the essential Conditions of package of Restructuring of Company's Debts approved for the Company by CDR Empowered Group on 23rd September, 2013 your Company in its Board Meeting held on 24th May, 2016 allotted 25999232 equity shares of the face value of Rs.10/- per share to the seven Promoter Group Entities and one lender of the Company at a premium of Rs.16/- per share in accordance with a SEBI formula prescribed for this purpose. Such allotment of additional equity resulted into enhancement of paid up capital of the Company from its earlier level of Rs.9893.53 Lacs to Rs.12493.45 Lacs.

The Company has procured in-principle approvals from the Bombay Stock Exchange and National Stock Exchange for

allotment of aforesaid shares and process for listing of these shares has also been initiated.

RESTRUCTURING OF COMPANY'S DEBTS

The Company in the Month of March, 2013 approached the Corporate Debt Restructuring Cell for restructuring its debts as the Company was not in a position to repay its debts due to huge losses. Consequently the CDR Empowered Group vide its letter of Approval approved the Restructuring scheme of the company in accordance with the Reserve Bank Guidelines.

In accordance with the aforesaid restructuring scheme, the Company has executed various documents in favour of the CDR Lenders including conversion of certain portion of debt of CDR lenders into the equity of the Company. The promoter's also brought in some contribution partly in cash and partly in kind. However since the Company's operations and profitability could not see a positive trend due to lack of orders and financial crunch, the Company was not in a position to make the repayment of the Restructured debts. Since the Company's Net worth had got eroded in the Financial Year 2012-13 the Company also approach BIFR in order to meet the mandatory statutory requirement of Sick Industrial Companies (Special Provision) Act, 1985

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTIONS (BIFR)

Your Company has filed a reference on 19th June, 2015 in Form 'A' under Section 15 of Sick Industrial Companies (Special Provision) Act, 1985 to the Board for Industrial and Financial Reconstructions (BIFR) for determination of the measures which shall be adopted with respect to the Company. The aforesaid reference has been accepted by the Board on 8th September, 2015 and the same has been registered as case no. 119/2015.

The matter for consideration of PSL Limited as 'Sick Company' under the provisions of the Sick Industrial Companies (Special Provision) Act, 1985 is pending by BIFR.

OPERATIONAL PERFORMANCE

During the year under review, your Company continued to remain in a grim situation which had commenced during the Financial Year 2012-13 as a direct consequential effect of acute financial crunch then faced by the Company. Even generally the pipeline industry in the Country experienced inadequacy of orders primarily due to delay in implementation of Natural Gas Grid and creation of excess capacity in Industry. The cumulative effect of all these factors virtually forced the Company to remain to lie low, as a result of which the consolidated turnover remained restricted to less than Rs. 300 crores. Although serious efforts were made to minimize the operational costs, the year under review ended with a consolidated loss of Rs. 1423 crores on account of factors such as depreciation, financial cost and other exceptional items.

ACCOUNTS STATEMENTS OF SUBSIDIARY COMPANIES

Your Company has five wholly owned subsidiaries in addition to two stepdown subsidiaries and seven associate Companies as on 31st March, 2016. There has been no material change in the nature

of the business of the Subsidiaries. During the year in question the Board of Directors reviews the affairs of the subsidiaries periodically.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013 the Company has prepared consolidated financial statement of the Company which forms part of this Annual Report. Further, a statement containing salient features of Financial Statements of our subsidiaries (excluding the two subsidiaries in USA) in the prescribed format AOC-1 is appended to the financial statements of the Company.

Further pursuant to the provisions of section 136 of the Companies Act, 2013 the Audited financial statement, consolidated financial statement along with relevant documents and separate audit accounts in respect of subsidiaries are available on the website of the company.

Due to continuous losses suffered by the PSL USA Inc.-the Company's subsidiary in USA and its stepdown subsidiary namely PSL North America LLC has voluntary filed petitions for relief under chapter XI of The United States Bankruptcy code, State of Delaware USA. All the assets of PSL North America LLC were sold to a Company for US\$ 100 Million since chapter XI proceeding are still not completed. The impairment of loss/profit on sale of assets will be ascertained/recognized in the current year by the Company. Hence financial results of these two companies have not been included.

ASSOCIATION WITH JINDAL TUBULAR – A SUBSIDIARY COMPANY OF JINDAL SAW LIMITED

Your Company had in the year 2014 entered into an "Operation Maintenance and Management" contract with Jindal Tubular Limited (JTL) in order to mitigate recurring cost of maintenance of the plant and machinery as well as cost of manpower deployed on various locations of Company's manufacturing activity. As a result JTL took possession of the Company's Three plants on various dates and commenced manufacturing activities in accordance with the terms and conditions of the aforesaid agreement. However the aforesaid arrangement did not yield any expected returns as the JTL has not shown any profits during the period of agreement.

DIRECTORATE

During the year under review Shri S.P. Bhatia a Whole Time Director of the Company expressed his unwillingness to continue on the Board of the company and submitted his resignation due to his personal reasons. The resignation was accepted by the Board with effect from 29th February, 2016. The Board while accepting his resignation recorded its deep appreciation for the valuable services rendered by Shri. S.P. Bhatia during his tenure.

As per conditions mentioned under CDR package, ICICI Bank appointed Mr. Sandip Sharma as Nominee Director of the Board of your Company. However, ICICI bank vide its letter dated March 23, 2016 withdrew him as our Nominee Director from the Board of your Company.

Consequent upon said changes your Board comprised of only Nine Directors including the Managing Director, two Whole Time Directors, two Non-executive Directors and Four Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 134(3)(C) of the Companies Act, 2013 and subject to disclosures in the Annual Accounts, your Directors state as under:

- a) In the preparation of annual accounts of the financial year ended on 31st March, 2016, the applicable accounting standards have been followed and there are no material departures.
- b) That the Director have selected appropriate 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.
- c) 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.
- d) Annual Accounts have been prepared on a going concern basis.
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) That the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

KEY MANAGERIAL PERSONNEL

A. Company Secretary

During the year under review consequent upon resignation of Mr. Shashi Ranjan effective from 11th May, 2015 from the post of Company Secretary of the Company your board had appointed Mrs. Geeta Girdher as a Company Secretary and Compliance Officer of the Company w.e.f. 10th November, 2015. However she was relieved off her duties on 15th March, 2016.

B. Chief Financial Officer

During the year under review Mr. V. Subramaniam a qualified Chartered Accountant as well as a Company Secretary was working as a CFO of the Company. However due to personal reasons he submitted his resignation from the services of the Company on 29th June, 2015.

BOARD DIVERSITY

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure us retain our competitive advantage. The Board has adopted the Board Diversity policy which sets out the approach to diversity of the Board of Directors.

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board were held during the financial year 2015-16, the details of which are given in the Corporate Governance

Report that is annexed to this Report. The intervening gap between any two meetings was not only within the period prescribed by the Companies Act, 2013 but it was also in accordance with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

Pursuant to provision of section 149(7) of the Companies Act, 2013 the Company has received necessary declaration from each Independent Directors that he meets the criteria of Independence laid down in section 149(6) of the Companies Act, 2013 and Regulations 25 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Your Company has been constituted a Nomination and Remuneration Committee which is empowered to nominate the number of members of the Board and various standing committees based on their different experience levels, knowledge and educational qualifications in different Sectors and discipline relating to the company's business.

The remunerations paid to executive Directors are in accordance with the recommendation of the Remuneration Committee as well as by the prescribed law.

Due care is also taken to ensure that the remuneration package is in consistent with the recommended best practices in the country.

BOARD EVALUATION

The Board of Directors has carried out evaluation and performance of the various Board committees after seeking input from the Committee members on the basis of the criteria such as the composition of Committee, effectiveness of committee meeting, noting of minutes, etc.

The Nomination and Remuneration committee of Company has carried out the evaluation of Whole Time Directors of the Company pursuant to provision of Section 178 of the Companies Act, 2013 read with Regulation 19(4) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

In a separate meeting of Independent Directors, performance of Non-independent Directors, performance of the Board as a whole was evaluated, taking into account the views of Executive Directors and Non- executive Directors.

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. The detail of all standing committees along with their composition and meeting held during the year under review are given in the Report of Corporate Governance which forms part of this Report.

INTERNAL CONTROL AND ADEQUACY

Your Company has a proper and adequate system of Internal Control for ensuring the orderly and efficient conduct of its

business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Internal Control System is supplemented by an extensive audit conducted by well structured Internal Audit Department of the Company. The said audit is by and large conducted on quarterly basis to review the adequacy and effectiveness of internal controls and to suggest improvement for strengthening them. Proper reviews are carried out to ensure follow-up on the audit observations.

RISK MANAGEMENT

The Board of Directors of the Company has formulated a Risk Management Committee which has been entrusted with the responsibility to assist the Board Members about the risk assessment and its minimization procedure. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

CORPORATE GOVERNANCE REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 Corporate Governance Report with Auditors' Certificate thereon and Management Discussion Analysis Report are attached, which form part of this report.

RELATED PARTY TRANSACTIONS

The transactions entered with Related Parties during the period under review were on arm's length basis and were in the ordinary course of the business. There were no contracts or arrangements or transactions entered into during the year ended on March 31, 2016 which were not at Arm's length basis and details of material contracts or arrangement or transaction at arm's length basis are nil. Thus disclosure in form AOC-2 is not required.

STATUTORY AUDITORS AND AUDITORS' REPORT

The Auditors, M/s Suresh C. Mathur & Co. Chartered Accountants, Auditor of the Company retire at the ensuing Annual General Meeting. They have offered themselves for re-appointment for which they are eligible.

Pursuant to provisions of Section 139 of the Companies Act, 2013 the Company has received a Certificate from the retiring Auditors to the effect that the appointment if made, would be in accordance with the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

Auditor's Adverse Observations and Management Response to Auditor's Adverse Observations are given in the Annexure-1 forming part of this Report.

COST AUDITORS

In accordance with the provisions of Section 148 of the Companies Act, 2013 Mr. V.V. Deodhar, a practicing Cost Accountant was

re-appointed by the Board of Directors as a Cost Auditor of your Company for conducting the Cost Audit of “Steel Pipe Products” for the Financial Year 2016-17 at consolidated fees of Rs.4.00 Lacs, subject to ratification of the same by Shareholders of the Company.

SECRETARIAL AUDITOR

A firm of Practising Company Secretary namely “Avi Sangal & Associates” was appointed to undertake the Secretarial Audit of the Company for the year ended 31st March,2016 as required under Section 204 of the Companies Act,2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014.

The Secretarial Audit Report for the financial year ended 31st March,2016 is annexed herewith which form a part of this Report as annexure-II.

The Secretarial Audit Report does not contain any qualification, reservation of adverse remark.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to provisions of Section 186 of the Companies Act,2013 the particulars of Loans, Guarantees and Investments are disclosed in the Financial Statement.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has formulated a vigil mechanism/whistle Blower Policy. This has provided a mechanism for Directors and employees of the company and other person dealing with the Company to Report to the Chairman of the Audit committee, any instance of unethical behaviour, actual or suspected fraud or violation of the Company’s Code of Conduct. The details of the Vigil Mechanism and Whistle Blower Policy are given in the Corporate Governance Report and also posted on the website of the Company.

EXTRACT OF THE ANNUAL RETURN

As provided under section 92(3) of the Act, the extract of Annual Return is given in Annexure-III in the prescribed Form MGT-9, which forms part of this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules,2014 are given in the Annexure-IV forming part of this Report.

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in this Annual Report as Annexure-V.

The particulars of employees required to be furnished pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Management Personnel) Rules,2014 forms part of this Annual Report.

ACKNOWLEDGEMENTS

Your Directors are pleased to place on record their appreciation for the assistance and support received from Customers, Suppliers, Dealers, Government Authorities, Financial Institutions, Lenders, Bankers, Monitoring Committee, Monitoring Institution, Consultants, Solicitors, Auditors & Shareholders and look forward to their continued co-operation.

Your Directors also thanks 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: 3rd August, 2016

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

Management's Response to the Observations of Statutory Auditor's appearing under the heading of "Emphasis of Matter" in their Report dated 24th May 2016 at page No. 45 for the financial year 2015-16.

The Board of Directors refer to the Statutory Auditors' Observations in "Emphasis of Matter" in the Auditor's Report for the financial year 2015-16 and in compliance of section 134(4) of the Companies Act, 2013 provide its explanations as under:

Response to Observation No. 1

The CDR Scheme approved for the Company on 23rd September, 2013 according to which debts then owed by the Company to various lenders had been restructured and the Company was required to commence repayment of debts w.e.f. 4th quarter of the financial year 2014-15. However due to lack of orders and acute financial crunch faced by the Company it could not adhere to re-structured repayment time schedule.

Response to Observation No. 2

As per the CDR Scheme approved for the Company on 23rd September, 2013 the debts owed by the Company to various lenders has been restructured and repayment of the same has been re-scheduled. Two year moratorium period was also provided from the cutoff date i.e. 1st January, 2013. As per the said CDR scheme, the Company was required to commence repayment of debts w.e.f. 4th quarter of the financial year 2014-15.

The Promoters/Promoter Group/Promoter group's entites have not only infused promoter contribution in cash as well as in kind but also created charge on certain immovable assets of the promoters group entities. The Board of Directors of the Company had, in accordance with the SEBI (ICDR) Regulations, 2009 passed a Resolution in circulation on 5th February, 2015 which was duly ratified by the Board of Directors in its meeting held on 10th February, 2015, wherein approval was granted for the issuance of a total of 4,97,42,306 Equity Shares of face value of Rs.10/- (Rupees Ten only) each at a total price of Rs.26/- (Rupees Twenty Six only) per equity share (including premium of Rs.16/- to the Promoters/Promoters Group Entities of the promoters group hereinafter collectively referred to "Proposed Allottees". The Company has already obtained the In-principle approval from the Stock Exchange for allotment of the aforesaid shares to the proposed allottees and consequently allotted 25999232 equity shares vide Board Resolution dated 24th May, 2016.

After re-computation, convertible debt of EARC was raised to Rs. 5 crores, the Company has vide postal ballot dated 30th March, 2015 obtained approval of the Shareholders for conversion of the balance portion of the debt i.e. Rs. 2.28 crores of Edelwiss Asset Reconstruction Company Ltd. into Equity Share of the Company and consequent to the in-principle approval granted by the Stock Exchanges the Company has allotted 876926 equity shares on preferential basis to Edelwiss Asset Reconstruction Company Ltd. vide Board Resolution dated 24th May, 2016.

Due to lack of orders and acute financial crunch faced by the Company even after the implementation of the CDR package approved for the Company, the companies turnover could not be improved resulting in non-compliance of certain conditions of the CDR.

Response to Observation No. 3

As per the Audited financial results of the extended financial year ended on 30th September, 2013 accumulated losses of the company were in excess of its entire network. In view of the above the Company became a Sick Company in terms of the provisions of Sick Industrial Companies Act (SICA) and as per the statutory requirement it made a reference to BIFR on 19th June, 2015. The said reference was admitted by the BIFR on 8th September, 2015 and the Company was restrained from disposing of or otherwise alienating in any manner the fixed assets of the Company without prior consent of the BIFR. The said reference is pending before the BIFR.

Response to Observation No. 4

Due to the acute financial crunch and lack of orders the Company recorded very low turnover since last few years even after the implementation of the CDR Scheme thereby hampering the expected profitability. As a result of which the company was not in a position to make repayment of rescheduled debts owed by it to the CDR/other Lenders. Consequent few lenders recalled the facilities granted earlier and issued notices or repayment of the dues.

Response to Observation No. 5

The Company has requested various banks for the balance confirmation letters as on 31st March, 2016 but the same have not been issued by the banks. Further the Company has gone through the CDR and various debts owed by the Company to various bankers is reflected in the CDR documents.

Response to Observation No. 6

Due to various reasons which include overall slow down in economic environment, lack of orders and acute financial crunch the Company was not in a position to increase its turnover and earn profits as was expected after the implementation of the CDR Scheme. The Operation, Maintenance and Management Agreement executed by the Company with Jindal Tubular Ltd. (JTL) also did not record any profits as was anticipated at the time of entering into such an arrangement with JTL. As a result the company could not improve its overall financial condition and recorded a net loss of Rs.46.85 Crores during the financial year ended on 31st March, 2016.

Response to Observation No. 7 & 8

Please refer to Answer to Question no. 6

Response to Observation No. 9

As per the CDR scheme approved for the Company the interest accruing on the outstanding dues of the lenders was converted into fixed interest term loan (FITL) for the period of two years from the cutoff date and based on the aforesaid provisions of the CDR Scheme, no provision for interest for the said period has been provided by the Company.

Response to Observation No. 10

Aditya Birla Finance Limited (ABFL) had in the year 2012 sanctioned and advanced a loan of Rs.50 crores for Company's Salaya Mathura Project. The Company has already repaid around Rs.27 Crores till the company had undergone CDR process. ABFL filed a complaint with EOW which was earlier rejected by EOW vide its communication dated 4th March, 2014 stating therein that the matter is purely a civil dispute. However, ABFL approached the Court and filed a complaint against the Company and its Directors to pressurize the company to repay the remaining dues forthwith. The EOW has in February, 2015 ordered freezing of the few bank

accounts of the Company at different locations in the country. The Company approached the Magistrates Court by filing application for de-freezing of accounts which application was partly allowed by the Court to the extent that the Company can operate aforesaid bank accounts without, however, allowing the Company to utilize the frozen amounts. The Company has also filed appropriate proceedings in Delhi High Court for quashing of the FIR. The matter is now sub-judice.

Response to Observation No. 11

Against the Company's Insurance claim of Rs.4.32 crores, Rs. 2.15 crores has been received by the Company. The Company is following the matter with the Insurance Company for release of balance amount.

Response to Observation No. 12

Closing inventory of Rs.156.38 Crores as on 31st March, 2016 is valued at Cost. The items of stock in hand are of specific nature and tailor made for individual customer orders and accordingly valued at cost.

Response to Observation No. 13

Detailed assessment of the useful life of Company's Assets has not carried out, hence depreciation has not been adjusted, as per above notification to Schedule II of the Companies Act, 2013.

Response to Observation No. 14

In order to minimize the cost of maintenance of the Plant and Machinery and idle labour employed by the Company at different manufacturing locations, it entered into an agreement with Jindal Tubular India Limited (JTIL) for Operation, Maintenance and Management of its Manufacturing plants at Vizag, Jaipur, Varsana and Chennai. However certain disputes arose with respect to provisional Excise license required by Jindal Tubular for the Operation of Jaipur Plant as the land has been allotted by the Rajasthan Government on lease basis and cannot be further sublet.

The Company as well as JTIL is jointly taking up the matter with Excise authorities. The provisional un-audited Balance Sheet and Profit and Loss Account of JTIL for the year ended 2016 has shown loss of 17.28 crores and net profit being a loss will disentitle the Company to any revenues as was initially contemplated under the afore said arrangement.

Response to Observation No. 15

Communications for confirmation of the debt were sent to debtors but no response was received. The Company has already taken steps through negotiations as well as through legal recourse to recover the debts from the Sundry Debtors. In view of the above no provision has been made for bad debts or its effects of the losses for the current financial year.

Response to Observation No. 16

As the Company has undergone debt restructuring under the Reserve Bank's guidelines, the figures of the outstanding loans have been deemed taken as the confirmation from the bank.

Response to Observation No. 17

Dues payable to Micro and Small supplies are sufficiently accounted for in the books of account.

Response to Observation No. 18

The management has considered that the assessable corpus may be enough for payment of gratuity and leave encashment, however any shortfall shall be met through internal accruals on cash basis.

Response to Observation No. 19

The management confirms and re-iterates that adequate financial control is maintained for its operation effectiveness.

Response to Observation No. 20 & 21

The Company has made adequate compliances of Section 189 and other relevant provisions of the Companies Act, 2013 during the financial year ended on 31st March, 2016.

Response to Observation No. 22

The Company has surrendered the possession of the parcel of land at Kandla consequent upon the eviction orders passed by the Estate Officer Kandla Port Trust under the provisions of Public Premises (Eviction of unauthorized Occupants) Act. However the Company has challenged the inflated compensation bills issued by Kandla Port Trust and the matter is sub-judice before the Hon'ble High Court of Gujarat at Ahmedabad.

Response to Observation No. 23

Due to adverse market conditions and lack of orders the PSL FZE Sharjah a step down subsidiary of the Company has suffered losses which accumulated to Rs. 141.63 crores as on 31st March, 2016. The Company expects this to be temporary phenomena and hopes the Business of the Company will pickup in near future.

The Wholly owned subsidiary of the Company i.e. PSL USA Inc and Step down subsidiary PSL North America LLC have suffered massive losses since last three four years and as such subsidiary has filed a Bankruptcy petition under chapter XI of the title 11 of United States Bankruptcy Code. The proceeding are still going on and its impact on Profit and loss will be ascertained after completion of the proceedings.

Kandla port Authorities have terminated the concession agreement executed by PSL Infrastructure and Ports Pvt. Ltd. which is of wholly owned subsidiary of the Company on 20th February, 2014. The said subsidiary company has challenged the illegal termination of the Contract by way of invoking of Arbitration clause contained in the said Concession Agreement. The Subsidiary has filed a claim under different heads aggregating to Rs. 114.70 Crores against the Kandla Port Trust. The arbitration is currently going on at Ahmedabad.

The Guarantee given by PSL Ltd. for loan availed by its subsidiary namely PSL Corrosion Control Services Limited is in its ordinary course of business and are not prejudicial to the Company.

The subsidiary namely PSL Gas Distribution Pvt.Ltd is yet to commence its business activities and therefore routine expenses have been accounted for during the current financial year.

Response to Observation No. 24 to 28

The Company have not carried out revaluation of impairment of the Assets and value of its investment in the subsidiaries for the reason that the lenders of the Company have appointed a firm of Chartered Accountants namely M/s T.R. Chadha & Co. on 29th December, 2015 to conduct the Forensic Audit of the Company accounts from the period 1st April, 2010 to 31st March, 2014.

The Audit is currently in progress and any adjustment if required in the financial statement of the company and /or impact of diminution/impairment in the value of its investment in the Subsidiary Companies would be made after the outcome of the aforesaid forensic Audit.

Response to Observation No. 29

Since the Company has recorded consistent losses during the last three years therefore no provision have been earmarked for funding the Corporate Social Responsibility as required under provision of section 135 of the Companies Act, 2013.

ANNEXURE - II

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
PSL LIMITED
Kachigam, Daman,
Union Territory of Daman and Diu, 396210

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s PSL Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s PSL Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s PSL Limited ("the Company") for the financial year ended on 31.03.2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2009;

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. I have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations with respect to;
 - a. Factories Act, 1948
 - b. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, compensation etc.;
 - c. Acts prescribed under prevention and control pollution;
 - d. Acts prescribed under Environment protection;
 - e. Industrial (Development & Regulation) Act, 1951.
 - f. Other Acts as applicable as specified in the Management Representation Letter received from the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements/SEBI (Listing Obligation & Disclosures Requirement) Regulations entered into by the Company with BSE Limited and National Stock Exchange of India Limited.,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above subject to the following observations:

Share application money amounting to Rs. 6531.57 Lac is pending for allotment at the end of the financial year. This amount was received from the Promoters/Promoter Groups/Promoter Group's Entities on different dates.

The Company has initiated the necessary process for allotment of the securities and has already obtained the necessary approval from the shareholders of the Company through Postal Ballot held on 11th May, 2015. The Company has also obtained the in-principle approval from one of the Stock Exchanges namely Bombay Stock Exchange and approval from National Stock Exchange is awaited.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **Avi Sangal & Associates,**
Company Secretaries

Place: New Delhi
Dated: 19th May, 2016

Avi Sangal
Proprietor
C.P. No.: 11984

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure 'A' to Secretarial Audit Report

To,
PSL LIMITED
Kachigam, Daman,
Union Territory of Daman and Diu,
Daman And Diu-396210

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other Applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Avi Sangal & Associates,**
Company Secretaries

Place: New Delhi
Dated: 19th May, 2016

Avi Sangal
Proprietor
C.P. No.: 11984

ANNEXURE - III

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L67120DD1987PLC002395
2	Registration Date	24 th August, 1987
3	Name of the Company	PSL LIMITED
4	Category/Sub-category of the Company	Company limited by Shares / Non-Govt company
5	Address of the Registered office & contact details	Kachigam, Daman, Union Territory of Daman and Diu, Daman and Diu - 396210; Ph.: 0260-2242989, 2242496, 2242497
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other Tubes, Pipes and Hollow Profiles in spiral or Straight Welded Seam of DIA 300 MM & Above and made out of Iron Steel of all Type	3319	62.69%
2	Sale of Service (Rebar Coating and Induction Bending)	NA	7.57%
3	Other Operating Revenue	NA	29.74%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PSL Corrosion Control Seives Ltd.	U74899DD1993PLC004666	Subsidiary	100.00%	2(87)
2	PSL Gas Distribution Pvt. Ltd.	U74999DL2010PTC211075	Subsidiary	100.00%	2(87)
3	PSL Infrastructure and Ports Pvt. Ltd.	U45200DL2011PTC212967	Subsidiary	100.00%	2(87)
4	Pipeline Systems Ltd.	Foreign Company	Subsidiary	100.00%	2(87)
5	PSL USA INC.	Foreign Company	Subsidiary	100.00%	2(87)
6	PSL FZE (Step down subsidiary)	Foreign Company	Subsidiary	100.00%	2(87)
7	PSL North America, LLC (Step down subsidiary)	Foreign Company	Subsidiary	81.00%	2(87)
8	BHI Ltd.	U14100MH1987PLC044734	Associate	26.49%	2(6)
9	Broken Hills International Pvt. Ltd.	U14299TN1990PTC019355	Associate	0.58%	2(6)
10	Eurocoustic Products Ltd.	U36109DD1981PLC002380	Associate	32.06%	2(6)
11	Punj International Pvt. Ltd.	U11200MH1987PTC045184	Associate	10.44%	2(6)
12	Punj Investments Pvt. Ltd.	U65993MH1988PTC046627	Associate	1.43%	2(6)
13	Punj Corporation Pvt. Limited	U29253DL2010PTC197999	Associate	33.71%	2(6)
14	Rosoboronerterra India Pvt. Ltd. (subsidiary of Punj Corporation Pvt. Ltd.)	U74900DL2010PTC203243	Associate	90.38%	2(6)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31 st March, 2015]				No. of Shares held at the end of the year [As on 31 st March, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	17,361,610	NIL	17,361,610	17.55%	17,361,610	NIL	17,361,610	17.55%	NIL
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	3,621,100	NIL	3,621,100	3.66%	3,621,100	NIL	3,621,100	3.66%	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (A) (1)	20,982,710	NIL	20,982,710	21.21%	20,982,710	NIL	20,982,710	21.21%	NIL
(2) Foreign									
a) NRI Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Promoter share holding									
TOTAL (A) :	20,982,710	NIL	20,982,710	21.21%	20,982,710	NIL	20,982,710	21.21%	NIL
[(A)(1)+(A)(2)]									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	1,300	1,300	NIL	NIL	1,300	1,300	NIL	NIL
b) Banks / FI	32,516,061	NIL	32,516,061	32.87%	32,451,089	NIL	32,451,089	32.80%	-0.07%
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	1,235,706	NIL	1,235,706	1.25%	1,235,706	NIL	1,235,706	1.25%	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)									
1) Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	1,000	1,000	NIL	NIL
2) Foreign Nationals	NIL	NIL	NIL	NIL	25000	NIL	25000	0.03%	0.03%
Sub-total (B)(1):-	33751767	1300	33753067	34.12%	33711795	2300	33714095	34.08%	-0.04%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	19835515	2400	19837915	20.05%	NIL	NIL	NIL	NIL	-20.05%
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	15908324	106827	16015151	16.19%	16231557	105727	16337284	16.51%	-0.33%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	7137728	NIL	7137728	7.21%	8215279	NIL	8215279	8.30%	-1.09%
c) Others (specify)									
Bodies Corporate	NIL	NIL	NIL	NIL	18503927	2400	18506327	18.71%	18.71%
Non Resident Indians	1117508	7300	1124808	1.14%	1155103	7300	1162403	1.17%	0.03%
Overseas Corporate Bodies	NIL	1000	1000	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	82373	NIL	82373	0.08%	31079	NIL	31079	0.03%	0.03%
Trusts	500	NIL	500	NIL	750	NIL	750	NIL	NIL
Foreign Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	44081948	117527	44199475	44.68%	44123020	115427	44238447	44.71%	0.03%
Total Public (B)	77833715	118827	77952542	78.79%	77834815	117727	77952542	78.79%	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	98816425	118827	98935252	100%	98925652	9600	98935252	100%	NIL

(B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 31 st March 2015)			Shareholding at the end of the year (as on 31 st March 2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arjun A. Punj	3,011,580	3.04	100	30,11,580	3.04	100	Nil
2	Keshav A. Punj	3,011,550	3.04	100	30,11,550	3.04	100	Nil
3	Raghav A. Punj	2,182,600	2.21	100	21,82,600	2.21	100	Nil
4	M/s. PSL Corrosion Control Services Ltd.	2,150,000	2.17	100	21,50,000	2.17	100	Nil
5	Ashok Y. Punj	1,660,000	1.68	100	16,60,000	1.68	100	Nil
6	Ashok Y. Punj	1,630,660	1.65	100	16,30,660	1.65	100	Nil
7	Ashok Y. Punj	1,629,230	1.65	100	16,29,230	1.65	100	Nil
8	M/s. Punj International Private Limited	1,367,000	1.38	100	13,67,000	1.38	100	Nil
9	Sandhya A. Punj	622,000	0.63	100	6,22,000	0.63	100	Nil
10	Sandhya A. Punj	589,900	0.60	100	5,89,900	0.60	100	Nil
11	Sandhya A. Punj	556,500	0.56	100	5,56,500	0.56	100	Nil
12	Neera A. Punj	513,100	0.52	100	5,13,100	0.52	100	Nil
13	Shakuntla Rani Y. Punj	505,330	0.51	100	5,05,330	0.51	100	Nil
14	Shakuntla Rani Y. Punj	505,250	0.51	100	5,05,250	0.51	100	Nil
15	Shakuntla Rani Y. Punj	505,250	0.51	100	5,05,250	0.51	100	Nil
16	Alok Punj	137,000	0.14	100	1,37,000	0.14	100	Nil
17	Jaya A. Punj	105,200	0.11	100	1,05,200	0.11	100	Nil
18	M/s. Punj Investments Pvt. Ltd	104,100	0.11	100	1,04,100	0.11	100	Nil
19	Aditi Alok Punj	98,260	0.10	100	98,260	0.10	100	Nil
20	Arya A. Punj	98,200	0.10	100	98,200	0.10	100	Nil

(c) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year 31-03-2016	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	20,982,710	21.21%	20,982,710	21.21%
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.):	0.00	0.00%	0.00	0.00%
	At the end of the year	20,982,710	21.21%	20,982,710	21.21%

(d) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

Sr. No.	Name	Shareholding at the beginning of the year (as on April 1, 2015 based on shareholding pattern as on March 31, 2015)		Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	Cumulative Shareholding during the year (as on March 31, 2016 based on shareholding pattern as on March 31, 2016)	
		No. of shares	% of total share of the Company		No. of shares	% of total shares of the company
1	Edelweiss Asset Reconstruction Company Limited	13,326,920	13.47	NIL	133,269,20	13.47
2	ICICI Bank Ltd	8,346,150	8.44	NIL	8,346,150	8.44
3	Indian Overseas Bank	6,123,076	6.19	NIL	6,123,076	6.19
4	DBS Bank Limited	3,015,380	3.05	NIL	3,015,380	3.05
5	Lloyd Systems Private Limited	2,607,190	2.64	NIL	2,607,190	2.64
6	Canara Bank-Mumbai	2,519,230	2.55	NIL	2,519,230	2.55
7	Union Bank Of India	2,380,769	2.41	NIL	2,380,769	2.41
8	The Federal Bank Ltd	2,403,846	2.43	64972 Shares (Sold out) from 18/03/2016 to 31/03/2016	2,338,874	2.36
9	ING Vysya Bank Limited	1,700,000	1.72	NIL	1,700,000	1.72
10	Export- Import Bank of India	1,642,307	1.66	NIL	1,642,307	1.66

(e) Shareholding of Directors and Key Managerial Personnel.

S. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
	Ashok Yoginder Punj	4,919,890	4.97	4,919,890	4.97
	Alok Punj	137,000	0.14	137,000	0.14
2.	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.):	NIL	NIL	NIL	NIL
3.	At the end of the year				
	Ashok Yoginder Punj	4,919,890	4.97	4,919,890	4.97
	Alok Punj	137,000	0.14	137,000	0.14

(f) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	364,595.61	1,748.00	Nil	366,343.61
ii) Interest due but not paid	715.79	Nil	Nil	715.79
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	365,311.40	1,748.00	Nil	367,059.40
Change in Indebtedness during the financial year				
• Addition	364.66	Nil	Nil	364.66
• Reduction	12,858.50	Nil	Nil	12,858.50
Net Change	13,223.16	Nil	Nil	13,223.16
Indebtedness at the end of the financial year				
i) Principal Amount	351,737.11	1,748.00	Nil	353,485.11
ii) Interest due but not paid	1,080.45	Nil	Nil	1,080.45
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	352,817.56	1,748.00	Nil	354,565.56

(g). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration					Total Amount
	Name	Ashok Punj	R. K. Bahri	C. K. Goel	S.P. Bhatia*	
	Designation	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	Nil	7,475,000	6,565,000	6,045,000	2,00,85,000
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	Nil	1,189,600	671,600	671,600	25,32,800
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission					
	- as % of profit	Nil	Nil	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	828,000	1,099,800	429,000	23,56,800
	Total (A)	Nil	94,92,600	83,36,400	71,45,600	2,49,74,600
	Ceiling as per the Act	1,35,93,012	1,46,20,000	82,68,000	75,79,000	4,40,68,012

* Drew the remuneration only part of the year.

B. Remuneration to other Directors

SN.	Particulars of Remuneration							Total Amount
	Particulars of Remuneration	Ashok Sharma	N. C. Sharma	Harsh Pateria	Harry Shourie	Sandeep Sharma	Alok Punj	
1.	Independent Directors							
	Fee for attending board committee meetings	90,000	2,10,000	1,90,000	40,000	Nil	Nil	5,30,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	90,000	2,10,000	1,90,000	40,000	Nil	Nil	5,30,000
2	Other Non-Executive Directors							
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	2,00,000	2,00,000
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	2,00,000	2,00,000
	Total (B)=(1+2)	90,000	2,10,000	1,90,000	40,000	Nil	2,00,000	7,30,000
	Total Managerial Remuneration							2,57,04,600
	Overall Ceiling as per the Act	5,00,000	12,00,000	11,00,000	2,00,000	Nil	11,00,000	41,00,000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB**Particulars of Remuneration**

(₹ in Lacs)

S. No.	Designation			Key Managerial Personnel				Total Amount
				CEO	CS		CFO	
					Sashi Ranjan (upto 11/05/15)	Geeta Girdhar (10/11/15 to 15/03/16)		
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961			NIL	1.39	1.54	13.18	16.11
	(b) Value of perquisites u/s 17(2) of Income-Tax Act, 1961			NIL	NIL	NIL	.78	.78
	(c) Profits in lieu of salary under section 17(3) of Income-Tax Act, 1961			NIL	NIL	NIL	NIL	NIL
2	Stock Option			NIL	NIL	NIL	NIL	NIL
3	Sweat Equity			NIL	NIL	NIL	NIL	NIL
4	Commission							
	- as % of profit - others, specify			NIL	NIL	NIL	NIL	NIL
5	Others, please specify			NIL	NIL	NIL	NIL	NIL
	Total			NIL	1.39	1.54	13.96	16.89

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE - IV

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A) CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy.

The various energy conservation measures taken are:

All the production units of PSL Limited are being audited for energy conservation from last more than one decade by external competent agencies, and recommendation made during these audits are implemented.

- DC Drives replaced by Variable Frequency Drive in Conveyors, pumps and other equipments in plant.
- Variable Frequency Drive on high power Centrifugal water pumps, high pressure piston pumps of Hydro-testing machines provided.
- Best possible effort for Voltage control through 66KV substation by automatic voltage regulation. HT side 66KV switch yard and 11Kv HT distribution system is well maintained and load monitoring/ load shedding is done in such a way that there are no tripping due to overloading.
- Continuous monitoring and Control of Power Factor correction value, maintaining it maximum up to 0.99 to 1 Level. Automatic Power factor controllers are employed in the plant at MPCC besides local power factor controllers at PCCs which gets switched on along with the switching of Inductive loads to maintain Power factor between 0.99 lag to Unity. We get rebate in the energy Bills every month for maintain Power factor.
- Use of Servo Motors and Servo drives to conserve energy. Most of the auxiliary equipment drives of Pipe Mill, Buggy control, Hydro tester etc. are replaced by high torque and low power servo motors and servo drives.
- A complete Digital welding system from iSAM, Germany is employed for SAW welding of pipes.
- The cables and Bus bars used in the control Panels installed in the Plant and machinery are all of copper conductor. This ensures lower heat loss and greater efficiency.
- Pipe transportation over the V-roller conveyor is a continuous process. The V-rollers are sub-divided in groups in such a way that only particular group of V-rollers are running and that too are initiated when the pipe is sensed travelling towards the roller. IFM make sensors have been used for initiation of each Roller besides Group control switches.
- Replacement of conventional tube light chokes to energy saving electronic choke.
- Incandescent light/bulbs replaced by CFL. Use of

Tube lights with electronic Ballast used in the offices and guest house. CFL lights and LED lights are used in passages and rest rooms.

- In the plant area fixtures with Metal halide lamps are used which has greater lumen output per watt consumption.
- Continuous monitoring of air leakages in compressed air lines.
- Replacement of Reciprocating Compressors Screw Compressors for Pipe mill and Coating Lines. Since for the same quantity of compressed air the screw compressors give more discharge per KW the screw compressors with reduced motor size was used.
- Compressor grid was made at one location for pipe mill and coating lines to continuous monitor the air requirement and need basis use of compressors conserving lot of energy.
- Small Reciprocating air compressors were added in the Pipe mill for plasma cutting operation and Hydrotester area for operation of pneumatic valve for water discharge in Pipe mill Plant. These are not continuous operations and require compressed air in intervals.
- Proper daily maintenance of compressors. Efforts to minimize purges, excessive airdrops. Fitment of drain controls at all location.
- Usage of air blowers instead of compressed air for blow off.
- Proper maintenance of DG Sets. They are regularly serviced and maintained in up to date condition. The diesel is also filtered through centrifugal system to remove excess moisture and dirt. This make engine perform with the best fuel efficiency.
- Installation of Sewage Treatment Plant and Effluent treatment plants for waste water management. Water from Hydrotester is treated in ETP and reused.
- All the office air conditioners are switched on-off with timer switch controllers.
- Energy conservation awareness program is conducted amongst all the employees every three months to see that there is no wastage of electricity at any point.
- All the main power Switches of the machines are Switched-Off during the Tea-break/ Lunch- break and close of the day. This also takes care of the idle running/ No-load losses.
- Coating Plants are equipped with Siemens make PLC controller for monitoring all the Parameter of

the Process & ABB make Variable Speed drives. This enables the Operator to run the Plant at the most efficient level with the optimum energy consumption and optimum use of Raw material.

Impact of above measures.

The continual emphasis on Energy conservation has improved efficiency of machine by resulting in reduction in breakdown and breakdown time, improved power factor. Above measures have helped us in reducing the cost of energy per Ton of production.

- ii) We have been able to compete in the International market in selling our machine Building Products based on the over-all Production Capacity and Cost per MT of Production committed by us.
- iii) **The steps taken by the company for utilizing alternate sources of energy.**
Company is engaged in development of Bio-diesel on commercial basis, once Commercially developed, the same will be used in place of conventional diesel.
- iv) **The capital investment on energy conservation equipments.**
Approximately Rs.75Lacs had been spend on energy conservation equipments

B) TECHNOLOGY ABSORPTION.

i) The efforts made towards technology absorption.

- PSL is one of the pioneer's in Technology absorption as all its plants have been made by PSL with design/ technology from Germany, Italy and China.
- Continual efforts have been made by the company to develop required imported items in India.
- Development of Epoxy recovery system in India with horizontal filters was done.
- Development of Welding slides, Welding systems was done.
- Using our own technological skills, we developed an on-line SAW welding system for welding on heavy duty Beam- sections being manufactured for Bridges.

ii) The benefit derived like products improvement, cost reduction, product development of import substitution etc.

- Technology absorption has reduced overall production breakdown downtime with improved production efficiencies and improvement in product finish

iii) In case of imported technology(imported during the last three years reckoned from the beginning of the financial year)

- No such Technology was imported in last three years.

iv) The expenditure incurred on Research and Development.

- Approximately Rs.10Lacs is spent on Research and Development.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

	March '16	March '15
Earnings	Nil	198.05
Outgo on Royalty	Nil	Nil

ANNEXURE - V

DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS

(Section 197 of the Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. and
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;-

Name	Designation	Remuneration in 2015-16 Rs. Lakhs	Remuneration in 2014-15 Rs. Lakhs	% Increase of Remuneration in 2016 as compared to 2015	Ratio to Median Remuneration	Ratio of 2015/16 Remuneration to	
						Revenue	Net Profit
Ashok Punj	Managing Director	-	22.29	-	-	-	-
R.K. Bahri	Director	94.92	89.18	6.44%	9.71	0.89%	(0.07%)
S.P. Bhatia	Director	71.45	73.80	(3.18%)	7.31	0.67%	(0.05%)
C.K. Goel	Director	83.36	80.97	2.95%	8.52	0.79%	(0.06%)
M.M. Mathur*	Director	-	8.83	-	-	-	-
V. Subramaniam**	Chief Financial Officer	13.96	35.35	(60.51%)	1.43	0.13%	(0.01%)
G. Gehani***	Company Secretary	-	21.42	-	-	-	-
Shashi Ranjan ****	Company Secretary	1.39	0.89	56.18%	0.14	0.01%	0.00%
Geeta Girdher ****	Company Secretary	1.54	-	-	0.16	-	-

* Since resigned with effect from 31/05/2014

** for part of the year in 2013-2014 with effect from January 1,2014

*** Since resigned with effect from 15/07/2014

**** Appointed with effect from 20/12/2014 and resigned on 11/5/2015

***** Joined with effect from 10/11/2015 and resigned on 15/03/2016

- 3 The percentage increase in the median remuneration of employees in the financial year - NIL
- 4 The number of permanent employees on the rolls of the Company as on 31st March 2016 was 274
- 5 In the view of the Company performance, the Company did not undertake any salary revision in favour of the employee for the year.
- 6 Comparison of the remuneration of the Key Personnel against the performance of the company.

Particulars	Rs. in Lakhs
Aggregate Remuneration of KMP in 2015-16	266.62
Full year Revenue	10606.35
% to Revenue	2.51%
Profit before Tax and Exceptional Items	(135,598.14)
% to above	-0.20%

- 7 Variations in the market capitalisation of the company ,price earning ratio as at the closing date of the current financial year and previous year and percentage increase over decrease in market quotations of the shares of the company in comparison to the rate at

which the company came out with the last public offer in case of listed companies, and in case of unlisted companies the variations in the net worth of the company as at the close of the current financial year and previous financial year.

The market capitalisation of the company as at March 31, 2016 is Rs.74.32 crores, as against Rs.101.08 crores as at March 31, 2015 and decrease of 26.47 % during the year under review. The company has negative earnings per share in the above years due to losses.

The last public offer for the shares of the company was an offer for sale made in the year 1995 for 40,00,000 equity shares of Rs.10 each at a premium of Rs.100/- per share. The market quotation (BSE closing) of the equity shares of the company as on March 31, 2016 was Rs.7.50 per share representing decrease of approximately 25 % in face value of share over the period.

- 8 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

In the view of the Company performances, the Company did not undertake any salary revision in favour of the employee or managerial remuneration for the year

- 9 In the view of the Company performance, no variable component has been paid by the company to the Directors.
- 10 The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year. NOT APPLICABLE
- 11 It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the Company.

Particulars of employees pursuant to Section 197 of the Companies Act, 2013 and Rule 5(2) & (3) of Companies (Appointment and Remuneration of Management Personnel) Rules, 2014

(Rs. In Lacs)

Sl. No.	Employee Name	Total CTC Paid	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of Commencement of employment	Age	Last Employment held before joining the Company
1	R.K.Bahri	94.92	Whole Time Director	B.E. Mech.	46	1-Apr-94	72	Executive Director Punj International Pvt.Ltd.
2	S P Bhatia	71.45	Whole Time Director	B.Sc.Engg., Mechanical	33	15-Jan-93	64	Lapinus Rockwool Pvt.Ltd.
3	C.K.Goel	83.36	Whole Time Director	Diploma in Mec. Engg., Business Management Refrigeration & Air conditioning	38	12-Jun-78	58	Fedders Lloyd Corporation Ltd.
4	M.Venkatesh	63.60	Ex.Director	Post Graduate	31	10-May-85	54	Punj Sons (Pvt) Ltd.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of your Company on corporate governance envisages attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and in its interactions with its stakeholders, including shareholders, employees, lenders, and the government. Your Company is committed to achieve and maintain the highest standards of Corporate Governance. The Company believes that all its actions must serve the underlying goal of enhancing overall stakeholder value over a sustained period of time.

Your Company is committed to conduct its business in compliance with the applicable laws, Rules and Regulations and with the highest standards of business ethics. The Company has a well defined policy frame work, the broad terms of which are as follows:

- 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
- to ensure management's commitment in applying principles of openness, accountability, responsibility, independence, fairness and prudence in managing the Company
- to maintain high quality of products and services provided by the Company on continuous basis
- to ensure that better system of internal control exists in consistency with Company's Code of Conduct, thus leading to greater accountability and better profit margins
- to ensure that organization is managed in the best interests of all
- 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
- to ensure that the Company follows globally recognized Corporate governance practices
- to ensure promotion of ethical values and setting up exemplary standards of ethical behaviour in our conduct.

Pursuant to provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Company has executed fresh Listing Agreements with the Stock Exchanges.

2. BOARD OF DIRECTORS

Board Composition & Category of Directors:

The present strength of the Board of Directors is nine including a Woman Director, out of which Four (i.e. 44.44%) are Executive Directors and Five (i.e. 55.56%) are Non-Executive Directors (including four Independent Directors and one Woman Director).

During the year under review, one Whole Time Director namely Mr. S. P. Bhatia resigned from the Company and he was relieved on 29th February, 2016. ICICI Bank also withdrew the name of its nominee namely Mr. Sandip Sharma from the board on 23rd March, 2016.

Even after the aforesaid changes in Company's Directorate, the present composition of Board of Directors is in full conformity with Regulation 17 (1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013.

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2016 have been made by the Directors. There are no inter-se relationship amongst the Board members except Mr. Ashok Punj and Mr. Alok Punj.

During the year 2015-16, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, was placed before the Board for its consideration.

The names and categories of the Directors on the Board, the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below. Other directorships do not include directorships of private limited companies, foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Sr. No.	Name of the Directors	Category of Directors	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies#	
			Executive Director	Non-Executive Director	Chairman	Member
1.	Ashok Punj	Executive Director (MD)	0	5	0	0
2.	Alok Punj	Non-Executive (Promoters Group)	0	1	0	0
3.	R.K. Bahri	Executive	0	2	0	0
4.	S.P. Bhatia*	Executive	0	0	0	0
5.	C.K. Goel	Executive	0	0	0	0
6.	N.C. Sharma	Independent & Non-Executive	0	4	0	0
7.	Harry H. Shourie	Independent & Non-Executive	0	0	0	0
8.	Ashok Sharma	Independent & Non-Executive	0	0	0	0
9.	Harsh Pateria	Independent & Non-Executive	0	1	0	0
10.	Sandip Sharma**	Nominee Director	0	2	0	0
11.	Manjula N. Bhatia***	Women Director	0	0	0	0

#Chairmanships / Memberships of Board Committees only include Audit Committee and Stakeholders' Relationship Committee

* Resigned with effect from 29/2/2016

** Withdrawal of name by ICICI Bank with effect from 23/03/2016

*** Appointed as Women Director on Company's Board w.e.f. 13/5/2015

Attendance at meetings:

During the financial year ended on 31st March, 2016, the Board of Directors met five times. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days. The last Annual General Meeting was held on 23rd September, 2015.

Attendance of different directors at the Board Meetings held during the year 2015-16 was as follows:

Name of Directors	Total Board Meetings Attended	Last AGM 23.09.2015	No. of Board meetings held, attended, during the year				
			13 th May, 2015	12 th June, 2015	10 th Aug., 2015	9 th Nov., 2015	9 th Feb., 2016
Ashok Punj	5	P	P	P	P	P	P
Alok Punj	5	P	P	P	P	P	P
R.K. Bahri	4	P	P	P	LOA	P	P
N. C. Sharma	5	NR	P	P	P	P	P
Ashok Sharma	2	NR	P	LOA	LOA	LOA	P
Harry H. Shourie	1	NR	P	LOA	LOA	LOA	LOA
S.P. Bhatia	5	NR	P	P	P	P	P
C.K. Goel	3	NR	P	LOA	P	LOA	P
Harsh Pateria	4	NR	P	LOA	P	P	P
Sandip Sharma	0	NR	LOA	LOA	LOA	LOA	LOA
Manjula N. Bhatia	4	P	NA	P	P	P	P
No. of Directors Attended			9	6	7	7	9
%			81.8	54.5	63.6	63.6	81.8
Quorum met				Yes			

P = Present

LOA = Leave of Absence

NR = Not Required to attend

NA = Not Applicable

After close of the said Financial Year, the Board of Directors met on 24th May, 2016 to take on record the Audited Financial Results for the whole Financial Year 2015-16 and again on 3rd August, 2016 for taking on record the Un-audited financial results for the first quarter of Financial Year 2016-17 ended on 30th June 2016.

Separate Independent Directors' Meetings

During the year, one meeting of the Independent Directors was held on August 10, 2015. The Independent Directors, inter-alia, reviewed the performance of non-independent directors and the Board as a whole.

Familiarization program for Independent Directors

As the Board of Directors of the Company comprises of few Independent Directors who are in foreign countries and to achieve economy the required familiarization of Independent Director is consistently done after conclusion of Board Meeting and all the relevant information regarding nature of the industry, business module, and roles, rights and responsibilities of the Independent Directors is being furnished to such Independent Directors.

3. BOARD COMMITTEES

Your Board has constituted seven sub-committees with defined areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. However, some of the Committees have specific

assignment delegated to them (need based committees) whereas the others being permanent in nature and have to meet from time to time (Standing Committees).

Brief details about these Committees are as follows;

A. AUDIT COMMITTEE

i. COMPOSITION

The Audit Committee has been re-constituted by the Board in accordance with the provisions contained in Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of Independent and Non-Executive Directors all being financially literate.

During the year under review Mr. R. K. Bahri expressed his unwillingness to act as Member of Audit Committee hence he was relieved from the said position on 9th February, 2016 and then in his place Mrs. Manjula N. Bhatia, a Non-Executive Director of the Company was appointed as a Member of the Audit Committee with effect from 9th February, 2016. Composition of Audit Committee presently comprised of following six members:

Sr. No.	Name of Members	Category of Directors	Position
1.	Alok Punj	Non-Executive Director	Member
2.	Harry H. Shourie	Independent & Non-Executive Director	Member
3.	Harsh Pateria	Independent & Non-Executive Director	Member
4.	N.C.Sharma	Independent & Non-Executive Director	Member
5.	Ashok Sharma	Independent & Non-Executive Director	Member
6.	Manjula N. Bhatia (w.e.f. 09.02.2016)	Non-Executive Director	Member

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 most of the Meeting of the Audit Committee and some such Board Meetings where financial matters are schedule to be discussed.

ii. TERMS OF REFERENCE

The present terms of reference, scope and functions of the Audit Committee are as per the requirements of Section 177 of the Companies Act, 2013 read with Clause 49 of the Listing Agreements & Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes other functions as are assigned by the Board from time to time.

The terms of reference of the Audit Committee, inter-alia includes;

1. Overview of the Company's financial reporting process and the disclosure of its financial information

- to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed;
2. The recommendation for appointment, remuneration and terms of appointment of auditors of the company and also approval of payment for any other services;
 3. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 4. Examination of the financial statement and the auditors' report thereon;
 5. Approval or any subsequent modification of transactions of the company with related parties;
 6. Scrutiny of Inter-Corporate Loans and Investments;
 7. Valuation of undertakings or assets of the company, wherever it is necessary;
 8. Evaluation of internal financial controls and risk management systems;
 9. Monitoring the end use of funds raised through public offers and related matters.
 10. Review the financial statements and draft audit report, including the quarterly/half-yearly financial information;
 11. Review of Company's Financial Reporting process and its financial statements before submission to the Board with a focus primarily on:-
 - (a) Major accounting entries based on exercise of judgment by management
 - (b) Qualifications in Draft Audit Report
 - (c) Significant adjustments arising out of Audit
 - (d) Compliances with the Accounting Standards
 - (e) Compliances with stock exchanges and legal requirements concerning Financial statements
 - (f) Any changes in accounting policies and practices
 - (g) The going concern assumption
 - (h) Any related party transaction as per Accounting Standard 18
 12. Review of Accounting and Financial Policies and Practices;
 13. Review of the Internal Control and Internal Audit System;
 14. Discussions with Internal Auditors in significant findings and follow up thereon;
 15. Discussion with External Auditors before the audit commences, of the nature and scope of audit as well as have post audit discussion to ascertain any area of concern;
 16. Disclosure of Contingent Liabilities;
 17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.

18. Any other terms of reference as may be specifically decided by the Board from time to time."

(iii) MEETINGS & ATTENDANCE

During the Financial Year 2015-16 four meetings of Audit Committee were held. The attendance at the said meetings was as follows:-

Name of Directors	Total No. of Meetings Attended	% of Attendance	No. of meetings held and attended during the year			
			13 th May, 2015	10 th Aug., 2015	9 th Nov., 2015	9 th Feb., 2016
Alok Punj	4	100	P	P	P	P
N.C. Sharma	4	100	P	P	P	P
Harsh Pateria	4	100	P	P	P	P
Harry H. Shourie	1	25	P	LOA	LOA	LOA
Ashok Sharma	2	50	P	LOA	LOA	P
R.K. Bahri	3	75	P	LOA	P	P
No. of Directors Attended			6	3	4	5
%			100	50.00	66.6	83.3
Quorum met			Yes			
Chairman of the Meeting			Mr. N.C. Sharma			

P = Present

LOA = Leave of Absence

Aforesaid Audit Committee meetings were attended by Head of Finance and Internal Audit department as well as the Statutory Auditors of the Company.

iv. ROLE OF INTERNAL AUDITORS

Internal Audit Department of the Company is considered as a powerful tool with its focus on strict control and good governance thereby helping in promotion of strong ethics and values within the organization.

In our Company, Internal Audit team aims at:-

- a) Achieving effectiveness and efficiency of Company's operations
- b) Complete reliability of financial reporting
- c) Full compliance with laws and regulations of all major functional areas, purchase, store, quality, production, technical, marketing, sales & finance
- d) Correct reporting on all major findings during the audit to the Board.

B. COMMITTEE OF DIRECTORS

The Board is authorised pursuant to Article 113 and 114 of the Article of Association of the Company to constitute one or more committees and delegating thereto powers and duties with respect to specific purposes as defined in various sections of the Companies Act, 2013. Accordingly the Board has formed a Standing 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 in its next meeting for its noting and ratification by the Board.

ii. COMPOSITION

During the year under review there were some changes in composition of the Committee of Directors. Composition of Committee of Directors comprised of five members:

During the year, Mr. S.P. Bhatia resigned from the Board with effect from 29th February, 2016 therefore; he automatically ceased to be a member of the Committee of Directors from that date. Presently Committee of Directors comprises of following five members:

Sr. No.	Name of Members	Category of Directors	Position
1.	Ashok Punj	Executive Director (MD)	Member
2.	Alok Punj	Non-Executive Director	Member
4.	R.K. Bahri	Executive Director	Member
5.	C.K. Goel	Executive Director	Member
6.	Manjula N. Bhatia (w.e.f. 24-05-2016)	Non-Executive Director	Member

(iii) MEETINGS & ATTENDANCE

During the year, large numbers of meetings were held. Attendance of the members at the said meetings was as follows:-

Sr. No.	Name of Members	No. of Meetings Attended
1.	Ashok Punj	17
2.	Alok Punj	15
3.	R.K. Bahri	14
4.	C.K. Goel	15
5.	S.P. Bhatia (upto 29.02.2016)	0
6.	Manjula N. Bhatia (w.e.f. 24-05.2016)	15

(C) NOMINATION AND REMUNERATION COMMITTEE**i. TERMS OF REFERENCE**

The Board of Directors had constituted a "Nomination and Remuneration Committee" in accordance with the provisions of section 178 of Companies Act, 2013 read with Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the Rules made there under. The terms of reference of the said Committee are as below:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees;

- formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors;
- devising a policy on the diversity of Board of Directors;
- Identifying individuals who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors. The criteria for the evaluation of Independent Directors includes skills, experience and level of preparedness of the directors, attendance and extent

ii. REMUNERATION POLICY

The Company has adopted a credible and transparent policy in determining and accounting for the remuneration of the executive Directors, Key Managerial personnel, etc. and to determining their remuneration as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be.

iii. COMPOSITION

The Committee presently comprises of following four members:

Sr. No.	Name of Members	Category of Directors	Position
1.	Alok Punj	Promoter & Non-Executive Director	Member
2.	Ashok Sharma	Independent & Non-Executive Director	Member
3.	N.C. Sharma	Independent & Non-Executive Director	Member
4.	Harsh Pateria	Independent & Non-Executive Director	Member

(iv) MEETINGS & ATTENDANCE

During the financial year under review only one meeting of the committee was held. Attendance at the said meeting was as under:

Sr. No.	Name of Members	No. of Meetings Attended
1.	Ashok Sharma	1
2.	Alok Punj	1
3.	N.C. Sharma	1
4.	Harsh Pateria	LOA

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholder's/ Investor's Grievance Committee was renamed as "Stakeholders Relationship Committee" vide an approval granted by the Board of Directors in its Meeting held on 5th August, 2014 in accordance with the provisions of

Section 178 of the Companies Act, 2013 read with Regulation 20 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the Rules made thereunder.

i. TERMS OF REFERENCE

The “Stakeholders Relationship Committee” was constituted by the Board to ensure that all the commitments to Shareholders/ Investors are fulfilled which immediately strengthens their relationship with the Company. The Committee shall consider and resolve the grievances of the security holders of the Company, including complaints like transfer, transmission of shares, non-receipt of Annual Report, and non-receipt of declared dividends as well as those required under Companies Act, 2013.

The terms of reference of Stakeholders Relationship Committee as approved by the Board of Directors are briefly set out as follows:

- to review the redressal of Shareholders and investor's complaints
- to appoint Compliance officer and determine the role and responsibilities of such officer.
- to ensure timely attention to investor's complaints and resolution thereof.
- to look into any other grievances of shareholders.

ii. COMPOSITION

At present the Committee comprised of following four members:

Sr. No.	Name of Members	Category of Directors	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.	Harsh Pateria	Independent & Non-Executive Director	Member

No meeting was held during the year under review.

iii. COMPLIANCE OFFICER

During the year under review Mr. Shashi Ranjan Company Secretary has resigned from the position of “Company Secretary & Compliance Officer” of the Company with effect from 11th May, 2015 and thereafter Mrs. Geeta Giridher was appointed as “Company Secretary & Compliance Officer” w.e.f 10th November, 2015 and hence she complied with all the requirements of SEBI Regulations and Listing Agreements, etc. executed by the Company with the two Stock Exchanges. However due to personal reasons Mrs. Geeta Giridher also submitted her resignation and relieved from her duties on 15th March, 2016. The vacancy so caused is being filled immediately.

iv. INVESTOR GRIEVANCE REDRESSAL

During the financial year ended 31st March, 2016, a total of 40 minor queries/Complaints/grievances were received from the investors as per report of Karvy submitted to the Company

at the end of every quarter, all of them were immediately resolved to the full satisfaction of the investors. There were no outstanding complaints at the end of the financial year 2015-16.

E. SHARE TRANSFER COMMITTEE

The Share Transfer Committee has been formed to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee inter alia, considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard.

i. TERMS OF REFERENCE

The role and terms of reference of the Share Transfer Committee is to consider applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate lodged with the Company/ Registrar and Transfer Agent. The Committee is authorised to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. Committee also deals with the requests of dematerialization & rematerialisation of shares.

ii. COMPOSITION

As during the year under review Mr. S. P. Bhatia resigned from the Board with effect from 29th February, 2016 he automatically ceased to be a member of the Share Transfer Committee from that date, in his place Mrs. Manjula N. Bhatia was appointed as Member of the said Committee with effect from 24th May, 2016. The Committee presently comprises of following members:

Sr. No.	Name of Members	Position
1.	Ashok Punj	Member
2.	Alok Punj	Member
3.	S.P. Bhatia (upto 29.02.2016)	Member
4.	Manjula N. Bhatia (w.e.f. 24.05.2016)	Member

(iii) MEETINGS & ATTENDANCE

During the financial year only one meeting was held on 28th August, 2015 wherein one transmission case comprising of 100 equity shares was approved. All the members were present in the meeting. The decision of the Committee was placed before the Board of Directors for its noting and ratification.

F. RISK MANAGEMENT COMMITTEE

i. TERMS OF REFERENCE

The Board of Directors in its meeting held on 14th November, 2014 constituted a Risk Management Committee which shall act in accordance with mandate to be given by the Board from time to time keeping in view the various statutory provisions on this issue.

The terms of reference of the Committee are as follows:

- Spearhead risk management initiative within the Company;
- Review status of actions planned;
- Review progress and status of mitigation for the "Risk that Matter";
- Set standards for risk documentation and monitoring;
- Improve risk management techniques and enhance awareness;

ii. COMPOSITION

The Committee presently comprises of following members:

Sr. No.	Name of Members	Position
1.	N.C. Sharma	Member
2.	Harry H. Shourie	Member
3.	Alok Punj	Member
4.	S.P. Bhatia (upto 29.02.2016)	Member
5.	Manjula N. Bhatia (w.e.f. 24.05.2016)	Member

As during the year under review Mr. S. P. Bhatia resigned from the Board with effect from 29th February, 2016 he automatically ceased to be a member of the Risk Management Committee from that date, in his place Mrs. Manjula N. Bhatia was appointed as Member of the said Committee with effect from 24th May, 2016.

iii. MEETINGS & ATTENDANCE

During the financial year under review no meeting was held.

4. DIRECTORS REMUNERATION

As mentioned above the Board comprises of an ideal mix of Executive as well as Non executive Directors. Remuneration paid to Managing Directors and/or Whole-time Directors are decided by the Remuneration Committee, confirmed by the Board and then approved by the shareholders in the subsequent Annual General Meetings. In view of the temporary financial crunch of the Company, during the financial year 2015-16 Mr. Ashok Punj, Managing Director of the Company did not accept any remuneration.

i) TO WHOLE TIME DIRECTORS

The break-up of the Remunerations paid to different Whole time Directors of the Company during the financial year 2015-16 is summarized below:-

Sr. No.	Name of Directors	Salary (Basic + HRA)	Perquisites	Retirement Benefits	Commission & Incentives	Total Amount (in Rs.)
1.	R.K. Bahri	74,75,000	11,89,600	8,28,000	Nil	94,92,600
2.	S. P. Bhatia*	60,45,000	6,71,600	4,29,000	Nil	71,45,600
3.	C. K. Goel	65,65,000	6,71,600	10,99,800	Nil	83,36,400
	Total	2,00,85,000	25,32,800	23,56,800	Nil	2,49,74,600

*Ceased with effect from 29th February, 2016

ii) TO NON-EXECUTIVE DIRECTORS

In accordance with statutory provisions the Non Executive Directors are only paid sitting fee for attending Board/ Committee meetings at a fixed rate duly approved by the Board from time to time. Independent Directors do not have any pecuniary relationships or transactions with the Company except for payment of fee for attending the meetings. Further Mr. Alok Punj is a Non-executive Director and also is a member of the promoter group.

The remunerations paid to Non-executive and Independent Directors for attending the Board Meetings and/ or Committee Meetings for the financial year 2015-16 were as follows:

Sr. No.	Name of Directors	Total Amount (Rs.)
1.	Alok Punj	2,00,000
2.	N.C. Sharma	2,10,000
3.	Harry H. Shourie	40,000
4.	Ashok Sharma	90,000
5.	Harsh Pateria	1,90,000

As per Regulation 26(4) of SEBI (LODR) Regulations, 2015 none of the Non-Executive Directors held any shares in the Company except Mr. Alok Punj who held equity 1,37,000 shares in the Company as on 31st March, 2016.

5. GENERAL BODY MEETINGS

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

For Financial Year	Held on	Time	Venue	No. of Special Resolutions Passed
2014-15	23 rd September, 2015	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	0
2013-14	25 th September, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	1
2012-13	19 th March, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	11
2011-12	27 th September, 2012	9:30 A.M	Hotel "Sea Rock Inn" at Devka Beach, Nani Daman -396210	5
2010-11	22 nd September, 2011	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	2

☐ None of the business proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution by way of Postal Ballot.

☐ No Extraordinary General Meeting of the members was held during the financial year 2015-16.

6. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOTS

Pursuant to the provisions of section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and relevant regulations of SEBI (LODR), Regulations, 2015 the Company conducted a postal ballot during the year for the equity shareholders of the Company.

The Board appointed Shri Sanjay Chugh, a practicing Company Secretary as a Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner. Pursuant to the requirements of Companies Act, 2013, the Company had offered the facility of e-voting to the Shareholders in addition to the existing system and for this purpose the Company entered into an agreement with Karvy Computershare Pvt. Ltd.

The Postal Ballot Forms received within 30 days of dispatch along with the votes casted electronically were considered by the Scrutinizer and thereafter Scrutinizer submitted his report to the Company for declaration of Results. The results were published in the Financial Express (all editions) and also placed at the website of the Company.

The details of the voting pattern in respect of Special Resolutions passed were as under.

	No. of Shares held (1)	No. of votes polled* (2)	% of Votes Polled on outstanding shares (3) =[(2)/(1)] *100	No. of votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes polled (6) =[(4)/(2)] *100	% of Votes against on votes polled (7) =[(5)/(2)] *100
RESOLUTION NO. 1:							
Promoter and Promoter Group	20982710	20982710	100	20982710	NIL	100	NIL
Public - Institutional Holders	33753067	NIL	NIL	NIL	NIL	NIL	NIL
Public - Others	44199475	13546858	30.65	13535196	11662	99.91	0.09
Total	98935252	34529568	34.90	34517906	11662	99.97%	0.03%

Excludes 6 invalid votes consisting of 8841 Equity Shares

RESOLUTION NO. 2:							
Promoter and Promoter Group	20982710	20982710	100	20982710	NIL	100	NIL
Public - Institutional Holders	33753067	NIL	NIL	NIL	NIL	NIL	NIL
Public - Others	44199475	13546748	30.65	13543446	3302	99.91	0.02
Total	98935252	34529458	34.90	34526156	3302	99.99%	0.01%

Excludes 6 invalid votes consisting of 8841 Equity Shares

RESOLUTION NO. 3:							
Promoter and Promoter Group	20982710	20982710	100	20982710	NIL	100	NIL
Public - Institutional Holders	33753067	NIL	NIL	NIL	NIL	NIL	NIL
Public - Others	44199475	13552749	30.66	13549167	3582	99.97	0.03
Total	98935252	34535459	34.91	34531877	3582	99.99%	0.01%

Excludes 6 invalid votes consisting of 8841 Equity Shares

7. MEANS OF COMMUNICATION

(a) **Information to Stock Exchange and Newspaper Publicity** of the Company are published in the newspapers in terms of Regulation 47 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. These results are promptly submitted to Stock Exchanges. Additionally, in strict compliance of Listing Agreement requirements and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, 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.

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 informations such as Quarterly, Annually Audited/Unaudited Financial Results, Shareholding pattern and change in Board of Directors etc. on Company's website www.pslimited.com at the earliest.

The Company by way of press releases in leading financial newspapers communicates significant information about important developments to the stakeholders.

(c) **NSE Electronic Application Processing System (NEAPS)** The Shareholding pattern and Corporate Governance for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange for corporates.

(d) **SEBI Complaints Redress Systems (SCORES)** The investors complaints are now processed in a centralized web based complaints redress system termed as SEBI Complaints Redress Systems (SCORES). The Action taken reports are submitted online by the Company and resolved to the satisfaction of the investor through SCORES.

(e) **The Management's Discussions and Analysis Report** forms part of the Company's Annual Report.

8. GENERAL SHAREHOLDER INFORMATION

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

b. **Annual General Meeting:**

Date : 29th September, 2016

Day : Thursday

Time : 9.30 A.M.

Venue : Hotel "Reevanta"
Teen Batti, Devka Road,
Nani Daman - 396210
Union Territory of Daman & Diu

c. **Financial Year :** 1st April, 2015 to 31st March, 2016

d. Un-audited/Audited Results Approval:

Sr. No.	Quarter	Ended on	Board Meeting held on
1	First	30.06.2015	10.08.2015
2	Second	30.09.2015	09.11.2015
3	Third	31.12.2015	09.02.2016
4	Fourth	31.03.2016	24.05.2016

e. Dates of Book Closure: 26-09-2016 to 29-09-2016
(Both days inclusive)

f. Payment of Dividend : For the Financial Year 2015-16 no dividend has been recommended by the Board of Directors of the Company

g. Listing at Stock Exchanges : National Stock Exchange & Bombay Stock Exchange

h. Stock Code : National Stock Exchange – PSL
Bombay Stock Exchange - 526801

i. ISIN No. : INE474B01017

j. Share Market Price Data for the Financial year 2015-16

For the Month of	Price of Shares on BSE		Price of Shares on NSE	
	High	Low	High	Low
April 15	14.89	10.10	14.85	10.00
May 15	12.88	9.70	12.75	9.60
June 15	10.10	7.55	10.10	7.55
July 15	11.65	8.40	11.80	8.25
August 15	11.57	7.28	11.65	7.30
September 15	8.50	7.45	8.50	7.30
October 15	9.00	7.75	9.15	7.75
November 15	8.70	7.61	9.00	7.30
December 15	13.26	8.20	13.30	8.10
January 16	12.86	9.00	12.80	8.70
February 16	10.94	7.20	10.75	7.15
March 16	9.25	7.25	9.20	7.25

k. Share Price Comparison

Particulars	Price Quoted at BSE	BSE (Sensx)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2015 (Open)	10.10	27954.86	10.00	8483.70
Share Price 31.03.2016 (Close)	7.50	25341.86	7.50	7738.40
Increase/Decrease in %	(25.74)	9.35	(25.00)	(8.78)

l. Share Transfer Agent : Karvy Computershare Private Limited,
17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081.

m. 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 Computershare Private Limited before a formal approval is accorded 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 instantly by NSDL/ CDSL through their respective Depositories.

: In terms of Regulation 7 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 every listed Companies are required to submit a half yearly Compliance Certificate duly certified by both the Compliance Officer of the Company and the Authorized representative of Share Transfer Agent to the Stock Exchanges where their securities are listed.

: In accordance with SEBI's requirement, another 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.

n. Distribution of Shareholding : Distribution of Shareholding of the Company as on of 31st March, 2016 was as follows:

Category From – To	No. of Cases	% of Cases	Amount	% of Amount
01 – 5000	23201	75.48	39054170	3.95
5001 – 10000	3450	11.22	28590370	2.89
10001 – 20000	1974	6.42	30777190	3.11
20001 – 30000	707	2.30	18387640	1.86
30001 – 40000	336	1.09	12084020	1.22
40001 – 50000	277	0.90	13125160	1.33
50001 – 100000	455	1.48	33756990	3.41
100001 & Above	336	1.09	813576980	82.23
TOTAL	30736	100.00	989352520	100.00

o. Dematerialization of Shares : 99.88% of the equity shares of the Company have already been dematerialized.

p. Plant Locations : The Company's Plants are located at various diversified strategic locations in different states such as:

- In Gujarat - Varsana, Nanichirai, Gandhidham and Mahudi
- In Union Territory of Daman & Diu – Daman
- In Tamil Nadu - Maduranthakam (near Chennai)

- (iv) In Andhra Pradesh – Kakinada and Vishakhapatnam
- (v) In Rajasthan - Jaipur

In addition to the aforesaid domestic plants, One 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.

q. Addresses for Correspondence from Shareholders for queries/complaints, if any:-

- a) PSL Limited, Legal & Secretarial Department, 3rd Floor, 'Punj House' M-13 A, Connaught Circus, New Delhi - 110 001, E-mail ID: pslllegal@gmail.com
- b) Karvy Computershare Private Limited (Share Transfer Agents of PSL Limited) 17-24 Vittal Rao Nagar, Madhapur, Hyderabad -. 500 081.

9. OTHER DISCLOSURES

- a) **Related party Disclosures:** Your Company has not entered into any material significant related party transactions with the Directors or the management or their relatives that may have any potential conflict with interest of the Company. Apart from receiving director remuneration, none of the Directors has any pecuniary relationships or transactions with the Company except Mr. Ashok Punj & Mr. Alok Punj.

As required under Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company has adopted a policy on Related Party Transactions to ensure the proper approval and reporting of transactions between the Company and its Related Parties. Suitable Disclosures as required by Accounting Standard-18 (Related Party Transactions) have been made in Annual Report.

The Register under Section 188 of the Companies Act, 2013 is maintained and particulars of transactions have been entered in the Register, wherever applicable.

- b) Details of non-compliance by the Company, penalties, restrictions imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2013-14, 2014-15 and 2015-16 are Nil.
- c) **Whistle Blower Policy:** Your Company is committed to adopt the best Corporate Governance Practices and to follow the highest possible moral, legal and ethical standards in the conduct of its business. In line with this commitment, Whistle blower Policy was designed to provide a mechanism for employees/Board Members and others to raise good faith concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and to protect the individuals who take such actions from retaliation or any

threat of retaliation.

d) Policy for determining 'Material' Subsidiary (ies) :

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any unlisted material Indian subsidiary companies.

As per Regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has made a policy on determining 'Material Subsidiaries' which is disclosed on the Company's website at the following: link <http://www.psllimited.com/investorupdates.aspx>

e) Compliance of Regulation 27(1) of SEBI (LODR), 2015:

- 1) Although some of the requirements stated in the said regulation are discretionary in nature. Since the Company does not have executive Chairman, the meeting of Board of Director is presided over by one of the Independent Director who is unanimously selected by the Board at the Meeting.
- 2) The Company has an experienced Internal Auditor who regularly conducts internal audit of accounts of Head office and Company's different units and branches. The said Internal Auditor frequently submits his report to the Audit committee which take deliberation on them and issues necessary directions as deemed fit.

- f) **Risk Management:** The Company has established a Risk Management framework wherein a committee comprising of the senior executive of the Company has been established which periodically identify potential risks to the strategy of the Company and take effective measures to mitigate the same in the best possible manner.

10. COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, as applicable, with regard to Corporate Governance.

11. CODE OF CONDUCT

In order to compliance of provisions of Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Code of conduct has been laid down

for all Board Members and Senior Management Personnel of the Company. The Board members and senior management personnel have affirmed their compliance of the said code for the Financial Year 2015-16. A Declaration to this effect signed by the Managing Director is annexed at the end of this report.

The Company has made a policy on 'Code of Conduct' which is disclosed on the Company's website at the following link <http://www.pslimited.com/codeofconduct.aspx>

12. CEO/ CFO CERTIFICATION

Certificate from Managing Director/CEO for the financial year ended on 31st March, 2016 is annexed at the end of this report.

13. 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 and Protection Fund (IEPF) administered by Central Government and thereafter the same cannot be claimed by the Investors. In full compliance of Company's statutory responsibility, the Company has already transferred all Dividends declared up to Financial Year 2008-09 (Interim Dividend) to the said IEPF.

Members are required to submit their claims of un-received dividend amount of different dividends declared

by the Company from time to time to the Company without any delay. Due dates for transfer of unclaimed dividend by the Company, if any, 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 of unclaimed amount to IEP Fund
2008-09	Final	26 th	21/07/2009	26/08/2016
2009-10	Interim	27 th	26/04/2010	01/06/2017
2009-10	Final	28 th	30/09/2010	05/11/2017
2010-11	Interim	29 th	28/02/2011	04/04/2018
2010-11	Final	30 th	22/09/2011	28/10/2018
2011-12	Interim	31 st	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 PAN Card for transfer/ transmission/ deletion of name etc.
- iii) Although 99.88% 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.
- iv) 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.

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 year ended on March 31, 2016 as stipulated in Clause 49 of the Listing Agreement and various regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the mandatory 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 and on behalf of
Suresh C.Mathur & Company
Chartered Accountants

Sd/-
SURESH C. MATHUR

Partner
Membership No.1276
Firm Registration No. 000891N

Place : Mumbai
Date : 3rd August, 2016

DECLARATION REGARDING AFFIRMATION OF THE CODE OF CONDUCT.

In terms of the requirement of Regulations 26(3) read with schedule V para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Code of Conduct of the Company has been displayed at the Company's Website www.psllimited.com. All the members of the Board and the Senior Management Personnel of the Company had affirmed compliance of Company's Code of Conduct for the Financial Year ended on 31st March, 2016.

For **PSL LIMITED**

Sd/-
(Ashok Punj)
Managing Director

Place : Mumbai
Date : 3rd August, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

Generally in Independent India, the business of Pipeline manufacturing and thereafter, its laying had witnessed a gradual growth. It was this growth that led the Pipeline manufacturers in the Country to establish their manufacturing setups so as to immediately cash on the opportunity as and when the same arose.

Unfortunately, the actual growth was far less than that was forecasted as a result of which the industry started witnessing a retardation process. This was so because the aggregate installed capacity of all the Pipeline manufacturers in the Country far exceeded the actual demand on actual basis. This directly led to a stiff competition amongst all the players who were then left with no alternative but to drastically reduce the prices quoted by them to its customers.

It is now learned that the Government of India plans to add more than 15,000 Kms of new Pipelines so as to cater to the growing demand of Oil and Gas consuming sectors. However, the specific projects will take few years to mature.

OPPORTUNITIES & THREATS

a) Opportunities

As stated above Government has planned to add new pipelines in the Country. If the necessary clearances are obtained in time and the budgetary provisions remained undisturbed, one can conclude that the industry will have reasonable opportunity to grow.

b) Threats

Despite a good future ahead for the Indian pipeline industry it is subjected to various threats and risk on account of deterioration in the global economic environment, the delay in implementation of the projects, legal disputes inter-se various government undertakings, foreign exchange risk, financial market risk and various others factors not within the control of the individual enterprises. In the case of your Company, it is facing a threat of company's lenders not easily willing to extend financial support to the Company consequent upon restructuring of Company's debts sometime back in the year 2013.

OUTLOOK

While the industry as a whole might witnessed some growth during the on-going financial year in case sizable new Pipeline projects get surfaced. However, your company in particular will not be able to visualize a very positive outlook since the company is still witnessing acute financial crunch commenced in 2013 as a result of which the company had to even approached the Corporate Debt Restructuring (CDR) cell for restructuring of company's debt then outstanding.

RISKS AND CONCERNS

As every industry witnesses the cycles of Booms and Depressions, the Pipeline industries is no exception. Since the growth of their

industry largely depends upon the Governmental thinking and the Government plans for expansion of Pipeline network in the Country, the future of the Pipeline industry cannot be predicted with certainty as the delay in Government planning can pose a serious risk and concern to the said predictions.

Talking specifically, your company suffers from few additional risks consequent upon the financial crises that it faced from 2013 onwards. Apart from the sanctioning of the restructuring of the company's debts by the CDR Cell in September, 2013, the company had to make a reference to BIFR after its net worth became negative. Under these circumstances some of the banks of the country may not be too eager to extent their financial support to the company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company's has adopted adequate systems of internal control covering all financial and operating functions. Internal control is designed to ensure financial and other records as are reliable for maintaining accountability of the assets. The Company has setup an internal audit department which continuously reports all deviation from the standardised norms. The findings of the department and other financial and operating plans are reviewed by the Audit committee comprised of Independent and Non – executive Directors and constituted as per the statutory provisions of the Companies Act.

Apart from deliberating on the financial issues on quarterly basis the Audit Committee examines various others financial and operational parameters and suggest suitable majors to the Board.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company and its Indian subsidiaries have prepared the financial statements for the year under review in accordance with the requirements of the Companies Act, 2013, and the rules made there under and the applicable accounting standards issued by the Institute of Chartered Accountants of India. However since Company's subsidiary namely PSL USA Inc has filed bankruptcy petition in the United States bankruptcy court for the District of Delaware and sale of its assets was approved by the said court in favour of Jindal Tubular USA LLC, the accounts of this foreign subsidiary has not been accounted for during the year.

The operations of the company were substantially reduced due to acute cash crunch faced by the Company some time back as a result of which the Company entered into an arrangement with Jindal Tubular Limited for Operations, Maintenance and Management of some of its manufacturing units on profit sharing basis. However the arrangement did not yield significant positive results as the Jindal Tubular Limited recorded losses as a result of which the company could not improve its financial position as had been envisaged at the time of entering into such arrangement.

HUMAN RESOURCE DEVELOPMENT

It has been recognised time and again by the senior management of the company that Human resources of the Company are great assets. The Company had created a performance driven environment where innovation was encouraged, performance recognized and also nurture workplace challenges that keep employee highly engaged and motivated to realize their potential. However unfortunately consequent upon liquidity crises resulting into CDR of the Company in September, 2013 the Company was forced to substantially reduce its manpower so as to reduce the financial burden on Company.

CAUTIONARY STATEMENT

Some of the statements in this Management and Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. However, actual results could differ materially from those expressed or implied. Important factor that could make a difference to the Company's operations include the attitude that the banks would adopt towards the company particularly because the company has got its scheme of restructuring of its debts sanctioned.

CEO / CFO CERTIFICATION

**The Board of Directors of
PSL Limited**

Certification by Managing Director / CEO

We, the undersigned hereby certify to the Board that:

- (a) We have reviewed Financial Statements and the Cash Flow Statements for the Financial Year 2015-16 ended on 31st March, 2016 and that to the best of my 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 and
 - (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) They are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that :-
 - (i) there have been no significant changes in internal control over financial reporting during the year;
 - (ii) there have been no significant changes in accounting policies during the year; and the same have been disclosed in the notes to the Financial Statements and
 - (iii) there have been no instances of significant fraud of which We have become aware of and 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.

Place : Mumbai
Date : 3rd August, 2016

Sd/-
(Ashok Punj)
Managing Director

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 comprises of the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on the said date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial reporting control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 judgment, 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 31st March 2016.
- (ii) in the case of the Statement of Profit and Loss, of the **Loss** of the Company for the year ended on that date and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to:

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

Default In Payment to Banks

Based on our audit procedure and as per the information and explanation given to us, the company has defaulted in repayment of loans and interest to the banks and financial institutions as on 31st March 2016.

2. Consequent upon the financial stress that the company had to suffer, it filed an application before Corporate Debt Restructuring (CDR) Cell on 6th March, 2013 for restructuring of its entire debts as on 1st January, 2013. After detailed deliberations at various meeting of company's creditors at the CDR Cell a restructuring package for the Company was finally approved by CDR Empowered Group on 23rd September, 2013. Since then, different terms and conditions included in the subject package are being complied with.

In terms of the aforesaid Letter of Approval, for the CDR package:

- a) The promoters of the Company were required to make a total contribution of Rs.146.81 Crore by way of subscribing to the equity capital of the Company/ unsecured loan so that the said contribution constitutes 25% of the total sacrifice computed for the aforesaid restructuring.
- b) Since a portion of outstanding debts of various lenders of the company was compulsorily required to be converted

into equity shares and assignment of the debt of one of the Lender of the Company namely Yes Bank Limited to Edelweiss Assets Reconstructions Company (EARC) had taken place, the said EARC had executed a Deed of Accession to Master Restructuring Agreement (MRA). Accordingly, for the debt amount of Rs.2.72 Crores, 1046150 equity shares were allotted by the company at the rate of Rs.26/- per share. However, since after re-computation of EARC's debt it was observed that even the remaining debt of Rs.2.28 Crores was also required to be converted into equity share of the company, the process of allotment of 876926 equity shares to the said EARC's on preferential allotment basis was initiated by the company as a result of which the in-principle approval from Bombay Stock Exchange (BSE) has been procured.

- c) The Board of the Directors has, in accordance with the SEBI (ICDR) Regulations, by passing a resolution in circulation on 5th February, 2015 also duly ratified on 10th February, 2015 considered and approved, subject to the approval of the members of the company, the proposal of issuance of a total of 4,97,42,306 Equity Shares of face value of Rs.10/- (Total Ten only) each at a total price of Rs.26/- (Rupees Twenty Six only) per equity share (including premium of Rs.16/-) to the Promoters/Promoters Group Entities of the promoters group hereinafter collectively referred to "Proposed Allottees" of the Company as mentioned at Point a) and b) above calculated in accordance with the Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations for an aggregate value of Rs.129.33 Crores (Rupees One Hundred Twenty Nine Crores Thirty Three Lacs only).
 - i) The equity shares shall be subject to lock-in for a period in accordance with the provisions of the SEBI (ICDR) Regulations.
 - ii) The equity shares now to be issued shall rank pari passu with the existing equity shares of the Company in all respects.
- d) The pre-preferential shareholding of Punj International (P) Ltd. and Punj Investment (P) Ltd. are pledged with ICICI Bank with effect from 18-2-2013.
- e) The Company had allotted 1046150 equity shares to Edelweiss Assets Reconstruction Company Limited under CDR Scheme on 30.12.2014 which was locked in from 31-12-2014 to 5-2-2016. These shares are now further locked-in from 5-4-2016 to 31-12-2016.
- f) For issuance of aggregate of 50619232 equity shares to the promoter group (as stated in C above) and to one of the creditors (as stated in b above), the company has procured an in-principle approval from Bombay Stock Exchange (BSE). However, the said shares are proposed to be allotted by the company in near future only after receipt of the similar approval from National Stock Exchange (NSE)

- g) As some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA)

3. As the company has been continuously facing acute financial crunch, due to low turnover and profitability in the last few years, the Company's Net Worth got eroded and became negative as a result of high quantum of accumulated losses. Due to such prevalent situation the company had become a Sick Industrial Company in terms of Section 3 (1)(o) of Sick Industrial Company Act (SICA) and therefore on 19th June, 2015, a reference was made by it to the Board for Industrial and Financial Restructuring (BIFR). A said reference was admitted on 8th September, 2015 the company has been restrained from disposing off or eliminating in any manner the fixed asset of the company without the prior consent of BIFR.
4. The financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's network is eroded a reference is made to the Board of Industrial and Financial Restructuring (BIFR), some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA) and four lenders have declared the Company's account as fraud or Red Flag account (RFA) in their books. These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations.
5. **Lender Banks' Balance Confirmation as on 31st March 2016:**
We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter of Credit/Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2016 but the same have not yet been issued. Pending balance confirmation, book balances as on 31st March, 2016 have been taken in the accounts of the Company.
6. Due to non-implementation of CDR package, there is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales.
7. It is noticed that the business of the Company is at stand still and not much production activity is carried out except

negligible production which has been carried out in Vizag, Chennai and Jaipur factories. Hence the overall sales of the Company are also very low.

8. The Company has reported a Net Loss of Rs.46.85 Crores for the 3 months ended or 31st March, 2016 against preceding 3 months net loss of Rs. 84.4 Crores ended on 31st December, 2015.
- 9.1 The Company has not provided for the interest amounting to Rs.627.21 Crores for the period from 1st January, 2013 to 31st December, 2014 which was to be built up as funded interest term loan (FITL) on the Working Capital Term Loan and Cash Credit.
- 9.2 The Company has also not provided for the interest amounting to Rs.364.66 Crores for the year 1-4-2015 to 31-3-2016. This would also increase the loss of the year.
- 9.3 The financial performance had deteriorated substantially in last 12 months. The manufacturing cost has gone up. There is weakness in demand. The Company continue to deal with a range of uncertainties. The interest payments exceeded its operating income. The Company is not able to service its debts.
- 9.4 The loss of the year is Rs.1,355.98 Crores.

10. Outstanding loan of Aditya Birla Finance Limited (ABFL)

Although one of company's creditors namely ABFL has chosen for transaction specific membership of CDR Group, it has yet to execute the Master Restructuring Agreement already executed by super majority of CDR Lenders. Consequent upon ABFL's complaint to Economic Offences Wing (EOW), the latter advised some of the bankers of the company for a debit freeze of the amount lying to company's credit in some such bank accounts. As a result approximately Rs. 100 million which could have been used by the company for its Operating Expense, Insurance Payment, and payment of Loan to Company's lenders got frozen. However, the Company has initiated legal steps for de-freezing the said amount.

11. Due to flood during the month of November, 2015, the Company's Chennai factory has incurred loss of materials and machinery worth Rs.4.32 Crores. The claim received from Insurance Co. amounting to Rs.2.15 Crores and balance amount Rs.2.17 Crores yet to be received by the Company.

12. Inventory, Current Assets:

- a) The closing inventory as on 31st March, 2016 is Rs.156.38 Crores.
- b) Closing inventory as on 31st March, 2016, includes CWIP of Rs.17.07 Crores and was valued at cost. The valuation of stock was not done as per Accounting Standard 2 "Valuation of Inventory" issued by ICAI. It was explained that the items of stock on hand are of specific nature and tailor made for individual customer orders and accordingly valued at cost.

- c) During the year some old and non-moving stock was sold as a distress sale and having realized Rs.25.78 Crores. The Company has provided for resultant loss on sale of old and non-moving stock and also made provision for remaining stock / non-moving stock totaling to Rs.1006.48 Crores during the year. As certified by the management balance stock is Rs.156.38 Crores as of 31.03.2016 (valued at cost).

13. Depreciation:

The Company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation charge has not been adjusted accordingly as per the notification to Schedule II of the Companies Act, 2013.

14. Operations Maintenance and Management Agreement with Jindal Tubular (India) Ltd.

- a) As per the Operations, Maintenance and Management Agreement with Jindal Tubular (India) Limited, they have taken over operations of the following three units of the Company on the dates shown against them:-

	<u>With effect from</u>
Vizag	15.06.2015
Jaipur	16.07.2015
Varsana	03.08.2015

- b) It will not be out of place to mention that Jindal Tubular (India) Limited has shifted from Varsana. Complete Pipe Mill on line and complete Coating Plant on line together with sheds, Trailors, Cranes etc. to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement. This matter is pending with the Excise Department.
- c) The Company has handed over the Jaipur facility to Jindal Tubular (India) Limited (JTIL) under OMMA. JTIL had taken a provisional excise license. The Excise Department has informed that the land on which Jaipur facility has been located is given on lease by the Govt. of Rajasthan to the Company and as per lease agreement the company can neither sub-let/sale any part of land nor can make anyone financial and technical partner without prior permission of the State Government. On the basis of this, Excise authorities issued a show cause notice and informed that any entity seeking excise registration has to have land possession in any manner. Without possession of land by JTIL, the provisional excise registration shall stand cancelled/revoked. Currently, JTIL and the company are collectively representing the case before excise authorities. JTIL has informed that in case of non-confirmation or revocation of excise registration, they may not be able to operate and indicated their inability to continue at Jaipur facility under OMMA. The matter is under negotiation.

- d) Jindal Tubular (India) Limited have submitted the provisional unaudited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2016 and shown a loss of Rs.17.26 Crores. Besides this they have claimed legacy payment from PSL amounting to Rs.5.32 Crores. However the PSL Statements are showing outstanding of Rs.2.95 Crores including Rs.2.32 Crores on account of Legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.
- e) It appears that due to "Net Revenue" being a loss PSL, will not be entitled for any revenues.

15. Debtors: Note No. 16 of Balance sheet and Schedules

- i) The Company has Sundry Debtors of Rs.287.23 Crores as on March 31, 2016.

Less than Six Months	3.53 Crores
More than Six Months.	283.70 Crores
Total	287.23 Crores

- ii) During the year, practically no recovery has been made from the clients. There is no certainty of arbitration matters and disputes with the parties. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on March 31, 2016. 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 year ended on 31st March 2016. We are of the opinion that, an amount of Rs.253.26 Crores being 100 percent provision need to be made towards bad and doubtful debts for sundry debtors outstanding for more than 3 years. Had this provision been made, the loss for the year would have been greater by Rs.253.26 Crores.

16. Sundry Creditors & Loans and Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2016, provision for any adverse variation in the balances is not quantified.

17. Due to Micro and Small Supplies:

This information is not provided by the Company.

18. The management has decided not to provide for Gratuity, Leave Encashment for the period of 1st April, 2014 to 31st March 2016 because current provision is considered sufficient by the management for this purpose.
19. There is an existence of adequate internal financial controls and its operational effectiveness in the Company.
20. 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 189 of the Companies Act, 2013 have so been entered.

21. 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 189 of the Companies Act, 2013 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
22. The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorized) passed order on 27/03/2014 for the evacuation of the Kandla PCD-I premises because lease period was over, the Estate Office has taken over the possession of the land. Since the lease amount is under dispute, the lease payments have not been made and not provided in the accounts.

23. Investment in Subsidiaries

A) Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary) of Pipeline Systems Ltd. Mauritius
- a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Ltd. Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded. The Company has not provided for the same.
- b) The share certificate of PSL FZE, Sharjah held by PSL Ltd. indirectly through the above said Company, amounting to 100% of the Equity Share Capital of the Company have been pledged in favour of National Bank of Oman S.A.O.G. acting as Security Agent of ICICI Bank Limited, Bahrain.
- c) During the year PSL FZE has incurred loss of AED 36.45 Mio. Based on the audit procedure and the information obtained, we have observed some of the loans were rolled over / rescheduled by the bank. Also in some cases company was not able to make the payment on due date of installment due to the banks and banks claim was settled by claiming against the Standby Letter of Credit arranged by Parent company, PSL Limited, India.
- d) PSL FZE has executed a project received from SWLL. Bank of Baroda has given guarantee in favour of State Bank, Bahrain to issue performance guarantee in favour of the client to the extent of USD 4.5 million. This is contingent liability of PSL FZE as on 31-3-2016.
- e) A creditor has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.
- ii) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital of 104.76 Million AED Mio against Plant & Machinery, assignment of receivable and inventory against the security of the subordination of unsecured loans advances by PSL fixed assets on pari passu basis.

iii) Term Loan Rs.121.61 AED

Term Loan was secured by ICICI SBL of USD 34.50 Million. As on date Credit Suisse has claimed the SBL and the Loan from Credit Suisse has been paid off by ICICI Bank and the term loan is now due to ICICI Bank, Bahrain.

iv) PSL USA INC (USA)

PSL NA LLC (USA) (Step down Subsidiary)

The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded. The Company has not provided for the same.

Also the outstanding debtors includes receivable amounting to Rs. 22.30 Crores from the subsidiary which is not provided for.

v) Due to continuous losses suffered by the company's step down subsidiary namely PSL North America LLC, it was directly affecting the financial position of PSL/USA/Inc. (the holding Company of PSL North America LLC). The Company voluntary petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware. All the assets of PSL North America LLC were put to sale/sold to a company for USD 100 Million. The impairment of loss/profit on sales of assets will be ascertained / recognized in the current year by the Company.

vi) The audited financial statements have not been received by the Company from foreign subsidiary companies and we have relied on the financial statements of the management. Based on our review conducted as above and subject to the possible effects of the matter described above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified u/s 133 of the Companies Act, 2013 reads with Rule 7 of the Companies (Account) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 63 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

B) Indian Subsidiaries:

1) PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL Infrastructure and Ports Pvt. Limited is Rs.28.21 Crores.
- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs 64.85 Crores.

- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete.

2) PSL Corrosion Control Services Ltd.

- Due to high cost of working, the margins are going down.
- In our opinion and explanation given to us the Company has given Guarantees for loan taken by its subsidiaries from banks/financial institution the terms and conditions of such guarantees are not prejudicial to the interest of the Company.

3) PSL Gas Distribution (P) Ltd.

- The company was incorporated on 31st December 2010 and has not commenced any business activity.

24. **Impairment of Assets:**

The Management has not carried out any evaluation of impairment of these assets and no provision for impairment has been recorded, as required by Accounting Standard-28.

25. Due to this, provision for diminution / impairment in the value of its investments in the above subsidiary companies is not considered.
26. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. However there is no new loan availed by the company during the year.
27. 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.
28. The bankers have appointed a firm of Chartered Accountants to check the books of accounts of the Company for the last four years. The audit is in progress. The Company's Management is of the view that the above investigations/ proceedings would not result in any additional material provisions / write-offs / adjustments (other than those already provided for / written-off or disclosed) in the financial statements of the Company. As per the Company's Management, any adjustments, if required, in the financial statements of the Company would be made as and when the outcomes of the above matters are concluded.

29. **Corporate Social Responsibility**

Since average net profits of the Company made during the three immediately preceding financial years is negative,

therefore the Company has not earmarked specific funding for Corporate Social Responsibility and sustainable activities as required under the provision of section 135 of the Act.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) Except the matters described in Emphasis of Matter Paragraphs 1 to 12 and Annexure A Para Nos. 7 in our opinion, may have an adverse effect on the functioning of the Company, aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - c) 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;
 - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e) On the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors

is disqualified as on 31st March, 2016 from being appointed as director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note Nos. 1 to 12 and Annexure A-7 to the financial statements;
 - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii) there have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Suresh C. Mathur & Co.,
Chartered Accountants,
(Firm Regn. No. 000891N)

Place: New Delhi
Dated: 24th May, 2016

(Suresh C. Mathur)
PARTNER
M. No. 1276

ANNEXURE – A TO THE AUDITORS' 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 31st March 2016 of PSL Limited

1. a) The Company has computerized Assets Register. It is to be updated. All the factory units have kept details of their fixed assets at their level.
- b) During the year, physical verification was done by the management of all the factory units of the Company. As the computerized Asset Register is not updated, the full particulars including total quantitative details could not be ascertained. Pending completion of reconciliations which has not been completed discrepancies if any cannot be ascertainable. Pending updating of records and reconciliation books balances as at 31-3-2016 have been adopted.
- c) In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- d) The title deeds of the immovable properties are held in the name of the Company.
2. Subject to our remark in Item No. 1 in "Emphasis of Matter" the physical verification of inventory has been conducted at reasonable intervals by the management; and the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business. The stock is maintained on Excel Sheets. On line package is not installed and not integrated with books of accounts. The Company is maintaining proper records of inventory and any material discrepancies noticed on physical verification have been properly dealt with in the books of account.
3. The Company has not granted loans, secured/unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013
4. The Company has complied in respect of loan, investments, guarantees and securities as required under provision of sections 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the Rules framed there under. Therefore, the provisions of Section 73 and 74 of the Act and any other relevant provisions of the Companies Act, 2013 and the Rules framed there under with regard to deposits accepted from the public are not applicable to the Company.
6. 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 sub-section (1) of Section 148 of the Act and are of the opinion that 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 year ended 31st March 2013. The Cost Audit Report is mandatory u/s 148(1) of the Companies Act 2013.
7. According to the records of the Company, the Company is not regular in depositing undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Excise, valued added tax, Cess and any other statutory dues 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, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were outstanding, at the financial reporting period ending on 31st March 2016 for a period of more than six months from the date they became payable.
7. a) As on 31st March, 2016 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.

SR. No.	Amount under Dispute (Rs. In Lacs)	Facts of the Case	Period which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
1.	3752	Demand of duty on exempted orders	2006	CESTAT, Ahmedabad
2.	1467	Duty on Fusion Bonded Epoxy Coating	2008	CESTAT, Mumbai
3.	8	Duty on Fusion Bonded Epoxy Coating	2010	Commissioner (Appeals), Chennai
4.	3	Demand of differential Excise Duty	2011	CESTAT, Chennai
5.	34	Demand of Cenvat Credit	2010	CESTAT, Mumbai
6.	10	Relating to interest on incorrect Cenvat Credit	2010	CESTAT, Bangalore
7.	0.45	Excess Cenvat Credit taken	2012	CESTAT, Ahmedabad.
8.	9	Goods cleared without payment of Excise Duty	2012	Addl. Commissioner of Central Excise, Jaipur
9.	9	Cenvat credit availed on capital goods	2012	Transferred back to Tribunal Ahmedabad
10.	54	Demand of Central Excise Duty	2012	Commissioner of Central Excise, Ahmedabad
11.	0.32	Demand of Central Excise Duty	2013	Dy. Commissioner, Central Excise, Vizag
12.	181	Short paid Excise Duty on Transportation	2013	Commissioner of Central Excise, Vizag
13.	202	None Payment of Excise Duty	2013	Commissioner, Rajkot
14.	57	Short Reversal of Cenvat Credit	2013	CESTAT, Ahmedabad
15.	29.85	Recovery of Refund erroneously paid to us by Ex. Deptt	2014	Asstt. Commissioner Central Excise, Dandhidham
16.	1.13	Demand of Excise Duty, interest and penalty	2015	Asstt. Commissioner, Jaipur
17.	76	Wrong availment of cenvat credit	2016	Commissioner Central Ex., Gandhidham
18.	76	Wrong utilization of cenvat credit	2016	Commissioner Central Ex. Gandhidham
CUSTOMS / DGFT				
1.	871	Wrong availment of custom duty – HDPE	2012	CESTAT, Ahmedabad
SERVICE TAX				
1.	45	Tax on construction of Mall	2008	CESTAT, Chennai
2.	209	BAS	2009	Commissioner, Puducherry
3.	2	Demand for Interest Liability	2009	Asst. Commissioner (Appeals), Service-tax, Vizag
4.	15		2009	Asstt. Commissioner, Service Tax, Vizag
5.	2	Demand of Service Tax BAS	2010	CESTAT, Mumbai
6.	6	Service Tax on ECB Loan	2011	Addl. Commissioner, Service Tax, Mumbai
7.	6	Cenvat credit availed on input services not covered	2012	Add. Commissioner of C. Ex., Vizag-Commissionerate
8.	21	Wrong availment of Cenvat Credit	2012	CESTAT, Ahmedabad
9.	30	Cenvat credit availed on service tax paid on agency commission	2013	Joint Commissioner of C. Ex. Rajkot
10.	123	Short payment of Service-tax	2016	Commissioner of Central Excise, Gandhidham
11.	11	Interest not paid on belated payment of service-tax	2016	Commissioner of Central Excise, Puchcherry
SALES TAX				
1.	43	Composite tax payable on outward transport	2004	High court of A.P.
2.	1200	Demand of duty	2005	High Court of A.P.
3.	681	Demand of duty	2002-07	Asstt. Sales Tax Officer, Daman
INCOME TAX				
1.	136	Demand of Income-tax	2011-12	CIT (Appeals)
2.	21	Demand of Income-tax	2005-06	CIT (Appeals) Sec. 143(3)/263
3.	25	Demand of Income-tax	2012-13	CIT (Appeals)

CASES FILED AGAINST THE COMPANY

Sl. No.	Financial Institution	Purpose
1.	Syndicate Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of the Cheque No. 355113 for Rs.12,50,00,000/- drawn on State Bank of India
2.	Syndicate Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of the Cheque No. 355114 for Rs.12,50,00,000/- drawn on State Bank of India
3.	Kotak Mahindra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two Cheques No. 753765 & 753766 for Rs.5,00,00,000/- each drawn on ICICI Bank
4.	Kotak Mahindra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two Cheques No. 483804 & 539241 for Rs.5,00,00,000/- each drawn on ICICI Bank
5.	Kotak Mahindra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two Cheques No. 483805 & 539242 for Rs.5,00,00,000/- each drawn on ICICI Bank
6.	Aditya Birla Finance Ltd.	Notice regarding recall of outstanding credit facility extended vide sanctioned letter dated 30/05/2012. A case was registered by Economic offences wing (EOW) on the Company as well as the Directors under CrPC. The matter is under investigation.

Kotak Mahindra Bank

The Bank has initiated action under SARFAESI Act, 2002 u/s 14 of the said Act praying possession of property at Mouje, Nanicherai, Distt. Kutch, which property had been earlier mortgaged in favour of Kotak Mahindra Bank to secure the repayment of certain loan amounts.

The District Magistrate passed the Order in favour of Bank. The Company is filing appeal.

Indian Bank, Nariman Point, Mumbai

Issued Notice to the Company and Directors to pay Rs.64,57,90,389/- and Bank Guarantee Rs.3,21,90,190/- due to them and threatened to initiate legal proceedings.

Federal Bank

The Federal Bank has given a show cause notice in pursuance of the proceedings for declaring the Company as Willful defaulter. This is objected by the Company as unwarranted and non-tenable. The matter is under dispute.

Standard Chartered Bank

Given Notice u/s 433 and 434 of the Companies Act to pay outstanding dues and to initiate winding up proceedings against the Company.

7. b) Legal Matters

- a) Initially five complaints were filed by two banks under the relevant provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one has been scrapped and only four are now pending for disposal.
- b) Winding up Petition filed by JSW:
The winding up petition filed by JSW was withdrawn on 29.6.2015 as on direction of Bombay High Court an aggregate amount of Rs.25 Crores was paid by the Company. The Bombay High court has also directed the parties to execute necessary security documents in High Court in favour of JSW along with other CDR Lenders of the Company with respect to creation of

charge over the movable fixed assets of the company on 15.6.2015. Further charge has also been created over the immovable assets of the company at Vizag, Kakinada, Varsana and Daman on 17.8.2015 by executing necessary security documents in favour of CDR Lenders and JSW.

- c) A Petition has been filed before the High Court of Gujarat at Ahmedabad challenging compensation Bill raised by Kandla Port Trust (KPT) in respect of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. Stay has been granted in favour of Company with regard to 5 of the 7 plots.
- d) Termination of concession agreement executed by Kandla Port Trust in respect of PSL Infrastructure and Ports Private Limited. The matter is pending before arbitration Tribunal.
- e) FIRs have been registered against the Company, Managing Director, Whole Time Directors and an official. This matter is pending before Delhi High Court for quashing of said FIR. Two separate writ petitions are pending before Delhi High Court for quashing of subject FIR registered against the directors. Interim orders passed earlier shall continue.
- f) Aggrieved by the Order of Metropolitan Magistrate - the Company had earlier filed a Revision Petition before the Court of Additional Sessions Judge, Patiala House, New Delhi which was dismissed vide orders dated 22nd July, 2015. Based on the advice of Advocate, the Company has now filed a Criminal Miscellaneous Petition being Cr. M.C. No. 5072 of 2015 under Section 482 of CRPC in the Delhi High Court challenging the order dated 22nd July, 2015 of ASJ.
- g) Another supplier of company had on 10-3-2015 filed a company petition No. 434 of 2015 against the Company under Section 433(e) and (f) read with Section 434 and 439 of Companies Act, 1956 before the Bombay High Court. The matter is pending.

- h) A Civil Suit was filed by Chaitanya Blasting Works against the Company before the court of Additional District Judge at Vishakhapatnam for recovery of Rs.1.25 Crores along with interest @ 24% per annum along with an application for attachment before judgment of company's stock lying at Gurrampalen, Vishakhapatnam which was dismissed by the Court of Addl.(ADJ) vide order dated 5-10-2015. The Chataniya Blasting Work has now challenged the order of ADJ by filing a petition under Article 227 of the Constitution of India in the High Court of Judicature at Hyderabad. This matter is pending.
8. The Company has defaulted in repayment of loan and borrowings to financial institution, bank and Govt. The lenders balance confirmations were not available.
 9. The Company has not raised money by way of initial public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
 10. 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.
 11. The Company is not a Nidhi Company and Nidhi Rules 2015 is not applicable.
 12. The Company has disclosed all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 were applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
 13. The Company has not allotted any fully paid up shares to the Lenders / Creditors during the year. The proposed allotments are pending, awaiting approval of Stock Exchanges.
 14. The Company has not entered into any non-cash transactions with directors or persons connected with him.
 15. The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. This is not applicable to the Company.

Reasons for Unfavourable Report

Due to non-implementation of CDR package, the financial position of the company has suffered a Setback. The production has fallen resulting in heavy losses. Due to financial crunch and non availability of funds, there are some delays in depositing the government dues. . There are defaults in repayment of bank loans. The debtors have stopped payment of their dues. The creditors have started filing legal suits for their recovery and winding up proceedings. The net worth has eroded. The BIFR application is pending. We have reported the matters in the Emphasis of matters in paragraph nos. 1 to 12 of our report of even date.

For Suresh C. Mathur & Co.
Chartered Accountants,
(Firm Regn. No. 000891N)

(**Suresh C. Mathur**)
PARTNER
M. No. 1276

Place: New Delhi
Dated: 24th May, 2016

ANNEXURE – B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of PSL Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suresh C. Mathur & Co.
Chartered Accountants,
(Firm Regn. No. 000891N)

Place: New Delhi
Dated: 24th May, 2016

(Suresh C. Mathur)
PARTNER
M. No. 1276

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ in Lacs)

	Particulars	Note No.	As at 31 st March 2016	As at 31 st March 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
(a)	Share Capital	2	9,893.53	9,893.53
(b)	Reserves and Surplus	3	(162,047.09)	(26,448.95)
(c)	Money Received against Share Warrants		NIL	NIL
2	Share Application Money Pending Allotment	3A	6,531.57	6,531.57
3	Non-current Liabilities			
(a)	Long-term Borrowings	4	317,990.11	330,848.61
(b)	Deferred Tax Liabilities (Net)		NIL	NIL
(c)	Long-term Liabilities	5	26,355.58	29,295.63
(d)	Long-term Provisions	6	1,338.44	1,338.44
4	Current Liabilities			
(a)	Short-term Borrowings	7	35,495.00	35,495.00
(b)	Trade Payables		2,512.53	2,191.59
(c)	Other Current Liabilities	8	46,842.87	34,585.85
(d)	Short-term Provisions		NIL	NIL
	TOTAL		284,912.55	423,731.26
II.	ASSETS			
	Non-current Assets			
1	(a) Fixed Assets	9		
(i)	Tangible Assets		156,310.67	171,341.08
(ii)	Intangible Assets		0.58	0.58
(iii)	Capital Work-in-Progress		1,113.59	1,101.60
(iv)	Intangible Assets Under Development		NIL	NIL
(b)	Non-current Investments	10	30,461.07	30,461.07
(c)	Deferred Tax Assets (net)		604.57	604.57
(d)	Long-term Loans and Advances	11	43,867.46	44,017.22
(e)	Other Non-current Assets		NIL	NIL
2	Current Assets			
(a)	Current Investments		NIL	NIL
(b)	Inventories	12	15,637.59	139,125.26
(c)	Trade Receivables	13	28,723.19	31,194.09
(d)	Cash and Cash Equivalents	14	2,353.02	2,779.35
(e)	Short-term Loans and Advances	15	5,840.82	3,106.45
(f)	Other Current Assets		NIL	NIL
	TOTAL		284,912.55	423,731.26
The Notes form an integral part of these 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
Dated : 24th May 2016

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

Alok Punj
R.K.Bahri

Ashok Punj
C.K.Goel

(Directors)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lacs)

	Particulars	Note No.	For the Year Ended 31 st March 2016	For the Year Ended 31 st March 2015
I.	Revenue From Operations	16	10,187.89	15,117.71
	Less: Excise Duty		104.17	485.74
			10,083.72	14,631.96
II.	Other Income	17	522.63	393.94
III.	Total Revenue (I + II)		10,606.35	15,025.90
IV.	Expenses:			
	Cost of Materials Consumed	18	7,376.50	8,634.80
	Manufacturing and Operating Costs	19	2,837.20	5,667.38
	Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	20	116,512.88	1,366.96
	Employee Benefits Expense	21	2,567.93	5,254.49
	Finance Costs	22	34.86	4,789.80
	Depreciation and Amortization Expense		15,030.46	17,383.98
	Other Expenses	23	1,844.65	2,508.70
	Total Expenses		146,204.49	45,606.12
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		(135,598.14)	(30,580.21)
VI.	Exceptional Items		NIL	17,172.39
VII.	Profit Before Extraordinary Items and Tax (V - VI)		(135,598.14)	(47,752.60)
VIII.	Extraordinary Items		NIL	NIL
IX.	Profit Before Tax (VII- VIII)		(135,598.14)	(47,752.60)
X	Tax Expense:			
	(1) Current Tax		NIL	NIL
	(2) Deferred Tax		NIL	NIL
XI	Profit (Loss) for the Period From Continuing Operations (IX - X)		(135,598.14)	(47,752.60)
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)		(135,598.14)	(47,752.60)
XVI	Earnings Per Equity Share:			
	(1) Basic		(137.06)	(48.27)
	(2) Diluted		(137.06)	(48.27)
The Notes form an integral part of these 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
Dated : 24th May 2016

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

Alok Punj
R.K.Bahri

Ashok Punj
C.K.Goel

(Directors)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2016
(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(₹ in Lacs)

	PARTICULARS		For the Year Ended 31 st March, 2016	For the Year Ended 31 st March, 2015
A)	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit Before Tax & Extra-Ordinary Items		(135598.14)	(47752.59)
	ADJUSTED FOR			
	Add : Depreciation		15030.46	17383.99
	Interest (Net)		(91.48)	4563.74
	Other Borrowing Cost		34.86	171.58
	Revaluation of Assets		0.00	NIL
	Prior year Expenditure		0.00	(630.99)
	Less: Profit on Sale of Fixed Assets		0.00	(3.68)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(120624.30)	(26260.59)
	Changes in			
	Trade Receivables		2470.90	3791.04
	Inventories		123487.67	5278.78
	Trade Payables/Other Liabilities		9637.92	(239.90)
	Short term Loans and Advances		(2584.61)	11906.46
	CASH GENERATED FROM OPERATIONS		12387.58	(5524.21)
	Tax Paid/Payable/Advance Tax		NIL	NIL
	Technical Know How Fees		NIL	NIL
	NET CASH FROM OPERATING ACTIVITIES	[A]	12387.58	(5524.21)
B)	CASH FLOW FROM INVESTING ACTIVITIES			
	Sale of Fixed Assets		NIL	4.48
	Increase/Decrease in CWIP		(11.99)	(33.51)
	Interest Received		91.48	54.49
	Purchase of Fixed Assets		NIL	(3599.51)
	NET CASH USED IN INVESTING ACTIVITIES	[B]	79.49	(3574.05)
C)	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Issue of Shares		NIL	4563.85
	Security Premium on Share Issue		NIL	7302.15
	Share application money		NIL	4730.83
	Interest Paid		NIL	(4618.23)
	Other Borrowing Cost		(34.86)	(171.58)
	Loan Received/Repayments (Conversion of Loan to Equity)		(12858.50)	(10130.36)
	NET CASH USED IN FINANCING ACTIVITIES	[C]	(12893.36)	1676.66
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	[A+B+C]	(426.33)	(7421.60)
	Cash and Cash Equivalent- Opening	[D]	2779.35	10200.95
	Cash and Cash Equivalent - Closing	[E]	2353.02	2779.35
		[E-D]	(426.33)	(7421.60)

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

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

Place: New Delhi
Date: 24/05/2016

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

Alok Punj
R.K. Bahri

Ashok Punj
C.K. Goel

(Directors)

Auditors' Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 31st March 2016 . 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.

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

Place: New Delhi
Date: 24/05/2016

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

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

NOTE - "1"

**Statement of Significant Accounting Policies and Practices
(Annexed) to and forming part of the financial statements for the period ended 31st March 2016**

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 standards notified under Section 133 and the other relevant provisions of the Companies Act, 2013.

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 III of the Companies Act, 2013. 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 twelve months.

A. Fixed Assets

Fixed Assets are stated at cost of acquisition and installation. The cost comprises 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 and up gradation.

B. Lease

Assets acquired as under leases, where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases, lease rentals are charged to the statement of profit and loss over the lease terms.

C. Method of Depreciation and Amortisation

The Company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act, 2013.

D. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified and confirmed as impaired.

E. 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.

F. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

G. 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. 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.

H. Revenue Recognition / Income

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

Sales revenue is recognized 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 dispatch.

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.

I. 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.

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

K. Borrowing Cost

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

L. 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.

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. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards notified under the provisions of the Companies Act, 2013.

O. 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.

P. 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.

Q. 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 / materialized.

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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “2” – SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised		
180,000,000 Equity Shares of ₹10/- each	18,000.00	18,000.00
Issued		
99099352* Equity Shares of ₹10/- each	9,909.94	9,909.94
(Previous year 99099352)		
(Out of the above stated Equity Shares 4,56,38,441 fully Paid up and Pari Passu ranking Equity Shares of Rs.10/- each were allotted to CDR lenders of the Company on Preferential Basis in compliance of Debt Restructuring Scheme approved for the Company)		
Subscribed & Fully Paid up		
98935252* Equity Shares of Rs.10/- each	9,893.53	9,893.53
(Out of the above stated Equity Shares 4,56,38,441 fully Paid up and Pari Passu ranking Equity Shares of Rs.10/- each were allotted to CDR lenders of the Company on Preferential Basis in compliance of Debt Restructuring Scheme approved for the Company)		
(Previous year 98935252)		
Less: Calls in Arrears by Directors	NIL	NIL
Calls in Arrears by Officers	NIL	NIL
Calls in Arrears by Others	NIL	NIL
	9,893.53	9,893.53
Subscribed but not fully Paid up		
Less: Calls in Arrears by Directors	NIL	NIL
Calls in Arrears by Officers	NIL	NIL
Calls in Arrears by Others	NIL	NIL
Total	9,893.53	9,893.53

*The difference in Number of Shares of Issued, Subscribed & Fully paid up is on account of 164100 equity shares which were earlier forfeited by the Company on account of non payment of call money.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “2 A”

Particulars	Equity Shares	
	As at March 31, 2016	As at March 31, 2015
	No. of Shares	No. of Shares
Shares Outstanding at the Beginning of the Year	98,935,252	53,296,811
Shares Issued during the Year	NIL	45,638,441
Shares Bought Back during the year	NIL	NIL
Shares Outstanding at the end of the year	98,935,252	98,935,252

NOTE “2 B”

The Company has only one class of Equity Shares having a par value of Rs. 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 Shareholders	As at March 31, 2016		As at March 31, 2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Edelweiss Asset Reconstruction Company Limited	12,280,770	12.41	12,280,770	12.41
2	ICICI Bank Limited	8,346,150	8.44	8,346,150	8.44
3	Indian Overseas Bank	6,123,076	6.19	6,123,076	6.19
4	Ashok Y Punj	4,919,890	4.97	4,919,890	4.97
5	Arjun A Punj	3,011,580	3.04	3,011,580	3.04
6	Keshav A Punj	3,011,550	3.04	3,011,550	3.04

*The Shares held by Mr. Ashok Punj, Arjun A Punj and Keshav A Punj are pledged with Bank.

During the financial year 2014-15 the Company has allotted 45638441 equity shares on preferential basis to various lenders of the Company pursuant to CDR Scheme on 31st December, 2014 out of them 1046150 equity shares were allotted to Edelweiss Assets Reconstruction Company Ltd.. The said shares were locked in from 31st December, 2014 to 5th February, 2016. These shares are now further locked-in from 5th April, 2016 to 31st December, 2016.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “3” - RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
a. Securities Premium Reserve		
Opening Balance	50,429.73	43,127.58
Add : Securities Premium Credited on Share issue	NIL	7,302.15
Closing Balance	50,429.73	50,429.73
b.1 Other Reserves (Investment Allowance Utilised Reserve)		
As per Last Balance Sheet	139.64	139.64
b.2 Other Reserves (General Reserve)		
Opening Balance	7,055.93	7,055.93
Closing Balance	7,055.93	7,055.93
b.3 Other Reserves (Revaluation of Reserve)		
Revaluation of Land	51,400.00	51,400.00
Closing Balance	51,400.00	51,400.00
c. Surplus		
Opening balance	(135,474.25)	(87,090.67)
(+) Net Profit/(Net Loss) For the current year	(135,598.14)	(47,752.59)
(-) Prior Years Expenses	NIL	(630.99)
Closing Balance	(271,072.39)	(135,474.25)
Total	(162,047.09)	(26,448.95)

NOTE “3 A” - SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Share Application Money Pending Allotment	6,531.57	6,531.57

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “4” - LONG TERM BORROWINGS

(₹ in Lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
4 A.	Secured		
	Term loans		
	From Banks		
	Foreign Currency Loan	29,823.15	29,823.15
	Rupee Loan	321,569.88	321,583.38
	Current maturities of long-term debt	(35,152.00)	(22,307.00)
	Motor Vehicle Loans	1.08	1.08
		316,242.11	329,100.61

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.

The company had filed the flash report on 6th March 2013 before Corporate Restructuring (CDR) cell at Mumbai. The restructuring package was approved by CDR Cell , effective date being 24th August 2013 .The outstanding loan balance is worked out on the basis of the approved packaged and it is accounted. The Interest payable on this entire restructured loan as per the approved interest rate for Twelve months period (1st April 15 to 31st March 2016) is not accounted. (Previous year 1st April 2014 to 31st December, 2014 not accounted).

The repayment of loan starts from 1st January 2015 and the repayment completes in the third quarter of F.Y. 2023. The principal amount due for repayment amounting to Rs. 223.07 Crores for this year was not repaid. (Previous Year Rs. 92.27 Crores).

(₹ in Lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
4.B.	Unsecured		
	From Promoters' Companies	1,748.00	1,748.00
	Total (A+B)	317990.11	330,848.61

DEFERRED TAX LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liabilities - Depreciation Difference	NIL	NIL
Deferred Tax Assets) Disallowances and others	NIL	NIL
Net Deferred Tax Liability / (Assets)	NIL	NIL

NOTE “5” - LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables	26,355.58	29,295.63
Others	NIL	NIL
Total	26,355.58	29,295.63

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE : “6” - LONG TERM PROVISIONS

(₹ in Lacs)

	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Provision for employee benefits		
	Superannuation (unfunded)	NIL	NIL
	Gratuity (unfunded)	1,338.44	1,338.44
	Leave Encashment (unfunded)	NIL	NIL
	ESOP / ESOS	NIL	NIL
(b)	Others (Specify nature)	NIL	NIL
	Total	1,338.44	1,338.44

NOTE “7” - SHORT TERM BORROWINGS

(₹ in Lacs)

	Particulars	As at March 31, 2016	As at March 31, 2015
	Secured		
	Loans Repayable on Demand		
i)	From Banks	35,495.00	35,495.00
	(Secured against Hypothecation of Current Assets and charge on the Assets of Company)		
ii)	From Banks	NIL	NIL
	(Secured against Hypothecation of Project Current Assets)		
		35,495.00	35,495.00
	Unsecured		
	Loans Repayable on Demand		
	From Banks	NIL	NIL
	Total	35,495.00	35,495.00

NOTE “8” - OTHER CURRENT LIABILITIES

(₹ in Lacs)

	Particulars	As at March 31, 2016	As at March 31, 2015
(a)	Current Maturities of Long-term Debt	35,152.00	22,307.00
(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	NIL
(e)	Income Received in Advance	NIL	NIL
(f)	Unpaid Dividends	28.75	28.75
(g)	Mobilisation Advance from Customer	5,074.00	5,696.48
(h)	Other Payables	6,588.13	6,553.62
	Total	46,842.87	34,585.84

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "9" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance	Additions	Revaluation	Disposals	Balance	Upto 1-Apr-15	For the Period	Disposals	Upto March 31, 2016	Balance
	As at 1-Apr-15				as at March 31, 2016					As at March 31, 2015
I. TANGIBLE ASSETS										
Free Hold Land	60,641.99	NIL	NIL	NIL	60,641.99	NIL	NIL	NIL	NIL	60,641.99
Lease Hold Land	44.58	NIL	NIL	NIL	44.58	28.38	2.97	NIL	31.35	13.22
Office Buildings	117.23	NIL	NIL	NIL	117.23	50.43	3.34	NIL	53.77	63.47
Factory Building	20,496.66	NIL	NIL	NIL	20,496.66	10,400.38	1,009.63	NIL	11,410.01	9,086.65
Furniture & Fixtures	573.62	NIL	NIL	NIL	573.62	446.50	23.01	NIL	469.51	104.10
Plant and Equipment	189,366.22	NIL	NIL	NIL	189,366.23	89,974.75	13,825.35	NIL	103,800.09	85,566.14
Office Equipments	481.56	NIL	NIL	NIL	481.56	375.56	14.74	NIL	390.31	91.25
Lab Equipments	989.22	NIL	NIL	NIL	989.22	655.76	46.38	NIL	702.14	287.08
Computers	471.22	NIL	NIL	NIL	471.22	458.08	5.26	NIL	463.34	7.87
Motor Cars	1,109.63	NIL	NIL	NIL	1,109.63	983.84	32.57	NIL	1,016.40	93.23
Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	104.78	0.10	NIL	104.89	0.21
Cycles	0.29	NIL	NIL	NIL	0.29	0.26	0.01	NIL	0.28	0.01
Earth Moving Equipments	3,688.10	NIL	NIL	NIL	3,688.10	3,564.97	36.94	NIL	3,601.90	86.20
Shed Construction	938.62	NIL	NIL	NIL	938.62	639.18	29.94	NIL	669.12	269.50
TOTAL I	279,024.02	NIL	NIL	NIL	279,024.02	107,682.88	15,030.25	NIL	122,713.11	156,310.90
TOTAL (Previous Year)	275,440.11	3,592.11	NIL	8.20	279,024.02	90,306.36	17,383.94	7.40	107,682.89	171,341.12
II. INTANGIBLE ASSETS										
Computer Software	35.36	NIL	NIL	NIL	35.36	34.78	0.23	NIL	35.02	0.34
TOTAL II	35.36	NIL	NIL	NIL	35.36	34.78	0.23	NIL	35.02	0.58
TOTAL (Previous Year)	35.36	NIL	NIL	NIL	35.36	34.72	0.05	NIL	34.78	0.58
TOTAL I + II	279,059.38	NIL	NIL	NIL	279,059.38	107,717.66	15,030.48	NIL	122,748.13	156,311.24
TOTAL (Previous Year)	275,475.47	3,592.11	NIL	8.20	279,059.38	90,341.08	17,383.99	7.40	107,717.67	171,341.70

Fixed assets were physically verified by the management during the year. Pending completion of reconciliation which has not been completed, discrepancies, if any, cannot be ascertained.

a. A charge has been created in favour of ICICI by depositing, the Title Deeds of Chennai Factory (acting as the agent of IDBI Trusteeship Services Ltd.) In order to secure outstanding dues of CDR lenders and JSW Steel Ltd on pari passu basis.

b. The Company has also created pari passu charge with respect to immoveable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of Title Deed in favour of IDBI Trusteeship Services Ltd.

The Company has purchased 39.345 Acres of land from "Broken Hills International Private Limited for a consideration of Rs 31,55,00,020/- (Rupees Thirty One Crores Fifty Five Lacs Twenty Only). The vendor has prior to execution of the sale deed, obtained the No Objection Certificate dated 20.03.2014 from ICICI Bank Limited (Acting as the Monitoring Institution in terms of the Master Restructuring Agreement dated 19.11.2013) under which ICICI Bank Limited has permitted the vendor to convey, transfer and assure the Scheduled land to the Purchasers subject to such conveyance transfer and assurance being subject to the mortgage subsisting in favour of the Mortgagee for the benefit of the lenders to the purchaser under the Master Restructuring Agreement dated 13.11.2013 and also on the condition that the after the sale of the scheduled land in favour of the purchaser, the purchaser shall forwith mortgage the scheduled land in favour of the security trustee for the benefit of the lenders to the purchaser under the Master Restructuring Agreement dated 13.11.2013

The Purchase consideration of Rs 31,55,00,020 was paid as under :-

By way of an advance payment made vide Cheque No 702339 dated 29th March 2014 drawn on

ICICI Bank

By way of issuance of 1,21,30,770 equity shares of face value of Rs 10 each which shall be issued

at a premium of Rs 16/- per share thereby aggregating to Rs 26/- per share which is in share

application money pending allotment

Total

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "10" - NON CURRENT INVESTMENT

(₹ in Lacs)

	Particulars	As at March 31, 2016	As at March 31, 2015
A	Investment in Subsidiaries		
	Unquoted, Trade		
	1400020 Equity Shares of Rs. 10/- each of PSL Corrossion Control Services Ltd (Previous Year 1400020 equity shares)	140.00	140.00
	30859741 Equity Shares of USD 1 of Pipeline Systems Ltd. Mauritius (Previous year 30859741 equity shares)	14,163.45	14,163.45
	29488083 Equity Shares of USD 1 of PSL USA, INC. (Previous year 29488083 equity shares)	13,034.34	13,034.34
	170000 Equity Shares of Rs.10/- each of PSL Gas Distribution Pvt. Ltd. (Previous Year 170000 Equity shares)	17.00	17.00
	28210000 Equity Shares of Rs.10/- each of PSL Infrastructure & Ports Pvt. Ltd. (Previous 28210000 Equity Shares)	2,821.00	2,821.00
	(A)	30,175.79	30,175.79
B	Investment in Associates		
	Unquoted, Trade		
	1330000 Equity Shares of Rs. 10/- each of BHI LTD. (Previous year 1330000 Shares)	133.00	133.00
	150000 Equity Shares of Rs.10/- each of Punj International Pvt. Ltd. (Previous Year 150000 Equity Shares)	15.00	15.00
	7500 Equity Shares of Rs. 10/- each of Broken Hills International Ltd. (Previous year 7500 Equity Shares)	0.75	0.75
	2000 Equity Shares of Rs. 100/- each of Punj Investments Pvt Ltd. (Previous year 2000 Equity Shares)	2.00	2.00
	860000 Equity Shares of Rs. 10/- each of Eurocoustic Products Ltd. (Previous Year 860000 Equity Shares)	86.00	86.00
	484000 Equity Shares of Rs. 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 Rs. 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	30,461.07

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “11”- LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

	Particulars		As at March 31, 2016	As at March 31, 2015
a.	Capital Advances			
	Secured, Considered Good		NIL	NIL
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(A)	NIL	NIL
b.	Security Deposits			
	Secured, Considered Good		1,210.26	1,617.39
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(B)	1,210.26	1,617.39
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			
	Excise & Service Tax Deposits		42,657.20	42,399.83
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(D)	42,657.20	42,399.83
	Total	(A+B+C+D)	43,867.46	44,017.22

NOTE “12” - INVENTORIES

(₹ in Lacs)

	Particulars		As at March 31, 2016	As at March 31, 2015
a.	Raw Materials and Components (Valued at cost)		1,765.40	7,671.33
	Goods-in transit		NIL	NIL
		(A)	1,765.40	7,671.33
b.	Work-in-Progress		10,621.81	126,018.84
	Goods-in Transit		NIL	NIL
		(B)	10,621.81	126,018.84
c.	Finished goods (Valued at Cost or Realisable Value whichever is less)		123.41	1,239.26
	Goods-in Transit		NIL	NIL
		(C)	123.41	1,239.26
d.	Stores and Spares (Valued at Cost)		3,126.97	4,195.82
	Goods-in Transit		NIL	NIL
		(D)	3,126.97	4,195.82
	Total	(A+B+C+D)	15,637.59	139,125.25

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “13” - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Receivables outstanding for a period of exceeding Six months from the date they are due for payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	28,373.19	28,112.75
Unsecured, Considered Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
	28,373.19	28,112.75
Trade Receivables Outstanding for less than Six months from the date they are due for payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	350.00	3,081.34
Unsecured, Considered Doubtful	NIL	NIL
	350.00	3,081.34
Total	28,723.19	31,194.09

NOTE “14” - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Balances with Banks	1,527.93	1,552.59
Fixed Deposits with Banks with more than 12 months Maturity	748.74	1,149.28
Fixed Deposits with Banks (Under Lien Rs.748.74 Lacs) (Previous year Rs.1149.28 Lacs)		
Cheques, Drafts on hand	NIL	NIL
Cash on Hand	76.35	77.48
Unclaimed Dividend	NIL	NIL
Total	2,353.02	2,779.35

NOTE “15” - SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured, Considered Good		
Advance to Raw Material and Others (includes Rs. 1402.30 lacs paid to related parties in normal course of business (Previous Year 1380.70 Lacs)	4,987.33	2,295.93
Loan to Employees	46.75	55.59
Advance Income Tax	806.73	754.93
Unsecured, Considered Good	NIL	NIL
Unsecured, Considered Doubtful	NIL	NIL
Total	5,840.82	3,106.45

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “16” - REVENUE FROM OPERATION (GROSS)

(₹ in Lacs)

Particulars		For the Year Ended	For the Year Ended
		31 st March 2016	31 st March 2015
Sale of Products			
H.Saw Pipes		5705.69	8552.06
Coating on Steel Pipes		681.31	1412.81
Anodes		NIL	NIL
	(A)	6387.00	9964.87
Sale of Services			
Rebar Coating		290.41	1905.00
Induction Bending		481.59	716.33
	(B)	772.00	2621.33
Other Operating Revenues			
Equipment Sales		279.35	414.75
Process Waste Sale		2578.95	1822.91
Other Material Sales		170.59	293.85
	(C)	3,028.89	2,531.51
Total	(A+B+C)	10,187.89	15,117.71

NOTE “17” - OTHER INCOME

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Dividend Income		
From a Subsidiary	NIL	NIL
From an Associate	NIL	0.21
Net Surplus on disposal of Assets	NIL	NIL
Rent and Compensation	88.91	73.90
Exchange Fluctuation Gain (Net)	NIL	NIL
Insurance Claim /Excise Duty /Sales Tax Claim	215.90	3.87
Profit on sale of assets	NIL	3.68
Interest	91.48	54.49
Claims received	NIL	133.34
Other Non Operating Income	126.34	124.45
Total	522.63	393.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "18" - COST OF MATERIAL CONSUMED

(₹ in Lacs)

	Particulars	For the Year Ended	For the Year Ended
		31 st March 2016	31 st March 2015
A)	Raw Material		
	Opening Stock	7,671.33	10,768.51
	Purchases	1,470.57	5,537.62
		9,141.90	16,306.13
	Less : Sales	NIL	NIL
	Less: Closing Stock	1,765.40	7,671.33
		7,376.50	8,634.80
B)	Imported and Indigenous Raw Material Consumed		
	Imported	NIL	1,852.64
	%	0.00%	0.21%
	Indigenous	7,376.50	6,782.17
	%	100.00%	0.79%
	Total	7,376.50	8,634.81
	%	100.00%	100.00%
C)	Details of Raw Material Consumed		
	H. R. Coil	5,797.78	6,431.91
	Flux	47.75	58.53
	Filler Wire	66.03	37.42
	M S Wire	NIL	NIL
	Epoxy Powder	115.53	570.44
	Adhesive	52.02	76.06
	Polyethylene	357.87	308.98
	Polypropylene	41.72	0.37
	Inner Wrap	5.90	21.46
	Outer Wrap	12.39	18.81
	Coal Tar Enamel	32.75	100.11
	Wiremesh	13.91	45.71
	Cement	10.59	24.89
	Sand	18.95	21.74
	Iron Ore	180.89	6.03
	Zinc	5.55	0.03
	Coating Materials and others	616.90	912.31
	Total	7,376.50	8,634.80

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "19" - MANUFACTURING AND OPERATING COST

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Consumption of Stores and Spares Parts	1059.89	1825.88
Power & Fuel	382.14	1037.43
Excise Duty, Service Tax and Sales Tax	537.79	910.73
Freight & Cartage	495.01	385.94
Equipment Hire Charges	0.38	1.19
Labour Charges	30.67	155.05
Interest on Bill Discounting	NIL	210.52
Other Manufacturing & Operating Expenses	252.03	654.69
Water Charges	1.38	4.88
Liquidated Damages	NIL	401.40
Dumpsite Maintains	77.92	79.67
Total	2,837.20	5,667.38
Imported and Indigenous Stores & Spare Parts Consumed		
Imported	NIL	NIL
%	NIL	NIL
Indigenous	1059.89	1825.88
%	100.00%	100.00%
Total	1,059.89	1,825.88
%	100.00%	100.00%

NOTE "20" - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Opening Stock		
Finished Goods	1239.26	2290.91
Work-in-Progress	126018.84	126334.14
	127258.10	128625.05
Closing Stock		
Finished Goods	123.41	1239.26
Work in Progress	10621.81	126018.84
	10745.22	127258.10
Total	116512.88	1366.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "21" - EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Salaries, Bonus etc.	2227.62	4467.16
Contributions to Provident and other funds	205.13	409.34
Staff welfare expenses	135.19	378.00
Total	2,567.93	5,254.50

NOTE "22" - FINANCE COST

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Interest expense	NIL	4,618.23
Other borrowing costs	34.86	171.58
Currency Loss	NIL	NIL
Total	34.86	4,789.80

NOTE "23" - OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Conveyance	61.91	144.32
Travelling Expenses	119.45	219.59
Postage, Telegram and Telephones	49.02	78.33
Printing and Stationery	20.96	34.30
Rent, Rates & Taxes	213.39	283.05
Electricity Charges	53.31	54.28
Professional Charges	374.87	503.94
Repair and Maintenance (Plant)	1.52	7.40
Repair and Maintenance (Building)	4.48	4.50
Repair and Maintenance (Others)	119.21	150.15
Insurance	172.13	158.05
Auditors' Remuneration	25.00	25.00
Vehicle Expenses	89.33	113.98
General Expenses	540.07	731.81
Risk and Cost Recovery	Nil	Nil
Total	1,844.65	2,508.70

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "23" [A] - PAYMENT TO AUDITOR

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Payments to Auditor :		
As Audit Fees	18.00	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 Re-imbursement of Expenses	1.00	1.00
Total	25.00	25.00

NOTE "24" - VALUE OF IMPORTS

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Raw Material	NIL	1,852.64
Stores & Spare Parts	NIL	NIL

NOTE "25" - EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Traveling Expenses	12.87	30.19
Agency Commission & Others	NIL	NIL

NOTE "26" - EARNING IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Pipe Sales & Pipe Coating Receipt (FOB)	NIL	NIL

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

(₹ in Lacs)

Particulars	For the Year Ended	For the Year Ended
	31 st March 2016	31 st March 2015
Amount remitted	NIL	NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE "28" - TRADE PAYABLES

- a. Trade Payables includes Rs. Nil (Previous Year Rs. Nil) Due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs.288.68 Crores (Previous Year Rs.314.86 Crores) 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 "29" - DERIVATIVE INSTRUMENTS

- I. The Company has entered into the following derivative instruments.
 - a. Forward Exchange contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
Forward Exchange Contracts entered into by the Company as on March 31,2016 .(payable): USD NIL
 - b. Interest Rate Swaps to hedge against fluctuations in interest rate changes :

No of Contracts	N I L
Notional Principal	N I L
 - 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 :

Particulars	As at March 31, 2016	As at March 31, 2015
Receivable /(Payables) (Rs. In lacs)	NIL	NIL
Receivable /(Payables) (USD in Mn)	NIL	NIL

Foreign exchange exposure of ECB Term Loan of USD 50 mio not included in the above as this ECB Loan will be converted as per CDR package into Rupee Term Loan.

- III. Derivative Instruments (causing an unhedged foreign currency exposure): NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “30” - RELATED PARTY DISCLOSURES

1.	Relationships	
	a) Subsidiary Companies	
	PSL Corrosion Control Services Ltd.	100% Subsidiary Company
	Pipeline Systems Ltd., Mauritius	100% Subsidiary Company
	PSL USA INC. , Delaware , USA	100% Subsidiary Company
	PSL Gas Distribution Pvt.Ltd.	100% Subsidiary Company
	PSL Infrastructure and Ports Pvt.Ltd.	100% Subsidiary Company
	PSL FZE, Sharjah.	100% Subsidiary Company of Pipeline Systems Ltd., Mauritius
	PSL North America LLC.	JV Company of PSL USA INC., Delaware, USA (80% holding)
	<i>(PSL North America LLC and PSL USA Inc. have filed insolvency petition under Chapter 11 under the US regulation. Currently under judicial process)</i>	
	b) Associate	
	BHI Ltd.	
	Broken Hills International Ltd.	
	Eurocoustic Products Ltd.	
	Punj International Pvt. Ltd.	
	Punj Investments Pvt. Ltd.	
	Punj Corporation Private Limited	
	Rosoboronterra India Pvt.Ltd.	
	<i>(Subsidiary of Punj Corporation Private Limited)</i>	
	c) Key Management Personnel	
	Ashok Punj : Managing Director	
	R. K . Bahri : Whole Time Director	
	C K Goel : Whole Time Director	

2.	Transaction Carried out with Related Parties in ordinary course of Business			
	Nature of Transaction			(Rs. In Lacs)
		Key Personnel	Subsidiary	Associates
	Purchase of Goods	NIL	56.78	NIL
	Reimbursement of Expenses	NIL	222.57	16.02
	Lease Rental	NIL	1.25	NIL
	Remuneration	249.75	NIL	NIL
	Sale of Goods	NIL	345.05	NIL
	Loans & Advances given	NIL	21.50	0.10
	Loans & Advances Received	NIL	193.34	NIL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “31” - LEASE

	Particulars	As at 31 st March 2016	As at 31 st March, 2015
I)	Operating		
	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
II)	Others		
	a) Inventory		
	During the year some old and non-moving stock was sold as a distress sale and having realized Rs.25.78 Crores. The Company has provided for resultant loss on sale of old and non-moving stock and also made provision for remaining stock/non-moving stock totaling to Rs.1006.48 Crores during the year. As certified by the management balance stock is Rs.156.38 Crores valued at cost as on 31 st March, 2016.		
	b) Foreign Subsidiaries		
	i) The net worth of Pipeline Systems Limited (100% subsidiary of Company) is negative as on 31-3-2016 on account of accumulated losses.		
	ii) The net worth of PSL USA is negative as on 31-3-2016 on account of accumulated losses and the company has filed a petition under Chapter 11 under Bankruptcy in USA.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “32” - DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 “EMPLOYEE BENEFITS”

	As at 31 st March, 2016	As at 31 st March, 2015
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	92.03	180.44
Contribution to Employee Provident Fund - Trust	NIL	NIL
Contribution to Pension Fund	49.83	174.45
Contribution to Superannuation Fund	22.36	173.01
	164.22	527.91
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	1,910.49	2,206.61
Current service cost	24.42	97.98
Interest cost	9.75	54.17
Actuarial (gain)/loss	NIL	NIL
Past Service Cost	NIL	NIL
Liabilities Extinguished on settlements	901.23	NIL
Benefits paid	396.63	448.27
Closing DBO	646.80	1,910.49
(b) A reconciliation of the opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	447.07	881.02
Expected return	14.36	8.35
Actuarial gain/ (loss)	NIL	NIL
Contribution by the employer	1.11	5.97
Assets Distributed on Settlements	NIL	NIL
Benefits paid	396.63	448.27
Closing fair value of plan assets	65.91	447.07
(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	646.80	1,910.49
Fair value of the plan assets at the end of the year	429.77	447.07
Liability recognised in the balance sheet	217.03	1,463.42
(d) The total expense recognised in the profit and loss account:		
Current service cost	24.42	97.98
Interest Cost	9.75	54.17
Expected return on plan assets	21.22	8.35
Actuarial (gains)/loss	NIL	NIL
Past Service Cost	NIL	NIL
Losses/(Gains) on “Curtailments & Settlements”	NIL	NIL
Net Gratuity cost	12.95	143.80
(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	8.75%	8.75%
(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	8.75%	8.75%
Average Salary escalation rate for Non Management for Each Year	7.00%	7.00%
Average Salary escalation rate for Non Management Every Third Year		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTD..)

NOTE “33”

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

NOTE “34”

(₹ in lacs)

		As at 31 st March, 2016	As at 31 st March, 2015
I.	Contingent liabilities		
	A. Counter Guarantees given by the Company for Bank Guarantees	6,047.47	9,566.12
	B. Other Guarantees Given by the Company on behalf of		
	- Subsidiary Companies	49,157.97	44,198.00
	- Others	4,567.16	4,575.68
	C. Letter of Credit Outstanding (Not yet committed)	NIL	NIL
	D. Bills Discounting	NIL	369.43
	E. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL
II.	Income Tax Assessment Completed upto AY 2013-14 (March'2013), with Nil Demand		
III.	Gujarat Water Supply & Sewerage Board (GWSSB) , a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to “Gujarat Public Works Contracts Disputes Arbitration Tribunal” for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force majeure conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.		
IV.	The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) passed order on 27/3/14 for the evacuation of Kandla PCD-I premises because lease period was over. The Company is taking suitable legal action against above order. Since the lease amount is under dispute, the lease payment have not been made and not provided in accounts.		
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.	Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.		

NOTE “35”

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 as per the approved rate based on the restructuring package was worked out, however not charged to interest account. Also the Company has not provided regular interest on loan outstanding Rs. 364.66 Crore for the period from 1/4/15 to 31/3/16. Interest payable as per this calculation for the loan outstanding as on date amounting to Rs.627.21 Crores.

NOTE “36”

The previous period figures have also been reclassified regrouped to confirm to this period's classification

NOTE “37”

Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as **Note No 1**.

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
Dated : 24th May, 2016

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

Alok Punj
R.K.Bahri

(Directors)

Ashok Punj
C.K.Goel

CONSOLIDATED AUDITORS' REPORT

To

The Members of PSL Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PSL Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31st March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

1. The audited financial results of PSL USA INC and PSL North America LLC (step down subsidiary of PSL USA INC.) Pipeline System have not been received.
2. The unaudited financial results of PSL FZE (step down subsidiary of Pipeline System Ltd.) have been included in the consolidated financial statements.
3. PSL USA INC
PSL North America LLC is under United States Bankruptcy Court, as such the management is of the view that there is no realisable value of assets and therefore, have been excluded in the consolidated financial statements. The impairment of assets will be ascertained / recognized as and when the matter would be decided by the United States Bankruptcy Court.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31st March 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

1. Long Term Borrowings:

Default In Payment to Banks

Based on our audit procedure and as per the information and explanation given to us, the company has defaulted in repayment of loans and interest to the banks and financial institutions as on 31st March 2016.

2. Consequent upon the financial stress that the company had to suffer, it filed an application before Corporate Debt Restructuring (CDR) Cell on 6th March, 2013 for

restructuring of its entire debts as on 1st Jan, 2013. After detailed deliberations at various meeting of company's creditors at the CDR Cell a restructuring package for the Company was finally approved by CDR Empowered Group on 23rd Sept, 2013. Since then, different terms and conditions included in the subject package are being complied with.

In terms of the aforesaid Letter of Approval, for the CDR package:

- a) The promoters of the Company were required to make a total contribution of Rs.146.81 Crore by way of subscribing to the equity capital of the Company/unsecured loan so that the said contribution constitutes 25% of the total sacrifice computed for the aforesaid restructuring.
- b) Since a portion of outstanding debts of various lenders of the company was compulsorily required to be converted into equity shares and assignment of the debt of one of the Lender of the Company namely Yes Bank Limited to Edelweiss Assets Reconstructions Company (EARC) had taken place, the said EARC had executed a Deed of Accession to Master Restructuring Agreement (MRA). Accordingly, for the debt amount of Rs. 2.72 crore, 1046150 equity shares were allotted by the company at the rate of Rs.26/- per share. However, since after re-computation of EARC's debt it was observed that even the remaining debt of Rs.2.28 crore was also required to be converted into equity share of the company, the process of allotment of 876926 equity shares to the said EARC's on preferential allotment basis was initiated by the company as a result of which the in-principle approval from Bombay Stock Exchange (BSE) has been procured.
- c) The Board of the Directors has, in accordance with the SEBI (ICDR) Regulations, by passing a resolution in circulation on 5th February, 2015 also duly ratified on 10th February, 2015 considered and approved, subject to the approval of the members of the company, the proposal of issuance of a total of 4,97,42,306 Equity Shares of face value of Rs.10/- (Total Ten only) each at a total price of Rs.26/- (Rupees Twenty Six only) per equity share (including premium of Rs.16/- to the Promoters/Promoters Group Entities of the promoters group hereinafter collectively referred to "Proposed Allottees" of the Company as mentioned at Point a) and b) above calculated in accordance with the Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations for an aggregate value of Rs.129.33 Crores (Rupees One Hundred Twenty Nine Crores Thirty Three Lacs only).
 - i) The equity shares shall be subject to lock-in for a period in accordance with the provisions of the SEBI (ICDR) Regulations.
 - ii) The equity shares now to be issued shall rank pari passu with the existing equity shares of the Company in all respects.
- d) The pre-preferential shareholding of Punj International (P) Ltd. and Punj Investment (P) Ltd. are pledged with

ICICI Bank with effect from 18-2-2013.

- e) The Company had allotted 1046150 equity shares to Edelweiss Assets Reconstruction Company Limited under CDR Scheme on 30.12.2014 which was locked in from 31-12-2014 to 5-2-2016. These shares are now further locked-in from 5-4-2016 to 31-12-2016.
 - f) For issuance of aggregate of 50619232 equity shares to the promoter group (as stated in C above) and to one of the creditors (as stated in b above), the company has procured an in-principle approval from Bombay Stock Exchange (BSE). However, the said shares are proposed to be allotted by the company in near future only after receipt of the similar approval from National Stock Exchange (NSE)
 - g) As some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA)
3. As the company has been continuously facing acute financial crunch, due to low turnover and profitability in the last few years, the Company's Net Worth got eroded and became negative as a result of high quantum of accumulated losses. Due to such prevalent situation the company had become a Sick Industrial Company in terms of Section 3 (1)(o) of Sick Industrial Company Act (SICA) and therefore on 19th June, 2015, a reference was made by it to the Board for Industrial and Financial Restructuring (BIFR). A said reference was admitted on 8th September, 2015 the company has been restrained from disposing off or eliminating in any manner the fixed asset of the company without the prior consent of BIFR.
 4. The financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's network is eroded a reference is made to the Board of Industrial and Financial Restructuring (BIFR), some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advances its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA) and four lenders have declared the Company's account as fraud or Red Flag account (RFA) in their books. These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations.
 5. **Lender Banks' Balance Confirmation as on 31st March 2016:**
We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter

of Credit/Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2016 but the same have not yet been issued. Pending balance confirmation, book balances as on 31st March, 2016 have been taken in the accounts of the Company.

6. Due to non-implementation of CDR package, there is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales.
7. It is noticed that the business of the Company is at stand still and not much production activity is carried out except negligible production which has been carried out in Vizag, Chennai and Jaipur factories. Hence the overall sales of the Company are also very low.
- 8.1 The Company has not provided for the interest amounting to Rs.627.21 Crore for the period from 1st January, 2013 to 31st December, 2014 which was to be built up as funded interest term loan (FITL) on the Working Capital Term Loan and Cash Credit.
- 8.2 The Company has also not provided for the interest amounting to Rs.364.66 Crore for the year 1-4-2015 to 31-3-2016. This would also increase the loss of the year.
- 8.3 The financial performance had deteriorated substantially in last 12 months. The manufacturing cost has gone up. There is weakness in demand. The Company continue to deal with a range of uncertainties. The interest payments exceeded its operating income. The Company is not able to service its debts.
9. **Outstanding loan of Aditya Birla Finance Limited (ABFL)**
Although one of company's creditors namely ABFL has chosen for transaction specific membership of CDR Group, it has yet to execute the Master Restructuring Agreement already executed by super majority of CDR Lenders. Consequent upon ABFL's complaint to Economic Offences Wing (EOW), the latter advised some of the bankers of the company for a debit freeze of the amount lying to company's credit in some such bank accounts. As a result approximately Rs. 100 million which could have been used by the company for its Operating Expense, Insurance Payment, and payment of Loan to Company's lenders got frozen. However, the Company has initiated legal steps for de-freezing the said amount.
10. Due to flood during the month of November, 2015, the Company's Chennai factory has incurred loss of materials and machinery worth Rs.4.32 crores. The claim received from Insurance Co. amounting to Rs. 2.15 crore and Balance amount Rs. 2.17 Crores yet to be received by the company.
11. **Depreciation:**
The Company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation charge has not been adjusted accordingly as per the notification to Schedule II of the Companies Act, 2013.

12. Operations Maintenance and Management Agreement with Jindal Tubular (India) Ltd.

- a) As per the Operations, Maintenance and Management Agreement with Jindal Tubular (India) Limited, they have taken over operations of the following three units of the Company on the dates shown against them:-

	<u>With Effect From</u>
Vizag	15.06.2015
Jaipur	16.07.2015
Varsana	03.08.2015

- b) It will not be out of place to mention that Jindal Tubular India Limited has shifted from Varsana, complete Pipe Mill on line and complete coating plant on time together with shades, trailers, cranes etc. to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement. This matter is pending with the Excise Department.
- c) The Company has handed over the Jaipur facility to Jindal Tubular India Ltd. (JTIL) under OMMA. JTIL had taken a provisional excise license. The Excise Department has informed that the land on which Jaipur facility has been located is given on lease by the Govt. of Rajasthan to the Company and as per lease agreement the company can neither sub-let/sale any part of land nor can make anyone financial and technical partner without prior permission of the State Government. On the basis of this, Excise authorities issued a show cause notice and informed that any entity seeking excise registration has to have land possession in any manner. Without possession of land by JTIL, the provisional excise registration shall stand canceled/revoked. Currently, JTIL and the company are collectively representing the case before excise authorities. JTIL has informed that in case of non-confirmation or revocation of excise registration, they may not be able to operate and indicated their inability to continue at Jaipur facility under OMMA. The matter is under negotiation.
- d) Jindal Tubular (India) Limited have submitted the provisional unaudited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2016 and shown a loss of Rs.17.26 Crore. Besides this they have claimed legacy payment from PSL amounting to Rs.5.32 Crore. However the PSL Statements are showing outstanding of Rs.2.95 Crore including Rs.2.32 Crore on account of Legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.
- e) It appears that due to "Net Revenue" being a loss PSL, will not be entitled for any revenues.
13. The management has decided not to provide for Gratuity, Leave Encashment for the period of 1st April, 2014 to 31st March 2016 because current provision is considered sufficient by the management for this purpose.

14. There is an existence of adequate internal financial controls and its operational effectiveness in the Company.
15. 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 189 of the Companies Act, 2013 have so been entered.
16. 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 189 of the Companies Act, 2013 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
17. The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorized) passed order on 27/03/2014 for the evacuation of the Kandla PCD-I premises because lease period was over. The Estate Office has taken over the possession of the land. Since the lease amount is under dispute, the lease payments have not been made and not provided in the accounts.
18. Investment in Subsidiaries
 - A) Foreign Subsidiaries:
 - i) PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Mauritius
 - a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded. The Company has not provided for the same.
 - b) The share certificate of PSL FZE, Sharjah held by PSL Ltd. indirectly through the above said Company, amounting to 100% of the Equity Share Capital of the Company have been pledged in favour of National Bank of Oman S.A.O.G. acting as Security Agent of ICICI Bank Limited, Bahrain.
 - c) During the year PSL FZE has incurred loss of AED 36.45 Mio. Based on the audit procedure and the information obtained, we have observed some of the loans were rolled over / rescheduled by the bank. Also in some cases company was not able to make the payment on due date of installment due to the banks and banks claim was settled by claiming against the Standby Letter of Credit arranged by Parent company, PSL Limited, India.
 - d) PSL FZE has executed a project received from SWLL. Bank of Baroda has given guarantee in favour of State Bank, Bahrain to issue performance guarantee in favour of the client to the extent of USD 4.5 million. This is contingent liability of PSL FZE as on 31-3-2016.
 - e) A creditor has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.
 - ii) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital of 104.76 million AED Mio against Plant & Machinery, assignment of receivable and inventory against the security of the subordination of unsecured loans advances by PSL fixed assets on pari passu basis.
 - iii) Term Loan Rs.121.61 AED

Term Loan was secured by ICICI SBLC of USD 34.50 Million. As on date Credit Suisse has claimed the SBLC and the Loan from Credit Suisse has been paid off by ICICI Bank and the term loan is now due to ICICI Bank, Bahrain.
 - iv) PSL USA INC (USA)

PSL NA LLC (USA) (Step down Subsidiary)

The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded. The Company has not provided for the same.

Also the outstanding debtors includes receivable amounting to Rs. 22.30 Crores from the subsidiary which is not provided for.
 - v) Due to continuous losses suffered by the company's step down subsidiary namely PSL North America LLC, it was directly affecting the financial position of PSL USA Inc. (the holding Company of PSL North America LLC). The Company voluntary petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware. All the assets of PSL North America LLC were put to sale/sold to a company for US 100 Million. The impairment of loss/profit on sales of assets will be ascertained / recognized in the current year by the Company.
 - vi) The audited financial statements have not been received by the Company from foreign subsidiary companies and we have relied on the financial statements of the management. Based on our review conducted as above and subject to the possible effects of the matter described above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified u/s 133 of the Companies Act, 2013 reads with Rule 7 of the Companies (Account) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 63 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
 - B) Indian Subsidiaries:
 - 1) PSL Infrastructure and Ports Pvt. Ltd.
 - Total investment in PSL Infrastructure and Ports Pvt. Limited is Rs.28.21 Crores.
 - The company was awarded the construction of Jetty

at Kandla Port. Till date the company has incurred construction Expenses of Rs 64.85 Crores.

- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete.

2) PSL Corrosion Control Services (P) Ltd.

- Due to high cost of working, the margins are going down.
- In our opinion and explanation given to us the Company has given Guarantees for loan taken by its subsidiaries from banks/financial institution the terms and conditions of such guarantees are not prejudicial to the interest of the Company.

3) PSL Gas Distribution (P) Ltd.

- The company was incorporated on 31st December 2010 and has not commenced any business activity.

19. Impairment of Assets:

The Management has not carried out any evaluation of impairment of these assets and no provision for impairment has been recorded, as required by Accounting Standard 28.

20. Due to this, provision for diminution / impairment in the value of its investments in the above subsidiary companies is not considered.
21. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. However there is no new loan availed by the company during the year.
22. 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.
23. The bankers have appointed a firm of Chartered Accountants to check the books of accounts of the Company for the last four years. The audit is in progress. The Company's Management is of the view that the above investigations / proceedings would not result in any additional material provisions / write-offs / adjustments (other than those already provided for / written-off or disclosed) in the financial statements of the Company. As per the Company's Management, any adjustments, if required, in the financial statements of the Company would be made as and when the outcomes of the above matters are concluded.

24. Corporate Social Responsibility

Since average net profits of the Company made during the three immediately preceding financial years is negative, therefore the Company has not earmarked specific funding

for Corporate Social Responsibility and sustainable activities as required under the provision of section 135 of the Act.

Other Matters

- (a) In respect of the financial statements of the subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have not been supplied to us as yet for our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports submitted by the management.

Further, in respect of Subsidiary namely, PSL USA INC and PSL North America LLC (step down subsidiary of PSL USA INC.) Pipeline System, Financial Results have not been supplied.

Since the financial statements for the financial year ended 31st March, 2016, which were compiled by management of these companies, were not audited, any adjustments to their balance could have consequential effects on the attached consolidated financial statements.

- (b) The accompanying consolidated financial results include total revenue of Rs. 247.72 crores for the year ended 31st March, 2016 in respect of 3 subsidiaries. The management of the company has converted these audited financial statements from accounting principles generally accepted in the respective countries to accounting principles generally accepted in India, for the purpose of preparation of the Company's consolidated financial statements under accounting principles generally accepted in India. We were not engaged to audit, review or apply any procedure to the financial statements of these subsidiaries, we do not express an opinion on the financial statements of these subsidiaries.
- (c) The consolidated financial statements reflect total consolidated loss amounting Rs. 1419.28 crore for the year ended 31st March, 2016.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
- (a) Except the matters described in Emphasis Of Matters Para 1 to 10 and Annexure A Para 7 Standalone Auditor's Report, In our opinion, may have an adverse effect on the functioning of the Company, aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (c) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

- (d) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31st March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated

financial position of the Group. Refer Note 7 to the Annexure-A to the PSL Standalone Auditor's Report;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

Reasons for Unfavourable Report

Due to non-implementation of CDR package, the financial position of the company has suffered a setback. The production has fallen resulting in heavy losses. Due to financial crunch and non-availability of funds, there are some delays in depositing the government dues. There are defaults in repayment of bank loans. The debtors have stopped payment of their dues. The creditors have started filing legal suits for their recovery and winding up proceedings. The net worth has eroded. The BIFR application is pending. We have reported the matters in the Emphasis of matters in para 1 to 10 of our report of even date.

For **Suresh C. Mathur & Co.**
Chartered Accountants
Firm Registration No. 00891N

Place: New Delhi
Dated: 24th May, 2016

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

ANNEXURE – A TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of PSL Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India as well as outside India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the holding company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Suresh C. Mathur & Co.**
Chartered Accountants
Firm Registration No. 00891N

Place: New Delhi
Dated: 24th May, 2016

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2016

(₹ in Lacs)

Particulars		Note No.	As at 31 st March 2016	As at 31 st March 2015
I.	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
(a)	Share Capital	2	9,893.53	9,893.53
(b)	Reserves and Surplus	3	(179,270.11)	(34,343.77)
(c)	Money Received against Share Warrants		NIL	NIL
(d)	Minority Interest		NIL	620.97
2	Share Application Money Pending Allotment	3A	6,531.57	6,531.57
3	Non-Current Liabilities			
(a)	Long-Term Borrowings	4	343,447.73	400,664.36
(b)	Deferred Tax Liabilities (Net)		NIL	NIL
(c)	Trade Payables	5	26,355.58	29,295.63
(d)	Long-term Provisions	6	1,338.44	1,338.44
4	Current Liabilities			
(a)	Short-term Borrowings	7	55,252.32	73,783.10
(b)	Trade Payables		7,234.98	16,040.95
(c)	Other Current Liabilities	8	40,493.26	33,894.82
(d)	Short-term Provisions	9	813.19	751.99
	TOTAL		312,090.49	538,471.58
II.	ASSETS			
	Non-current Assets			
1	(a) Fixed Assets	10		
(i)	Tangible Assets		179,917.23	264,776.40
(ii)	Intangible Assets		0.58	0.58
(iii)	Capital Work-in-Progress		9,183.45	8,242.29
(iv)	Intangible Assets Under Development		NIL	NIL
(b)	Non-Current Investments	11	13,333.62	299.28
(c)	Deferred Tax Assets (net)		606.18	5,307.69
(d)	Long-term Loans and Advances	12	44,206.42	44,705.14
2	Current Assets			
(a)	Current Investments	13	29.21	29.21
(b)	Inventories	14	18,202.54	157,180.23
(c)	Trade Receivables	15	32,043.38	39,951.67
(d)	Cash and Cash Equivalents	16	4,087.31	7,456.57
(e)	Short-term Loans and Advances	17	10,480.58	7,740.22
(f)	Other Current Assets	18	NIL	2,782.31
	TOTAL		312,090.49	538,471.58
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 : 24th May, 2016

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

Alok Punj
R.K.Bahri

Ashok Punj
C.K.Goel
(Directors)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2016

(₹ in Lacs)

	Particulars	Note No.	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
I.	Revenue from Operations	19	27,675.73	30,437.54
	Less: Excise Duty		104.17	485.74
			27,571.56	29,951.79
II.	Other Income	20	574.46	675.10
III.	Total Revenue	(I + II)	28,146.02	30,626.89
IV.	Expenses:			
	Cost of Materials Consumed	21	10,918.15	18,330.66
	Manufacturing and Operating Costs	22	6,994.74	8,592.55
	Changes in Inventories Of Finished Goods, Work-in-Progress and Stock-in-Trade	23	118,771.07	3,318.88
	Employee Benefits Expenses	24	4,234.61	6,750.42
	Finance Costs	25	5,443.93	8,233.99
	Depreciation and Amortization Expenses		18,659.46	20,788.16
	Other Expenses	26	5,409.76	5,342.02
	Total Expenses		170,431.73	71,356.68
V.	Profit Before Exceptional and Extraordinary Items and Tax	(III-IV)	(142,285.71)	(40,729.80)
VI.	Exceptional Items		NIL	17,172.39
VII.	Profit Before Extraordinary Items and Tax	(V - VI)	(142,285.71)	(57,902.19)
VIII.	Extraordinary Items		NIL	NIL
IX.	Profit Before Tax	(VII- VIII)	(142,285.71)	(57,902.19)
X.	Tax Expense:			
	(1) Current Tax		27.13	NIL
	(2) Deferred Tax		NIL	NIL
XI.	Profit/(Loss) for the Period from Continuing Operations	(IX - X)	(142,312.84)	(57,902.19)
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)	(142,312.84)	(57,902.19)
XVI.	Earnings Per Equity Share:			
	(1) Basic		(143.82)	(58.53)
	(2) Diluted		(143.82)	(58.53)
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 : 24th May, 2016

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

Alok Punj
R.K.Bahri

Ashok Punj
C.K.Goel

(Directors)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2016

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra-Ordinary Items	(142312.84)	(57902.85)
USA		
ADJUSTED FOR		
Add : Depreciation	18,659.46	20,788.18
Interest (Net)	5,157.84	7,733.95
Other Borrowing Cost	286.09	377.51
Prior Year Expenditure	NIL	(635.01)
Less: Bad Debts Provision	NIL	NIL
Less: Profit On Sale Of Fixed Assets	NIL	(3.68)
Add : Loss On Investments	NIL	NIL
Less: Dividend Income	NIL	NIL
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(118209.45)	(29634.54)
Changes In		
Trade Receivables	6892.36	5087.94
Inventories	125948.75	1334.91
Trade Payables/Other Liabilities	606.55	28392.23
Loans And Advances	(2559.60)	8883.85
CASH GENERATED FROM OPERATIONS [A]	12678.61	14064.39
Tax Paid/Payable/Advance Tax	NIL	(4701.50)
Technical Know How Fees	NIL	NIL
NET CASH FROM OPERATING ACTIVITIES	12678.61	9362.89
B) CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	NIL	4.48
Decrease In Capital Wip	941.16	3421.25
Interest Received	135.22	122.54
Dividend Received	NIL	NIL
Sale/ (Purchase) of Investments	NIL	NIL
Purchase of Fixed Assets	(1668.52)	(12433.90)
NET CASH USED IN INVESTING ACTIVITIES [B]	(592.14)	(8885.63)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds From Issue of Shares	NIL	4563.85
Including Share Premium	NIL	7,302.15
Minority Interest	NIL	1139.70
Share Application Money Pending Allotment	NIL	4,730.83
Unsecured Loan From Promoters	NIL	NIL
Interest Paid	(5293.04)	(7856.49)
Other Borrowing Cost	(286.09)	(377.51)
Loans Received / Repayments (Net)	(8757.61)	(18343.95)
NET CASH USED IN FINANCING ACTIVITIES [C]	(14336.74)	(8841.42)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT [A+B+C]	(2250.27)	(8364.16)
CASH AND CASH EQUIVALENT - OPENING [D]	6,337.58	15,821.01
CASH AND CASH EQUIVALENT - CLOSING [E]	4,087.31	7,456.85
	[E-D]	(8364.16)

NOTE: During the current year financial statement of PSL USA has not been included while preparing the Cash Flow since not received

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 of
PSL Limited

Alok Punj
R.K. Bahri

(Directors)

Ashok Punj
C.K. Goel
Auditor's Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 31st March 2016. 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 Statement of Profit & Loss and Balance Sheet of the Company.

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

(SURESH C. MATHUR)
PARTNER
M.No.001276

Place: New Delhi

Date: 24th May 2016

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

NOTE "1"

Statement of Significant Accounting Policies and Practices*(Annexed) to and forming part of the financial statements for the period ended 31st March 2016)***A. Basis of Preparation**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 as applicable. The financial statements have been prepared under the historical cost convention on accrual basis.

B. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards notified under the provisions of the Companies Act 2013.

C. Principles of Consolidation

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company

The Consolidated financial statement has been prepared on the following basis:

- i) The consolidated financial statements have been prepared in accordance with the accounting standards 21 (AS 21) – "Consolidated Financial Statements", Accounting Standard 23 (AS-23)- " Accounting for investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) In the case of foreign subsidiaries, being non-integral foreign operations, all Assets, Liabilities and revenue items are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserves and in case of loss the same is charged to Profit and Loss account.
- iii) All subsidiaries of the Company are subsidiaries since inception of their business activities. Hence there is no capital reserve or goodwill arising on consolidation.
- iv) For the purpose of Consolidation, accounting policies of the holding company have been adopted for all the entries.
- v) The financials of PSL USA are not included in consolidation of PSL Limited for the year 2015-16 in view of the petition filed with the "United States Bankruptcy Court under Chapter 11." However, the previous years consolidated figures includes the financials of PSL USA.

D. 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 and up gradation.

E. Lease

Assets acquired as under leases, where a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases, lease rentals are charged to the statement of profit and loss over the lease terms.

F. Method of Depreciation and Amortisation

The Company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act, 2013.

G. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified and confirmed as impaired.

H. Foreign Currency Translations

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/

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

discount for the period up to the date of balance sheet is recognized in the profit and loss account. The exchange difference measured by the change rate between the inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognized in the profit and loss account.

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

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

I. Investments

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

J. 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. 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.

K. 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 dispatch.

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.

L. 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.

M. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

b. Defined Benefit Gratuity Plan

The company operates a defined benefit Gratuity Plan for employees. The Company contributes the same to LIC towards meeting the Gratuity obligations

c. Other long term employee benefits

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

N. 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.

O. 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.

P. 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.

Q. 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.

R. 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.

S. 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 / materialized.

T. 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE “2” – SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Authorised		
180,000,000 Equity Shares of ₹10/- each	18,000.00	18,000.00
(Previous year 100000000)		
Issued		
99099352* Equity Shares of ₹ 10/- each	9,909.94	9,909.94
(Previous year 99099352)		
(Out of the above stated Equity Shares 4,56,38,441 full paid up and pari passu ranking Equity Shares of Rs.10/- were allotted to CDR lenders of the Company on preferential basis in compliance of Debt Restructuring Scheme approved for the Company)		
Subscribed & Fully Paid up		
98935252* Equity Shares of ₹ 10/- each	9,893.53	9,893.53
(Out of the above stated Equity Shares 4,56,38,441 full paid up and pari passu ranking Equity Shares of Rs.10/- were allotted to CDR lenders of the Company on preferential basis in compliance of Debt Restructuring Scheme approved for the Company)		
(Previous year 98935252)		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	9,893.53	9,893.53
Subscribed but not fully Paid up		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
Total	9,893.53	9,893.53

*The difference in Number of Shares of Issued, Subscribed & Fully paid up is on account of 164100 equity share which were earlier forfeited by the Company on account of non payment of call money.

NOTE “2 - A”

Particulars	Equity Shares	
	As at March 31,2016	As at March 31,2015
	No. of Shares	No. of Shares
Shares Outstanding at the Beginning of the Year	98,935,252	53,296,811
Shares Issued during the Year	NIL	45,638,441
Shares Bought Back during the Year	NIL	NIL
Shares Outstanding at the End of the Year	98,935,252	98,935,252

NOTE “2 - B”

The Company has only one class of equity shares having a par value of Rs. 10/- Per Share. Each Shareholder is eligible for one vote per share. The equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "2 - C"

The details of Shareholders holding more than 5% Shares

S. No.	Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1.	Edelweiss Asset Reconstruction Company Limited	12,280,770	12.41	12,280,770	12.41
2.	ICICI Bank Limited	8,346,150	8.44	8,346,150	8.44
3.	Indian Overseas Bank	6,123,076	6.19	6,123,076	6.19
4.	Ashok Y Punj	4,919,890	4.97	4,919,890	4.97
5.	Arjun A Punj	3,011,580	3.04	3,011,580	3.04
6.	Keshav A Punj	3,011,550	3.04	3,011,550	3.04

The Shares held by Mr. Ashok Punj, Arjun A Punj and Keshav A Punj are pledged with Bank .

During the financial year 2014-15 the Company has allotted 45638441 equity shares on preferential basis to various lenders of the Company pursuant to CDR Scheme on 31st December, 2014 out of them 1046150 equity shares were allotted to Edelweiss Assets Reconstruction Company Ltd.. The said shares were locked in from 31st December, 2014 to 5th February, 2016. These shares are now further locked-in from 5th April, 2016 to 31st December, 2016.

NOTE "3" - RESERVES & SURPLUS

(₹ in Lacs)

	Particular		As at March 31, 2016	As at March 31, 2015
a.	Securities Premium Reserve			
	Opening Balance		50,429.73	43,127.58
	Add : Securities Premium Credited on Share Issue		NIL	7,302.15
	Add: Excess Provision of FCCB Redemption Premium written back		NIL	NIL
	Less: Allotment Money in Arrears (Directors Nil)		NIL	NIL
	Less : Premium Utilised for various reasons		NIL	NIL
	Premium on Redemption of Debentures		NIL	NIL
	For Issuing Bonus Shares		NIL	NIL
	Closing Balance	(A)	50,429.73	50,429.73
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		8,228.89	8,228.89
	(-) Investment in Subsidiary Companies		12.29	12.29
	(+) Current Year Transfer		NIL	NIL
	(-) Written Back in Current Year		NIL	NIL
	Closing Balance	(B2)	8,241.18	8,241.18
b-3	Other Reserves (Revaluation of Reserve)			
	Revaluation of Land	(B3)	51,400.00	51,400.00
	Closing Balance		51,400.00	51,400.00
c.	Surplus			
	Opening Balance		(162,487.66)	(111,125.77)
	(+) Net Profit/(Net Loss) For the Current Year		(142,312.84)	(57,902.85)
	(+) Transfer from Reserves		NIL	NIL
	(-) Proposed Dividends		NIL	NIL
	(-) Interim Dividends		NIL	NIL
	(-) Transfer to Reserves		NIL	NIL
	(-) Diminution in value in WIP		NIL	NIL
	(-) Prior Years Expenses		NIL	(635.01)
	(+) Prior Year Excess Provision Withdrawn		NIL	NIL
	Closing Balance	(C)	(304,800.50)	(169,663.63)
d.	Foreign Exchange Difference on Consolidation	(D)	15,319.84	25,138.81
e.	Miscellaneous Expenditure (Preliminary and Preoperative Expenses)	(E)	NIL	(29.50)
	Total	(A to E)	(179,270.11)	(34,343.77)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE “3 -A” SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Share Application Money Pending Allotment from promoters group entities	6,531.57	6,531.57

NOTE “4” - LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March31, 2015
A SECURED		
Term Loans		
From Banks		
Foreign Currency Loan	29,823.15	50,386.77
Rupee Loan	346,357.50	322,585.38
Current maturities of long-term debt	(35,152.00)	(22,307.00)
Motor Vehicle Loans	1.08	1.08
From Others		
NBFC	670.00	NIL
Bonds and lease payable	NIL	48,250.13
	341,699.73	398,916.36

Borrowing in PSL USA INC.

Nature of security and terms of repayment for Long Term Secured Borrowing

- Tax Exemption Bonds repayable in semi annual equal installment of USD 2.267 mio from May 2018. Last Installment May 2026. Secured by SBLC from a Bank.
- Taxable Bonds repayable in semi annual installment of USD 588.235 from November 2009. Last Installment 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

- Term Loan amounting to USD 34.5 mio (March 31, 2015 USD 33 mio) is Secured against Standby Letter of credit issued by ICICI Bank Ltd, Baharin

Borrowing in PSL LTD.

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.

The company had filed the flash report on 6th March 2013 before Corporate Restructuring (CDR) cell at Mumbai. The restructuring package was approved by CDR Cell , effective date being 24th August 2013 .The outstanding loan balance is worked out on the basis of the approved packaged and it is accounted. The Interest payable on this entire restructured loan as per the approved interest rate for Tvevele months period (1st April 15 to 31st March 2016) is not accounted. (Previous year 1st April 2014 to 31st December, 2014 not accounted)

The repayment of loan in PSL Ltd. starts from 1st January 2015 and the repayment completes in the third quarter of F.Y. 2023. The principal amount due for repayment amounting to Rs. 223.07 Crores for this year was not repaid. (Previous Year Rs. 92.27 Crores)

Borrowing in PSL Corrossion Control Services Limited

Secured against first charge on the entire Fixed assets of the company and first parri passu charges on the curen assets of the company

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March31, 2015
B UNSECURED		
From Promoters' Companies	1,748.00	1,748.00
Total (B)	1,748.00	1,748.00
Total (A) + (B)	343,447.73	400,664.36

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE : “5” - OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables	26,355.58	29,295.63
Others	NIL	NIL
Total	26,355.58	29,295.63

NOTE “6” - LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Provision for Employee Benefits		
Superannuation (Unfunded)	NIL	NIL
Gratuity (Unfunded)	1,338.44	1,338.44
Leave Encashment (Unfunded)	NIL	NIL
ESOP / ESOS	NIL	NIL
(b) Others (Specify Nature)	NIL	NIL
Total	1,338.44	1,338.44

NOTE “7” - SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Loans Repayable on Demand		
i) From banks (Secured against hypothecation of Current Assets and charge on the assets of company)	35,495.00	38,995.00
ii) From Banks (Secured against hypothecation of Project Current Assets)	19,757.32	34,788.10
	55,252.32	73,783.10
Unsecured		
Loans Repayable on Demand		
From Banks	NIL	NIL
Total	55,252.32	73,783.10

TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables	7,234.98	16,040.95
Others	NIL	NIL
Total	7,234.98	16,040.95

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "8" - OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Current Maturities of Long-term Debt	35,152.00	26,914.67
Current Maturities of Finance Lease Obligations	NIL	NIL
Interest Accrued but not due on Borrowings	NIL	NIL
Interest Accrued and due on Borrowings	NIL	NIL
Income Received in advance	NIL	NIL
Unpaid dividends	28.75	28.75
Mobilisation Advance from Customer	923.24	1,330.35
Other Payables	4,389.27	5,621.05
Total	40,493.26	33,894.82

NOTE "9" - SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Provision for Employee Benefits		
Salary & Reimbursements	97.13	27.16
Contribution to Porvident Fund	NIL	NIL
Gratuity (Funded)	NIL	NIL
Leave Encashment (Funded)	NIL	NIL
Superannuation (Funded)	NIL	NIL
Other Provision	123.94	159.83
ESOP /ESOS	NIL	NIL
Others (Specify nature)		
Provision for Taxation - Current Tax	592.12	565.00
Proposed Dividend	NIL	NIL
Tax on Proposed Dividend	NIL	NIL
Total	813.19	751.99

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "10" - FIXED ASSETS

			GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK		(In Lacs)
	PARTICULARS	Balance As at 1-Apr-15	Additions	Revaluation	Disposals	Balance as at March 31, 2016	Upto 1-Apr-15	For the Period	Disposals	Upto March 31, 2016	Balance As at March 31, 2016	Balance As at March 31, 2015	
I.	TANGIBLE ASSETS												
	Free Hold Land	60,641.99	NIL	NIL	NIL	60,641.99	NIL	NIL	NIL	NIL	60,641.99	60,641.99	
	Lease Hold Land	44.58	NIL	NIL	NIL	44.58	28.40	2.97	NIL	31.37	13.21	16.18	
	Office Buildings	204.53	NIL	NIL	NIL	204.53	71.07	8.22	NIL	79.30	125.24	133.47	
	Factory Building	43,320.88	7.16	NIL	NIL	43,328.04	10,916.44	1,014.77	NIL	11,931.21	31,396.83	32,404.44	
	Furniture & Fixtures	791.91	2.37	NIL	NIL	794.27	602.20	31.41	NIL	633.61	160.66	189.71	
	Plant and Equipment	211,027.38	591.36	NIL	NIL	211,618.75	108,513.21	17,270.46	NIL	125,783.66	85,835.09	102,514.18	
	Office Equipments	508.15	1.76	NIL	NIL	509.91	389.31	17.21	NIL	406.52	103.39	118.83	
	Lab Equipments	1,020.96	0.81	NIL	NIL	1,021.77	680.92	47.30	NIL	728.22	293.55	340.04	
	Computers	507.03	0.61	NIL	NIL	507.64	488.80	6.76	NIL	495.57	12.08	18.24	
	Motor Cars	1,537.27	NIL	NIL	23.28	1,513.99	1,271.85	44.98	22.23	1,294.59	219.40	265.43	
	Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	104.81	0.10	NIL	104.92	0.18	0.30	
	Cycles	0.29	NIL	NIL	NIL	0.29	0.31	0.01	NIL	0.33	NIL	NIL	
	Earth Moving Equipments	3,974.96	NIL	NIL	NIL	3,974.96	3,762.01	49.90	NIL	3,811.90	163.06	212.96	
	Shed Construction	2,631.29	NIL	NIL	NIL	2,631.29	1,513.79	165.14	NIL	1,678.93	952.36	1,117.50	
	TOTAL	326,316.33	604.07	NIL	23.28	326,897.12	128,343.10	18,659.23	22.23	146,980.12	179,917.02	197,973.26	
	TOTAL [Previous Year]	386,432.61	12,426.90	NIL	8.20	398,851.31	113,294.17	20,788.13	7.40	134,074.91	264,776.41	273,138.45	
II.	INTAGNGIBLE ASSETS												
	Computer Software	35.36	NIL	NIL	NIL	35.36	34.92	0.23	NIL	35.15	0.21	0.58	
	TOTAL	35.36	NIL	NIL	NIL	35.36	34.92	0.23	NIL	35.15	0.21	0.58	
	TOTAL	326,351.69	604.07	NIL	23.28	326,932.48	128,378.02	18,659.46	22.23	147,015.27	179,917.23	197,973.82	
	TOTAL [Previous Year]	386,467.97	12,426.90	NIL	8.20	398,886.67	113,329.03	20,788.18	7.40	134,109.81	264,776.85	273,138.93	

Fixed assets were physically verified by the management during the year. Pending completion of reconciliation which has not been completed, discrepancies, if any, cannot be ascertained.

a) A charge has been created in favour of ICICI by depositing the Title Deeds of Chennai Factory (acting as the agent of IDBI Trusteeship Services Ltd. In order to secure outstanding dues of CDR lenders and JSW Steel Ltd on pari passu basis.

b) The Company has also created pari passu charge with respect to immoveable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of Title Deed in favour of IDBI Trusteeship Services Ltd.

The Company has purchased 39.345 Acres of land from "Broken Hills International Private Limited for a consideration of Rs 31,55,00,020/- (Rupees Thirty One Crores Fifty Five Lacs Twenty Only). The vendor has prior to execution of the sale deed, obtained the No Objection Certificate dated 20.03.2014 from ICICI Bank Limited (Acting as the Monitoring Institution in terms of the Master Restructuring Agreement dated 19.11.2013) under which ICICI Bank Limited has permitted the vendor to convey, transfer and assure the Scheduled land to the Purchasers subject to such conveyance transfer and assurance being subject to the mortgage subsisting in favour of the Mortgagee for the benefit of the lenders to the purchaser under the Master Restructuring Agreement dated 13.11.2013 and also on the condition that the after the sale of the scheduled land in favour of the purchaser, the purchaser shall forwath mortgage the scheduled land in favour of the security trustee for the benefit of the lenders to the purchaser under the Master Restructuring Agreement dated 13.11.2013.

The Purchase consideration of Rs 31,55,00,020 was paid as under :

By way of an advance payment made vide Cheque No. 702339 dated 29 th March, 2014 drawn on ICICI Bank	100,000.00
By way of issuance of 1,21,30,770 equity shares of face value of Rs 10 each which shall be issued at a premium of Rs 16/- per share thereby aggregating to Rs 26/- per share	315,400,020.00
Total	315,500,020.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "11" NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
A. Investments in subsidiary		
Unquoted Shares		
29488083 Equity Shares of USD 1 /- of PSL USA, INC. (Previous year 29488083 equity shares)	13,034.34	NIL
B. Investment in Associates		
Unquoted, Trade		
1330000 Equity Shares of Rs. 10/- each of BHI LTD. (Previous year 1330000 Shares)	147.00	147.00
150000 Equity Shares of Rs.10/- each of Punj International Pvt.Ltd. (Previous Year 150000 Equity Shares)	15.00	15.00
7500 Equity Shares of Rs. 10/- each of Broken Hills International Ltd. (Previous year 7500 Equity Shares)	0.75	0.75
2000 Equity Shares of Rs. 100/- each of Punj Investments Pvt Ltd. (Previous year 2000 Equity Shares)	2.00	2.00
860000 Equity Shares of Rs. 10/- each of Eurocoustic Products Ltd. (Previous Year 860000 Equity Shares)	86.00	86.00
484000 Equity Shares of Rs. 10/- each of Punj Corporation Pvt.Ltd. (Previous Year 484000 Equity Shares)	48.40	48.40
(A)	299.15	299.15
C. Non Trade Investments Equity		
Unquoted, Trade		
128 Shares of Rs. 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)	13,333.62	299.28

Previous year figures being consolidated including PSL USA Inc., investment in PSL USA Inc. is NIL

NOTE "12" - LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
A. Capital Advances		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(A)	NIL	NIL
B. Security Deposits		
Secured, Considered Good	1,319.33	2,053.32
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(B)	1,319.33	2,053.32
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		
Excise & Service Tax Deposits	42,887.09	42,651.82
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
(D)	42,887.09	42,651.82
Total	(A+B+C+D)	44,705.14

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "13" - CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Mutual Funds (Unquoted) (Units of Rs. 10/- each, Unless Otherwise Specified)	NIL	NIL
Unquoted, Trade		
SBI Capital Protection Oriented Fund (Mutual Fund)	14.21	14.21
Axis Equity Fund	15.00	15.00
(Previous year 100)		
Total	29.21	29.21

NOTE "14" - INVENTORIES

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Raw Materials and components (Valued at cost)	3,472.05	9,679.75
Goods-in Transit	NIL	NIL
(A)	3,472.05	9,679.75
Work-in-Progress	10,701.88	140,395.69
Goods-in Transit	NIL	NIL
(B)	10,701.88	140,395.69
Finished Goods (Valued at Cost or Realisable Value Whichever is Less)	273.51	2,173.76
Goods-in Transit	NIL	NIL
(C)	273.51	2,173.76
Stores and Spares (Valued at Cost)	3,755.09	4,931.02
Goods-in Transit	NIL	NIL
(D)	3,755.09	4,931.02
Total	18,202.53	157,180.23
(A+B+C+D)		

NOTE "15" - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Trade Receivables Outstanding for a period of exceeding Six Months from the date they are due for Payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	28,205.58	31,276.90
Unsecured, Considered Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
(A)	28,205.58	31,276.90
Trade Receivables Outstanding for less than Six Months from the date they are due for Payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	3,837.80	8,674.77
Unsecured, Considered Doubtful	NIL	NIL
(B)	3,837.80	8,674.77
Total	32,043.38	39,951.67
(A+B)		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "16" - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Balances with Banks	2,572.55	4,206.41
Fixed Deposits with Banks with more than 12 Months Maturity (Under Lien Rs.1426.07 Lacs)	1,426.07	3,114.33
Cheques, Drafts on Hand	NIL	NIL
Cash on Hand	88.69	135.83
Unclaimed Dividend	NIL	NIL
Total	4,087.31	7,456.57

NOTE "17" - SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Secured, Considered Good		
Advance to Raw Material and Others	8,937.02	6,275.89
Loan to Employees	46.75	72.37
Advance Income Tax	1,496.80	1,391.96
Unsecured, Considered Good	NIL	NIL
Unsecured, Considered Doubtful	NIL	NIL
Total	10,480.58	7,740.22

NOTE "18" - OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31,2016	As at March 31,2015
Dividend, Interest Subsidy and Interest Receivable	NIL	NIL
Export Incentives Receivables	NIL	NIL
Claims and other Receivables	NIL	2,782.31
Total	NIL	2,782.31

NOTE "19" - REVENUE FROM OPERATION (GROSS)

(₹ in Lacs)

Particulars		For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Sale of products			
HSAW Pipes		5705.69	10169.22
Coating on Steel Pipes		10931.78	9959.64
Anodes		NIL	NIL
	(a)	16637.47	20128.86
Sale of services			
Rebar Coating		7445.89	6603.31
Induction Bending		512.58	993.85
	(b)	7958.47	7597.16
Other Operating Revenues			
Equipment Sales		279.35	414.75
Process Waste Sale		2587.47	1822.91
Other Material Sales		212.97	473.86
	(c)	3,079.79	2,711.52
Total	(a+b+c)	27,675.73	30,437.54

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE “20” - OTHER INCOME

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Dividend Income		
From a Subsidiary	NIL	NIL
From an Associate	NIL	0.21
Net Surplus on Disposal of Assets	NIL	NIL
Rent and Compensation	88.91	73.90
Exchange Fluctuation Gain (Net)	NIL	NIL
Insurance Claim /Excise Duty /Sales Tax Claim	216.18	3.87
Profit on sale of assets	NIL	3.68
Interest	135.22	54.49
Claims received	NIL	133.34
Other Non Operating Income	134.15	337.56
Interest Income	NIL	68.05
Total	574.46	675.10

NOTE “21” COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Raw Material		
Opening Stock	9,744.78	16,397.13
Purchases	4,645.42	11,613.28
	14,390.20	28,010.41
Less : Sales	NIL	NIL
Less: Closing Stock	3,472.05	9,679.75
	10,918.15	18,330.66
Details of Raw Material Consumed		
H. R. Coil	5,803.77	6,931.20
Flux	47.75	59.68
Filler Wire	66.03	39.31
M S Wire	NIL	NIL
Epoxy Powder	3,185.57	2,387.44
Adhesive	93.09	76.06
Polyethylene	565.31	591.98
Polypropylene	88.38	976.82
Inner Wrap	5.90	21.46
Outer Wrap	12.39	18.81
Coal Tar Enamel	32.75	100.11
Coal Tar Tape	NIL	0.99
Polyethylene Tape	NIL	NIL
Wiremesh	31.52	1,036.41
Cement	42.65	437.96
Sand	18.95	21.74
Iron Ore	290.89	3,431.64
Aluminum	NIL	NIL
Zinc	5.55	0.03
Coating Materials and others	6127.65	2199.02
Total	10,918.15	18,330.66

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE “22” MANUFACTURING AND OPERATING COST

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Consumption of Stores and Spares Parts	1544.49	2610.26
Power & Fuel	1001.99	1608.96
Excise Duty, Service Tax and Sales Tax	537.79	1157.83
Freight & Cartage	909.84	570.39
Equipment Hire Charges	768.47	314.33
Labour Charges	30.67	155.05
Interest on Bill Discounting	NIL	210.52
Testing Charges	NIL	1.23
Other Manufacturing & Operating Expenses	2122.20	1478.03
Water Charges	1.38	4.88
Liquidated Damages	0.00	401.40
Dumpsite Maintains	77.92	79.67
Total	6,994.74	8,592.55

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

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Opening Stock		
Finished Goods	2231.24	4851.32
Work in Progress	127578.42	126346.83
(a)	129809.66	131198.15
Closing Stock		
Finished Goods	275.44	2173.76
Work in Progress	10763.15	125705.52
(b)	11038.59	127879.28
(a-b)	118771.07	3318.88

NOTE “24” - EMPLOYEE BENEFITS EXPENSES

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Salaries, Bonus etc.	3493.31	5700.46
Contributions to Provident and other Funds	381.77	518.40
Staff welfare expenses	359.54	531.57
Total	4,234.61	6,750.42

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE “25” - FINANCE COST

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Interest Expense	5,157.84	7,856.49
Other Borrowing Costs	286.09	377.51
Currency Loss	NIL	NIL
Total	5,443.93	8,233.99

NOTE “26” OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Conveyance	81.74	154.58
Traveling Expenses	231.83	375.70
Postage, Telegram and Telephones	72.45	100.52
Printing and Stationery	22.60	34.30
Rent, Rates & Taxes	2,099.53	314.65
Electricity Charges	56.40	56.62
Professional Charges	927.14	571.02
Repair and Maintenance (Plant)	3.39	86.37
Repair and Maintenance (Building)	5.56	9.53
Repair and Maintenance (Others)	244.60	157.75
Insurance	185.21	203.80
Auditors' Remuneration	40.86	33.59
Vehicle Expenses	129.97	123.02
General Expenses	1,308.48	3,120.57
Total	5,409.76	5,342.02

NOTE “26 [A]” - AUDIT FEES

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Payments to Auditor :		
As Audit Fees	34.22	19.35
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
	41.22	26.35

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE "27" - TRADE PAYABLES

- a. Trade Payables includes Rs. Nil (Previous Year Rs. Nil) Due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs.335.89 Crores (Previous Year Rs 453.35 Crores) due to other parties.
- b. No interest is paid/payable during the year to any enterprises 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 "28" - DERIVATIVE INSTRUMENTS

I. The Company has entered into the following derivative instruments.

- a. Forward Exchange contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
Forward Exchange Contracts entered into by the Company as on March 31, 2016 .(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:

	31 st March, 2016	31 st March, 2015
Receivable /(Payables) (Rs. In lacs)	NIL	NIL
Receivable /(Payables) (USD in Mn)	NIL	NIL

Foreign exchange exposure of ECB Term Loan of USD 50 mio not included in the above as this ECB Loan will be converted as per CDR package into Rupee Term Loan.

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

NOTE "29" - RELATED PARTY DISCLOSURES

Relationships	
a) Subsidiary Companies	
PSL Corrosion Control Services Ltd.	100% Subsidiary Company
Pipeline System Ltd., Mauritius	100% Subsidiary Company
PSL USA INC. , Delaware , USA	100% Subsidiary Company
PSL Gas Distribution Pvt.Ltd.	100% Subsidiary Company
PSL Infrastructure and Ports Pvt.Ltd.	100% Subsidiary Company
PSL FZE, Sharjah.	100% Subsidiary Company of Pipeline Systems Ltd., Mauritius
PSL North America LLC.	JV Company of PSL USA INC., Delaware, USA (80% holding)
<i>(PSL North America LLC and PSL USA Inc. have filed insolvency petition under Chapter 11 under the US regulation. Currently under judicial process)</i>	
b) Associate Companies	
BHI Ltd.	
Broken Hills International Ltd.	
Eurocoustic Products Ltd.	
Punj International Pvt. Ltd.	
Punj Investments Pvt. Ltd.	
Punj Corporation Private Limited	
Rosoboronterra India Pvt.Ltd.	
(Subsidiary of Punj Corporation Private Limited)	
c) Key Management Personnel	
Ashok Punj	: Managing Director
R. K . Bahri	: Whole Time Director
C K Goel	: Whole Time Director

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

2. Transaction Carried out with related parties in ordinary course of business

(₹ in Lacs)

Name of the Company	Relationship	31st March 2016	31st March 2015
Purchase of Goods	NIL	56.78	NIL
Reimbursement of Expenses	NIL	222.57	16.02
Lease Rental	NIL	1.25	NIL
Remuneration	249.75	NIL	NIL
Sale of Goods	NIL	345.05	NIL
Loans and Advances given	NIL	21.50	0.10
Loans and Advances received	NIL	193.34	NIL

NOTE “30” DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT

Corporate Guarantee given on behalf of Subsidiary Companies

(₹ in Lacs)

Name of the Company	Relationship	Amount Outstanding	Amount Outstanding
		31st March 2016	31st March 2015
PSL FZE	Step down Subsidiary of PSL Limited	46,831.03	44,198.00
PSL North America LLC	Step down Subsidiary of PSL Limited	1,479.22	31,200.00
PSL Corrossion Control Services Ltd.	100% Subsidiary of PSL Limited	1,500.00	1,500.00

The Financial Statements of PSL Limited (The Company and its Indian and Overseas subsidiaries are combined on a line by line basis by adopting together the book values like items of assets, liabilities, Income and Expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized Profits and Losses.

The Financial Statement of PSL Corrossion Services Ltd., PSL Gas Distribution Pvt.Ltd, PSL Infrastructure and Ports Private limited and overseas subsidiaries namely PSL USA, INC and Pipeline Systmes Ltd, used in the consolidation are drawn upto the period of 31st March 2016 (12 months)

NOTE “31” - LEASE

Operating lease payments are recognized as expenditure in the Profit and Loss account on a straight-line basis, which is representative of the time pattern of benefits received from the use of assets taken on lease. Lease rentals in respect of operating lease are recognized as income over the lease period.

(₹ in Lacs)

Particulars	For the Year Ended 31 st March 2016	For the Year Ended 31 st March 2015
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

II) Others

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

a) Inventory

During the year some old and non-moving stock was sold as a distress sale and having realized Rs.25.78 Crores. The Company has provided for resultant loss on sale of old and non-moving stock and also made provision for remaining stock/ non-moving stock totaling to Rs.1006.48 Crores during the year. As certified by the management balance stock is Rs.156.38 Crores valued at cost as on 31st March, 2016.

b) Foreign Subsidiaries

- i) The net worth of Pipeline Systems Limited (100% subsidiary of the Company) is negative as on 31-3-2016 on account of accumulated losses.
- ii) The net worth of PSL USA is negative as on 31-3-2016 on account of accumulated losses and the company has filed a petition under Chapter 11 under Bankruptcy in USA.

NOTE “32” - DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 “EMPLOYEE BENEFITS”

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
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	137.83	180.44
Contribution to Employee Provident Fund - Trust	NIL	NIL
Contribution to Pension Fund	72.79	174.45
Contribution to Superannuation Fund	25.97	173.01
	236.59	527.91
Defined Benefit Plan -		
The following table set out the status of the Gratuity Plan as required under AS 15 (Revised 2005)		
A. Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation (DBO)		
Opening DBO	1910.49	2,206.61
Current Service Cost	24.42	97.98
Interest Cost	9.75	54.17
Actuarial (Gain)/Loss	NIL	NIL
Past Service Cost	NIL	NIL
Liabilities Extinguished on Settlements	901.23	NIL
Benefits Paid	396.63	448.27
Closing DBO	646.80	1,910.49
B. Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Opening Fair Value of Plan Assets	447.07	881.02
Expected Return	14.36	8.35
Actuarial Gain/ (Loss)	NIL	NIL
Contribution by the Employer	1.11	5.97
Assets Distributed on Settlements	NIL	NIL
Benefits Paid	396.63	448.27
Closing Fair Value of Plan Assets	65.91	447.07
C. 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	646.80	1,910.49
Fair Value of the Plan Assets at the End of the Year	429.77	447.07
Liability Recognised in the Balance Sheet	217.03	1,463.42

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

D. The Total Expense Recognised in the Profit and Loss Account:		
Current Service Cost	24.42	97.98
Interest Cost	9.75	54.17
Expected Return on Plan Assets	21.22	8.35
Actuarial (Gains)/Loss	NIL	NIL
Past Service Cost	NIL	NIL
Losses/(Gains) On "Curtailements & Settlements"	NIL	NIL
Net Gratuity Cost	12.95	143.80
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	8.87%	8.75%
G. Following are the Principal Actuarial Assumptions Used as at the Balance Sheet Date :		
Discount Rate	8%	8.00%
Expected Rates of Return on any Plan Assets	8.75%	8.75%
Average Salary escalation rate for Non Management for Each Year	7.00%	7.00%
Average Salary escalation rate for Non Management Every Third Year		

NOTE "33"

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

NOTE "34"

(₹ in Lacs)

Particulars	For the Year Ended 31st March 2016	For the Year Ended 31st March 2015
Contingent liabilities		
A. Counter Guarantees given by the Company for Bank Guarantees	6,047.47	9,566.12
B. Others	4,567.16	4,575.68
C. Letter of Credit Outstanding (Not yet committed)	NIL	NIL
D. Bills Discounting	NIL	369.43
E. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	NIL	NIL

- II. Income Tax Assessment Completed upto AY 2013-14 (March'2013), with Nil Demand
- 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 Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) passed order on 27/3/14 for the evacuation of Kandla PCD-I premises because lease period was over. The Company is taking suitable legal action against above order. Since the lease amount is under dispute, the lease payment have not been made and not provided in accounts.
- 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. Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE “35”

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 as per the approved rate based on the restructuring package was worked out, however not charged to interest account. Also the Company has not provided regular interest on loan outstanding Rs. 364.66 Crore for the period from 1/4/15 to 31/3/16. Interest payable as per this calculation for the loan outstanding as on date amounting to Rs. 627.21 Crores.

NOTE “36”

The previous period figures have been reclassified regrouped to conform to this period’s classification.

NOTE “37”

Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as **Note No 1.**

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 : 24th May, 2016

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

**Alok Punj
R.K. Bahri**

(Directors)

**Ashok Punj
C.K. Goel**

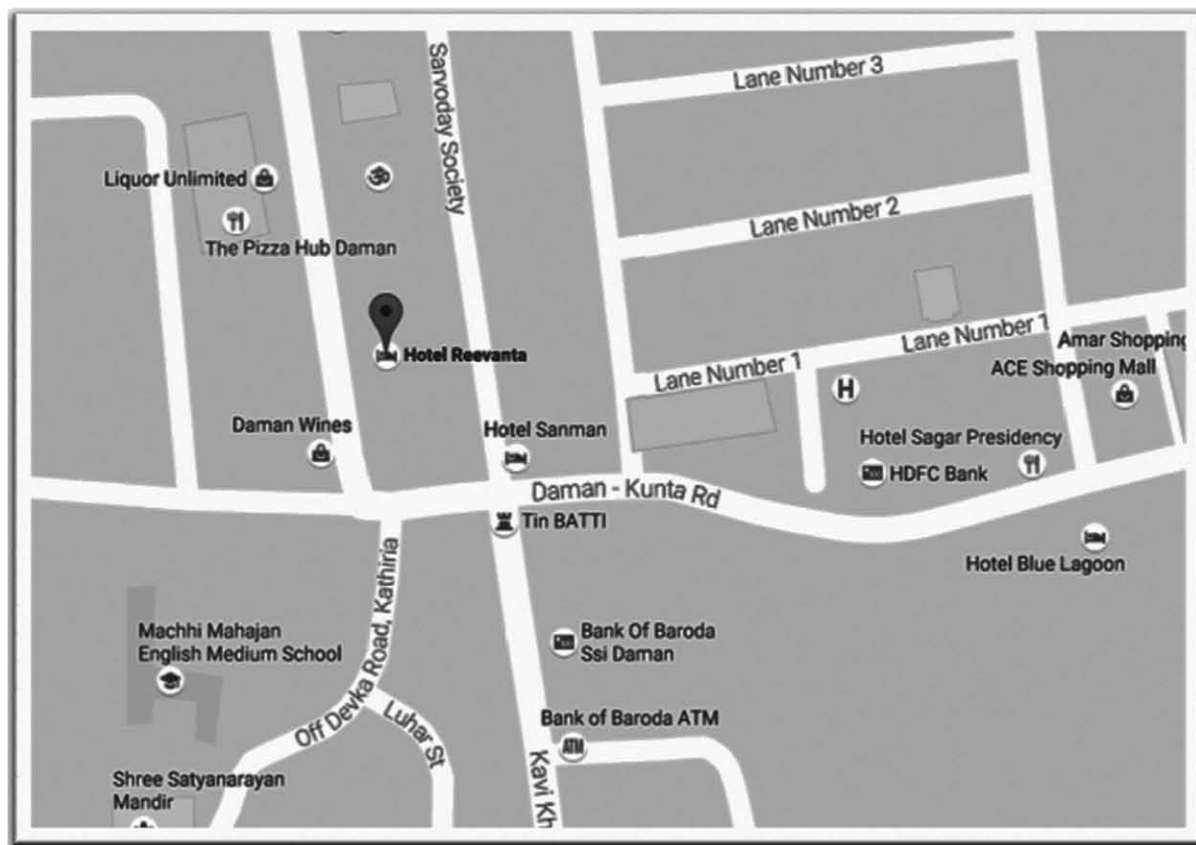
FORM AOC-1
(Pusuant to First Proviso to Sub Section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014
Statement Containing Salient Features of The Financial Statement of Subsidiary Companies

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	2015-16 March'16	N.A.	140.00	5,816.67	12,536.04	12,536.04	43.21	7,197.43	87.76	27.12	60.64	-	INDIA
			2015-16 March'16	N.A.	140.00	5,756.03	12,166.08	12,166.08	43.21	4,724.26	33.68	-	33.68	-	
2	Pipeline Systems Ltd.*	USD	2015-16 March'16	65.80	20,305.70	(24,931.46)	36,469.19	36,469.19	-	10,290.41	(6,775.34)	-	(6,775.34)	-	Mauritius
			2014-15 March'15	59.64	19,229.93	(16,958.77)	47,814.24	47,814.24	-	10,595.57	(10,183.25)	-	(10,183.25)	-	
3	PSL USA INC**	USD	2015-16 March'16	-	-	-	-	-	-	-	-	-	-	-	USA
			2014-15 March'15	59.64	18,493.49	(7,175.97)	91,338.86	91,338.86	-	-	-	-	-	-	
4	PSL Gas Distribution Pvt.Ltd.	INR	2015-16 March'16	-	17.00	-	17.37	17.37	-	-	-	-	-	-	INDIA
			2014-15 March'15	-	17.00	-	17.11	17.11	-	-	-	-	-	-	
5	PSL Infrastructure & Ports Pvt.Ltd.	INR	2015-16 March'16	-	2,821.00	-	5,429.42	5,429.42	-	-	-	-	-	-	INDIA
			2014-15 March'15	-	2,821.00	-	6,562.82	6,562.82	-	-	-	-	-	-	

* Amount includes results of its subsidiary namely PSL FZE Sharjah incorporated under the laws of UAE

** Amount include results of its subsidiary namely PSL North America LLC incorporated under the law of state of Delaware

ROUTE MAP



NOTES

[illegible]



PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s)		
Registered address		
Email		
Folio no. / Client Id		DP ID No.

I/We, being the member (s) of PSL limited holding _____ shares hereby appoint

- (1) Name: _____ Address: _____
 Email id: _____ Signature: _____ or failing him/her;
- (2) Name: _____ Address: _____
 Email id: _____ Signature: _____ or failing him/her;
- (3) Name: _____ Address: _____
 Email id: _____ Signature: _____ or failing him/her;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 28th Annual General Meeting of the Company, to be held on Thursday, the 29th day of September 2016, at 9:30 a.m., at Hotel Reevanta, Teen Batti, Devka Road, Nani Daman - 396210, in Union Territory of Daman & Diu, and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sr. No.	Resolutions	Vote Optional (See Note 2) (Please mention no. of shares)	
		For	Against
Ordinary Business			
1	Adoption of Audited Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial Year ended on March 31, 2016.		
2	Re-appointment of Shri R.K. Bahri, (DIN 00044364) as Director who retires by rotation.		
3	Re-appointment of Shri C.K. Goel, (DIN 01372544) as Director who retires by rotation.		
4	Appointment of M/s Suresh C Mathur & Co. Chartered Accountants, as Statutory Auditors from the conclusion of this AGM until the conclusion of next AGM.		
Special Business			
5	To ratify the payment of remuneration to the Cost Auditor for the financial year 2016-17.		
6	To note the ultimate Beneficial owners of an allottee of 876926 Equity Shares namely M/s. Edelweiss Asset Reconstruction Company Ltd.		
7	Re-appointment of Sh. Ashok Punj (DIN 00041911) “Managing Director” of the Company.		
8	Re-appointment of Sh. C.K.Goel (DIN 01372544) “Whole-Time Director” of the Company.		
9	Re-appointment of Sh. R.K. Bahri (DIN 00044364) “Whole-Time Director” of the Company.		
10	Fixation of Remuneration of Sh. Ashok Punj (DIN 00041911) “Managing Director” of the Company.		
11	Fixation of Remuneration of Sh. C.K.Goel (DIN 01372544) “Whole-Time Director” of the Company.		
12	Fixation of Remuneration of Sh. R.K. Bahri (DIN 00044364) “Whole-Time Director” of the Company.		
13	Approval for availing of Shri R.K.Bahri as “Whole-Time Director” of the Company inspite of his attaining the age of 70 years		

Signed this..... day of2016.

Affix
Revenue
Stamp

Signature of the member

Signature of the proxy holder (s)

Notes:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
- It is optional to indicate your preference. If you leave for, against column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
- A proxy need not be a member of the Company.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- For the Resolutions, Explanatory Statements and Notes to Accounts, please refer to the notice of 28th Annual General Meeting.



PSL LIMITED

CIN: L67120DD1987PLC002395

Regd. Office: Kachigam, Daman, U.T. of Daman & Diu-396 210

www.psllimited.com

ATTENDANCE SLIP

DP Id*		Folio No.	
Client Id*		No. of Shares	

Name and Address of the Shareholder _____

I hereby record my presence at the 28th Annual General Meeting of the Company held on Thursday, the 29th day of September, 2016 at 9:30 a.m. at Hotel Reevanta, Teen Batti, Devka Road, Nani Daman-396210, in Union Territory of Daman & Diu.

Signature of Shareholder/proxy

Note:

1. 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.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.



PSL LIMITED

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