

COMPANY UNDER  
CIRP



**PSL Limited**

Ref: PSL/2019-20/801

**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

September 6, 2019

**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 34 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015**

In compliance of Regulation 34 of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015, we are also enclosing 31<sup>st</sup> Annual Report for the financial year 2018-19 as sent to the shareholders of the ensuing AGM to be held on 19<sup>th</sup> September, 2019.

Kindly take this information on your record and oblige.

Thanking you

Cordially Yours

For PSL Limited

  
Yashika Chawla

Company Secretary & Compliance officer

Encl: a/a



# **31<sup>st</sup> ANNUAL REPORT**

## **2018-19**

**PSL LIMITED**





## **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 Fintech 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 Vysya 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 Commercial Bank, Oriental Bank of Commerce, Bank of Bahrain & Kuwait, Canara Bank, Federal Bank Limited, Edelweiss Asset Reconstruction Company (EARC).

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## NOTICE

To,  
The Members of  
**PSL LIMITED**

Notice is hereby given that **Thirty First(31st)Annual General Meeting** of the Members of PSL Limited , a company under Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016, is scheduled to be held on Thursday, the **19th day of September 2019** 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 31st March, 2019 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 31st March, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Smt. Manjula N Bhatia(DIN07178575), who retires by rotation and being eligible has offered herself for re-appointment.
3. To appoint a Director in place of Shri Alok Punj (DIN 00058049) who retires by rotation and being eligible has offered himself for re-appointment.

### SPECIAL BUSINESS

#### 4. TO RE-APPOINT SHRI NARESH CHANDRA SHARMA(DIN:00054922) AS AN INDEPENDENT DIRECTOR

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 read with Schedule IV and any other applicable provision of the Companies Act, 2013 and the Companies ( Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Shri Naresh Chandra Sharma (DIN:00054922) an existing Independent Director of the Company, whose earlier term of appointment is expiring at the ensuing Annual General Meeting, be and is hereby re-appointed as Independent Director for a further period of 5 years commencing from 25th September, 2019 and ending on 24th September, 2024"

#### 5. TO RE-APPOINT SHRI ASHOK SHARMA(DIN:00042028) AS AN INDEPENDENT DIRECTOR

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 read with Schedule IV and any other applicable provision of the Companies Act, 2013 and the Companies ( Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Shri Ashok Sharma (DIN:00042028) an existing Independent Director of the Company, whose earlier term of appointment is expiring at the ensuing Annual General Meeting, be and is hereby re-appointed as Independent Director for a further period of 5 years commencing from 25th September, 2019 and ending on 24th September, 2024"

#### 6. TO RE-APPOINT SHRI HARINDER SHOURIE(DIN:00400593) AS AN INDEPENDENT DIRECTOR

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 read with Schedule IV and any other applicable provision of the Companies Act, 2013 and the Companies ( Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Shri Harinder Shourie (DIN:00400593) an existing Independent Director of the Company , whose earlier term of appointment is expiring at the ensuing Annual General Meeting, be and is hereby re-appointed as Independent Director for a further period of 5 years commencing from 25th September, 2019 and ending on 24th September, 2024"

#### 7. TO RE-APPOINT SHRI HARSH PATERIA(DIN:00197447) AS AN INDEPENDENT DIRECTOR

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 read with Schedule IV and any other applicable provision of

the Companies Act, 2013 and the Companies ( Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 or any amendment thereto or modification thereof, Shri Harsh Pateria (DIN:00197447) an existing Independent Director of the Company, whose earlier term of appointment is expiring at the ensuing Annual General Meeting, be and is hereby re-appointed as Independent Director for a further period of 5 years commencing from 25th September, 2019 and ending on 24th September, 2024”

**8. TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2019-20**

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 2019-20, be and is hereby ratified.”

For **PSL LIMITED**  
Undergoing Corporate  
Insolvency Resolution  
Process

Sd/-  
**(Ashok Punj)**  
Managing Director  
(Member of Suspended  
Board of Directors)

Regd. Office: -  
Kachigam, Daman  
Union Territory of –  
Daman & Diu - 396 210  
CIN: L67120DD1987PLC002395  
Dated: July 16, 2019

**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. 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 and 4 to 7 of the Notice, are also annexed.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative under Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the Meeting. Such representative shall possess a valid identity proof to be produced at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 16th day of September, 2019 to Thursday, the 19th day of September, 2019 (both days inclusive) for the purpose of 30th Annual General Meeting.
6. 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".
7. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
8. 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.
9. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number('PAN') by every participant in securities market, members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy Computer Shares Private Limited ('Karvy').
10. 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 Smt. Manjula N Bhatia, Director and Shri Alok Punj, Director proposed to be re-appointed is annexed herewith.
11. 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. 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.
12. 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 Monday, the 16th day of September, 2019 (09:00 a.m. IST) and ends on Wednesday, the 18th day of September, 2019 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 12th September, 2019, 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.
13. The facility for voting through ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. The results declared along with 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 31st Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
15. To support the "Green Initiative" in Corporate Governance



taken by Ministry of Corporate Affairs, to contribute 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.

16. Route map of the venue of Annual General Meeting is enclosed herewith for the convenience of the members to attend the meeting.

**PSL LIMITED**

Undergoing Corporate  
Insolvency Resolution  
Process

Sd/-  
**(Ashok Punj)**  
Managing Director  
(Member of Suspended  
Board of Directors)

Regd. Office: -  
Kachigam, Daman  
Union Territory of -  
Daman & Diu - 396 210  
CIN: L67120DD1987PLC002395  
Dated: July 16, 2019

**EXPLANATORY STATEMENT**

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

**ITEM NO 4 TO 7: TO APPROVE THE RE-APPOINTMENT OF FOUR INDEPENDENT DIRECTORS**

The members at the 26th Annual General Meeting held on 26th September, 2014 had appointed Shri N C Sharma, Shri Ashok Sharma, Shri Harinder Shourie and Shri Harsh Pateria as Independent Directors of the Company for the period of five years commencing from 25th September, 2014 the aforesaid term of these four directors is expiring at the ensuing Annual General Meeting. Since all these four independent Directors have performed their said role exceedingly well and have immensely contributed to the deliberations at the Board as well as other meetings, the company proposes to re-appoint all four of them for a further period of five years commencing from 25th September, 2019. It is pertinent to state here that Section 149(11) of the Companies Act, 2013 very well permits an Independent Director to hold office for two consecutive terms provide his said re-appointment is approved by the Members of the company by way of passing of a Special Resolution.

In terms of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 17 of SEBI(Listing Obligation & Disclosure Requirements) or any amendment thereto and modification thereof, consent of the members by way of Special Resolution is required for re-appointment of these four Directors.

Shri N C Sharma, Shri Ashok Sharma, Shri Harinder Shourie

and Shri Harsh Pateria have accorded their consent for the re-appointment and have also given a declaration to the Board that they meet the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the management, each of these Directors fulfil the conditions specified in the Act and the rules framed thereunder for appointment of Independent Director.

None of the other 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 nos. 4 to 7 of the Notice.

Hence proposal for re-appointment of these Directors as Independent Directors is being placed before members for their approval.

**ITEM NO. 8: TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2019-20**

In accordance with the provisions of Section 148 of the Companies Act, 2013 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 2019-20. As far as remuneration of the said Cost Auditor is concerned on recommendation of the Audit Committee, the Board of Directors has approved a remuneration of Rs.2 lacs as consolidated fee plus out of pocket expenses and taxes as applicable to the Members of the Company. The members are, therefore, requested to ratify the said remuneration.

The Resolution on this Special Business item is detailed in item no. 8 of the accompanying notice.

None of the other 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. 8 of the Notice.

Hence, the Resolution contained in Item No. 8 is placed for consideration and for approval of members by way of ordinary Resolution.

For **PSL LIMITED**  
Undergoing Corporate  
Insolvency Resolution  
Process

Sd/-  
**Ashok Punj**  
Managing Director  
(Member of Suspended  
Board of Directors)

Regd. Office: -  
Kachigam, Daman  
Union Territory of -  
Daman & Diu - 396 210  
CIN: L67120DD1987PLC002395  
Dated: July 16, 2019

**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*” and Item nos 4 to 7 of “*Special Business*”)

Name of Director	:	Smt. Manjula N. Bhatia	Shri Alok Punj
Date of Birth	:	10th September, 1943	29th May, 1950
Expertise in specific functional area	:	Accounting, Finance and Administration	General Management
Directorship held in other companies (excluding foreign companies and Section 8 companies)	:	Eurocoustic Products Limited	–
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	:	Nil	NIL
Brief Resume	:	Smt. Manjula N. Bhatia had immediately after completing her formal education started working in the Corporate world. Because of her hard work and dedication she kept on getting elevated to the senior positions on frequent intervals. Her rich experience in functions like accounting, banking, finance and administration in different companies that her work has enabled to acquire adequate expertise over these functions. She is also a member of some of the few important Committees of Board such as Audit Committee, Committee of Directors, Risk Management Committee, etc	Shri Alok Punj, who attended a Bachelor of Engineering Programme in Industrial Engineering at Illinois Institute of Technology, Chicago has over three decades of experience in senior positions in different Engineering Companies of the world and also has experience in International, Marketing and Projects, both in the Middle East and Far East. Having guided different companies as a Senior Management Personnel, the Company is now being benefited by his being there on Company's Board. Since then Mr. Alok Punj has been rendering valuable service to the Company by way of being not only on Company's Board, but even on few important Committees of Board such as Audit Committee, Committee of Directors, Nomination & Remuneration Committee, Stakeholders Relationship Committee, etc
Relationship with Directors	:	None	Brother of Mr. Ashok Punj, Managing Director
Number of shares held in the Co.	:	Nil	137000



<b>Name of Director</b>	<b>:</b>	<b>Shri N C Sharma</b>	<b>Shri Ashok Sharma</b>
Date of Birth	:	26th November, 1942	4th July, 1944
Expertise in specific functional area	:	Insurance & finance	Information technology
Directorship held in other companies (excluding foreign companies and Section 8 companies)	:	Mukund Limited Mukund SUMI Metal Processing Limited	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	:	Mukund Limited-Audit Committee- & stakeholders Relationship Committee Mukund SUMI Metal Processing Limited-Audit Committee	NIL
Brief Resume	:	<p>Shri N C Sharma, M.A. in English Literature is an eminent insurance expert having successfully held various senior positions in LIC of India where he rose the position of its Managing Director. Mr. Sharma after serving more than four decades joined the Company.</p> <p>Since then Mr. Sharma has been rendering valuable service to the Company by way of being on Company's various committees.</p>	<p>Shri Ashok Sharma graduated from Indian Institute of Technology-Madras, India had worked in Key senior positions in Major MNC's.</p> <p>Mr. Sharma has in depth knowledge of I T activities and related filed of Business developments, marketing, sales, manufacturing and personnel management.</p>
Relationship with Directors	:	None	None
Number of shares held in the Co.	:	Nil	Nil

<b>Name of Director</b>	<b>:</b>	<b>Shri Harinder Shourie</b>	<b>Shri Harsh Pateria</b>
Date of Birth	:	15th January, 1944	24th September, 1958
Expertise in specific functional area	:	Finance management	Effective management of various business organizations involved in diverse activities
Directorship held in other companies (excluding foreign companies and Section 8 companies)	:	Nil	Primo Pick N Pack Pvt Ltd Primo Infrastructure Private Limited Patfield LLP
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	:	Nil	NIL
Brief Resume	:	Shri Harinder Shourie holds Masters degree in International relations from University of Chicago in addition to the MBA from East Texas State University and a Bachelor degree from Delhi university. He is primarily a Finance professional having specialization in trade finance.	Mr Harsh Pateria after his academic attainments promoted a company under the name of Primo Pick N Pack Limited. Additionally he started getting involved in other business activities. Since then he has very ably managed the various business ventures and has acquired adequate exposure in Company's Management involving different activities associated with scheduling, planning, organizing and implementing the policies of the organizations in optimal manner.
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 Thirty First (31<sup>st</sup>) Annual Report along with Audited Statements of Accounts of the Company for the Financial Year 2018-19.

### Financial Performance:

The financial performance of the Company for the financial year ended on 31<sup>st</sup> March, 2019 is summarized below:

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
<b>Revenue from operations</b>	<b>80.12</b>	<b>48.85</b>	<b>215.93</b>	<b>167.73</b>
Other Income	12.11	12.88	12.76	11.30
<b>Total Income</b>	<b>92.23</b>	<b>61.73</b>	<b>228.69</b>	<b>179.03</b>
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items, Extraordinary items & Tax	(1.29)	(34.65)	11.23	(28.79)
Less: Depreciation and Finance Cost	96.79	112.06	180.70	174.23
Less: Exceptional items	-	-	-	-
Less: Extraordinary Items	-	-	-	-
<b>Profit/(Loss) Before Taxation Provisions</b>	<b>(98.08)</b>	<b>(146.71)</b>	<b>(169.47)</b>	<b>(203.02)</b>
Less: Current Tax	-	-	2.08	0.26
Less : Deferred Tax	-	6.05	(0.0036)	6.07
<b>Profit / (Loss) After Tax</b>	<b>(98.08)</b>	<b>(152.75)</b>	<b>(171.56)</b>	<b>(209.35)</b>
Balance Carried to Balance Sheet	(98.08)	(152.75)	(171.56)	(209.35)

### Consolidated Financial Statements:

The Consolidated Financial Statements of your Company for the financial year 2018-19 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:

Eversince Company has faced financial crises few years ago eventually resulting into admission of company's application before NCLT, the company has suffered severe losses. Since the loss was reported even during the financial year 2018-19 under review no dividend has been recommended for the said year.

### Transfer to Reserves:

In view of the company having not made any profits during the Financial Year under review, no amount was transferred to general reserve account.

### Transfer to Investor Education and Protection Fund:

During the year under review an amount of Rs.9,11,404/- which was part of dividend declared during the Financial Year 2010-11 and which remained unclaimed by beneficiaries was transferred to IEPF in compliance of Section 124 (5) of the Companies Act, 2013.

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

Members may recall that consequent upon acute financial crises faced by the company approximately 6 years ago, the company had tried to go in for restructuring of its debts through CDR mechanism. However on failure of the CDR process and later repealing of Sick Industrial Companies Act, 1985 resulting into abatement of company's reference before BIFR, the company filed a reference under Section 10 of Insolvency and Bankruptcy code before Hon'ble NCLT. Since the said reference has been admitted by Hon'ble NCLT on 15th February, 2019 the Corporate Insolvency Resolution Process has begun on the said date. While admitting aforesaid reference on the said date Hon'ble NCLT has also appointed Mr. Nilesh Sharma as Interim Resolution Professional for conducting the CIRP in the matter of our company. The statutory moratorium has also commenced on 15th February, 2019 i.e. the date of Hon'ble NCLT order.

As per the provisions of Section 17 of the Insolvency and Bankruptcy Code, the Management of the affairs of the Corporate Debtors stand vested in the Interim Resolution Professional (IRP) and the powers of the Board of Directors of the Corporate Debtor stand suspended and be exercised by the Interim Resolution Professional.

Ever since the aforesaid commencement of CIRP, IRP who has started functioning with effect from 21st February, 2019 has constituted a Committee of Creditors which keeps meeting frequently to review the progress of CIRP in the desired direction.

Out of the Expression of Interests ("EOIS") received pursuant to the Invitation for Expression of Interests from the Prospective Resolution Applicants ("PRAs") made by the IRP on 19th April 2019 and 31st May 2019, five PRAs were included in the Final List and accordingly Requests for Resolution Plan ("RFRP") were issued to them on 15th July 2019 as per which they have to file their respective Resolution Plan by 14th August 2019. Further to the ongoing process, as the 180 days insolvency resolution process period is expiring on 14th August 2019, the Committee of Creditors ("CoC") has at its Fourth meeting held on 8th July 2019, resolved to extend the insolvency resolution process period by 90 days subject to confirmation of the same by the Hon'ble National Company Law Tribunal. Accordingly, an application will be made by the IRP before the Hon'ble NCLT requesting for extension of the insolvency resolution process period by 90 days.

**Business Performance:**

As stated in the preceding paragraphs vis-a-vis the status of company's petition before NCLT, although the CIRP commenced on 15th February, 2019, company has been putting in its best efforts to ensure that the operations of the company are continued in the best interest of the company. Such continuation of the operations not only enables continuous functioning of company's different plants at different locations but it also enables the company to meet some of its fixed costs which are necessarily required to be incurred for keeping the company active.

Due to such sustained efforts put in by the management of the company the company's total income which was merely 61 crores in the previous Financial Year ended on 31st March, 2018 got increased to Rs.92 crores during the year under review. Such enhancement of more than 51% is adequate evidence of the sincere efforts being put in by the company's management to meet as much fixed costs of the company as are feasible.

In the similar fashion the company's performance on consolidated basis was also satisfactory as the consolidated turnover of Rs.179 crores during the preceding year i.e. 2017-18 got enhanced to Rs.228 crores during the year under review.

**Status of OA filed by Creditors against the company in Debt Recovery Tribunal:**

Members may note that prior to the admission of Company's reference by Hon'ble NCLT various secured creditors of the company through M/s. Edelweiss Assets Reconstruction Co. Ltd. filed an OA before the Debt Recovery Tribunal in New Delhi with an objective of procuring a recovery order from the said Court for the different amounts payable by the company to different secured creditors. Similarly another creditor of the company namely Indian Bank has also filed an OA to Debt Recovery Tribunal (DRT) for recovery of its debt. While after the said filing of two OAs, regular hearings in the DRT Court were being held, the company informed the said DRT Court about the admission of company's application under Section 10 of Insolvency and Bankruptcy Code by Ahmedabad bench of NCLT. As a direct result of commencement of moratorium period both the aforesaid proceedings in the DRT Court against the company have been stayed against the company. However, both the matter will proceed against the other defendants.

**Performance of Subsidiary Companies:**

Members are aware that till recently all the five subsidiaries of the company in addition to the two step down subsidiary companies were performing reasonably well due to which their financial performance was also clubbed with the financial performance of the company on standalone basis so as to get the figures of consolidated performance. However, as some time back for two subsidiary companies in US namely PSL USA Inc. and PSL North America LLC Chapter-XI proceedings were initiated in US Courts in the State of Delaware in USA, the said two US subsidiaries of the company stopped functioning. Accordingly 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.

Additionally two other subsidiary companies namely PSL Gas Distribution Pvt. Ltd. and PSL Infrastructure & Ports Pvt. Ltd. also could not generate any revenue due to the reasons beyond their control. In spite of such practical difficulties and in order to comply with Regulation 24 of SEBI (LODR) Regulations, 2015 your Board has been reviewing performance of both active as well as non-active subsidiaries of the company on quarterly basis.

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 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.

**Directorate:**

The total present strength of Directors in the Board of your company is 9 Directors including the Managing Director, 4 Non-Executive Directors and 4 Independent Directors. In accordance with Article 122 of your company's Article of Association the Managing Director is not to be included for determining the total number of Directors who retire by rotation. Also in accordance with Section 152(6)(e) of Companies Act, 2013, the Independent Directors are also not required to be included for determining the Directors who retire by rotation.

In view of the said statutory position only 4 directors will be directors who are liable to retire by rotation and only 2 Directors i.e. Shri Alok Punj and Mrs. Manjula N. Bhatia will retire at the forthcoming Annual General Meeting. Mr. Alok Punj and Mrs. Manjula N. Bhatia have offered themselves for reappointment and their reappointment is hereby recommended.

Moreover, the five year term of all the four existing Independent Directors of the Company is expiring on 25th September, 2019. Since all four of them have accorded their consent for reappointment for a further period of five years (which is permitted under the existing law), they are proposed to be reappointed subject to necessary approval of shareholders at their ensuing general meeting.

**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, 2019, 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 2018- 19, 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 Companies 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.

#### **Performance Evaluation of the Board:**

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, the Board, in consultation with the Nomination and Remuneration committee has formulated a framework containing the process, criteria for the performance evaluation of the entire Board of the Company, its committees, Individual directors including Independent directors.

Evaluation of the Board is on various aspects of their functioning, such as adequacy of the constitution and composition of the Board and its committees, matters addressed in the meeting,

processes followed at the meeting, Board's focus, regulatory compliance and Corporate Governance etc., are in place. Similarly for evaluation of Directors' performance, various parameters like Director's profile, contribution in Board and Committee meetings, performance of duties, regulatory compliance and governance etc., are considered.

The Nomination and Remuneration committee of Company has carried out the evaluation of Whole Time Directors of the Company.

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 36 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:**

During the year under review your Board has appointed Ms. Yashika Chawla as a "Company Secretary and Compliance officer" of the Company w.e.f. 1st December, 2018.

#### **Auditors:**

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

Members may recall that at the 29th Annual General Meeting of the Company held on 28th September, 2017 member had resolved for appointment of M/s. V. Parekh & Associates, Chartered Accountants as Statutory Auditors of the Company for a continuous period of 5 years commencing from Financial Year 2017-18. Since out of said 5 years only 2 years had expired so far, M/s. V. Parekh & Associates would continue to act as Statutory Auditors for the Financial Year 2019-20 also.

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:**

Since your company is required to comply with Section 148 of the Companies Act, 2013 Mr. V.V. Deodhar a Practising Cost Accountant was re-appointed to act as Cost Auditor of the company for the Financial year 2019-20. The consolidated fees of Rs.2 lac for his said assignment will be required to be ratified by the members of the company at the ensuing annual general meeting.

##### **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, 2019 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, 2019 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 promotes ethical behavior in all its business activities and in line with the best governance practices, your Company has formulated a system i.e. vigil mechanism/whistle blower policy through which Directors and employees of the Company and other person dealing with the Company may report to the Chairman of the Audit committee, any instance of unethical behavior, 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, 2019 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.

**Disclosure under Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

In your Company, all employees are of equal value. There is no discrimination between Individuals at any point on the basis of race, colour, gender, religion, social origin, age, etc. Here every individual is expected to treat his/her colleagues with respect and dignity.

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. No complaint of sexual harassment was reported during the year.

**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 place on record gratitude to the Government Authorities, Financial Institutions, Lenders, Bankers' for the assistance they extended to the Company. Your Directors also wish to place on record their thanks and appreciation for the continuing support and efforts of Consultants, Solicitors, Auditors & Shareholders and look forward to their continued co-operation.

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

**PSL LIMITED**

Undergoing Corporate  
Insolvency Resolution  
Process

Sd/-  
**Ashok Punj**  
Managing Director  
(Member of Suspended  
Board of Directors)

Sd/-  
**R K Bahri**  
Director  
(Member of Suspended  
Board of Directors)

Place: Mumbai  
Date: 16<sup>th</sup> July, 2019

## ANNEXURE TO DIRECTORS' REPORT

**Management's response to the various paras included in Statutory Auditor's Report dated 28th May, 2019 for the Financial Year 2018-19 appearing under the heading of "Emphasis of Matter"**

Reference to the Statutory Auditor's remarks in heading "Emphasis of Matter" in the Auditor's Report for the financial year 2018-19 and in compliance of section 134 (4) of the Companies Act, 2013 the Board of Directors 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. Since the said reference had been finally admitted by Hon'ble NCLT on 15th February 2019, the Corporate Insolvency Resolution Process has begun on the said date. While admitting aforesaid reference on the said date, Hon'ble NCLT has also appointed Mr. Nilesh Sharma as Interim Resolution Professional for conducting the CIRP matter of our Company. The Statutory Moratorium has also commenced on 15th February 2019 i.e. the date of Hon'ble NCLT Order and CIRP is ongoing.

### **Reply to para iii & iv :**

After facing severe financial crises the support of facilities from various Banks had stopped due to which the company now undertakes job work against free issue of materials of 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 inadequate for payment of the interest on Company's earlier loans and / or repayment thereof. The admission of Company's application in NCLT on 15th February 2019 and appointment of Mr. Nilesh Sharma as Interim Resolution Professional for conducting the CIRP in the matter of our Company, is anticipated to change the present status.

### **Reply to para v :**

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 and in present CIRP Process. 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 vi & vii :**

No comments or detailed explanation are required since it contains factual statements.

### **Reply to Para viii :**

No Specific comments or detailed explanation are required since it contains factual statement. However, it may be stated that the reduced operation of the Company post facing of financial stress are responsible for turning Company's profitability into losses 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 of 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 the company as Non Performing Assets and have not provided for interest due to them and to achieve desired congruency, the company has not provided for interest amounting to Rs. 434.54 crores and cumulative figure of Rs. 532.62 crores in its books of accounts during the year under review as company is in CIRP process, w.e.f. 15th February 2019.

### **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 before the Gujarat High Court at Ahmedabad. These petitions have been now disposed off vide order dated 10.05.2019. 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 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 (a & b) :**

The Company has already sent letter for confirmation of



balance as on 31st March 2019 to all Banks and the same were shared with the Auditors. Consequent upon the 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. Currently the company is in process of CIRP and they are reporting balance related matters to IRP.

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

No comments or explanation are required since it contains factual statement. However, communications for confirmation of the debt were sent to sundry 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 Sundry Debtors. In view of the above, no provisions have been made for bad debts or its effects on the losses for the current financial year.

**Reply to Para xvi :**

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

**Reply to Para xvii :**

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 xviii :**

PSL FZE (Sharjah) (Step down Subsidiary) of Pipeline Systems, Mauritius (Subsidiary of the Company). The Company has invested Rs. 141.63 crores in a wholly owned "Subsidiary namely Pipeline Systems Mauritius" which in turn has invested AED 150000 in PSL FZE being its subsidiary. However, due to cumulative losses in the subsidiary company, the value of investment is eroded. Due to adverse market conditions and lack of orders, PSL FZE Sharjah, a Step down subsidiary has suffered losses which accumulated to AED 40.703 Million AED as on 31.3.2019. The Company expects this to be a temporary phenomena and hope the Business of the Company will pick up 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 wholly owned subsidiary of the Company on 20th February 2014. The said subsidiary Company had challenged the illegal termination of the Contract by way in 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 along with interest @ 9% per annum from the date of claim petition. Kandla Port Trust has further appealed in Commercial Court on this matter which is being effectively contested by the Company and the Company has filed Execution Petition before the Commercial Court, Rajkot and currently the case is transferred to Dist. Court. Gandhidham.

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.

**Reply to Para xix a b & c :**

- a) No comments or explanation are required since its contains factual statements and these matter are still pending before concerned Metropolitan Magistrate at Mumbai.
- b) Five Petitions 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 have now been disposed off by the Gujarat High Court at Ahmedabad vide order dated 10/5/2019.
- c) No comments or explanation required since it contains factual statements.

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED 31.03.2019**

[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,

**Mr. Nilesh Sharma**  
**Interim Resolution Professional of PSL LIMITED**  
**D-55, Defence Colony,**  
**New Delhi-110024**

CC:

**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 31.03.2019 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 31.03.2019 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 (Buyback of Securities) Regulations, 1998;
- vi. I have relied on the representation made by the company and its officers for systems and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations with respect to:
  - a. Factories Act, 1948
  - b. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, compensation etc.;
  - c. Acts prescribed under prevention and control pollution;
  - d. Acts prescribed under Environment protection;
  - e. Industrial (Development & Regulation) Act, 1951.
  - f. Other Acts as applicable as specified in the Management Representation Letter received from the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements 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. The Company had delayed in filling up the vacated post of the Company Secretary of the Company. This is a non-compliance of section 203 of the Companies Act, 2013 and regulation-6 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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.

I further report that during the audit period the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench and on 15.2.2019 has admitted the Company application for initiation of Corporate Insolvency Resolution Process (CIRP) filed under Section 10 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application for Adjudicating Authority) Rules, 2016 and appointed Mr. Nilesh Sharma as Interim Resolution Professional (IRP) to carry the functions as mentioned under under Insolvency and Bankruptcy Code, 2016.

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

**Avi Sangal**

**C.P. No.: 11984**

Place: New Delhi

Dated: May 16, 2019

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,

Mr. Nilesh Sharma

Interim Resolution Professional of PSL LIMITED

D-55, Defence Colony,

New Delhi-110024

CC:

The Members

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 16, 2019

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2019**

[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 (Job work of formation of pipes , anti-corrosive treatment and induction bending)	N.A	95.28
3.	Other Operating Revenue	N.A	4.71

**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	0	0	0	0	0	0	0	0
b.Banks / FI	24609651	0	24609651	19.70	20794144	0	20794144	16.64	-3.06
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	1231206	0	1231206	0.99	-0.09
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	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1)</b>	25957857	1000	25958857	20.78	22025350	1000	22026350	17.63	-3.15
<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	18374586	85377	18459963	14.78	19112279	82676	19194955	15.36	0.58
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13707648	0	13707648	10.97	16830383	0	16830383	13.47	2.50

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	19713532	1300	19714832	15.78	19323962	1300	19325262	15.47	-0.31
<b>Non Resident Indians</b>	677721	5800	683521	0.55	849897	5800	855697	0.68	0.13
<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>	63309	0	63309	0.05	77393	0	77393	0.06	0.01
<b>Trusts</b>	500	0	500	0	500	0	500	0	0
<b>Non Resident Indian Non Repatriable</b>	205638	0	205638	0.16	484228	0	484228	0.39	0.23
<b>IEPF</b>	25350	0	25350	0.02	25350	0	25350	0.02	0
<b>Sub-total (B)(2)</b>	52768284	92477	52860761	42.29	56703992	89776	56793768	45.45	3.16
<b>Public Shareholding TOTAL (B): (B)(1)+(B)(2)</b>	78726141	93477	78819618	63.09	78729342	90776	78820118	63.08	0
<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>	124831157	93477	124924634	100	124834358	90776	124925134	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
18.	M/s. Punj Investments Private Limited	704100	0.56	14.78	704100	0.56	14.78	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	
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	6443453	5.16	Nil	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.	Edelweiss Asset Reconstruction Company Ltd	1923076	1.54	Nil	1923076	1.54
8.	Kotak Mahindra Bank Limited	1700000	1.36	Nil	1700000	1.36
9.	Indian Bank	1423076	1.14	Nil	1423076	1.14
10.	Hanwa Co. Ltd.	1221206	0.98	Nil	1221206	0.98

## 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	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>
<b>Change in Indebtedness during the financial year</b>				
• Addition	43454.00	Nil	Nil	43454.00
• Reduction	1019.03	Nil	Nil	1019.03
<b>Net Change</b>	<b>42435.05</b>	<b>-</b>	<b>-</b>	<b>42435.05</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	384249.69	1748.00	Nil	385997.69
ii) Interest due but not paid	236432.08	Nil	Nil	236432.08
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>620681.77</b>	<b>1748.00</b>	<b>Nil</b>	<b>622429.77</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
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:	Nil	Nil
	- as % of profit		
	- others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Retirement		
6.	Total (A)	Nil	Nil
	Overall Ceiling as per the Act	Well within the overall ceiling limit of Rs. 1.30 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	40000	150000	140000	80000	Nil	Nil	Nil	410000
	(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)	40000	150000	140000	80000	Nil	Nil	Nil	410000
3.	<b>Other Non-Executive Directors</b>								
	(a) Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	170000	Nil	Nil	170000
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	170000	Nil	Nil	170000
7.	Total (B)=(1+2)	40000	150000	140000	80000	170000	Nil	Nil	580000
8.	Total Managerial Remuneration	40000	150000	140000	80000	170000	Nil	Nil	580000
9.	Overall Ceiling as per the Act	Well within the overall limit of Rs. 1.30 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	-	1.2	-	1.2
	(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	-	-	-	-
6.	Total	-	1.2	-	1.2

\* Ms. Yashika Chawla joined the post of "Company Secretary and Compliance officer" w.e.f December 01, 2018.

## 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 2019.

## 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 are taken like use of Servo Motors and Servo drives to conserve energy, Continuous monitoring and Control of Power Factor correction value, DC Drives replaced by Variable Frequency Drive in Conveyors, pumps and other equipments in plant, Incandescent light/bulbs replaced by CFL, Replacement of Reciprocating Compressors Screw Compressors for Pipe mill and Coating Lines, etc.

Impact of above measures

The continual emphasis on Energy conservation has improved efficiency of machine by resulting in reduction in breakdown and breakdown time, improved power factor.

Above measures have helped us in reducing the cost of energy per Ton of production.

ii) We have been able to compete in the International market in selling our machine Building Products based on the over-all Production Capacity and Cost per MT of Production committed by us.

**iii) The steps taken by the company for utilizing alternate sources of energy.**

Company is engaged in development of Bio-diesel on commercial basis, once Commercially developed, the same will be used in place of conventional diesel.

**iv) The capital investment on energy conservation equipments.**

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 pioneer's 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 spend on Research and Development during the current Financial Year.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

	March'19	March'18
Earnings	230.60	Nil
Outgo on Royalty	Nil	Nil

## ANNEXURE V

## 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 2018-19 (Rs. In Lakhs)	Remuneration in 2017-18 (Rs. In Lakhs)	% Increase of Remuneration in 2019 as compared to 2018	Ratio to Median Remuneration
Ashok Punj*	Managing Director	-	-	-	-
Yashika Chawla**	Company Secretary	1.2#	-	NIL	1.40

\*Didn't draw salary in financial year 2018-19, 2017-18 & 2016-17.

\*\*Appointed as "Company Secretary" w.e.f 01/12/2018

# 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, 2019 was 970.
- 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 members are informed again that pursuant to the order dated 15th February, 2019, passed by Hon'ble National Company Law Tribunal –Ahmedabad Bench, Corporate Insolvency Resolution Process (CIRP) has been initiated for the Company. During the continuation of CIRP the powers of the Board of directors of the Company stand suspended and such powers along with the management of affairs of the Company are vested with Interim Resolution Professional.

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, 2019 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 2018-19, 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, 2019 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	3	0	0
2.	Alok Punj	Non-Executive (Promoters Group)	0	0	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	2	0	3
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	1	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, 2019, 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, 2018.

Attendance of different directors at the Board Meetings held during the year 2018-19 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 24, 2018	Aug 9, 2018	Nov 13, 2018	Feb 12, 2019
1.	Ashok Punj	4	P	P	P	P	P
2.	Alok Punj	4	LOA	P	P	P	P
3.	R. K. Bahri	2	P	LOA	P	P	LOA
4.	N. C. Sharma	4	P	P	P	P	P
5.	Ashok Sharma	2	NR	P	LOA	P	P
6.	Harinder Shourie	3	NR	P	LOA	P	P
7.	C. K. Goel	2	NR	LOA	P	LOA	P
8.	Harsh Pateria	4	NR	P	P	P	P
9.	Manjula N. Bhatia	2	LOA	P	LOA	LOA	P
No. of Directors Attended				7	6	7	8
%				77.77	66.66	77.77	88.88
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 28, 2019 to take on record the Audited Financial Results for the whole Financial Year 2018-19 and again on August 12, 2019 for taking on record the un-audited financial results for the first quarter of Financial Year 2019-20 ended on June 30, 2019.

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

During the year, one meeting of the Independent Directors was held on November 13, 2018. 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, 2018 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 analyses 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 2018-19 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 24, 2018	Aug 9, 2018	Nov 13, 2018	Feb 12, 2019
Alok Punj	NED	4	100	P	P	P	P
Harinder Shourie	I & NED	3	75	P	LOA	P	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	2	50	P	LOA	LOA	P
Manjula N. Bhatia	NED	3	75	P	LOA	P	P
<b>No. of Directors Attended</b>				6	3	5	6
<b>%</b>				100	50	83.33	100
<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 seven 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	7
2.	Alok Punj	Non-Executive Director	4
3.	R. K. Bahri	Non-Executive Director	7
4.	C. K. Goel	Non-Executive Director	7
5.	Manjula N Bhatia	Non-Executive Director	5

**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, 2019. 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. Yashika Chawla was appointed as "Company Secretary & Compliance Officer" of the Company w.e.f 1st December, 2018 and hence she will comply with all the requirements of SEBI Listing Regulations etc. executed by the Company with the two Stock Exchanges

**INVESTOR GRIEVANCE REDRESSAL**

During the financial year ended March 31, 2019, a total of 27 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 2018-19.

**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 18th May, 2018 wherein 2 cases of transfer comprising of 100 equity shares each 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 14th November, 2014 constituted a Risk Management Committee which shall act in accordance with mandate to be given by the Board from time to time keeping in view the various statutory provisions on this issue.

The 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 2018-19 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 2018-19 were as follows:

S. No.	Name of Directors	Sitting Fees (Rs.)
1.	Alok Punj	170000
2.	Harsh Pateria	140000
3.	N. C. Sharma	150000
4.	Harinder Shourie	80000
5.	Ashok Sharma	40000
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, 2019.

## I) GENERAL BODY MEETINGS

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

For Finan- cial Year	Held on	Time	Venue	No. of Special Resolutions Passed
2017-18	September 28, 2018	9:30 A.M	Hotel "Reevanta" at Teen Batti, Devka Road, Nani Daman -396210	0
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

- None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.
- No Extraordinary General Meeting of the members was held during the financial year 2018-19.

## II) MEANS OF COMMUNICATION

- 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.

- 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.
- 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.
- 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.
- 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.
- The Management Discussion and Analysis Report** forms Part of the this Annual Report

## III) GENERAL SHAREHOLDER INFORMATION

- Registered Office** : Kachigam, Daman Union Territory of Daman & Diu – 396210
- Annual General Meeting**
  - Date** : September 19, 2019
  - Day** : Thursday
  - Time** : 9.30 a.m.
  - Venue** : Hotel "Reevanta" Teen Batti, Devka Road, Nani Daman, Union Territory of Daman & Diu – 396210
- Financial Year** : April 01, 2018 to March 31, 2019
- Un-audited/Audited Results Approval:**

S. No.	Quarter	Ended on	Board Meeting held on
1.	First	30.06.2018	09.08.2018
2.	Second	30.09.2018	13.11.2018
3.	Third	31.12.2018	12.02.2019
4.	Fourth	31.03.2019	28.05.2019

- E. **Dates of Book Closure** : September 16, 2019 to September 18, 2019 (Both days inclusive)
- F. **Payment of Dividend** : For the Financial Year 2018-19 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 18	4	3.06	4	3.05
May 18	3.4	2.7	3.45	2.65
June 18	3.46	2.72	3.5	2.65
July 18	2.99	2.1	3.1	2
August 18	2.33	1.82	2.35	1.85
September 18	1.99	1.33	1.95	1.35
October 18	1.58	1.04	1.5	1.05
November 18	1.78	1.38	1.7	1.4
December 18	2.34	1.47	2.25	1.45
January 19	1.92	1.03	1.9	1
February 19	1.22	0.83	1.25	0.8
March 19	1.18	0.91	0.95	1.1

**K. Share Price Comparison**

Particulars	Price Quoted at BSE	BSE (Sensex)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2017 (Open)	3.2	33030.87	3.2	10151.65
Share Price 31.03.2018 (Close)	0.95	38545.72	0.95	11623.9
Increase/Decrease in%	(70.31)	16.69	(70.31)	14.50

- L. **Share Transfer Agents** : Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032

- 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 a Practicing Company Secretary has been appointed by the Company who on quarterly basis conducts "Secretarial Audit" for reconciliation of total issued share capital with depositories and in physical form.

- N. **Distribution of Shareholding** : Distribution of Shareholding of the Company as on March 31, 2019 was as follows

Category From – To	No. of Cases	% of Cases	Amount	% of Amount
01 – 5000	19964	70.33	33503190.00	2.68
5001 – 10000	3448	12.15	29078510.00	2.33
10001 – 20000	2015	7.10	31795040.00	2.54
20001 – 30000	843	2.97	21832500.00	1.75
30001 – 40000	432	1.52	15601960.00	1.25
40001 – 50000	413	1.45	19671030.00	1.57
50001 – 100000	654	2.30	49500650.00	3.96
100001 & Above	617	2.17	1048361960.00	83.91
<b>TOTAL</b>	<b>28386</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:-**

- a) PSL Limited, Legal & Secretarial Department, 3rd Floor, 'Punj House' M-13 A, Connaught Circus, New Delhi - 110 001, E-mail ID: psltdlegal@gmail.com
- b) Karvy Fintech Private Limited (Share Transfer Agent of PSL Limited)  
Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032

#### 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.

The Related party transactions in respect of subsidiaries and associate Companies are stated under Note no. 36 to Statement of accounts for the year ended 31st March, 2019

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 2016-17, 2017-18 and 2018-19 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: [linkhttp://http://www.pslimited.com/investorupdates.aspx](http://http://www.pslimited.com/investorupdates.aspx)

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

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

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

#### 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 2018-19. 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: [linkhttp://http://www.psllimited.com/codeofconduct.aspx](http://www.psllimited.com/codeofconduct.aspx)

#### **VII) CEO/ CFO CERTIFICATION**

Certificate from Managing Director/CEO for the financial year ended on 31st March, 2019 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 2011-12 (Interim Dividend) to the said IEPF.

- 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.
- 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, 2019 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 Regulation, as applicable.

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 : July 30, 2019  
Place : Mumbai  
CERT : REF No. VPA : 56:5476  
UDIN : 190386AAAAHK3401

**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, 2019.

For **PSL LIMITED**  
Undergoing Corporate  
Insolvency Resolution  
Process

Sd/-  
**(Ashok Punj)**  
Managing Director  
(Member of Suspended  
Board of Directors)

Place : Mumbai  
Date : July 16, 2019

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ECONOMIC SCENARIO IN GENERAL

The economy of India is a developing mixed economy. Since 2014 India's economy has been the world's fastest growing economy surpassing China. The long term growth perspective of Indian Economy is positive. India topped the World Bank's Growth Outlook for the first time in fiscal year 2015-16 during which the economy grew at the rate of 7.6%. Indian economy grew at 7.6% and at 7.1% respectively in the FY 2015-16 and 2016-17 as major reforms which have been undertaken by the Government like demonetisation and implementation of GST in the FY 2016-17. However, the economy growth slowed down in Financial Year 2017-18 at 6.7% and was expected to grow near to 8.2% in Financial Year 2018-19. The annual GDP growth has been falling during the past 2 years from 7.6% in FY 2015-16 to 7.1% in FY 2016-17 and further reduced to 6.6% in FY 2017-18. The first quarter of 2018-19 saw a growth rate of 8.2% which fell to 7.1% in 3rd quarter much lower than the expected growth. However, higher contribution to GDP by manufacturing sector, higher FDI's and introduction of water transport, better road and rail network are expected to make Indian economy to grow faster in future.

### INDUSTRY STRUCTURE & DEVELOPMENT

Asia Pacific is estimated to have a major share in the global steel pipe market. China has many manufacturers in the steel pipe industry, which makes it a dominating player in the Asia Pacific market. The countries in North America, such as the U.S. and Canada with developed steel manufacturing industries, represent as prominent regional markets. Moreover, the U.S. has produced a wide range of products related to carbon and stainless steel. The U.S. president Mr. Donald Trump also signed a memo for new steel pipelines with the use of U.S.-manufactured raw steel. Based on these factors, the U.S. is estimated to have a hefty market share in the steel pipe market globally. The replacement of ageing pipelines in Europe is expected to gain high market growth over the coming years.

At present Indian steel industry enjoys growth through demand not only from oil and gas sector but also new projects awarded infrastructure development in India. Indian Government is signing various MOU with various countries for providing enough Gas and Oil in the country. This is really appreciable step and this would boost the Indian Steel Pipe Industry too. As the oil and gas industry is growing rapidly, the demand for steel pipes is also increasing. The scope of Steel pipes have become very large now as they are used in the automotive, mining and construction industries, which drives the manufacturing steel pipe industry. The available range of steel pipes becomes one of the reasons surpassing the demand of residential and non-residential sector of steel pipes. The replacement of ageing pipelines also increases the global demand of steel pipes. 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

### OPPORTUNITIES & THREATS

#### Opportunities:

As per IMF's World Economic Outlook – April, 2019 Indian economy grew at 6.8 percent which means India is the world's fastest growing economy and now-a-days government's infrastructure development is visible across the country. PSL Ltd. is the flagship company in manufacturing of Large Dia Steel Pipes and had played an important role in infrastructure development in past and can repeat the history again

#### Threats:

Impressive figures earmarked for different projects announced by different government agencies result into adequate optimistic thinking in the minds of various pipeline industry players, however, on the basis of past experience in all probability the practical situation works out to be much different unwanted delays are generally experienced in implementation of the Government projects due to slow decision making at bureaucratic level.

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 facing high competition in the market to survive.

### OUTLOOK

India's density of pipeline either on a per capita index or on a per square meter index is at level 1/50th of that prevailing in advanced countries. Therefore although in the future, the scope of growth for India's Pipeline Industry in general is healthy and positive but your company in particular does not have very high outlook due to Insolvency and Bankruptcy Code proceedings of the company.

### RISK AND CONCERNS

Every industry witnesses growth and slowdown and our company is not exception to this. Growth mostly depends on Government plans for expansion of pipeline network in the country, the future of the pipeline industry cannot be predicted as delay in government projects can prove a serious risk and concern to the said prediction. 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 to get in the benefits of such growth can be put in practice.

Substitutes such as iron and plastic pipes, which create diversions for the manufacturer towards other material pipes, are



estimated to restrain the market growth. The corrosive behaviour of carbon steel pipes is one of the restraining factors, and the high cost of stainless steel also hinders the growth of the global steel pipe market

In spite of as 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 of 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, and the said CDR did not succeed and company exited from that mechanism. The Company is presently in vulnerable position since in the absence of comfortable financial position and admission of company's application in NCLT, the Company is unable to venture into bidding process of large sized business projects arising in the market. The Hon'ble NCLT suspended the powers of Board of Directors and appointed an Interim Resolution Professional (IRP) to prepare a Resolution Plan for your company.

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

Your Company's Internal Control System is commensurate with its scale of operations. Roles and responsibility are clearly defined and assigned. 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 more transparency and accountability.

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

The company and its Indian subsidiaries have prepared the financial statements for the financial year 2018-19 in accordance

with Companies Act, 2013 and the rules made there under and the applicable accounting standards issued by Institute of Chartered Accountants of India. 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.

The consolidated income of the Company and its subsidiaries for the FY 2018-19 is Rs. 228.69 crores while as standalone income recorded by the Company is Rs.92 Crores which was 51% 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.152.75 Crores in the previous year to Rs.98.08 crores in the year under review.

#### **HUMAN RESOURCE DEVELOPMENT**

Time and again it is being recognized by Senior Management of the Company that Human Resources of the company are its real assets. Company developed a performance driven environment where performance recognized and also nurture work place challenges that keep employees motivated to realize their potential. However, unfortunately due to financial crises and to reduce the financial burden on the company, company reduced manpower in the past to limit pay roll expenses.

#### **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's application has now been admitted in NCLT and an Interim Resolution Professional is appointed to initiate process of resolution of its current financial crises and to find a suitable resolution plan of company's production facilities.

## 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 2018-19 ended on 31st March, 2019 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  
(Company Undergoing  
Corporate Insolvency  
Resolution Process)

Place : Mumbai  
Date : July 16, 2019

## REPORT OF INTERIM RESOLUTION PROFESSIONAL ON STANDALONE FINANCIAL STATEMENT OF PSL LIMITED FOR FINANCIAL YEAR 2018-19

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal Ahmedabad Bench dated 15.02.2019 ("NCLT Order"), corporate insolvency resolution process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued there under (collectively, "I & B Code") with effect from 15 Feb 2019. Vide the same order, the undersigned (Nilesh Sharma) was appointed as Interim Resolution Professional ("IRP") for running the CIR Process and for continuing the operations of the company as a going concern. Accordingly the IRP is running the CIR Process and is looking after the affairs of the Company alongwith its management in order to continue its business as a going concern.

The audited financial statements (standalone) for FY 2018-19 have been prepared by the management of the Company and certified by Shri Ashok Punj (Managing Director), Shri R.K. Bahri (Director), Shri Kishore V. Bulchandani (Head of Accounts & Finance) and Smt. Yashika Chawla (Company Secretary). The said Financial Statements have been taken on record at the meeting held at 28th May 2019 by the directors of the Company which was chaired by the IRP. The Interim Resolution Professional has relied upon the said statements made by the management especially the aforesaid officers while taking on record the said financial statements (standalone as well as consolidated).

The Interim Resolution Professional has signed the said financial statements in order to make compliance with the provisions of applicable law, however, he does not certify the correctness of the financial statements (standalone) for FY 2018-19 in all respect including but not limited to the compliance with the requirements of Companies Act, 2013 especially for the period before initiation of CIR Process and the opening data relating to period before CIR Process.

**Nilesh Sharma**

Interim Resolution Professional

IBBI Reg. No.: IBBI/IPA-002/IP-N00104/2017-2018/10232

C-124, Ground Floor, Lajpat Nagar – I

New Delhi – 110024

nilesh.sharma@witworthipe.com

Dated : 28<sup>TH</sup> MAY, 2019

Place: Mumbai

## INDEPENDENT AUDITOR'S REPORT

### The Members,

### PSL LIMITED

### Report on the Standalone Ind AS financial statements

### Corporate insolvency Resolution Process ("CIRP")

The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") consequent upon an application filed by PSL Limited u/s 10 of IBC Code and appointed Mr. Nilesh Sharma as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.

### Opinion

We have audited the accompanying standalone financial statements of PSL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards specified under Section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019 and its loss and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in

accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Sr. No.	Key Audit Matter	Auditor's response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<b>Principal Audit Procedures</b> We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
	The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures: Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>Compared these performance obligations with that identified and recorded by the Company.</li> </ul>

Sr. No.	Key Audit Matter	Auditor's response
		<ul style="list-style-type: none"> <li>Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ul>
2.	<b>Recoverability of indirect taxes</b>	<b>Principal Audit Procedures</b>
	As at March 31, 2019, other current assets include indirect taxes amounting to Rs. 37,907.36 Lakhs which are shown as receivables.	We have reviewed the nature of the amounts recoverable, the reconciliation, sustainability and the likelihood of recoverability of the same.
3.	<b>Contingent liabilities in relation to tax litigations</b>	<b>Principal Audit Procedures</b>
	<p>The Company has received certain demand orders and notices relating to Income Tax, excise, custom duty and Service Tax matters. The Company is contesting these demands. Significant judgements and estimates are required to assess impact of these litigations on the financial position, results of operations and cash flows.</p> <p>The evaluation of management's judgements supported by the assessments received from external tax and legal specialists ('management's expert'), including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, complexity of the cases, time period for resolution have been a matter of significance during the audit and hence considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>We obtained an understanding and tested the internal controls relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to tax;</li> <li>We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received with respect to other litigations from the management;</li> <li>We obtained confirmation from management's expert on ongoing litigations along with risk assessment;</li> <li>We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required for specific cases; and</li> <li>We assessed the disclosures in the financial statements.</li> </ul>

#### Emphasis of matter

- i. As a consequence, to acute financial stress being faced by the Company in recent years, the Company's net worth has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses are further enhanced creating a further adverse impact on its net worth.
- ii. The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") consequent upon an application filed by PSL Limited u/s 10 of IBC Code and appointed Mr. Nilesh Sharma as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.
- iii. The financial statement has been prepared on a going concern basis notwithstanding the fact that the Company's net worth is eroded. The financial performance of the Company has deteriorated substantially. The manufacturing cost has gone up. There is inadequacy of demand. The Company continues to deal with a range of uncertainties. The interest amount 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 under the present circumstances. 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 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 therefore unable to comment on the impact on statement of Profit & Loss Account.
- vi. It has been observed that the Company is unable to deposit the provident fund amount with PF authorities in time, as a result of which Rs. 2.18 Crs is the amount which yet to be deposited.
- vii. Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.
- viii. The Company has reported a Net Loss of Rs. 98.08 Crores for the year ended on 31st March, 2019 as against the net loss of Rs. 152.75 Crores for the previous year ended on 31st March, 2018. During the year the loss is largely due to the depreciation.
- 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. 434.54 Crores on such outstanding facilities for the year ended 31st March, 2019 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 98.08 Crores would have raised to Rs. 532.62 Crores.
- 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 31st March, 2019 of Rs. 26.20 Crores (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs. 17.07 Crores which is currently in arbitration stage



- b. The Company has done physical inventories on 31st March, 2019 and they have certified the realizable value as on 31st March, 2019 on physical / saleable ground.

**xii. Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.**

- a. Although company's three plants earlier 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 one Pipe Mill having capacity of 75000MT, one IPC plant having capacity of 18000Sqr Meter and other spares and consumable shifted by it contrary to the provisions of their agreement with the company.

As per the advice of Edelweiss, JTIL is transferring Rs 0.098 Crores after deducting tax of Rs 0.002 Crores every month to Company's bank account, though there was no agreement for the same.

- b. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs.4.37 Crores. The Company has not accepted their claim and the accounts are under reconciliations.
- c. 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 Crores
1.	Varsana 1	0.72
2.	Varsana 2 Coating	4.86
3.	Varsana 2 Pipe Mill	5.52
	<b>Total Rs.</b>	<b>11.10</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.

**xiii. Settlement with JSW**

The Company has created pari passu charge with respect to some of the immovable and movable properties of the Company in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited, in pursuance of the Bombay High Court Order.

**xiv. Lender Banks' Balance Confirmation as on 31<sup>st</sup> March, 2019**

We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/ Letter of Credit/Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2019 but the same have not yet been received the said confirmations. Pending the receipt of balance confirmations, book balances as on 31st March, 2019 have been taken in the accounts of the Company.

**xv. Sundry Debtors:**

- a. The break up of Company's Sundry Debtors amounting to Rs. 9.53 Crores as on 31st March, 2019 is as follows: -
- |                      |                 |
|----------------------|-----------------|
| Less than Six Months | Rs. 6.29 Crores |
| More than Six Months | Rs. 3.24 Crores |

- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2019. 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 2019.

**xvi. Trade payable & Loans and Advances:**

In the absence of pending confirmation of balances from Trade Payables, Trade receivable and Other Loans & Advances as on 31.03.2019, provision for any adverse variation in the balances is not quantified.

**xvii. 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.

**xviii. Investment in Subsidiaries:**

**A. Foreign Subsidiaries:**

- i) PSL FZE (Sharjah) (Step down Subsidiary of Pipeline Systems Limited, Mauritius, (Subsidiary of the Company)).
- a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Limited Mauritius which in turn had invested AED 1,50,000 in PSL FZE being its subsidiary. However due to cumulative losses in the subsidiary, the aforesaid 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 shareholding of PSL FZE, Sharjah held by PSL Limited 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 40.703 Million AED. The 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 31-3-2019.
- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 2.26 million. The matter is sub-judice.
- f) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 114.96 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 154.89 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. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the stepdown 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 voluntarily 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.

**B. Indian Subsidiaries:**

- i) PSL Infrastructure & Ports Pvt. Ltd.
  - Total investment in PSL Infrastructure and Ports Private Limited is Rs. 28.21 Crores.
  - The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs. 65.11 Crores.
  - Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
  - The development agreement for Jetty at Kandla Port was cancelled in earlier year. The Company has won the arbitration claim partly with respect cancellation of the said development agreement. However, the award was challenged by the Kandla Port Trust. Now the matter has been transferred to district court Gandhidham
- ii) PSL Corrosion Control Services Limited.  
The total Revenue for the year stood at Rs. 108.33 Crores against previous year of Rs.79.19 Crores. The Net Profit before tax is Rs. 7.51 Crores against previous year of Rs. 0.84 Crores.  
  
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.

**xix. 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 16th/63rd MM Court, Andheri, Mumbai and the next date of hearing are fixed.  
  
Next date of Syndicate Bank hearing on 10.06.2019 & Kotak Mahindra Bank is on 18.07.2019.
- 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.

**c. 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.

**Information Other than the Standalone financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.. 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters, if any, that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in

our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) 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.
  - b) 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.
  - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the standalone Cash Flow Statement and standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) Except the matters described in Emphasis of Matters Paragraphs (i) to (xix) and annexure A Para No. vii(a), in our opinion, may have an adverse effect on the functioning of the Company, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) on the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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**

**MUMBAI,  
DATED : 28<sup>TH</sup> MAY, 2019**

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

## 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 financial statements for the year ended 31st March, 2019, we report that:

- (i) (a) The Company has maintained Fixed Assets Register. However, the fixed assets register is not updated properly.
- (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 31-3-2019 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 31st March, 2018. 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 31st March, 2019 for a period of more than six months from the date they became payable. Except the amount of provident fund payable of Rs. 1.15 Crs.
- (b.) As on 31st March, 2019 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/adjusted:

Sr. No.	Amount under Dispute# (Rs. In Lacs)	Facts of the Case	Period	Forum where the dispute is pending
<b>EXCISE DUTY</b>				
1.	7657.00	Demand of Duty on exempted orders	2006	The Customs Excise and Service Tax Appellate Tribunal
2.	1832.00	Duty on Fusion Bonded Epoxy Coating	2008	
3.	16.22	Duty on Fusion Bonded Epoxy Coating	2010	
4.	118.72	Demand of differential Excise Duty	2011	
5.	33.95	Demand of interest & penalty for wrong availment of Cenvat Credit	2010	
6.	108.22	Demand of Central Excise Duty	2012	
7.	202.79	None Payment of Excise Duty	2013	
8.	113.22	Short Reversal of Cenvat Credit	2013	
9.	71.71	Non reversal of Cenvat Credit on Capital goods & machinery	2016	
10.	552.21	Non reversal of Cenvat Credit on capital goods and machinery	2016	
11.	486.00	Non reversal of Cenvat Credit on capital goods and machinery	2016	Commissioner of Central Excise, Vizag
12.	181.00	Short paid Excise Duty on Transportation	2013	
13.	16.50	Interest Claimed on Central Excise Duty	2017	Commissioner (Appeal)-GST
14.	10.00	Relating to interest on incorrect Cenvat Credit	2010	The Customs Excise and Service Tax Appellate Tribunal



Sr. No.	Amount under Dispute# (Rs. In Lacs)	Facts of the Case	Period	Forum where the dispute is pending
15.	0.32	Demand of Central Excise Duty	2013	Dy. Commissioner, Central Excise, Vizag.
16.	29.85	Recovery of Refund erroneously paid to us by Ex. Deptt	2014	High Court of Gujarat
17.	28.25	Goods cleared without payment of Excise Duty	2012	Supreme Court
<b>CUSTOMS / DGFT</b>				
1.	15.19	Demand of differential amount of duty on import of HDPE disallowing benefits of exemption notification.	2012	The Customs Excise and Service Tax Appellate Tribunal
<b>SERVICE TAX</b>				
1.	45.90	Tax on construction of Mall	2008	The Customs Excise and Service Tax Appellate Tribunal. Chennai.
2.	2.00	Service Tax	2009	Asst. Commissioner (Appeals), Service-tax, Vizag
3.	2.54	Demand of Service, Tax BAS	2010	The Customs Excise and Service Tax Appellate Tribunal
4.	32.00	Service Tax on ECB Loan	2011	The Customs Excise and Service Tax Appellate Tribunal
5.	41.86	Wrong availment of Cenvat Credit	2012	The Customs Excise and Service Tax Appellate Tribunal
6.	30.45	Cenvat credit availed on service tax paid on agency commission	2013	The Customs Excise and Service Tax Appellate Tribunal
7.	246.84	Short payment of Service-tax	2016	Commissioner of Central Excise
8.	11.46	Interest not paid on belated payment of service-tax	2016	The Customs Excise and Service Tax Appellate Tribunal
<b>SALES TAX</b>				
1.	49.03	Sales tax on Freight – Appeal No. Appeal No. 1348/15	2009-10	Rajasthan Tax Board – Ajmer
2.	1.80	Sales tax on Freight – Appeal No. Appeal No. 1349/15	2010-11	Rajasthan Tax Board – Ajmer
3.	268.02	Sales tax on Freight – Appeal No. Appeal No. 1350/15	2010-11	Rajasthan Tax Board – Ajmer
4.	81.22	Sales tax on Freight – Appeal No. Appeal No. 1351/15	2011-12	Rajasthan Tax Board – Ajmer
5.	27.08	Sales tax on Freight – Appeal No. Appeal no.1352/15	2012-13	Rajasthan Tax Board – Ajmer
6.	3.42	Sales tax on Freight – Appeal No. Appeal no.1353/15	2013-14	Rajasthan Tax Board – Ajmer
7.	144.01	Sales in Course of Import	2002-03	Sale Tax Appellate Tribunal
8.	460.68	Levy of tax @ 12.5% on pipes instead of 4%	2003-04	High Court of Andhra Pradesh
9.	306.76	Levy of tax @ 12.5% on pipes instead of 4%	2004-05	High Court of Andhra Pradesh
10.	125.01	Work Contract	2008-09	Sale Tax Appellate Tribunal
11.	110.00	ST Exemption	2000-01	High Court of Gujarat
12.	9.65	Interest & Penalty	2000-01	High Court of Gujarat
13.	2109.00	CST Re Assessment & Bombay High Sales- Limit Exhausted.	2005-06	Joint Commissioner of Commercial Tax (Appeals)
14.	83.00	WCT/Form – C Addl. Int/Penalty	2007-08	Joint Commissioner of Commercial Tax (Appeals)
15.	2691.00	WCT/Form – C Addl. Int/Penalty	2008-09	Joint Commissioner of Commercial Tax (Appeals)
16.	65.00	Export Sales (Bombay High) treated as Interstate sales	2010-11	Joint Commissioner of Commercial Tax (Appeals)
17.	66.00	Interest on delayed payment of VAT/CST for the year 2012-13 as per Assessment Order	2012-13	Joint Commissioner of Commercial Tax (Appeals)



Sr. No.	Amount under Dispute# (Rs. In Lacs)	Facts of the Case	Period	Forum where the dispute is pending
18.	47.00	Gujrat Sales Tax	2013-14	Joint Commissioner of Commercial Tax (Appeals)
19.	156.00	Sales to Siemens Ltd under SEZ, disallowed and Export Sales (Bombay High) treated as Interstate Sale	2011-12	Joint Commissioner of Commercial Tax (Appeals)
20	38.00	CST Tax & Interest on delayed payment on OGS Freight and consumables	2014-15	Joint Commissioner of Commercial Tax (Appeals)
<b>Entry Tax</b>				
1.	7.66	Entry Tax Jaipur	2008-09	Commercial Tax Officer, Jaipur
2.	17.66	Entry Tax Jaipur	2009-10	
3.	6.44	Entry Tax Jaipur	2010-11	
4.	8.22	Entry Tax Jaipur	2011-12	
5.	11.14	Entry Tax Jaipur	2012-13	
6.	0.09	Entry Tax Jaipur	2013-14	
7.	0.03	Entry Tax Jaipur	2014-15	

Under Income Tax Laws also, appeals at various Income Tax Authorities are pending, however the amounts of disputes have been adjusted against the refund of other years.

# includes amount of interest and penalty.

- c According to information and explanation given to us by the management, there are numerous Civil and Criminal cases are pending against the Company.
- d DGFT:  
The Company has taken 3 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.402.71 Lacs.
- (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, banks. 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, term loan (including debt instruments) during the year.
- (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 not paid/provided for managerial remuneration during the year.
- (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 financial statements

as required by the applicable accounting standards.

- (xiv) According to the information and explanations given 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 accumulated 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.

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

**MUMBAI,  
DATED : 28<sup>TH</sup> MAY, 2019**

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

## ANNEXURE-B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of PSL LIMITED ("the company") as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 31st March 2019, 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. However, such internal financial controls over financial reporting need to be improve and strengthened further in future.

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

**MUMBAI,  
DATED : 28<sup>TH</sup> MAY, 2019**

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

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(Rs. In Lacs)			
Particulars	Note no.	As at 31st March, 2019	As at 31st March, 2018
<b>ASSET</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	122,684.09	132,665.93
(b) Capital Work-in-progress		-	-
(c) Other Intangible assets	3A	0.04	0.10
(d) Financial Assets			
(i) Investments	4	17,426.73	17,426.73
(ii) Loans	5	1,982.67	2,677.37
(e) Deferred Tax Assets (Net)		-	-
(f) Other Non-Current Assets		-	-
		<b>142,093.53</b>	<b>152,770.13</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	2,619.52	2,066.98
(b) Financial Assets			
(i) Trade Receivables	7	953.25	658.70
(ii) Cash and Cash Equivalents	8	619.20	420.25
(iii) Loans	9	11.45	5.63
(c) Other Current Assets	10	40,803.33	42,463.70
		<b>45,006.75</b>	<b>45,615.26</b>
<b>Total Assets</b>		<b>187,100.28</b>	<b>198,385.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	11	12,493.45	12,493.45
(b) Other Equity	12	(252924.16)	(243115.67)
		<b>(240430.71)</b>	<b>(230622.22)</b>
<b>Liabilities</b>			
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	385,997.69	387,016.72
(ii) Trade Payables			
<i>Total outstanding dues of micro enterprises and small enterprises</i>			
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		26,355.58	26,355.58
(b) Provisions	14	1,386.53	1,276.29
		<b>413,739.80</b>	<b>414,648.59</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables	15		
<i>Total outstanding dues of micro enterprises and small enterprises</i>		39.53	
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		976.04	1,327.60
(iii) Other Financial Liabilities	16	28.75	28.75
(b) Other Current Liabilities	17	12,746.88	13,002.67
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
		<b>13,791.19</b>	<b>14,359.02</b>
<b>Total Equity and Liabilities</b>		<b>187,100.28</b>	<b>198,385.39</b>
Significant Accounting Policy	1-2		
The accompanying Notes are an integral part of Financial Statements.	1-45		

As per our Report of even date attached

**For PSL LIMITED**  
(Under CIRP)

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

**Ashok Punj**  
Managing Director  
DIN - 00041911

**R K Bahri**  
Director  
DIN - 00044364

**Rasesh V. Parekh**  
Partner  
MEMBERSHIP NO. 38615

**Yashika Chawla**  
COMPANY SECRETARY

**Kishore V Bulchandani**  
Head of Accounts & Finance

**Nilesh Sharma**  
**INTERIM RESOLUTION**  
**PROFESSIONAL**  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232

**Place :** Mumbai  
**Date:** 28th May, 2019

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

		(Rs. In Lac )	
Particulars	Note No	Year Ended 31st March, 2019	Year Ended 31st March, 2018
I Revenue From Operations	18	8,012.30	4,885.04
II Other Income	19	1,211.22	1,287.96
<b>III Total Income (I+II)</b>		<b>9,223.53</b>	<b>6,173.00</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	20	1,557.16	695.53
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	21	(433.41)	(223.54)
Excise Duty and Cess		-	-
Employee benefits expense	22	3,982.05	2,545.67
Finance costs	23	14.28	12.55
Depreciation and amortization expense	3 & 3A	9,664.87	11,193.49
Other expenses	24	4,247.08	6,619.91
<b>Total expenses (IV)</b>		<b>19,032.03</b>	<b>20,843.61</b>
<b>V Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>(9808.50)</b>	<b>(14670.60)</b>
VI Exceptional Items		-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(9808.50)</b>	<b>(14670.60)</b>
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	604.57
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(9808.50)</b>	<b>(15275.18)</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>(9808.50)</b>	<b>(15275.18)</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>(9808.50)</b>	<b>(15275.18)</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
(1) Basic		(7.86)	(1.22)
(2) Diluted		(7.86)	(1.22)
<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		(7.86)	(1.22)
(2) Diluted		(7.86)	(1.22)

As per our Report of even date attached

For PSL LIMITED  
(Under CIRP)FOR V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
ICAI Firm Regn No. 107488WAshok Punj  
Managing Director  
DIN - 00041911R K Bahri  
Director  
DIN - 00044364Rasesh V. Parekh  
Partner  
MEMBERSHIP NO. 38615Yashika Chawla  
COMPANY SECRETARYKishore V Bulchandani  
Head of Accounts & FinanceNilesh Sharma  
INTERIM RESOLUTION  
PROFESSIONAL  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232Place : Mumbai  
Date: 28th May, 2019

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

Particulars	[Rs. In lacs]	
	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	(9808.50)	(14670.61)
Less: Profit on sale of Fixed Assets	327.35	0.34
Add: Extraordinary Item	0.00	0.00
Profit before tax and extraordinary item	(10135.85)	(14670.95)
<b>Adjusted to Reconcile Profit before tax to net cash flows</b>		
Depreciation	9664.87	11193.49
OTHER BORROWING COST	14.28	12.55
Interest received	(125.71)	(493.74)
Non Operating Income	(363.23)	(525.02)
Prior Year Expenses		
<b>Movements in Working Capital</b>		
Decrease/(increase) in Inventories	(552.54)	(115.03)
Decrease/(Increase) in Trade Receivables	(294.55)	304.65
Decrease/(Increase) in Short Term Loans & Advances	1654.55	354.76
Increase/Decrease in Other Current Liabilities	(567.82)	949.29
Gratuity	110.24	(53.46)
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(595.76)</b>	<b>(3043.47)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF TANGIBLE FIXED ASSETS	(54.62)	(17.82)
INTEREST RECEIVED	125.71	336.42
Other Non Operating Income	363.23	525.02
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>434.32</b>	<b>843.61</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Loans and Advances	694.70	3027.36
Repayment of Long Term Borrowings	(1019.03)	(1006.07)
OTHER BORROWING COST	(14.28)	(12.55)
SALE OF FIXED ASSETS	699.00	1.70
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>360.39</b>	<b>2010.43</b>
NET INCREASE / (DECREASE) IN CASH AND [A+B+C]	<b>198.95</b>	<b>(189.43)</b>
CASH AND CASH EQUIVALENT - OPENING [A]	420.25	609.68
CASH AND CASH EQUIVALENT - CLOSING [B]	619.20	420.25
	<b>198.95</b>	<b>(189.43)</b>

As per our Report of even date attached

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

**Rasesh V. Parekh**  
**Partner**  
MEMBERSHIP NO. 38615

**Yashika Chawla**  
**COMPANY SECRETARY**

**Kishore V Bulchandani**  
**Head of Accounts & Finance**

**For PSL LIMITED**  
**(Under CIRP)**

**Ashok Punj**  
**Managing Director**  
**DIN - 00041911**

**R K Bahri**  
**Director**  
**DIN - 00044364**

**Nilesh Sharma**  
**IINTERIM RESOLUTION**  
**PROFESSIONAL**  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232

**Place :** Mumbai  
**Date:** 28th May, 2019



## STATEMENT SHOWING CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

## A. Equity Share Capital

(Amount in Rs.)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
12,493.45	0.00	12,493.45

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Exchange difference on translating Financial Statements of a foreign operations	
Balance at the beginning of the reporting period	-	54,589.61	-	(2,97,705.28)	0.00	(2,43,115.67)
Profit for the year	-	-	-	(9,808.50)	-	(9,808.50)
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>	-	54,589.61	-	(3,07,513.78)	0.00	(2,52,924.16)

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

## A. Equity Share Capital

(Amount in Rs.)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
12,493.45	0.00	12,493.45

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Exchange difference on translating Financial Statements of a foreign operations	
Balance at the beginning of the reporting period	-	54,589.61	-	(2,82,430.10)	-	(227,840.49)
Profit for the year	-	-	-	(15,275.18)	-	(15,275.18)
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	-	-		0.00	-	0.00
Remeasurements of the defined benefit plans	-	-		-	-	0.00
Any other change	-	-		-	0.00	0.00
<b>Balance at the end of the reporting period</b>	-	54,589.61	-	(2,97,705.28)	0.00	(2,43,115.67)

## NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2019

### 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 manufacturing 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.
- c) Pursuant to the order of the Hon'ble National Company Law Tribunal Ahmedabad Bench dated 15 Feb 2019 ("NCLT Order"), corporate insolvency resolution process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued there under (collectively, "I & B Code" or the "Code") with effect from 15 Feb 2019. Vide the same order, Mr. Nilesh Sharma was appointed as Interim Resolution Professional ("IRP") for running the CIR Process and for continuing the operations of the company as a going concern. The powers of the Board of Directors of the company are suspended and officers and managers of the corporate debtor shall report to the IRP as per the provisions of the Code. Accordingly the IRP is running the CIR Process and is looking after the affairs of the Company alongwith its management in order to continue its business as a going concern.

### 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 14th May, 2018. For all periods up to and including the year ended 31 March 2019, 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").

#### 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 Standalone Financial Statements which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2019, and a summary of the significant accounting policies and other

explanatory information (together hereinafter referred to as "Financial Statements").

- 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..

#### IV 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.

#### V. 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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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 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.

The range of useful lives of the property, plant and equipment are as follows:

- Plant and equipment - 1 to 20 years
- Furniture and fixtures - 1 to 10 years
- Office equipments - 1 to 5 years
- Buildings - 1 to 30 years
- Vehicles - 1 to 10 years
- Computer - 1 to 3 years
- Electrical Installation - 1 to 10 years
- Office Premises - 1 to 60 years

### VI. 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.

### VII. Depreciation / Amortisation

- a) Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method.
- b) Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate

being accounted for on a prospective basis.

- c) Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

### VIII. Borrowing cost

- a) 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.
- b) All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.
- c) 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.
- d) The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

### IX. 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.

### X. Inventories:

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for end valued at net realisable value.

Goods and materials in transit are valued at actual cost incurred upto the date of balance sheet.

The weighted average method is being followed for arriving at cost.

- a) Raw materials are valued at lower of cost or net realizable value.
- b) Project and construction-related work-in-progress is valued at cost till such time the outcome of the job cannot be ascertained reliably and at realizable value thereafter. Site mobilization expenditure of incomplete contracts is stated at cost.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

- c) Stores, spares and Fuel are carried at cost.

### XI. Revenue Recognition:

#### A Construction Contract Sales:

- a) Revenue from construction contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined based on physical measurement of work actually completed at the Balance Sheet date, taking into account the contractual price and revision thereto by estimating total revenue and total cost till completion of the contract and the profit so determined has been accounted for proportionate to the percentage of actual work done. Profit is recognised and taken as the revenue of the year only when the work on the contract has progressed to a reasonable extent. Foreseeable losses are accounted for as and when they are determined except to the extent they are expected to be recovered through claims presented or to be presented to the customer or in arbitration. Claims for extra work and escalation in rates relating to execution of contracts are accounted as income in the year of acceptance by customer or receipt of arbitration award or evidence of acceptance received.
- b) Revenues from construction/project related activity and contracts executed in Joint ventures under work-sharing arrangement [being jointly controlled operations, in terms of Indian Accounting Standard (IndAS)31 "Interests in Joint Ventures"] is accounted as and when the same is determined by the joint ventures. Revenue from services rendered to such joint ventures is accounted on accrual basis.

#### B. Sales recognition:

- a) Sales including contractual receipts are accounted net of recoverable taxes, Discount, Returns and Rejections. Sales of material are recognised on dispatch from the warehouse of the company.
- b) Scrap Sales are accounted net of Taxes, Discount, Returns and Rejections. Scrap Sales are recognised on dispatch of material from the warehouse of the company.
- c) Profit or loss on sale of assets is recognised on transfer of title from the company and is determined as the difference between the sale price and carrying value of the assets.
- d) Lease rentals are recognised on accrual basis net of rebate, discounts and taxes. Other charges are recognised on accrual basis.
- e) Other incomes are accounted on accrual basis except dividend income which is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### XII. 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

### XIII. 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.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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.

### XIV. 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



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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.

### XV. 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.

### XVI. 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.

### XVII. 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.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### 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:

- the entity's business model for managing the financial assets and
- 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 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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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 remeasurement 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.

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.

## XVIII. 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,

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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
- 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.

### XIX. 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



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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.

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 minimising 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

### XX 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.
FVTPL	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 in OCI is reclassified to statement of profit and loss at the reclassification date.

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 categorisation (based on the lowest level input



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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.

### XXI. 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 recognised 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 recognised on a straight-line basis over the lease term.

#### The Company as lessee:

Assets held under finance leases are initially recognised 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 recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognised 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 recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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

Under appendix C to Ind AS17, 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.

### XXII. 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 in 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

### Note No.3

#### Property, Plant and Equipment

##### Financial Year 18-19

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/04/2018	Additions	Deduction	31/03/2019	01/4/2018	Additions	Deduction	31/03/2019	31/03/2019	31/03/2018
Free Hold Land	61,142.64	32.54	-	61,175.18	-	-	-	-	61,175.18	61,142.64
Lease Hold Land	44.58	-	-	44.58	35.82	1.49	-	37.31	7.27	8.76
Office Buildings	117.23	-	-	117.23	59.95	2.86	-	62.81	54.42	57.28
Factory Building	20,496.66	-	-	20,496.66	13,136.48	736.02	-	13,872.50	6,624.16	7,360.18
Furniture & Fixtures	573.62	-	-	573.62	503.78	12.64	-	516.42	57.20	69.84
Plant and Equipment	189,381.22	19.72	745.89	188,655.05	125,950.23	8,823.27	374.24	134,399.26	54,255.79	63,430.99
Office Equipments	483.80	0.56	-	484.36	414.14	9.71	-	423.85	60.51	69.66
Lab Equipments	989.22	-	-	989.22	776.45	29.60	-	806.05	183.17	212.77
Computers	471.79	1.80	-	473.59	468.48	1.76	-	470.24	3.35	3.31
Motor Cars	1,098.58	-	-	1,098.58	1,048.75	12.91	-	1,061.66	36.92	49.83
Commercial Vehicles	105.10	-	-	105.10	104.99	0.03	-	105.02	0.08	0.11
Cycles	0.29	-	-	0.29	0.28	0.00	-	0.29	0.00	0.01
Earth Moving Equipments	3,688.10	-	-	3,688.10	3,645.86	12.67	-	3,658.53	29.58	42.27
Shed Construction	938.62	-	-	938.62	720.33	21.83	-	742.16	196.46	218.29
Temporary Shed	1,080.54	-	-	1,080.54	1,080.54	-	-	1,080.54	-0.00	-0.00
<b>TOTAL I</b>	<b>280,611.99</b>	<b>54.62</b>	<b>745.89</b>	<b>279,920.72</b>	<b>147,946.07</b>	<b>9,664.79</b>	<b>374.24</b>	<b>157,236.63</b>	<b>122,684.09</b>	<b>132,665.93</b>

##### Financial Year 17-18

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2017	Additions	Deduction	31/03/2018	01/4/2017	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</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>

### Note No.3A

#### Other Intangible assets

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2018	Additions	Deduction	31/3/2019	01/4/2018	Additions	Deduction	31/3/2019	31/3/2019	31/03/2018
<b>Financial Year 18-19</b>										
Computer Software	35.36	-	-	35.36	35.25	0.08	-	35.32	0.04	0.11
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.25</b>	<b>0.08</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.11</b>
Particulars	Gross Block				Depreciation				Net Block	
	01/4/2017	Additions	Deduction	31/3/2018	01/4/2017	Additions	Deduction	31/3/2018	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
<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>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 4 Investments

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
<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
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
1,70,000 (P.Y.1,70,000) Equity Shares of PSL Gas Distribution Pvt Ltd of Rs. 10 each	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
<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
1,50,000 (PY 1,50,000) Equity Shares of Punj International Pvt Ltd of Rs.10 each	15.00	15.00
7,500 (PY 7,500) Equity Shares of Broken Hills International Ltd of Rs.10 each	0.75	0.75
2,000 (PY 2,000) Equity Shares of Punj Investments Pvt Ltd of Rs.100 each	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
4,84,000 (PY 4,84,000) Equity Shares of Punj Corporation Pvt Ltd of Rs.10 each	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
<b>Total</b>	<b>17,426.73</b>	<b>17,426.73</b>
Aggregate value of Quoted Investments	-	-
Aggregate value of Unquoted Investments	17,426.73	17,426.73
Aggregate value of impairment in the value of Investment	-	-

### Note No - 5 Loans

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Security Deposits	1,230.73	1,038.80
Fixed Deposits with Interest accrued*	751.93	1,638.57
<b>Total</b>	<b>1,982.67</b>	<b>2,677.37</b>

Bank deposits of Rs. 666.59 (P.Y.Rs.1553.23) held as Margin Money against Bank Guarantee/LC

### Note No - 6 Inventories

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Raw materials	997.11	786.43
Work-in-progress	149.05	384.02
Stores and spares	490.70	582.26
Finished goods	982.66	314.28
<b>Total</b>	<b>2,619.52</b>	<b>2,066.98</b>

### Note No - 7 Trade Receivables

(Rs. In Lacs)

Particulars	31st March, 2018	31st March, 2017
Secured, considered good	-	-
Unsecured, considered good	953.25	658.70
Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
<b>Total</b>	<b>953.25</b>	<b>658.70</b>

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

### Note No - 8 Cash and Cash Equivalents

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Balances with Banks	611.70	399.90
Cash on hand	7.50	20.36
<b>Total</b>	<b>619.20</b>	<b>420.25</b>
Balances with bank in unpaid dividend accounts	22.88	27.02
Balance with bank held as margin money deposit	-	-
against guarantees/Letter of credit	-	-

### Note No - 9 Loans

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Advance to Staff	11.45	5.63
<b>Total</b>	<b>11.45</b>	<b>5.63</b>

### Note No - 10 Other Current Assets

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Advance to Suppliers	2,696.35	2,783.15
Balance with statutory/ Government Authorities	38,106.98	39,680.54
<b>Total</b>	<b>40,803.33</b>	<b>42,463.70</b>

### Note No - 11 Equity Share Capital

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
<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
<b>ISSUED</b>		
125098584 ( P.Y. 125098584) Equity Shares of Rs. 10/- each	12,509.86	12,509.86
	12,509.86	12,509.86
<b>SUBSCRIBED &amp; PAID UP CAPITAL:</b>		
124934484* ( P.Y. 124934484) Equity Shares of Rs. 10/- each	12,493.45	12,493.45
<b>Total</b>	<b>12,493.45</b>	<b>12,493.45</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	31/03/2019		31/03/2018	
	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>

During the year ended 31st March 2019 the amount of per share dividend recognised as a distribution to equity share holder was Rs. Nil (Previous year Nil)

#### 11.2 Issued Share Capital

Particulars	31/03/2019		31/03/2018	
	No. of Share	Rs. In Lakhs	No. of Share	Rs. In Lakhs
Number of Shares at the beginning	1,24,934,484	12,493.45	1,24,934,484	12,493.45
Changes during the period	-	-	-	-

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

<b>Number of Shares at the end</b>	1,24,934,484	12,493.45	1,24,934,484	12,493.45
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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

Particulars	31/03/2019		31/03/2018	
	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%	12,280,770	9.83%
Broken Hills International Pvt. Ltd.	12,615,385	10.10%	12,615,385	10.10%
ICICI Bank Limited	6,443,453	5.16%	6,443,453	5.16%
Punj International Pvt Ltd	7,647,115	6.12%	7,647,115	6.12%

### Note - 12 Other Equity

(Rs. In lacs)

Particulars	31st March, 2019	31st March, 2018
Retained Earnings	(30,7513.78)	(29,7705.28)
Securities Premium Reserve	54,589.61	54,589.61
<b>Total</b>	<b>(2,52,924.17)</b>	<b>(2,43,115.67)</b>

### Note - 13 Borrowings

(Rs. In lacs)

Particulars	31st March, 2019	31st March, 2018
<b>Term Loan</b>		
Foreign Currency Loan from Bank	32,362.07	32,362.07
Rupee Loan from Banks	3,51,887.62	3,52,906.65
Rupee Loan from Promoters' Companies	1,748.00	1,748.00
<b>Total</b>	<b>3,85,997.69</b>	<b>3,87,016.72</b>
<u>The above amount includes</u>		
Secured Borrowings	3,84,249.69	3,85,268.72
Unsecured Borrowings	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.

13.2 An application was filed by PSL LIMITED under Section 10 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP) in respect of itself. The said application for initiation of Corporate Insolvency Resolution Process (CIRP), which was registered as C.P. (IB) No. 37/10/NCLT/AHM/2017, has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, Ahmedabad (Hon'ble NCLT/Hon'ble Adjudicating Authority) vide its order dated. 15.02.2019. The Adjudicating Authority (NCLT) has appointed Mr. Nilesh Sharma, having IP Registration no. IBBI/IPA-002/IP-00006/2016-17/4 as "Interim Insolvency Resolution Professional" to carry OUT the functions as mentioned under Insolvency and Bankruptcy Code, 2016. Under the IBC proceedings the power of the Board were suspended with effect from 15.02.2019. The NCLT order also provided for a moratorium with effect from Feb 15.02.2019, till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan under section 31(1) or passes an order for liquidation of the company under section 33, whichever is earlier. Currently, the CIRP Process in the respect of the company is in progress

13.3 All Short term Borrowings Treat as a long term borrowing.

### Note - 14 Provisions

(Rs. In lacs)

Particulars	31st March 2019	31st March 2018
Provision for Gratuity	1,386.53	1,276.29
<b>Total</b>	<b>1,386.53</b>	<b>1,276.29</b>

Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note - 15 Trade Payables

(Rs. In lacs)

Particulars	31st March,2019	31st March,2018
Total outstanding dues of micro enterprises and small enterprises	39.53	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	976.04	1,327.60
<b>Total</b>	<b>1,015.57</b>	<b>1,327.60</b>

### Note - 16 Other Financial Liabilities

(Rs. In lacs)

Particulars	31st March,2019	31st March,2018
Unclaimed Dividend	28.75	28.75
<b>Total</b>	<b>28.75</b>	<b>28.75</b>

### Note - 17 Other Current Liabilities

(Rs. In lacs)

Particulars	31st March,2019	31st March,2018
Advances received from Customers	5,836.45	5,282.82
other Payable	6,910.42	7,719.84
<b>Total</b>	<b>12,746.88</b>	<b>13,002.67</b>

### Note 18 Revenue from Operations

(Rs. In lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Sale of services	7,634.20	4,490.25
<b>Total (A)</b>	<b>7,634.20</b>	<b>4,490.25</b>
<b>Other Operating revenues</b>		
Other Operating Income	378.10	394.79
<b>Total (B)</b>	<b>378.10</b>	<b>394.79</b>
<b>Revenue from Operations (Gross) (A+B)</b>	<b>8,012.30</b>	<b>4,885.04</b>

### Note No - 19 Other Income

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Rent and Compensation	34.69	33.69
Profit on sale of assets	327.35	0.34
Process Waste Sale	360.25	220.17
Insurance Claim /Excise Duty /Sales Tax Claim	-	15.00
Interest	125.71	493.74
Other Non Operating Income	363.23	525.02
<b>Total</b>	<b>1,211.22</b>	<b>1,287.96</b>

### Note No - 20 Cost of Material Consumed

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Inventory at the beginning of the year	786.43	828.09
Add: Purchases	1,767.84	653.87
	<b>2,554.27</b>	<b>1,481.96</b>
Less : Inventory at the end of the year	997.11	786.43
<b>Cost of raw material &amp; components Consumed</b>	<b>1,557.16</b>	<b>695.53</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 21 Change in Inventories of WIP & Finished Goods

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
<b>Inventory at the end of the year</b>		
Work-in-progress	384.02	369.02
Finished goods	314.28	105.73
	<b>698.30</b>	<b>474.75</b>
<b>Inventory at the beginning of the year</b>		
Work-in-progress (opening)	149.05	384.02
Finished goods (opening)	982.66	314.28
	<b>1,131.71</b>	<b>698.29</b>
<b>Total</b>	<b>(433.41)</b>	<b>(223.54)</b>

### Note No - 22 Employee Benefit Expenses

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Contribution to PF & Other Fund	238.46	215.39
Salaries and incentives	3,527.65	2,170.07
Staff Welfare Expenses	215.94	160.20
<b>Total</b>	<b>3,982.05</b>	<b>2,545.67</b>

### Note No - 23 Financial Cost

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2018	For the year Ended 31st March 2017
Interest	1.60	-
Other Borrowing cost*	12.67	12.55
<b>Total</b>	<b>14.28</b>	<b>12.55</b>

### Note No - 24 Other Expenses

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Consumption of Stores And Spare Parts	715.01	850.05
Power & Fuel	1,136.15	577.59
Excise Duty ,Service Tax And Sales Tax	-	61.97
Freight And Cartage	4.21	205.66
Equipment Hire Charges	7.57	4.86
Labour Charges	109.52	115.91
Other Manufacturing & Operating Expenses	127.55	333.28
Water Charges	-	0.16
Conveyance	103.14	69.93
Traveling Expenses	100.72	121.13
Postage, Telegram and Telephones	27.70	35.79
Printing and Stationery	15.75	23.28
Rent, Rates & Taxes	153.77	297.28
Electricity Charges	12.87	19.70
Professional Charges	476.18	782.57
Bad Debts W/off	306.44	-
Repair and Maintenance (Plant )	6.45	518.19
Repair and Maintenance (Building)	1.09	12.17
Repair and Maintenance (Others)	52.67	93.26
Insurance	75.43	49.81
Auditors' Remuneration	10.00	10.00
Vehicle Expenses	71.04	87.86
General Expenses	733.81	2,349.45
<b>Total</b>	<b>4,247.08</b>	<b>6,619.91</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No - 25 Payment to Auditors

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
As Audit Fees	6.00	6.00
For Taxation Matters	2.00	2.00
For Other Services	2.00	2.00
For Re-imbursement of Expenses	-	-
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

### Note No - 26 Items that will not be reclassified to profit or loss

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
Remeasurements of the defined benefit plans	-	-
Others	-	-

### Note No - 27 Items that will be reclassified to profit or loss

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
Exchange differences in translating the financial statements of a foreign operation	-	-

### Note No -28 Earning per Share

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
Profit/(Loss) attributable to Equity shareholders	(9808.50)	(15275.18)
Weighted Average Number of Shares for Basic and Diluted EPS	124,934,484	124,934,484
Basic EPS (Amount in Rs.)	(7.85)	(12.23)
Diluted EPS (Amount in Rs.)	(7.85)	(12.23)

### Note No - 29 Value of Imports

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
Raw Material	26.29	137.03
Stores & Spare Parts	59.16	2.00

### Note No - 30 Expenditure in Foreign Currency

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
Traveling Expenses	2.50	15.27
Agency Commission & Others	-	-

**Note No - 31** During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

**Note No - 32** As on 31st March 2019, there is no Mark-to-Market loss on account of derivative forward exchange contract.

### Note No - 33 Contingent Liabilities:

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
A. Counter Guarantees given by the Company for Bank Guarantees	345.45	2,818.51
B. Other Guarantees Given by the Company on behalf of		
- Subsidiary Companies	48,368.72	42,652.04
- Others	3,060.82	5,891.52
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 (20 Nos.) estimated amount Rs. 11686.97 Lacs, (Previous Year Rs. 13382.99 Lacs)

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

- (ii) Disputed dues on account of Service Tax (10 Nos. ) estimated amount Rs. 471.31 Lacs, (Previous Year Rs. 391.63 Lacs )
- (iii) Disputed dues on account of Custom duty (1 Nos) estimated amount Rs. 15.19 Lacs, (Previous Year Rs. 12884.39 Lacs )
- (iv) Disputed dues on account of Sales Tax (29 Nos) esimated amount Rs. 6846.79 Lacs, (Previous Year Rs. 6846.79 Lacs )
- (v) Pending closure of Advance Authorisation ( 4 Nos) estimated amount Rs. 402.73 lacs, (Previous Year Rs. 2532.16 Lacs )
- (VI) Disputed dues on account of Entry Tax Rs. 51.14 Lacs , (Previous Year Rs. 51.14 Lacs )

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

H. Income Tax Assessment Completed upto AY 2016-17 (March'2016). No pending Demand.

- I. 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.
- J. The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) act 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 34: 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 - 35 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 2019	31st March 2018
Rent	1.20	1.20

### Note No - 36 RELATED PARTY DISCLOSURES

#### 1. Relationships

##### a) Subsidiary Companies

PSL Corrosion Control Services Ltd.  
 Pipeline System Ltd., Mauritius  
 PSL USA INC. , Delaware , USA  
 PSL Gas Distribution Pvt.Ltd.  
 PSL Infrastructure & Ports Pvt.Ltd.  
 PSL FZE, Sharjah.  
 PSL North America LLC.

*(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)

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### c) Key Management Personnel Ashok Punj Managing Director

Nature of Transaction	(Rs. In Lacs)	
Particulars	31st March 2019	31st March 2018
<b>Subsidiaries</b>		
<b>Purchase of Goods</b>		
PSL Corrosion Control Services Ltd.	222.90	30.64
PSL FZE, Sharjah.	26.57	-
<b>Sale of Goods</b>		
PSL Corrosion Control Services Ltd.	502.32	354.40
PSL FZE, Sharjah.	1.54	-
<b>Lease Rental</b>		
PSL Corrosion Control Services Ltd.	18.00	1.20
<b>Net of journal vouchers pass in related party</b>		
PSL Corrosion Control Services Ltd.	383.37	259.10
PSL Gas Distribution Pvt.Ltd.	0.25	0.63
Pipeline System Ltd., Mauritius	0.69	1.12
PSL Infrastructure & Ports Pvt.Ltd.	0.24	3.09
PSL FZE, Sharjah.	572.67	-
<b>Closing Balance</b>		
PSL Corrosion Control Services Ltd.	(3,835.31)	(4,009.29)
PSL Gas Distribution Pvt.Ltd.	0.88	0.63
Pipeline System Ltd., Mauritius	1.80	1.12
PSL Infrastructure & Ports Pvt.Ltd.	1,428.50	1,425.96
PSL FZE, Sharjah.	(552.47)	(4.84)
<b>Associate</b>		
<b>Sale of Goods</b>		
Eurocoustic Products Ltd.	36.70	-
<b>Expenses Incurred by/for related party</b>		
Rosoboronterra India Pvt.Ltd.	-	1.39
Eurocoustic Products Ltd.	1.21	4.88
<b>Closing Balance</b>		
Broken Hills International Ltd.	5.00	5.00
BHI Ltd.	(78.68)	(78.68)
Rosoboronterra India Pvt.Ltd.	1.50	1.50
Punj International Pvt. Ltd.	(18.31)	(18.31)
Punj Corporation Private Limited	0.36	0.36
Eurocoustic Products Ltd.	(37.95)	(37.01)

\* Sales/Purchase/lease rent including taxes

**Note No - 37 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:**

Particulars	31-Mar-19	31-Mar-18
Principal Amount due and remaining unpaid	39.53	-
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 38: Capital Management

The Company's objective is to maintain a strong capital base to ensure sustained growth in business and to maximise the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

Particulars	31st March 2019	31st March 2018
Total equity attributable to the shareholders of the Company	12,493.45	12,493.45
Total equity as a percentage of total capital	100%	100%

### Note 39: Financial Risk Management

The Company's activities exposed it to the following risks:

- i. Credit risk
- ii. Interest rate risk
- iii. Liquidity risk
- iv. Market Risk

#### i. Credit Risk:

Credit risk is the risk that counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks, investments, foreign exchange transactions and other financial instruments.

##### a. Trade receivables.

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

##### b. Credit risk exposure

The Company's credit period generally ranges from 30-180 days. The credit risk exposure of the Company is as below:

Particulars	31st March 2019	31st March 2018
Trade receivables	953.25	658.70
Total	953.25	658.70

The company evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are group entities.

##### c. Other financial assets and deposits with banks

Credit risk is limited, as the company generally invests in deposits with banks with high credit rating assigned by international and domestic credit rating agencies. Counter-party credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

#### ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates for the period the Company was holding the debts.

#### iii. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below

Particulars	31st March 2019	31st March 2018
Cash and cash equivalents	619.20	420.25

The table below summarises the maturity profile of the Company's Financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

(RS. IN LAKHS)

Particulars	0-365 days	More than 365 days	Total
<b>As at March 31, 2019</b>			
Trade payables	1,015.57	26,355.58	27,371.15
Other financial Liabilities	-	3,85,997.69	3,85,997.69
<b>As at March 31, 2018</b>			
Trade payables	1,327.60	26,355.58	27,683.18
Other financial Liabilities	-	3,87,016.72	3,87,016.72

**iv. Market risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

**Disclosure of Financial Instruments by category**

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31.03.2019			31.03.2018		
	FVTPL	FVOCI	AMORTISED COST	FVTPL	FVOCI	AMORTISED COST
<b>Financial Assets</b>						
Investment in subsidiaries, associates and joint ventures*	-	17,426.73	-	-	17,426.73	-
Security Deposits	-	-	1,982.67	-	-	2,677.37
Other loans and Advances	-	-	11.45	-	-	5.63
Trade Receivables	-	-	953.25	-	-	658.70
Cash & Cash Equivalent	-	-	619.20	-	-	420.25
<b>Total</b>	-	<b>17,426.73</b>	<b>3,566.57</b>	-	<b>17,426.73</b>	<b>3,761.95</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	385,997.69	-	-	387,016.72
Trade Payables	-	-	27,371.15	-	-	27,683.18
Other Financial Liabilities	-	-	28.75	-	-	28.75
<b>Total</b>	-	-	<b>413,397.59</b>	-	-	<b>414,728.65</b>

**Note 40:**

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 41:**

The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") application filed by PSL Limited and appointed Mr. Nilesh Sharma as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code.

**Note 42:**

The Company appointed Company Secretary Mrs. Yashika Chawla wef. 1st December, 2018.

**Note 43:**

The financial statement being prepared on a going concern basis notwithstanding the fact that the Company's net worth is eroded.

**Note 44:**

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. 434.54 Crores on such outstanding facilities for the year ended 31st March, 2019 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 98.08 Crores would have risen to Rs. 532.62 Crores.

**Note 45:**

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:** 28th May, 2019

**Yashika Chawla**  
**COMPANY SECRETARY**

**Kishore V Bulchandani**  
**Head of Accounts & Finance**

**For PSL LIMITED**  
**(Under CIRP)**

**Ashok Punj**  
Managing Director  
**DIN - 00041911**

**R K Bahri**  
Director  
**DIN - 00044364**

**Nilesh Sharma**  
**INTERIM RESOLUTION**  
**PROFESSIONAL**  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232

## REPORT OF INTERIM RESOLUTION PROFESSIONAL ON CONSOLIDATED FINANCIAL STATEMENT OF PSL LIMITED FOR FINANCIAL YEAR 2018-19

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal Ahmedabad Bench dated 15.02.2019 ("NCLT Order"), corporate insolvency resolution process ("CIR Process") has been initiated for the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued there under (collectively, "I & B Code") with effect from 15 Feb 2019. Vide the same order, the undersigned (Nilesh Sharma) was appointed as Interim Resolution Professional ("IRP") for running the CIR Process and for continuing the operations of the company as a going concern. Accordingly the IRP is running the CIR Process and is looking after the affairs of the Company alongwith its management in order to continue its business as a going concern.

The audited financial statements (consolidated) for FY 2018-19 have been prepared by the management of the Company and certified by Shri Ashok Punj (Managing Director), Shri R.K. Bahri (Director), Shri Kishore V. Bulchandani (Head of Accounts & Finance) and Smt. Yashika Chawla (Company Secretary). The said Financial Statements have been taken on record at the meeting held at 28th May 2019 by the directors of the Company which was chaired by the IRP. The Interim Resolution Professional has relied upon the said statements made by the management especially the aforesaid officers while taking on record the said financial statements (consolidated).

The Interim Resolution Professional has signed the said financial statements in order to make compliance with the provisions of applicable law, however, he does not certify the correctness of the financial statements (consolidated) for FY 2018-19 in all respect including but not limited to the compliance with the requirements of Companies Act, 2013 especially for the period before initiation of CIR Process and the opening data relating to period before CIR Process.

**Nilesh Sharma**

Interim Resolution Professional

IBBI Reg. No.: IBBI/IPA-002/IP-N00104/2017-2018/10232

C-124, Ground Floor, Lajpat Nagar – I

New Delhi – 110024

nilesh.sharma@witworthipe.com

Dated : 28<sup>TH</sup> MAY, 2019

Place: Mumbai

## INDEPENDENT AUDITOR'S REPORT

The Members,

**PSL LIMITED**

**Report on the Audit of the Consolidated Ind AS Financial Statements  
Corporate insolvency Resolution Process ("CIRP")**

The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") consequent upon an application filed by PSL Limited u/s 10 of IBC Code and appointed Mr. Nilesh Sharma as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.

### Opinion

We have audited the accompanying consolidated financial statements of PSL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Sr. No.	Key Audit Matter	Auditor's response
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard)	<p><b>Principal Audit Procedures</b></p> <p>We assessed the process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p>
	The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	<ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>Selected a sample of continuing and new contracts and performed the following procedures:</li> </ul>



Sr. No.	Key Audit Matter	Auditor's response
		<ul style="list-style-type: none"> <li>Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>Compared these performance obligations with that identified and recorded by the Company.</li> <li>Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</li> </ul>
2.	<b>Contingent liabilities in relation to tax litigations</b>	<b>Principal Audit Procedures</b>
	<p>The Group has received certain demand orders and notices relating to Income Tax, excise, custom duty and Service Tax matters. The Group is contesting these demands. Significant judgements and estimates are required to assess impact of these litigations on the financial position, results of operations and cash flows.</p> <p>The evaluation of management's judgements supported by the assessments received from external tax and legal specialists ('management's expert'), including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, complexity of the cases, time period for resolution have been a matter of significance during the audit and hence considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>We obtained an understanding and tested the internal controls relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to tax;</li> <li>We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received with respect to other litigations from the management;</li> <li>We obtained confirmation from management's expert on ongoing litigations along with risk assessment;</li> <li>We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required for specific cases; and</li> <li>We assessed the disclosures in the financial statements.</li> </ul>
	<p>The Company has received certain demand orders and notices relating to Income Tax, excise, custom duty and Service Tax matters. The Company is contesting these demands. Significant judgements and estimates are required to assess impact of these litigations on the financial position, results of operations and cash flows.</p> <p>The evaluation of management's judgements supported by the assessments received from external tax and legal specialists ('management's expert'), including those that involve estimations in assessing the likelihood that a pending claim will succeed, or a liability will arise, complexity of the cases, time period for resolution have been a matter of significance during the audit and hence considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>We obtained an understanding and tested the internal controls relating to the identification, recognition and measurement of provisions for disputes and disclosures of contingent liabilities in relation to tax;</li> <li>We obtained details of completed tax assessments, demands issued by tax authorities, orders/notices received with respect to other litigations from the management;</li> <li>We obtained confirmation from management's expert on ongoing litigations along with risk assessment;</li> <li>We held discussions with management to understand their assessment of the quantification and likelihood of significant exposures and the provision required for specific cases; and</li> <li>We assessed the disclosures in the financial statements.</li> </ul>

#### Emphasis of matter

- As a consequence, to acute financial stress being faced by the group in recent years, the Company's net worth has been eroded due to accumulated losses. Keeping in view the current status of group's operations it is likely that the accumulated losses are further enhanced creating a further adverse impact on it's net worth.
- The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") consequent upon an application filed by PSL Limited u/s 10 of IBC Code and appointed Mr. Nilesch Sharma as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code. The CIRP is ongoing.
- The financial statement has been prepared on a going concern

basis notwithstanding the fact that the holding company's net worth is eroded. The financial performance of the Holding Company had deteriorated substantially. The manufacturing cost has gone up. There is inadequacy of demand. The Holding Company continues to deal with a range of uncertainties. The interest amount exceeded its operating income. The Holding Company is not able to service its debts.

- These events cast significant doubt on the ability of the Holding Company to continue as a going concern under the present circumstances. 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.
- The group 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 therefore unable to comment on the impact on statement of Profit & Loss Account.

- vi. It has been observed that the Holding Company is unable to deposit the provident fund amount with PF authorities in time, as a result of which Rs. 2.18 Crs is the amount which yet to be deposited.
- vii. Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.
- viii. The group has reported a Consolidated Net Loss of Rs. 171.56 Crores for the year ended on 31st March, 2019 as against the net loss of Rs. 209.35 Crores for the previous year ended on 31st March, 2018.
- 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.434.54 Crores on such outstanding facilities for the year ended 31st March, 2019 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 171.56 Crores would have raised to Rs. 606.10 Crores.
- 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 31st March, 2019 of Rs. 61.07 Crores (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.17.07 Crores which is currently in arbitration stage.
- b. The group has done physical inventories on 31st March, 2019 and they have certified the realizable value as on 31st March, 2019 on physical / saleable ground.

**xii. Operations Maintenance and Management Agreement with Jindal Tubular (India) Limited.**

- a. Although company's three plants earlier 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 one Pipe Mill having capacity of 75000MT, one IPC plant having capacity of 18000Sqr Meter and other spares and consumable shifted by it contrary to the provisions of their agreement with the company.

As per the advice of Edelweiss, JTIL is transferring Rs 0.098 Crores after deducting tax of Rs 0.002 Crores every month to Company's bank account, though there was no agreement for the same.

- b. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs.4.37 Crores. The Company has not accepted their claim and the accounts are under reconciliations.

- c. 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 Crores
1.	Varsana 1	0.72
2.	Varsana 2 Coating	4.86
3.	Varsana 2 Pipe Mill	5.52
	<b>Total Rs.</b>	<b>11.10</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.

**xiii. Settlement with JSW**

The Company has created pari passu charge with respect to some of the immovable and movable properties of the Company in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited, in pursuance of the Bombay High Court Order.

**xiv. Lender Banks' Balance Confirmation as on 31st March, 2019**

We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter of Credit/Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2019 but the same have not yet been received the said confirmations. Pending the receipt of balance confirmations, book balances as on 31st March, 2019 have been taken in the accounts of the Company.

**xv. Sundry Debtors:**

- a. The break up of Company's Sundry Debtors amounting to Rs. 59.26 Crores as on 31st March, 2019 is as follows: -  
Less than Six Months Rs. 24.42 Crores  
More than Six Months Rs. 34.84 Crores
- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2019. 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 2019.

**xvi. Trade payable & Loans and Advances:**

In the absence of pending confirmation of balances from Trade Payables, Trade receivable and Other Loans & Advances as on 31.03.2019, provision for any adverse variation in the balances is not quantified.

- xvii. **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.

**xviii. Investment in Subsidiaries:**
**A. Foreign Subsidiaries:**

- i) PSL FZE (Sharjah) (Step down Subsidiary of Pipeline Systems Limited, Mauritius, (Subsidiary of the Company)).
- a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Limited Mauritius which in turn had invested AED 1,50,000 in PSL FZE being its subsidiary. However due to cumulative losses in the subsidiary, the aforesaid 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 shareholding of PSL FZE, Sharjah held by PSL Limited 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 40.703 Million AED. The 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 31-3-2019.
- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 2.26 million. The matter is sub-judice.
- f) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 114.96 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 154.89 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. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the stepdown 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 voluntarily 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.

**B. Indian Subsidiaries:**
**i) PSL Infrastructure & Ports Pvt. Ltd.**

- Total investment in PSL Infrastructure and Ports Private Limited is Rs. 28.21 Crores.

- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs. 65.11 Crores.
- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
- The development agreement for Jetty at Kandla Port was cancelled in earlier year. The Company has won the arbitration claim partly with respect cancellation of the said development agreement. However, the award was challenged by the Kandla Port Trust. Now the matter has been transferred to district court Gandhidham.

**ii) PSL Corrosion Control Services Limited.**

The total Revenue for the year stood at Rs. 108.33 Crores against previous year of Rs.79.19 Crores. The Net Profit before tax is Rs. 7.51 Crores against previous year of Rs. 0.84 Crores.

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.

**xix. 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 16th/63rd MM Court, Andheri, Mumbai and the next date of hearing are fixed.  
Next date of Syndicate Bank hearing on 10.06.2019 & Kotak Mahindra Bank is on 18.07.2019.
- 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.
- c. 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.

**Information Other than the Consolidated financial statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover

the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Consolidated financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the 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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

#### **Auditor's Responsibility for the Audit of the Consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies and associates which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the standalone consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters, if any, that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters



in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

We did not audit the financial statements of subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 479.75 Crores as at 31st March 2019, total revenues of Rs. 135.81 Crores, total net profit after tax of Rs. (73.48) Crores and total comprehensive income of Rs. (73.48) Crores for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

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

- a) Except the matters described in Emphasis of Matters Paragraphs (i) to (xix), in our opinion, may have an adverse effect on the functioning of the group, the aforesaid consolidated 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 of the aforesaid consolidated Ind AS financial statements;
- c) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- e) On the basis of written representations received from the directors as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its Subsidiary Company incorporated in India, refer to our separate Report in "Annexure A" to this report;
- g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its Subsidiary Company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- h) 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 consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group in consolidated financial statements- refer notes to the consolidated financial statements.
  - ii. the group 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 group, however the same has not been transferred.

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

**MUMBAI,  
DATED : 28<sup>TH</sup> MAY, 2019**

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



## 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")

We have audited the internal financial controls over financial reporting of PSL LIMITED ("the company") and its subsidiary companies, which are companies incorporated in India, as of 31st March 2019 in conjunction with our audit of the consolidated financial statements of the group for the year ended on that date.

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

The Board of Directors of the 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 respective Companies 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 internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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 the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

its subsidiary companies, which are companies incorporated in India.

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies 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. However, such internal financial controls over financial reporting need to be improved and strengthened further in future.

FOR AND ON BEHALF OF  
V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FIRM REGN NO. 107488W

MUMBAI,  
DATED : 28<sup>TH</sup> MAY, 2019

RASESH V. PAREKH (PARTNER)  
MEMBERSHIP NO. 38615

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

Particulars	Note No	As at 31st March, 2019	As at 31st March, 2018
<b>ASSET</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	2	1,37,993.64	1,50,470.52
(b) Capital Work-in-progress		7,299.66	7,760.67
(c) Other Intangible assets	2A	0.04	0.10
(d) Financial Assets			
(i) Investments	3	299.28	299.28
(i) Loans	5	2,624.23	3,416.91
(e) Deferred Tax Assets (Net)		4.10	-
(f) Other Non-Current Assets		-	-
		<b>1,48,220.95</b>	<b>1,61,947.48</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	6,107.24	4,836.17
(b) Financial Assets			
(i) Investment	4	29.21	29.21
(ii) Trade Receivables	7	5,926.82	5,828.01
(iii) Cash and Cash Equivalents	8	1,535.34	1,113.04
(iv) Loans	9	7,283.55	7,224.17
(c) Other Current Assets	10	39,139.51	40,519.74
		<b>60,021.67</b>	<b>59,550.34</b>
<b>Total Assets</b>		<b>2,08,242.63</b>	<b>2,21,497.83</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	11	12,493.45	12,493.45
(b) Other Equity	12	(286607.78)	(266491.71)
<b>Total Equity</b>		<b>(274114.33)</b>	<b>(253998.26)</b>
<b>Liabilities</b>			
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	385,997.69	387,016.72
(ii) Trade Payables		-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		26,355.58	26,355.58
(b) Provisions	14	1,386.53	1,276.29
		<b>413,739.80</b>	<b>414,648.59</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	53,721.98	46,802.19
(ii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises		44.98	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,535.26	5,982.87
(iii) Other Financial Liabilities	16	28.75	28.75
(b) Other Current Liabilities	17	8,134.60	7,219.82
(c) Provisions	18	1,151.59	813.86
(d) Current Tax Liabilities (Net)		-	-
		<b>68,617.17</b>	<b>60,847.49</b>
<b>Total Equity and Liabilities</b>		<b>208,242.63</b>	<b>221,497.83</b>
Significant Accounting Policy	1-2		
The accompanying Notes are an integral part of Financial Statements.	1-45		

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:** 28th May, 2019

**Yashika Chawla**  
**COMPANY SECRETARY**

**Kishore V Bulchandani**  
**Head of Accounts & Finance**

**Ashok Punj**  
**Managing Director**  
**DIN - 00041911**

**For PSL LIMITED**  
**(Under CIRP)**

**R K Bahri**  
**Director**  
**DIN - 00044364**

**Nilesh Sharma**  
**INTERIM RESOLUTION**  
**PROFESSIONAL**  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/PA-002/IP-  
N00104/2017-18/10232

## STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lacs)

Particulars	Note No	Year Ended 31st March, 2019	Year Ended 31st March, 2018
<b>I Revenue From Operations</b>	19	21,593.02	16,773.11
<b>II Other Income</b>	20	1,276.46	1,129.81
<b>III Total Income (I+II)</b>		<b>22,869.49</b>	<b>17,902.92</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	21	6,548.77	5,057.44
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	(711.29)	174.57
Excise Duty and Cess			
Employee benefits expense	23	5,756.46	4,364.03
Finance costs	24	5,905.08	3,499.33
Depreciation and amortization expense	3 & 3A	12,165.94	13,923.94
Other expenses	25	10,152.09	11,185.67
<b>Total expenses (IV)</b>		<b>39,817.05</b>	<b>38,204.97</b>
<b>V Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>(16947.56)</b>	<b>(20,302.05)</b>
VI Exceptional Items			-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(16947.56)</b>	<b>(20,302.05)</b>
VIII Tax expense:			
(1) Current tax		208.86	25.92
(2) Deferred tax		(0.36)	607.38
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(17156.06)</b>	<b>(20,935.35)</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>(17156.06)</b>	<b>(20,935.35)</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>(17156.06)</b>	<b>(20,935.35)</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
(1) Basic		(13.58)	(1.68)
(2) Diluted		(13.58)	(1.68)
<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		(13.58)	(1.68)
(2) Diluted		(13.58)	(1.68)

As per our Report of even date attached

For PSL LIMITED  
(Under CIRP)FOR V. PAREKH & ASSOCIATES  
CHARTERED ACCOUNTANTS  
ICAI Firm Regn No. 107488WAshok Punj  
Managing Director  
DIN - 00041911R K Bahri  
Director  
DIN - 00044364Rasesh V. Parekh  
Partner  
MEMBERSHIP NO. 38615Yashika Chawla  
COMPANY SECRETARYKishore V Bulchandani  
Head of Accounts & FinanceNilesh Sharma  
INTERIM RESOLUTION  
PROFESSIONAL  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232Place : Mumbai  
Date: 28th May, 2019

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

		(Rs. In Lacs)	
Particulars	2018-19	2017-18	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before Tax	(16947.57)	(20302.05)	
Less: Profit/(loss) on sale of Fixed Assets	325.76	0.34	
Add: Extraordinary Item	0.00	0.00	
<b>Profit before tax and extraordinary item</b>	<b>(17273.33)</b>	<b>(20302.39)</b>	
<b>Adjusted to Reconcile Profit before tax to net cash flows</b>			
Depreciation	12165.94	13923.94	
OTHER BORROWING COST	66.73	77.01	
Interest (Net)	5662.47	2900.05	
Non Operating Income	377.88	(554.26)	
Prior Year Expenses	0.00	105.74	
Deferred Tax	(208.50)	(633.31)	
Foreign Exchange Difference	(2960.24)	(380.33)	
<b>Movements in Working Capital</b>			
Decrease/(increase) in Inventories	(1271.07)	562.02	
Decrease/(Increase) in Trade Receivables	(98.81)	128.74	
Decrease/(Increase) in Short Term Loans & Advances	1320.85	383.26	
Decrease/(Increase) in Short Term Provision	337.73	(41.64)	
Increase/Decrease in Other Current Liabilities	512.38	584.33	
Decrease/(Increase) in Trade Payable		598.59	
Gratuity Provision Written Off	110.24	(53.46)	
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(1257.73)</b>	<b>(2701.71)</b>	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>B) PURCHASE OF TANGIBLE FIXED ASSETS</b>	<b>(62.53)</b>	<b>(60.02)</b>	
INTEREST RECEIVED	175.87	522.27	
Decrease in Capital WIP	461.01	334.74	
Decrease in Deferred Tax Assets	(4.10)	607.38	
Other Non Operating Income	(377.88)	554.26	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>192.37</b>	<b>1958.63</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>C) PROCEEDS FROM LONG TERM LOANS AND ADVANCES</b>	<b>792.68</b>	<b>2,789.19</b>	
REPAYMENT OF LONG TERM BORROWINGS	(1019.03)	964.36	
REPAYMENT OF SHORT TERM BORROWINGS	6919.79	454.89	
PROCEEDS FROM ISSUE OF SHARES	NIL	NIL	
<b>SECURITY PREMIUM ON SHARE ISSUE</b>	<b>0.00</b>	<b>(0.23)</b>	
Share application money pending allotment	NIL	NIL	
OTHER BORROWING COST	(66.73)	(77.01)	
SALE OF FIXED ASSETS	699.29	1.70	
INTEREST PAID	(5838.34)	(3,422.32)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>1487.66</b>	<b>710.58</b>	
<b>NET INCREASE / (DECREASE) IN CASH AND [A+B+C]</b>	<b>422.30</b>	<b>(32.48)</b>	
CASH AND CASH EQUIVALENT - OPENING [A]	1113.04	3398.82	
CASH AND CASH EQUIVALENT - CLOSING [B]	1535.34	3366.34	
<b>[B-A]</b>	<b>422.30</b>	<b>(32.48)</b>	

As per our Report of even date attached

**For PSL LIMITED**  
(Under CIRP)

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

**Ashok Punj**  
Managing Director  
DIN - 00041911

**R K Bahri**  
Director  
DIN - 00044364

**Rasesh V. Parekh**  
Partner  
MEMBERSHIP NO. 38615

**Yashika Chawla**  
COMPANY SECRETARY

**Kishore V Bulchandani**  
Head of Accounts & Finance

**Nilesh Sharma**  
**INTERIM RESOLUTION**  
**PROFESSIONAL**  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232

**Place :** Mumbai  
**Date:** 28th May, 2019

## STATEMENT SHOWING CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

(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
12,493.45	0.00	12,493.45

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Exchange difference on translating Financial Statements of a foreign operations	
Balance at the beginning of the reporting period	8,380.82	54,589.61	-	(329,461.91)	0.00	(266,491.48)
Profit for the year				(17,156.06)		(17,156.06)
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				(2,960.24)	0.00	(2,960.24)
<b>Balance at the end of the reporting period</b>	<b>8,380.82</b>	<b>54,589.61</b>	<b>-</b>	<b>(349,578.21)</b>	<b>0.00</b>	<b>(286,607.77)</b>

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

## A. Equity Share Capital

(Amount in Rs.)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
12,493.45		12,493.45

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Securities Premium Reserve	Revaluation Reserve	Retained Earnings	Exchange difference on translating Financial Statements of a foreign operations	
Balance at the beginning of the reporting period	8,380.82	54,589.38	-	(308,800.85)	0.00	(245,830.65)
Profit for the year				(20,661.06)		(20,661.06)
Changes in accounting policy or prior period errors	-	-	-	-	-	0.00
<b>Restated balance at the beginning of the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>
Total Comprehensive Income for the year	-	-		-	-	0.00
Transfer to retained earnings	-	-		0.00	-	0.00
Remeasurements of the defined benefit plans	-	-		-	-	0.00
Any other change	-	-		-	0.00	0.00
<b>Balance at the end of the reporting period</b>	<b>8,380.82</b>	<b>54,589.38</b>	<b>-</b>	<b>(329,461.91)</b>	<b>0.00</b>	<b>(266,491.71)</b>



## 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 28th May 2019.

### 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, 2019, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2019, 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 bookvalues 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 asset 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.

**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. Deduction 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 reserve 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. 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 18-19**

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2018	Additions	Deduction	31/3/2019	01/4/2018	Additions	Deduction	31/3/2019	31/3/2019	31/3/2018
Free Hold Land	61,142.64	32.54	-	61,175.18	-	-	-	-	61,175.18	61,142.64
Lease Hold Land	44.58	-	-	44.58	35.83	1.49	-	37.31	7.27	8.75
Office Buildings	217.77	-	-	217.77	94.75	7.90	-	102.65	115.12	123.02
Factory Building	43,328.04	-	-	43,328.04	13,667.25	740.11	-	14,407.36	28,920.68	29,660.78
Furniture & Fixtures	798.47	0.29	-	798.76	681.77	18.14	-	699.91	98.85	116.70
Plant and Equipment	211,650.38	20.85	745.89	210,925.34	153,479.94	11,186.69	374.24	164,292.39	46,632.95	58,170.45
Office Equipments	516.95	3.03	-	519.98	434.82	12.24	-	447.06	72.92	82.13
Lab Equipments	1,021.77	0.41	-	1,022.18	804.16	30.28	-	834.44	187.75	217.61
Computers	510.85	5.41	-	516.26	503.65	3.49	-	507.14	9.12	7.20
Motor Cars	1,514.79	-	11.90	1,502.89	1,353.25	23.37	9.96	1,366.66	136.23	161.53
Commercial Vehicles	105.10	-	-	105.10	105.10	-	-	105.10	0.00	0.00
Cycles	0.29	-	-	0.29	0.29	0.00	-	0.29	-	-
Earth Moving Equipments	3,974.93	-	-	3,974.93	3,871.25	17.54	-	3,888.79	86.25	103.75
Shed Construction	2,631.29	-	-	2,631.29	1,955.34	124.61	-	2,079.95	551.34	675.95
Temporary Shed	1,080.54	-	-	1,080.54	1,080.54	-	-	1,080.54	-	-
<b>TOTAL</b>	<b>328,538.39</b>	<b>62.53</b>	<b>757.79</b>	<b>327,843.13</b>	<b>178,067.93</b>	<b>12,165.86</b>	<b>384.20</b>	<b>189,849.59</b>	<b>137,993.64</b>	<b>150,470.52</b>

**Financial Year 17-18**

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2017	Additions	Deduction	31/3/2018	1/4/2017	Additions	Deduction	31/3/2018	31/3/2018	31/3/2017
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	-	94.75	123.02	117.57
Factory Building	43,328.04	-	-	43,328.04	12,844.91	822.34	-	13,667.25	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	-	211,650.38	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	0.29	0.00	-	0.29	-	-
Earth Moving Equipments	3,974.93	-	-	3,974.93	3,846.72	24.53	-	3,871.25	103.75	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>328,489.42</b>	<b>60.02</b>	<b>11.04</b>	<b>328,538.39</b>	<b>164,153.76</b>	<b>13,923.86</b>	<b>9.69</b>	<b>178,067.93</b>	<b>150,470.52</b>	<b>164,335.75</b>

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

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	1/4/2018	Additions	Deduction	31/3/2019	1/4/2018	Additions	Deduction	31/3/2019	31/3/2019	31/3/2018
<b>Financial Year 18-19</b>										
Computer Software	35.36	-	-	35.36	35.25	0.08	-	35.32	0.04	0.10
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.25</b>	<b>0.08</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.10</b>
Particulars	1/4/2017	Additions	Deduction	31/3/2018	1/4/2017	Additions	Deduction	31/3/2018	31/3/2018	31/3/2017
<b>Financial Year 17-18</b>										
Computer Software	35.36	-	-	35.36	35.25	0.08	-	35.32	0.04	0.10
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.25</b>	<b>0.08</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.10</b>

**Note No - 3 Investments**

(Rs.in Lacs)

Particulars	31st March, 2019	31st March, 2018
<b>Equity Investments at FVOCI - Unquoted</b>		
<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
1,50,000 (PY 1,50,000) Equity Shares of Punj International Pvt Ltd of Rs.10 each	15.00	15.00
7,500 (PY 7,500) Equity Shares of Broken Hills International Ltd of Rs.10 each	0.75	0.75
2,000 (PY 2,000) Equity Shares of Punj Investments Pvt Ltd of Rs.100 each	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
4,84,000 (PY 4,84,000) Equity Shares of Punj Corporation Pvt Ltd of Rs.10 each	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
<b>Total</b>	<b>299.28</b>	<b>299.28</b>
Aggregate value of Quoted Investments	-	-
Aggregate value of Unquoted Investments	299.28	299.28
Aggregate value of impairment in the value of Investment	-	-

**Note No 4 - Investments**

Particulars	31st March, 2019	31st March, 2018
<b>Non Trade Investments Equity - Unquoted Trade</b>		
SBI Capital Protection Oriented Fund (Mutual Fund)	14.21	14.21
Aixs Equity Fund	15.00	15.00
<b>Total</b>	<b>29.21</b>	<b>29.21</b>
Aggregate value of Quoted Investments	-	-
Aggregate value of Unquoted Investments	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

Particulars		31st March, 2019	31st March, 2018
Security Deposits		1,348.66	1,163.62
Fixed Deposits with Interest accrued*		1,275.56	2,253.29
<b>Total</b>		<b>2,624.23</b>	<b>3,416.91</b>

Bank deposit Rs.666.59 (FY Rs.1553.23) held as Margin Money against Bank Guarantee/LC

### Note No 6 - Inventories

Particulars		31st March, 2019	31st March, 2018
Raw materials		2,952.55	2,420.08
Work-in-progress		149.05	703.50
Stores and spares		1,271.41	1,248.98
Finished goods		1,734.23	463.61
<b>Total</b>		<b>6,107.24</b>	<b>4,836.17</b>

### Note No -7 Trade Receivables

Particulars		31st March, 2019	31st March, 2018
Secured, considered good		-	-
Unsecured, considered good		5,926.82	5,828
Doubtful		-	-
Less: Allowances for Credit Losses		-	-
<b>Total</b>		<b>5,926.82</b>	<b>5,828.01</b>

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Expected Credit Loss is based on actual credit loss experienced and past trends based on the historical data.

### Note No - 8 Cash and Cash Equivalents

Particulars		31st March, 2019	31st March, 2018
Balances with Banks		1,443.81	1,085.87
Cash on hand		91.52	27.17
<b>Total</b>		<b>1,535.34</b>	<b>1,113.04</b>

Balances with bank in unpaid dividend accounts CY 22.88 (PY Rs. 27.02lacs) 27.02 22.88

### Note No - 9 Bank Balances

Particulars		31st March, 2019	31st March, 2018
Advances recoverable in cash or kind		68.46	5.63
Advance to Staff		7,215.10	7,218.54
<b>Total</b>		<b>7,283.55</b>	<b>7,224.17</b>

### Note No - 10 Other Current Assets

Particulars		31st March, 2019	31st March, 2018
Balance with statutory/ Government Authorities		899.70	745.97
GST /Sales Tax Deposits		38,239.81	39,773.77
<b>Total</b>		<b>39,139.51</b>	<b>40,519.74</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 11 Equity Share Capital

Particulars	31st March, 2019	31st March, 2018
<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
<b>ISSUED</b>		
125098584 ( P.Y. 125098584) Equity Shares of Rs. 10/- each	12,509.86	12,509.86
	12,509.86	12,509.86
<b>SUBSCRIBED &amp; PAID UP CAPITAL:</b>		
124934484* ( P.Y. 124934484) Equity Shares of Rs. 10/- each	12,493.45	12,493.45
<b>Total</b>	<b>12,493.45</b>	<b>12,493.45</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.

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

#### Authorised Share Capital

Particulars	31/3/2019		31/3/2018	
	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

Particulars	31/3/2019		31/3/2018	
	No. of Share	Rs. In Lakhs	No. of Share	Rs. In Lakhs
Number of Shares at the beginning	124,934,484	12,493.45	124,934,484	12,493.45
Changes during the period	-	-	-	-
<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.

During the year ended 31st March 2019 the amount of per share dividend recognised as a distribution to equity share holder was Rs. Nil (Previous year Nil)

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

(Rs. In Lacs)

Particulars	31/3/2019		31/3/2018	
	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%	12,280,770	9.83%
Broken Hills International Pvt. Ltd.	12,615,385	10.10%	12,615,385	10.10%
ICICI Bank Limited	6,443,453	5.16%	6,443,453	5.16%
Punj International Pvt Ltd	7,647,115	6.12%	7,647,115	6.12%



## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 12 Other Equity

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Retained Earnings	(349,578.21)	(329,461.91)
Securities Premium Reserve	54,589.61	54,589.38
General Reserve	8,380.82	8,380.82
<b>Total</b>	<b>(286,607.78)</b>	<b>(266,491.71)</b>

### Note No - 13 Borrowings

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
<b>Term Loan</b>		
Foreign Currency Loan from Banks	32,362.07	32,362.07
Rupee Loan from Banks	351,887.62	352,906.65
Rupee Loan from Promoters' Companies	1,748.00	1,748.00
<b>Total</b>	<b>385,997.69</b>	<b>387,016.72</b>
<u>The above amount includes</u>		
Secured Borrowings	384,249.69	385,268.72
Unsecured Borrowings	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

13.2 An application was filed by PSL LIMITED under Section 10 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP) in respect of itself. The said application for initiation of Corporate Insolvency Resolution Process (CIRP), which was registered as C.P. (IB) No. 37/10/NCLT/AHM/2017, has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, Ahmedabad (Hon'ble NCLT/Hon'ble Adjudicating Authority) vide its order dated. 15.02.2019. The Adjudicating Authority (NCLT) has appointed Mr. Nilesh Sharma, having IP Registration no. IBBI/IPA-002/IP-00006/2016-17/4 as "Interim Insolvency Resolution Professional" to carry OUT the functions as mentioned under Insolvency and Bankruptcy Code, 2016. Under the IBC proceedings the power of the Board were suspended with effect from 15.02.2019. The NCLT order also provided for a moratorium with effect from Feb 15.02.2019, till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan under section 31 (1) or passes an order for liquidation of the company under section 33, whichever is earlier. Currently, the CIRP Process in the respect of the company is in progress

13.3 All Short term Borrowings Treat as a long term borrowing.

### Note No - 14 Provisions

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
Provision for Gratuity	1,386.53	1,276.29
Provision for Leave Encashment	-	-
<b>Total</b>	<b>1,386.53</b>	<b>1,276.29</b>

Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.

### Note No - 15 Borrowings

Particulars	31st March, 2019	31st March, 2018
Rupee Loan from Banks (Short Term)	53,721.98	46,802.19
<b>Total</b>	<b>53,721.98</b>	<b>46,802.19</b>
<u>The above amount includes</u>		
Secured Borrowings	53,721.98	46,802.19
Unsecured Borrowings	-	-

### Note No - 16 Other Financial Liabilities

Particulars	31st March, 2019	31st March, 2018
Unclaimed Dividend	28.75	28.75
<b>Total</b>	<b>28.75</b>	<b>28.75</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 17 Other Current Liabilities

Particulars	31st March, 2019	31st March, 2018
Advances received from Customers	2,689.56	1,337.64
other Payable	5,445.04	5,882.18
<b>Total</b>	<b>8,134.60</b>	<b>7,219.82</b>

### Note No - 18 Provisions

Particulars	31st March, 2019	31st March, 2018
Provision for Employee Benefits (Salary and Reimbursement)	-	108.66
Other Provisions	390.08	152.55
Provision for Income Tax	761.51	552.65
<b>Total</b>	<b>1,151.59</b>	<b>813.86</b>

### Note No - 19 Revenue from Operations

(Rs. In lacs)

	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Sale of services	21214.92	16,000.89
<b>TOTAL (A)</b>	<b>21214.92</b>	<b>16,000.89</b>
<b>Other Operating Income</b>		
Other Operating Income	378.10	772.22
<b>Total (B)</b>	<b>378.10</b>	<b>772.22</b>
<b>Revenue from Operations (Gross) (A+B)</b>	<b>21,593.02</b>	<b>16,773.11</b>

### Note No - 20 Other Income

(Rs. In lacs)

	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Dividend Income	-	4.25
Process waste sale	360.25	-
Rent and Compensation	34.69	33.69
Profit on sale of assets	327.35	0.34
Insurance Claim /Excise Duty /Sales Tax Claim	0.42	15.00
Interest	175.87	522.27
Other Non Operating Income	377.88	554.26
<b>Total</b>	<b>1,276.46</b>	<b>1,129.81</b>

### Note No - 21 Cost of Material Consumed

(Rs. In lacs)

	For the year Ended 31st March 2019	For the year Ended 31st March 2018
Inventory at the beginning of the year	2,497.35	2,792.06
Add: Purchases	7,003.97	4,685.45
	9,501.32	7,477.51
Less : Inventory at the end of the year	2,952.55	2,420.08
<b>Cost of raw material &amp; components Consumed</b>	<b>6,548.77</b>	<b>5,057.44</b>

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

(Rs. In lacs)

	For the year Ended 31st March 2019	For the year Ended 31st March 2018
<b>Inventory at the end of the year</b>		
Work-in-progress	703.50	675.83
Finished goods	468.49	665.84
	<b>1,171.99</b>	<b>1,341.67</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

<b>Inventory at the beginning of the year</b>		
Work-in-progress	149.05	703.50
Finished goods	1,734.23	463.61
	<b>1,883.28</b>	<b>1,167.11</b>
<b>Total</b>	<b>(711.29)</b>	<b>174.57</b>

### Note No - 23 Employee Benefit Expenses

(Rs. In lacs)

	<b>For the year Ended 31st March 2019</b>	<b>For the year Ended 31st March 2018</b>
Contribution to PF & Other Fund	321.68	292.59
Salaries and incentives	5,066.84	3,774.59
Staff Welfare Expenses	367.94	296.84
<b>Total</b>	<b>5,756.46</b>	<b>4,364.03</b>

### Note No - 24 Finance Cost

(Rs. In Lacs)

	<b>For the year Ended 31st March 2019</b>	<b>For the year Ended 31st March 2018</b>
Interest	5,838.34	3,422.32
Other Borrowing cost	66.73	77.01
<b>Total</b>	<b>5,905.08</b>	<b>3,499.33</b>

### Note No - 25 Other Expenses

	<b>For the year Ended 31st March 2019</b>	<b>For the year Ended 31st March 2018</b>
Consumption Of Stores And Spares Parts	1,965.18	1,335.05
Power & Fuel	1,747.65	1,220.58
Excise Duty, Service Tax And Sales Tax	-	70.86
Freight & Cartage	513.85	445.37
Equipment Hire Charges	7.57	4.86
Labour Charges	109.52	115.91
Other Manufacturing & Operating Expenses	1,464.56	1,131.04
Water Charges	-	0.16
Conveyance	138.37	98.60
Traveling Expenses	204.39	186.05
Postage, Telegram and Telephones	57.48	60.51
Printing and Stationery	17.15	25.53
Rent, Rates & Taxes	600.31	662.23
Electricity Charges	18.47	24.45
Professional Charges	1,258.29	1,036.89
Bad Debts W/off	306.44	927.44
Repair and Maintenance (Plant )	215.35	743.00
Repair and Maintenance (Building)	76.62	86.92
Repair and Maintenance (Others)	104.65	106.97
Insurance	87.48	82.59
Auditors' Remuneration	24.66	14.18
Vehicle Expenses	115.86	126.65
General Expenses	1,118.23	2,679.82
<b>Total</b>	<b>10,152.09</b>	<b>11,185.67</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 26 Payment to Auditors

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
As Audit Fees	20.66	14.18
For Taxation Matters	2.00	-
For Other Services	2.00	-
<b>Total</b>	<b>24.66</b>	<b>14.18</b>

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

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
Remeasurements of the defined benefit plans	-	-
Others	-	-

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

Particulars	31st March 2019	31st March 2018
Exchange differences in translating the financial statements of a foreign operation	-	-

### Note No - 29 Earning per Share

Particulars	31st March 2019	31st March 2018
Profit/(Loss) attributable to Equity shareholders	(17,156.06)	(20,935.35)
Weighted Average Number of Shares for Basic and Diluted EPS	1,244,934,484	1,244,934,484
Basic EPS (Amount in Rs.)	(1.38)	(1.68)
Diluted EPS (Amount in Rs.)	(1.38)	(1.68)

### Note No - 30 Value of Imports

Particulars	31st March 2019	31st March 2018
Raw Material	670.21	137.03
Stores & Spare Parts	221.20	2.00

### Note No - 31 Expenditure in Foreign Currency

Particulars	31st March 2019	31st March 2018
Traveling Expenses	4.18	15.27
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 2019, 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 2019	31st March 2018
A. Counter Guarantees given by the Company for Bank Guarantees	345.45	2,818.51
B. Other Guarantees Given by the Company on behalf of		
- Subsidiary Companies	48,368.72	42,652.04
- Others	3,060.82	5,891.52
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

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### F. Government Dues

- (i) Disputed dues on account of Excise duty (20 Nos.) estimated amount Rs. 11686.97 Lacs, (Previous Year Rs. 13382.99 Lacs)
- (ii) Disputed dues on account of Service Tax (10 Nos. ) estimated amount Rs. 471.31 Lacs, (Previous Year Rs. 391.63 Lacs )
- (iii) Disputed dues on account of Custom duty (1 Nos) estimated amount Rs. 15.19 Lacs, (Previous Year Rs. 12884.36 Lacs )
- (iv) Disputed dues on account of Sales Tax (29 Nos) estimated amount Rs. 6846.79 Lacs, (Previous Year Rs. 6846.79 Lacs )
- (v) Pending closure of Advance Authorisation ( 4 Nos) estimated amount Rs. 402.73 lacs, (Previous Year Rs. 2532.16 Lacs )
- (vi) Disputed dues on account of Entry Tax Rs. 51.14 Lacs , (Previous Year Rs. 51.14 Lacs )

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

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

- I. 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.
- J. 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 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 2019	31st March 2018
Rent	1.2	1.20



## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 36 RELATED PARTY DISCLOSURES

#### 1. Relationships

##### a) 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 Managing Director

##### Associate

Particulars	31st March 2019	31st March 2018
<b>Sale of Goods</b>		
Eurocoustic Products Ltd.	295.43	-
<b>Expenses Incurred by/for related party</b>		
Rosoboronterra India Pvt.Ltd.	-	1.39
Eurocoustic Products Ltd.	1.21	4.88
<b>Laon Received</b>		
Punj International Pvt. Ltd.	2.00	-
<b>Closing Balance</b>		
Broken Hills International Ltd.	5.00	5.00
BHI Ltd.	(78.68)	(78.68)
Rosoboronterra India Pvt.Ltd.	1.50	1.50
Punj International Pvt. Ltd.	(18.31)	(18.31)
Punj Corporation Private Limited	0.36	0.36
Eurocoustic Products Ltd.	(37.95)	(44.77)

\* Sales/Purchase/lease rent including taxes

**Note No - 37 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:**

Particulars	31st March 2019	31st March 2018
Principal Amount due and remaining unpaid	44.98	-
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 - 38 Capital Management

The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value .

(Rs. In Lacs)

	31st March 2019	31st March 2018
Total equity attributable to the share holders of the Company	12,493.45	12,493.45
Total equity as a percentage of total capital	100%	100%

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note 39: Financial Risk Management

The Company's activities exposed it to the following risks:

- i. Credit risk
- ii. Interest rate risk
- iii. Liquidity risk
- iv. Market Risk

#### i. Credit risk:

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks, investments, foreign exchange transactions and other financial instruments.

##### a. Trade receivables

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

##### b. Credit risk exposure

The Company's credit period generally ranges from 30-180 days. The credit risk exposure of the Company is as below:

Particulars	31st March 2019	31st March 2018
Trade receivables	5,926.82	5,828.01
Total	5,926.82	5,828.01

The company evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are group entities.

##### c. Other financial assets and deposits with banks

Credit risk is limited, as the company generally invest in deposits with banks with high credit rating assigned by international and domestic credit rating agencies. Counter-party credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

#### ii. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates for the period the Company was holding the debts.

#### iii. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents are deposits is as below:

	31st March 2019	31st March 2018
Cash and cash equivalents	1,535.34	1,113.04

The table below summarises the maturity profile of the Company's Financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

Particulars	0-365 days	More than 365 days	Total
<b>As at March 31, 2019</b>			
Trade payables	5,580.24	26,355.58	31,935.82
Other financial Liabilities	-	53,721.98	53,721.98
<b>As at March 31, 2018</b>			
Trade payables	5,982.87	26,355.58	32,338.45
Other financial Liabilities	-	387,016.72	387,016.72

### iv. Market risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses.

### Disclosure of Financial Instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Particulars	31.03.2019			31.03.2018		
	FVTPL	FVOCI	AMORTISED COST	FVTPL	FVOCI	AMORTISED COST
<b>Financial Assets</b>						
Investment in subsidiaries, associates and joint ventures*	-	299.28		-	299.28	-
Security Deposits	-	-	2,624.23	-	-	3,416.91
Other loans and Advances	-	-	7,283.55	-	-	7,224.17
Trade Receivables	-	-	5,926.82	-	-	5,828.01
Cash & Cash Equivalent	-	-	1,535.34	-	-	1,113.04
<b>Total</b>	<b>-</b>	<b>299.28</b>	<b>17,369.94</b>	<b>-</b>	<b>299.28</b>	<b>17,582.13</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	385,997.69	-	-	387,016.72
Trade Payables	-	-	31,935.82	-	-	32,338.45
Other Financial Liabilities	-	-	28.75	-	-	28.75
<b>Total</b>	<b>-</b>	<b>-</b>	<b>417,962.26</b>	<b>-</b>	<b>-</b>	<b>419,383.92</b>

### Note 40:

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 41:

The Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT") by an order dated 15th February, 2019 admitted the Corporate insolvency Resolution Process ("CIRP") application filed by PSL Limited and appointed Mr. Nilesh Sharma as the Interim Resolution Professional ("IRP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code.

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

**Note 42:**

The Company appointed Company Secretary Mrs. Yashika Chawla wef. 1st December, 2018.

**Note 43:**

The financial statement being prepared on a going concern basis notwithstanding the fact that the Company's net worth is eroded.

**Note 44:**

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. 434.54 Crores on such outstanding facilities for the year ended 31st March, 2019 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 98.08 Crores would have risen to Rs. 532.62 Crores.

**Note 45:**

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

**Yashika Chawla**  
**COMPANY SECRETARY**

**Kishore V Bulchandani**  
**Head of Accounts & Finance**

**For PSL LIMITED  
(Under CIRP)**

**Ashok Punj**  
Managing Director  
**DIN - 00041911**

**R K Bahri**  
Director  
**DIN - 00044364**

**Nilesh Sharma**  
**IINTERIM RESOLUTION**  
**PROFESSIONAL**  
In the matter of PSL LTD  
IBBI Reg. No.: IBBI/IPA-002/IP-  
N00104/2017-18/10232

**Place :** Mumbai  
**Date:** 28th May, 2019

**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	6,580.17	13,442.59	13,442.59	55.50	10,768.59	750.77	208.50	542.26	-	100.00	INDIA (Rs. In Lacs)
2	PSL Gas Distribution Pvt.Ltd.	1700	(0.89)	1761	1761	-	-	-	-	-	-	100.00	INDIA
3	PSL Infrastructure & Ports Pvt.Ltd.	2,821.00	(5.54)	6,535.14	6,535.14	-	-	(2.57)	-	(2.57)	-	100.00	INDIA
Subsidiaries of the Company incorporated outside India													
4	Pipeline Systems Ltd.* (Exchange rate as on 31st March, 2019 : 1 USD= 69.17 INR)	21,346.08	(46,040.06)	27,979.58	27,979.58	-	2,812.50	(7,886.89)	-	(7,886.89)	-	100.00	(in USD) Mauritius

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





## 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 **31st Annual General Meeting** of the Company held on Thursday, the 19th day of September, 2019 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 31st Annual General Meeting of the Company, to be held on Thursday, the 19th day of September 2019, at 9:30 a.m., at the Registered office of the Company situated at Kachigam, Daman, 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, 2019		
2	Re-appointment of Smt Manjula N Bhatia, (DIN 07178575) as Director who retires by rotation.		
3	Re-appointment of Shri Alok Punj, (DIN 00058049) as Director who retires by rotation.		
Special Business			
4	Re- appointment of Shri N C Sharma (DIN 00054922) as “ Independent Director” of the Company		
5	Re- appointment of Shri Ashok Sharma (DIN 00042028 as “ Independent Director” of the Company		
6	Re- appointment of Shri Harinder Shourie (DIN 00400593) as “ Independent Director” of the Company		
7	Re- appointment of Shri Harsh Pateria (DIN 00197447) as “ Independent Director” of the Company		
8	Ratification of the remuneration of Cost Auditor for the FY 2019-20		

Signed this..... day of ....., 2019.

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, please refer to the notice of 31st Annual General Meeting.



## ROUTE MAP





**PSL LIMITED**

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