



**PSL Limited**

**Secretarial & Legal Deptt.**

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/2018-19/756

September 28, 2018

**National Stock Exchange of India Limited**

Listing Department

Exchange Plaza,

5<sup>th</sup> 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 SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the details regarding the voting results of the businesses transacted at the 30<sup>th</sup> 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 28, 2018 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 SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015, we are also enclosing 30<sup>th</sup> Annual Report for the financial year 2017-18 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

Ashok Punj  
Managing Director

Encl: a/a

# PSL LIMITED



**30<sup>th</sup> Annual Report  
2017-18**

**BOARD OF DIRECTORS**

<b>Shri Ashok Punj</b>	Managing Director
<b>Shri Alok Punj</b>	Non-Executive Director
<b>Shri R. K. Bahri</b>	Non-Executive Director
<b>Shri C. K. Goel</b>	Non-Executive Director
<b>Mrs. Manjula N. Bhatia</b>	Non-Executive Director
<b>Shri N. C. Sharma</b>	Independent Director
<b>Shri Ashok Sharma</b>	Independent Director
<b>Shri Harry H. Shourie</b>	Independent Director
<b>Shri Harsh Pateria</b>	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:**

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

**Marketing Offices:**

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

**Projects Office:**

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

**Registrar and Share Transfer Agents**

Karvy Computershare Private Limited  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad - 500 032

**Statutory Auditors**

V. Praekh & Associates  
Chartered Accountants, 37, Hamam Street, Fort,  
Mumbai-400001

**Principal Bankers**

ICICI Bank Limited, Indian Overseas Bank, State

Bank of India, Union Bank of India, Bank of Baroda, ING Vy-  
sya Bank Limited, Punjab National Bank (International) Ltd.,  
Yes Bank Limited, Bank of India, DBS Bank Limited, Standard  
Chartered Bank, Export Import Bank of India, Indian Bank,  
IDBI Bank Limited, Kotak Mahindra Bank, Axis Bank Limited,  
Development Credit Bank, Syndicate Bank, Abu Dhabi Com-  
mercial Bank, Oriental Bank of Commerce, Bank of Bahrain &  
Kuwait, Canara Bank, Federal Bank Limited.

**CONTENTS**

<b>Notice .....</b>	<b>02</b>
<b>Directors' Report.....</b>	<b>06</b>
<b>Auditors' Report .....</b>	<b>35</b>
<b>Balance Sheet .....</b>	<b>45</b>
<b>Statement of Profit &amp; Loss Account.....</b>	<b>46</b>
<b>Notes on Financial Statements .....</b>	<b>49</b>
<b><u>Consolidated:</u></b>	
<b>Auditors' Report.....</b>	<b>73</b>
<b>Balance Sheet.....</b>	<b>79</b>
<b>Statement of Profit &amp; Loss Account .....</b>	<b>80</b>
<b>Notes on Financial Statements.....</b>	<b>82</b>
<b>Statement of Subsidiary Companies .....</b>	<b>98</b>

## NOTICE

To,  
The Members of  
**PSL LIMITED**

Notice is hereby given that **Thirtieth (30<sup>th</sup>) Annual General Meeting** of the Company will be held on Friday, the 28<sup>th</sup> day of September 2018 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 31<sup>st</sup> March, 2018 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 31<sup>st</sup> March, 2018, 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 C. K. Goel (DIN 01372544), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### 4. TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2018-19

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. 2 Lakhs plus out of pocket expenses and applicable taxes, 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 2018-19, be and is hereby ratified."

By order of the Board of Directors of  
**PSL LIMITED**

Sd/-  
**(Ashok Punj)**  
Managing Director

Regd. Office: -  
Kachigam, Daman  
Union Territory of –  
Daman & Diu - 396 210  
CIN: L67120DD1987PLC002395  
Dated: August 9, 2018

## NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting ('the Meeting') is entitled to appoint a proxy to attend 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 completed 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. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.**
3. Companies Act, 2013 permitted appointment of the Statutory Auditors for a period of five years at one go subject, however, to the fact that each year the Members were required to ratify the said appointment in their AGM.  
However, due to recent amendment in the said act deleting the requirement of aforesaid ratification the members are not being requested to ratify the appointment of M/s V. Parekh and Associates who are appointed in the last AGM of the Company held on 28<sup>th</sup> September, 2017 for a continuous period of 5 years commencing from Financial Year 2017-18.
4. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of matters covered under "Special Business" is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), of the person seeking re-appointment as Director under Item Nos. 2 & 3 of the Notice, are also annexed.
5. 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.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 25<sup>th</sup> day of September, 2018 to Friday, the 28<sup>th</sup> day of September, 2018 (both days inclusive) for the purpose of 30<sup>th</sup> Annual General Meeting.
7. For convenience of Members, an attendance slip is annexed to the proxy form. Members/Proxies are requested to affix their signatures at the space provided therein and thereafter hand over the attendance slip at the venue of the meeting. The Proxy of a Member should mark on the attendance slip as "Proxy".
8. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
9. Members 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.
10. 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 Computer Shares Private Limited ('Karvy').
11. **The Securities and Exchange Board of India ('SEBI') vide Securities and Exchange Board of India (Listing Obligations And Disclosure Requirement) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 states that any request for transfer of shares held in physical form with effect from 4<sup>th</sup> December, 2018 shall not be entertained and it shall be mandatory to dematerialize the securities for getting the shares transferred.**  
**Shareholders are advised to note the above and take all necessary steps at their end.**
12. Pursuant to Regulation 36 of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Shri R. K. Bahri and Shri C. K. Goel, Directors proposed to be re-appointed is annexed herewith.
13. In accordance with provisions of section 124 of the Companies Act, 2013, such dividend amounts which remain unpaid or unclaimed for a period of 7 years with respect to two different dividends as per details stated at para no. VIII (i) of Corporate Governance Report annexed to the Director's Report will be transferred to IEPF. Shareholders who have so far not encashed the dividend warrant(s) for the so referred dividends are requested to make their claim to the Secretarial Department at Delhi Office of the Company or the office of the RTA on or before the dates stated in the aforesaid para no. VIII (i) of Corporate Governance Report failing which the unpaid/unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid/unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the IEPF in respect of such amount by the Member.
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the rules framed thereunder and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote



electronically, through the e-voting services provided by Karvy, our Registrar and Transfer Agent on all the resolutions set forth in this Notice. The e-voting period commences on Tuesday, the 25<sup>th</sup> day of September, 2018 (09:00 a.m. IST) and ends on Thursday, the 27<sup>th</sup> day of September, 2018 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 21<sup>st</sup> September, 2018, 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 e-voting instruction slip has been sent explaining the process of e-voting with necessary user id and password along with procedure for such e-voting.

15. 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.
16. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.psl-limited.com](http://www.psl-limited.com) and on the website of Karvy at [www.evoting.karvy.com](http://www.evoting.karvy.com) within two days of passing of the resolutions at the 30<sup>th</sup> 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.
17. To support the "Green Initiative" in Corporate Governance taken by Ministry of Corporate Affairs, to contribute toward 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, if shares are held in physical mode or with the depository participant if the shares are held in electronic mode.
18. Route map of the venue of Annual General Meeting is enclosed herewith for the convenience of the members to attend the meeting.

By order of the Board of Directors of  
**PSL LIMITED**  
 Sd/-  
**(Ashok Punj)**  
 Managing Director

Regd. Office: -  
 Kachigam, Daman  
 Union Territory of –  
 Daman & Diu - 396 210  
 CIN: L67120DD1987PLC002395  
 Dated: 9 August, 2018

## EXPLANATORY STATEMENT

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

### ITEM NO. 4: TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2018-19

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 in case of our Company the relevant order of Central Government is applicable, 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 2018-19. Although the Board has fixed a remuneration of Rs. 2 Lakhs as consolidated fee plus out of pocket expenses and taxes as applicable, the ratification of members of the Company is sought for.

The Resolution on this Special Business item is detailed in item no. 4 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. 4 of the Notice.

Hence, the Resolution contained in Item No. 4 is placed for consideration and ratification of the shareholders.\

By order of the Board of Directors of  
**PSL LIMITED**  
 Sd/-  
**Ashok Punj**  
 Managing Director

Regd. Office: -  
 Kachigam, Daman  
 Union Territory of –  
 Daman & Diu - 396 210  
 CIN: L67120DD1987PLC002395  
 Dated: 9 August, 2018

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:**

(with reference to Item nos. 2 & 3 of “*Ordinary Business*”)

<b>Name of Director</b>	:	<b>Shri R. K. Bahri</b>	<b>Shri C. K. Goel</b>
Date of Birth	:	10 <sup>th</sup> September, 1942	16 <sup>th</sup> November, 1957
Expertise in specific functional area	:	General Management, Marketing & Production	General Management, Marketing & Production
Directorship held in other companies (excluding foreign companies and Section 8 companies)	:	Eurocoustic Products Limited Indian Institute of Corrosion	Eurocoustic Products Limited
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	:	NIL	Nil
Brief Resume	:	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. He has also been serving 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.	Mr. 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 40 years of working in responsible positions. Further before taking over as incharge 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.
Relationship with Directors	:	None	None
Number of shares held in the Co.	:	NIL	Nil

## DIRECTOR'S REPORT

To,  
The Members of  
**PSL LIMITED**

Your Directors hereby present this Thirtieth (30<sup>th</sup>) Annual Report along with Audited Statements of Accounts of the Company for the Financial Year 2017-18.

### Financial Performance:

The financial performance of the Company for the financial year ended on 31<sup>st</sup> March, 2018 is summarized below:

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
<b>Revenue from operations</b>	<b>51.05</b>	<b>19.05</b>	<b>167.73</b>	<b>109.17</b>
Other Income	10.68	5.10	11.30	5.79
<b>Total Income</b>	<b>61.73</b>	<b>24.15</b>	<b>179.03</b>	<b>114.96</b>
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items, Extraordinary items & Tax	(34.65)	(425.68)	(28.79)	(431.2)
Less: Depreciation and Finance Cost	112.06	141.35	174.23	190.82
Less: Exceptional items	-	-	-	-
Less: Extraordinary Items	-	130.34	-	130.34
<b>Profit/(Loss) Before Taxation Provisions</b>	<b>(146.71)</b>	<b>(697.37)</b>	<b>(203.02)</b>	<b>(752.36)</b>
Less: Current Tax	-	-	0.26	0.24
Less : Deferred Tax	6.05	-	6.07	(0.01)
<b>Profit / (Loss) After Tax</b>	<b>(152.75)</b>	<b>(697.37)</b>	<b>(209.35)</b>	<b>(752.59)</b>
Balance Carried to Balance Sheet	(152.75)	(697.37)	(209.35)	(752.59)

### Consolidated Financial Statements:

The Consolidated Financial Statements of your Company for the financial year 2017-18 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued there under, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). These statements have been prepared on the basis of audited financial statements of your Company and of, its subsidiaries as approved by their respective Board of Directors.

### Dividend:

Keeping in view the loss incurred by the Company during the year under review, your Directors have not recommended any dividend for the year under review.

### 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.

### Transfer to Investor Education and Protection Fund:

During the year under review in compliance of Section 124(5) of the Companies Act, 2013, as amended, from time to time, the Company transferred an amount of Rs. 632587/- to "Investor Education & Protection Fund". Although the said amount was part of an earlier dividend and, therefore, was due and payable to few shareholders but since the same remained unclaimed and unpaid for a period of more than seven years hence this transfer had to be done.

### Reference to National Company Law Tribunal ("NCLT"):

At the time of last Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017 the members were informed that consequent upon repeal of the Sick Industrial Companies (Special Provisions) Act, 1985 and instead coming into being of the Insolvency and Bankruptcy Code, 2016 the reference filed earlier by the Company before BIFR had got abated with effect from 1<sup>st</sup> December, 2016. Further as an obvious consequent action, the company filed a reference before the NCLT under Section 10 of the Code well within the prescribed time limit of 180 days from the date of notification of the Court i.e. on or before 29<sup>th</sup> May, 2017. However, unfortunately the single bench and then later on the Double Bench of Mumbai High Court while hearing a petition for winding up the Company filed by one of the unsecured creditors of the company had stayed the Company's proceedings pending before the NCLT, Ahmedabad. After few hearings on the said petition both i.e. Single Bench as well as Double Bench were pleased to vacate their respective stays granted at different times.

In view of the aforesaid developments, now that a copy of the final order of Double Bench of Mumbai High Court has been filed with NCLT, Ahmedabad, the said Ahmedabad bench of NCLT has reserved its order for admission of Company's petition filed before them. Company is hopeful that the formal admission would happen soon and thereafter the proceedings under the new Insolvency and Bankruptcy Code, 2016 would be completed within the prescribed time limits.

### Operational Performance:

In view of the extreme adverse circumstances in which the Company landed during the last five years, the Company was obviously not in a position to effectively perform on its operational front as it used to in the period prior to commencement of financial crunch. Moreover, the failure of CDR package fol-



lowed by unfortunate repealing of Sick Industrial Companies Act, 1985 resulting into abatement of Company's reference admitted earlier by BIFR further aggravated the Company's problems. However you all will be glad to know that during the Financial year ended 31<sup>st</sup> March, 2018 the Company's turnover increased to Rs. 62 Crores on standalone basis and to Rs. 179 Crores on consolidated basis compared to previous turnover of Rs. 24 crores on Standalone basis and Rs. 115 crores on Consolidated basis. The consolidated accumulated losses of the Company got decreased to Rs. 209 crores during the year as compared to the previous year loss of Rs. 752 crores.

#### **Accounts Statements of Subsidiary Companies:**

Your Company has five wholly owned subsidiaries in addition to two stepdown subsidiaries and seven associate Companies as on March 31, 2018. 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.

Members are aware that sometime back both the subsidiaries of Company namely PSL USA Inc. and PSL North America LLC had filed Chapter-XI proceedings in the State of Delaware, USA under the USA provisions Bankruptcy Code. All the assets of PSL North America LLC were sold for US\$ 100 Million to pay all the creditors of the said subsidiary companies. As these developments resulting into complete stoppage of activities of the said companies the financial results of all subsidiaries have not been included in the consolidated results.

#### **Directorate:**

Your Board now comprises of only Nine Directors including the Managing Director, four Non-Executive Directors (including a Woman Non-Executive Director) and four Independent Directors.

Shri R K Bahri retires by rotation and being eligible has offered himself for reappointment at the AGM. The Board of Directors recommends his re-appointment.

Shri C K Goel retires by rotation and being eligible has offered

himself for reappointment at the AGM. The Board of Directors recommends his re- appointment.

#### **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) While preparing the annual accounts of the financial year ended on March 31, 2018, the applicable accounting standards have been followed and there are no material departures.
- b) That the Directors have selected appropriate accounting policies in consultation with Statutory Auditors and applied them 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 in accordance with the provisions of the Companies Act, 2013 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) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) 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.

#### **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:**

Four meetings of the Board were held during the financial year 2017-18, the details of which are given in the Corporate Governance Report that is annexed to this Report as *Annexure – VI*. 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 (LODR) 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 Compa-

nies Act, 2013 and Regulations 25 of SEBI (LODR) Regulations, 2015.

**Policy on Director's appointment, remuneration and other details:**

Your Company has 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 Nomination & Remuneration Committee as well as by the prescribed law. Due care is also taken to ensure that the remuneration package is consistent with the recommended best practices in the country.

**Familiarization Programme for Directors:**

All new Directors including Independent Directors inducted on the Board go through a structured orientation programme. Presentations are made by Executive Directors and Senior Management giving an overview of our operations to familiarize the new Independent Directors with the Company's business operations. The new Independent Directors are given an orientation on the Company's products, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy. Details of orientation given to the existing Independent Directors in areas of strategy, operations & governance, safety, health and environment, industry & regulatory trends, competition and future outlook are provided in the Corporate Governance Report.

**Board Committees:**

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

**Risk Management:**

Your Company has constituted a Risk Management Committee as a measure of good governance, although not mandatory on our Company. The details of the Committee and its terms of reference are set out in the Corporate Governance Report.

Your Company has adopted a Risk Management Policy, pursuant to the provisions of Section 134 of the Act, to identify and evaluate business risks and opportunities for mitigation of the same. This framework seeks to create transparency, minimize adverse impact on business objective and enhance your Company's competitive advantage. The risk framework defines the risk management approach across the enterprise at various

levels including documentation and reporting.

**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.

**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.

**Corporate Governance Report:**

The Report on Corporate Governance as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report.

The requisite certificate from M/s. V Parekh & Associates, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V is attached to the Report on Corporate Governance.

**Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report as stipulated under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this report and gives details of the overall industry structure & development, opportunities & threats, internal controls systems and their adequacy, financial performance with respect to operational performance, etc.

### **Contracts or Arrangements with related parties under Section 188(1) of the Companies Act, 2013:**

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. Further, there were no transactions with related parties which qualify as material transactions under the SEBI Listing Regulations. Thus, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required.

The details of the related party transactions as per Accounting Standard 18 are set out in Note 30 to the Standalone Financial Statements forming part of this report.

The Company has also formulated a policy on Related Party Transactions as approved by the Board of Directors which has been uploaded on the website of the Company.

### **Company Secretary:**

Although during the year under review the position of "Company Secretary and Compliance Officer" got vacated consequent upon Ms. Nikita Bansal's resignation hence company is in the process of recruiting a competent Company Secretary.

### **Auditors:**

#### **1. Statutory Auditors and Auditors' Report**

At the time of last Annual General Meeting of the Company held on 28th September, 2017, M/s V. Parekh & Associates, Chartered Accounts were appointed for a continuous period of 5 years commencing from the Financial Year 2017-18. Although the statutory provisions of Companies Act, 2013 provided for ratification of such appointment by Members each year in the Annual General Meeting. The said provision has now been deleted by way of a recent amendment in Companies Act.

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-I forming part of this Report.

#### **2. 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 2018-19 at consolidated fees of Rs. 2 Lacs, subject to ratification of the same by Shareholders of the Company.

#### **3. 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 March 31, 2018 as required under Section 204 of the Companies Act, 2013 read with rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith which form a part of this Report as *Annexure-II*.

### **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.

### **Deposits:**

During the year, the Company has not accepted any public deposits under the Companies Act, 2013.

### **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:**

The extract of Annual Return as on March 31, 2018 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as *Annexure - III* to this Report.

### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Pursuant to provisions of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 the details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are attached as *Annexure - IV* to this Report.

### **Prevention of Sexual Harassment at Workplace:**

In compliance of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Committees (IC) for different locations of Company's units. During the year, no complaint related to sexual harassment was received at any of the units of the Company.

**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.

**Corporate Social Responsibility:**

As unfortunately your Company has been continuously incurring losses during last 5 years the conditions contained in Section 135 of Companies Act, 2013 are no more applicable. Hence, there is no requirement with respect to compliance of the said section 135.

**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 Institution, Consultants, Solicitors, Auditors & Shareholders and look forward to their continued co-operation.

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

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

Sd/-  
**(Ashok Punj)**  
Managing Director

Place: Mumbai  
Date: 9th August, 2018

## ANNEXURE TO DIRECTORS' REPORT

**Management's Response to the various para included in Statutory Auditor's Report dated May 24, 2018 appearing under the heading of "Emphasis of Matter" for the Financial Year 2017-18.**

The Board of Directors refer to the Statutory Auditors' remarks in heading "Emphasis of Matter" in the Auditor's Report for the financial year 2017-18 and in compliance of section 134 (4) of the Companies Act, 2013 provide its explanations as under:

**Reply to Para i. and ii.:**

Although the aforesaid observations are factual in nature, it needs to be stated that consequent upon the abatement of Company's reference from BIFR, the Company has made an application under section 10 of Insolvency & Bankruptcy Code to NCLT, Ahmedabad, the formal admission of the said application is pending.

**Reply to para iii & iv :**

After facing severe financial crises the support of facilities from various Banks had stop due to which the company now undertakes job work against free issue of materials from clients, such reduced operations have obviously adversely affected inflow of income from the Company. The reduced cash flows are just adequate to meet the operating cost but making payment of the interest on Company's earlier loans is not happening. The admission of Company's application in NCLT might change the present status.

**Reply to para v :**

No comments or explanation are required since it contains factual statement. The admission of Company's application by NCLT is awaited as the arguments on the same before judicial member of NCLT are already over.

**Reply to para vi :**

No comments or explanation are required since it contains factual statement.

**Reply to para vii:**

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 CDR Scheme. Since most of the assets of the Company were not utilized for production in the year

under review therefore the Company has not carried out detailed assessment of useful life of Company's asset.

**Reply to para viii:**

No specific comments or detailed explanation are required since it contains factual statement, although it may be stated that the reduced operation of the Company post facing of financial stress are responsible for Company's profitability into loss in last few years.

**Reply to para ix:**

As per the CDR scheme approved earlier for the Company the interest accruing on the outstanding dues to the Lenders was converted into fixed interest term loan (FITL) for the period of two years from the cut off date i.e. January 01, 2013 and based on the aforesaid provisions of the CDR Scheme, no provision for interest for the said period had been provided by the Company before its exit from CDR scheme. As most of the Lenders have now treated their outstanding dues from Company as Non Performing Assets and have not provided for interest due to them, as accrued for interest amounting to Rs.434.54 crores and cumulative figure is Rs.581.25 crores in its books of accounts during the year under review.

**Reply to para x :**

The Company has surrendered the possession of the seven parcel of land at Kandla consequent upon the eviction orders passed by the Estate Officer Kandla Port Trust under the provisions of Public Premises (Evection 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 Hight Court of Gujarat at Ahmedabad. Due to this the Company has not provided any liability that may arise on this account.

**Reply to para xi a & b:**

No comments or explanation are required since it contains factual statement.

**Reply to para xii a, b & c :**

No comments or explanation are required since it contains factual statement.

**Reply to para xiii:**

No comments or explanation are required since it contains factual statement.



**Reply to para xiv:**

The Company has already sent letters for confirmation of balance as on 31 March 2018 to all Banks and the same were shared with the Auditors. Consequent upon default in repayment of loan, most of the Lenders recalled the facilities granted earlier and treated the outstanding dues owed by the Company as 'Non Performing Assets in their respective Books. Due to this the Company has already applied for NCLT as a result of this Banks have not confirmed Balance confirmation.

**Reply to para xv a & b :**

No comments or explanation are required since it contains factual statement.

**Reply to xvi a & b :**

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 provisions have been made for bad debts or its effects of the losses for the current financial year.

**Reply to para xvii :**

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.

**Reply to para xviii:**

Dues payable to Micro and small suppliers are sufficiently accounted for in the books of accounts.

**Reply to para xix:**

As ever since the Company started having financial problems it did not receive adequate orders as a result of which the production activities of the Company has been adversely effected. Hence. The evaluation of impairment of the Assets was not carried out.

**Reply to para xx :**

PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Mauritius. 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. 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 AED 30.844 Mio. or Rs.54.70 crores as on March 31, 2018. The Company expects this to be temporary phenomena and hopes the Business of the Company will pickup in the 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 and as such subsidiary has filed a Bankruptcy petition under Chapter XI of the title 11 of United States Bankruptcy Code. All the assets of PSL North America LLC were put to sale/sold to a Company to discharge its liability towards its creditors under the supervision of the Bankruptcy Court. The Company has written off the investment made in USA.

Kandla Port Authorities had terminated the Concession Agreement executed by PSL Infrastructure and Ports Pvt. Ltd. which is a wholly owned subsidiary of the Company on 20th February 2014. The said subsidiary Company had challenged the illegal termination of the Contract by way of invoking of Arbitration clause contained in the said Concession Agreement. The Subsidiary had filed a claim under different heads aggregating to Rs.114.70 Crores against the Kandla Port Trust. The Arbitral Tribunal has on August 16, 2017 pronounced its award whereby the majority of members of the Arbitration Panel allowed the Company's claim to the extent of Rs.17.11 crores alongwith interest @9% p.a. from the date of claim petition. Kandla Port Trust has further appealed in the Commercial Court on this matter which is being effectively contested by 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.

Rest of the points are factual.

**Reply to para xxi a & b:**

No comments or explanation are required since it contains factual statement.

**Reply to para xxi c & d:**

The action taken by EOW, Delhi Police consequent to which some of the Company's Bank Accounts at various location were frozen. The Court of ACMM on 01/07/2016 had allowed the de freezing of five bank accounts which can now be operated by the Company. The money freezed earlier shall be defreezed on 28<sup>th</sup> July 2018 as per High Court order dated 28<sup>th</sup> July 2018 and amount to release from defreezed FD of Rs.11.68 crores of ICICI and from the same ICICI has to release to Aditya Birla Ltd. Rs.8.5 crores plus interest up to 31<sup>st</sup> July 2018. As against the same stay taken by Edelweiss Ltd through High Court on 31<sup>th</sup> July 2018 and next date of hearing is given on 5<sup>th</sup> September 2018 as against their prayer for detail hearing.

**Reply to para xxi d, e, f, g, h, i, & j :**

No comments or explanation are required since it contains factual statement.

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2018

[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,**  
**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 31.03.2018 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 31.03.2018 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, 2015;

- 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 (Buy-back 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 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:

1. In accordance with the provision of section 203 of the Companies Act, 2013, a CFO was required to be appointed in the Company.
2. In accordance with Regulation-6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Company Secretary is required to be appointed as compliance officer of the Company as the office is vacant since 20.11.2017.

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**

**Avi Sangal  
C.P. No.: 11984**

**Place: New Delhi  
Dated: May 14, 2018**

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. Where ever 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 efficacy or effectiveness with which the management has conducted the affairs of the company

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

**Avi Sangal  
C.P. No.: 11984**

**Place: New Delhi  
Dated: May 14, 2018**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2017**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

<b>CIN</b>	<b>L67120DD1987PLC002395</b>
Registration Date	August 24, 1987
Name of the Company	PSL LIMITED
Category / Sub-Category of the Company	Company limited by Shares / Non-Govt Company
Address of the registered office and contact details	Kachigam, Daman, Union Territory of Daman and Diu, Daman and Diu - 396210 ; Ph.: 0260-2242989, 2242496, 2242497
Whether listed Company	Yes
Name, Address and Contact details of Registrar and 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:-

S. 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 types	24311	0
2.	Sale of Service (Rebar Coating and Induction Bending)	N.A	87.95
	Other Operating Revenue	N.A	12.04

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	PSL Corrosion Control Services Limited	U74899DD1993PLC004666	Subsidiary	100	2(87)
2.	PSL Gas Distribution Private Limited	U74999DL2010PTC211075	Subsidiary	100	2(87)
3.	PSL Infrastructure and Ports Private Limited	U45200DL2011PTC212967	Subsidiary	100	2(87)
4.	Pipeline Systems Ltd	Company incorporated in Mauritius	Subsidiary	100	2(87)
5.	PSL FZE (step down subsidiary)	Company incorporated in Sharjah, UAE	Subsidiary	100	2(87)
6.	PSL USA INC.	Company incorporated in USA	Subsidiary	100	2(87)
7.	PSL North America, LLC (step down subsidiary)	Company incorporated in USA	Subsidiary	81	2(87)
8.	BHI Limited	U14100MH1987PLC044734	Associate	26.49	2(6)
9.	Broken Hills International Private Limited	U14299TN1990PTC019355	Associate	0.58	2(6)
10.	Eurocoustic Products Limited	U36109DD1981PLC002380	Associate	32.06	2(6)
11.	Punj International Private Limited	U11200MH1987PTC045184	Associate	10.45	2(6)
12.	Punj Investments Private Limited	U65993MH1988PTC046627	Associate	1.43	2(6)
13.	Punj Corporation Private Limited	U29253DL2010PTC197999	Associate	33.71	2(6)
14.	Rosoboronterra India Private Limited (Subsidiary of Punj Corporation Pvt. Limited)	U74900DL2010PTC203243	Associate	90.38	2(6)

#### IV. SHARE HOLDING PATTERN : (Equity Share Capital Breakup as percentage of Total Equity)

##### a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>1.Indian</b>									
a)Individual/ HUF	17846225	0	17846225	14.28	17846225	0	17846225	14.28	0
b)CentralGovt.	0	0	0	0	0	0	0	0	0
c)StateGovt.(s)	0	0	0	0	0	0	0	0	0
d)Bodies Corp.	28258791	0	28258791	22.62	28258791	0	28258791	22.62	0
e)Bank /FI	0	0	0	0	0	0	0	0	0
f)Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (1):</b>	46105016	0	46105016	36.90	46105016	0	46105016	36.90	0
<b>2. Foreign</b>									
a)NRI Individual	0	0	0	0	0	0	0	0	0
b)Other Individuals	0	0	0	0	0	0	0	0	0
c)Bodies Corp.	0	0	0	0	0	0	0	0	0
d)Bank /FI	0	0	0	0	0	0	0	0	0
e)Any Other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A)(2):</b>	0	0	0	0	0	0	0	0	0
<b>Promoter Shareholding TOTAL (A) : (A)(1)+ (A)(2)</b>	46105016	0	46105016	36.90	46105016	0	46105016	36.90	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a.Mutual Funds	0	1300	1300	0	0	0	0	0	0
b.Banks / FI	28486115	0	28486115	22.80	24609651	0	24609651	19.70	-3.1
c.Central Govt.	0	0	0	0	0	0	0	0	0
d.State Govt(s)	0	0	0	0	0	0	0	0	0
e.Venture Capital Funds	0	0	0	0	0	0	0	0	0
f.Insurance Companies	0	0	0	0	0	0	0	0	0
g.FIs	1348206	0	1348206	1.08	1348206	0	1348206	1.08	0
h.Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i.Others (specify)									
1. Overseas Corporate Bodies	0	1000	1000	0	0	1000	1000	0	0
2.Foreign Nationals	50000	0	50000	0.04	0	0	0	0	-0.04
<b>Sub-total(B)(1)</b>	29884321	2300	29886621	23.92	25957857	1000	25958857	20.78	-3.14
<b>2. Non-Institutions</b>									
<b>a)Bodies Corp.</b>									
i.Indian	0	0	0	0	0	0	0	0	0
ii.Overseas	0	0	0	0	0	0	0	0	0
<b>b)Individuals</b>									
i.Individual shareholders holding nominal share capital upto Rs. 1 lakh	17232431	105027	17337458	13.88	18374586	85377	18459963	14.78	0.90
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	10814490	0	10814490	8.66	13707648	0	13707648	10.97	2.32



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others (specify)</b>									
i. Bodies Corporate	19563358	2400	19565758	15.66	19713532	1300	19714832	15.78	0.12
<b>Non Resident Indians</b>	970912	7300	978212	0.78	677721	5800	683521	0.55	-0.24
<b>Overseas Corporate Bodies</b>	0	0	0	0	0	0	0	0	0
<b>Foreign Nationals</b>	0	0	0	0	0	0	0	0	0
<b>Clearing Members</b>	103480	0	103480	0.08	63309	0	63309	0.05	-0.03
<b>Trusts</b>	750	0	750	0	500	0	500	0	0
<b>Non Resident Indian Non Repatriable</b>	183374	0	183374	0.15	205638	0	205638	0.16	0.01
<b>IEPF</b>	0	0	0	0	25350	0	25350	0.02	0.02
<b>Sub-total (B)(2)</b>	48868795	114727	48983522	39.21	52742934	92477	52860761	42.31	3.10
<b>Public Shareholding TOTAL (B): (B)(1)+(B)(2)</b>	78753116	117027	78870143	63.13	78726141	93477	78819618	63.09	-0.04
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>GRAND TOTAL (A+B+C)</b>	124858132	117027	124975159	100	124831157	93477	124924634	100	0

## b) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	3011580	2.41	100	3011580	2.41	100	0
2.	Keshav A. Punj	3011550	2.41	100	3011550	2.41	100	0
3.	Raghav A. Punj	2182600	1.75	100	2182600	1.75	100	0
4.	M/s. PSL Corrosion Control Services Limited	2150000	1.72	100	2150000	1.72	100	0
5.	Ashok Y. Punj	1660000	1.33	100	1660000	1.33	100	0
6.	Ashok Y. Punj	1630660	1.31	100	1630660	1.31	100	0
7.	Ashok Y. Punj	1629230	1.30	100	1629230	1.30	100	0
8.	M/s. Punj International Private Limited	7647115	6.12	17.88	7647115	6.12	17.88	0
9.	Sandhya A. Punj	622000	0.50	100	622000	0.50	100	0
10.	Sandhya A. Punj	589900	0.47	100	589900	0.47	100	0
11.	Sandhya A. Punj	556500	0.45	100	556500	0.45	100	0
12.	Neera A. Punj	513100	0.41	100	513100	0.41	100	0
13.	Shakuntalarani Y. Punj	505330	0.40	100	505330	0.40	100	0
14.	Shakuntalarani Y. Punj	505250	0.40	100	505250	0.40	100	0
15.	Shakuntalarani Y. Punj	505250	0.40	100	505250	0.40	100	0
16.	Alok Punj	137000	0.11	100	137000	0.11	100	0
17.	Jaya A. Punj	105200	0.08	100	105200	0.08	100	0

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	
18.	M/s. Punj Investments Private Limited	704100	0.56	14.78	704100	0.56	14.78	0
19.	Aditi Alok Punj	98260	0.08	100	98260	0.08	100	0
20.	Arya A. Punj	98200	0.08	100	98200	0.08	100	0
21.	Ashok Yoginder Punj (as a trustee of Y.P. Punj Family Trust)	484615	0.39	0	484615	0.39	0	0
22.	M/s. BHI Limited	1776923	1.42	0	1776923	1.42	0	0
23.	M/s. Eurocoustic Products Limited	2880653	2.31	0	2880653	2.31	0	0
24.	M/s. Broken Hills International Pvt. Ltd	12615385	10.10	100	12615385	10.10	100	0
25.	M/s. Saishakti Properties Private Limited	484615	0.39	100	484615	0.39	100	0

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

S No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	46105016	36.90	46105016	36.90
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
3.	At the end of the year	46105016	36.90	46105016	36.90

## d) Shareholding pattern of top ten Shareholders

(other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		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	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Edelweiss Asset Reconstruction Company Limited	12280770	9.83	Nil	12280770	9.83
2.	ICICI Bank Ltd	8346150	6.68	1902697 Shares (sold out)	6443453	5.16
3.	Indian Overseas Bank	6123076	4.90	Nil	6123076	4.90
4.	Lloyd Systems Private Limited	2607190	2.09	Nil	2607190	2.09
5.	Canara Bank-Mumbai	2519230	2.02	Nil	2519230	2.02
6.	Union Bank Of India	2380769	1.91	Nil	2380769	1.91
7.	The Federal Bank Ltd	2338874	1.87	165674 Shares (sold out)	2173200	1.74
8.	Edelweiss Asset Reconstruction Company Ltd	1923076	1.54	Nil	1923076	1.54
9.	Kotak Mahindra Bank Limited	1700000	1.36	Nil	1700000	1.36
10.	Export Import Bank of India	1642307	1.31	Nil	1642307	1.31

## e) Shareholding of Directors and Key Managerial Personnel

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		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	4919890	3.94	4919890	3.94
	Alok Punj	137000	0.11	137000	0.11
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			
3.	At the end of the year				
	Ashok Yoginder Punj	4919890	3.94	4919890	3.94
	Alok Punj	137000	0.11	137000	0.11

## V. INDEBTEDNESS

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	386274.79	1748.00	Nil	388022.79
ii) Interest due but not paid	149524.00	Nil	Nil	149524.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>535798.79</b>	<b>1748.00</b>	<b>Nil</b>	<b>537546.79</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	43454.00	Nil	Nil	43454.00
• Reduction	1006.07	Nil	Nil	1006.07
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	385268.72	1748.00	Nil	387016.72
ii) Interest due but not paid	192978.00	Nil	Nil	192978.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>578246.72</b>	<b>1748.00</b>	<b>Nil</b>	<b>579994.72</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Ashok Punj MD	Total Amount
	Name Designation		
1.	a) Gross salary Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	Nil	Nil
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission: - as % of profit - others, specify	Nil	Nil
5.	Others, please specify Retirement	Nil	Nil
6.	Total (A)	Nil	Nil
	Overall Ceiling as per the Act	Well within the overall ceiling limit of Rs. 1.31 Crores	

**B. Remuneration to other Directors:**

(Rs. In Lakhs)

S. No.	Particulars of Remuneration								Total Amount
	Name of Directors	Ashok Sharma	N. C. Sharma	Harsh Pateria	Harry Shourie	Alok Punj	R.K. Bahri	C.K. Goel	
1.	<b>Independent Directors</b>								
	(a) Fee for attending board / committee meetings	50000	180000	160000	80000	Nil	Nil	Nil	470000
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Total (1)	50000	180000	160000	80000	Nil	Nil	Nil	470000
3.	<b>Other Non-Executive Directors</b>								
	(a) Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	120000	Nil	Nil	120000
4.	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5.	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Total (2)	Nil	Nil	Nil	Nil	120000	Nil	Nil	120000
7.	Total (B)=(1+2)	50000	180000	160000	80000	120000	Nil	Nil	590000
8.	Total Managerial Remuneration	50000	180000	160000	80000	120000	Nil	Nil	590000
9.	Overall Ceiling as per the Act	Well within the overall ceiling limit of Rs. 1.31 Crores							

**C. Remuneration to Key Managerial Personnel other than MD/ Manager /WTD**

(Rs. In Lakhs)

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS*	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.8	-	2.8
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	2.8	-	2.8

\* Ms. Nikita Bansal resigned from the post of "Company Secretary and Compliance officer" w.e.f November 20, 2017.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishments/compounding of offences under the Companies Act 2013 for the year ended 31 March 2018.



## 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.

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.

The various energy conservation measures undertaken by the Company are as under:

- Replacement of DC Drives by Variable Frequency Drive in Conveyors, pumps and other equipments in the plants.
- Installation of 66 KV substation for automatic voltage regulation.
- Use of Servo Motors and Servo drives for conservation of energy.
- Replacement of Pipe mill, Buggy Control, Hydro tester etc by low power servo motors.
- Replacement of Incandescent light/bulbs by CFL.
- The cables and bus bars used in control panels installed in the plant and machinery are all of Copper conductor which ensures lower heat loss and greater efficiency.
- Energy Conservation awareness program is conducted amongst all employees every 3 Months to see that there is no wastage of energy at any point.

Impact of above measures

The emphasis on energy has improved the efficiency of the machine resulting in reduction in break down time and improved power factor. We have been able to compete in the market in selling over products based on the overall production capacity and cost per MT of production.

#### ii) 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.

#### iii) The capital investment on energy conservation equipments.

Since the company has recorded losses during last few years no substantial amount has been spend on energy conservation equipments during the current Financial Year.

### B. TECHNOLOGY ABSORPTION

#### i) The efforts made towards technology absorption.

- PSL is one of the pioneers in Technology absorption as all its plants have been made by PSL with design/technology from Germany, Italy and China.
- Development of Epoxy recovery system in India with horizontal filters 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.

- Since the company has recorded losses during last few years no substantial amount has been spent on Research and Development during the current Financial Year.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

( Rs. In Lacs)

	March'2018	March'2017
Earnings	Nil	Nil
Outgo on Royalty	Nil	Nil

## DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS

(Details pertaining to Remuneration as required under Section 197 (12) of the Companies Act, 2013 and rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

And

- 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 2017-18 (Rs. In Lakhs)	Remuneration in 2016-17 (Rs. In Lakhs)	% Increase of Remuneration in 2018 compared to 2017	Ratio to Median Remuneration
Ashok Punj*	Managing Director	-	-	-	-
R. K. Bahri**	Director	-	73.16#	NA	NA
C. K. Goel**	Director	-	45.67#	NA	NA
Nikita Bansal***	Company Secretary	2.8#	2.8#	NIL	1.33

\* Didn't draw salary in financial year 2017-18 & 2016-17.

\*\* As status changed to Non- Executive Directors with effect from 01/01/2017. No remuneration was drawn during 2017-18. Hence information regarding increase in remuneration etc is Not-Applicable(NA).

\*\*\* Ceased to be " Company Secretary" w.e.f 20/11/2017

# Remuneration is for part of the year

- The percentage increase in the median remuneration of employees in the financial year **Nil**.
- The number of permanent employees on the rolls of the Company as on 31st March, 2018 was **944**.
- 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 dismal Company performance during the year, the Company did not undertake any major salary revision in favour of the employee or managerial remuneration for the year**
- It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the Company.

## REPORT ON CORPORATE GOVERNANCE

## ANNEXURE VI

### 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. Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the Stock Exchanges and the investors. Your Company is committed to conduct its business in compliance with the applicable laws, rules & regulations and with the highest standards of business ethics. The Company has adopted the requirements of Corporate Governance stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### 2. BOARD OF DIRECTORS

#### **Board Composition & Category of Directors:**

The present strength of the Board of Directors is nine out of which one (i.e. 11.11%) is Executive Directors and Eight (i.e. 88.89%) are Non-Executive Directors (including four Independent Directors and one Woman Director).

The present composition of Board of Directors is in full conformity with Regulation 17 (1) of SEBI Listing Regulation 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, 2018 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 2017-18, 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 (including private Company which is a holding/subsidiary of Public Company) as on March 31, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

S. 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 (Managing Director)	0	5	0	0
2.	Alok Punj	Non-Executive (Promoters Group)	0	2	0	0
3.	R. K. Bahri	Non- Executive	0	1	0	0
4.	C. K. Goel	Non- Executive	0	1	0	0
5.	N. C. Sharma	Independent & Non-Executive	0	6	0	6
6.	Harinder Shourie	Independent & Non-Executive	0	0	0	0
7.	Ashok Sharma	Independent & Non-Executive	0	0	0	0
8.	Harsh Pateria	Independent & Non-Executive	0	1	0	0
9.	Manjula N Bhatia	Women Director	0	0	0	0

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

#### **Attendance at meetings:**

During the financial year ended on March 31, 2018, the Board of Directors met four 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 September 28, 2017.

Attendance of different directors at the Board Meetings held during the year 2017-18 was as follows:

S. No.	Name of Directors	Total Board Meetings Attended	Last AGM 28.09.2017	No. of Board meetings held, attended, during the year			
				May 9, 2017	Aug 10, 2017	Nov 10, 2017	Feb 06, 2018
1.	Ashok Punj	4	P	P	P	P	P
2.	Alok Punj	3	P	P	P	LOA	P
3.	R. K. Bahri	4	P	P	P	P	P
4.	N. C. Sharma	4	P	P	P	P	P
5.	Ashok Sharma	1	NR	LOA	LOA	P	LOA
6.	Harinder Shourie	2	NR	LOA	P	LOA	P
7.	C. K. Goel	2	NR	LOA	P	P	LOA
8.	Harsh Pateria	4	NR	P	P	P	P
9.	Manjula N. Bhatia	3	P	P	P	LOA	P
No. of Directors Attended				6	8	6	7
%				66.66	88.88	66.66	77.77
Quorum met				Yes			
P	=	Present					
LOA	=	Leave of Absence					
NR	=	Statutorily Not Required to attend					
NA	=	Not Applicable					

After close of the said Financial Year, the Board of Directors met on May 24, 2018 to take on record the Audited Financial Results for the whole Financial Year 2017-18 and again on August 09, 2018 for taking on record the un-audited financial results for the first quarter of Financial Year 2018-19 ended on June 30, 2018.

### **Separate Independent Directors' Meetings**

During the year, one meeting of the Independent Directors was held on November 10, 2017. 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**

The Audit Committee presently comprises six Non-Executive Directors, four of whom are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate. Terms of reference of the audit committee cover the matters specified for audit committee under SEBI listing regulations and provisions of Section 177 of the Companies Act, 2013. The composition of the committee is in conformity with the requirements of SEBI listing regulations and the provisions of section 177 of the Companies Act, 2013. Mr. N. C. Sharma, Chairman of the Audit Committee attended the last Annual General Meetings of the Company held on September 28, 2017 to answer shareholder's queries.

The financial results of the Company are minutely scrutinized by the Committee and discussed at length before being recommended to the Board for its adoption. Internal Audit Report of the Company is also placed before the Committee for its perusal. The committee closely analy-

ses the internal control mechanism and wherever necessary directs for suitable changes. Similarly, other matters required to be placed in conformity the provisions of the SEBI listing regulations and the Companies Act, 2013 and the rules framed there under are placed at regular intervals to ensure transparency in the conduct of business is maintained.

During the Financial Year 2017-18 four meetings of Audit Committee were held. The attendance at the said meetings was as follows:-

Name of Members	Category	Total no. of Meetings attended	% of Attendance	No. of meetings held & attended during the year			
				May 9, 2017	Aug 10, 2017	Nov 10, 2017	Feb 06, 2018
Alok Punj	NED	3	75	P	P	LOA	P
Harinder Shourie	I & NED	3	75	P	P	LOA	P
N. C. Sharma	I & NED	4	100	P	P	P	P
Harsh Pateria	I & NED	4	100	P	P	P	P
Ashok Sharma	I & NED	1	25	LOA	LOA	P	LOA
Manjula N. Bhatia	NED	3	75	P	P	LOA	P
<b>No. of Directors Attended</b>				5	5	3	5
<b>%</b>				83.33	83.33	50	83.33
<b>Quorum met</b>				Yes			
<b>Chairman of the Meeting</b>				NC Sharma			

**P** = Present

**LOA** = Leave of Absence

**NED** = Non-Executive Director

**I & NED** = Independent & Non-Executive Director

All the above members have vast experience apart from having adequate knowledge in the field of Finance and Accounting. Aforesaid Audit Committee meetings were attended by Head of Finance and Internal Audit department as well as the Statutory Auditors of the Company.

#### **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 Committee of Directors. The meetings of the said committee are held as and when need arises.

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.

The committee met sixteen times during the year.

Composition of the committee and attendance of each member were as follows:

S. No.	Name of Members	Category of Directors	No. of Meetings Attended
1.	Ashok Punj	Executive Director	14
2.	Alok Punj	Non-Executive Director	14
3.	R. K. Bahri	Non-Executive Director	14
4.	C. K. Goel	Non-Executive Director	16
5.	Manjula N Bhatia	Non-Executive Director	13

#### C. **NOMINATION AND REMUNERATION COMMITTEE**

Terms of reference of the committee cover all matters specified for Nomination and Remuneration committee specified in the provisions of Section 178 of the Companies Act, 2013 and SEBI listing regulations.

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.

The committee comprised of four members as at March 31, 2018. No meeting was held during the year.

Composition of the committee were as follows:

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

#### D. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

At present the Committee comprised of four members. No meeting was held during the year under review.

##### **COMPOSITION**

The composition of the Committee is as under:-

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

##### **COMPLIANCE OFFICER**

During the year under review Ms. Nikita Bansal who was appointed as "Company Secretary & Compliance Officer" of the Company resigned from the post w.e.f 20<sup>th</sup> Novem-

ber, 2017. Company is in the process of recruiting competent company secretary.

#### **INVESTOR GRIEVANCE REDRESSAL**

During the financial year ended March 31, 2018, a total of 89 minor queries/ Complaints/ grievances were received from the investors as per report of Karvy Computer Shares Private Limited 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 2017-18.

#### E. **SHARE TRANSFER COMMITTEE**

The role and terms of reference of the Share Transfer Committee is to consider applications for transfer, transmission, and 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.

The Committee presently comprises of following members:

Composition of the committee and attendance of each member were as follows:

S. No.	Name of Members	Category of Directors
1.	Ashok Punj	Executive Director
2.	Alok Punj	Non Executive Director
3.	Manjula N. Bhatia	Non Executive Director

During the financial year one meeting was held on 7<sup>th</sup> September, 2017 wherein 1 rematerialisation case comprising of 50 equity shares was approved. The decision of the Committee was placed before the Board of Directors for its noting and ratification.

#### F. **RISK MANAGEMENT COMMITTEE**

The Board of Directors in its meeting held on 14<sup>th</sup> 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 Committee presently comprises of following members:

S. No.	Name of Members	Category of Directors
1	N.C.Sharma	Independent & Non Executive Director
2	Harry H.Shourie	Independent & Non Executive Director
3	Alok Punj	Non Executive Director
4	Manjula N. Bhatia	Non Executive Director

There was no meeting during the year.



#### 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.

##### a) To Whole Time Directors

In view of the temporary financial crunch of the Company, during the financial year 2017-18 Mr. Ashok Punj, Managing Director of the Company did not accept any remuneration.

##### b) To Non-Executive Directors

According to 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 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 2017-18 were as follows:

S. No.	Name of Directors	Sitting Fees (Rs.)
1.	Alok Punj	120000
2.	Harsh Pateria	160000
3.	N. C. Sharma	180000
4.	Harinder Shourie	80000
5.	Ashok Sharma	50000
6.	R .K .Bahri	0
7.	C .K .Goel	0

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 holding 1,37,000 shares in the Company as on March 31, 2018.

#### i) 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
2016-17	September 28, 2017	9:30 A.M	Hotel "Reevanta" at Teen Batti, Devka Road, Nani Daman -396210	0
2015-16	September 29, 2016	9:30 A.M	Hotel "Reevanta" at Teen Batti, Devka Road, Nani Daman -396210	5
2014-15	September 23, 2015	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	0
2013-14	September 25, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	1
2012-13	March 19, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	11

- (i) None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.
- (ii) No Extraordinary General Meeting of the members was held during the financial year 2017-18.

#### II) MEANS OF COMMUNICATION

- (i) **Information to Stock Exchange and Newspaper Publicity** of the Company are published in the newspapers in terms of Regulation 47 of SEBI (LODR) Regulations, 2015. These results are promptly submitted to Stock Exchanges. Additionally, in strict compliance of Listing Agreement requirements and SEBI (Listing and Obligation 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.
- (ii) **Company's Website** The Company regularly posts important information such as Quarterly/Annual Audited Financial results, Shareholding pattern and change in Board of Directors etc. on Company's website [www.pslimited.com](http://www.pslimited.com) at the earliest. There were no official news releases during the year:
- (iii) **NSE Electronic Application Processing System ("NEAPS")**: The Shareholding pattern and Corporate Governance for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange for corporate.

(iv) **BSE Corporate Compliance and Listing Centre (“Listing Centre”)**: The Listing Centre is web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate Announcement, Media Release, Results etc. are filed electronically on the Listing Centre.

(v) **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.

(vi) The Management Discussion and Analysis Report forms Part of the this Annual Report

### III) GENERAL SHAREHOLDER INFORMATION

A. **Registered Office** : Kachigam, Daman Union Territory of Daman & Diu – 396210

B. **Annual General Meeting**

**Date** : September 28, 2018

**Day** : Friday

**Time** : 9.30 a.m.

**Venue** : Hotel “Reevanta” Teen Batti, Devka Road, Nani Daman, Union Territory of Daman & Diu – 396210

C. **Financial Year** : April 01, 2017 to March 31, 2018

D. **Un-audited/Audited Results Approval:**

S. No.	Quarter	Ended on	Board Meeting held on
1.	First	30.06.2017	10.08.2017
2.	Second	30.09.2017	10.11.2017
3.	Third	31.12.2017	06.02.2018
4.	Fourth	31.03.2018	24.05.2018

E. **Dates of Book Closure** : September 25, 2018 to September 28, 2018 (Both days inclusive)

F. **Payment of Dividend** : For the Financial Year 2017-18 no dividend has been recommended by the Board of Directors of the Company.

G. **Listing at Stock Exchanges** : National Stock Exchange of India & BSE Limited

H. **Stock Code** : National Stock Exchange of India – PSL  
BSE Limited - 526801

I. **ISIN No.** : INE474B01017

### J. Share Market Price Data for the financial year 2017-18

For the Month of	Price of Shares on BSE		Price of Shares on NSE	
	High	Low	High	Low
April 17	6.35	5.3	6.3	5.35
May 17	6.25	4.31	6.25	4.2
June 17	6.25	4.25	6.15	4.15

July 17	5.75	4.8	5.85	4.65
August 17	5.8	3.35	5.35	3.3
September 17	5.74	2.73	5.65	2.7
October 17	3.98	3.2	4	3.15
November 17	4.1	3.46	4.15	3.4
December 17	4.81	3.45	4.75	3.45
January 18	6.87	4.27	6.75	4.4
February 18	4.87	3.85	4.95	3.85
March 18	4.15	3.23	4.2	3

### K. Share Price Comparison

Particulars	Price Quoted at BSE	BSE (Sensex)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2017 (Open)	5.5	29737.73	5.5	9220.60
Share Price 31.03.2018 (Close)	3.1	32968.68	3.2	10113.70
Increase/Decrease in%	(43.63)	10.86	(41.81)	9.68

L. **Share Transfer Agents** : 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 Computer Share 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 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 March 31, 2017 was as follows

Category From – To	No. of Cases	% of Cases	Amount	% of Amount
01 – 5000	20508	71.40	34450480.00	2.76
5001 – 10000	3440	11.98	28903910.00	2.31
10001 – 20000	2026	7.05	31910640.00	2.55

20001 – 30000	827	2.88	21413730.00	1.71
30001 – 40000	402	1.40	14528580.00	1.16
40001 – 50000	382	1.33	18227550.00	1.46
50001 – 100000	601	2.09	45329600.00	3.63
100001 & Above	535	1.86	1054580350.00	84.41
<b>TOTAL</b>	<b>28721</b>	<b>100.00</b>	<b>1249344840.00</b>	<b>100.00</b>

- 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 state such as:
- In Gujarat - Varsana, Nanichirai, Gandhidham and Mahudi
  - In Union Territory of Daman & Diu – Daman
  - In Tamil Nadu - Maduranthakam (near Chennai)
  - In Andhra Pradesh – Kakinada and Vishakhapatnam
  - 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:-**
- PSL Limited, Legal & Secretarial Department, 3rd Floor, 'Punj House' M-13 A, Connaught Circus, New Delhi - 110 001, E-mail ID: pslltdlegal@gmail.com
  - Karvy Computershare Private Limited (Share Transfer Agent of PSL Limited) 17-24 Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

#### IV) 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 vis-à-vis the Company except Mr. Ashok Punj & Mr. Alok Punj.

As required under regulation 23 of Listing Regulations, 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 2015-16, 2016-17 and 2017-18 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 the SEBI (LODR) 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:**
- 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.
  - 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.

## V) 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 regulation 17 to 27 read with Schedule V and sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to Corporate Governance

## VI) CODE OF CONDUCT

In order to compliance of provisions of regulation 26(3) of SEBI listing regulations 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 2017-18. 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>

## VII) CEO/ CFO CERTIFICATION

Certificate from Managing Director/CEO for the financial year ended on 31st March, 2018 is annexed at the end of this report

## VIII) OTHER USEFUL INFORMATION FOR SHAREHOLDERS

### UNCLAIMED DIVIDEND

- i) Pursuant to Section 124(5) and other applicable provisions, if any of the Companies Act, 2013 as amended, 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 2010-11 (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 to IEPF Account
2010-11	Final	30 <sup>th</sup>	22/09/2011	28/10/2018
2011-12	Interim	31 <sup>st</sup>	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 99.8 % 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. The Securities and Exchange Board of India ('SEBI') vide Securities and Exchange Board of India (Listing Obligations And Disclosure Requirement) (Fourth Amendment) Regulations, 2018 dated 8th June, 2018 states that any request for transfer of shares held in physical form with effect from 4th December, 2018 shall not be entertained and it shall be mandatory to dematerialize the securities for getting the shares transferred.
- Shareholders are advised to note the above and take all necessary steps at their end.
- 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, 2018 as stipulated in Regulation 34 read with Schedule V Para E 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 & on behalf of  
V Parekh & Associates  
Chartered Accountants

Sd/-  
**Rasesh V Parekh**  
Partner

Membership No 38615

Date : August 09, 2018  
Place : Mumbai

**DECLARATION REGARDING AFFIRMATION OF THE CODE OF CONDUCT**

In terms of the requirement of Regulations 26(3) read with schedule V Para D of 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](http://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 March 31, 2018.

For **PSL LIMITED**

Sd/-  
**(Ashok Punj)**  
Managing Director

Place : Mumbai  
Date : August 09, 2018



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### COUNTRY'S GENERAL ECONOMIC SCENARIO

Although most of the developed countries as well as developing countries are still trying to come out of the Global economic recession experienced by many Countries few years ago, somehow Indian economy has not been hit by the said recession in real terms. Probably it is because of such factual position that even the international forums like World Bank & IMF have appreciated India's Economic Scenario in their various documents. The FDI inflow during the Financial Year 2017-18 and consistent stock markets at reasonably high levels is a testimony of the brighter side of the Indian Economy. The maintenance of GDP from year to year coupled with adequate restraint on both retail and wholesale inflation has further generated sizable confidence in the international business community about balanced growth of Indian Economy.

### INDUSTRY STRUCTURE & DEVELOPMENT

The pipeline Industry basically caters to three different segments namely water, oil and gas. Various steps have been initiated by Government of India to boost the production of the pipeline industry for all these three segments. While on one hand approval has been granted for awarding the contracts for onshore & offshore areas of discovered small oil and gas fields, on the other adequate importance is being given to increase Country's crude oil refining capacity in next two decades. Similarly demand for steel pipes for water sector is also likely to grow in next 2-3 years for meeting water supply and sanitation requirements. Another important measure initiated by central water commission pertains to heavy savings of losses of account of water evaporation in the open channel system as it is proposed to commence the use of piped irrigation systems.

### OPPORTUNITIES & THREATS

#### Opportunities:

All the above stated measures initiated by Central Government, State Government and Public Sector Undertakings through their respective scheme are bound to enhance the opportunities for all the players in the pipeline industries in the years to come.

#### Threats:

While on the face of it impressive figures earmarked for different projects announced by different government agencies result into adequate optimistic thinking in the minds of various pipeline industry players on the basis of past experience in all probability the practical situation works out to be much different as unwanted delays are generally experienced in implementation of the Government projects due to slow decision making at bureaucratic level. A glaring example is the non-implementation of National Grid Policy announced by

Government of India few years back which has flattered all optimistic plans made by pipe manufactures in last few years.

The business of manufacturing of pipes, providing anti-corrosion treatment on the same and thereafter laying those pipelines for ultimate consumers in oil, gas and water sector was considered as extremely profit making business in India till few years ago. Due to generally prevailing optimistic trend in pipeline industry many players started setting up their units in this business ultimately resulting into building up of excessive pipe making installed capacity. Such a rush eventually resulted into supply far exceeding the demand as a direct consequence of which most of the pipeline manufactures including your Company started experience idle capacity.

### OUTLOOK

The peculiarity of Indian economy when compared with the economies of rest of the world clearly paints a bright picture for the manufacturing sector particularly for the one related to infrastructure development. Since pipeline industry is also an integral part of infrastructure development of the country, the organisations in pipeline industry are bound to get benefitted in the current financial year inspite of the threats stated above. Moreover, stable Governments both at centre and in different states are expected to play a useful role in providing the required continuity for implementation of large projects which generally spread to few years after their commencement. Hence keeping in view the various external as well as internal factors, the overall outlook for the pipeline industry appears to be optimistic and in the absence of any major adverse scenario arising, the industry is likely to grow at an appreciable rate.

### RISK AND CONCERNS

In the case of an Industry pertaining to a typical consumer product, the growth can be very easily predicted as a result of which the systematic planning for reaping the benefits of such growth can be put in practice. However, in an industry like pipeline which is solely dependent on infrastructure development of the Country the risks are too high because the said infrastructure development is always dependent on whims and fancies of Government in power.

Notwithstanding what is stated above generally in pipeline industry, your Company is presently suffering from additional disadvantage vis-a-vis the industry in general. This is so because as a consequential effect of few external and some internal factors the Company suffered a severe financial crunch in 2013 forcing your management to go through CDR process in accordance with RBI guidelines on the subject. As some of the stringent conditions imposed by CDR cell while approving a restructuring scheme of the Company in September, 2013 could not be completely complied with by the promoters group of the Company, the Company had to exist from the CDR



mechanism. Since as a result of the severe financial crunch spread across few years and near stoppage of Company's production as a direct consequence thereof the networth of the Company got eroded due to which a reference had to be made to Board for Industrial and Financial Reconstruction ('BIFR'). However, since Sick Industrial Companies Act, 1985 ('SICA') was subsequently repealed, the Company has now approached National Company Law Tribunal ('NCLT') with a view to have a resolution plan in place. Hence, the Company is presently in vulnerable position since in the absence of comfortable financial position and pending NCLT application, the Company is unable to venture into bidding process of large sized business projects arising in the market. While the arguments have been completed before NCLT, Ahmedabad a formal decision on the application filed by the Company with them under Section 10 of Insolvency and Bankruptcy Code is awaited.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The Company has designed and implemented a process driven framework for internal financial controls in accordance with the Companies Act, 2013. These controls have been established at the entity and process levels to comply with internal control requirements. The process adopted by your Company is best in class and commensurate with its size and scale of operations. These are strengthened as per the business need from time to time. The system of internal controls ensures timely and accurate financial reporting in accordance with the applicable accounting standards and compliance with applicable laws, regulations, listing agreements and management policies. The Company has also adopted risk based framework which is intended at proper mitigation, with increased transparency and accountability.

#### **FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

As discussed earlier due to acute financial crunch faced by the Company in early 2013, the Company's business especially in this tight liquidity environment, suffered major setback and the Company had to request its lenders to restructure the financial package as per the prescribed RBI Guidelines in this regard. However, as some of the stringent conditions of the CDR Scheme approved for the Company in September, 2013 could not be complied with, the Company was exited from CDR process on 28th December, 2016. In order to ensure that at least some of the plants of the company are in running condition thereby avoiding the risks of them becoming unserviceable the company had entered into an Operation Maintenance and Management Agreement with Jindal Tabular Limited, to enable them to operate the said plant and to meet the cost of company's manpower employed in the said plant. Unfortunately due to sluggish economic conditions and few other reasons the said arrangement did not continue. But the company is currently engaged in keeping its plants busy by executing smaller projects procured by the company from its trusted customers for conversion of steel provided by them into pipes. Such limited operations are enabling the company to meet its fixed operating costs, although

the company is not in a position to pay back to its lenders. In view of the above stated reduced operations company's income was recorded at Rs.61.73 Crores which was 255% more than the said income in the previous financial year.

Consequent upon efforts to generate more and more revenue on one hand and reduce company's cost on all fronts the company was in a position to reduce its losses from Rs.697.37 Crores in the previous year to Rs.146.70 crores in the year under review.

#### **HUMAN RESOURCE DEVELOPMENT**

The importance of Human Resource has increased with each passing year. We continuously emphasis on strengthening employee - employer relationship by formulating effective strategies and improvising functional processes vital to achieve the organizational goals. We believe in Human Resource Development wherein pools of competencies are identified that are required for delivering an output along with development of required skill through Training and Development.

As a responsible employer, the women safety parameters are also kept at a high statute. A committee for the Prevention of Sexual Harassment of Women at workplace has been constituted wherein all the women falling within the purview of the organization have been provided a forum for redressal of their grievances, if any on this account. All the females enjoy a safe and secure working atmosphere with all the requisite facilities.

Our organization has a talent pool of different capabilities and can boast to be a cosmopolitan workforce since we are believer of equal opportunities to all. We practice processes like job rotation, multi-skilling, lateral hiring, training programs etc. to attract, develop and retain talents in the organization.

As a direct result of heavy losses faced by the company in the last 3 to 4 years after it is suffered severe financial crunch, the company had to unwillingly reduce its manpower burden so as to limit the pay-roll expenses. It is, however, a matter of pride for the company that no mass scale retrenchment of the workers was resorted to and those who ceased to be in the employment of the company were paid all their dues so as to avoid any undue hardship to them.

#### **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 lenders would adopt towards the Company particularly because the Company has now initiated a process for resolution of its current financial crises. Pending formal admission of company's reference in NCLT, efforts are on to find a suitable acquirer of company's production facilities, so that the resolution process is as smooth as possible from the perspective of company's lenders.

## CEO AND CFO/ CERTIFICATION

The Board of Directors  
PSL Limited

### **CERTIFICATION BY MANAGING DIRECTOR/CEO AND CFO**

We, the undersigned hereby certify to the Board that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year 2017-18 ended on 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
1. these statements do not contain any false or materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:-
1. there have been no significant changes in internal control over financial reporting during the year;
  2. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
  3. 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.

Sd/-  
(Ashok Punj)  
Managing Director

Place : Mumbai  
Date : August 09, 2018

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

### The Members,

### PSL LIMITED

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated financial statements of **PSL LIMITED** ("the Holding company") and its subsidiaries and associate (collectively referred to as "the Company" or "the Group"), comprising of the Consolidated Balance Sheet as at 31st March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Emphasis of matter

- i. As a consequence to acute financial stress being faced by the group in recent years, the Company's network has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses is further enhanced creating a further adverse impact on the network.
- ii. The financial statement being prepared on a going concern basis notwithstanding the fact that the Holding Company's net worth is eroded. The holding company had made reference to BIFR under the provisions of Sick Industrial Companies Act, however, consequent upon recent development of coming into force of a new legislation namely Insolvency and Bankruptcy Code the said reference was abated.
- iii. The financial performance of the Company had deteriorated substantially. 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
- iv. 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
- v. The Holding Company has filed application of Insolvency and Bankruptcy Code: 2016 read with Rule 10 of Insolvency and Bankruptcy before the National Company Law Tribunal (NCLT), Ahmedabad on 29<sup>th</sup> May, 2017.
- vi. Jotun India Pvt. Ltd. had filed application in their pending winding up petition no. 434/2015 before the Bombay High Court praying that the proceedings before NCLT, Ahmedabad Bench in respect of company's corporate resolution process be stayed. The court heard the arguments of the parties and issued orders on 19.07.2017 thereby directing the NCLT, Ahmedabad not to

proceed with the Company's resolution process. Thereafter the company also filed a Company application seeking review of the order dated 19-7-2017 with a prayer to call back the said order passed by the Court without jurisdiction. The Bombay High court vide its order dated 5-1-2018 had called back its order and had vacated the stay granted earlier on the proceedings at NCLT, Ahmedabad bench. Consequent to order dated 5-1-2018 of Single Bench the Jotun India Pvt. Ltd. filed an appeal being Appeal (OS) No. 68 of 2017 before the Division Bench of Bombay High Court which bench again restrained the NCLT, Ahmedabad not to proceed further with company's resolution process. The matter lastly came up for hearing on 3-5-2018 and after hearing the arguments from respective counsels the Court reserved the matter for judgment. The judgment is still awaited.

Edelweiss has filed an application before NCLT, Ahmedabad for intervention and NCLT has kept order reserve

- vii. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.
- viii. The Company has reported a Net Loss of Rs. 20,935.35 Lacs for the year ended on 31<sup>st</sup> March, 2018 as against the net loss of Rs. 752,59.71 Lacs for the corresponding period ended on 31<sup>st</sup> March, 2017.
- ix. Since most of the banks which had extended financial facilities to the company have already treated the outstanding from the company as "Non-Performing Assets", they as a usual practice have discontinued making provisions of interest on such loss as accrued income in their books. In order to achieve the desired congruency on this issue the Company has also not provided for any interest amounting to Rs.43,454.08 Lacs on such outstanding facilities for the period ended 31<sup>st</sup> March, 2018 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 20,935.35 Lacs would have risen to Rs. 64,389.43 Lacs.
- x. Sometime back Kandla Port Trust had cancelled the lease of different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and had also taken physical possession of the land. However, on the company approaching Gujarat High Court and Hon'ble High Court having granted stay of Kandla Port Trust orders the Company has not provided for any liability that may arise on this account.
- xi. **Inventory:**
  - a. The closing inventory of the group as at 31<sup>st</sup> March, 2018 of Rs. 4,836.16 Lacs (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.1,707.00 Lacs which is in arbitration stage.
  - b. The Company has done physical inventories on 31<sup>st</sup> March, 2018 and they have certified the realizable value as on 31<sup>st</sup> March, 2018 on physical / saleable ground.
- xii. **Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.**
  - a. Although company's three plants handed over to Jindal Tubular (India) Limited (JTIL) in mid 2015 were returned to the company during September to November, 2016, JTIL has yet to return to the company part of the plant and machinery shifted by it contrary to the provisions of their agreement with the company.

As per the advice of Edelweiss, JTIL is transferring Rs 9.80 Lacs after deducting tax of Rs 0.2 Lacs every month to Company's bank account, though there was no agreement for the same.

- b. The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004

Sl. No.	Show Cause Notice	Amount in Rs Lacs
1.	Varsana 1	71.71
2.	Varsana 2 Coating	486.28
3.	Varsana 2 Pipe Mill	552.20
	<b>Total Rs.</b>	<b>1,110.20</b>

The Company has submitted that the allegations made in the show cause notices are not correct in law as well on facts. The matter is pending before the appellant authority.

- c. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs.437.00 Lacs. However the PSL Statements are showing outstanding of Rs.408.00 Lacs including Rs.155.00 Lacs on account of legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.

#### xiii. Settlement with JSW

The Company has created pari passu charge with respect to immovable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited.

#### xiv. Lender Banks' Balance Confirmation as on 31<sup>st</sup> March, 2018

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 31<sup>st</sup> March, 2018 but the same have not yet been issued. Pending balance confirmation, book balances as on 31<sup>st</sup> March, 2018 have been taken in the accounts of the Company.

#### xv. Assignment of entire Financial Assistance granted by ICICI Bank to the Company to "Edelweiss Assets Reconstructions Co. Ltd."

- a. M/s. Edelweiss Assets Reconstruction Co. Ltd. has informed that pursuant to an Assignment Agreement executed by ICICI Bank, State Bank of India, Axis Bank Ltd. and Yes Bank Ltd., in favour of Edelweiss Assets Reconstructions Co. Ltd. on various dates, the banks have assigned all its rights, title and interest in financial assistances granted by all three banks to PSL Limited in favour of M/s. Edelweiss Asset Reconstruction Co. Ltd. Pursuant to this, M/s. Edelweiss Asset Reconstruction Co. Ltd., is now the biggest secured lender of the company.
- b. M/s. Assets Care & Reconstruction Enterprise Ltd., has informed that pursuant to an Assignment Agreement executed by DBS Bank Ltd., in their favour on 29th March 2017, DBS Bank Ltd., has assigned all its rights, title and interest in financial assistances granted by them to PSL



Limited in favour of M/s. Assets Care & Reconstruction Enterprise Ltd.

xvi. Sundry Debtors:

- a. The Company has Sundry Debtors of Rs. 5,828.01 Lacs as on 31st March, 2018

Less than Six Months	Rs.1,293.66 Lacs
More than Six Months	Rs.4,534.35 Lacs

- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2018. 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 31st March 2018.

xvii. Trade payable & Loans and Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2018, provision for any adverse variation in the balances is not quantified.

xviii. Due to Micro and Small Suppliers:

This information is not provided by the Company.

- xix. **Impairment of Assets:** The Management has not carried out evaluation of impairment of assets and no provision for impairment has been recorded, as required by Indian Accounting Standard.

xx. **Investment in Subsidiaries:**

A. Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Mauritius

- a) The Company had invested Rs. 14,163.45 Lacs 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 diminution in the value of investment as per Indian Accounting Standard issued by institute of Chartered Accountants of India.

PSL Limited has also not provided for amounts due from PSL FZE being doubtful of recovery on account of losses incurred by PSL FZE.

- 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 30.848 Mio. The interest on the loans from various banks has not been provided. Also in some cases company was not able to make the payment on due date of installment due to the banks. The bank balance confirmations were not available.
- d) PSL FZE has executed a project received from SWCC. Bank of Baroda has given guarantee in favour of State Bank of India, 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 31-3-2018.

- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.

- f) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 113.15 Million AED against Plant & Machinery, assignment of receivable and inventory as the security and the subordination of unsecured loans advances by PSL Ltd. and assets on pari passu basis with one of the banker.

- g) Term Loan 133.10 million AED - The Term Loan due to ICICI Bank, Bahrain is secured by charge on the fixed asset of PSL FZE and Corporate Guarantee issued by PSL Limited.

- ii) PSL USA INC (USA), PSL NA LLC (USA) (Step down Subsidiary)

- a) The Company had invested Rs. 13,034.34 Lacs in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded.

- b) 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, and no liabilities (related with non fund base facilities like LC, BG, etc) is pending of PSL India in USA. During previous year the company has written off Rs. 13,034.34 Lacs invested in USA.

B. Indian Subsidiaries:

- i) PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL Infrastructure & Ports Pvt. Ltd. is Rs. 2,821.00 Lacs.
- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs. 6,511.00 Lacs.
- 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

- ii) PSL Corossion Control Services Ltd.

The total Revenue for the year stood at Rs. 7,919.22 Lacs against previous year of Rs. 6,892.50 Lacs. The Net Profit is Rs.59.25 Lacs. In our opinion and explanation given to us, the Guarantees given by the Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company

- iii) PSL Gas Distribution (P) Ltd.

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

**xxi. Legal Matters:**

- a. Initially five complaints were filed by two banks Syndicate Bank and Kotak Mahindra Bank Ltd. under the relevant provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one complaint has been scrapped with respect to some of the Directors and matters are now pending for disposal. These matters are still pending in 16<sup>th</sup>/63<sup>rd</sup> MM Court, Andheri, Mumbai and the next date of hearing are fixed

Next date of Syndicate Bank hearing on 08.06.2018 & Kotak Mahindra Bank is on 20.06.2018.

- b. Five Petitions have 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 petitions w.r.t. 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. Interim orders earlier passed by the court restraining KPT from implement in the compensation bills continue to operate. The matters are pending High Court (Cut off).
- c. On the basis of a complaint filed to them by Aditya Birla Finance Ltd. – an unsecured creditor of the company Economic Offences Wing (EOW) of Delhi Police had registered a FIR against the Company, its Managing Director, its Whole Time Directors and another official. The company has moved Delhi High Court under section 482 of IPC whereas the other accused including Managing Director and Whole Time Directors have filed writ petitions with Delhi High Court praying for quashing of the said FIR on the ground that no criminality has been committed by them and that the complaint of ABFL against the Company is purely of civil nature. The next date of hearing of the case is 07.07.2018

All the three petitions are under active consideration by Delhi High Court.

- d. **The Economic Offence Wing of Crime Branch of Delhi Police on complaint of Aditya Birla Finance Limited (ABFL) – lender of the Company.**

The action taken by EOW, Delhi Police consequent to which some of the Company's Bank Accounts at various locations were freezed. The Court of ACMM on 1/7/2016 had allowed the defreezing of five bank accounts which can now be operated by the company. However, the money freezed earlier shall remain freezed and cannot be utilized by the company till investigation is complete and / or till further orders in this regard. However, recently Edelweiss Assets Reconstructions Co. Ltd. (EARC) which has acquired the debts of three lenders of the company has filed an application before the court of ACMM with a prayer that the amount of Rs.1,139.00 Lacs FD lying to the credit of three freezed Bank accounts be allowed to be appropriated by all the CDR Lenders on pro-rata basis. The proceedings are in progress. Next date is 07.08.2018

- e. **Action taken by the Kotak Mahindra Bank Limited under the provisions of SARFAESI Act, 2002**

Kotak Mahindra Bank Limited - one of the lenders of the company had a mortgage in their favour with respect to some parcels of company's land at Nanicherai at District Kutch, Gujarat. Since the company could not pay its debt to the said bank, the latter initiated action under the provisions of SARFAESI Act to secure the physical possession of the said parcels of land. Although District Magistrate, Kutch had vide his order permitted the handing over of the physical possession of the land in question, the

company could successfully challenge the same in Gujarat High Court which recommended the case to the District Magistrate to consider company's pleas afresh. While after considering the matter afresh, District Magistrate has passed fresh order against the company. The District Magistrate has directed the Mamlatdar Anjar & Bachau to take the possession of Mortgaged land by giving 15 days' notice to the company. The Company has now filed a special Leave Application before the Gujarat High Court against the Order of the District Magistrate, next hearing of which is on 04.07.2018

- f. **Indian Bank, Nariman Point, Mumbai**

Issued Notice to the Company and Directors to pay Rs.6,458.00 Lacs and Bank Guarantee Rs.322.00 Lacs due to them and threatened to initiate legal proceedings. However no legal action has been initiated by the said Bank.

- g. **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.

- h. **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. However no action has been taken by the said Bank.

- i. M/s. Harjivandas Hathi Patel, Partnership concern has filed a Suit No. 4460 of 2016 against the company small causes at Ahmedabad against their dues. The matter is sub-judice.

- j. **Company's petition against Andhra Pradesh Industrial Infrastructure Corporation (APIIC)**

Having felt aggrieved by the decision of APIIC to resume the possession of two plots earlier allotted by it to the company has filed writ petitions in Hyderabad High Court challenging APIIC's decision. While the Hon'ble High Court having examined the company's grievance has granted a stay in company's favour, the matter is still pending for final adjudication.

**Other Matters**

We did not audit the financial statements of four subsidiaries and those financial statements reflect total assets of Rs. 23,112.65 /- Lacs as at 31<sup>st</sup> March 2018, total revenue of Rs. 11,729.92/- Lacs, net Loss of Rs. 5,660.17 /- Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the consolidated Ind AS financial statement insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in term of sub sections (3) and (11) of section 143 of the Act insofar as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements certified by the management.

**Report on Other Legal and Regulatory Requirements**

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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) Except the matters described in Emphasis of Matters Paragraphs (i) to (xxi) and annexure A Para No. vii(a), in our opinion, may have an adverse effect on the functioning of the Company, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- 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 appears from our examination of those books.
- d) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a 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 the 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) Rule, 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 Notes to the financial statements;.
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
  - iii. unpaid dividend which is required to be transferred, to the Investor Education and Protection Fund by the Company, however the same has not been transferred by the Company.

**FOR AND ON BEHALF OF**  
**V. PAREKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN NO. 107488W**  
**RASESH V. PAREKH**  
**PARTNER**  
**MEMBERSHIP NO. 38615**

**MUMBAI,**  
**DATED : 24<sup>TH</sup> MAY, 2018**

## 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 Ind AS financial statements of the Company as of and for the year ended 31 March 2018, 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 of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, 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 consolidated 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 consolidated

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 consolidated 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 consolidated 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, which are companies incorporated in India, 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 31 March 2018, 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 AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W**

**RASESH V. PAREKH  
PARTNER  
MEMBERSHIP NO. 38615**

**MUMBAI,  
DATED : 24<sup>TH</sup> MAY, 2018**

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(Rs. In Lacs)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSET</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant and Equipment	2	150,470.52	164,335.73	179,917.23
(b) Capital Work-in-progress		7,760.67	8,095.41	9,183.45
(c) Other Intangible assets		0.10	0.19	0.58
(d) Financial Assets				
(i) Investments	3	299.28	299.28	13,333.62
(i) Loans	5	3,416.91	4,084.96	2,745.40
(e) Deferred Tax Assets (Net)		-	607.38	606.18
(f) Other Non-Current Assets		-	-	-
		<b>161947.48</b>	<b>177422.95</b>	<b>205786.46</b>
<b>(2) Current Assets</b>				
(a) Inventories	6	4836.16	5398.19	18202.53
(b) Financial Assets				
(i) Investment	4	29.21	29.21	29.21
(ii) Trade Receivables	7	5828.01	5956.75	32043.38
(iii) Cash and Cash Equivalents	8	1113.04	1288.05	2661.24
(iv) Loans	9	7224.17	7566.80	8983.77
(c) Other Current Assets	10	40519.74	42538.97	44383.89
		<b>59550.35</b>	<b>62777.97</b>	<b>106304.02</b>
<b>Total Assets</b>		<b>221497.83</b>	<b>240200.92</b>	<b>312090.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital	11	12493.45	12493.45	9893.53
(b) Other Equity	12	(266491.71)	(245281.54)	(179270.11)
Equity Attributable to owner of the company		<b>(253998.26)</b>	<b>(232788.09)</b>	<b>(169376.58)</b>
<b>(2) Non-Controlling Interest</b>		-	-	6531.57
<b>Total Equity</b>		<b>(253998.26)</b>	<b>(232788.09)</b>	<b>(162845.01)</b>
<b>Liabilities</b>				
<b>(2) Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	387016.72	388360.79	389307.11
(ii) Trade Payables		26355.58	26355.58	26355.58
(b) Provisions	14	1276.29	1329.75	1338.44
(c) Other Non Current Liabilities				
		<b>414648.59</b>	<b>416046.13</b>	<b>417001.13</b>
<b>(3) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	15	46802.19	44038.87	44544.94
(ii) Trade Payables (Current)	16	5982.87	5384.28	7234.98
(iii) Other Financial Liabilities	17	28.75	28.75	28.75
(b) Other Current Liabilities	18	7219.83	6635.48	5312.51
(c) Provisions	19	813.86	855.50	813.19
(d) Current Tax Liabilities (Net)		-	-	-
		<b>60847.49</b>	<b>56942.88</b>	<b>57934.37</b>
Significant Accounting Policy	1			
The accompanying Notes are an integral part of Financial Statements.	1 to 27			
<b>Total Equity and Liabilities</b>		<b>221497.83</b>	<b>240200.92</b>	<b>312090.49</b>

As per our Report of even date attached  
**FOR V. PAREKH & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**  
 PARTNER  
 MEMBERSHIP NO. 38615

Place : Mumbai  
 Date: 24th May, 2018

Sd/-  
 Directors

1 ASHOK PUNJ

2 CK GOEL

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

		(Rs. In Lacs)		
Particulars	Note No	Year Ended 31st March, 2018	Year Ended 31st March, 2017	
<b>I Revenue From Operations</b>	20	16,773.11	10,917.28	
<b>II Other Income</b>	21	1,129.81	579.73	
<b>III Total Income (I+II)</b>		<b>17,902.92</b>	<b>11,497.01</b>	
<b>IV EXPENSES</b>				
Cost of materials consumed	22	5,057.44	5,221.61	
Purchases of Stock-in-Trade		-	-	
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	23	174.57	9,634.96	
Excise Duty and Cess				
Employee benefits expense	24	4,364.03	3,734.51	
Finance costs	25	3,499.33	1,909.04	
Depreciation and amortization expense	26	13,923.94	17,173.76	
Other expenses	27	11,185.67	36,025.09	
<b>Total expenses (IV)</b>		<b>38,204.97</b>	<b>73,698.97</b>	
<b>V Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>(20,302.05)</b>	<b>(62,201.95)</b>	
VI Exceptional Items			13,034.34	
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(20,302.05)</b>	<b>(75,236.29)</b>	
VIII Tax expense:				
(1) Current tax		25.92	24.61	
(2) Deferred tax		607.38	-1.20	
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(20,935.35)</b>	<b>(75,259.71)</b>	
X Profit/(loss) from discontinued operations		-	-	
XI Tax expense of discontinued operations		-	-	
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-	
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>(20,935.35)</b>	<b>(75,259.71)</b>	
<b>XIV Other Comprehensive Income</b>				
A (i) Items that will not be reclassified to profit or loss		-	-	
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-	
B (i) Items that will be reclassified to profit or loss		-	-	
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	
<b>XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(20,935.35)</b>	<b>(75,259.71)</b>	
<b>XVI Earnings per equity share (for continuing operation):</b>				
(1) Basic		(1.68)	(6.02)	
(2) Diluted		(1.68)	(6.02)	
<b>XVII Earnings per equity share (for discontinued operation):</b>				
(1) Basic		-	-	
(2) Diluted		-	-	
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>				
(1) Basic		(1.68)	(6.02)	
(2) Diluted		(1.68)	(6.02)	

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**

PARTNER

MEMBERSHIP NO. 38615

Place : Mumbai

Date: 24th May, 2018

Sd/-

Directors

**1 ASHOK PUNJ**
**2 CK GOEL**

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lacs)

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	(20302.05)	(75236.30)
Add: Extraordinary Item	NIL	13034.34
<b>Profit before tax and extraordinary item</b>	(20302.05)	(62201.96)
<b>Adjusted to Reconcile Profit before tax to net cash flows</b>		
Depreciation	13923.94	17173.76
OTHER BORROWING COST	77.01	182.22
Interest (Net)	2900.05	1516.76
Non Operating Income	(554.26)	(59.82)
Prior Year Expenses	105.74	(215.39)
Deferred Tax	(633.31)	NIL
Foreign Exchange Difference	(380.33)	5,303.79
<b>Movements in Working Capital</b>		
Decrease/(increase) in Inventories	562.02	12804.45
Decrease/(Increase) in Trade Receivables	128.74	26086.98
Decrease/(Increase) in Short Term Loans & Advances	383.26	2127.18
Decrease/(Increase) in Short Term Provision	(41.64)	17.70
Increase/Decrease in Other Current Liabilities	584.33	1322.99
Decrease/(Increase) in Trade Payable	598.59	(4722.45)
Gratuity Provision Written Off	(53.46)	(8.69)
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	(2701.37)	(672.48)
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF TANGIBLE FIXED ASSETS	(58.73)	(1,592.34)
ACQUISITION OF INTANGIBLE ASSETS	0.09	(0.39)
INTEREST RECEIVED	522.27	210.06
Decrease in Capital WIP	334.74	1,088.45
Decrease in Deferred Tax Assets	607.38	NIL
Other Non Operating Income	554.26	59.82
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	1960.01	(234.40)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM LONG TERM LOANS AND ADVANCES	2,789.19	479.84
REPAYMENT OF LONG TERM BORROWINGS	964.36	(1,175.94)
INCREASE IN LONG TERM BORROWING	NIL	2,871.75
REPAYMENT OF SHORT TERM BORROWINGS	454.89	(276.45)
PROCEEDS FROM ISSUE OF SHARES	NIL	2,599.92
<b>SECURITY PREMIUM ON SHARE ISSUE</b>	(0.23)	4,159.88
Share application money pending allotment	NIL	(6,531.57)
OTHER BORROWING COST	(77.01)	(182.22)
INTEREST PAID	(3,422.32)	(1,726.82)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	708.88	218.39
<b>NET INCREASE / (DECREASE) IN CASH AND [A+B+C]</b>	<b>(32.48)</b>	<b>(688.49)</b>
CASH AND CASH EQUIVALENT - OPENING [A]	3398.82	4087.31
CASH AND CASH EQUIVALENT - CLOSING [B]	3366.34	3398.82
<b>[B-A]</b>	<b>(32.48)</b>	<b>(688.49)</b>

The accompanying Notes are an integral part of Financial Statements.

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**  
PARTNER  
MEMBERSHIP NO. 38615

Place : Mumbai  
Date: 24th May, 2018

**Sd/-**  
**Directors**

**1 ASHOK PUNJ**

**2 CK GOEL**

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

**Note: '1' – Significant Accounting Policies on Consolidated Accounts**

### A. Statement of Compliance

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 24th May 2018. For all periods up to and including the year ended 31st March 2017, the Group prepared its consolidated financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Consolidated Financial Statements of the Group. The date of transition to Ind AS is 1st April, 2016. Refer note 1(H) below for the details of first-time adoption exemptions availed by the Group.

### B. Basis of preparation of Consolidated Financial Statements:

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Consolidated Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1 April, 2017. Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2018, and accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements" or "financial statements").

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs, except otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are

described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### C. Basis of Consolidation:

The Consolidated Financial Statements relate to PSL Limited (the Company), its subsidiary companies. The Financial Statements of the Company, its subsidiary companies (which are not in the nature of joint ventures) have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses. The intra group balances and intra group transactions and unrealized profits or losses resulting from intra group transactions are fully eliminated.

In case of foreign subsidiaries, income & expenses are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation in Other Comprehensive Income.

The difference between the cost of investment in the subsidiaries and the Company's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.

Minority Interest's share of net profit for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company. Minority Interest's share of net assets is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

### D. Goodwill:

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### E. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will



flow to the Company and the cost of the assets can be measured reliably. The amortisation period for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period and are treated as changes in accounting estimates. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Intangible assets are amortised as follows:

#### F. Revenue Recognition:

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 exists as to its realization 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 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 recognized on rendering of services.

The pipe coating income is recognized 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 is accounted for when the right to receive the payment is established.

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

#### G. Non-Controlling Interest

Under Ind AS, profit or loss and each component of other comprehensive income is attributed to the owners of the parent and to the non-controlling interest (NCI) even if this results in the non-controlling interest having a deficit balance. Under previous GAAP, the excess of such losses attributable to NCI over its interest in the equity of the subsidiary were attributed to the owners of the parent.

#### H. First time adoption – mandatory exceptions, optional exemptions

Overall principle

The Group has prepared the opening Consolidated Balance Sheet as per Ind AS as at 1 April, 2016 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Group as detailed below.

- a. Deemed cost for property, plant and equipment and intangible assets including capital work in progress and intangible assets under development.

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets including capital work in progress and intangible assets under development recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

- b. Long term foreign currency monetary item the Group has continued with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the consolidated financial statements prepared under previous GAAP for the year ended 31st March, 2017.

- c. De-recognition of financial assets and financial liabilities

The Group has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

- d. Accounting for changes in parent's ownership in a subsidiary that does not result in a loss of control

The Group has accounted for changes in a parent's ownership in a subsidiary that does not result in a loss of control in accordance with Ind AS 110, prospectively from the date of transition.

- e. Designation of previously recognised financial instruments

The Group has designated financial liabilities and financial assets at fair value through profit or loss on the basis of facts and circumstances that existed at the date of transition to Ind AS.

- f. Impairment of financial assets The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost of effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

- g. Non-controlling interests The requirement of Ind AS 110 that total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance has been applied by the Group prospectively from the date of transition.

#### I. Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**Note No - 2 Property, Plant and Equipment  
Financial Year 17-18**

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	4/1/2017	Additions	Deduction	3/31/2018	4/1/2017	Additions	Deduction	3/31/2018	3/31/2018	3/31/2017
<b>I. TANGIBLE ASSETS</b>										
Free Hold Land	61,142.64	-	-	61,142.64	-	-	-	-	61,142.64	61,142.64
Lease Hold Land	44.58	-	-	44.58	34.34	1.49	-	35.83	8.75	10.24
Office Buildings	204.53	13.24	-	217.77	86.96	7.79	-	94.74	123.03	117.57
Factory Building	43,328.04	-	-	43,328.04	12,844.91	822.34	-	13,667.26	29,660.78	30,483.13
Furniture & Fixtures	794.95	3.53	-	798.47	659.71	22.06	-	681.77	116.70	135.24
Plant and Equipment	211,625.45	24.93	-	211,650.39	140,647.61	12,832.33	-	153,479.94	58,170.45	70,977.84
Office Equipments	511.04	5.91	-	516.95	421.46	13.36	-	434.82	82.13	89.58
Lab Equipments	1,021.77	-	-	1,021.77	769.03	35.13	-	804.16	217.61	252.74
Computers	510.28	0.57	-	510.85	500.20	3.45	-	503.65	7.20	10.09
Motor Cars	1,513.99	11.84	11.04	1,514.79	1,333.30	29.64	9.69	1,353.25	161.53	180.69
Commercial Vehicles	105.10	-	-	105.10	105.00	0.10	-	105.10	0.00	0.10
Cycles	0.29	-	-	0.29	0.34	0.00	-	0.34	-	-
Earth Moving Equipments	3,974.96	-	-	3,974.96	3,846.67	24.53	-	3,871.20	103.76	128.29
Shed Construction	2,631.29	-	-	2,631.29	1,823.69	131.65	-	1,955.34	675.95	807.60
Temporary Shed	1,080.54	-	-	1,080.54	1,080.54	-	-	1,080.54	-	-
<b>TOTAL</b>	<b>328,489.45</b>	<b>60.02</b>	<b>11.04</b>	<b>328,538.42</b>	<b>164,153.76</b>	<b>13,923.86</b>	<b>9.69</b>	<b>178,067.93</b>	<b>150,470.55</b>	<b>164,335.75</b>

**Financial Year 16-17**

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	4/1/2016	Additions	Deduction	3/31/2017	4/1/2016	Additions	Deduction	3/31/2017	3/31/2017	3/31/2016
<b>I. TANGIBLE ASSETS</b>										
Free Hold Land	60,641.99	500.65	-	61,142.64	-	-	-	-	61,142.64	60,641.99
Lease Hold Land	44.58	-	-	44.58	31.37	2.97	-	34.34	10.24	13.21
Office Buildings	204.53	-	-	204.53	79.30	7.65	-	86.96	117.57	125.23
Factory Building	43,328.04	-	-	43,328.04	11,931.21	913.70	-	12,844.91	30,483.13	31,396.83
Furniture & Fixtures	794.27	0.69	-	794.95	633.61	26.10	-	659.71	135.24	160.66
Plant and Equipment	211,618.75	6.69	-	211,625.45	125,783.66	14,863.96	-	140,647.61	70,977.84	85,835.09
Office Equipments	509.91	1.13	-	511.04	406.52	14.94	-	421.46	89.58	103.39
Lab Equipments	1,021.77	-	-	1,021.77	728.22	40.81	-	769.03	252.74	293.55
Computers	507.64	2.64	-	510.28	495.57	4.62	-	500.20	10.09	12.08
Motor Cars	1,513.99	-	-	1,513.99	1,294.59	38.72	-	1,333.30	180.69	219.40
Commercial Vehicles	105.10	-	-	105.10	104.92	0.07	-	105.00	0.10	0.18
Cycles	0.29	-	-	0.29	0.33	-	-	0.34	-	-
Earth Moving Equipments	3,974.96	-	-	3,974.96	3,811.90	34.78	-	3,846.67	128.29	163.06
Shed Construction	2,631.29	-	-	2,631.29	1,678.93	144.76	-	1,823.69	807.60	952.36
Temporary Shed Construction	-	1,080.54	-	1,080.54	-	1,080.54	-	1,080.54	-	-
<b>TOTAL</b>	<b>326,897.12</b>	<b>1,592.34</b>	<b>-</b>	<b>328,489.46</b>	<b>146,980.11</b>	<b>17,173.62</b>	<b>-</b>	<b>164,153.75</b>	<b>164,335.73</b>	<b>179,917.02</b>

**Note no- 2A Other Intangible assets**

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	Opening	Additions	Deduction	Closing	Opening	Additions	Deduction	Closing	3/31/2018	3/31/2017
<b>Financial Year 17-18</b>										
Computer Software	35.36	-	-	35.36	35.17	0.08	-	35.25	0.11	0.19
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.17</b>	<b>0.08</b>	<b>-</b>	<b>35.25</b>	<b>0.11</b>	<b>0.19</b>
<b>Financial Year 16-17</b>										
Computer Software	35.36	-	-	35.36	35.02	0.14	-	35.17	0.19	0.34
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.02</b>	<b>0.14</b>	<b>-</b>	<b>35.17</b>	<b>0.19</b>	<b>0.34</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 3 Investments

(Rs.in Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
<b>Equity Investments at FVOCI - Unquoted</b>			
<b>Subsidiary</b>			
14,00,020 (P.Y. 14,00,020) Equity Shares of PSL Corrosion Control service Ltd of Rs. 10 each			
2,82,10,000 (P.Y. 2,82,10,000) Equity Shares of PSL infrastructure& ports Pvt Ltd of Rs. 10 each			
1,70,000 (P.Y.1,70,000) Equity Shares of PSL Gas Distribution Pvt Ltd of Rs. 10 each			
3,08,59,741. (PY 3,08,59,774) Equity shares of Pipeline Systems Ltd, Mauritius of USD 1/- each			
2,94,88,083 (PY 2,94,88,083) Equity shares of PSL USA INC, of USD 1/- each	13,034.34	13,034.34	13,034.34
Impairment of 100% investment value since the company filed insolvency petition	13,034.34	13,034.34	-
	NIL	NIL	13,034.34
<b>Investment in Associates - Unquoted</b>			
13,30,000 (PY 13,30,000) Equity Shares of BHI Ltd of Rs.10 each	147.00	147.00	147.00
1,50,000 (PY 1,50,000) Equity Shares of Punj International Pvt Ltd of Rs.10 each	15.00	15.00	15.00
7,500 (PY 7,500) Equity Shares of Broken Hills International Ltd of Rs.10 each	0.75	0.75	0.75
2,000 (PY 2,000) Equity Shares of Punj Investments Pvt Ltd of Rs.100 each	2.00	2.00	2.00
8,60,000 (PY 8,60,000) Equity Shares of Eurocoustic Products Ltd of Rs.10 each	86.00	86.00	86.00
4,84,000 (PY 4,84,000) Equity Shares of Punj Corporation Pvt Ltd of Rs.10 each	48.40	48.40	48.40
<b>Non Trade Investments Equity - Unquoted Trade</b>			
128 (PY 128 ) Shares of The gandhidham Mercantile co-Op bank Ltd of Rs.10 each	0.13	0.13	0.13
<b>Total</b>	<b>299.28</b>	<b>299.28</b>	<b>13,333.62</b>
Aggregate value of Quoted Investments	-	-	-
Aggregate value of Unquoted Investments	299.28	299.28	13,333.62
Aggregate value of impairment in the value of Investment	-	-	-

### Note No 4 - Investments

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2017
<b>Non Trade Investments Equity - Unquoted Trade</b>			
SBI Capital Protection Oriented Fund (Mutual Fund)	14.21	14.21	14.21
(Previous year 100)			
Aixs Equity Fund	15.00	15.00	15.00
<b>Total</b>	<b>29.21</b>	<b>29.21</b>	<b>29.21</b>
Aggregate value of Quoted Investments	-	-	-
Aggregate value of Unquoted Investments	29.21	29.21	29.21
Aggregate value of impairment in the value of Investment	-	-	-

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No 5 - Loans

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2017
Security Deposits	1,163.62	1,974.18	1,319.33
Loans & Advances to Subsidiary Co. (Long Term)	-	-	-
Loans & Advances to Others	-	-	-
Fixed Deposits with Interest accrued*	2,253.29	2,110.78	1,426.07
<b>Total</b>	<b>3,416.91</b>	<b>4,084.96</b>	<b>2,745.40</b>

\* Bank deposits of Rs. 1,553.23 Lacs (P.Y. Rs. 1395.91 Lacs) held as margin money against bank guarantee/LC

### Note No 6 - Inventories

(Rs. In Lacs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2017
Raw materials	2,420.08	2,770.65	3,472.05
Work-in-progress	703.50	675.10	10,701.88
Stores and spares	1,248.98	1,287.63	3,755.09
Finished goods	463.61	664.80	273.51
<b>Total</b>	<b>4,836.16</b>	<b>5,398.18</b>	<b>18,202.53</b>

### Note No -7 Trade Receivables

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Secured, considered good	5,828	5,400	28,205.58
Unsecured, considered good	-	557.05	3,837.80
Doubtful	-	-	-
Less: Provision for Doubtful Debts	-	-	-
<b>Total</b>	<b>5,828.01</b>	<b>5,956.75</b>	<b>32,043.38</b>

### Note No - 8 Cash and Cash Equivalents

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Balances with Banks	1,085.87	1,238.18	2,572.55
Cash on hand	27.17	49.87	88.69
<b>Total</b>	<b>1,113.04</b>	<b>1,288.05</b>	<b>2,661.24</b>

Balances with bank in unpaid dividend accounts	27.02	22.88	23.05
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### Note No - 9 Loans

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Advances recoverable in cash or kind	7,218.54	7,520.67	8,937.02
Advance to Staff	5.63	46.13	46.75
<b>Total</b>	<b>7,224.17</b>	<b>7,566.80</b>	<b>8,983.77</b>
Secured, considered good	-	-	-
Unsecured, considered good	7,224.17	7,566.80	8,983.77
Doubtful	-	-	-

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 10 Other Current Assets

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Advance to Suppliers			
Balance with statutory/ Government Authorities	745.97	786.61	1,496.80
GST /Sales Tax Deposits	39,773.77	41,752.36	42,887.09
Advance for Capital Goods			
<b>Total</b>	<b>40,519.74</b>	<b>42,538.97</b>	<b>44,383.89</b>

### Note No - 11 Equity Share Capital

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
<b>AUTHORIZED CAPITAL</b>			
18,00,00,000 (P.Y. 18,00,00,000 ) Equity Shares of Rs. 10/- each	18,000.00	18,000.00	18,000.00
	18,000.00	18,000.00	18,000.00
<b>ISSUED</b>			
125098584 ( P.Y. 125098584) Equity Shares of Rs. 10/- each	12,509.86	12,509.86	9,909.94
	12,509.86	12,509.86	9,909.94
<b>SUBSCRIBED &amp; PAID UP CAPITAL:</b>			
124934484* ( P.Y. 124934484) Equity Shares of Rs. 10/- each	12,493.45	12,493.45	9,893.53
<b>Total</b>	<b>12,493.45</b>	<b>12,493.45</b>	<b>9,893.53</b>

\* The difference in Number of Shares of issued and 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.

### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

#### 11.1 Authorised Share Capital

Particulars	3/31/2018		3/31/2017	
	No. of Share	Rs. In Lakhs	No. of Share	Rs. In Lakhs
Number of Shares at the beginning	180,000,000	18,000.00	180,000,000	18,000.00
Changes during the period	-		NIL	-
<b>Number of Shares at the end</b>	<b>180,000,000</b>	<b>18,000.00</b>	<b>180,000,000</b>	<b>18,000.00</b>

#### 11.2 Issued Share Capital

Particulars	3/31/2018		3/31/2017	
	No. of Share	Rs. In Lakhs	No. of Share	Rs. In Lakhs
Number of Shares at the beginning	124,934,484	12,493.45	98,935,252	9,893.53
Changes during the period	-		25,999,232	2,599.92
<b>Number of Shares at the end</b>	<b>124,934,484</b>	<b>12,493.45</b>	<b>124,934,484</b>	<b>12,493.45</b>

Equity shares are having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### 11.3 Details of shareholders holding more than 5% shares in the company

(Rs. In Lacs)

Particulars	3/31/2018		3/31/2017	
	No. of Share	%	No. of Share	%
<b>Equity shares of Rs. 10 each fully paid</b>				
Edelweiss Asset Reconstruction Company Limited*	12,280,770	9.83%	14,203,846	11.37%
Broken Hills International Pvt. Ltd.	12,615,385	10.10%	12,615,385	10.10%
ICICI Bank Limited	6,443,453	5.16%	8,346,150	6.68%
Punj International Pvt Ltd	7,647,115	6.12%	7,647,115	6.12%

### 11.4 Aggregate number of Shares issued for consideration other than cash

	3/31/2018	3/31/2017	4/1/2016
	No. of Share	No. of Share	No. of Share
Shares issued to JLF banks pursuant to scheme of CDR	-	876,926	-

### Note No - 12 Other Equity

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Retained Earnings	(380,861.91)	(359,651.97)	(289,480.66)
Securities Premium Reserve	54,589.38	54,589.61	50,429.73
General Reserve	8,380.82	8,380.82	8,380.82
Share Application Money Pending allotment			
<b>Other Reserves</b>	51,400.00	51,400.00	51,400.00
Exchange difference on translating Financial Statements of a foreign operations			
<b>Total</b>	<b>(266,491.71)</b>	<b>(245,281.54)</b>	<b>(179,270.11)</b>

### Note No - 13 Borrowings

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
<b>Term Loan</b>			
Foreign Currency Loan from Banks	32,362.07	32,393.42	29,823.15
Rupee Loan from Banks (Long Term)	352,906.65	353,881.37	357,065.96
Rupee Loan from Financial Institutions	-	338.00	670.00
Rupee Loan from Promoters' Companies	1,748.00	1,748.00	1,748.00
<b>Total</b>	<b>387,016.72</b>	<b>388,360.79</b>	<b>389,307.11</b>
The above amount includes			
Secured Borrowings	385,268.72	386,612.79	387,559.11
Unsecured Borrowings	1,748.00	1,748.00	1,748.00

13.1 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.

13.3 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. 309.02 Crores for this year was not repaid (Previous year Rs. 286.27 Crores).

All Short term Borrowings Treat as a long term borrowing

13.4 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 the year is not accounted vide letter No. CDR/(DAP) No. 414/2016-17 dated 29th December 2016, CDR cell has informed that companies CDR Mechanism stand existed on account of failure of CDR approved package.

13.5 Consequent upon enactment of insolvency & Bankruptcy Code (IBC) resulting into abatement of the sick industrial companies (special provisions) Act 1985, the Company's reference pending before the Board for Industrial and Financial Reconstruction (BIFR) became infructuous. Hence, the Company had filed application on May 29, 2017 with Hon'ble National Company Law Tribunal (NCLT) Ahmedabad under section 10 of the said code read with rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate insolvency Resolution process (CIRP) . The hearing before NCLT is already completed. However the formal order regarding admission of the company's application is awaited.



## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 14 Provisions

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Provision for Gratuity	1,276.29	1,329.75	1,338.44
Provision for Leave Encashment			
<b>Total</b>	<b>1,276.29</b>	<b>1,329.75</b>	<b>1,338.44</b>

### Note No - 15 Borrowings

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Rupee Loan from Banks (Short Term)	46,802.19	44,038.87	44,544.94
<b>Total</b>	<b>46,802.19</b>	<b>44,038.87</b>	<b>44,544.94</b>
The above amount includes			
Secured Borrowings	46,802.19	44,038.87	44,544.94
Unsecured Borrowings	-	-	-

### Note No - 16 Trade Payables

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Micro Small & Medium Enterprises*	-	-	-
Others Trade Payables	5,982.87	5,384.28	7,234.98
<b>Total</b>	<b>5,982.87</b>	<b>5,384.28</b>	<b>7,234.98</b>

### Note No - 17 Other Financial Liabilities

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Current maturities of long term debts			
Unclaimed Dividend	28.75	28.75	28.75
<b>Total</b>	<b>28.75</b>	<b>28.75</b>	<b>28.75</b>

### Note No - 18 Other Current Liabilities

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Withholding & Other taxes payable			
Advances received from Customers	1,337.64	1,172.91	923.24
other Payable	5,882.18	5,462.57	4,389.27
<b>Total</b>	<b>7,219.83</b>	<b>6,635.48</b>	<b>5,312.51</b>

### Note No - 19 Provisions

Particulars	31st March, 2018	31st March, 2017	1st April, 2017
Provision for Gratuity			
Provision for Employee Benefits (Salary and Reimbursement)	108.66	92.29	97.13
Other Provisions	152.55	146.48	123.94
Provision for Leave Encashment			
Provision for Income Tax	552.65	616.73	592.12
<b>Total</b>	<b>813.86</b>	<b>855.50</b>	<b>813.19</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 20 Revenue from Operations

(Rs. In lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
<b>A. Sale of products</b>	8244.43	3,128.00
Sale of services	7756.46	6,727.64
<b>TOTAL (A)</b>	<b>16000.89</b>	<b>9,855.64</b>
<b>B. Other Operating revenues</b>		
Other Operating Income	772.22	1,061.64
<b>Total (B)</b>	<b>772.22</b>	<b>1,061.64</b>
<b>Total (A+B)</b>	<b>16,773.11</b>	<b>10,917.28</b>

### Note No - 21 Other Income

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Dividend Income	4.25	-
Rent and Compensation	33.69	90.63
Profit on sale of assets	0.34	-
Insurance Claim /Excise Duty /Sales Tax Claim	15.00	219.22
Interest	522.27	210.06
Other Non Operating Income	554.26	59.82
<b>Total</b>	<b>1,129.81</b>	<b>579.73</b>

### Note No - 22 Cost of Material Consumed

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Inventory at the beginning of the year	2,792.06	3,462.04
Add: Purchases	4,685.45	4,530.22
<b>Total</b>	<b>7,477.51</b>	<b>7,992.26</b>
Less : Inventory at the end of the year	2,420.08	2,770.65
<b>Cost of raw material &amp; components Consumed</b>	<b>5,057.44</b>	<b>5,221.61</b>

### Note No - 23 Change in Inventories of WIP & Finished Goods

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
<b>Inventory at the end of the year</b>		
Work-in-progress (closing)	675.83	10,625.32
Finished goods (closing)	665.84	349.54
	<b>1,341.67</b>	<b>10,974.86</b>
<b>Inventory at the beginning of the year</b>		
Work-in-progress (opening)	703.50	675.10
Finished goods (opening)	463.61	664.80
	<b>1,167.10</b>	<b>1,339.90</b>
<b>Total</b>	<b>174.57</b>	<b>9,634.96</b>

### Note No - 24 Employee Benefit Expenses

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Contribution to PF & Other Fund	292.59	194.26
Salaries and incentives	3,774.59	3,283.16
Staff Welfare Expenses	296.84	257.09
<b>Total</b>	<b>4,364.03</b>	<b>3,734.51</b>

The Company has not made provision during the year for gratuity . In the absence of actuarial valuation report, the impact on loss for the year on account of such valuation is not ascertainable and relevant disclosures have not been given.

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 25 Financial Cost

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Interest	3,422.32	1,726.82
Other Borrowing cost*	77.01	182.22
Exchange difference on borrowings (net)	-	-
<b>Total</b>	<b>3,499.33</b>	<b>1,909.04</b>

\*includes Bank charges &amp; BG Commission

### Note No - 26 Depreciation & Amortised Cost

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Depreciation	13,923.94	17,173.76
Amortisation	-	-
<b>Total</b>	<b>13,923.94</b>	<b>17,173.76</b>

### Note No - 27 Other Expenses

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
CONSUMPTION OF STORES AND SPARES PARTS	1,335.05	3,102.66
POWER & FUEL	1,220.58	708.87
EXCISE DUTY, SERVICE TAX AND SALES TAX	70.86	98.33
FREIGHT & CARTAGE	445.37	235.24
EQUIPMENT HIRE CHARGES	4.86	6.54
LABOUR CHARGES	115.91	17.86
OTHER MANUFACTURING & OPERATING EXPENSES	1,131.04	1,250.03
WATER CHARGES	0.16	-
DUMPSITE MAINTAINS	-	26.19
Conveyance	98.60	57.13
Traveling Expenses	186.05	218.40
Postage, Telegram and Telephones	60.51	53.05
Printing and Stationery	25.53	19.99
Rent, Rates & Taxes	662.23	478.77
Electricity Charges	24.45	47.58
Professional Charges	1,036.89	647.28
Bad Debts W/off	927.44	20,979.38
Repair and Maintenance (Plant )	743.00	560.34
Repair and Maintenance (Building)	86.92	3.75
Repair and Maintenance (Others)	106.97	119.98
Insurance	82.59	112.62
Auditors' Remuneration	14.18	48.05
Vehicle Expenses	126.65	116.85
General Expenses	2,679.82	7,116.20
<b>Total</b>	<b>11,185.67</b>	<b>36,025.09</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 28 Payment to Auditors

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
As Audit Fees	14.18	41.05
For Taxation Matters	2.00	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
<b>Total</b>	<b>18.18</b>	<b>48.05</b>

### Note No - 29 Items that will not be reclassified to profit or loss

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
Remeasurements of the defined benefit plans	-	-
Others	-	-

### Note No - 30 Items that will be reclassified to profit or loss

Particulars	31st March 2018	31st March 2017
Exchange differences in translating the financial statements of a foreign operation	-	-

### Note No - 31 Earning per Share

Particulars	31st March 2018	31st March 2017
Profit/(Loss) attributable to Equity shareholders	-20,935.35	-75,259.71
Weighted Average Number of Shares for Basic and Diluted EPS	124,934,484	124,934,484
Basic EPS (Amount in Rs.)	(1.68)	(6.02)
Diluted EPS (Amount in Rs.)	(1.68)	(6.02)

### Note No - 32 Value of Imports

Particulars	31st March 2018	31st March 2017
Raw Material	137.03	62.95
Stores & Spare Parts	2.00	-

### Note No - 33 Expenditure in Foreign Currency

Particulars	31st March 2018	31st March 2017
Traveling Expenses	15.27	17.34
Agency Commission & Others	-	-

**Note No - 34** During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

**Note No - 35** As on 31st March 2018, there is no Mark-to-Market loss on account of derivative forward exchange contract.

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 36 Contingent Liabilities:

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
A. Counter Guarantees given by the Company for Bank Guarantees	2,818.51	3,744.42
B. Other Guarantees Given by the Company on behalf of		
- Subsidiary Companies	42,652.04	45,522.95
- Others	8,861.48	7,544.54
C. Letter of Credit Outstanding (Not yet committed)	NIL	NIL
D. Bills Discounting	NIL	NIL
E. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

#### F. Government Dues

- (i) Disputed dues on account of Excise duty (27 Nos.) estimated amount Rs. 13382.99 Lacs (Previous Year Rs. 12081.94 Lacs)
- (ii) Disputed dues on account of Service Tax (10 Nos. ) estimated amount Rs. 391.63 Lacs (Previous Year Rs. 285.21 Lacs)
- (iii) Disputed dues on account of Custom duty (5 Nos) estimated amount Rs. 12884.36 Lacs (Previous Year Rs. 871.13 Lacs)
- (iv) Disputed dues on account of Sales Tax (29 Nos) estimated amount Rs. 6846.79 Lacs (Previous Year Rs. 6819.28 Lacs)
- (v) Pending closure of Advance Authorisation ( 6 Nos) estimated amount Rs. 25321.58 lacs (Previous Year Rs. 25321.58 Lacs)
- (vi) Disputed dues on account of Entry Tax Rs. 51.14 Lacs (Previous Year Rs. Nil)

#### G. Other liability includes litigation on account of land, return of cheques under sec 138 of N.A. Act, Arbitration, winding up cases etc.

Income Tax Assessment Completed upto AY 2014-15(March' 2014). No pending Demand.

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.

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.

### Note No - 35 Component Accounting for Fixed Assets

In opinion of the management, based on internal verification of the assets of the company, there is no major part, in case of any asset, which is significant to total cost of the asset and whose useful life is different from the useful life of the asset. Hence, there is no change in accounting of fixed assets and depreciation thereon as required under Ind AS 16: Property, Plant and Equipment.

### Note No - 36 Leases:

The company has operating lease agreements, primarily for leasing Factory space for use. Most of these lease agreements provide for cancellation by either party with a notice period ranging from 90 days and contain a clause for renewal of lease agreement at the option of the company. There are no non-cancelable operating leases. There are no assets taken on finance lease. During the year the Company has recognized following rental expenses:

Particulars	31st March 2018	31st March 2017
Rent	1.20	1.20



# NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

## Note No - 37 RELATED PARTY DISCLOSURES

### 1. 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 & 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)

(PSL North America LLC and PSL USA Inc., have filed insolvency petition under Chapter 11 under the US regulation. Currently under judicial process)

#### b) Associate

BHI Ltd.  
Broken Hills International Ltd.  
Eurocoustic Products Ltd.  
Punj International Pvt. Ltd.  
Punj Investments Ltd.  
Punj Corporation Private Limited  
Rosoboronterra India Pvt.Ltd.  
(Subsidiary of Punj Corporation Private Limited)

#### c) Key Management Personnel

Ashok Punj  
R. K . Bahri  
C K Goel

#### Nature of Transaction

(Rs.in lacs)

Particulars	31st March 2018	31st March 2017
<b>Subsidiaries</b>		
<b>Purchase of Goods</b>	<b>30.64</b>	<b>-</b>
PSL Corrosion Control Services Ltd.		
<b>Sale of Goods</b>	<b>354.40</b>	<b>-</b>
PSL Corrosion Control Services Ltd.		
<b>Lease Rental</b>	<b>1.20</b>	<b>-</b>
PSL Corrosion Control Services Ltd.		
<b>Expenses Incurred by/for related party</b>		
PSL Corrosion Control Services Ltd.	259.10	1,392.48
PSL Gas Distribution Pvt.Ltd.	0.63	-
Pipeline System Ltd., Mauritius	1.12	
PSL Infrastructure & Ports Pvt.Ltd.	3.09	
<b>Closing Balance</b>		
PSL Corrosion Control Services Ltd.	4,009.29	4,075.14
PSL Gas Distribution Pvt.Ltd.	0.63	-
Pipeline System Ltd., Mauritius	1.12	-
PSL Infrastructure & Ports Pvt.Ltd.	1,425.96	1,422.87
<b>Key Management Personnel</b>		
<b>Director Remuneration</b>		
R. K . Bahri	-	80.06
C K Goel	-	53.93
<b>Closing Balance</b>		
R. K . Bahri	-	80.06
C K Goel	-	53.93
<b>Associate</b>		

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Nature of Transaction

(Rs.in lacs)

Particulars	31st March 2018	31st March 2017
<b>Purchase of Goods</b>		
BHI Limited	-	7.06
<b>Sale of Goods</b>		
Eurocoustic Products Ltd.	-	7.69
<b>Expenses Incurred by/for related party</b>		
Rosoboronterra India Pvt.Ltd.	1.39	-
Eurocoustic Products Ltd.	4.88	0.79
<b>Closing Balance</b>		
Broken Hills International Ltd.	5.00	5.00
BHI Ltd.	78.68	78.68
Rosoboronterra India Pvt.Ltd.	1.50	0.11
Eurocoustic Products Ltd.	44.77	49.65

### Foreign Subsidiary

The Company had invested Rs. 130.34 Crores in 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 filed relief under chapter XI of the title 11 of United states code were filed. Company has provided diminution in the value of investment.

**Note No - 38 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:**

(Rs in Lakhs)

Particulars	3/31/2018	3/31/2017	4/1/2016
Principal Amount due and remaining unpaid	-	-	-
Interest due and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed date during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-

### Note No - 39 Financial instruments:

#### Categories of Financial Instruments:

(Rs. In Lacs)

Particulars	3/31/2018		3/31/2017		4/1/2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
<b>Measured at Amortised cost</b>						
Investment	29.21	29.21	29.21	29.21	29.21	29.21
Trade Receivables	5,828.01	5,828.01	5,956.75	5,956.75	32,043.38	32,043.38
Cash and Cash Equivalents	1,113.04	1,113.04	1,288.05	1,288.05	2,661.24	2,661.24
Loans	7,224.17	7,224.17	7,566.80	7,566.80	8,983.77	8,983.77
Other Current Assets	40,519.74	40,519.74	42,538.97	42,538.97	44,383.89	44,383.89
<b>Total Financial Assets</b>	54,714.17	54,714.17	57,379.78	57,379.78	88,101.49	88,101.49
<b>Financial Liabilities</b>						
<b>Measured at Amortised cost</b>						
Borrowings	46,802.19	46,802.19	44,038.87	44,038.87	44,544.94	44,544.94
Trade Payables	5,982.87	5,982.87	5,982.87	5,982.87	7,234.98	7,234.98
Unclaimed Dividend	28.75	28.75	28.75	28.75	28.75	28.75
Other Current Liabilities	7,219.83	7,219.83	7,219.83	7,219.83	5,312.51	5,312.51
Provisions	813.86	813.86	813.86	813.86	813.19	813.19
<b>Total Financial Liabilities</b>	13,231.44	13,231.44	13,231.44	13,231.44	12,576.24	12,576.24

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 40 First Time Adoption of IND AS Reconciliation

Reconciliation of Balance Sheet as on 31st March 2017 and 1st April 2016

(Rs. In lacs)

Particulars	As at 31st March 2017			As at 01st April, 2017		
	Amount as per previous GAAP	Effects of transition to IND AS	Amount as per IND AS	Amount as per previous GAAP	Effects of transition to IND AS	Amount as per IND AS
<b>ASSET</b>						
<b>(1) Non Current Assets</b>						
(a) Property, Plant and Equipment	164,335.73	-	164,335.73	179,917.23	-	179,917.23
(b) Capital Work-in-progress	8,095.41	-	8,095.41	9,183.45	-	9,183.45
(c) Other Intangible assets	0.19	-	0.19	0.58	-	0.58
(d) Financial Assets		-	-		-	-
(i) Investments	299.28	-	299.28	13,333.62	-	13,333.62
(ii) Loans	4,084.96	-	4,084.96	2,745.40	-	2,745.40
(e) Deferred Tax Assets (Net)	607.38	-	607.38	606.18	-	606.18
<b>(2) Current Assets</b>			-			-
(a) Inventories	5,398.19	-	5,398.19	18,202.53	-	18,202.53
(b) Financial Assets					-	-
(i) Investment	29.21	-	29.21	29.21		
(ii) Trade Receivables	5,956.75	-	5,956.75	32,043.38		
(iii) Cash and Cash Equivalents	1,288.05	-	1,288.05	2,661.24	-	2,661.24
(iv) Loans	7,566.80	-	7,566.80	8,983.77	-	8,983.77
(C) Other Current Assets	42,538.97	-	42,538.97	44,383.89	-	44,383.89
<b>Total Assets</b>	<b>240,200.92</b>	<b>-</b>	<b>240,200.92</b>	<b>312,090.49</b>	<b>-</b>	<b>235,634.00</b>
<b>EQUITY AND LIABILITIES</b>						
<b>(1) Equity</b>						
(a) Equity Share Capital	12,493.45	-	12,493.45	9,893.53	-	9,893.53
(b) Other Equity	(245,281.54)	0.00	(245,281.54)	(179,270.11)	-	-179,270.11
<b>(2) Non-Controlling Interest</b>	<b>-</b>			<b>6,531.57</b>		
<b>Liabilities</b>						
<b>(2) Non Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	388,360.79	-	388,360.79	389,307.11	-	389,307.11
(ii) Trade Payables	26,355.58	-	26,355.58	26,355.58	-	26,355.58
(b) Provisions	1,329.75	-	1,329.75	1,338.44	-	1,338.44
<b>(3) Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	44,038.87	-	44,038.87	44,544.94	-	44,544.94
(ii) Trade Payables (Current)	5,384.28	-	5,384.28	7,234.98	-	7,234.98
(iii) Other Financial Liabilities	28.75	-	28.75	28.75	-	28.75
(b) Provision	855.50	-	855.50	813.19		
(c) Other Current Liabilities	6,635.48	-	6,635.48	5,312.51	-	5,312.51
<b>Total Equity and Liabilities</b>	<b>240,200.92</b>	<b>-</b>	<b>240,200.92</b>	<b>312,090.49</b>	<b>-</b>	<b>304,745.73</b>

### Effect of Ind AS Adoption on total Equity

Statement of Reconciliation of Total Equity as on 31st March 2017

Particulars	As at 31.03.2017 (Audited)
Total Equity as per previous GAAP	(232788.09)
<b>Adjustment-</b>	
As per IND AS	(232788.09)

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

**Note No - 41** In the opinion of the Directors, the Current Assets have a value on realization in the ordinary course of the business, which is at least equal to the amount at which they are stated in the balance sheet.

**Note No - 42** Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.

**Note No - 43** The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**

PARTNER

MEMBERSHIP NO. 38615

Place : Mumbai

Date: 24th May, 2018

**Sd/-**

**Directors**

**1 ASHOK PUNJ**

**2 CK GOEL**

## INDEPENDENT AUDITOR'S REPORT

The Members,

**PSL LIMITED**

### Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **PSL LIMITED** ("the company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. In conducting 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 provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the

overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Emphasis of matter

- i. As a consequence to acute financial stress being faced by the Company in recent years, the Company's networth has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses is further enhanced creating a further adverse impact on the networth.
- ii. The financial statement being prepared on a going concern basis notwithstanding the fact that the Company's net worth is eroded. The company had made reference to BIFR under the provisions of Sick Industrial Companies Act, however, consequent upon recent development of coming into force of a new legislation namely Insolvency and Bankruptcy Code the said reference was abated.
- iii. The financial performance of the Company had deteriorated substantially. 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
- iv. 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
- v. The Company has filed application of Insolvency and Bankruptcy Code: 2016 read with Rule 10 of Insolvency and Bankruptcy before the National Company Law Tribunal (NCLT), Ahmedabad on 29<sup>th</sup> May, 2017.
- vi. Jotun India Pvt. Ltd. had filed application in their pending winding up petition no. 434/2015 before the Bombay High Court praying that the proceedings before NCLT, Ahmedabad Bench in respect of company's corporate resolution process be stayed. The court heard the arguments of the parties and issued orders on 19.07.2017 thereby directing the NCLT, Ahmedabad not to proceed with the Company's resolution process. Thereafter the company also filed a Company application seeking review of the order dated 19-7-2017 with a prayer to call back the said order passed by the Court without jurisdiction. The Bombay High court vide its order dated 5-1-2018 had called back its order and had vacated the stay granted earlier on the proceedings at NCLT, Ahmedabad bench. Consequent to order dated 5-1-2018 of Single Bench the Jotun India Pvt. Ltd. filed an appeal



being Appeal (OS) No. 68 of 2017 before the Division Bench of Bombay High Court which bench again restrained the NCLT, Ahmedabad not to proceed further with company's resolution process. The matter lastly came up for hearing on 3-5-2018 and after hearing the arguments from respective counsels the Court reserved the matter for judgment. The judgment is still awaited.

Edelweiss has filed an application before NCLT, Ahmedabad for intervention and NCLT has kept order reserve.

- vii. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted, as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.
- viii. The Company has reported a Net Loss before tax of Rs. 14,670.61 Lacs for the year ended on 31<sup>st</sup> March, 2018 as against the net loss before tax of Rs. 69,737.89 Lacs for the corresponding period ended on 31<sup>st</sup> March, 2017.
- ix. Since most of the banks which had extended financial facilities to the company have already treated the outstanding from the company as "Non-Performing Assets", they as a usual practice have discontinued making provisions of interest on such loss as accrued income in their books. In order to achieve the desired congruency on this issue the Company has also not provided for any interest amounting to Rs.43,454.08 Lacs on such outstanding facilities for the period ended 31<sup>st</sup> March, 2018 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 14,670.61 Lacs would have risen to Rs. 58,124.69 Lacs.
- x. Sometime back Kandla Port Trust had cancelled the lease of different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and had also taken physical possession of the land. However, on the company approaching Gujarat High Court and Hon'ble High Court having granted stay of Kandla Port Trust orders the Company has not provided for any liability that may arise on this account.
- xi. **Inventory:**
  - a. The closing inventory as on 31<sup>st</sup> March, 2018 of Rs. 2,066.98 Lacs (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.1,707.00 Lacs which is in arbitration stage.
  - b. The Company has done physical inventories on 31<sup>st</sup> March, 2018 and they have certified the realizable value as on 31<sup>st</sup> March, 2018 on physical / saleable ground.
- xii. **Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.**
  - a. Although company's three plants handed over to Jindal Tubular (India) Limited (JTIL) in mid 2015 were returned to the company during September to November, 2016, JTIL has yet to return to the company part of the plant and machinery shifted by it contrary to the provisions of their agreement with the company.  
  
As per the advice of Edelweiss, JTIL is transferring Rs 9.80 Lacs after deducting tax of Rs 0.2 Lacs every month to Company's bank account, thought there was no agreement for the same.
  - b. The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat

credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004

Sl. No.	Show Cause Notice	Amount in Rs Lacs
1.	Varsana 1	71.71
2.	Varsana 2 Coating	486.28
3.	Varsana 2 Pipe Mill	552.20
	<b>Total Rs.</b>	<b>1,110.20</b>

The Company has submitted that the allegations made in the show cause notices are not correct in law as well on facts. The matter is pending before the appellant authority.

- c. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs.437.00 Lacs. However the PSL Statements are showing outstanding of Rs.408.00 Lacs including Rs.155.00 Lacs on account of legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.
- xiii. **Settlement with JSW**  
  
The Company has created pari passu charge with respect to immovable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited.
- xiv. **Lender Banks' Balance Confirmation as on 31<sup>st</sup> March, 2018**  
  
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 31<sup>st</sup> March, 2018 but the same have not yet been issued. Pending balance confirmation, book balances as on 31<sup>st</sup> March, 2018 have been taken in the accounts of the Company.
- xv. **Assignment of entire Financial Assistance granted by ICICI Bank to the Company to "Edelweiss Assets Reconstructions Co. Ltd."**
  - a. M/s. Edelweiss Assets Reconstruction Co. Ltd. has informed that pursuant to an Assignment Agreement executed by ICICI Bank, State Bank of India, Axis Bank Ltd. and Yes Bank Ltd., in favour of Edelweiss Assets Reconstructions Co. Ltd. on various dates, the banks have assigned all its rights, title and interest in financial assistances granted by all three banks to PSL Limited in favour of M/s. Edelweiss Asset Reconstruction Co. Ltd. Pursuant to this, M/s. Edelweiss Asset Reconstruction Co. Ltd., is now the biggest secured lender of the company.
  - b. M/s. Assets Care & Reconstruction Enterprise Ltd., has informed that pursuant to an Assignment Agreement executed by DBS Bank Ltd., in their favour on 29th March 2017, DBS Bank Ltd., has assigned all its rights, title and interest in financial assistances granted by them to PSL Limited in favour of M/s. Assets Care & Reconstruction Enterprise Ltd.

## xvi. Sundry Debtors:

- a. The Company has Sundry Debtors of Rs. 658.70 Lacs as on 31st March, 2018

Less than Six Months	Rs.176.60 Lacs
More than Six Months	Rs.482.10 Lacs

- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2018. 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 31st March 2018.

## xvii. Trade payable &amp; Loans and Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2018, provision for any adverse variation in the balances is not quantified.

## xviii. Due to Micro and Small Suppliers:

This information is not provided by the Company.

**xix. Impairment of Assets:** The Management has not carried out evaluation of impairment of assets and no provision for impairment has been recorded, as required by Indian Accounting Standard.

**xx. Investment in Subsidiaries:**

## A. Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Mauritius

- a) The Company had invested Rs. 14,163.45 Lacs 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 diminution in the value of investment as per Indian Accounting Standard issued by institute of Chartered Accountants of India.

PSL Limited has also not provided for amounts due from PSL FZE being doubtful of recovery on account of losses incurred by PSL FZE.

- 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 30.848 Mio. The interest on the loans from various banks has not been provided. Also in some cases company was not able to make the payment on due date of installment due to the banks. The bank balance confirmations were not available.
- d) PSL FZE has executed a project received from SWCC. Bank of Baroda has given guarantee in favour of State Bank of India, 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 31-3-2018.

- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.

- f) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 113.15 Million AED against Plant & Machinery, assignment of receivable and inventory as the security and the subordination of unsecured loans advances by PSL Ltd. and assets on pari passu basis with one of the banker.

- g) Term Loan 133.10 million AED - The Term Loan due to ICICI Bank, Bahrain is secured by charge on the fixed asset of PSL FZE and Corporate Guarantee issued by PSL Limited.

- ii) PSL USA INC (USA), PSL NA LLC (USA) (Step down Subsidiary)

- a) The Company had invested Rs. 13,034.34 Lacs in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded.

- b) 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, and no liabilities (related with non fund base facilities like LC, BG, etc) is pending of PSL India in USA. During previous year the company has written off Rs. 13,034.34 Lacs invested in USA.

## B. Indian Subsidiaries:

- i) PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL Port & Infrastructure Limited is Rs. 2,821.00 Lacs.

- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs. 6,511.00 Lacs.

- 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

- ii) PSL Corrosion Control Services Ltd.

The total Revenue for the year stood at Rs. 7,919.22 Lacs against previous year of Rs. 6,892.50 Lacs. The Net Profit is Rs.59.25 Lacs. In our opinion and explanation given to us, the Guarantees given by the Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company

- iii) PSL Gas Distribution (P) Ltd.

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

**xxi. Legal Matters:**

- a. Initially five complaints were filed by two banks Syndicate Bank and Kotak Mahindra Bank Ltd. under the relevant provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one complaint has been scrapped with respect to some of the Directors and matters are now pending for disposal. These matters are still pending in 16<sup>th</sup>/63<sup>rd</sup> MM Court, Andheri, Mumbai and the next date of hearing are fixed

Next date of Syndicate Bank hearing on 08.06.2018 & Kotak Mahindra Bank is on 20.06.2018.

- b. Five Petitions have 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 petitions w.r.t. 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. Interim orders earlier passed by the court restraining KPT from implement in the compensation bills continue to operate. The matters are pending High Court (Cut off).

- c. On the basis of a complaint filed to them by Aditya Birla Finance Ltd. – an unsecured creditor of the company Economic Offences Wing (EOW) of Delhi Police had registered a FIR against the Company, its Managing Director, its Whole Time Directors and another official. The company has moved Delhi High Court under section 482 of IPC whereas the other accused including Managing Director and Whole Time Directors have filed writ petitions with Delhi High Court praying for quashing of the said FIR on the ground that no criminality has been committed by them and that the complaint of ABFL against the Company is purely of civil nature. The next date of hearing of the case is 07.07.2018

All the three petitions are under active consideration by Delhi High Court.

- d. **The Economic Offence Wing of Crime Branch of Delhi Police on complaint of Aditya Birla Finance Limited (ABFL) – lender of the Company.**

The action taken by EOW, Delhi Police consequent to which some of the Company's Bank Accounts at various locations were freezed. The Court of ACMM on 1/7/2016 had allowed the defreezing of five bank accounts which can now be operated by the company. However, the money freezed earlier shall remain freezed and cannot be utilized by the company till investigation is complete and / or till further orders in this regard. However, recently Edelweiss Assets Reconstructions Co. Ltd. (EARC) which has acquired the debts of three lenders of the company has filed an application before the court of ACMM with a prayer that the amount of Rs.1,139.00 Lacs FD lying to the credit of three freezed Bank accounts be allowed to be appropriated by all the CDR Lenders on pro-rata basis. The proceedings are in progress. Next date is 07.08.2018

- e. **Action taken by the Kotak Mahindra Bank Limited under the provisions of SARFAESI Act, 2002**

Kotak Mahindra Bank Limited - one of the lenders of the company had a mortgage in their favour with respect to some parcels of company's land at Nanicherai at District

Kutch, Gujarat. Since the company could not pay its debt to the said bank, the latter initiated action under the provisions of SARFAESI Act to secure the physical possession of the said parcels of land. Although District Magistrate, Kutch had vide his order permitted the handing over of the physical possession of the land in question, the company could successfully challenge the same in Gujarat High Court which recommended the case to the District Magistrate to consider company's pleas afresh. While after considering the matter afresh, District Magistrate has passed fresh order against the company. The District Magistrate has directed the Mamlatdar Anjar & Bachau to take the possession of Mortgaged land by giving 15 days' notice to the company. The Company has now filed a special Leave Application before the Gujarat High Court against the Order of the District Magistrate, next hearing of which is on 04.07.2018

- f. **Indian Bank, Nariman Point, Mumbai**

Issued Notice to the Company and Directors to pay Rs.6,458.00 Lacs and Bank Guarantee Rs.322.00 Lacs due to them and threatened to initiate legal proceedings. However no legal action has been initiated by the said Bank.

- g. **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.

- h. **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. However no action has been taken by the said Bank.

- i. M/s. Harjivandas Hathi Patel, Partnership concern has filed a Suit No. 4460 of 2016 against the company small causes at Ahmedabad against their dues. The matter is sub-judice.

- j. **Company's petition against Andhra Pradesh Industrial Infrastructure Corporation (APIIC)**

Having felt aggrieved by the decision of APIIC to resume the possession of two plots earlier allotted by it to the company has filed writ petitions in Hyderabad High Court challenging APIIC's decision. While the Hon'ble High Court having examined the company's grievance has granted a stay in company's favour, the matter is still pending for final adjudication.

**Report on Other Legal and Regulatory Requirements**

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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by Section 143 (3) of the Act, we report that:

- a) Except the matters described in Emphasis of Matters Paragraphs (i) to (xxi) and annexure A Para No. vii(a), in our opinion, may have an adverse effect on the functioning of the Company, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

- 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 appears from our examination of those books.
- d) the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow 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 31<sup>st</sup> March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, from being appointed as a 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 the 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) Rule, 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 Notes to the financial statements;.
  - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
  - iii. unpaid dividend which is required to be transferred, to the Investor Education and Protection Fund by the Company, however the same has not been transferred by the Company.

**FOR AND ON BEHALF OF  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W**

**MUMBAI,  
DATED : 24<sup>TH</sup> MAY, 2018**

**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615**

## ANNEXURE - A TO THE AUDITORS' REPORT

### ANNEXURE-A to the Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31<sup>st</sup> March, 2018, we report that:

- (i) (a) The Company has maintained 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 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 31-3-2018 have been adopted.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The title deeds of the immovable properties are held in the name of the Company.
- (ii) (a) Subject to our remark in point No. (xi) 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.
- (b) In our opinion and according to the explanations given to us, the procedures for physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were observed during the course of physical verification.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) 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 subsection (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 31<sup>st</sup> March, 2017. The Cost Audit Report is mandatory u/s 148(1) of the Companies Act 2013.
- (vii) a. According to the records of the Company, the Company is generally 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 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
- b. As on 31<sup>st</sup> March, 2018 according to the records of the Company the following are the particulars of disputed dues on account of Excise duty, Customs/DGFT, Service Tax, Sales Tax and Civil Cases 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
<b>EXCISE DUTY</b>				
1.	3828	Demand of Duty on exempted orders	2006	O-I-O No. 26/BVR/Commissioner/09 dt. 24-2-2009 passed and confirmed the demand. The final Order is yet to be passed by the Commissioner, Bhavnagar.
2.	1467	Duty on Fusion Bonded Epoxy Coating	2008	CESTAT, Ahmedabad
3.	8	Duty on Fusion Bonded Epoxy Coating	2010	Commissioner (Appeals), Chennai
4.	3	Demand of differential Excise Duty	2011	CESTAT, Chennai
5.	10	Relating to interest on incorrect Cenvat Credit	2010	Tribunal Bangalore
6.	6.78	Demand of interest & penalty for wrong availment of Cenvat Credit	2010	CESTAT, Mumbai
7.	9	Goods cleared without payment of Excise Duty	2012	Appeal filed before the Supreme Court.
8.	31	Wrong availment of Cenvat of GTA (Inward Freight)	2011	Commissionerate Jaipur



Sr. No.	Amount under Dispute (Rs. In Lacs)	Facts of the Case	Period which the amount relates	Forum where the dispute is pending
9.	9	Cenvat credit availed on capital goods	2012	Transferred back to Tribunal Ahmedabad
10.	54	Demand of Central Excise Duty	2012	CESTAT, 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.	202.79	None Payment of Excise Duty	2013	CESTAT, Ahmedabad
14.	56.61	Short Reversal of Cenvat Credit	2013	CESTAT, Ahmedabad
15.	29.85	Recovery of Refund erroneously paid to us by Ex. Deptt	2014	High Court of Gujarat.
16.	1.54	Demand of Excise Duty, interest and penalty	2015	Asstt. Commissioner, Jaipur
17.	71.71	Non reversal of Cenvat Credit on Capital goods & machinery	2016	CESTAT, Ahmedabad
18.	552.21	Non reversal of Cenvat Credit on capital goods and machinery	2016	CESTAT, Ahmedabad
19.	486	Non reversal of Cenvat Credit on capital goods and machinery	2016	CESTAT, Ahmedabad
<b>CUSTOMS / DGFT</b>				
1.	871.13	Wrong availment of customs duty –HDPE	2012	CESTAT, Ahmedabad
2.	374.86	Demand of Custom duty on duty import of material under Advance Authorization no. 310700974 DT. 30.08.2017	2012-13	Assistant Commissioner (EODC), Customs, Kandla.
3.	10759.99	Demand of Custom duty on import of materials under Advance Authorization No. 0310541220 dtd. 09.10.2009	2009-10	Assistant Commissioner (EODC), Customs, Kandla.
4.	12.99	Demand of differential amount of duty on import of HDPE disallowing benefits of exemption notification.	2012	CESTAT, Ahmedabad
<b>SERVICE TAX</b>				
1.	45	Tax on construction of Mall	2008	Tribunal, Chennai
2.	2	Service Tax	2009	Asst. Commissioner (Appeals), Service-tax, Vizag
3.	2	Demand of Service Tax BAS	2010	CESTAT, Mumbai
4.	6	Service Tax on ECB Loan	2011	Addl. Commissioner, Service Tax, Mumbai
5.	6	Cenvat credit availed on input services not covered	2012	Add. Commissioner of C. Ex., Vizag-!Commissionerate
6.	20.9	Wrong availment of Cenvat Credit	2012	CESTAT, Ahmedabad
7.	30.45	Cenvat credit availed on service tax paid on agency commission	2013	CESTAT, Ahmedabad
8.	123.42	Short payment of Service-tax	2016	Commissioner of Central Excise, Gandhidham
9.	11	Interest not paid on belated payment of service-tax	2016	Commissioner of Central Excise, Puchcherry
<b>SALES TAX</b>				
1.	3	Appeal u/s 83 of Rajasthan VAT Act – Appeal No. 2208/13/JPR dt. 23.7.2014		Rajasthan Tax Board – Ajmer – Dept. filed the appeal eg. Order passed in favour of PSL
2.	22.88	Sales tax on Freight – Appeal No. 139/2016 dt. 13-1-2016	2009-10	Rajasthan Tax Board – Ajmer
3.	0.81	Sales tax on Freight – Appeal No. 140/2016 dt. 13-1-2016	2010-11	Rajasthan Tax Board – Ajmer
4.	120.35	Sales tax on Freight – Appeal No. 141/2016 dt. 13-1-2016	2010-11	Rajasthan Tax Board – Ajmer
5.	34.94	Sales tax on Freight – Appeal No. 142/2016 dt. 13-1-2016	2011-12	Rajasthan Tax Board – Ajmer
6.	11.10	Sales tax on Freight – Appeal No. 143/2016 dt. 13-1-2016	2012-13	Rajasthan Tax Board – Ajmer
7.	1.29	Sales tax on Freight – Appeal No. 144/2016 dt. 13-1-2016	2013-14	Rajasthan Tax Board – Ajmer

Sr. No.	Amount under Dispute (Rs. In Lacs)	Facts of the Case	Period which the amount relates	Forum where the dispute is pending
8.	0.01	Sales-tax on Freight	2014-15	Rajasthan Tax Board – Ajmer
9.	144.01	Sales in Course of Import	2002-03	Hearing under progress in Appellate Tribunal
10.	460.68	Levy of tax @ 12.5% on pipes instead of 4%	2003-04	AP High Court
11.	306.76	Levy of tax @ 12.5% on pipes instead of 4%	2004-05	AP High Court
12.	125.01	Work Contract	2008-09	Appeal filed before Tribunal
13.	178	ST Exemption	2000-01	Appeal in High Court Ahmedabad
14.	10	Interest & Penalty	2000-01	Appeal in High Court Ahmedabad
15.	844	8% cst Re Assessment & Bombay High Sales	2005-06	Appeal filed – Rajkot
16.	41	WCT/Form – C Addl. Int/Penalty	2007-08	Appeal Filed – Rajkot – Stay Obtained
17.	1499	WCT/Form – C Addl. Int/Penalty	2008-09	Appeal Filed – Rajkot – Stay Obtained
18.	35	Export Sales (Bombay High) treated as Interstate sales	2010-11	Commissioner – Rajkot
19.	66	Interest on delayed payment of VAT/CST for the year 2012-13 as per Assessment Order	2012-13	Appeal under progress at Commissioner-Rajkot
20.	26	Gujrat Sales Tax	2013-14	Appeal is being filed at RAJKOT
21.	156	Sales to Siemens Ltd under SEZ, disallowed and Export Sales (Bombay High) treated as Interstate Sale	2011-12	Commissioner- Rajkot Stay Obtained
Entry Tax				
1.	5.89	Entry Tax Jaipur	2008-09	N/A
2.	14.71	Entry Tax Jaipur	2009-10	
3.	5.01	Entry Tax Jaipur	2010-11	
4.	6.45	Entry Tax Jaipur	2011-12	
5.	8.56	Entry Tax Jaipur	2012-13	
6.	0.08	Entry Tax Jaipur	2013-14	
7.	0.02	Entry Tax Jaipur	2014-15	
Show Case Notice				
1.	105	Payment of Service Tax	2005-06	High Court – Mumbai
Civil Cases				
1.	2.64	Harjivandas Hathibhai Patel, Varsana	2016	Small Cause Court – Ahmedabad
2.	3.68	Ravi Sales & Services, Jaipur	2016	Addl. Civil June - Kalol
3.	25.10	Deversh Engineers, Jaipur		Hon'ble Civil Judge (S.D.) District (Rural) Court at Ahmedabad
4.	3.34	Sicoil Industrial Gases Ltd., Jaipur		

c DGFT:

The Company has taken 5 Advance Licences and one Annual Advance Licence from DGFT. The Company has already done the export obligation and submitted the relevant papers to DGFT. However, the above Licences are not closed and the matter is pending with DGFT. The Company has shown contingent liability of Rs. 25,322.00 Lac s

- (viii) In our opinion and according to information and explanation given to us, The Company has defaulted in repayment of loan and borrowings to financial institution, bank and Govt. The lenders balance confirmations were not available.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. And the Money raised by way of term loans were applied for the purposes for which those are raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Reasons for Unfavourable Report**

1. 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.
2. The Company has filed application of Insolvency and Bankruptcy Code: 2016 read with Rule 10 of Insolvency and Bankruptcy before the National Company Law Tribunal (NCLT), Ahmedabad on 29th May, 2017. Edelweiss and JIPL filed an application before NCLT, Ahmedabad for intervention and NCLT has kept order reserve for Edelweiss and Jotun India Pvt. Ltd.

**FOR AND ON BEHALF OF****V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W****RASESH V. PAREKH  
PARTNER  
MEMBERSHIP NO. 38615****MUMBAI,  
DATED : 24<sup>TH</sup> MAY, 2018**

## 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 31<sup>st</sup> March 2018 in conjunction with our audit of the standalone Ind AS 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 standalone Ind AS 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 standalone 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 standalone 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 31<sup>st</sup> March 2018, 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 AND ON BEHALF OF

**V. PAREKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGN NO. 107488W**

**RASESH V. PAREKH**  
**PARTNER**  
**MEMBERSHIP NO. 38615**

MUMBAI,  
 DATED : 24<sup>TH</sup> MAY, 2018

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(Rs. In Lacs)

Particulars	Note no.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSET</b>				
<b>(1) Non Current Assets</b>				
(a) Property, Plant and Equipment	3	132,665.93	143,842.86	156,310.67
(b) Capital Work-in-progress		-	-	1,113.59
(c) Other Intangible assets	3A	0.10	0.19	0.58
(d) Financial Assets				
(i) Investments	4	17,426.73	17,426.73	30,461.07
(ii) Loans	5	2,677.37	3,351.36	1,959.00
(e) Deferred Tax Assets (Net)	15	-	604.57	604.57
(f) Other Non-Current Assets			-	-
		<b>152,770.13</b>	<b>165,225.71</b>	<b>190,449.48</b>
<b>(2) Current Assets</b>				
(a) Inventories	6	2,066.98	1,951.96	15,637.59
(b) Financial Assets				
(i) Trade Receivables	7	658.70	963.32	28,723.19
(ii) Cash and Cash Equivalents	8	420.25	609.68	1,604.28
(iii) Loans	9	5.63	40.64	46.75
(c) Other Current Assets	10	42,463.70	44,979.52	48,451.26
		<b>45,615.26</b>	<b>48,545.12</b>	<b>94,463.07</b>
<b>Total Assets</b>		<b>198,385.39</b>	<b>213,770.83</b>	<b>284,912.55</b>
<b>EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity Share Capital	11	12,493.45	12,493.45	9,893.53
(b) Other Equity	12	(243,115.67)	(227,840.48)	(155,515.52)
		<b>(230,622.22)</b>	<b>(215,347.03)</b>	<b>(145,621.99)</b>
<b>Liabilities</b>				
<b>(2) Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	387,016.72	388,022.79	388,637.11
(ii) Trade Payables		26,355.58	26,355.58	26,355.58
(b) Provisions	14	1,276.29	1,329.75	1,338.44
		<b>414,648.59</b>	<b>415,708.12</b>	<b>416,331.13</b>
<b>(3) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade Payables (Current)	16	1,327.60	515.77	2,512.53
(iii) Other Financial Liabilities	17	28.75	28.75	28.75
(b) Other Current Liabilities	18	13,002.67	12,865.21	11,662.13
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)		-	-	-
		<b>14,359.02</b>	<b>13,409.73</b>	<b>14,203.41</b>
<b>Total Equity and Liabilities</b>		<b>198,385.39</b>	<b>213,770.83</b>	<b>284,912.55</b>
Significant Accounting Policy	1 to 2			
The accompanying Notes are an integral part of Financial Statements.	1 to 25			

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**  
 CHARTERED ACCOUNTANTS  
 ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**  
 PARTNER  
 MEMBERSHIP NO. 38615

Place : Mumbai  
 Date: 24th May, 2018

Sd/-  
 Directors

1 ASHOK PUNJ

2 CK GOEL

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

		(Rs. In Lac)	
Particulars	Note No	Year Ended 31st March, 2018	Year Ended 31st March, 2017
I Revenue From Operations	19	5,105.21	1,905.43
II Other Income	20	1,067.79	510.75
<b>III Total Income (I+II)</b>		<b>6,173.00</b>	<b>2,416.18</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	21	695.53	1,523.93
Purchases of Stock-in-Trade		NIL	NIL
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	(223.54)	10,270.47
Employee benefits expense	23	2,545.67	2,063.06
Finance costs	24	12.55	86.43
Depreciation and amortization expense	3 & 3A	11,193.49	14,049.37
Other expenses	25	6,619.91	31,126.46
<b>Total expenses (IV)</b>		<b>20,843.61</b>	<b>59,119.72</b>
<b>V Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>(14,670.61)</b>	<b>(56,703.54)</b>
VI Exceptional Items			13,034.34
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(14,670.61)</b>	<b>(69,737.89)</b>
VIII Tax expense:			
(1) Current tax		NIL	NIL
(2) Deferred tax		604.57	NIL
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(15,275.18)</b>	<b>(69,737.89)</b>
X Profit/(loss) from discontinued operations		NIL	NIL
XI Tax expense of discontinued operations		NIL	NIL
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		NIL	NIL
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>(15,275.18)</b>	<b>(69,737.89)</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		NIL	NIL
(ii) Income tax relating to items that will not be reclassified to profit or loss		NIL	NIL
B (i) Items that will be reclassified to profit or loss		NIL	NIL
(ii) Income tax relating to items that will be reclassified to profit or loss		NIL	NIL
<b>XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>(15,275.18)</b>	<b>(69,737.89)</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
(1) Basic		(1.22)	(5.58)
(2) Diluted		(1.22)	(5.58)
<b>XVII Earnings per equity share (for discontinued operation):</b>			
(1) Basic		NIL	NIL
(2) Diluted		NIL	NIL
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		(1.22)	(5.58)
(2) Diluted		(1.22)	(5.58)

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**

PARTNER

MEMBERSHIP NO. 38615

**Sd/-**
**Directors**
**1 ASHOK PUNJ**
**2 CK GOEL**

Place : Mumbai

Date: 24th May, 2018



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

[Rs. In lacs]

Particulars	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	(14,670.61)	(69,737.89)
Add: Extraordinary Item	Nil	13,034.34
Profit before tax and extraordinary item	(14,670.61)	(56,703.55)
Adjusted to Reconcile Profit before tax to net cash flows		
Depreciation	11,193.49	14,049.37
OTHER BORROWING COST	12.55	86.43
Interest received	(493.74)	(172.75)
Non Operating Income	(525.02)	(31.62)
Prior Year Expenses	Nil	(215.39)
Movements in Working Capital		
Decrease/(increase) in Inventories	(115.03)	13,685.63
Decrease/(Increase) in Trade Receivables	304.65	27,759.84
Decrease/(Increase) in Short Term Loans & Advances	354.76	2,573.07
Increase/Decrease in Other Current Liabilities	949.29	1,203.09
Gratuity Provision Written Off	(53.46)	(8.69)
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(3,043.12)</b>	<b>2,225.43</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Tangible Fixed Assets	(16.56)	(1,580.80)
Acquisition of Intangible Assets	0.09	(0.39)
Interest Received	336.42	15.60
Decrease in Capital WIP	Nil	1,113.59
Net Investment in FDR	Nil	(575.32)
Other Non Operating Income	525.02	31.62
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>844.97</b>	<b>(995.70)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Loans and Advances	3,027.36	244.95
Repayment of Long Term Borrowings	(1,006.07)	(2,611.08)
Proceeds from Issue of Shares	Nil	2,599.92
Security Premium on Share Issue	Nil	4,159.88
Share application money pending allotment	Nil	(6,531.57)
Other Borrowing Cost	(12.55)	(86.43)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>2,008.74</b>	<b>(2,224.33)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND [A+B+C]</b>	<b>(189.43)</b>	<b>(994.60)</b>
<b>CASH AND CASH EQUIVALENT - OPENING [A]</b>	<b>609.68</b>	<b>1,604.28</b>
<b>CASH AND CASH EQUIVALENT - CLOSING [B]</b>	<b>420.25</b>	<b>609.68</b>
	<b>[B-A]</b>	<b>(189.43)</b>

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**

PARTNER

MEMBERSHIP NO. 38615

Place : Mumbai

Date: 24th May, 2018

Sd/-

Directors

**1 ASHOK PUNJ****2 CK GOEL**

# STATEMENT SHOWING CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018

Statement showing changes in Equity for the year ended 31st March 2018

(Amount in Lacs.)

## A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
12493.45	-	12493.45

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	share Application Money Pending allotment	
Balance at the beginning of the reporting period	0.00	54589.61	0.00	(282430.10)	0.00	(227840.49)
Profit for the year	-	-	-	(15275.18)	-	(15275.18)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Remeasurements of the defined benefit plans	-	-	-	-	-	-
Any other change	-	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>0.00</b>	<b>54589.61</b>	<b>0.00</b>	<b>(297705.28)</b>	<b>0.00</b>	<b>(243115.67)</b>

Statement showing changes in Equity for the year ended 31st March, 2017

(Amount in Rs.)

## A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
9893.53	2599.92	12493.45

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	share Application Money Pending allotment	
Balance at the beginning of the reporting period	7195.57	50429.73	51400.00	(271072.39)	6531.57	(155515.52)
Profit for the year	-	-	-	(69737.89)	-	(69737.89)
Changes in accounting policy or prior period errors	-	-	-	-	-	0.00
<b>Restated balance at the beginning of the reporting period</b>	-	-	-	-	-	0.00
Total Comprehensive Income for the year	-	-	-	-	-	0.00
Transfer to retained earnings	(7195.57)	-	(51400.00)	58595.57	-	0.00
Remeasurements of the defined benefit plans	-	-	-	-	-	0.00
Any other change	-	4159.88	-	(215.39)	(6531.57)	(2587.08)
<b>Balance at the end of the reporting period</b>	<b>0.00</b>	<b>54589.61</b>	<b>0.00</b>	<b>(282430.10)</b>	<b>0.00</b>	<b>(227840.48)</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

Statement showing changes in Equity as at 1st April, 2016

(Amount in Rs.)

## A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital	Balance at the end of the reporting period
9893.53	0.00	9893.53

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	share Application Money Pending allotment	
Balance at the beginning of the reporting period	7195.57	50429.73	51400.00	(271072.39)	6531.57	(155515.52)
Changes in accounting policy or prior period errors						-
Fair Valuation changes and deferred tax thereon						-
<b>Restated balance at the beginning of the reporting period</b>	<b>7195.57</b>	<b>50429.73</b>	<b>51400.00</b>	<b>(271072.39)</b>	<b>6531.57</b>	<b>(155515.52)</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No. 1 - General Information:

- a) PSL Limited (the Company), is a public limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Kachigam, Daman, Union Territory of Daman & Diu - 396210.
- b) The Company is primarily engaged in manufacture and supply of anti corrosive coated steel pipe and services to pipe industry such as induction pipe bending, sacrificial anodes, job work on free issue coils from vendors and anti corrosive treatment to pipes.

### Note No. 2 – Significant Accounting Policies

#### I. Statement of compliance:

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. The previously mentioned financial statements have been approved by the Board of Directors in the meeting held on 24th May 2018. For all periods up to and including the year ended 31 March 2018, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first Ind AS Standalone Financial Statements of the Company. The date of transition to Ind AS is 1st April 2016.

Refer note 1(XX) below for the details of first-time adoption exemptions availed by the Company.

#### II. Basis of preparation of financial statements

- i) In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2017. Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2018, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements"). The figures for the previous year ended 31st March, 2017 and Opening Balance Sheet as on 1st April, 2016 have also been reinstated by the Management as per the requirements of Ind AS.
- ii) The financial statements of the Company are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) on the accrual basis of accounting and historical cost convention except for certain material items that have been measured at fair value as required by the relevant Ind AS and explained in the ensuing policies below.

- iii) The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest lakhs, except otherwise indicated.

#### III. Use of estimates and judgments

- i) The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.
- ii) The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods. The critical accounting judgements and key estimates followed by the Company for preparation of financial statements are described in note XX.

#### III Operating cycle for current and non-current classification:

- i) Operating cycle for the business activities of the company covers the duration of the specific project/ contract/project line/service including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective lines of business. For non-project related assets and liabilities, operating cycle is 12 months.

#### IV. Property plant and equipment:

The Company has exercised the option as provided in **Para D7AA** of IND AS 101: First Time Adoption of Indian Accounting Standards and accordingly the carrying amount of all the PPE as at 31st March 2015 under the previous IGAAP have been considered as deemed cost.

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of property, plant and

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation is provided based on useful life of the assets and based on method as prescribed in Schedule II to the Companies Act, 2013 except in respect of Construction Equipment category. For Construction Equipment category, estimated useful life of assets is taken different from the useful life indicated in Schedule II to the Companies Act, 2013, it is based on technical advice and after taking into account the nature of the assets, their estimated usage, their operating conditions, past history of replacement, anticipated technological changes, manufacturer's warranties and maintenance support. Property, plant and equipment, which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion.

### V. Intangible assets

- i) Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.
- ii) Certain computer software costs are capitalized and recognised as intangible assets based on materiality, accounting prudence and significant benefits expected to flow therefrom for a period longer than one year.

### VI. Depreciation / 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

### VII. Borrowing cost

- Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.
- The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

- The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

### VII. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

### VIII. Inventories:

The Raw Materials are valued at cost and stores spares and consumables valued at realizable value, which is arrived on FIFO basis. Work in progress, Semi Finished Goods and Finished Goods are valued at cost or at the net realizable value, whichever is lower. Cost of Inventories comprises of all costs of purchase (other than refundable duties and taxes) cost of conversion and other costs incurred in bringing the inventories in 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.

### IX. Foreign currency transactions and foreign operations.

- a) The functional currency of the Company and its subsidiaries is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).
- b) In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.
- c) At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- d) Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
- e) Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:
  - exchangedifferences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
  - exchange differences on transactions entered into in order to hedge certain foreign currency risks
  - exchange difference arising on settlement / restatement of long-term foreign currency monetary items recognised in the financial statements for the year ended 31st March 2017 prepared under

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

previous GAAP, are capitalized as a part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary item, whichever is earlier and charged to the Statement of Profit and Loss. The un-amortised exchange difference is carried under other equity as "Foreign currency monetary item translation difference account" net of tax effect thereon, where applicable. All exchange differences on foreign currency monetary items originating after March, 2017 including those relating to fixed assets are charged off to statement of profit and loss.

### X. Employee benefits

The Company has following post-employment plans:

#### i) Defined benefit plans – gratuity

- The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligation is calculated annually by actuaries through actuarial valuation using the projected unit credit method.
- The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:
  - ✓ Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements
  - ✓ Net interest expense or income
- The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.
- Re-measurement comprising of actuarial gains and losses arising from
  - ✓ Re-measurement of Actuarial (gains/ losses)
  - ✓ Return on plan assets, excluding amount recognized in effect of asset ceiling
  - ✓ Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.
- Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other

comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

#### ii) Defined contribution plans - Provident Fund

- Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

- A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

#### iii) Short-term and other long-term employee benefits

- A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.
- Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

#### a) Share-based payment arrangements

- i) Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.
- ii) The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

The Company has created an Employee Benefit Trust for providing share-based payment to its employees. The group uses the Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Parent Company from the market, for giving shares to employees. The group treats Trust as its extension and shares held by the Trust are treated as treasury shares.

### XI. Taxation

- i) Income tax comprises current and deferred tax. Income tax expense is recognised in the statement of profit and loss except to the extent it relates to items directly recognised in equity or in other comprehensive income.
- **Current tax-** Current tax is the amount of tax payable based on the taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
- **Deferred Tax-**
  - ✓ Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.
  - ✓ Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

- ✓ The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
- ✓ Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- ✓ Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.
- ii) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.
- iii) Current and deferred tax for the year: Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### XII. Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) for the year by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) for the year as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### XIII. Provisions, contingencies and commitments

- i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- ii) The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).
- iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv) A disclosure for contingent liabilities is made where there is-
  - a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
  - a present obligation that arises from past events but is not recognised because:
    - ✓ it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
    - ✓ the amount of the obligation cannot be measured with sufficient reliability.
- v) A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.
- vi) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- vii) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.
- viii) Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### XIV. Financial instruments

Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

#### Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

#### Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- a) the entity's business model for managing the financial assets and
- b) the contractual cash flow characteristics of the financial asset.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Statement of Profit and Loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to Statement of Profit and Loss.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in Statement of Profit and Loss and is included in the "Other income" line item.

### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held

for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

For financial assets other than trade receivables, the Company recognises 12-months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in Statement of Profit and Loss if such gain or loss would have otherwise been recognised in Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## XV. Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

All Financial liabilities are measured at amortized cost using effective interest method or fair value through profit and loss. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or it
- is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; the



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

- financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in Statement of Profit and Loss. The remaining amount of change in the fair value of liability is always recognised in Statement of Profit and Loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to Statement of Profit and Loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in Statement of Profit and Loss.

### Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

## XVI. Derivative financial instruments

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### XVII. Reclassification of financial assets and liabilities:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and the how they are accounted for:

Original Classification	Revised Classification	Accounting Treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### XVIII. Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

#### The Company as lessor:

Rental income from operating leases is generally recognized on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### The Company as lessee:

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments (discounted at the interest rate implicit in the lease or at the entity's incremental borrowing rate). The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

### Accounting for arrangements in the nature of lease:

Under appendix C to Ind AS 17, an entity may enter into an arrangement comprising a transaction or a series of related transactions, that do not take the legal form of lease but conveys a right to use an asset in return for a payment or series of payments. Arrangements meeting these criteria should be identified as either operating leases or finance leases.

For determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether:

- fulfilment of the arrangement is dependent on the use of specific asset or assets; and
- the arrangement conveys a right to use the asset.

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 17 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 17– Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

### XIX. First time adoption – mandatory exceptions, optional exemptions Overall principle.

The Company has prepared the opening Balance Sheet as per Ind AS as at 1st April, 2016 (the transition date) by,

- Recognising all assets and liabilities whose recognition is required by Ind AS,

- Not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS,
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below.

- Deemed cost for property, plant and equipment and intangible assets including capital work in progress and intangible assets under development. The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets including capital work in progress and intangible assets under development recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.
- Deemed cost for investments in subsidiaries, associates and joint ventures. The Company has elected to continue with the carrying value of all of its investments in subsidiaries, joint ventures and associates recognised as at 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.
- De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1st April, 2016 (the transition date).

- Designation of previously recognised financial instruments
- Impairment of financial assets

The Company has designated financial liabilities and financial assets at fair value through profit or loss on the basis of facts and circumstances that existed at the date of transition to Ind AS.

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### XX. Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### XXI. Recent accounting pronouncements

- (a) Ind AS-115 Revenue from Customers On March 28, 2018 Ministry of Corporate Affairs ("MCA") has notified the Ind AS-115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue when the control of goods or services underlying the particular performance obligation is transferred to customers. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainties of revenue and cash flows arising from the underlying terms and conditions of the contract between the entity and customer. An entity may choose to apply the new standard to its historical transactions and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information (Catch up Transition Method). The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs. The standard is effective for annual periods beginning on or after 1st April, 2018. The Company is currently evaluating the requirements of Ind AS 115, and has not yet determined the impact on the financial statements. BCL AR 2017-18. indb 49 CL AR 2017-18.indb 49 6/22/2018 5:30:38 PM /22/2018 5:30:38 PM 50 BIRLA CABLE MP BIRLA GROUP

- (b) **Appendix B** to Ind AS-21, Foreign Currency Transactions and Advance Consideration On March 28, 2018 MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transaction and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use an initial recognition of the related asset, liability, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1st April, 2018. The Company has evaluated the effect of this on the financial statements and impact is not material.

### XXII. Going Concern

The Company's net worth stands completely eroded as at 31 March 2018. However, the financial statements have been prepared on a going-concern basis as the Company is dependent on continued financial and other operating support from its vendors who is providing Free issue materials as well Job work payment in time to meet all the obligations as and when they fall due in the foreseeable future and to meet its debts and liabilities, both present as well as in the future, as and when they fall due for payment in the normal course of business, and the business plans reviewed by the management. To enable the Company to continue as a going concern and therefore management is confident that no adjustments to the carrying value of assets and liabilities are required in the financial statements.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

Note No.3

Property, Plant and Equipment

Financial Year 17-18

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/04/2017	Additions	Deduction	31/03/2018	01/04/2017	Additions	Deduction	31/03/2018	31/03/2018	31/03/2017
Free Hold Land	61,142.64	-	-	61,142.64	-	-	-	-	61,142.64	61,142.64
Lease Hold Land	44.58	-	-	44.58	34.33	1.49	-	35.82	8.76	10.25
Office Buildings	117.23	-	-	117.23	56.94	3.01	-	59.95	57.28	60.28
Factory Building	20,496.66	-	-	20,496.66	12,318.68	817.80	-	13,136.48	7,360.18	8,177.98
Furniture & Fixtures	573.62	-	-	573.61	488.35	15.43	-	503.78	69.82	85.27
Plant and Equipment	189,366.22	15.00	-	189,381.23	115,702.36	10,247.87	-	125,950.23	63,431.00	73,663.85
Office Equipments	481.56	2.25	-	483.80	403.00	11.14	-	414.14	69.66	78.56
Lab Equipments	989.22	-	-	989.22	742.07	34.38	-	776.45	212.77	247.14
Computers	471.22	0.57	-	471.79	466.48	2.00	-	468.48	3.31	4.74
Motor Cars	1,109.63	-	11.04	1,098.58	1,040.55	17.89	9.69	1,048.75	49.84	69.08
Commercial Vehicles	105.10	-	-	105.10	104.94	0.05	-	104.99	0.11	0.16
Cycles	0.29	-	-	0.29	0.28	0.00	-	0.28	0.01	0.01
Earth Moving Equipments	3,688.10	-	-	3,688.10	3,627.76	18.10	-	3,645.86	42.24	60.34
Shed Construction	938.62	-	-	938.62	696.07	24.26	-	720.33	218.30	242.55
Temporary Shed	1,080.54	-	-	1,080.54	1,080.54	-	-	1,080.54	-	-
<b>TOTAL I</b>	<b>280,605.21</b>	<b>17.82</b>	<b>11.04</b>	<b>280,611.99</b>	<b>136,762.35</b>	<b>11,193.41</b>	<b>9.69</b>	<b>147,946.07</b>	<b>132,665.91</b>	<b>143,842.86</b>

Financial Year 16-17

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/04/2016	Additions	Deduction	31/03/2017	01/04/2016	Additions	Deduction	31/03/2017	31/03/2017	31/03/2016
Free Hold Land	60,641.99	500.65	-	61,142.64	-	-	-	-	61,142.64	60,641.99
Lease Hold Land	44.58	-	-	44.58	31.35	2.97	-	34.33	10.25	13.22
Office Buildings	117.23	-	-	117.23	53.77	3.17	-	56.94	60.28	63.46
Factory Building	20,496.66	-	-	20,496.66	11,410.01	908.66	-	12,318.68	8,177.98	9,086.65
Furniture & Fixtures	573.62	-	-	573.61	469.51	18.84	-	488.35	85.26	104.11
Plant and Equipment	189,366.22	-	-	189,366.23	103,800.12	11,902.24	-	115,702.36	73,663.86	85,566.10
Office Equipments	481.56	-	-	481.56	390.31	12.69	-	403.00	78.56	91.25
Lab Equipments	989.22	-	-	989.22	702.14	39.93	-	742.07	247.14	287.08
Computers	471.22	-	-	471.22	463.32	3.15	-	466.48	4.74	7.89
Motor Cars	1,109.63	-	-	1,109.63	1,016.41	24.14	-	1,040.55	69.08	93.22
Commercial Vehicles	105.10	-	-	105.10	104.88	0.07	-	104.94	0.16	0.22
Cycles	0.29	-	-	0.29	0.27	-	-	0.28	0.01	0.02
Earth Moving Equipments	3,688.10	-	-	3,688.10	3,601.91	25.86	-	3,627.76	60.34	86.19
Shed Construction	938.62	-	-	938.62	669.12	26.95	-	696.07	242.55	269.50
Temporary Shed	-	1,080.54	-	1,080.54	-	1,080.54	-	1,080.54	-	-
<b>TOTAL</b>	<b>279,024.04</b>	<b>1,581.19</b>	<b>-</b>	<b>280,605.23</b>	<b>122,713.12</b>	<b>14,049.21</b>	<b>-</b>	<b>136,762.35</b>	<b>143,842.85</b>	<b>156,310.90</b>

Note No.3A

Other Intangible assets

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/04/2017	Additions	Deduction	31/03/2018	01/04/2017	Additions	Deduction	31/03/2018	31/03/2018	31/03/2017
<b>Financial Year 17-18</b>										
Computer Software	35.36	-	-	35.36	35.17	0.08	-	35.25	0.11	0.19
Total	35.36	-	-	35.36	35.17	0.08	-	35.25	0.11	0.19
<b>Financial Year 16-17</b>										
Computer Software	35.36	-	-	35.36	35.02	0.14	-	35.17	0.19	0.34
Total	35.36	-	-	35.36	35.02	0.14	-	35.17	0.19	0.34

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 4 Investments

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>Equity Investments at FVOCI - Unquoted</b>			
<b>Subsidiary</b>			
14,00,020 (P.Y. 14,00,020) Equity Shares of PSL Corrosion Control service Ltd of Rs. 10 each	140.00	140.00	140.00
2,82,10,000 (P.Y. 2,82,10,000) Equity Shares of PSL infrastructure& ports Pvt Ltd of Rs. 10 each	2,821.00	2,821.00	2,821.00
1,70,000 (P.Y. 1,70,000) Equity Shares of PSL Gas Distribution Pvt Ltd of Rs. 10 each	17.00	17.00	17.00
3,08,59,741. (PY 3,08,59,774) Equity shares of Pipeline Systems Ltd, Mauritius of USD 1/- each	14,163.45	14,163.45	14,163.45
2,94,88,083 (PY 2,94,88,083) Equity shares of PSL USA INC, of USD 1/- each	-	-	13,034.34
<b>Investment in Associates - Unquoted</b>			
13,30,000 (PY 13,30,000) Equity Shares of BHI Ltd of Rs.10 each	133.00	133.00	133.00
1,50,000 (PY 1,50,000) Equity Shares of Punj International Pvt Ltd of Rs.10 each	15.00	15.00	15.00
7,500 (PY 7,500) Equity Shares of Broken Hills International Ltd of Rs.10 each	0.75	0.75	0.75
2,000 (PY 2,000) Equity Shares of Punj Investments Pvt Ltd of Rs.100 each	2.00	2.00	2.00
8,60,000 (PY 8,60,000) Equity Shares of Eurocoustic Products Ltd of Rs.10 each	86.00	86.00	86.00
4,84,000 (PY 4,84,000) Equity Shares of Punj Corporation Pvt Ltd of Rs.10 each	48.40	48.40	48.40
<b>Non Trade Investments Equity - Unquoted Trade</b>			
128 (PY 128 ) Shares of The gandhidham Mercantile co-Op bank Ltd of Rs.10 each	0.13	0.13	0.13
<b>Total</b>	<b>17,426.73</b>	<b>17,426.73</b>	<b>30,461.07</b>
Aggregate value of Quoted Investments	-	-	-
Aggregate value of Unquoted Investments	17,426.73	17,426.73	30,461.07
Aggregate value of impairment in the value of Investment	-	-	-

### Note No - 5 Loans

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Security Deposits	1,038.80	1,870.11	1,210.26
Fixed Deposits with Interest accrued*	1,638.57	1,481.25	748.74
<b>Total</b>	<b>2,677.37</b>	<b>3,351.36</b>	<b>1,959.00</b>

\* Bank deposits of Rs. 1,553.23 Lacs (P.Y. Rs. 1395.91 Lacs) held as margin money against bank guarantee/LC

### Note No - 6 Inventories

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Raw materials	786.43	828.09	1,765.40
Work-in-progress	384.02	369.02	10,621.81
Stores and spares	582.26	649.12	3,126.97
Finished goods	314.28	105.73	123.41
<b>Total</b>	<b>2,066.98</b>	<b>1,951.96</b>	<b>15,637.59</b>

### Note No - 7 Trade Receivables

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Secured, considered good	-	-	-
Unsecured, considered good	658.70	402.04	28,723.19
Doubtful	-	561.28	-
Less: Provision for Doubtful Debts	-	-	-
<b>Total</b>	<b>658.70</b>	<b>963.32</b>	<b>28,723.19</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 8 Cash and Cash Equivalents

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Balances with Banks	399.90	597.46	1,527.93
Cash on hand	20.36	12.22	76.35
<b>Total</b>	<b>420.25</b>	<b>609.68</b>	<b>1,604.28</b>
Balances with bank in unpaid dividend accounts	27.02	22.88	23.05
Balances with bank held as margin money deposit against guarantees / Letter of Credit	-	173.14	155.42

### Note No - 9 Loans

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Advance to Staff	5.63	40.64	46.75
<b>Total</b>	<b>5.63</b>	<b>40.64</b>	<b>46.75</b>

### Note No - 10 Other Current Assets

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
Advance to Suppliers	2,783.38	2,879.08	4,987.33
Balance with statutory/ Government Authorities	124.19	348.02	806.73
Excise & Service Tax Deposits	39,556.12	41,752.42	42,657.20
<b>Total</b>	<b>42,463.70</b>	<b>44,979.52</b>	<b>48,451.26</b>

### Note No - 11 Equity Share Capital

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017	1st April, 2016
<b>AUTHORIZED CAPITAL</b>			
18,00,00,000 (P.Y. 18,00,00,000 ) Equity Shares of Rs. 10/- each	18,000.00	18,000.00	18,000.00
	18,000.00	18,000.00	18,000.00
<b>ISSUED</b>			
125098584 ( P.Y. 125098584) Equity Shares of Rs. 10/- each	12,509.86	12,509.86	9,909.94
	12,509.86	12,509.86	9,909.94
<b>SUBSCRIBED &amp; PAID UP CAPITAL:</b>			
124934484* ( P.Y. 124934484) Equity Shares of Rs. 10/- each	12,493.45	12,493.45	9,893.53
<b>Total</b>	<b>12,493.45</b>	<b>12,493.45</b>	<b>9,893.53</b>

\*The difference in Number of Shares of issued and 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.

### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

#### 11.1 Authorised Share Capital

(Rs. In Lacs)

Particulars	31/03/2018		31/03/2017	
	No. of Share	Rs. In Lakhs	No. of Share	Rs. In Lakhs
Number of Shares at the beginning	180,000,000	18,000.00	180,000,000	18,000.00
Changes during the period	-	-	-	-
<b>Number of Shares at the end</b>	<b>180,000,000</b>	<b>18,000.00</b>	<b>180,000,000</b>	<b>18,000.00</b>

#### 11.2 Issued Share Capital

(Rs. In Lacs)

Particulars	31/03/2018		31/03/2017	
	No. of Share	Rs. In Lakhs	No. of Share	Rs. In Lakhs
Number of Shares at the beginning	124,934,484	12,493.45	98,935,252	9,893.53
Changes during the period	-	-	25,999,232	2,599.92
<b>Number of Shares at the end</b>	<b>124,934,484</b>	<b>12,493.45</b>	<b>124,934,484</b>	<b>12,493.45</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

Equity shares are having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### 11.3 Details of shareholders holding more than 5% shares in the company

(Rs. In Lacs)

Particulars	31/03/2018		31/03/2017	
	No. of Share	%	No. of Share	%
<b>Equity shares of Rs. 10 each fully paid</b>				
Edelweiss Asset Reconstruction Company Limited	12,280,770	9.83%	14,203,846	11.37%
Broken Hills International Pvt. Ltd.	12,615,385	10.10%	12,615,385	10.10%
ICICI Bank Limited	6,443,453	5.16%	8,346,150	6.68%
Punj International Pvt Ltd	7,647,115	6.12%	7,647,115	6.12%

### 11.4 Aggregate number of Shares issued for consideration other than cash

(Rs. In Lacs)

	31/03/2018	31/03/2017	01/04/2016
	No. of Share	No. of Share	No. of Share
Shares issued to JLF banks pursuant to scheme of CDR	-	876,926	-

### Note - 12 Other Equity

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
Retained Earnings	(297,705.28)	(282,430.10)	(271,072.39)
Securities Premium Reserve	54,589.61	54,589.61	50,429.73
General Reserve	-	-	7,195.57
Share Application Money Pending allotment	-	-	6,531.57
<b>Other Reserves</b>	-	-	51,400.00
<b>Total</b>	<b>-243,115.67</b>	<b>-227,840.49</b>	<b>-155,515.52</b>

### Note - 13 Borrowings

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
<b>Term Loan</b>			
Foreign Currency Loan from Bank	32,362.07	32,393.42	29,823.15
Rupee Loan from Banks (Long Term)	352,906.65	353,881.37	357,065.96
Rupee Loan from Promoters' Companies	1,748.00	1,748.00	1,748.00
<b>Total</b>	<b>387,016.72</b>	<b>388,022.79</b>	<b>388,637.11</b>
<u>The above amount includes</u>			
Secured Borrowings	385,268.72	386,274.79	386,889.11
Unsecured Borrowings	1,748.00	1,748.00	1,748.00

13.1 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.

13.2 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. 309.02 Crores for this year was not repaid (Previous year Rs. 286.27 Crores)

All Short term Borrowings Treat as a long term borrowing:

13.3 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 package and it is accounted. The Interest payable on this entire restructured loan as per the approved interest rate for the year is not accounted vide letter No. CDR/(DAP) No. 414/2016-17 dated 29th December 2016, CDR cell has informed that companies CDR Mechanism stand existed on account of failure of CDR approved package.



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

13.4 Consequent upon enactment of insolvency & Bankruptcy Code (IBC) resulting into abatement of the sick industrial companies (special provisions) Act 1985, the Company's reference pending before the Board for Industrial and Financial Reconstruction (BIFR) became infructuous. Hence, the Company had filed application on May 29, 2017 with Hon'ble National Company Law Tribunal (NCLT) Ahmedabad under section 10 of the said code read with rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rupees, 2016 for initiation of Corporate insolvency Resolution process (CIRP) . The hearing before NCLT is already completed. However the formal order regarding admission of the company's application is awaited.

### Note - 14 Provisions

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
Provision for Gratuity	1,276.29	1,329.75	1,338.44
<b>Total</b>	<b>1,276.29</b>	<b>1,329.75</b>	<b>1,338.44</b>

### Note - 15 Deferred Tax Asset

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
Deferred Tax Asset	-	604.57	604.57
<b>Total</b>	<b>-</b>	<b>604.57</b>	<b>604.57</b>

### Note - 16 Trade Payables

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
Micro Small & Medium Enterprises*	-	-	-
Others Trade Payables	1,327.60	515.77	2,512.53
<b>Total</b>	<b>1,327.60</b>	<b>515.77</b>	<b>2,512.53</b>

### Note - 17 Other Financial Liabilities

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
Unclaimed Dividend	28.75	28.75	28.75
<b>Total</b>	<b>28.75</b>	<b>28.75</b>	<b>28.75</b>

### Note - 18 Other Current Liabilities

(Rs. In Lacs)

Particulars	31st March,2018	31st March,2017	1st April 2016
Advances received from Customers	5,282.82	5,267.83	5,074.00
other Payable	7,719.84	7,597.38	6,588.13
<b>Total</b>	<b>13,002.67</b>	<b>12,865.21</b>	<b>11,662.13</b>

### Note No - 19 Revenue from Operations

(Rs. In lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Sale of services	4,490.25	853.24
<b>Total (A)</b>	<b>4,490.25</b>	<b>853.24</b>
<b>Other Operating revenues</b>		
Other Operating Income	614.96	1,052.19
<b>Total (B)</b>	<b>614.96</b>	<b>1,052.19</b>
<b>Revenue from Operations (Gross) (A+B)</b>	<b>5,105.21</b>	<b>1,905.43</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 20 Other Income

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Rent and Compensation	33.69	90.63
Profit on sale of assets	0.34	-
Insurance Claim /Excise Duty /Sales Tax Claim	15.00	215.75
Interest	493.74	172.75
Other Non Operating Income	525.02	31.62
<b>Total</b>	<b>1,067.79</b>	<b>510.75</b>

### Note No - 21 Cost of Material Consumed

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Inventory at the beginning of the year	828.09	1,765.40
Add: Purchases	653.87	586.62
	1,481.96	2,352.02
Less : Inventory at the end of the year	786.43	828.09
<b>Cost of raw material &amp; components Consumed</b>	<b>695.53</b>	<b>1,523.93</b>

### Note No - 22 Change in Inventories of WIP & Finished Goods

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
<b>Inventory at the end of the year</b>		
Work-in-progress (closing)	369.02	10,621.81
Finished goods (closing)	105.73	123.41
	<b>474.75</b>	<b>10,745.22</b>
<b>Inventory at the beginning of the year</b>		
Work-in-progress (opening)	384.02	369.02
Finished goods (opening)	314.28	105.73
	<b>698.29</b>	<b>474.75</b>
<b>Total</b>	<b>(223.54)</b>	<b>10,270.47</b>

### Note No - 23 Employee Benefit Expenses

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Contribution to PF & Other Fund	215.39	116.01
Salaries and incentives	2,170.07	1,806.54
Staff Welfare Expenses	160.20	140.51
<b>Total</b>	<b>2,545.67</b>	<b>2,063.06</b>

The Company has not made provision during the year for gratuity . In the absence of actuarial valuation report, the impact on loss for the year on account of such valuation is not ascertainable and relevant disclosures have not been given.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 24 Financial Cost

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Interest	-	-
Other Borrowing cost*	12.55	86.43
Exchange difference on borrowings (net)	-	-
LC & Bill Discounting Charges	-	-
<b>Total</b>	<b>12.55</b>	<b>86.43</b>

\*includes Bank charges

### Note No - 25 Other Expenses

(Rs. In Lacs)

	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Consumption of Stores and Spare Parts	850.05	2,562.12
Power & Fuel	577.59	138.39
Excise Duty /Sales Tax	61.97	98.33
Freight and Cartage	205.66	8.64
Equipment Hire Charges	4.86	1.24
Labour Charges	115.91	17.86
Other Manufacturing & Operating Expenses	333.28	44.84
Water Charges	0.16	-
Dumpsite Maintenance	-	26.19
Conveyance	69.93	44.94
Traveling Expenses	121.13	127.97
Postage, Telegram and Telephones	35.79	35.50
Printing and Stationery	23.28	18.40
Rent, Rates & Taxes	297.28	131.77
Electricity Charges	19.70	37.58
Professional Charges	782.57	605.93
Bad Debts W/off	-	19,860.43
Repair and Maintenance (Plant )	518.19	557.50
Repair and Maintenance (Building)	12.17	2.67
Repair and Maintenance (Others)	93.26	109.62
Insurance	49.81	62.16
Auditors' Remuneration	10.00	25.00
Vehicle Expenses	87.86	83.99
General Expenses	2,349.45	6,525.39
<b>Total</b>	<b>6,619.91</b>	<b>31,126.46</b>

### Note No - 26 Payment to Auditors

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
As Audit Fees	6.00	18.00
For Taxation Matters	2.00	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
<b>Total</b>	<b>10.00</b>	<b>25.00</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 27 Items that will not be reclassified to profit or loss

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
Remeasurements of the defined benefit plans	-	-
Others	-	-

### Note No - 28 Items that will be reclassified to profit or loss

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
Exchange differences in translating the financial statements of a foreign operation	-	-

### Note No -29 Earning per Share

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
Profit/(Loss) attributable to Equity shareholders	(15275.18)	(69737.89)
Weighted Average Number of Shares for Basic and Diluted EPS	124934484	124934484
Basic EPS (Amount in Rs.)	(1.22)	(5.58)
Diluted EPS (Amount in Rs.)	(1.22)	(5.58)

### Note No - 30 Value of Imports

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
Raw Material	137.03	62.95
Stores & Spare Parts	2.00	-

### Note No - 31 Expenditure in Foreign Currency

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
Traveling Expenses	15.27	17.34
Agency Commission & Others	-	-

**Note No - 32** During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

**Note No - 33** As on 31st March 2018, there is no Mark-to-Market loss on account of derivative forward exchange contract.

### Note No - 34 Contingent Liabilities:

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
A. Counter Guarantees given by the Company for Bank Guarantees	2,818.51	3,744.42
B. Other Guarantees Given by the Company on behalf of		
- Subsidiary Companies	42,652.04	45,522.95
- Others	5,891.52	4,567.16
C. Letter of Credit Outstanding (Not yet committed)	NIL	NIL
D. Bills Discounting	NIL	NIL
E. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL

#### F. Government Dues

- (i) Disputed dues on account of Excise duty (27 Nos.) estimated amount Rs. 13382.99 Lacs  
(Previous Year Rs. 12081.94 Lacs)
- (ii) Disputed dues on account of Service Tax (10 Nos. ) estimated amount Rs. 391.63 Lacs  
(Previous Year Rs. 285.21 Lacs )
- (iii) Disputed dues on account of Custom duty (5 Nos) estimated amount Rs. 12884.36 Lacs  
(Previous Year Rs. 871.13 Lacs )
- (iv) Disputed dues on account of Sales Tax (29 Nos) estimated amount Rs. 6846.79 Lacs  
(Previous Year Rs. 6819.28 Lacs )

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

(v) Pending closure of Advance Authorisation ( 6 Nos) estimated amount Rs. 25321.58 lacs

(Previous Year Rs. 25321.58 Lacs )

(VI) Disputed dues on account of Entry Tax Rs. 51.14 Lacs

(Previous Year Rs. Nil )

G. Other liability includes litigation on account of land, return of cheques under sec 138 of N.A. Act , Arbitration , winding up cases etc.

Income Tax Assessment Completed upto AY 2014-15(March'2014). No pending Demand.

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.

The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorized) 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.

### Note No - 36 Leases:

The company has operating lease agreements, primarily for leasing Factory space for use. Most of these lease agreements provide for cancellation by either party with a notice period ranging from 90 days and contain a clause for renewal of lease agreement at the option of the company. There are no non-cancelable operating leases. There are no assets taken on finance lease. During the year the Company has recognized following rental expenses:

Particulars	31st March 2018	31st March 2017
Rent	1.20	1.20

### Note No - 37 RELATED PARTY DISCLOSURES

#### 1. 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 & 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)

(PSL North America LLC and PSL USA Inc., have filed insolvency petition under Chapter 11 under the US regulation. Currently under judicial process)

##### b) Associate

BHI Ltd.
Broken Hills International Ltd.
Eurocoustic Products Ltd.
Punj International Pvt. Ltd.
Punj Investments Ltd.
Punj Corporation Private Limited
Rosoboronterra India Pvt.Ltd.
(Subsidiary of Punj Corporation Private Limited)

##### c) Key Management Personnel

Ashok Punj
R. K . Bahri
C K Goel

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Nature of Transaction

(Rs. In Lacs)

Particulars	31st March 2018	31st March 2017
<b>Subsidiaries</b>		
<b>Purchase of Goods</b>	30.64	-
PSL Corrosion Control Services Ltd.		
<b>Sale of Goods</b>	354.40	-
PSL Corrosion Control Services Ltd.		
<b>Lease Rental</b>	1.20	-
PSL Corrosion Control Services Ltd.		
<b>Expenses Incurred by/for related party</b>		
PSL Corrosion Control Services Ltd.	259.10	1,392.48
PSL Gas Distribution Pvt.Ltd.	0.63	-
Pipeline System Ltd., Mauritius	1.12	
PSL Infrastructure & Ports Pvt.Ltd.	3.09	
<b>Closing Balance</b>		
PSL Corrosion Control Services Ltd.	4,009.29	4,075.14
PSL Gas Distribution Pvt.Ltd.	0.63	-
Pipeline System Ltd., Mauritius	1.12	-
PSL Infrastructure & Ports Pvt.Ltd.	1,425.96	1,422.87
<b>Key Management Personnel</b>		
<b>Director Remuneration</b>		
R. K . Bahri	-	80.06
C K Goel	-	53.93
<b>Closing Balance</b>		
R. K . Bahri	-	80.06
C K Goel	-	53.93
<b>Associate</b>		
<b>Purchase of Goods</b>		
BHI Limited	-	7.06
<b>Sale of Goods</b>		
Eurocoustic Products Ltd.	-	7.69
<b>Expenses Incurred by/for related party</b>		
Rosoboronterra India Pvt.Ltd.	1.39	-
Eurocoustic Products Ltd.	4.88	0.79
<b>Closing Balance</b>		
Broken Hills International Ltd.	5.00	5.00
BHI Ltd.	78.68	78.68
Rosoboronterra India Pvt.Ltd.	1.50	0.11
Eurocoustic Products Ltd.	44.77	49.65

**Note No - 38 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:**

(Rs in Lakhs)

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Principal Amount due and remaining unpaid	-	-	-
Interest due and the unpaid interest	-	-	-
Interest paid	-	-	-
Payment made beyond the appointed date during the year	-	-	-
Interest due and payable for the period of delay	-	-	-
Interest accrued and remaining unpaid	-	-	-
Amount of further interest remaining due and payable in succeeding years	-	-	-



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 39 Financial instruments:

#### Categories of Financial Instruments:

(Rs. In Lacs)

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>						
<b>Measured at Amortised cost</b>						
Trade Receivables	658.70	658.70	963.32	963.32	28,723.19	28,723.19
Cash and Cash Equivalents	420.25	420.25	609.68	609.68	1,604.28	1,604.28
Loans	5.63	5.63	40.64	40.64	46.75	46.75
Other Current Assets	42,463.70	42,463.70	44,979.52	44,979.52	48,451.26	48,451.26
<b>Total Financial Assets</b>	<b>43,548.28</b>	<b>43,548.28</b>	<b>46,593.16</b>	<b>46,593.16</b>	<b>78,825.48</b>	<b>78,825.48</b>
<b>Financial Liabilities</b>						
<b>Measured at Amortised cost</b>						
Trade Payables	1,327.60	1,327.60	515.77	515.77	2,512.53	2,512.53
Unclaimed Dividend	28.75	28.75	28.75	28.75	28.75	28.75
Other Current Liabilities	13,002.67	13,002.67	12,865.21	12,865.21	11,662.13	11,662.13
<b>Total Financial Liabilities</b>	<b>14,359.01</b>	<b>14,359.01</b>	<b>13,409.73</b>	<b>13,409.73</b>	<b>14,203.41</b>	<b>14,203.41</b>

### Note No - 40 First Time Adoption of IND AS Reconciliation

#### Reconciliation of Balance Sheet as on 31st March 2017 and 1st April 2016

(Rs. In Lacs)

Particulars	As at 31st March 2017			As at 01st April, 2017		
	Amount as per previous GAAP	Effects of transition to IND AS	Amount as per IND AS	Amount as per previous GAAP	Effects of transition to IND AS	Amount as per IND AS
<b>ASSET</b>						
<b>(1) Non Current Assets</b>						
(a) Property, Plant and Equipment	143,842.86	-	143,842.86	156,310.67	-	156,310.67
(b) Capital Work-in-progress	-	-	-	1,113.59	-	1,113.59
(c) Other Intangible assets	0.19	-	0.19	0.58	-	0.58
(d) Financial Assets	-	-	-	-	-	-
(i) Investments	17,426.73	-	17,426.73	30,461.07	-	30,461.07
(ii) Loans	3,351.36	-	3,351.36	1,959.00	-	1,959.00
(e) Deferred Tax Assets (Net)	604.57	-	604.57	604.57	-	604.57
<b>(2) Current Assets</b>						
(a) Inventories	1,951.96	-	1,951.96	15,637.59	-	15,637.59
(b) Financial Assets	-	-	-	-	-	-
(i) Trade Receivables	963.32	-	963.35	28,723.19	-	28,723.19
(ii) Cash and Cash Equivalents	609.68	-	609.68	1,604.28	-	1,604.28
(iii) Loans	40.64	-	40.64	46.75	-	46.75
(c) Other Current Assets	44,979.52	-	44,979.52	48,451.26	-	48,451.26
<b>Total Assets</b>	<b>213,770.83</b>	<b>-</b>	<b>213,770.86</b>	<b>284,912.55</b>	<b>-</b>	<b>284,912.55</b>
<b>EQUITY AND LIABILITIES</b>						
<b>(1) Equity</b>						
(a) Equity Share Capital	12,493.45	-	12,493.45	9,893.53	-	9,893.53
(b) Other Equity	(227,840.48)	-	(227,840.09)	(155,515.52)	-	-155,515.52
<b>Liabilities</b>						
<b>(2) Non Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	388,022.79	-	388,022.79	388,637.11	-	388,637.11
(ii) Trade Payables	26,355.58	-	26,355.58	26,355.58	-	26,355.58
(b) Provisions	1,329.75	-	1,329.75	1,338.44	-	1,338.44
<b>(3) Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings						
(ii) Trade Payables (Current)	515.77	-	515.77	2,512.53	-	2,512.53
(iii) Other Financial Liabilities	28.75	-	28.75	28.75	-	28.75
(b) Other Current Liabilities	12,865.21	-	12,865.21	11,662.13	-	11,662.13
<b>Total Equity and Liabilities</b>	<b>213,770.83</b>	<b>-</b>	<b>213,771.21</b>	<b>284,912.55</b>	<b>-</b>	<b>284,912.55</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Effect of Ind AS Adoption on total Equity

Statement of Reconciliation of Total Equity as on 31st March 2017

Particulars	As at 31.03.2017 (Audited)
Total Equity as per previous GAAP	(215346.64)
<b>Adjustment-</b>	
As per IND AS	(215346.64)

**Note No - 41** Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof.

**Note No - 42** The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to conform to the current year presentation.

As per our Report of even date attached

**FOR V. PAREKH & ASSOCIATES**

CHARTERED ACCOUNTANTS

ICAI Firm Regn No. 107488W

**(RASESH V. PAREKH)**

PARTNER

MEMBERSHIP NO. 38615

Place : Mumbai

Date: 24th May, 2018

**Sd/-**

**Directors**

**1 ASHOK PUNJ**

**2 CK GOEL**

## FORM AOC-1

(Pursuant 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	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investment	Turnover	Profit/(Loss) before Tax	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% of Shareholding	Country of Incorporation
Subsidiaries of the Company incorporated in India													
1	PSL Corrosion Control Services Ltd.	140.00	6,037.90	12,738.16	12,738.16	55.50	7,858.49	84.24	24.99	59.25	-	100.00	INDIA
2	PSL Gas Distribution Pvt.Ltd.	17.00	-	17.61	17.61	-	-	-	-	-	-	100.00	INDIA
3	PSL Infrastructure & Ports Pvt.Ltd.	2,821.00	-	6,535.21	6,535.21	-	-	-	-	-	-	100.00	INDIA
Subsidiaries of the Company incorporated outside India													
4	Pipeline Systems Ltd.* (Exchange rate as on 31st March, 2018 : 1 USD= 65.04 INR)	20,072.43	(35,878.02)	27,662.01	27,662.01	-	3,810.71	(5,712.21)	-	(5,712.21)	-	100.00	Mauritius
5	PSL USA INC's	-	-	-	-	-	-	-	-	-	-	100.00	USA

\* Amount includes results of its subsidiary namely PSL FZE Sharjah incorporated under the laws of UAE

## ROUTE MAP



[illegible]



## 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 30th Annual General Meeting of the Company held on Friday, the 28th day of September, 2018 at 9:30 a.m. at Hotel Reevanta, at 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.







## PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the Member (s)</b>		
<b>Registered address</b>		
<b>Email</b>		
<b>Folio no. / Client ID</b>		<b>DP Id No.</b>

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 30th Annual General Meeting of the Company, to be held on Friday, the 28th day of September 2018, at 9:30 a.m., at Hotel Reevanta, at 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 Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial Year ended on March 31, 2018.		
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.		
Special Business			
4	To ratify the quantum of remuneration payable to the Cost Auditor for the financial year 2018-19.		

Signed this..... day of ....., 2018.

Signature of the member

Signature of the proxy holder(s)

**Affix  
Revenue  
Stamp**

### 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 commencement of the Annual General 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.
- When a member appoints a Proxy and both the members & proxy attend the meeting, the Proxy will stand automatically revoked.
- For the resolutions, Explanatory Statements and Notes to accounts, please refer to the notice of 30th Annual General Meeting.





**PSL LIMITED**

Corporate Office: PSL Tower,  
615, Makwana Road, Marol, Andheri (E), Mumbai - 400 059  
[www.psllimited.com](http://www.psllimited.com)