



**PSL Limited**

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

Ref: PSL/2020-21/834

December 8, 2020

**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 (LODR) Regulations, 2015, we are enclosing 32<sup>nd</sup> Annual report for the Financial year 2019-20.

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



# 2019-20 **ANNUAL** REPORT

PSL LIMITED

**Shri Nitin Jain** Resolution Professional/Liquidator

### **BOARD OF DIRECTORS**

**Shri Ashok Punj** Managing Director

**Shri R. K. Bahri** Non-Executive Director

**Shri C. K. Goel** Non-Executive Director

**Mrs. Manjula N. Bhatia** Non-Executive Director

**Shri N. C. Sharma** Independent Director

**Shri Ashok Sharma** Independent Director

**Shri Harry H. Shourie** Independent Director

**Shri Harsh Pateria** Independent Director

\*The powers of the Board of directors were suspended vide NCLT order 15th February. 2019

### **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

### **Registrar and Share Transfer Agents**

KFin Technologies 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

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## NOTICE

To,  
The Members of  
**PSL LIMITED**

Notice is hereby given that **Thirty Second (32nd) Annual General Meeting** of the Company (in Liquidation) is scheduled to be held on Wednesday the **30th day of December 2020 at 10:30 a.m.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:-

### **ORDINARY BUSINESS**

1. To receive, consider and adopt:
  - a. the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2020 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, 2020, together with the Report of the Auditors thereon.

Regd. Office: -  
Kachigam, Daman  
Union Territory of –  
Daman & Diu - 396 210  
CIN: L67120DD1987PLC002395  
Dated: 13 November, 2020

For PSL LIMITED

Sd/-

Nitin Jain  
Liquidator  
(Registration No.: IBBI/IPA-001/IP-P-  
01562/2019-2020/12462)

## NOTES:

1. General instructions for accessing and participating in the 32nd AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting:
  - a. In view of the outbreak of COVID-19 pandemic, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April, 2020, 13th April, 2020 and 5th May, 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 32nd AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue. The deemed venue for the 32nd AGM shall be the Registered Office of the Company.
  - b. In terms of the MCA / SEBI Circulars since the requirement of physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in 32nd AGM through VC/OAVM Facility and e-Voting during 32nd AGM. In line with the MCA Circulars and SEBI Circular, the Notice of 32nd AGM will be available on the website of the Company at [www.pslimited.com](http://www.pslimited.com), on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com), on website of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

Members may join 32nd AGM through VC/ OAVM Facility 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

Members may note that the VC/OAVM Facility, allows participation of upto 1,000 Members on a first-come-first served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit and Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend 32nd AGM without any restriction on account of

first-come-first-served principle.

Attendance of the Members participating in 32nd AGM through VC/OAVM Facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at 32nd AGM and facility for those Members participating in 32nd AGM to cast vote through e-Voting system during 32nd AGM.

## 2. Instructions for Members for Remote e-Voting are as under:-

- a. Remote e-Voting period will commence on **Sunday, 27th December, 2020 (9:00 am IST)** and end on **Tuesday, 29th December, 2020 (5:00 pm IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 23rd December, 2020, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- b. **The details of the process and manner for remote e-Voting are explained herein below:**

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

### How to Log-in to NSDL e-Voting website?

- I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- II. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS as login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2, i.e. Cast your vote electronically.



#### IV. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

#### V. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

#### VI. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

#### Details on Step 2 is given below:

#### How to cast your vote electronically on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### 4. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self

attested scanned copy of Aadhar Card) by email to [pslltdlegal@gmail.com](mailto:pslltdlegal@gmail.com)

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [pslltdlegal@gmail.com](mailto:pslltdlegal@gmail.com).
- 5. Instructions for Members for participating at 32nd AGM through VC/OAVM are as under:**
  1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [pslltdlegal@gmail.com](mailto:pslltdlegal@gmail.com).
  6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [pslltdlegal@gmail.com](mailto:pslltdlegal@gmail.com). The same will be replied by the company suitably.
  7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- 6. Instructions for Members for e-Voting during the 32nd AGM are as under:**
  1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## 7. Other Guidelines for Members

- a. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or [SoniS@nsdl.co.in](mailto:SoniS@nsdl.co.in) or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with the voting by electronic means.
- b. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- c. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut- off date of 23rd December, 2020.
- d. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
- e. M/s. Avi Sangal & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize remote e-Voting process and casting vote through e-Voting system during the Meeting in a fair and transparent manner.
- f. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions

will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes. The declared results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website [www.pslimited.com](http://www.pslimited.com) and on the website of NSDL; such results will also be forwarded to the National Stock Exchange of India Limited, BSE Limited, where the Company's shares are listed.

8. Pursuant to the MCA Circulars and SEBI Circular, in view of prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of 32nd AGM and the Annual Report for the year 2019-20 including therein the Audited Financial Statements for year 2019-20, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of 32nd AGM and Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

- a. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered alongwith scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address [pslltdlegal@gmail.com](mailto:pslltdlegal@gmail.com).
- b. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

Notice of 32nd AGM and Annual Report for the year 2019-20 including therein the Audited Financial Statements for the year, will be available on the website of the Company at [www.pslimited.com](http://www.pslimited.com) and the website of Stock Exchanges at BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The Notice of 32nd AGM will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members

holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

10. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
11. The Register of Members and Share Transfer Books of the Company will remain closed from 25th December, 2020 to 30th December, 2020 (both days inclusive).
12. 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/ KFin Technologies Private Limited ('Karvy').
13. In accordance with provisions of section 124 of the Companies Act, 2013, such dividend amounts which remain unpaid or unclaimed for a period of 7 years with respect to two different dividends as per details stated at para no. VIII (i) of Corporate Governance Report annexed to the Director's Report will be transferred to IEPF. It may also be noted that once the unpaid/unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the IEPF in respect of such amount by the Member.
14. The Ministry of Corporate Affairs has undertaken a 'Green Initiative in the Corporate Governance' by allowing paperless compliance by companies. Also, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, permits companies to send soft copies of Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiatives by registering / updating their e-mail address for receiving electronic communications. The Notice for Annual General Meeting along with the Annual Report of the Company will be made available on the Company's website – [www.pslimited.com](http://www.pslimited.com).

For PSL LIMITED

Sd/-

Nitin Jain  
Liquidator

(Registration No.: IBBI/IPA-001/IP-P-01562/2019-2020/12462)

Regd. Office: -  
Kachigam, Daman  
Union Territory of –  
Daman & Diu - 396 210  
CIN: L67120DD1987PLC002395  
Dated: 13 November, 2020



## DIRECTOR'S REPORT

To,  
The Members of  
**PSL LIMITED**

The Liquidator hereby presents this Thirty Second (32nd) Annual Report along with Audited Statements of Accounts of the Company for the Financial Year 2019-20.

### Financial Performance:

The financial performance of the Company for the financial year ended on 31st March, 2020 is summarized below:

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
<b>Revenue from operations</b>	<b>69.93</b>	<b>80.12</b>	<b>225.09</b>	<b>215.93</b>
Other Income	7.72	12.11	8.49	12.76
<b>Total Income</b>	<b>77.65</b>	<b>92.23</b>	<b>233.58</b>	<b>228.69</b>
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items, Extraordinary items & Tax	(13.99)	(1.29)	6.60	11.23
Less: Depreciation and Finance Cost	82.83	96.79	140.49	180.70
Less: Exceptional items				
Less: Extraordinary Items				
<b>Profit/(Loss) Before Taxation Provisions</b>	<b>(96.82)</b>	<b>(98.08)</b>	<b>(133.89)</b>	<b>(169.47)</b>
Less: Current Tax	-	-	3.40	2.08
Less : Deferred Tax	-	-	0.0051	(0.0036)
<b>Profit / (Loss) After Tax</b>	<b>(96.82)</b>	<b>(98.08)</b>	<b>(137.29)</b>	<b>(171.56)</b>
Balance Carried to Balance Sheet	(96.82)	(98.08)	(137.29)	(171.56)

### Consolidated Financial Statements:

The Consolidated Financial Statements of your Company for the financial year 2019-20 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:

As the Financial Year under review witness losses no dividend could be considered for distribution to the members.

### Transfer to Reserves:

Consequent upon company having suffered losses during the year under review, no amount was transferred to general

reserve account of the company.

### Development regarding Corporate Insolvency Resolution Process(CIRP) culminating into initiation Of company's Liquidation

Members may recall that they were well informed about various developments pertaining to Corporate Insolvency Resolution Process(CIRP) formally commenced on 15th February, 2019, after passing of an order to that effect by Ahmedabad Bench of NCLT on company's application filed with it earlier.

Since no Resolution Plan could succeed the said Hon'ble Bench of NCLT while disposing of an application filed by Resolution Professional in compliance of a decision of Committee of Creditors has vide its order dated 11th September, 2020 order for liquidation of the Company as a going concern.

To carry out the liquidation process of the company Hon'ble NCLT has appointed Mr. Nitin Jain as Liquidator.

### Business Performance:

Although CIRP has commenced on 15th February, 2019 i.e. in the preceding Financial Year 2019-20 itself, your company took a cautious decision of continuing its manufacturing operations to the maximum possible extent. Such continued operation served many purposes such as ensuring smooth functioning of company's valuable plant and machinery, generating of employment for competent technical workforce at the plant level and meeting fixed cost of the company from the profit so generated even by limited operations.

As a direct result of sustained effort put in by company's senior management the total income which was Rs.92 Crores in previous Financial Year ended on 31st March, 2019 got marginally reduced to Rs.78 Crores.

The aforesaid sustained efforts of the management also showed reasonably good results as far as company's performance on consolidated basis is concerned. Since the consolidated turnover which was Rs.228 Crores in the preceding Financial Year 2018-19 got enhanced to Rs.234 Crores in 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 before the 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. However, both the matter will proceed against the other defendants. Now since the Company has been ordered to be liquidated, the said moratorium has ceased to operate. The above stated OAs are currently pending before the DRT, Delhi.

#### **Performance of Subsidiary Companies:**

Presently your company has four direct subsidiaries and one step down subsidiary, two of the direct four subsidiary namely PSL Gas Distribution Pvt. Ltd. and PSL Infrastructure and Ports Pvt. Ltd. have not been in an active operation and therefore, no revenue was generated in them. The other two subsidiary namely PSL Corrosion Control Services Ltd., and Pipelines Systems Ltd. including step down subsidiary PSL FZE had performed reasonably well during Financial Year under review. Since the former recorded turnover of Rs. 11914.51 lacs and net profit of 827.66 lacs while the latter registered turnover of Rs. 3621.81 lacs and net loss of Rs. 4866.56 lacs.

As a direct result of the moderate performance of the said two subsidiaries the consolidated total income of your company could reach Turnover of Rs. 22509 lacs .

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:**

Your Board comprised of total of 8 Directors which includes 4 Independent Directors. Although consequent upon commencement of CIRP on 15th February, 2019, the powers of the Board got ceased in accordance with the relevant provisions of Insolvency and Bankruptcy Code , 2016 however in order to discharge their statutory responsibilities Directors held total of 5 Board Meeting during the year under review.

#### **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, 2020, 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:**

Consequent upon commencement of CIRP on 15th February, 2019, the powers of the Board got ceased in compliance of relevant provisions of Insolvency and Bankruptcy Code , 2016 , however in order to discharge their statutory responsibilities Directors held total of 5 Board Meeting during the year under review, the details of which are given in the Corporate Governance Report that is annexed to this Report as Annexure – VI.

#### **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.

### 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:

Since the powers of the Board of Directors have been suspended w.e.f. 15th February, 2019 pursuant to the orders of Hon'ble National Company Law Tribunal (NCLT) dated 15th February, 2019, evaluation of the Board has not taken place.

### 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 35 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.

### Auditors:

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

M/s V. Parekh & Associates, Chartered Accountants were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 29th September, 2017 for a continuous period of 5 years commencing from Financial Year 2017-18. So M/s V. Parekh & Associates would continue to act as Statutory Auditors for the Financial Year 2020-21 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. Secretarial Auditor:

A firm of Practising Company Secretary namely "AviSangal & Associates" was appointed to undertake the Secretarial Audit of the Company for the year ended March 31, 2020 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, 2020 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 behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The details of the Vigil Mechanism and Whistle Blower Policy are given in the Corporate Governance Report and also posted on the website of the Company.

**Extract of the Annual return:**

The extract of Annual Return as on March 31, 2020 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.

As you are aware our company running in Corporate Insolvency Resolution Process (CIRP) with the help of Resolution Professional (RP) namely Mr. Nitin Jain and with the help of them we are trying to find out investors who can run our unit after taking all the liabilities as against our existing assets.

**Acknowledgements:**

Your Directors alongwith Liquidator Professional (LP) place on record gratitude to the Government Authorities, Financial Institutions, Lenders, Banker for the assistance they extended to the Company. Your Directors alongwith LP 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 alongwith LP 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.

**Sd/-**  
**(Nitin Jain)**  
**Liquidator**

Place: Mumbai  
Date: 13 November, 2020



## ANNEXURE TO DIRECTORS' REPORT

**Management's response to the various observations of Statutory Auditor's as detailed under the heading "Emphasis of Matter" included in Statutory Auditor's Report dated 30TH July, 2020 for the Financial Year 2019-20.**

**Reply to Para i to iv:**

Consequent upon Company facing acute financial crisis ultimately resulting into huge accumulated losses, the company on its own had filed an application under section 10 of Insolvency & Bankruptcy Code to NCLT, Ahmadabad bench. Having taken note that even net worth of the Company have eroded and company was not able to pay its debts, NCLT had passed an order on 15th February 2019 by way of which Corporate Insolvency Resolution Process(CIRP) had formally begun and the moratorium started on the said date.

Subsequently since no resolution plan could be achieved with the efforts of initially put by Insolvency Resolution Professional (IRP) and later on by Resolution Professional(RP), NCLT , Ahmadabad has passed a liquidation order on 10th September, 2020 and also appointed Mr. Nitin Jain as the official liquidator to carry out the process of Liquidation in accordance with Statutory framework on the subject under Insolvency & Bankruptcy Code, 2016.

In spite of the aforesaid unfortunate developments, hectic efforts were made to procure as many orders as possible to be able to generate as much revenue as possible so as to keep the manufacturing plants in serviceable conditions and also to meet the fixed cost.

**Reply to para v :**

The Management reiterates its view point that there is no substantial impact of COVID-19 on Company's financial results for the Financial year 2019-20, since in Indian context the lockdown etc commenced only on 24th March, 2020 and by that time the said Financial year 2019-20 had almost ended. No adjustment in the Financial statement was necessitated.

**Reply to Para vi :**

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

**Reply to Para vii :**

Insufficient funds due to reduced business activity consequent upon commencement of Corporate Insolvency Resolution Process( CIRP) resulted into Company's failure to deposit the requisite amount with the Provident fund (PF) authorities in time.

**Reply to Para viii :**

Commencement of Corporate Insolvency Resolution Process (CIRP) resulting into all around reduction in operations resulted into the reported failure.

**Reply to para ix :**

Reduced business operations resulted into reduction in income. However since the fixed cost were more or less of the same magnitude net loss was resulted into.

**Reply to Para x :**

As the observation is self explanatory in nature, management endorses the contents of this observation and has therefore no comments to offer against the observation.

**Reply to para xi:**

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

**Reply to Para xii :**

Management having taken a realistic view as decided that the inventory is to be taken at its reliable value. Accordingly the service of chartered engineer were availed for the purpose at different plant locations of the Company.

**Reply to Para xiii & xiv :**

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

**Reply to Para xv :**

In spite of Company requesting its various lending banks for sending balance confirmation certificates, the Banks appear to be consciously avoiding issuance of such certificates as they are not providing for Interest payable on their outstanding dues in their books. Since the dues recoverable by them from the Company have already been treated by them as Non performing Assets.

**Reply to Para xvi & xvii :**

The Company has already circulated the letters to debtors for confirmations the balance as well as release the outstanding balances at the end of the year on 31.03.2020, but still company has not received any response from debtors, so Company has shown the balance receivable and trade payables from debtors as per the prescribed format.

**Reply to Para xviii :**

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 xix:**

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



## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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. Nitin Jain**  
**Resolution Professional of PSL LIMITED**  
**E-10, Kailash Colony, Greater Kailash,**  
**New Delhi-110048**

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 31.03.2020 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 31.03.2020 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. Delay in submission of quarterly compliance report on corporate governance for the quarter ended on 30.09.2019 pertaining to the requirements of regulation 27(2) SEBI (LODR) Regulations, 2015.
3. Delay in submission of Annual Report for the Financial Year ended on 31.03.2019 pertaining to the requirement of regulation 34 SEBI (LODR) Regulations, 2015. However, as a onetime measure, exchanges has withdrawn the fine for such non compliance

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 as per the order of Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench the Company is in Corporate Insolvency Resolution Process (CIRP) and during the audit period, pursuant to the resolution passed in the meeting

of Committee of Creditors (COC) and order dated August 30, 2019 as passed by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad bench Mr. Nitin Jain has been appointed as Resolution Professional (RP) to carry the functions as mentioned under under Insolvency and Bankruptcy Code, 2016.

Further, the COC in their 10th meeting held on January 06, 2020 has recommended the name of Mr. Nitin Jain (RP) to act as liquidator of the Company and authorized him to file an application before NCLT for initiation of liquidation process of the Company. Accordingly, an application was filed by RP on January 15, 2020 before the Ahmedabad bench of NCLT, which came for hearing before the NCLT on June 15, 2020. The NCLT observe that categorical resolution has not been passed in 10th COC meeting and therefore directed for passing a categorical resolution by granting two weeks times to complete the said process. To comply with the direction of NCLT, on June 19, 2020, 11th meeting of COC was convened by RP via VC and among other business, a categorical resolution was passed for liquidation of PSL limited. Further, order of NCLT in this regard is awaited.

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

**Avi Sangal**

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

**UDIN: A031713B000496529**

**Place: Noida**

**Dated: July 23, 2020**

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. Nitin Jain**

**Resolution Professional of PSL LIMITED**

**E-10, Kailash Colony, Greater Kailash,**

**New Delhi-110048**

CC:

**The Members**

**PSL LIMITED**

**Kachigam, Daman,**

**Union Territory of Daman and Diu,**

**Daman and Diu-396210**

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**

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.

**Avi Sangal**

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

**UDIN: A031713B000496529**

**Place: Noida**

**Dated: July 23, 2020**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2020**

[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	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32   Financial District , Nana-kramguda Hyderabad - 500032

**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	100
3.	Other Operating Revenue	N.A	0

**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.	BHI Limited	U14100MH1987PLC044734	Associate	26.49	2(6)
7.	Broken Hills International Private Limited	U14299TN1990PTC019355	Associate	0.58	2(6)
8.	Eurocoustic Products Limited	U36109DD1981PLC002380	Associate	12.8	2(6)
9.	Punj International Private Limited	U11200MH1987PTC045184	Associate	10.45	2(6)
10.	Punj Investments Private Limited	U65993MH1988PTC046627	Associate	1.43	2(6)
11.	Punj Corporation Private Limited	U29253DL2010PTC197999	Associate	33.71	2(6)
12.	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	20794144	0	20794144	16.64	20591939	0	20591939	16.51	-0.14
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.Insurace Companies	0	0	0	0	0	0	0	0	0
g.FIIs	1231206	0	1231206	0.99	1231206	0	1231206	0.99	0
h.Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i.Others (specify)									
1. Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
2.Foreign Nationals	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1)</b>	22025350	0	22025350	17.63	21823145	0	21823145	17.50	-0.13
<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	19116500	82676	19199176	15.37	19180164	80106	19260270	15.44	0.07
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17030383	0	17030383	13.63	18261634	0	18261634	14.64	1.01



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	19113241	1300	19114541	15.30	18181899	1300	18183199	14.58	-0.72
<b>Non Resident Indians</b>	849897	5800	855697	0.68	797434	5800	803234	0.64	-0.04
<b>Overseas Corporate Bodies</b>	0	1000	1000	0	0	1000	1000	0	0
<b>Foreign Nationals</b>	0	0	0	0	0	0	0	0	0
<b>Clearing Members</b>	83893	0	83893	0.07	34045	0	34045	0.03	-0.04
<b>Trusts</b>	500	0	500	0	500	0	500	0	0
<b>Non Resident Indian Non Repatriable</b>	484228	0	484228	0.39	229711	0	229711	0.18	-0.20
<b>IEPF</b>	25350	0	25350	0.02	25350	0	25350	0.02	0
<b>Sub-total (B)(2)</b>	56703992	90776	56794768	45.46	56710737	88206	56798943	45.54	0.08
<b>Public Shareholding TOTAL (B): (B)(1)+(B)(2)</b>	78729342	90776	78820118	63.09	78533882	88206	78622088	63.03	-0.06
<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>	124834358	90776	124925134	100	124638898	88206	124727104	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
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

### 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	324249.69	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	
<b>Total (i+ii+iii)</b>	<b>620681.77</b>	<b>1748.00</b>	<b>Nil</b>	<b>622429.77</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	43573.00	Nil	Nil	43573.00
• Reduction	39.77	Nil	Nil	39.77
<b>Net Change</b>	<b>43533.23</b>	<b>-</b>	<b>-</b>	<b>43533.23</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	384209.92	1748.00	Nil	385957.92
ii) Interest due but not paid	280005.08	Nil	Nil	280005.08
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>664215.00</b>	<b>1748.00</b>	<b>Nil</b>	<b>665963.00</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 limit of Rs. 1.29 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	0	100000	40000	60000	Nil	Nil	Nil	200000
	(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)	0	100000	40000	60000	Nil	Nil	Nil	200000
3.	<b>Other Non-Executive Directors</b>								
	(a) Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	60000	Nil	Nil	60000
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	60000	Nil	Nil	60000
7.	Total (B)=(1+2)	0	100000	40000	60000	60000	Nil	Nil	260000
8.	Total Managerial Remuneration	0	100000	40000	60000	60000	Nil	Nil	260000
9.	Overall Ceiling as per the Act	Well within the overall limit of Rs. 1.29 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	-	4.27	-	4.27
	(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	-	4.27	-	4.27

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

During the FY 2019-20, Registrar of Companies imposed penalty for violation of Section 203 of Companies, 2013 which has been disputed by the Company. Details about minor penalties imposed by stock exchanges on defaults due to technical reasons have been included in Corporate Governance report.

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

### A. CONSERVATION OF ENERGY

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

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

- Replacement of DC Drives by Variable Frequency Drive in Conveyors, pumps and other equipments in the plants.
- Installation of 66 KV substation for automatic voltage regulation.
- Use of Servo Motors and Servo drives for conservation of energy.
- Replacement of Pipe mill, Buggy Control, Hydro tester etc by low power servo motors.
- Replacement of Incandescent light/bulbs by CFL.
- The cables and bus bars used in control panels installed in the plant and machinery are all of Copper conductor which ensures lower heat loss and greater efficiency.

#### Impact of above measures

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

#### ii) The steps taken by the company for utilizing alternate sources of energy.

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

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

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

### B. TECHNOLOGY ABSORPTION

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

- PSL is one of the pioneers in Technology absorption as all its plants have been made by PSL with design/technology from Germany, Italy and China.
- Development of Epoxy recovery system in India with horizontal filters was done.
- Using our own technological skills, we developed an on-line SAW welding system for welding on heavy duty Beam- sections being manufactured for Bridges.

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

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

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

- No such Technology was imported in last three years.

#### iv) The expenditure incurred on Research and Development.

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

( Rs. In Lacs)

	March'20	March'19
Earnings	85.69	230.60
Outgo on Royalty	Nil	Nil



## DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS

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

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

And

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial Year :-

Name	Designation	Remuneration in 2019-20 (Rs. In Lakhs)	Remuneration in 2018-19 (Rs. In Lakhs)	% Increase of Remuneration in 2020 compared to 2019	Ratio to Median Remuneration
Ashok Punj*	Managing Director	-	-	-	-
Yashika Chawla**	Company Secretary	4.27	1.2#	18.61	1.61

\*Didn't draw salary in financial year 2019-20, 2018-19 & 2017-18.

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

# Remuneration is for part of the year

3. The percentage increase in the median remuneration of employees in the financial year **Nil**.
4. The number of permanent employees on the rolls of the Company as on 31st March, 2020 was **901**.
5. 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**
6. 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 11th September, 2020, passed by Hon'ble National Company Law Tribunal –Ahmedabad Bench, Liquidation process has been initiated for the Company. During the continuation of Liquidation 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 Liquidator.

The present strength of the Board of Directors is Eight out of which one (i.e. 12.5%) is Executive Directors and Seven (i.e. 87.5%) 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, 2020 have been made by the Directors.

During the year 2019-20, 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, 2020 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.	R. K. Bahri	Non-Executive	0	1	0	0
3.	C. K. Goel	Non-Executive	0	1	0	0
4.	N. C. Sharma	Independent & Non-Executive	0	2	0	3
5.	Harinder Shourie	Independent & Non-Executive	0	0	0	0
6.	Ashok Sharma	Independent & Non-Executive	0	0	0	0
7.	Harsh Pateria	Independent & Non-Executive	0	1	0	0
8.	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, 2020, the Board of Directors met five times. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days. The last Annual General Meeting was held on September 19, 2019.

Attendance of different directors at the Board Meetings held during the year 2019-20 was as follows:

S. No.	Name of Directors	Total Board Meetings Attended	Last AGM Sep 19, 2019	No. of Board meetings held, attended, during the year				
				May 28, 2019	July 16, 2019	Aug 12, 2019	Nov 11, 2019	Feb 11, 2020
1.	Ashok Punj	5	P	P	P	P	P	P
2.	Alok Punj	2	LOA	LOA	P	P	NA*	NA*
3.	R. K. Bahri	5	LOA	P	P	P	P	P
4.	N. C. Sharma	5	P	P	P	P	P	P
5.	Ashok Sharma	2	NR	LOA	LOA	LOA	P	P
6.	Harinder Shourie	4	NR	LOA	P	P	P	P
7.	C. K. Goel	4	P	P	P	LOA	P	P
8.	Harsh Pateria	3	NR	P	LOA	LOA	P	P
9.	Manjula N. Bhatia	5	LOA	P	P	P	P	P
No. of Directors Attended				6	7	6	8	8
%				66.66	77.77	66.66	100	100
Quorum met				Yes				

P	=	Present
LOA	=	Leave of Absence
NR	=	Statutorily Not Required to attend
NA	=	Not Applicable

\*Since the resolution for Mr. Alok Punj re-appointment during the Annual General Meeting held on 19th September, 2019 was defeated, he ceased to be a director w.e.f. 19th September, 2019

After close of the said Financial Year, the Board of Directors met on July 30, 2020 to take on record the Audited Financial Results for the whole Financial Year 2019-20 and again on September 14, 2020 for taking on record the un-audited financial results for the first quarter of Financial Year 2020-21 ended on June 30, 2020.

### Separate Independent Directors' Meetings

During the year, one meeting of the Independent Directors was held on November 14, 2019.

### Familiarization program for 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 Five Non-Executive Directors, four of whom are Independent Directors. As you are aware during the FY 2019-20, Company was going through CIRP process so Interim Resolution Professional/Resolution Professional chaired the meetings. 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 19, 2019 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 2019-20 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 28, 2019	Aug 12, 2019	Nov 11, 2019	Feb 11, 2020
Alok Punj	NED	1	50	LOA	P	NA	NA
Harinder Shourie	I & NED	3	75	LOA	P	P	P
N. C. Sharma	I & NED	4	100	P	P	P	P
Harsh Pateria	I & NED	3	75	P	LOA	P	P
Ashok Sharma	I & NED	2	50	LOA	LOA	P	P
Manjula N. Bhatia	NED	4	100	P	P	P	P
No. of Directors Attended				3	4	5	5
%				50	66.66	100	100
Quorum met				Yes			
Chairman of the Meeting				Nitin Jain(RP/Liquidator)			

P = Present

LOA = Leave of Absence

NED = Non-Executive Director

I & NED =Independent & Non-Executive Director

NA= Not Applicable

\* Since the resolution for Mr. Alok Punj re-appointment during the Annual General Meeting held on 19th September, 2019 was defeated, he ceased to be a director w.e.f. 19th September, 2019

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.

During the year under review, no Committee of Directors meeting was held.

Composition of the committee of each member were as follows:

S. No.	Name of Members	Category of Directors
1.	Ashok Punj	Executive Director
2.	R. K. Bahri	Non-Executive Director
3.	C. K. Goel	Non-Executive Director
4.	Manjula N Bhatia	Non-Executive Director

#### 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 three members as at March 31, 2020. No meeting was held during the year.

Composition of the committee were as follows:

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

#### D. STAKEHOLDERS RELATIONSHIP COMMITTEE

At present the Committee comprised of three 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.	N.C. Sharma	Independent & Non Executive Director
2.	Ashok Sharma	Independent & Non Executive Director
3.	Harsh Pateria	Independent & Non Executive Director

##### COMPLIANCE OFFICER

During the year under review, there is no change in Compliance officer. Ms. Yashika Chawla, Company Secretary & Compliance Officer of the Company complies 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, 2020, a total of 26 minor queries/ Complaints/ grievances were received from the investors as per report of Kfin Technologies 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 2019-20.

#### 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.	Manjula N. Bhatia	Non Executive Director

During the financial year no meeting was held. In Board meeting held on 28th May, 2019 wherein 2 cases of transfer comprising of 100 equity shares and 300 equity shares was approved.

#### 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	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 2019-20 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

The remunerations paid to Non-executive and Independent Directors for attending the Board Meetings and/ or Committee Meetings for the financial year 2019-20 were as follows:

S. No.	Name of Directors	Sitting Fees (Rs.)
1.	Alok Punj	60000
2.	Harsh Pateria	40000
3.	N. C. Sharma	100000
4.	Harinder Shourie	60000
5.	Ashok Sharma	0
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.

**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
2018-19	September 19, 2019	9:30 A.M	Hotel "Reevanta" at Teen Batti, Devka Road, Nani Daman -396210	4
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 Da- man -396210	0

- (i) (i) None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.
- (ii) No Extraordinary General Meeting of the members was held during the financial year 2019-20.

**II) MEANS OF COMMUNICATION**

- (i) **Information to Stock Exchange and Newspaper Publicity** of the Company are published in the

newspapers in terms of Regulation 47 of SEBI (LODR) Regulations, 2015. These results are promptly submitted to Stock Exchanges. Additionally, in strict compliance of Listing Agreement requirements and SEBI (Listing and Obligation Disclosure Requirements) Regulations, 2015, the Company has always promptly reported dates of various Board Meetings, General Meetings, Book Closures/ Record Date to the Stock Exchanges and also published the information pertaining thereto in a leading Financial daily for information of shareholders. Price sensitive information like receiving of orders/ award and other matters that are relevant to the shareholders has been timely informed to Stock Exchanges.

- (ii) **Company's Website** The Company regularly posts important information such as Quarterly/Annual Audited Financial results, Shareholding pattern and change in Board of Directors etc. on Company's website [www.psllimited.com](http://www.psllimited.com) at the earliest.

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

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

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

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

**III) GENERAL SHAREHOLDER INFORMATION**

- A. **Registered Office** : Kachigam, Daman Union Territory of Daman & Diu – 396210
- B. **Annual General Meeting**
- Date** : December 30, 2020
- Day** : Wednesday
- Time** : 10.30 a.m.
- Venue** : Through Video Conferencing
- C. **Financial Year** : April 01, 2019 to March 31, 2020
- D. **Un-audited/Audited Results Approval**:

S. No.	Quarter	Ended on	Board Meeting held on
1.	First	30.06.2019	12.08.2019
2.	Second	30.09.2019	11.11.2019
3.	Third	31.12.2019	11.02.2020
4.	Fourth	31.03.2020	30.07.2020



- E. **Dates of Book Closure** : December 25, 2020 to December 29, 2020 (Both days inclusive)
- F. **Payment of Dividend** : For the Financial Year 2019-20 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 2019-20**

For the Month of	Price of Shares on BSE		Price of Shares on NSE	
	High	Low	High	Low
April 19	1.15	0.91	1.25	0.9
May 19	1.01	0.82	1.05	0.8
June 19	1.06	0.8	1.05	0.8
July 19	0.87	0.69	0.9	0.6
August 19	0.74	0.63	0.8	0.7
September 19	0.75	0.66	0.8	0.65
October 19	0.76	0.5	0.75	0.5
November 19	0.66	0.51	0.75	0.5
December 19	0.57	0.46	0.7	0.45
January 20	0.55	0.44	0.55	0.45
February 20	0.49	0.41	0.55	0.4
March 20	0.45	0.33	0.55	0.4

**K. Share Price Comparison**

Particulars	Price Quoted at BSE	BSE (Sensex)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2019 (Open)	0.91	38858.88	0.90	11665.20
Share Price 31.03.2018 (Close)	0.33	29468.49	0.30	8597.75
Increase/Decrease in%	(63.73)	(24.16)	(66.66)	(26.29)

- L. **Share Transfer Agents** : KFin Technologies 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, 2020 was as follows

Category From – To	No. of Cases	% of Cases	Amount	% of Amount
01 – 5000	19858	70.34	33047400.00	2.65
5001 – 10000	3414	12.09	28790120.00	2.30
10001 – 20000	1998	7.08	31569960.00	2.53
20001 – 30000	837	2.96	21640820.00	1.73
30001 – 40000	427	1.51	15396150.00	1.23
40001 – 50000	420	1.49	20003850.00	1.60
50001 – 100000	655	2.32	49613850.00	3.97
100001 & Above	622	2.20	1049282690.00	83.99
<b>TOTAL</b>	<b>28231</b>	<b>100.00</b>	<b>1249344840.00</b>	<b>100.00</b>

- O. **Dematerialization of Shares** : 99.92% 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: pslltdlegal@gmail.com
- b) KFin Technologies 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.

The Related party transactions in respect of subsidiaries and associate Companies are stated under Note no. 35 to Statement of accounts for the year ended 31st March, 2020

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 FY 2017-18, 2018-19 are NIL. In FY 2019-20 during the quarter September, 2019, the Company has delayed in submitting the Corporate Governance Report and Annual Report to the Stock Exchanges. Stock exchanges has imposed fine for such delays but later waived off the fine for delayed submission of Annual Report.
- 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.psllimited.com/investorupdates.aspx](http://www.psllimited.com/investorupdates.aspx)

- e) **Compliance of Regulation 27(1) of SEBI (LODR), 2015:**
  - 1) Although some of the requirements stated in the said regulation are discretionary in nature. Since the Company does not have executive Chairman, the meeting of Board of Director is presided over by one of the Independent Director who is unanimously selected by the Board at the Meeting.
  - 2) The Company has an experienced Internal Auditor who regularly conducts internal audit of accounts of Head office and Company's different units and branches. The said Internal Auditor frequently submits his report to the Audit committee which take deliberation on them and issues necessary directions as deemed fit.
- f) **Risk Management:** The Company has established a Risk Management framework wherein a committee comprising of the senior executive of the Company has been established which periodically identify potential risks to the strategy of the Company and take effective measures to mitigate the same in the best possible manner.

#### 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 2019-20.

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://http://www.psllimited.com/codeofconduct.aspx)

## VII) CEO/ CFO CERTIFICATION

Certificate from Managing Director/CEO for the financial year ended on 31st March, 2020 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 99.92 % 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.

**INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH  
THE CORPORATE GOVERNANCE REQUIREMENTS UNDER AS PER  
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**To the Members of****PSLLimited**

1. We, V. Parekh & Associates, Chartered Accountants, the statutory auditors of PSL Limited ("the Company") have examined the compliance of conditions of Corporate governance by the Company, for the year ended 31 March 2020, as stipulated in regulations 17 to 27 and clause (b) to (i) of regulation 46 (2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations').

**Management's Responsibility for compliance with the conditions of Listing Regulations**

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Pursuant to Company being in Liquidation, the compliance of conditions of Corporate Governance is the responsibility of the Resolution Professional/Liquidator appointed by NCLT.

**Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that during the year ended 31 March 2020, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We 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.

**Restriction on Use**

9. This Certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hand it may come without our prior consent in writing. We have no responsibility to update this Certificate for events and circumstances occurring after the date of this report.

For V. Parekh & Associates  
Chartered Accountants  
Firm Regn. No. 107488W

Date : July 30, 2020  
Place : Mumbai

Sd/-  
RASESH V. PAREKH - PARTNER  
MEMBERSHIP NO. 38615  
UDIN :20038615AAAAHT8520

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### COUNTRY'S GENERAL ECONOMIC SCENARIO

The world economy grew by 2.9% in calendar year 2019, at its slowest pace since the global financial crises in 2008-09 and much below 3.6% expansion in calendar year 2018.

Just as Calendar Year 2020 started on a good note, the world was hit hard by the COVID-19 pandemic. The virus spread rapidly across the world, compelling governments to impose national lockdowns to break the chain of transmission, which brought economic activities to a near halt which severely impacted the prospective economic growth in last quarter of financial year 2019-20

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption, sluggish manufacturing, subdued investments, and extended monsoon, among others. The Union Budget 2020-21 also announced certain key policy measures for different sectors and stakeholder groups to create large-scale impact over the long term growth. However, while formulating these policy actions, the government was mindful not to indulge in fiscal indiscipline.

Notwithstanding the ensuing risks to the economy, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by COVID-19. Industry leaders see significant opportunities for Indian manufacturers to corner a fair share in the world trade, as global corporations look for alternative sourcing destinations to lower their dependence on China.

### INDUSTRY STRUCTURE & DEVELOPMENT

The pipeline Industry basically caters to three different segments namely water, oil and gas. Various steps have been initiated by Government of India to boost the production of the pipeline industry for all these three segments.

From an organisational standpoint, the Company views FY 2019-20 as an eventful and somewhat challenging year. On one hand, the COVID-19 situation added on to the prevailing roadblocks in the form of liquidity crunch, extended monsoons and overall conservatism. On the other, the re-emergence of the country's incumbent leadership, post the general elections, ensures policy continuity and concerted action for the nation's development. The rollout of multiple interventions through the year by the government to infuse liquidity and support the economy has been commendable.

As an organisation your Company is looking forward to the implementation of the National Infrastructure Pipeline, which will go a long way in spurring demand. In the Company's view, front-loading of infrastructure projects will give a much-needed boost to the economy and will ensure adequate employment.

### OPPORTUNITIES & THREATS

#### Opportunities:

While the world is foreseeing significant de-growth in most economies, India is expected to be relatively resilient, even as the pandemic makes its impact on the country's economy. Timely

interventions by the central and state governments, together with the efforts of medical and other professionals, have helped slow down the spread of the pandemic, when viewed in relation with India's population size. On the economic front, the ` 20 lakh crore package announced by the central government will go a long way in shoring up and sustaining domestic demand. India continues to reap the benefits of favourable demographics and vibrant demand driven by aspirations of a growing population. The steep fall in oil prices is a big advantage to the Indian Government to source its energy requirements at relatively lower prices and simultaneously augment tax revenues with additional taxes on petro fuels. However to sustain growth momentum, India must modernise and expand its infrastructure in a meaningful way, as industrialisation, urbanisation and access to technology remain the key pillars of economic growth.

#### Threats:

While on the face of it the Union Budget 2020-21 announced by the Central Government, adequate optimistic thinking in the minds of various pipeline industry players on the basis of past experience in all probability the practical situation works out to be much different as unwanted delays are generally experienced in implementation of the Government projects due to slow decision making at bureaucratic level coupled with the Covid pandemic lockdown. A glaring example is the non-implementation of National Grid Policy announced by Government of India few years back which has flattered all optimistic plans made by pipe manufactures in last few years.

### OUTLOOK

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

### RISK AND CONCERNS

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



Notwithstanding what is stated above generally in pipeline industry, your Company is presently suffering from additional disadvantage vis-a-vis the industry in general. This is so because as a consequential effect of few external and some internal factors the Company suffered a severe financial crunch in 2013 forcing your management to go through CDR process in accordance with RBI guidelines on the subject. As some of the stringent conditions imposed by CDR cell while approving a restructuring scheme of the Company in September, 2013 could not be completely complied with by the promoters group of the Company, the Company had to exist from the CDR mechanism. Since as a result of the severe financial crunch spread across few years and near stoppage of Company's production as a direct consequence thereof the networth of the Company got eroded due to which a reference had to be made to Board for Industrial and Financial Reconstruction ('BIFR'). However, since Sick Industrial Companies Act, 1985 ('SICA') was subsequently repealed, the Company has now approached National Company Law Tribunal ('NCLT') with a view to have a resolution plan in place. The Company is presently in vulnerable position since in the absence a Resolution Plan coming in way during the insolvency and Resolution process of the company, the NCLT has finally ordered the Liquidation of the company. In view of this development the Company is unable to venture into bidding process of large sized business projects arising in the market.

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

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

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

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

to be 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 were enabling the company to meet its fixed operating costs, although the company is not in a position to pay back to its lenders. Despite company's efforts to run the company as a going concern, the liquidity crunch forced the company to apply NCLT, Ahmedabad bench under Section 10 of Insolvency and Bankruptcy Code, 2016 for initiating CIRP. Consequently the CIRP was initiated w.e.f. 15th February, 2019 but as the Resolution Professional did not receive any Resolution plan within the prescribed extended time the COC recommended liquidation of Company which was thereafter approved by NCLT on 10th September, 2020.

In view of the above stated reduced operations company's standalone income was recorded at Rs.77.65 Crores

#### **HUMAN RESOURCE DEVELOPMENT**

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

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

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

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

#### **CAUTIONARY STATEMENT**

Some of the statements in this Management and Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. However, actual results could differ materially from those expressed or implied. Since the Company has now been order to be liquidated initially as an ongoing concern failing which under the provision of Insolvency and Bankruptcy Code, 2016.



## 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 2019-20 ended on 31st March, 2020 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/-  
(NITIN JAIN)  
Liquidator

Sd/-  
(Ashok Punj)  
Managing Director

Place : Mumbai  
Date : November 13, 2020

## **RESOLUTION PROFESSIONAL DISCLAIMER FOR THE PSL ANNUAL REPORT FOR FY 2020 AND STANDALONE AND CONSOLIDATED RESULTS FOR FY 2020**

The Corporate Insolvency Resolution Process of PSL Limited was initiated by Hon'ble NCLT, Ahmedabad Bench on 15/02/2019. Mr. Nitin Jain, the Resolution Professional ("RP") for PSL Limited was appointed by Hon'ble NCLT, Ahmedabad on 30/08/2019 for running the CIR Process and for continuing the operations of the company as a going concern. Accordingly, the RP is running the CIRP Process and is looking after the affairs of the Company along with its management in order to continue its business as a going concern. The 330 days of corporate insolvency period for PSL Limited (Corporate Debtor) were completed on 11/01/2020. With no resolution plan received, an application for Liquidation of the Corporate Debtor was filed under Section 30 (1) of Insolvency Bankruptcy Code, 2016 on 15/01/2020 with the Hon'ble NCLT, Ahmedabad.

The Resolution Professional has not been involved in any manner whatsoever, in the preparation and certification of any financial document pertaining to the Twelve months ended March 31, 2020.. The audited financial statements (standalone) and (consolidated) for FY 2019-20 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 accounts for the subsidiary companies have been prepared and verified by the Key Managerial Personnel of the respective subsidiary companies of PSL Limited.

The said Financial Statements have been taken on record at the meeting held at 30th July 2020 by the directors of the Company which was chaired by the RP. The 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 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) and (consolidated) for FY 2019-20 in all respect including but not limited to the compliance with the requirements of Companies Act, 2013 and SEBI.

## INDEPENDENT AUDITOR'S REPORT

The Members,

**PSL LIMITED**

**MUMBAI**

**Report on the Audit of 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") and subsequently by virtue of NCLT order dated 29th August, 2019, Mr. Nitin Jain as Resolution Professional ("RP") 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 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. Recently Committee of Creditors took a decision to file an application for initiation of Liquidation Process of the Company in CIRP.

### Opinion

We have audited the accompanying standalone financial statements of **PSL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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").

*Except the matters described in Emphasis of matters, which may have an adverse effect on the functioning of the Company, 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, 2020 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.

### Material Uncertainty Related to Going Concern

In spite of negative net worth of the Company, the standalone financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note No. 41 and 42 of the standalone financial statements.

Our opinion is not modified in respect of the same.

### 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, 2020. 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"	<b>Principal Audit Procedures</b> We assessed the Company's process to identify the impact of adoption of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

Sr. No.	Key Audit Matter	Auditor's response
	The application of the 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, the 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 contracts and performed the following procedures:</li> </ul>
		<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>Recoverability of indirect taxes</b>	<b>Principal Audit Procedures</b>
	As at March 31, 2020, other current assets include indirect taxes amounting to Rs. 37,624.42 lacs which are shown as receivables. (refer note no 10 of the standalone financial statement)	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.</p> <p>Significant judgments 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 judgments 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**

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|--|--|
| <p>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.</p> <p>ii. The Company is undergoing Corporate Insolvency Resolution Process(CIRP) under the provisions of Insolvency &amp; bankruptcy Code, 2016 (Insolvency Code) in terms of Order dated. 15th February 2019 passed by Hon'ble NCLT, Ahmedabad Bench. In terms of Section 20 of Insolvency code, the management and operations of the Company are being managed by Resolution Professional (RP).</p> <p>iii. The financial statements have been prepared on a going concern basis although consequent upon severe financial crises faced by the company its net worth is eroded. Moreover, due to the</p> | <p>said reason, Company is unable to procure adequate fresh orders which in-turn has resulted into reduced income and profitability. Servicing of companies' debts has also accordingly been adversely affected.</p> <p>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.</p> <p>v. Attention is invited to Note No. 43 to the accompanied financial statements, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future</p> |
|--|--|

developments.

- vi. 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.
- vii. 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. 137.42 lacs is the amount which yet to be deposited.
- viii. Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.
- ix. The Company has reported a Net Loss of Rs. 9,682.27 lacs for the year ended on 31st March, 2020 as against the net loss of Rs. 9,808.50 lacs for the previous year ended on 31st March, 2019. The loss is largely due to the depreciation.
- x. 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. 4,3573 lacs on such outstanding facilities for the year ended 31st March, 2020 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 9,682.27 lacs would have raised to Rs. 53,255.27 lacs.
- xi. The agreement with Kandla Port Trust had not renewed w.e.f. 31.07.2007 onwards for different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and, possession of the same was taken over by Kandla Port Trust on 31st March, 2015. PSL Limited has filed appeal before the District Court, Gandhidham for the same. The matter is pending at Gandhidham District Court.
- xii. **Inventory**  
The closing inventory as on 31st March, 2020 of Rs.1,630.79 lacs (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore for Rs.1,707 lacs which is currently in arbitration stage.
- 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.
  - b. As per the advice of Edelweiss, JTIL is transferring Rs 9.80 lacs after deducting tax of Rs 0.20 lacs every month to Company's bank account, though there was no agreement for the same.
  - c. Jindal Tubular (India) Limited has claimed Non legacy and legacy payment from PSL amounting to Rs. 437 lacs. The Company has not accepted their claim and the accounts are under reconciliations.
  - d. The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of

Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004

Sl. No.	Show Cause Notice	Amount in Rs lacs
1.	Varsana 1	72/-
2.	Varsana 2 Coating	486/-
3.	Varsana 2 Pipe Mill	552/-
	<b>Total Rs.</b>	<b>1,110/-</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.

#### xiv. 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.

#### xv. Lender Banks' Balance Confirmation as on 31st March, 2020

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, 2020 but the same have not yet been received the said confirmations. Pending the receipt of balance confirmations, book balances as on 31st March, 2020 have been taken in the accounts of the Company.

#### xv. Sundry Debtors

- a. The break up of Company's Sundry Debtors amounting to Rs. 381.38 lacs as on 31st March, 2020 is as follows: -
 

Less than Six Months	Rs. 9.95 lacs
More than Six Months	Rs. 371.43 lacs
- b. The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2020. 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 2020.

#### 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 31.03.2020, 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. 14,163 lacs 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 22.626 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 31-3-2020.
- 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. 13,034 lacs 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 and Ports Private Limited
  - Total investment in PSL Infrastructure and Ports Private Limited is Rs. 2,821 lacs.
  - The company was awarded the construction of Jetty

at Kandla Port. Till date the company has incurred construction Expenses of Rs. 6,511 lacs.

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

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

The total Revenue for the year stood at Rs. 11,915 lacs against previous year of Rs. 10,833 lacs. The Net Profit before tax is Rs. 828 lacs against previous year of Rs. 751 lacs.

In our opinion and explanation given to us, the Guarantees given by the Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company.

#### iii) PSL Gas Distribution Private Limited

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 07.09.2020 & Kotak Mahindra Bank is on 07.08.2020.

- b. Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging the order issued by Kandla Port Trust (KPT) in respect of evacuation of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. The matters are pending at 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:

- 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.
- 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.

- 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 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.
- 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 (xx) 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 31st March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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 Company has not paid/ provided for managerial remuneration during the year.

- 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.

MUMBAI,  
DATED : 30<sup>TH</sup> JULY, 2020

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

**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615  
UDIN: 20038615AAAAHU5963**

## 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, 2020, 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 31-3-2020 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. (xii) 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.  
  
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.  
  
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) (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, 2020 for a period of more than six months from the date they became payable. Except the amount of provident fund payable of Rs. 137.42lacs.
- b. As on 31st March, 2020 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.	486.29	Non reversal of Cenvat Credit on capital goods and machinery	2016	
12.	181.00	Short paid Excise Duty on Transportation	2013	Commissioner of Central Excise, Vizag
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.	41.80	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.	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.	52.72	CST Tax & interest on demand payment on OGS freight and sale to Siemens Ltd under SEZ disallowed	2012-13	Joint Commissioner of Commercial Tax (Appeals)
18.	38.33	CST tax & interest on delayed payment on OGS freight and consumables transferred to our PSLsite	2014-15	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
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	

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.

- According to information and explanation given to us by the management, there are numerous Civil and Criminal cases are pending against the Company.
- 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. 402.71Lacs.
- (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 theyear.
- (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 give to us and based on our examination of the records of the Company, During the year, the Company has not made any preferential allotment

or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly reporting under clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615  
UDIN: 20038615AAAAHU5963**

**MUMBAI,  
DATED : 30<sup>TH</sup> JULY, 2020**



## 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 2020 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 2020, 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 improved and strengthened further in future.

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

**RASESH V. PAREKH PARTNER  
MEMBERSHIP NO. 38615  
UDIN: 20038615AAAAHU5963**

**MUMBAI,  
DATED : 30<sup>TH</sup> JULY, 2019**



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

(Rs. In Lacs)			
Particulars	Note no.	As at 31st March, 2020	As at 31st March, 2019
<b>ASSET</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	114,406.57	122,684.09
(b) Capital Work-in-progress		-	-
(c) Other Intangible assets	3A	0.04	0.04
(d) Financial Assets			
(i) Investments	4	17,426.73	17,426.73
(ii) Loans	5	1,808.78	1,982.67
(e) Deferred Tax Assets (Net)		-	-
(f) Other Non-Current Assets		-	-
		<b>133,642.12</b>	<b>142,093.53</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	1,630.79	2,619.52
(b) Financial Assets			
(i) Trade Receivables	7	381.38	953.25
(ii) Cash and Cash Equivalents	8	698.80	619.20
(iii) Loans	9	9.36	11.45
(c) Other Current Assets	10	40,151.73	40,803.33
		<b>42,872.05</b>	<b>45,006.75</b>
<b>Total Assets</b>		<b>176,514.17</b>	<b>187,100.28</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	(262606.38)	(252924.16)
		<b>(250112.93)</b>	<b>(240430.71)</b>
<b>Liabilities</b>			
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	385,957.92	385,997.69
(ii) Trade Payables		26,355.58	26,355.58
(b) Provisions	14	1,387.14	1,386.53
		<b>413,700.64</b>	<b>413,739.80</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
<i>Total outstanding dues of micro enterprises and small enterprises</i>	15	30.52	39.53
<i>Total outstanding dues of creditors other than micro enterprises and small enterprises</i>		953.81	976.04
(iii) Other Financial Liabilities	16	28.75	28.75
(b) Other Current Liabilities	17	11,913.38	12,746.89
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)		-	-
		<b>12,926.46</b>	<b>13,791.19</b>
<b>Total Equity and Liabilities</b>		<b>176,514.17</b>	<b>187,100.28</b>
Significant Accounting Policy	1-2		
The accompanying Notes are an integral part of Financial Statements.	1-49		

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**

**Place :** Mumbai  
**Date:** 28th July, 2020

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

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

**C K Goel**  
 Director  
**DIN - 01372544**

**Nitin Jain**  
 Resolution Professional In the Matter of PSL Limited  
 Registration No.  
 IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lac )

Particulars	Note No	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Continuing Operations</b>			
<b>1. Income</b>			
a) Revenue From Operations	18	6,993.06	8,012.30
b) Other Income	19	772.30	1,211.23
<b>Total Income</b>		<b>7,765.36</b>	<b>9,223.53</b>
<b>2. EXPENSES</b>			
a) Cost of materials consumed	20	1,267.84	1,557.16
b) Purchases of Stock-in-Trade		-	-
c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	21	808.64	(433.41)
d) Employee benefits expense	22	3,603.42	3,982.05
e) Finance costs	23	5.77	14.28
f) Depreciation and amortization expense	3 & 3A	8,277.50	9,664.87
g) Other expenses	24	3,484.47	4,247.08
<b>Total expenses</b>		<b>17,447.63</b>	<b>19,032.03</b>
<b>3. Loss before exceptional items and tax (1-2)</b>		<b>(9682.27)</b>	<b>(9808.50)</b>
<b>4. Exceptional Items</b>			-
<b>5. Loss before tax (3-4)</b>		<b>(9682.27)</b>	<b>(9808.50)</b>
<b>6. Tax expense:</b>			
For the current year			
(i) Current tax		-	-
(ii) Deferred tax		-	-
<b>7. Profit (Loss) for the period from continuing operations (5-6)</b>		<b>(9682.27)</b>	<b>(9808.50)</b>
<b>8. Discontinued Operations</b>			
(i) Profit/(loss) from discontinued operations		-	-
(ii) Tax expense of discontinued operations		-	-
<b>9. Loss after tax from Discontinued operations (i-ii)</b>		-	-
<b>10. Loss for the period (7-9)</b>		<b>(9682.27)</b>	<b>(9808.50)</b>
<b>11. Other Comprehensive Income</b>			
A Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
B Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>12. Total Comprehensive Income for the period (XIII+XIV)</b>		<b>(9682.27)</b>	<b>(9808.50)</b>
<b>13. Earnings per equity share (for continuing operation):</b>			
(1) Basic		(7.75)	(7.86)
(2) Diluted		(7.75)	(7.86)
<b>14. Earnings per equity share (for discontinued operation):</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>15. Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		(7.75)	(7.86)
(2) Diluted		(7.75)	(7.86)

The accompanying notes form an integral part of the standalone Ind AS financial statements.  
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

**C K Goel**  
Director  
DIN - 01372544

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

**Yashika Chawla**  
COMPANY SECRETARY

**Nitin Jain**  
Resolution Professional In the Matter of PSL Limited  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

**Place :** Mumbai  
**Date:** 28th July, 2020

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

		[Rs. In lacs]	
Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019	
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before tax for the year	(9682.27)	(9808.50)	
Adjustments for:			
Add: Extraordinary Item	-	-	
Profit before tax and extraordinary item	(9682.27)	(9808.50)	
<b>Adjusted to Reconcile Profit before tax to net cash flows</b>			
Depreciation	8277.50	9664.87	
Other Borrowing Cost	5.77	14.28	
Interest Received	(23.58)	(125.71)	
Non Operating Income	(340.44)	(363.23)	
Movements in Working Capital			
<b>Decrease/(increase) in Inventories</b>	988.73	(552.54)	
Decrease/(Increase) in Trade Receivables	571.87	(294.55)	
Decrease/(Increase) in Short Term Loans & Advances	827.58	1654.55	
Increase/Decrease in Other Current Liabilities	(864.04)	(567.82)	
Gratuity Provision Written Off	0.00	110.24	
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(238.88)</b>	<b>(268.41)</b>	
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale Of Property, Plant And Equipment	-	318.62	
Payments For Intangible Assets	-	-	
Interest Received	23.58	125.71	
Other Non Operating Income	340.44	363.23	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>364.01</b>	<b>807.56</b>	
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds From Long Term Loans And Advances	0.00	694.70	
Repayment Of Long Term Borrowings	0.00	(1020.62)	
Other Borrowing Cost	(5.77)	(14.28)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(5.77)</b>	<b>(340.20)</b>	
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>119.37</b>	<b>198.95</b>	
Cash And Cash Equivalents At The Beginning Of The Year	619.20	420.25	
Cash And Cash Equivalents At The End Of The Year	698.80	619.20	
<b>Balance As Per Statement of Cash Flows</b>	<b>79.60</b>	<b>198.95</b>	

The accompanying notes form an integral part of the standalone Ind AS financial statements.

As per our Report of even date attached

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

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

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

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

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

**C K Goel**  
Director  
**DIN - 01372544**

**Nitin Jain**  
Resolution Professional In the Matter of PSL Limited  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

## STATEMENT SHOWING CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

## 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	-	54589.61	-	(307513.73)	-	(252924.12)
Profit for the year	-	-	-	(9682.27)	-	(9682.27)
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>	-	54589.61	-	(317196.00)	-	(262606.39)

## 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	-	54589.61	-	(297705.28)	-	(243115.67)
Profit for the year				(9808.50)		(9808.50)
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>	-	54589.61	-	(307513.78)	-	(252924.16)

The accompanying notes form an integral part of the standalone Ind AS financial statements.

As per our Report of even date attached

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

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

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

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

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

**C K Goel**  
Director  
**DIN - 01372544**

**Nitin Jain**  
Resolution Professional In the Matter of PSL Limited  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462



## NOTES TO FINANCIAL STATEMENTS

For the year ended 31st March, 2020

### 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. However on 29th August 2019 NCLT appointed Mr. Nitin Jain having Registration No. IBBI/PA-001/IP-P-01562/2019-2020/12462 as Resolution Professional to carry out the functions as mentioned under Insolvency and Bankruptcy Code, 2016. The powers of the Board of Directors of the company are suspended and officers and managers of the corporate debtor shall report to the RP as per the provisions of the Code. Accordingly the RP 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. Statements 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 28th May 2019. For all periods up to and including the year ended 31 March 2020, 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, 2020 the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2020, 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 judgements

- 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.

### VI. 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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

- 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.
- 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.

### X. 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

### XI. 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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

cost is included in employee benefit expenses in the statement of the profit & loss.

- Re-measurement comprising of actuarial gains and losses arising from
  - Re-measurement of Actuarial (gains/ losses)
  - Return on plan assets, excluding amount recognized in effect of asset ceiling
  - Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in other comprehensive income. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.
- Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

### ii) Defined contribution plans - Provident Fund

- Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund set up as trust and certain state plans like Employees' State Insurance. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.
- A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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

- A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
- Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.
- Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be

made by the Company in respect of services provided by employees up to the reporting date.

- Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation

### a) Share-based payment arrangements

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

## XII. 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



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

- Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.
  - The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
  - Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
  - Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets relate to the same taxable entity and same taxation authority.
- ii) Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.
- iii) Current and deferred tax for the year: Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### XIII. 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.

### XIV. 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.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

- iv) 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.
- v) Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.
- vi) Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.
- vii) 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.

### XV. Financial instruments

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

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

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

#### Financial assets

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

#### Subsequent measurement

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

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

#### Classification of financial assets

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

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

Debt instruments that meet the following conditions are subsequently

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

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

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



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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

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

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

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on 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.

## XVI. Financial liabilities and equity instruments

### Classification as debt or equity

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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

### Equity instruments

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

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

### Financial liabilities

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

### Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

### XVII. Derivative financial instruments

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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

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

### XVIII. 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.

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

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

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

### XIX. Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April, 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). Adoption of Ind- AS 116 doesn't have any material impact on the financial statements of the Company.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right-to-use the underlying assets.

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

### Lease Liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption

to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

### Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### Standards issued not yet effective

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.

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.

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

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

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note No.3

#### Property, Plant and Equipment

#### Financial Year 19-20

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	4/1/2019	Additions	Deduction	3/31/2020	4/1/2019	Additions	Deduction	3/31/2020	3/31/2020	3/31/2019
Free Hold Land	61,175.18	-	-	61,175.18	-	-	-	-	61,175.18	61,175.18
Lease Hold Land	44.58	-	-	44.58	37.31	1.49	-	38.80	5.78	7.27
Office Buildings	117.23	-	-	117.23	62.81	2.72	-	65.53	51.70	54.42
Factory Building	20,496.66	-	-	20,496.66	13,872.50	662.42	-	14,534.92	5,961.74	6,624.16
Furniture & Fixtures	573.62	-	-	573.62	516.42	10.35	-	526.77	46.85	57.20
Plant and Equipment	188,655.05	-	-	188,655.05	134,399.26	7,546.98	-	141,946.24	46,708.81	54,255.79
Office Equipments	484.36	-	-	484.36	423.85	8.42	-	432.27	52.09	60.51
Lab Equipments	989.22	-	-	989.22	806.05	25.48	-	831.53	157.69	183.17
Computers	473.59	-	-	473.59	470.24	-	-	470.24	3.35	3.35
Motor Cars	1,098.58	-	-	1,098.58	1,061.66	-	-	1,061.66	36.92	36.92
Commercial Vehicles	105.10	-	-	105.10	105.02	-	-	105.02	0.08	0.08
Cycles	0.29	-	-	0.29	0.29	-	-	0.29	0.00	0.00
Earth Moving Equipments	3,688.10	-	-	3,688.10	3,658.53	-	-	3,658.53	29.57	29.57
Shed Construction	938.62	-	-	938.62	742.16	19.65	-	761.81	176.81	196.46
Temporary Shed	1,080.54	-	-	1,080.54	1,080.54	-	-	1,080.54	-0.00	-0.00
<b>TOTAL</b>	<b>279,920.72</b>	<b>NIL</b>	<b>NIL</b>	<b>279,920.72</b>	<b>157,236.63</b>	<b>8,277.50</b>	<b>NIL</b>	<b>165,514.14</b>	<b>114,406.57</b>	<b>122,684.09</b>

#### Financial Year 18-19

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	4/1/2018	Additions	Deduction	3/31/2019	4/1/2018	Additions	Deduction	3/31/2019	3/31/2019	3/31/2018
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	29.57	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</b>	<b>280,611.99</b>	<b>54.62</b>	<b>745.89</b>	<b>279,920.72</b>	<b>147,946.08</b>	<b>9,664.78</b>	<b>374.24</b>	<b>157,236.63</b>	<b>122,684.09</b>	<b>132,665.93</b>

### Note No.3A

#### Other Intangible assets

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	4/1/2019	Additions	Deduction	3/31/2020	4/1/2019	Additions	Deduction	3/31/2020	3/31/2020	3/31/2019
<b>Financial Year 19-20</b>										
Computer Software	35.36	-	-	35.36	35.32	-	-	35.32	0.04	0.04
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.32</b>	<b>-</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.04</b>
Particulars	Gross Block				Depreciation				Net Block	
	01/4/2018	Additions	Deduction	31/3/2019	01/4/2018	Additions	Deduction	31/3/2019	31/03/2019	31/03/2018
<b>Financial Year 18-19</b>										
Computer Software	35.36	-	-	35.36	35.32	-	-	35.32	0.04	0.04
<b>TOTAL</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.32</b>	<b>-</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.04</b>



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note 4: Investments in Subsidiaries, Associates and Others

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
<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>

Particulars	Book Value as at	
	31st March, 2020	31st March, 2019
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 5 - Disclosure pursuant to Ind AS 27 - Separate Financial Statements

Investments in the following subsidiary companies, joint venture company and joint operation are accounted at cost.

Name Of The Company	Principal Activities	Country Of Incorporation	% Of Equity Interest	
			As at 31st March, 2020	As at 31st March, 2019
<b>Subsidiary</b>				
PSL Corrosion Control service Ltd	Anti Corrosive Treatment To Bars & Structural/ Fabrication Works	India	100%	100%
PSL infrastructure& ports Pvt Ltd	Providing And Organising Services To Ports,Terminal, Jetties And Other Related Industries	India	100%	100%
PSL Gas Distribution Pvt Ltd	Construction Fabrication And Laying Of Pipelines ,Transportation And Distribution Of Png,Cng	India	100%	100%
Pipeline Systems Ltd	Licence Septup Psl Fze In Harmriyah Free Zone	Mauritius	100%	100%
<b>Investment in Associates</b>				
BHI Ltd	Trading In Granite And Marble	India	26.49%	26.49%
Punj International Pvt Ltd	Trading In Natural Stone And Marbles	India	7.83%	7.83%
Broken Hills International Ltd	Trading Activities	India	0.58%	0.58%



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

Name Of The Company	Principal Activities	Country Of Incorporation	% Of Equity Interest	
			As at 31st March, 2020	As at 31st March, 2019
Punj Investments Pvt Ltd	Trading Activities	India	0.14%	0.14%
Eurocoustic Products Ltd	Manufacturing & Trading Of Modular Furniture And Anti Corrosive Treatments To Bars, Structural Work	India	12.81%	12.81%
Punj Corporation Pvt Ltd	Trading Activities	India	7.26%	7.26%

### Note 6: Non-Current Loans

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Security Deposits	1,265.16	1,230.73
Fixed Deposits with Interest accrued*	543.62	751.93
<b>Total</b>	<b>1,808.78</b>	<b>1,982.66</b>

Bank deposits of Rs. 342.67 is under lien as per high court order

### Note 7: Inventories

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Raw materials	782.67	997.11
Work-in-progress	-	149.05
Stores and spares	525.05	490.70
Finished goods	323.07	982.66
<b>Total</b>	<b>1,630.79</b>	<b>2,619.52</b>

### Note 7 : Trade Receivables

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Secured, considered good	-	-
Unsecured, considered good	381.38	953.25
Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
<b>Total</b>	<b>381.38</b>	<b>953.25</b>

a) 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.

b) No trade receivables are due by directors or other officers of the company or any of them either severally or jointly with any other person. Further, no trade receivables are due by firms or private companies in which any director is a partner, a director or a member.

### Note 8: Cash and Cash Equivalents

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Balances with Banks		
In current accounts	695.94	611.70
Deposit with original maturity upto 3 months	-	-
Cash on hand	2.85	7.50
<b>Total</b>	<b>698.80</b>	<b>619.20</b>
Balances with bank current accounts in unpaid dividend accounts	22.88	22.88

### Note 9: Current Loans

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Unsecured, considered good		
Loan to Staff	9.36	11.45
<b>Total</b>	<b>9.36</b>	<b>11.45</b>

No loans are due by directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no loans are due by firms or private companies in which any director is a partner, a director or a member.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note 10: Other Current Assets

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Advance to subsidiaries and others	2,527.30	2,696.35
Balance with statutory/ Government Authorities	37,624.42	38,106.98
<b>Total</b>	<b>40,151.73</b>	<b>40,803.33</b>

### Note 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.

#### a) Reconciliation of equity shares outstanding

Particulars	31st March,2020		31st March, 2019	
	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>

#### b) Issued Share Capital

Particulars	31st March, 2020		31st March, 2019	
	No. of Share	Rs. In Lacs	No. of Share	Rs. In Lacs
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>

c) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per equity share

d) 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 shareholder.

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

Particulars	31/03/2020		31/03/2019	
	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
a) Retained Earnings	(317,196.00)	(307,513.78)
b) Securities Premium Reserve	54,589.61	54,589.61
<b>Total</b>	<b>(262,606.38)</b>	<b>(252,924.17)</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Securities premium

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

### Note 13: Non Current Borrowings

(Rs. In lacs)

Particulars	31st March, 2020	31st March, 2019
Foreign Currency Loan from Banks	32,362.07	32,362.07
Rupee Loan from Banks (Long Term)	351,847.85	351,887.62
Rupee Loan from Promoters' Companies	1,748.00	1,748.00
<b>Total</b>	<b>385,957.92</b>	<b>385,997.69</b>

a) All the bank loans are secured by first charge on the specific immovable property, entire moveable assets and the entire Current assets of the company on pari passu basis except for a bank which has the first exclusive charge on the specific non core assets of the company namely land at pipava , Mahudi and Panipat.

b) The Working Capital Facilities being classified as non performing assets (NPA) The lenders have reduced the drawing power to Nil hence the Company has all Working Capital Facilities treat as Long Term Borrowing

c) 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. Nitin Jain, having RP Registration No. IBBI/PA-001/IP-P-01562/2019-20/12462, as "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 1(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.

### Note 14 Provisions

(Rs. In lacs)

Particulars	31st March, 2020	31st March, 2019
Provision for Gratuity	1,387.14	1,386.53
<b>Total</b>	<b>1,387.14</b>	<b>1,386.53</b>

### Note 15 Trade Payables

(Rs. In lacs)

Particulars	31st March, 2020	31st March, 2019
Micro Small & Medium Enterprises	30.52	39.53
Other Trade Payable	953.81	976.04
<b>Total</b>	<b>984.33</b>	<b>1,015.57</b>

### Note - 16 Other Financial Liabilities

(Rs. In lacs)

Particulars	31st March, 2020	31st March, 2019
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, 2020	31st March, 2019
Advances Received from Customers	5,233.77	5,836.45
Other Payable	6,679.60	6,910.42
<b>Total</b>	<b>11,913.38</b>	<b>12,746.89</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note 18 Revenue from Operations

(Rs. In lacs)

Particulars	For the year Ended 31st March 2019	For the year Ended 31st March 2018
<b>Revenue from jobwork with customers</b>		
Sale of services	6,993.06	7,634.20
	6,993.06	7,634.20
<b>Other Operating revenues</b>		
Other Operating Income	-	378.10
	-	378.10
<b>Total</b>	<b>6,993.06</b>	<b>8,012.30</b>

### Note 19 Other Income

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Other non operating income		
Rent and Compensation	296.90	34.69
Profit on sale of assets	-	327.35
Process Waste Sale	110.99	360.25
Insurance Claim /Excise Duty /Sales Tax Claim	0.40	-
Interest Income	23.58	125.71
Other Non Operating Income	340.44	363.23
<b>Total</b>	<b>772.30</b>	<b>1,211.23</b>

### Note 20 Cost of Material Consumed

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Inventory at the beginning of the year	997.11	786.43
Add: Purchases during the year	1,053.40	1,767.84
	<b>2,050.51</b>	<b>2,554.27</b>
Less : Inventory at the end of the year	782.67	997.11
<b>Cost of raw material &amp; components Consumed</b>	<b>1,267.84</b>	<b>1,557.16</b>

### Note 21 Change in inventories of finished goods and work-in-progress

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Inventory at the end of the year</b>		
Work-in-progress	-	149.05
Finished goods	323.07	982.66
	<b>323.07</b>	<b>1,131.71</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>698.30</b>
<b>(Increase) / decrease in inventories</b>	<b>808.64</b>	<b>(433.41)</b>

### Note 22 Employee Benefit expenses

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Salaries and wages	3,252.35	3,527.65
Contribution to provident and other fund	116.19	238.46
Staff welfare expenses	234.88	215.94
<b>Total</b>	<b>3,603.42</b>	<b>3,982.05</b>

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Note 23 Finance Cost

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Interest	-	1.60
Other Borrowing cost*	5.77	12.67
<b>Total</b>	<b>5.77</b>	<b>14.28</b>

\*includes Bank charges

### Note No - 24 Other Expenses

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Consumption Of Stores And Spares Parts	530.14	715.01
Power & Fuel	915.78	1,136.15
Freight & Cartage	30.76	4.21
Equipment Hire Charges	7.41	7.57
Labour Charges	117.57	109.52
Other Manufacturing & Operating Expenses	161.60	127.55
Water Charges	0.93	-
Conveyance	85.09	103.14
Traveling Expenses	38.87	100.72
Postage, Telegram And Telephones	15.77	27.70
Printing And Stationery	12.91	15.75
Rent, Rates & Taxes	128.53	153.77
Electricity Charges	8.93	12.87
Professional Charges	750.93	476.18
Bad Debts W/Off	-	306.44
Repair And Maintenance (Plant )	6.45	6.45
Repair And Maintenance (Building)	4.20	1.09
Repair And Maintenance (Others)	75.39	52.67
Insurance	106.11	75.43
Auditors' Remuneration	10.00	10.00
Vehicle Expenses	46.06	71.04
General Expenses	431.01	733.81
<b>Total</b>	<b>3,484.47</b>	<b>4,247.08</b>

### Note 25 Payment to Auditors

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
As Audit Fees	6.00	6.00
For Taxation Matters	2.00	2.00
For Other Services	2.00	2.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

### Note 26 Earning per Share

a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

c) Calculation of the basic and diluted EPS :

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2020
Loss attributable to equity shareholders of the Company for basic and diluted EPS	(9682.27)	(9808.50)
Weighted Average Number of Shares for Basic and Diluted EPS	124,934,484	124,934,484
Basic EPS (Amount in Rs.)	(7.75)	(7.85)
Diluted EPS (Amount in Rs.)	(7.75)	(7.85)

**Note 27 Items that will not be reclassified to profit or loss**

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2020
Remeasurements of the defined benefit plans	-	-
Others	-	-

**Note 28 Items that will be reclassified to profit or loss**

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2020
"Exchange differences in translating the financial statements of a foreign operation"	-	-
Agency Commission & Others	-	-

**Note 29 Value of Imports**

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2020
Raw Material	438.46	26.29
Stores & Spare Parts	3.00	59.16

**Note 30** During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

**Note 31** As on 31st March 2020, there is no Mark-to-Market loss on account of derivative forward exchange contract.

**Note 32 Contingent Liabilities:**

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
a) Counter Guarantees given by the Company for Bank Guarantees	345.45	345.45
b) Other Guarantees Given by the Company on behalf of		
<b>Subsidiary Companies</b>	50,620.27	48,368.72
<b>Others</b>	3,060.82	3,060.82
c) Government Dues		
(i) Disputed dues on account of Excise duty (17 Nos.).	11,458.25	11,686.97
(ii) Disputed dues on account of Service Tax (7 Nos. ).	166.15	471.31
(iii) Disputed dues on account of Custom duty (1 No).	15.19	15.19
(iv) Disputed dues on account of Sales Tax (20 Nos).	6,819.73	6,842.10
(v) Pending closure of Advance Authorisation	402.71	-
(vi) Disputed dues on account of Entry Tax (5 Nos.)	51.12	51.15

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

e) Income Tax Assessment Completed upto AY 2017-18 (March'2017 ). No pending Demand. Appeal Filed against Assessment order passed u/s. 143 (3) r.w.s 144C for the Assessment Year 2015-16 before the Office of Commissioner of Income Tax Appeals-13 Mumbai



## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

- f) 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.
- g) 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 33 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 34 : Leases

On 30th March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 "Leases". Ind AS 116 will replace Ind AS 17 "Leases" and its related interpretations. The new standard sets out the principles for recognition, measurement, presentation and disclosure of leases by both the parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the time this standard is first applied and a corresponding right-of-use-asset. The Company intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period. The adoption of the standard did not have any material impact on the financial results of the company.

### Note 35 RELATED PARTY DISCLOSURES

#### 1. Relationships

##### a) Subsidiary Companies

PSL Corrosion Control Services Ltd.	100% Subsidiary Company
Pipeline System Ltd., Mauritius	100% Subsidiary Company
PSL USA INC. , Delaware , USA	100% Subsidiary Company
PSL Gas Distribution Pvt.Ltd.	100% Subsidiary Company
PSL Infrastructure & Ports Pvt.Ltd.	100% Subsidiary Company
PSL FZE, Sharjah.	100% Subsidiary Co. of Pipeline Systems Ltd., Mauritius
PSL North America LLC.	JV Company of PSL USA INC., Delware, USA (80% holding)

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

##### b) Associate

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

##### c) Key Management Personnel

Ashok Punj  
R. K . Bahri  
C K Goel

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

### Nature of Transaction

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Subsidiaries</b>		
<b>Purchase of Goods</b>		
PSL Corrosion Control Services Ltd.	28.66	222.90
PSL FZE Sharjah	2.49	26.57
<b>Sale of Goods</b>		
PSL Corrosion Control Services Ltd.	61.66	502.32
PSL FZE Sharjah	-	1.54
<b>Lease Rental</b>		
PSL Corrosion Control Services Ltd.	358.61	18.00
<b>Manpower Charges (Income)</b>		
PSL Corrosion Control Services Ltd.	140.68	-
<b>Electricity/Other Expenses</b>		
PSL Corrosion Control Services Ltd.	36.09	-
<b>Expenses Incurred by/for related party</b>		
PSL Corrosion Control Services Ltd.	12.23	383.37
PSL Gas Distribution Pvt.Ltd.	-	0.25
Pipeline System Ltd., Mauritius	-	0.69
PSL Infrastructure & Ports Pvt.Ltd.	-	0.24
PSL FZE Sharjah	-	572.67
<b>Closing Balance</b>		
PSL Corrosion Control Services Ltd.	(3,775.78)	(3,835.31)
PSL Gas Distribution Pvt.Ltd.	0.88	0.88
Pipeline System Ltd., Mauritius	1.80	1.80
PSL Infrastructure & Ports Pvt.Ltd.	1,428.50	1,428.50
PSL FZE Sharjah	(554.96)	(552.47)
<b>Associate</b>		
<b>Sale of Goods</b>		
Eurocoustic Products Ltd.	20.55	36.70
<b>Purchase of Goods</b>		
Eurocoustic Products Ltd.	2.68	-
<b>Expenses Incurred by/for related party</b>		
Eurocoustic Products Ltd.	2.22	1.21
<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.	(28.59)	(37.95)

\* Sales/Purchase/lease rent including taxes

**Note 36 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:**

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers (Refer Note below).		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	30.52	39.53
Interest	-	-
b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	-	-
Interest	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**Note:**

Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

**Note 37: 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, 2020	31st March, 2019
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%

**Note 38: Financial risk management**

The Company's activities expose 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.

**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.

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

(Rs. In lacs)

Period	Upto 6 months	More than 6 months	Total
As at March 31, 2020	9.95	371.43	381.38
As at March 31, 2019	628.96	324.30	953.25

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

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

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 are deposits is as below :

(Rs. In lacs)

Particulars	31st March, 2020	31st March, 2019
Cash and cash equivalents	698.80	619.20

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 lacs)

Particulars	0-365 days	More than 365 days	Total
<b>As at March 31, 2020</b>			
Trade payables	982.56	26,355.58	27,338.14
Other financial Liabilities	-	385,957.92	385,957.92
<b>As at March 31, 2019</b>			
Trade payables	1,015.57	26,355.58	27,371.15
Other financial Liabilities	-	385,997.69	385,997.69
Other financial Liabilities			

### 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.

Note 39: Fair Value Measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) The following methods and assumptions were used to estimate the fair values:

b) The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, bank deposits, trade receivables, other financial assets (except derivatives), trade payables, other financial liabilities (except derivatives), current borrowings, because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

c) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## NOTES FORMING PART OF STANDALONE THE FINANCIAL STATEMENTS

d) The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date.

e) The fair values for loans given were calculated based on cash flows discounted using a current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 3 fair values in the fair value hierarchy.

f) Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. The non-current borrowings are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk. The own non-performance risk was assessed to be insignificant.

### A. Fair Value Hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3- Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2020 is as follows:

Particulars	Carrying Value	Quoted prices in active markets (Level 1)	" Significant observable inputs (Level 2) "	" Significant unobservable inputs (Level 3) "
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	1,808.78	-	-	1,808.78
Other financial assets	-	-	-	-
Investments	17,426.73	-	-	17,426.73
Trade receivables	381.38	-	-	381.38
Cash and cash equivalents	698.80	-	-	698.80
Bank balances other than above		-	-	-
Loans- current	9.36	-	-	9.36
Total Financial assets	20,325.05	-	-	20,325.05
<b>Financial Liabilities</b>				
<b>Amortised cost</b>				
<b>Borrowings</b>				
Non-current	385,957.92	-	-	385,957.92
Current	-	-	-	-
Trade payables	984.33	-	-	984.33
Other financial liabilities	11,913.38	-	-	11,913.38
				-
<b>Total Financial liabilities</b>	<b>398,855.63</b>	<b>-</b>	<b>-</b>	<b>398,855.63</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2019 is as follows:

Particulars	Carrying Value	Quoted prices in active markets (Level 1)	" Significant observable inputs (Level 2) "	" Significant unobservable inputs (Level 3) "
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	1,982.67	-	-	1,982.67
Other financial assets	-	-	-	-
Investments	17,426.73	-	-	17,426.73
Trade receivables	953.25	-	-	953.25
Cash and cash equivalents	619.20	-	-	619.20
Bank balances other than above	-	-	-	-
Loans -current	11.45	-	-	11.45
<b>Total Financial assets</b>	<b>20,993.30</b>	<b>-</b>	<b>-</b>	<b>20,993.30</b>
<b>Financial Liabilities</b>				
<b>Amortised cost</b>				
Borrowings				
Non-current	386.00	-	-	386.00
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade payables</b>	<b>1,015.57</b>	<b>-</b>	<b>-</b>	<b>1,015.57</b>
<b>Other financial liabilities</b>	<b>12,746.89</b>	<b>-</b>	<b>-</b>	<b>12,746.89</b>
<b>Total Financial liabilities</b>	<b>14,148.46</b>	<b>-</b>	<b>-</b>	<b>14,148.46</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

**Note 40:** Sundry Debtors, Advances, Creditors, Current Assets & Liabilities are subject to individual confirmation and consequent adjustments, if any. Though, the management has requested for confirmation of balances and the status is still continued, the management believes that no material adjustments would be required in books of account upon receipt of these confirmations.

**Note 41:** Corporate insolvency Resolution Process ("CIRP") The Corporate Insolvency Resolution Process of PSL Limited was initiated by Hon'ble NCLT, Ahmedabad Bench on 15/02/2019. Mr. Nitin Jain, the Resolution Professional ("RP") for PSL Limited was appointed by Hon'ble NCLT, Ahmedabad on 30/08/2019 for running the CIR Process and for continuing the operations of the company as a going concern. Accordingly, the RP is running the CIRP Process and is looking after the affairs of the Company along with its management in order to continue its business as a going concern. The 330 days of corporate insolvency period for PSL Limited (Corporate Debtor) were completed on 11/01/2020. With no resolution plan received, an application for Liquidation of the Corporate Debtor was filed under Section 30(1) of Insolvency Bankruptcy Code, 2016 on 15/01/2020 with the Hon'ble NCLT, Ahmedabad. The Resolution Professional has not been involved in any manner whatsoever, in the preparation and certification of any financial document pertaining to the Twelve months ended March 31, 2020. The audited standalone financial statements for FY 2019-20 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 30th July 2020 by the directors of the Company which was chaired by the RP. The Resolution Professional has relied upon the said statements made by the management especially the aforesaid officers while taking on record the said standalone financial statements. The 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 standalone financial statements for FY 2019-20 in all respect including but not limited to the compliance with the requirements of Companies Act, 2013 and SEBI.

**Note 42:** The management has prepared the Company's financial statements on a going concern basis notwithstanding the fact that the company has incurred net loss of Rs.9682.27 Lakhs during the year ended 31st March 2020 and have accumulated losses of Rs.3,17,196.00 Lakhs as on that date. As of this date, the company's total liabilities exceed its total assets and its networth has been fully eroded. The financial performance of the Company had deteriorated substantially.

**Note 43:** The World Health Organization announced a global health emergency because of a new strain of Coronavirus (COVID-19) and classified its outbreak as a pandemic on 11th March 2020. On 24th March 2020. The Indian Government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till 3rd May 2020. This pandemic and government response are creating



disruption in the global supply chain and adversely impacting most of the industries which has resulted in global shutdown. The Management has made an assessment of the impact of COVID-19 on the Company's operation, financial performance and position as at and for the year ended 31st March 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

**Note 44: Segment Information** The Company's main business is to manufacture steel pipes. There have been no other reportable segments identified by the management and hence no geographical segment reporting is presented under IND AS 108 "Segment Reporting" issued by the Institute of Chartered Accountants of India."

**Note 45:** Due to unfavorable market conditions and other adverse industry scenario the company has incurred net loss for the past years as well as this year, no provision was made for Deferred Tax Assets.

**Note 46: Capital and Other Commitments**

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-

**Note 47: Events After The End Of The Reporting Year**

No subsequent event has been observed which may required an adjustment to the statement of financial position.

**Note 48:** 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. 435.73 Crores on such outstanding facilities for the year ended 31st March, 2020 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 96.82 Crores would have risen to Rs. 532.55 Crores.

**Note 49:** Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

The accompanying notes form an integral part of the standalone Ind AS financial statements.

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

**C K Goel**  
Director  
DIN - 01372544

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

**Yashika Chawla**  
COMPANY SECRETARY

**Nitin Jain**  
Resolution Professional In the Matter of PSL Limited  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

**Place :** Mumbai  
**Date:** 28th July, 2020

## 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") and subsequently by virtue of NCLT order dated 29th August, 2019, Mr. Nitin Jain as Resolution Professional ("RP") 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 NCLT order also provided for a moratorium with effect from 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. Recently Committee of Creditors took a decision to file an application for initiation of Liquidation Process of the Company in CIRP.

#### 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, 2020, 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").

*Except the matters described in Emphasis of matters, which may have an adverse effect on the functioning of the Group.* 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, 2020, 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 there under, 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 audit opinion

#### Material Uncertainty Related to Going Concern:

In spite of negative net worth of the Group, consolidated financial statements are prepared on "going concern" basis for the reasons stated in Note No. 45 and 46 of the accompanied consolidated financial statements.

Our opinion is not modified in respect of the same.

#### 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 Ind AS 115 "Revenue from Contracts with Customers"	<p><b>Principal Audit Procedures</b></p> <p>We assessed the process to identify the impact of the 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 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, the 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>
		<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>

**Emphasis of matter**

- i. It is noticed that currently the parent Company is only doing job work at Vizag, Varsana, Jaipur and Chennai plants for its clients and during the period under report the turnover of the Company has decreased as compared to previous quarters.
- ii. As a consequence, to acute financial stress being faced by the group in recent years, the Group'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 networth.

- iii. The consolidated financial statements have been prepared on a going concern basis although consequent upon severe financials crises faced by the group its net worth is eroded. Moreover, due to the said reason, the parent Company is unable to procure adequate fresh orders which inturn has resulted into reduced income and profitability. Servicing of companies' debts has also accordingly been adversely affected.
- iv. The parent Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & bankruptcy Code, 2016(Insolvency Code) interms of Order dated.

15th February 2019 passed by Hon'ble NCLT, Ahmedabad Bench. In terms of Section 20 of Insolvency code, the management and operations of the Company are being managed by Resolution Professional (RP).

- v. These events cast significant doubt on the ability of the group to continue as a going concern under the present circumstances. The appropriateness of the said basis is inter-alia dependent on the group'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.
- vi. Attention is invited to Note No. 48 to the accompanied financial statements, which describes the uncertainties and potential impact of the Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments.
- vii. The parent company has not carried out detailed assessment of the useful life of Company's property plant and equipment 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.
- viii. It has been observed that the parent Company is unable to deposit the provident fund amount with PF authorities in time, as a result of which Rs. 137.42 lacs is the amount which yet to be deposited.
- ix. Actuarial valuation certificate has not been obtained for gratuity and other post-employment benefits.
- x. The Group has reported a Net Loss of Rs. 13,729.50 lacs for the year ended on 31st March, 2020 as against the net loss of Rs. 17,156.05 lacs for the previous year ended on 31st March, 2019. During the year the loss is largely due to the depreciation.
- xi. Since most of the banks which had extended financial facilities to the parent company have already treated the outstanding from the parent 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 parent Company has also not provided for any interest amounting to Rs. 43,573 lacs on such outstanding facilities for the year ended 31st March, 2020 due to various banks. Had the said interest been provided in the books in the normal course, the current year consolidated losses of Rs. 13,729.50 lacs would have raised to Rs. 57,302.50 lacs.
- xii. The agreement with Kandla Port Trust had not renewed w.e.f. 31.07.2007 onwards for different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and, possession of the same was taken over by Kandla Port Trust on 31st March, 2015. PSL Limited has filed appeal before the District Court, Gandhidham for the same. The matter is pending at Gandhidham District Court.

#### xiii. Inventory:

- a. The closing inventory of the Group as on 31st March, 2020 of Rs. 5,119.17 lacs (valued at realizable value) excludes disputed Working In Progress of a Building at Coimbatore

for Rs.1,707 lacs which is currently in arbitration stage.

#### xiv. 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 18000 Sqr 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 9.80 lacs after deducting tax of Rs 0.20 lacs every month to parent 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. 437 lacs. 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 Lacs
1.	Varsana 1	72/-
2.	Varsana 2 Coating	486/-
3.	Varsana 2 Pipe Mill	552/-
	<b>Total Rs.</b>	<b>1,110/-</b>

The Parent 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.

#### xv. Settlement with JSW

The parent Company has created pari passu charge with respect to some of the immovable and movable properties of the parent 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.

#### xvi. Lender Banks' Balance Confirmation as on 31st March, 2020

We have been informed by the officials of the parent company that although the parent 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 parent company for its subsidiaries company as on 31st March, 2020 but the same have not yet been received the said confirmations. Pending the receipt of balance confirmations, book balances as on 31st March, 2020 have been taken in the accounts of the Company.

**xvii. Sundry Debtors:**

- a. The break-up of group's Sundry Debtors amounting to Rs. 4,793.66 lacs as on 31st March, 2020 is as follows: -

Less than Six Months Rs. 1,249.24 lacs

More than Six Months Rs. 3,544.42 lacs

- b. The Parent Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2020. 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 2020.

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

In the absence of pending confirmation of balances from Trade Payables, Trade receivable and Other Loans & Advances as on 31.03.2020, provision for any adverse variation in the balances is not quantified.

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

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

- i) PSL FZE (Sharjah) (Step down Subsidiary of Pipeline Systems Limited, Mauritius, (Subsidiary of the Company)).
- a) The Company had invested Rs. 14,163 lacs 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 22.626 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 31-3-2020.
- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 2.26 million. The matter is sub-judice. 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. 13,034 lacs 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 voluntary petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware.

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

- Total investment in PSL Infrastructure and Ports Private Limited is Rs. 2,821 lacs.
- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs. 6,511 lacs.
- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete.

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

The total Revenue for the year stood at Rs. 11,915 lacs against previous year of Rs. 10,833 lacs. The Net Profit before tax is Rs. 828 lacs against previous year of Rs. 751 lacs.

In our opinion and explanation given to us, the Guarantees given by the Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company.

**iii) PSL Gas Distribution (P) Ltd.**

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

**xxi. Legal Matters:**

- a. Initially five complaints were filed by two banks - Syndicate Bank and Kotak Mahindra Bank Ltd. under the relevant provisions of



Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one complaint has been scrapped with respect to some of the Directors and matters are now pending for disposal. These matters are still pending in 16th/63rd MM Court, Andheri, Mumbai and the next date of hearing are fixed.

Next date of Syndicate Bank hearing on 07.09.2020 & Kotak Mahindra Bank is on 07.08.2020.

- b. Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging the order issued by Kandla Port Trust (KPT) in respect of evacuation of five plots of land of PCD-I unit located in East of NH No. 08A, Kandla Road, Gandhidham and two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. The matters are pending at 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. Our opinion is not modified in respect of above matters.

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

The Parent 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 Parent 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 statement; whose financial statements reflect total assets of Rs. 19,455 lacs as at 31st March 2020, total revenues of Rs. 15,517 lacs, total net profit after tax of Rs. (4,048) lacs and total comprehensive income of Rs. (4,048) lacs for the year ended on that date, as considered in the consolidated financial statement. 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 statement, 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 (xxi), 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 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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020, 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, 2020 has been paid/egroupare 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 Parent Company, however the same has not been transferred.

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

**MUMBAI,  
DATED : 30<sup>TH</sup> JULY, 2020**

**RASESH V. PAREKH (PARTNER)  
MEMBERSHIP NO. 38615  
UDIN : 20038615AAAAHV8724**

## 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 2020 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, 2020, 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 improve and strengthened further in future.

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

**MUMBAI,  
DATED : 30<sup>TH</sup> JULY, 2020**

**RASESH V. PAREKH (PARTNER)  
MEMBERSHIP NO. 38615  
UDIN : 20038615AAAAHV8724**

CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
<b>ASSET</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	3	127,422.15	137,993.64
(b) Capital Work-in-progress		6,890.46	7,299.66
(c) Other Intangible assets	3A	0.04	0.04
(d) Financial Assets			
(i) Investments	4	299.28	299.28
(i) Loans	5	3,019.59	2,624.23
(e) Deferred Tax Assets (Net)		4.61	4.10
(f) Other Non-Current Assets		-	-
		<b>137,636.13</b>	<b>148,220.96</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	5,119.17	6,107.24
(b) Financial Assets			
(i) Investment	7	29.21	29.21
(ii) Trade Receivables	8	4,793.66	5,926.82
(iii) Cash and Cash Equivalents	9	1,868.22	1,535.33
(iv) Loans	10	7,405.72	7,283.55
(c) Other Current Assets	11	39,117.23	39,139.51
		<b>58,333.21</b>	<b>60,021.66</b>
<b>Total Assets</b>		<b>195,969.35</b>	<b>208,242.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	12	12,493.45	12,493.45
(b) Other Equity	13	(304603.76)	(286607.78)
<b>Total Equity</b>		<b>(292110.31)</b>	<b>(274114.33)</b>
<b>Liabilities</b>			
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	385,957.92	385,997.69
(ii) Trade Payables		26,355.58	26,355.58
(b) Provisions	15	1,387.14	1,386.53
		<b>413,700.64</b>	<b>413,739.80</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	61,405.60	53,721.98
(ii) Trade Payables	17		
Total outstanding dues of micro enterprises and small enterprises		30.52	44.98
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,648.94	5,535.26
(iii) Other Financial Liabilities	18	28.75	28.75
(b) Other Current Liabilities	19	5,888.95	8134.61
(c) Provisions	20	1,376.26	1,151.60
(d) Current Tax Liabilities (Net)		-	-
		<b>74,379.02</b>	<b>68,617.16</b>
<b>Total Equity and Liabilities</b>		<b>195,969.35</b>	<b>208,242.63</b>
Significant Accounting Policy	1-2		
The accompanying notes form an integral part of the Consolidated Ind AS financial statements. The accompanying Notes are an integral part of Financial Statements.	1-54		

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:** 30th July, 2020

**Yashika Chawla**  
 COMPANY SECRETARY

**For PSL LIMITED**  
 (Under CIRP)

**Ashok Punj**  
 Managing Director  
 DIN - 00041911

**C K Goel**  
 Director  
 DIN: 01372544

**Nitin Jain**  
 Resolution Professional in the Matter of PSL Limited  
 Registration No.  
 IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

(Rs. In Lacs)

Particulars	Note No	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Continuing Operations</b>			
<b>1. Income</b>			
a) Revenue From Operations	21	22,509.79	21,593.02
b) Other Income	22	849.03	1,276.46
<b>Total Income</b>		<b>23,358.82</b>	<b>22,869.48</b>
<b>2. EXPENSES</b>			
a) Cost of materials consumed	23	6,133.36	6,548.77
b) Purchases of Stock-in-Trade		-	-
c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	855.56	(711.29)
d) Employee benefits expense	25	5,654.79	5,756.46
e) Finance costs	26	3,413.63	5,905.07
f) Depreciation and amortization expense	27	10,636.31	12,165.94
g) Other expenses	28	10,054.58	10,152.09
<b>Total expenses</b>		<b>36,748.22</b>	<b>39,817.04</b>
<b>3. Loss before exceptional items and tax (1-2)</b>		<b>(13389.40)</b>	<b>(16947.55)</b>
4. Exceptional Items		-	-
<b>5. Loss before tax (3-4)</b>		<b>(13389.40)</b>	<b>(16947.55)</b>
<b>6. Tax expense:</b>			
For the current year			
(1) Current tax		340.61	208.86
(2) Deferred tax		0.51	0.36
<b>7. Profit (Loss) for the period from continuing operations (5-6)</b>		<b>(13729.50)</b>	<b>(17156.05)</b>
<b>8. Discontinued operations</b>			
(i) Profit/(loss) from discontinued operations		-	-
(ii) Tax expense of discontinued operations		-	-
<b>9. Loss after tax from Discontinued operations (i-ii)</b>		<b>-</b>	<b>-</b>
<b>10. Loss for the period (7-9)</b>		<b>(13729.50)</b>	<b>(17156.05)</b>
<b>11. 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>12. Total Comprehensive Income for the period (XIII+XIV)</b>		<b>(13729.50)</b>	<b>(17156.05)</b>
<b>13. Earnings per equity share (for continuing operation):</b>			
(1) Basic		(10.99)	(13.58)
(2) Diluted		(10.99)	(13.58)
<b>14. Earnings per equity share (for discontinued operation):</b>			
(1) Basic			
(2) Diluted			
<b>15. Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic			-
(2) Diluted			-

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

**C K Goel**  
Director  
DIN: 01372544

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

**Yashika Chawla**  
COMPANY SECRETARY

**Nitin Jain**  
Resolution Professional In the Matter of PSL Limited  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

**Place :** Mumbai  
**Date :** 30th July, 2020

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lacs)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax for the year	(13389.40)	(16947.57)
Adjustments for:		
Extraordinary Item		
<b>Profit before tax and extraordinary item</b>	(13389.40)	(16947.57)
<b>Adjusted to Reconcile Profit before tax to net cash flows</b>		
Depreciation	10636.31	12165.94
OTHER BORROWING COST	3413.63	5905.07
Interest Income (net)	(182.92)	-175.87
Non Operating Income	(666.11)	-377.88
Deferred Tax	0.00	-208.5
Foreign Exchange Difference	(4266.49)	-2960.24
<b>Movements in Working Capital</b>		
Decrease/(increase) in Inventories	988.07	(1271.07)
Decrease/(Increase) in Trade Receivables	1133.16	(98.81)
Decrease/(Increase) in Short Term Loans & Advances	(495.21)	1320.85
Increase/Decrease in Other Current Liabilities	(2261.79)	850.11
Gratuity Provision Written Off	0.00	110.24
<b>NET CASH FROM OPERATING ACTIVITIES [A]</b>	<b>(4681.75)</b>	<b>(1687.73)</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of property, plant and equipment	344.38	772.01
Acquisition of Intangible Assets	0.00	0.00
Interest Received	182.92	175.87
Decrease in Deferred Tax Assets	0.00	(4.10)
Other Non Operating Income	666.11	377.88
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>784.41</b>	<b>1321.66</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Long Term Loans and Advances	-	792.68
Repayment of Long Term Borrowings	(39.77)	(1019.03)
Proceeds of Short Term Borrowings	7683.62	6919.79
Other Borrowing Cost	(3413.63)	(5905.07)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>4230.23</b>	<b>788.37</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>332.88</b>	<b>422.30</b>
Cash And Cash Equivalents At The Beginning Of The Year	1535.34	1113.04
Cash And Cash Equivalents At The End Of The Year	1868.22	1535.34
<b>Balance As Per Statement of Cash Flows</b>	<b>332.88</b>	<b>422.30</b>

The accompanying notes form an integral part of the Consolidated Ind AS financial statements.

As per our Report of even date attached

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

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

**Yashika Chawla**  
COMPANY SECRETARY

**Place :** Mumbai  
**Date:** 30th July, 2020

**For PSL LIMITED**  
(Under CIRP)

**Ashok Punj**  
Managing Director  
DIN - 00041911

**C K Goel**  
Director  
DIN: 01372544

**Nitin Jain**  
Resolution Professional In the Matter of PSL Limited  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

**STATEMENT SHOWING CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

(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	-	-349,578.21	-	-286,607.77
Profit for the year				(13729.50)		(13729.50)
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				(4266.49)		(4266.49)
<b>Balance at the end of the reporting period</b>	<b>8,380.82</b>	<b>54589.61</b>	<b>-</b>	<b>(367574.20)</b>	<b>-</b>	<b>(304603.76)</b>

**Statement showing changes in Equity for the year ended 31st March, 209**
**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
12493.45		12493.45

**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	-	-	-	(2960.24)		(2960.24)
<b>Balance at the end of the reporting period</b>	<b>8,380.82</b>	<b>54589.61</b>	<b>-</b>	<b>(349578.21)</b>	<b>-</b>	<b>(286607.77)</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, 2020, the Statement of Profit and Loss, the Statements of Cash Flows and the Statement of Changes in Equity for the year ended 31 March, 2020, 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 exchangedifference 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 cashgenerating 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 - 3 Property, Plant and Equipment Financial Year 19-20

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2019	Additions	Deduction	31/3/2020	01/4/2019	Additions	Deduction	31/3/2020	31/3/2020	31/3/2019
Free Hold Land	61,175.18	-	-	61,175.18	-	-	-	-	61,175.18	61,175.18
Lease Hold Land	44.58	-	-	44.58	37.31	1.49	-	38.80	5.78	7.27
Office Buildings	217.77	-	-	217.77	102.65	7.96	-	110.61	107.16	115.12
Factory Building	43,328.04	38.40	-	43,366.44	14,407.36	669.46	-	15,076.82	28,289.62	28,920.68
Furniture & Fixtures	798.76	-	-	798.76	699.91	14.97	-	714.88	83.88	98.85
Plant and Equipment	210,925.34	21.24	0.56	210,946.02	164,292.39	9,770.56	-	174,062.95	36,883.07	46,632.95
Office Equipments	519.98	1.70	-	521.68	447.06	11.03	-	458.09	63.59	72.92
Lab Equipments	1,022.18	-	-	1,022.18	834.44	26.12	-	860.56	161.62	187.75
Computers	516.26	4.23	0.38	520.11	507.14	2.26	0.30	509.10	11.01	9.12
Motor Cars	1,502.89	-	-	1,502.89	1,366.66	7.88	-	1,374.54	128.35	136.23
Commercial Vehicles	105.10	-	-	105.10	105.10	-	-	105.10	-	-
Cycles	0.29	-	-	0.29	0.29	-	-	0.29	0.00	0.00
Earth Moving Equipments	3,974.93	-	-	3,974.93	3,888.79	3.76	-	3,892.55	82.38	86.25
Shed Construction	2,631.29	-	-	2,631.29	2,079.95	120.84	-	2,200.79	430.50	551.34
Temporary Shed	1,080.54	-	-	1,080.54	1,080.54	-	-	1,080.54	-0.00	-0.00
<b>TOTAL</b>	<b>327,843.13</b>	<b>65.57</b>	<b>0.94</b>	<b>327,907.76</b>	<b>189,849.59</b>	<b>10,636.32</b>	<b>0.30</b>	<b>200,485.62</b>	<b>127,422.15</b>	<b>137,993.64</b>

## Financial Year 18-19

(Rs. In Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2018	Additions	Deduction	31/3/2019	1/4/2018	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	-	37.32	7.26	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	187.74	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	-	-	0.29	0.00	0.00

Particulars	Gross Block				Depreciation				Net Block	
	01/4/2018	Additions	Deduction	31/3/2019	1/4/2018	Additions	Deduction	31/3/2019	31/3/2019	31/3/2018
Earth Moving Equipments	3,974.93	-	-	3,974.93	3,871.25	17.54	-	3,888.79	86.14	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	-0.00	
<b>TOTAL</b>	<b>328,538.39</b>	<b>62.53</b>	<b>757.79</b>	<b>327,843.13</b>	<b>178,067.94</b>	<b>12,165.85</b>	<b>384.20</b>	<b>189,849.59</b>	<b>137,993.54</b>	<b>150,470.52</b>

**Note no- 3A Other Intangible assets**

Particulars	Gross Block				Depreciation				Net Block	
	1/4/2019	Additions	Deduction	31/3/2020	1/4/2019	Additions	Deduction	31/3/2020	31/3/2020	31/3/2019
<b>Financial Year 19-20</b>										
Computer Software	35.36	-	-	35.36	35.32	-	-	35.32	0.04	0.04
<b>Total</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.32</b>	<b>-</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.04</b>
Particulars	Gross Block				Depreciation				Net Block	
	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 18-19</b>	<b>35.36</b>	<b>-</b>	<b>-</b>	<b>35.36</b>	<b>35.32</b>	<b>-</b>	<b>-</b>	<b>35.32</b>	<b>0.04</b>	<b>0.04</b>

(Rs. In Lacs)

**Note No 4 - Investments in Associates and Others**

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
<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>

**Note No 5 - Non-Current Loans**

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Security Deposits	1,508.67	1,348.66
Fixed Deposits with Interest accrued*	1,510.92	1,275.56
<b>Total</b>	<b>3,019.59</b>	<b>2,624.23</b>

Bank deposits of Rs. 342.67 is under lien as per high court order

**Note No 6 - Inventories**

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Raw materials	2,746.36	2,952.55
Work-in-progress	342.43	149.05
Stores and spares	1,326.08	1,271.41
Finished goods	704.30	1,734.23
<b>Total</b>	<b>5,119.17</b>	<b>6,107.24</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No -7 Current Investments

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
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>

### Note No - 8 Trade Receivables

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Secured, considered good	-	-
Unsecured, considered good	4,793.66	5,926.82
Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
<b>Total</b>	<b>4,793.66</b>	<b>5,926.82</b>

### Note No - 9 Cash and Cash Equivalents

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Balances with Banks		
In current accounts	1,738.95	1,443.81
Deposit with original maturity upto 3 months		
Cash on hand	129.26	91.52
<b>Total</b>	<b>1,868.22</b>	<b>1,535.33</b>
Balances with bank current accounts in unpaid dividend accounts	27.02	27.02

### Note No - 10 Current Loans

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
<b>Unsecured, considered good</b>		
Loan to Staff	9.36	68.46
Advance recoverable in cash or kind	7,396.36	7,215.10
<b>Total</b>	<b>7,405.72</b>	<b>7,283.55</b>

### Note No - 11 Other Current Assets

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Balance with statutory/ Government Authorities	39,117.23	39,139.51
<b>Total</b>	<b>39,117.23</b>	<b>39,139.51</b>

### Note No - 12 Equity Share Capital

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
<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

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

Issued		
125098584 ( P.Y. 125098584) Equity Shares of Rs. 10/- each	12,509.86	12,509.86
Subscribed & Paid Up Capital		
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>

Notes :

\*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

a) Reconciliation of equity shares outstanding				
Particulars	31st March, 2020 No. of Share	31st March, 2020 Rs. In Lacs	31st March, 2019 No. of Share	31st March, 2019 Rs. In Lacs
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>

b) Issued Share Capital				
Particulars	31st March, 2020 No. of Share	31st March, 2020 Rs. In Lacs	31st March, 2019 No. of Share	31st March, 2019 Rs. In Lacs
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>

- c) The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is entitled to one vote per equity share.
- d) 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 shareholder.
- e) Details of shareholders holding more than 5% shares in the company

Particulars	31st March, 2020		31st March, 2019	
	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 13: Other Equity

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
a) Retained Earnings	(367,574.20)	(349,578.21)
b) Securities Premium Reserve	54,589.61	54,589.61
c) General Reserve	8,380.82	8,380.82
<b>Total</b>	<b>(304,603.76)</b>	<b>(286,607.78)</b>

### Note 14: Non Current Borrowings

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Foreign Currency Loan from Banks	32,362.07	32,362.07
Rupee Loan from Banks (Long Term)	351,847.85	351,887.62
Rupee Loan from Promoters' Companies	1,748.00	1,748.00
<b>Total</b>	<b>385,957.92</b>	<b>385,997.69</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Notes

a) All the bank loans are secured by first charge on the specific immovable property, entire moveable assets and the entire Current assets of the company on pari passu basis except for a bank which has the first exclusive charge on the specific non core assets of the company namely land at pipava , Mahudi and Panipat.

b) The Working Capital Facilities being classified as non performing assets (NPA) The lenders have reduced the drawing power to Nil hence the Company has all Working Capital Facilities treat as Long Term Borrowing.

c) 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'be NCLT/Hon'ble Adjudicating Authority) vide its order dated. 15.02.2019.The Adjudicating Authority (NCLT) has appointed Mr. Nitin Jain , having RP Registration No. IBBI/IPA-001/IP-P-01562/2019-20/12462 , as " 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 1(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.

### Note 15 Non Current Provisions

(Rs. In Lacs)

Particulars	31st March, 2020	31st March,2019
Provision for Gratuity	1,387.14	1,386.53
<b>Total</b>	<b>1,387.14</b>	<b>1,386.53</b>

### Note 16: Current Borrowings

(Rs. In Lacs)

Particulars	31st March, 2020	31st March,2019
<b>Secured Borrowings</b>		
Rupee Loan from Banks (Short Term)	61,405.60	53,721.98
<b>Total</b>	<b>61,405.60</b>	<b>53,721.98</b>

### Note 17 Trade Payables

(Rs. In Lacs)

Particulars	31st March, 2020	31st March,2019
Micro Small & Medium Enterpirses	30.52	44.98
Other Trade Payable	5,648.94	5,535.26
<b>Total</b>	<b>5,679.46</b>	<b>5,580.24</b>

### Note 18: Other Financial Liabilities

(Rs. In Lacs)

Particulars	31st March, 2020	31st March,2019
Unclaimed Dividend	28.75	28.75
<b>Total</b>	<b>28.75</b>	<b>28.75</b>

### Note 19: Other Current Liabilities

(Rs. In Lacs)

Particulars	31st March, 2020	31st March,2019
Advances Received from Customers	911.17	2,689.56
Other Payable	4,977.77	5,445.04
<b>Total</b>	<b>5,888.95</b>	<b>8,134.61</b>



## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note 20: Provisions

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
Other Provisions	274.14	390.08
Provision for Income Tax	1,102.12	761.51
<b>Total</b>	<b>1,376.26</b>	<b>1,151.60</b>

### Note 21: Revenue from Operations

(Rs. In lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Revenue from jobwork with customers</b>		
Sale of services	22,509.79	21,214.92
	22,509.79	21,214.92
<b>Other Operating revenues</b>		
Other Operating Income	-	378.10
	-	378.10
<b>Total</b>	<b>22,509.79</b>	<b>21,593.02</b>

### Note 22: Other Income

(Rs. In lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Other non operating income</b>		
Rent and Compensation	296.90	34.69
Profit on sale of assets	-	327.35
Process Waste Sale	110.99	360.25
Insurance Claim /Excise Duty /Sales Tax Claim	0.68	0.42
Interest Income	182.92	175.87
Other Non Operating Income	257.55	377.88
<b>Total</b>	<b>849.03</b>	<b>1,276.46</b>

### Note 23: Cost of Material Consumed

(Rs. In lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Inventory at the beginning of the year	3,056.42	2,497.35
Add: Purchases during the year	5,823.30	7,003.97
	8,879.72	9,501.32
Less : Inventory at the end of the year	2,746.36	2,952.55
<b>Cost of raw material &amp; components Consumed</b>	<b>6,133.36</b>	<b>6,548.77</b>

### Note 24: Change in inventories of finished goods and work-in-progress.

(Rs. In lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Inventory at the end of the year</b>		
Work-in-progress (closing)	342.43	149.05
Finished goods (closing)	704.30	1,734.23
	<b>1,046.73</b>	<b>1,883.28</b>
<b>Inventory at the beginning of the year</b>		
Work-in-progress (opening)	342.68	703.50
Finished goods (opening)	1,559.61	468.49
	<b>1,902.29</b>	<b>1,171.99</b>
<b>(Increase) / decrease in inventories</b>	<b>855.56</b>	<b>(711.29)</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note 25: Employee Benefit expenses

(Rs. In lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Salaries and wages	4,853.40	5,066.84
Contribution to provident and other fund	358.67	321.68
Staff welfare expenses	442.72	367.94
<b>Total</b>	<b>5,654.79</b>	<b>5,756.46</b>

### Note 26: Finance Cost

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Interest	3,404.34	5,838.34
Other Borrowing cost*	9.29	66.73
<b>Total</b>	<b>3,413.63</b>	<b>5,905.07</b>

### Note 27: Depreciation and amortisation expenses

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Depreciation on property, plant and equipment	10,636.31	12,165.94
Amortisation of intangible assets		
<b>Total</b>	<b>10,636.31</b>	<b>12,165.94</b>

### Note 28: Other Expenses

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Consumption Of Stores and Spares Parts	1,741.95	1,965.18
Power & Fuel	1,805.95	1,747.65
Freight & Cartage	112.00	513.85
Equipment Hire Charges	7.41	7.57
Labour Charges	117.57	109.52
Other Manufacturing & Operating Expenses	1,694.08	1,464.56
Water Charges	0.93	-
Conveyance	119.89	138.37
Traveling Expenses	141.81	204.39
Postage, Telegram and Telephones	43.47	57.48
Printing And Stationery	14.46	17.15
Rent, Rates & Taxes	525.48	600.31
Electricity Charges	22.45	18.47
Professional Charges	1,386.79	1,258.29
Bad Debts W/Off	-	306.44
Repair And Maintenance (Plant )	199.31	215.35
Repair And Maintenance (Building)	98.79	76.62
Repair And Maintenance (Others)	95.76	104.65
Insurance	118.15	87.48
Auditors' Remuneration	23.26	24.66
Vehicle Expenses	101.27	115.86
General Expenses	1,683.77	1,118.23
<b>Total</b>	<b>10,054.58</b>	<b>10,152.09</b>

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note No - 29: Payment to Auditors

(Rs. In Lacs)

Particulars	31st March 2019	31st March 2018
As Audit Fees	19.26	20.66
For Taxation Matters	2.00	2.00
For Other Services	2.00	2.00
<b>Total</b>	<b>23.26</b>	<b>24.66</b>

### Note No - 29: Earning per Share

- Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.
- Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares
- Calculation of the basic and diluted EPS :

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Loss attributable to equity shareholders of the Company for basic and diluted EPS	(13729.50)	(17156.06)
Weighted Average Number of Shares for Basic and Diluted EPS	124934484	124934484
Basic EPS (Amount in Rs.)	(10.99)	(13.73)
Diluted EPS (Amount in Rs.)	(10.99)	(13.73)

### Note 30 Items that will not be reclassified to profit or loss

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Remeasurements of the defined benefit plans	-	-
Others	-	-

### Note 31 Items that will be reclassified to profit or loss

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
"Exchange differences in translating the financial statements of a foreign operation"	-	-

### Note 32 Value of Imports

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Raw Material	1,305.80	670.21
Stores & Spare Parts	275.58	221.20

**Note No - 33** During the year, the company has not remitted dividend in foreign currency (P.Y. NIL)

**Note No - 33** As on 31st March 2020, there is no Mark-to-Market loss on account of derivative forward exchange contract.

### Note No - 34 Contingent Liabilities:

### Note 35: Expenditure in Foreign Currency

(Rs. In Lacs)

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
Traveling Expenses	-	4.18
Agency Commission & Others	-	-

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note : 36 Contingent Liabilities:

Particulars	As at 31st March 2019	As at 31st March 2018
a) Counter Guarantees given by the Company for Bank Guarantees	402.26	402.26
b) Other Guarantees Given by the Company on behalf of		
<b>Subsidiary Companies</b>	50,620.27	48,368.72
<b>Others</b>	3,060.82	3,060.82
c) Government Dues		
(i) Disputed dues on account of Excise duty (17 Nos.).	11,458.25	11,686.97
(ii) Disputed dues on account of Service Tax (10 Nos. ).	412.99	471.31
(iii) Disputed dues on account of Custom duty (1 No).	15.19	15.19
(iv) Disputed dues on account of Sales Tax (20 Nos).	6,819.73	6,842.10
(v) Pending closure of Advance Authorisation	402.71	-
(vi) Disputed dues on account of Entry Tax (5 Nos.)	51.12	51.15

- d) Other liability includes litigation on account of land, return of cheques under sec 138 of N.A. Act , Arbitration , winding up cases etc.
- e) Income Tax Assessment Completed upto AY 2017-18(March'2017 ). No pending Demand. Appeal Filed against Assessment order passed u/s. 143 (3) r.w.s 144C for the Assessment Year 2015-16 before the Office of Commissioner of Income Tax Appeals-13 Mumbai
- f) 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.
- g) 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 37 : 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 38 : Leases

"On 30th March 2019, the Ministry of Corporate Affairs has notified Ind AS 116 "Leases" Ind AS 116 will replace Ind AS 17 "Leases" and its related interpretations. The new standard sets out the principles for recognition, measurement, presentation and disclosure of leases by both the parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise a lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the time this standard is first applied and a corresponding right-of-use-asset.

The Company intends to apply the new standard in accordance with the modified retrospective approach without restatement of the comparative period

The adoption of the standard did not have any material impact on the financial results of the company.

### Note 39 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)

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### c) Key Management Personnel

Ashok Punj  
R. K . Bahri  
C K Goel

### Nature of Transaction

Particulars	For the year Ended 31st March 2020	For the year Ended 31st March 2019
<b>Associate</b>		
<b>Sale of Goods</b>		
Eurocoustic Products Ltd.	1,073.47	295.43
<b>Purchase of Goods</b>		
Eurocoustic Products Ltd.	284.71	-
<b>Consultancy Charges</b>		
Eurocoustic Products Ltd.	85.32	-
<b>Lease Rentals</b>		
Eurocoustic Products Ltd.	4.91	-
<b>Expenses Incurred by/for related party</b>		
Eurocoustic Products Ltd.	2.22	1.21
<b>Loan Received</b>		
Punj International Pvt.Ltd.	2.00	2.00

**Note 40** The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(Rs in Lakhs)

Particulars	31st March 2020	31st March 2019
Details of due to Micro and Small Enterprises as defined under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of the suppliers (Refer Note below).		
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
Principal	30.52	44.98
Interest	-	-
b) The amount of interest paid by the buyer in terms of Section 16 along with the amount of the payment made to the supplier beyond the appointed day during the year		
Principal	-	-
Interest	-	-
c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified	-	-
d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-

### Note:

Above information has been determined to the extent such parties have been identified on the basis intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

### Note 41: 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.

(Rs. In Lacs)

Particulars	31st March, 2020	31st March, 2019
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 42: Financial risk management

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

- Credit risk
- Interest rate risk
- Liquidity risk
- 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.

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.

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 6 months	More than 6 months	Total
As at March 31, 2020	1,249.24	3,544.42	4,793.66
As at March 31, 2019	2,441.29	3,485.53	5,926.82

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

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

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 are deposits is as below:

	31st March, 2020	31st March, 2019
Cash and cash equivalents	1,868.22	1,535.33



## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

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.

Particulars	0-365 days	More than 365 days	Total
<b>As at March 31, 2020</b>			
Trade payables	5,679.46	26,355.58	32,035.04
Other financial Liabilities	-	447,363.52	447,363.52
<b>As at March 31, 2019</b>			
Trade payables	5,580.24	26,355.58	31,935.82
Other financial Liabilities	-	439,719.67	439,719.67

#### 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.

#### Note 43: Fair Value Measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

a) The following methods and assumptions were used to estimate the fair values:

b) The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, bank deposits, trade receivables, other financial assets (except derivatives), trade payables, other financial liabilities (except derivatives), current borrowings, because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

c) For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

d) The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date.

e) The fair values for loans given were calculated based on cash flows discounted using a current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 3 fair values in the fair value hierarchy.

f) Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. The non-current borrowings are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk. The own non-performance risk was assessed to be insignificant.

#### A. Fair Value Hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3- Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2020 is as follows:

Particulars	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>				
<b>Amortised cost</b>				
Loans	3,019.59	-	-	3,019.59
Other financial assets	-	-	-	-
Investments	328.49	-	-	328.49
Trade receivables	4,793.66	-	-	4,793.66

## NOTES FORMING PART OF CONSOLIDATED THE FINANCIAL STATEMENTS

Particulars	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Cash and cash equivalents	1,868.22	-	-	1,868.22
Bank balances other than above		-	-	-
Loans- current	7,405.72	-	-	7,405.72
<b>Total Financial assets</b>	<b>20,325.05</b>	<b>-</b>	<b>-</b>	<b>20,325.05</b>
<b>Financial Liabilities</b>				
<b>Amortised cost</b>				
Borrowings				
Non-current	385,957.92	-	-	385,957.92
Current	61,405.60	-	-	-
Trade payables	32,035.04	-	-	984.33
Other financial liabilities	5,888.95	-	-	11,913.38
				-
<b>Total Financial liabilities</b>	<b>398,855.63</b>	<b>-</b>	<b>-</b>	<b>398,855.63</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2019 is as follows:

Particulars	Carrying Value	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>				
<b>Amortised cost</b>				
<b>Loans</b>	2,624.23	-	-	1,982.67
<b>Other financial assets</b>	-	-	-	-
Investments	328.49	-	-	17,426.73
Trade receivables	5,926.82	-	-	953.25
Cash and cash equivalents	1,535.33	-	-	619.20
Bank balances other than above		-	-	-
Loans -current	7,283.55	-	-	11.45
<b>Total Financial assets</b>	<b>20,993.30</b>	<b>-</b>	<b>-</b>	<b>20,993.30</b>
<b>Financial Liabilities</b>				
<b>Amortised cost</b>				
Borrowings				
Non-current	385,997.69	-	-	386.00
Current	53,721.98	-	-	-
Trade payables	31,935.82	-	-	1,015.57
Other financial liabilities	8,134.61	-	-	12,746.89
				-
<b>Total Financial liabilities</b>	<b>14,148.46</b>	<b>-</b>	<b>-</b>	<b>14,148.46</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

**Note 44:** Sundry Debtors, Advances, Creditors, Current Assets & Liabilities are subject to individual confirmation and consequent adjustments, if any. Though, the management has requested for confirmation of balances and the status is still continued, the management believes that no

material adjustments would be required in books of account upon receipt of these confirmations.

**Note 45: Corporate insolvency Resolution Process ("CIRP")** The Corporate Insolvency Resolution Process of PSL Limited was initiated by Hon'ble NCLT, Ahmedabad Bench on 15/02/2019. Mr. Nitin Jain, the Resolution Professional ("RP") for PSL Limited was appointed by Hon'ble NCLT, Ahmedabad on 30/08/2019 for running the CIR Process and for continuing the operations of the company as a going concern. Accordingly, the RP is running the CIRP Process and is looking after the affairs of the Company along with its management in order to continue its business as a going concern. The 330 days of corporate insolvency period for PSL Limited (Corporate Debtor) were completed on 11/01/2020. With no resolution plan received, an application for Liquidation of the Corporate Debtor was filed under Section 30(1) of Insolvency Bankruptcy Code, 2016 on 15/01/2020 with the Hon'ble NCLT, Ahmedabad. The Resolution Professional has not been involved in any manner whatsoever, in the preparation and certification of any financial document pertaining to the Twelve months ended March 31, 2020.. The audited Consolidated financial statements for FY 2019-20 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 30th July 2020 by the directors of the Company which was chaired by the RP. The Resolution Professional has relied upon the said statements made by the management especially the aforesaid officers while taking on record the said Consolidated financial statements. The 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 Consolidated financial statements for FY 2019-20 in all respect including but not limited to the compliance with the requirements of Companies Act, 2013 and SEBI.

**Note 46:** The management has prepared the Company's financial statements on a going concern basis notwithstanding the fact that the company has incurred net loss of Rs. 13,729.50 Lakhs during the year ended 31st March 2020 and have accumulated losses of Rs. 3,67,574.20 Lakhs as on that date. As of this date, the company's total liabilities exceed its total assets and its networth has been fully eroded. The financial performance of the Company had deteriorated substantially.

**Note 47:** One of the Subsidiary Company had been receiving inquiries from the middle-east countries for specialised coating and for other services. To come in line with the prequalification requirements, the company had spent Rs 4.55 Crores. Due to increase in the cost of production of imported raw material and transport cost, the tenders of the middle-east companies could not be materialised. The company has capitalised Rs 0.46 Crores and the balance amount of Rs 4.09 Crores has been transferred to respective heads of Profit & Loss Account as no new asset has come into existence

**Note 48:** The World Health Organization announced a global health emergency because of a new strain of Coronavirus (COVID-19) and classified its outbreak as a pandemic on 11th March 2020. On 24th March 2020. The Indian Government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till 3rd May 2020. This pandemic and government response are creating disruption in the global supply chain and adversely impacting most of the industries which has resulted in global shutdown. The Management has made an assessment of the impact of COVID-19 on the Company's operation, financial performance and position as at and for the year ended 31st March 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

**Note 49: Segment Information** The Company's main business is to manufacture steel pipes. There have been no other reportable segments identified by the management and hence no geographical segment reporting is presented under IND AS 108 "Segment Reporting" issued by the Institute of Chartered Accountants of India.

**Note 50:** Due to unfavorable market conditions and other adverse industry scenario the company has incurred net loss for the past years as well as this year, no provision was made for Deferred Tax Assets.

#### **Note 51: Capital and Other Commitments**

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-

#### **Note 52: Events After The End Of The Reporting Year**

No subsequent event has been observed which may required an adjustment to the statement of financial position.

**Note 53:** 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. 435.73 Crores on such outstanding facilities for the year ended 31st March, 2020 due to various banks. Had the said interest been provided in the books in the normal course, the current year losses of Rs. 96.82 Crores would have risen to Rs. 532.55 Crores.

**Note 54:** Figures for the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year. The accompanying notes form an integral part of the Consolidated Ind AS financial statements.

The accompanying notes form an integral part of the Consolidated Ind AS financial statements.

As per our Report of even date attached

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**

**C K Goel**  
Director  
**DIN: 01372544**

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

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

**Nitin Jain**  
**Resolution Professional In the Matter of PSL Limited**  
Registration No.  
IBBI Reg. No.: IBBI/IPA-001/IP-P-01562/2019-20/12462

**Place :** Mumbai  
**Date:** 30th July, 2020

**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 (Rs. In Lacs)
Subsidiaries of the Company incorporated in India													
1	PSL Corrosion Control Services Ltd.	140.00	7,407.83	12,858.56	12,858.56	55.50	11,914.51	1,167.76	340.10	827.66	-	100.00	INDIA
2	PSL Gas Distribution Pvt.Ltd.	1700	(769)	10.97	10.97	-	-	(6.80)	-	(6.80)	-	100.00	INDIA
3	PSL Infrastructure & Ports Pvt.Ltd.	2,821.00	(706)	6,535.05	6,535.05	-	-	(1.51)	-	(1.51)	-	100.00	INDIA
Material Subsidiaries of the Company incorporated outside India													
4	Pipeline Systems Ltd.* (Exchange rate as on 31st March, 2020 : 1 USD= 75.36 INR)	23,255.89	(55,145.32)	26,700.20	26,700.20	-	3,621.81	(4,866.56)	-	(4,866.56)	-	100.00	(in USD) Mauritius

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



**PSL LIMITED**

*Corporate Office*

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