

PSL LIMITED



**27th Annual Report
(2014-15)**

BOARD OF DIRECTORS

Shri Ashok Punj
Managing Director

Shri Alok Punj
Non-Executive Director

Shri Harry H. Shourie
Independent Director

Shri R. K. Bahri
Whole-time Director

Mrs. Manjula N. Bhatia
Non-Executive Director

Shri Harsh Pateria
Independent Director

Shri S. P. Bhatia
Whole-time Director

Shri N. C. Sharma
Independent Director

Shri Sandip Sharma
Nominee Director

Shri C. K. Goel
Whole-time Director

Shri Ashok Sharma
Independent Director

SHARE TRANSFER AGENTS

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

STATUTORY AUDITORS

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

PRINCIPAL BANKERS

ICICI Bank Limited, Indian Overseas Bank, State Bank of India, Union Bank of India, Bank of Baroda, ING Vysya Bank Limited, Punjab National Bank (International) Ltd., Yes Bank Limited, Bank of India, DBS Bank Limited, Standard Chartered Bank, Deutsche Bank, Export Import Bank of India, Indian Bank, IDBI Bank Limited, Kotak Mahindra Bank, Axis Bank Limited, Development Credit Bank, Syndicate Bank, Abu Dhabi Commercial Bank, Oriental Bank of Commerce, Bank of Bahrain & Kuwait, Canara Bank, Federal Bank Limited

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COMPANY'S EXISTENCE	
Registered Office	Kachigam, Daman, Union Territory of Daman & Diu 396210
Corporate Office	PSL Towers, 615, Makwana Road, Marol, Andheri (E), Mumbai-400059
Legal & Secretarial Office	3rd Floor, Punj House, M-13A, Connaught Circus, New Delhi-110001
Marketing Offices	PSL Towers, 615, Makwana Road, Marol, Andheri (E), Mumbai-400059
Projects Office	3rd Floor, Punj House M-13A, Connaught Circus, New Delhi-110001
Subsidiary Companies in operation	
Domestic	<p>PSL Corrosion Control Services Ltd. Survey No. 377/2, Zari Cause Way Road, Kachigam, Daman-396210, Union Territory of Daman & Diu</p> <p>PSL Gas Distribution Pvt. Ltd. Punj House, M-13A, Connaught Circus, New Delhi-110001</p> <p>PSL Infrastructure & Ports Pvt. Ltd. 3rd Floor, Punj House, M-13A, Connaught Circus, New Delhi-110001</p>
International	<p>Pipeline Systems Ltd. C/o IFS, IFS Court, 28 Cybercity, Ebene, Mauritius</p> <p>PSL FZE P.O. Box No. 42131, Inner Harbour Plot No. HJ-02 Hamriyah Free Trade Zone, Sharjah, UAE</p>

COMPANY'S PLANTS	
Within Indian Boundaries	<p>Survey No. 35, 37,41, 301/1, and 308/1 & 2 Varsana & Nani Chirai, Anjar & Bhachau, Kutch, Gujarat</p> <p>Survey No. 38/1, 38/2, 39, 40 & 42 Varsana, Anjar, Kutch, Gujarat</p> <p>Plot No. 4 & 5, Sector-12/B, Kandla Road, Gandhidham, Kutch, Gujarat</p> <p>Kachigam, Daman Union Territory of Daman & Diu 396210</p> <p>No. 22, Vaiyavoor, Maduranthakam Taluka Kancheepuram Distt., Tamil Nadu</p> <p>Survey No. 207, Industrial Development Area, Gurrampalem, Pendurthi, Vishakhapatnam, Andhra Pradesh</p> <p>Plot No. 2A, APIIC, Layout Phase-II, Peddapuram-533437, Kakinada Distt. East Godavari, Andhra Pradesh</p> <p>Khasra No. 46,48,73,82 Village-Gaduda, Tehsil- Phagi, Jaipur, Rajasthan</p>
Across the Seas	<p>Post Box No. 42131, Inner Harbour, Plot No. HJ-02, Hamriyah Free Trade Zone, Sharjah, UAE</p>

KEY FINANCIAL PARAMETERS OF LAST 15 YEARS

(₹ in Lacs)

PARTICULARS	2014-15	2013-14*	2012.13**	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2000-01***
Total Income	15025.91	21821.32	249729.77	229099.4	266989.49	281065.51	354995.04	226176.61	168561.37	156338.22	167745.16	92942.05	42516.39	45371.54
Total Expenditure	40776.29	18381.55	260364.29	191124.22	230694.13	251802.24	326543.53	202855.41	151199.79	141409.34	157765.84	84505.77	36261.96	39665
Operating Profit/Loss	-25750.38	-3439.77	-10634.52	37975.18	36295.36	29263.27	28451.51	23321.2	17361.58	14928.9	9979.32	8436.28	6254.43	5706.54
Interest	4618.23	1815.88	29374.36	19594.32	14144.73	10898.71	10071.93	5785.56	4349.77	4852.93	3242.8	2947.22	2931.39	2104.6
Gross Profit/Loss	-30368.61	-5255.65	-40008.88	18380.86	22150.64	18364.55	18379.58	17535.64	13011.81	10075.97	6736.52	5489.06	3233.04	3601.93
Depreciation	17383.98	8945.07	19311.63	11414.88	11679.56	6634.81	5706.64	5119.6	4392.29	3385.96	2335.48	1638.86	1601.42	1125.67
Profit/Loss before Tax	-47752.59	-14200.72	-59320.51	6965.98	10471.07	11729.74	12672.93	12416.04	8619.52	6690.01	4401.04	3850.19	1721.6	2476.26
Taxation	NIL	1555.07	-205.04	1550	2900	2900	4080	3939	2404	1771	1200	1050	250	411.33
Profit/Loss after tax	-47752.59	-12645.65	-59525.55	5415.98	7571.07	8829.75	8592.93	8477.04	6215.52	4919.01	3201.04	2800.19	1471.62	2064.92
Dividend Rate	NIL	NIL	NIL	20%	40%	40%	50%	50%	50%	50%	45%	50%	40%	40%
Equity	9893.53	5329.68	5333.38	5333.38	5333.38	5333.2	4258.19	4258.13	3406.07	3195.45	2892.07	2892.02	2892.02	2892.02
Reserves	-26448.95	14632.49	27278.13	86089.7	83708.73	78509.37	58593.49	52298	30213.64	23051.5	13866.66	13861.2	13303.66	13144.16

* Financial data comprised of 18 months period.

** Financial data comprised of 6 months period.

*** Financial data comprised of 18 months period.

NOTICE

To,
The Members of
PSL LIMITED

Notice is hereby given that Twenty Seventh Annual General Meeting of the Company will be held on Wednesday, the 23rd day of September, 2015 at 9:30 A.M. at Hotel Cedade de Daman, Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 31st March, 2015 including Audited Balance Sheet as at March 31, 2015 and the Audited statement of Profit and Loss for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri C.K.Goel (DIN :01372544), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Alok Punj (DIN:00058049), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors of the Company for holding the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to consider and If thought fit to pass with or without modification(s) the following Resolution as an "Ordinary Resolution"

"RESOLVED THAT pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. Suresh C. Mathur & Co. Chartered Accountants (Firm Registration No. 000891N) having their office at 64, Regal Building, Connaught Place, New Delhi-110 001 be and are hereby appointed as Statutory Auditors of the Company for the financial year 2015-16 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting"

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

SPECIAL BUSINESS

5. APPOINTMENT OF SMT. MANJULA N. BHATIA (DIN:07178575) AS "DIRECTOR" OF THE COMPANY

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

"RESOLVED THAT Smt. Manjula N. Bhatia, (DIN 07178575) who has been pursuant to Section 161 of the Companies Act, 2013, appointed as "Additional Director" by the Board of Directors of the Company with effect from 13th May, 2015 holding such office only upto this Annual General Meeting and in respect of whom the members have, under Section 160 of the Companies Act, 2013, sent notices to the Company proposing her candidature for the office of a Director, be and is hereby appointed as a Director, liable to retire by rotation, pursuant to applicable provisions of the Companies Act, 2013 and Article 87 Articles of Association of the Company."

6. TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2015-16

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

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force the appointment of Mr. V.V.Deodhar, Cost Accountant as Cost Auditor by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the Financial Year 2015-16, be and is ratified and be paid consolidated fees of Rs.4.00 Lacs."

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: 10th August, 2015

By Order of the Board of Directors of
PSL LIMITED

Sd/-
(Ashok Punj)
Managing Director

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend the meeting and vote on a poll, if any, instead of himself/herself and the proxy need not be a member of the Company. Proxy form duly filled must reach the registered office of the Company not less than forty-eight hours before the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A single member holding more than ten percent of the total shares capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of matters covered under "Special Business" is annexed hereto.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a Certified copy of the Board Resolution authorizing their representative under Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the Meeting. Such representative shall possess a valid identity proof to be produced at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th day of September, 2015 to Wednesday, the 23rd day of September, 2015 (both days inclusive) for the purpose of 27th Annual General Meeting.
6. Members seeking any information with regard to Accounts of the Company and proposed Resolutions are requested to send their queries in writing to the Company at its Registered Office, so as to reach at least Seven days before the date of the Meeting, to enable the company to furnish the required information at the Meeting.
7. For convenience of Members, an attendance slip is annexed to the proxy form. Members/Proxies are requested to affix their signatures at the space provided therein and thereafter hand over the attendance slip at the venue of the meeting. The Proxy of a Member should mark on the attendance slip as "Proxy".
8. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.
10. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the relevant details of Shri C.K.Goel and Shri Alok Punj Directors proposed to be reappointed are, annexed herewith.
11. Shareholders who have not encashed /received dividend/s declared and paid by the company for different financial years commencing from financial year 2007-08 to financial year 2011-12 may please approach the Company for payment of such unpaid dividend/s, failing which their unclaimed dividend/s shall be transferred to Investor Education Protection fund in accordance with provisions contained in Section 205C/125 of Companies Act, 1956/2013.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computer Shares Private Limited on all the resolutions set forth in this Notice. The e-voting period commences on 19th September, 2015 (9:00 a.m. IST) and ends on 21st September, 2015 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 15th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. A separate communication is being sent to the Members to avail the evoting facility.
13. The facility for voing through ballot/polling paper shall also be made availble at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pslimited.com and on the website of Karvy www.evoting.karvy.com within two days of passing of the resolutions at the 27th Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
15. To support the "Green Initiative" in Corporate Governance taken by Ministry of Corporate Affairs, to contribute toward the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Karvy Computer shares Private Limited, if shares are held in physical mode or with the depository participant if the shares are held in electronic mode.

EXPLANATORY STATEMENT

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

ITEM NO. 5 : APPOINTMENT OF SMT. MANJULA N. BHATIA (DIN:07178575) AS “DIRECTOR” OF THE COMPANY

The Board of Directors of the Company at its meeting held on 13th May, 2015 appointed Mrs. Manjula N. Bhatia as an Additional Director of the Company with effect from 13th May, 2015, pursuant to Section 161 of the Companies Act, 2013. Her said appointment shall remain in force till the conclusion of the ensuing Annual General Meeting.

The said appointment was made keeping in view the rich experience that Mrs. Bhatia has acquired in Finance and Administrative functions having worked for over four decade in various senior positions indifferent companies. The Board is of the view that her vast exposure in the said two functions for such a longtime would indeed help in acceleration of the decision making process in the company.

The Company has now received notices from member in accordance with provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Manjula N. Bhatia as Director on the Board of the Company. The prescribed amount required for the purpose has also been deposited with the Company.

Hence the Resolution at Item No.5. In order to enable the shareholders to know more about Mrs. Bhatia, her brief particulars are included in the table annexed to this notice.

Other than Mrs. Bhatia who may be deemed to be interested in the subject Resolution, no other Director Key Managerial Personnel of the Company or their relatives are in any way, Concerned or interested, financially or otherwise, in the resolution set out in Item no. 5 of the Notice.

ITEM NO. 6 : TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2015-16

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. V. V. Deodhar, Cost Accountant, as cost Auditor to conduct the audit of the cost records for the financial year 2015-16.

In accordance with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No, 6 of the Notice for ratification of the remuneration proposed to be paid to the Cost Auditors for the Financial year 2015-16.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 6 of the Notice.

Hence, the Resolution contained in Item No. 6 for consideration and ratification of the shareholders.

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: 10th August, 2015

By order of the Board of Directors of
PSL LIMITED

Sd/-
(Ashok Punj)
Managing Director

ADDITIONAL INFORMATION

(With Reference to items no.2, 3 of “Ordinary Business” and Item No.5 of “Special Business”)

Name of Director	Shri C.K. Goel
Date of Birth	16th November, 1957
Expertise in specific functional area	General Management & Production
Directorship held in other companies	Nil
Membership in committees of the Board	Nil
Brief Resume	Shri C.K. Goel born in 1957 has a post graduate diploma in Mechanical Engineering with specialization apart from a Diploma in Business Management, Refrigeration & Air Conditioning. He had joined PSL way back in 1978 and has now completed 33 years of working in responsible positions. Before taking over as In charge of an important production facility at Varsana in Gujarat, which includes the latest Two-Step Helical Spiral Pipe Mill, Shri Goel has handled and headed various project and operations in Company's different plants.

Name of Director	Shri Alok Punj
Date of Birth	29th May, 1950
Expertise in specific functional area	General Management
Directorship held in other companies	Eurocoustic Products Limited
	BHI Limited
	Sai Shakti Properties Private Limited
	PSL USA Inc.
	PSL North America LLC
Membership in Committees of the Board	PSL Limited (a) Committee of Directors
	(b) Audit Committee
	(c) Nomination and Remuneration Committee
	(d) Stakeholders Relationship Committee
	(e) Share Transfer Committee
	(f) Risk Management Committee
Brief Resume	Shri Alok Punj, who attended a Bachelor of Engineering Programme in Industrial Engineering at Illinois Institute of Technology, Chicago has over three decades of experience in senior positions in different Engineering Companies of the world and also has experience in International, Marketing and Projects, both in the Middle East and Far East. Having guided different companies as a Senior Management Personnel, the Company is now being benefited by his being there on Company's Board.

Name of Director	Mrs. Manjula N. Bhatia
Date of Birth	10th September, 1943
Expertise in specific functional area	Accounting, Finance and Administration
Directorship held in other companies	NIL
Membership in committees of the Board	NIL
Brief Resume	Mrs. Manjula Bhatia had immediately after completing her formal education started working in the Corporate world. Because of her hard work and dedication she kept on getting elevated to the senior positions on frequent intervals. Her rich experience in functions like accounting, banking, finance and administration in different companies that she worked with has enabled her to acquire adequate expertise over these functions. Hence she would be a useful asset in the Company's Board.

DIRECTORS' REPORT

To,
The Members of
PSL LIMITED

Your Directors present this Twenty Seventh Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year 2014-15.

ACCOUNTING YEAR

Members may recall that Financial Year 2012-13 comprised of 18 months period commencing from 1st April, 2012 to 30th September, 2013. As a consequential effect of extension of the said Financial Year by a period of six months, the following Financial Year i.e. Financial Year 2013-14 comprised of only six months period i.e. 1st October, 2013 to 31st March, 2014. Members may note that the Financial Year 2014-15 under review however comprised of usual 12 months period commencing from 1st April, 2014 to 31st March, 2015.

RESTRUCTURING OF COMPANY'S DEBTS

Members may kindly recall that during the aforesaid extended Financial Year 2012-13, your company had suffered a serious blow in its operations due to various external and internal reasons most of which were beyond the control of your management. It is because of such adverse effect on company's operations that profitability had substantially fallen down, as a direct result of which even the cash flows were affected very adversely. Hence your company had no choice but to apply to Corporate Debt Restructuring Cell in March, 2013 for restructuring of your company's debt in accordance with a policy of Reserve Bank of India then in vogue.

Finally the restructuring scheme approved by the CDR Empowered Group as communicated to the company on 23rd September, 2013 started getting implemented by way of execution of a Master Restructuring Agreement (MRA) between the company and its various lenders on 19th November, 2013. Since post sanction of the said scheme most of the lenders of the company started adopting a conservative approach towards sanctioning of additional fund and non-fund based facilities to the company, profits of the company had to substantially fall as is evident from the table depicting the financial results hereunder:

FINANCIAL RESULTS

a) On Standalone Basis

The financial results during the year under review are summarized below:

(₹ in Crore)

Particulars	March 31, 2015 (Twelve Months)	March 31, 2014 (Six Months)
Gross Sales	151.18	199.37
Less: Excise Duty	4.86	7.0.
Net Sales	146.32	192.34
Other Income	3.94	25.87
Total Income	150.26	218.21
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items & Tax	(84.06)	(31.91)
Less: Depreciation and Finance Cost	221.74	110.10
Less: Exceptional items	171.72	Nil
Profit/(Loss) Before Taxation Provisions	(477.53)	(142.01)
Less: Deferred Taxation	Nil	15.55
Profit / (Loss) After Tax	(477.53)	(126.46)
Balance Carried to Balance Sheet	(477.53)	(126.46)

In view of the period of the two financial years above being different the data of current financial year is not comparable with last financial year straightway. As can be observed during the year under review the gross sales & total income have substantially fallen down, resulting into your company incurring a loss of Rs.477 Crores. Such situation is the direct after effect of what is stated in foregoing paragraphs.

b) On Consolidated Basis

The consolidated income from operations of the Company and its various subsidiaries excluding the two subsidiaries in USA for the year ended on March 31, 2015 got decreased from Rs. 807.04 Crores in the last financial year to Rs. 305.47 crores as a result of which the net loss of the Company got increased from Rs. 352.43 crores in the last financial year to Rs. 579.04 Crores in the financial year under review i.e. 2014-15.

DIVIDEND

Keeping in mind the losses registered by the Company during the year under review, your Directors have not recommended any dividend for the said year.

TRANSFER TO RESERVES

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

INCREASE OF PAID UP CAPITAL

Since an essential condition of the restructuring of company's debt was conversion of part of the debt of different lenders into equity, your company issued 45638441 equity shares of the face value of Rs.10/- per share to the lenders at a premium of Rs.16/- per share in accordance with a SEBI formula prescribed for this purpose. Such issuance of additional equity resulted into enhancement of paid up capital of the Company from its earlier level of Rs.5329.68 Lacs to 9893.53 Lacs.

In addition to the above, the process for allotment of 50619233 equity shares at the same total price of Rs.26/- per share to a Creditor and few promoters group entities has already been initiated and after completion of the said allotment process your company's paid up share capital would get further enhanced from Rs. 9893.53 lacs to Rs.14955.45 Lacs which will be well within the present Authorized Capital of Company of Rs.180 crores.

OPERATIONAL PERFORMANCE

As is evident from the financial results stated above, the Company's performance has been very adversely affected due to the financial crunch that the Company faced during the financial year 2012-13. Apart from the ripple effect of the aforesaid Company specific problem, your company also had to suffer due to certain issues which directly affected the pipeline industry in general. Delay in implementation of the country wide projects such as national gas grid and water distribution projects etc. added fuel to the fire as the demand for steel pipes (the manufacturing of which is core competence of your Company) got drastically reduced thereby straight away adversely affecting the business prospects in a big way.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTIONS (BIFR)

Your Company suffered substantial operational losses during the financial year 2012-13 as a result of which the Company's net worth was eroded, (since the accumulated losses exceeded the entire net worth). As a result of such erosion the relevant provisions of Sick Industrial Companies (Special Provision) Act, 1985 got triggered and therefore your Company, in order to comply with section 15 of the said Act, had to make reference to the Board for Industrial and Financial Reconstructions (BIFR) for determination of the measures which shall be adopted with respect to the Company. Such reference is currently being processed at the Delhi office of BIFR.

ACCOUNTS STATEMENTS OF SUBSIDIARY COMPANIES

Your Company has five wholly owned subsidiaries in addition to two stepdown subsidiaries and seven associate Companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of Financial statements of the Company's subsidiaries (excluding the two subsidiaries in USA) in form AOC-1 is attached to the financial statements of the Company.

As During the financial year 2014-15 PSL USA Inc.-the Company's subsidiary in USA and its stepdown subsidiary namely PSL North America LLC filed voluntary petitions for relief under chapter XI of The United States Bankruptcy code State of Delaware USA since the said subsidiary Company suffered heavy losses in the last three years. Hence financial results of these two companies have not been included.

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

Consequent upon substantial reduction in the operations of the Company, most of the manufacturing facilities of the Company in different locations in the country were not getting optimally utilized. Moreover even the fixed expenses including the payroll expense of the manpower deployed at such locations were causing an additional drain on Companies financial position. In order to mitigate the effect of these two important factors, your company has executed an "Operation Maintenance and Management" contract with Jindal Tubular Limited (JTL) by way of which not only the valuable machinery installed at these locations would remain continuously functional but even certain fixed costs including the cost of man power at the said location would be recovered from the revenue generated by Jindal Tubular Limited due to the aforesaid contract.

DIRECTORATE

At the beginning of the Financial Year under review the strength of your company's Board of Directors was 14 Directors which included Six Whole Time Directors, One Non-executive Director, Five Independent Directors and Two Nominee Directors.

However during the year under review the Directorate got changed due to following reasons:

- On 31st May, 2014 Shri M. M. Mathur, Whole Time Director ceased to be on the Board consequent upon resignation

submitted by him earlier.

- On 15th July, 2014, Shri. G. Gehani, Whole Time Director & Company Secretary ceased to be on the Board consequent upon resignation submitted by him earlier..
- On 15th November, 2014, Shri P. V. Apte, Independent Director left for his heavenly abode.
- On 28th November, 2014, Smt. Geeta Poojary, Nominee Director resigned from the Board.

As a result of the aforesaid changes, at the end of the Financial Year 2014-15 your Board comprised of only Ten Directors including Four Whole Time Directors, One Non-executive Director, Four Independent Directors and One Nominee Director.

Woman Director

Members may note that in accordance with notifications issued by SEBI sometime back it is now compulsory for every listed company to have atleast one Woman Director on its Board. Since the earlier woman Director Mrs. Geeta Poojary (who also happened to be a nominee of EXIM Bank) had resigned some time back, your Board of Directors in its meeting held on 13th May, 2015 (which date is although after close of the Financial Year under review but is before the date of this report) appointed Mrs. Manjula Bhatia who has adequate exposure in finance, accounting and administrative functions as Non-executive Additional Director holding the said office till the conclusion of the ensuing Annual General Meeting. Since the company has received a notice under Section 149(1) of Companies Act, 2013 for her appointment as a Director, the Members would be requested to consider and if agreed to appoint her as a Director on company's Board liable to retire by rotation.

In view of what is stated above the aforesaid requirement of SEBI for a Woman Director on every listed Company's Board has been fully complied with. Now the total strength of your Directors is Eleven Directors with adequate mix of Whole Time Directors, Non- executive Directors, Independent Directors, Nominee Director and Woman Director. The number and ratio of the said Directors on Board is well in accordance with the prescribed norms of Companies Act and Listing Agreement for the purpose.

KEY MANAGERIAL PERSONNEL

A. Company Secretary

Consequent upon resignation of Shri G. Gehani effective 15th July, 2014 from the post of Whole Time Director and Company Secretary of the Company, your Board had appointed Mr. Shashi Ranjan as a Company Secretary of the Company with effect from 20th December, 2014.

However since Mr. Shashi Ranjan in order to join a Public Sector Company, had also submitted his resignation from the post of Company Secretary as a result of which he was relieved off his duties on 11th May, 2015.

B. Chief Financial Officer

Member may note that in accordance with the provisions contained in Companies Act, 2013 which became effective from 1st April, 2014, a CFO was required to be necessarily appointed Mr. V. Subramaniam, who was a qualified Chartered Accountant

as well as a Company Secretary was appointed on 1st January, 2014 as the CFO of the Company. However, for certain personal reasons although the said CFO has submitted his resignation from the services of the Company on 29th June, 2015 he is yet to be formally released from his duties.

BOARD MEETINGS

The Board of Directors met four times during the financial year 2014-15, the details of which are given in the Corporate Governance Report that is annexed to this Report. The intervening gap between any two meetings was not only within the period prescribed by the Companies Act, 2013 but it was also in accordance with relevant provisions of Listing Agreement.

BOARD EVALUATION

As stated above the Board of Directors of your Company not only comprises of appropriate numbers but even ratio of Executive and Non-executive Directors is in accordance with prescribed norms. While inducting fresh members on the Board it is ensured that the Board has appropriate mix of Members with different experience levels, knowledge and educational qualifications in different Sectors and discipline relating to the company's business. Fortunately professionals from different fields having large exposure in their respective fields are contributing very effectively on your Company's Board. Due care has been taken to nominate such members of the Board on different Standing and Non-standing Committees who are professionally close to the mandate of such committees. At each meeting of the Board a chairman from amongst the Independent Directors is chosen to chair the meeting. This methodology helps in ensuring that all the Independent Directors are able to chair the meetings turn by turn. Moreover as a matter of practice the chairman so chosen ensures that the management has taken adequate steps to implement the various decisions taken by the Board in its earlier meetings. Again although the minutes of different meetings of Board of Directors of different subsidiaries of the company are placed at the meeting of the Board of the company for noting, the Board discuss the matter arising out of such minutes to not only understand the progress of different subsidiaries on different fronts but to also appreciate the problems being faced by such subsidiaries in their day to day working as well as issues confronting them for enhancement of their business.

In general the Board of Directors of your company also ensures that:

- i) The company duly complies with statutory requirements prescribed in different laws applicable to the company as well as to the relevant state laws applicable to specific plant of the company located in different states.
- ii) The remunerations paid to Whole Time Directors is in accordance with the recommendation of the Remuneration Committee as well as by the prescribed law.
- iii) The overall pay roll expenses of the company is reflective of the size of the company, operations of the company and the capacity of the company to pay.
- iv) Due care is also taken to ensure that the remuneration package is in consistent with the recommended best practices in the country.

STATUTORY COMPLIANCES

1. The Company Secretary as "Compliance Officer" ensures timely compliance of SEBI Regulations, Applicable Law, Rules and Regulations and provisions of Listing Agreement. He also responds to different type of grievances and queries (including the ones related to dividend) of shareholders.
2. In compliance of Clause 32 of the Listing Agreement executed by the Company with the different Stock Exchanges the Cash Flow Statement in the format prescribed by SEBI is annexed to this report.
3. In compliance of Clause 32 of the Listing Agreement and Accounting Standard AS-21, the consolidated financial statements are attached, which form part of the Annual Report.
4. In compliance of Clause 49 VI (ii) of the Listing Agreement, Quarterly Compliance Report in the prescribed format is regularly sent to Stock Exchanges.
5. In accordance with statutory obligations, Secretarial Audit is done on quarterly basis to reconcile the total admitted capital with the two depositories in the country namely National Securities Depository Limited (NSDL) & Central Depository Services limited (CDSL) and the total issued and listed capital. A Practicing Company Secretary appointed by the Company for this purpose furnishes Audit Report to this effect which have been regularly submitted to the various Stock exchanges with which the Company's shares are listed.

INTERNAL CONTROL AND ADEQUACY

Your Company has a proper and adequate system of Internal Control to ensure that all assets are safeguarded and protected against losses from unauthorized use or disposition and transactions are authorized, recorded and reported correctly. The Internal Control is designed to ensure that financial and other records are available for timely preparing Financial Statements.

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

RISK MANAGEMENT

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The Risk Management Committee has been entrusted with the responsibility to assist the Board Members about the risk assessment and its minimization procedure. Detail of the Risk Management is set out in the Corporate Governance Report which forms part of this Report.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate section on Corporate Governance and Management Discussion Analysis Report forming a part of Director's Report

and the certificate from the Company's Auditors confirming compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

BOARD COMMITTEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) In the preparation of annual accounts of the financial year ended on 31st March, 2015, the applicable accounting standards have been followed and there are no material departures.
- b) That the Director have selected appropriate accounting policies in consultation with Statutory Auditors are applied consistently to give a true and fair view of the state of affairs of the company at the end of Financial Year under review and Profit & Loss Account of the period under report.
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Annual Accounts have been prepared on a going concern basis.
- e) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.
- f) That the Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the company confirming they meet the criteria of Independent as prescribed both under the Act and Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

STATUTORY AUDITORS AND AUDITORS' REPORT

M/s Suresh C. Mathur & Co. Chartered Accountants, Auditor of the Company retire at the ensuing Annual General Meeting. They have offered themselves for re-appointment for which they are eligible. The Company has received a Certificate from the retiring Auditors to the effect that the appointment if made, would be within the limits prescribed vide Section 139 of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The notes to the accounts referred to in Auditor's Report are self-explanatory and therefore do not call for any further comments by the Board of Directors. Auditor's Adverse Observations and Management Response to Auditor's Adverse Observations are given in the Annexure-1 forming part of this Report.

COST AUDITORS

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Board of Directors have re-appointed Mr. V.V. Deodhar, a practicing Cost Accountant as a Cost Auditor to conduct the Cost Audit of "Steel Pipe Products" for the Financial Year 2015-16 at a consolidated fees of Rs.4.00 Lacs subject to ratification of the same by Shareholders of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a firm of Practising Company Secretary was appointed to undertake the Secretarial Audit of the Company for the year ended 31st March, 2015.

The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith which form a part of this Report as Annexure-II

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has established a vigil mechanism and whistle Blower Policy to deal with instances of fraud and mis-management, if any, and conducting business with integrity, including in accordance with all applicable laws and regulations. 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 REPORT

In accordance with Section 134(3)(a) of the Companies Act, 2013 an extract of Annual Return in Form MGT-9 is annexed herewith as Annexure-III to this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PARTICULARS OF EMPLOYEES

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

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

ACKNOWLEDGEMENTS

Your Directors place on record its appreciation for the assistance and support received from Customers, Suppliers, Dealers,

Government Authorities, Financial Institutions, Lenders, Bankers, Monitoring Committee, Monitoring Institution, Consultants, Solicitors, Auditors & Shareholders and look forward to their continued co-operation.

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

For and on behalf of the Board of Directors
PSL LIMITED

Sd/-
(ASHOK PUNJ)
Managing Director

Sd/-
(ALOK PUNJ)
Director

Place: Mumbai
Date: 10th August, 2015

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - I

Statutory Auditor's Summarized Adverse Observations (SAO) and Management's Response (MR) to the said Observations in Auditor's Report for the financial year 2014-15

The Board of Directors refer to the Statutory Auditors' Observations in "Emphasis of Matter" in the Auditor's Report for the financial year 2014-15 and in accordance with section 134(4) of the Companies Act, 2013 provide its explanations as under:

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

Default in payments to Bank

(SAO) Based on Audit procedure and the information obtained, the Statutory Auditor has observed that the Company has defaulted in repayment of loan and interest to the banks as on 31st March, 2015.

In terms of letter of approval dated 23rd September, 2013 the promoters have to bring in 146.81 crores by way of subscribing equity.

A portion of the outstanding debt of the Yes bank (Now assigned to Edelweiss Assets Reconstruction Company) amounting to Rs.5.00 crores was to be converted into equity but the Company has converted Rs. 2.72 crores only into equity leaving behind a debt of Rs.2.28 crores yet to be converted into equity.

The Board of the Directors of the Company has approved issuance of total of 50619232 equity shares of the face value of Rs.10/- each at a premium of Rs.16/- per shares to the promoter/Promoter Group/Promoter Group Entities which includes a portion of the debt of Yes bank to be converted into equity of the Company.

The Company has not provided for interest amounting to Rs. 627.21 crores from the period 1st January, 2013 to 31st December, 2014 and also did not provided regular interest for the period of three months from 1st January, 2015 to 31st March, 2015 amounting to Rs.88.58 crores thus loss to the Company is under stated to that extent.

Further the Company has not adjusted depreciation charged as per the notification to schedule-II of the Companies Act, 2013.

The Company has accumulated losses exceeding its networth and more than 51% of the paid up share capital is held partly by one or more public financial institution which include shares of promoters pledged with the financial institutions.

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

In compliance with the letter of approval and Master Restructuring Agreement the Promoters/Promoter Groups/Promoter Group's Companies have infused promoter contribution in cash and/or in kind by way

of creating charge on certain immovable assets of the promoters group entities. As such the promoters are deemed to have complied with the said requirement of the CDR package.

Shareholder of the Company through postal ballot held on 4th July, 2014 approved the conversion of certain portion of the debt of the lenders into equity shares which included debt amounting to 2.72 crores owed to Edelweiss Assets Reconstruction Company (EARC) (assignee of Yes Bank). Later on the convertible debt of EARC was raised to Rs. 5 crores. Therefore the Company has vide postal ballot dated 30th March, 2015 obtained approval of the Shareholders for conversion of the balance portion of the debt i.e. 2.28 crores of Edelweiss into Equity of the Company and is in the process of allotting the Balance Equity.

As per the CDR Scheme approved for the Company the Interest accruing on the outstanding dues of the lenders was converted into Fixed Interest Term Loan (FITL) for the period of two years from cutoff date. Based on the aforesaid provisions of the Restructuring scheme no provisions for interest for the said period has been provided by the Company.

Technical evaluation is under process to assess the remaining useful life of the assets. Once concluded necessary adjustment will be made for calculation and accounting of depreciation as per the new notification introduced in Companies Act.

Since the Company has recorded consistent losses after the financial year 2012-13 due to various factors beyond the control of the Company, Its net worth got eroded over the years. As per the provision of the Sick Industrial Companies (Special Provisions) Act, 1985 it is mandatory that the Company should filed an application before the BIFR for determination of the measures which shall be adopted with respect to the Company. The Company has accordingly filed necessary application which is under consideration of the BIFR.

(b) Leasing of the Land/Plant & Machinery of Manufacturing unit- (Varsana, Vizag, Vaiyavoor and Jaipur.)

(SAO) The Company has entered into an agreement with Jindal Tubular (I) Ltd. (Special purpose vehicle owned and controlled by Jindal Saw Limited) for operation, Maintenance and management for four manufacturing units of the company located at Varsana, Vizag, Vaiyavoor and Jaipur.

(MR) Due to lack of order and severe cash crunch the Company has incurred heavy losses on account of non-operation of the Company's various plants at various locations besides shouldering expenditure on the ideal manpower. Accordingly the Company on 4th March, 2015 has executed an agreement with Jindal Tubular (I) Ltd for Operation, Maintenance and Management of four manufacturing units of the company located at Varsana, Vizag, Vaiyavoor and Jaipur initially for a period of one year which can be extended for another one year with the consent of the

parties. As per the said arrangement the Jindal Tubular (I) Ltd. shall pay to the Company 70% of the Net revenue earned from the operation of the aforesaid facilities except in the case of facilities at Varsana, the net revenue shall be shared in equal proportion. The said arrangement is expected to benefit the Company while keeping the operation of the aforesaid facilities running.

(c) Lenders Bank's Balance confirmation as on 31st March, 2015

(SAO) The Company has not obtained confirmation of banks certificate, bank guarantees/ letter of credit/corporate guarantees given on behalf of the subsidiaries companies and interest certificates as on 31st March, 2015.

(MR) Since the figures given in the Master Restructuring Agreement have been arrived at after due reconciliation the figures stated therein are taken as confirmation of the balance of the loan accounts. The Company has also applied for confirmation of banks certificate/bank guarantee/ letter of credit/corporate guarantees given on behalf of subsidiary companies as well as interest certificate as on 31st March, 2015.

(d) Investment in Subsidiaries (Note No. 11 Non Current Investments)

(SAO) The Company has invested Rs. 141.63 crores in Pipeline Systems Limited, Rs. 130.34 crores in PSL USA Inc., wholly owned foreign subsidiaries and due to cumulative losses in the aforesaid subsidiaries, investment in these subsidiaries has eroded. The Company has not provided for the same. Also the investment in PSL Infrastructure and Ports Pvt.Ltd. also got eroded due to termination of the contract by Kandla Port Authority.

(MR) The audited accounts of the foreign subsidiaries ended on 31st March, 2015 were not received by the Company at the time of audit of Company's accounts by the auditor as such the diminution/impairment in the value of investment made in the aforesaid foreign subsidiaries could not be reflected.

(e) Loan and Advances: Note No.12 of Balance Sheet & Schedules

(SAO) During the year Bank Guarantees of Rs. 171.72 crores earlier given by the Company on behalf of subsidiary companies were encashed.

(MR) The above figures have been duly accounted in the books of accounts.

(f) Inventory, Current Assets: Note No.15 of Balance Sheet & Schedules

(SAO) The closing inventory on 31st March, 2015 is Rs. 1391.25 crores which includes non moving stock of Rs. 1101.71 crores. In view of Companies production activities having come down, there is a need for age wise segregation and to assess usefulness in production. Pending such exercise we are unable to express opinion on realizable amount in respect of inventories.

(MR) The Company has entered into an agreement with Jindal Tubular (I) Limited for Operation, Maintenance and Management of four manufacturing units of the company and production activities of these units will eventually

start and the slow moment in the inventory is expected to get mitigated.

(g) Debtors: Note No.16 of Balance Sheet & Schedules

(SAO) The Company has sundry debtors of Rs.311.94 cores as on March 31, 2015. However the Company has not produced the confirmation of balances from the sundry debtors confirming the outstanding amount.

(MR) Communications were sent to debtors for their confirmation of the debts but response from the customers was awaited. Company is considering to recover the amounts from the debtors through legal recourse.

(h) Sundry Creditors and Loans and Advances

(SAO) The Management has decided not to provide for Gratuity, Leave Encashment and Superannuation for the period 1st April 2014 to 31st March, 2015

(MR) The Management has considered that the assessable corpus may be enough, however management confirms that any shortfall shall be met through internal accruals on cash basis.

(i) (SAO) The Company has incurred losses during the financial year 2013 and has paid excess remuneration of Rs.5.91 crores to its Whole time Directors in excess of limit specified by the in Companies Act, 2013

(MR) Since the company was earning good profits before 2012-13, Shareholders of the Company had approved payment of the aforesaid remuneration to its Whole Time Directors and the same was within the permissible limits. However the Company incurred losses in the financial year 2012-13 and aforesaid remuneration to Whole Time Directors crossed the specified limits. The Company sought waiver of the Excess remuneration from the Ministry of Corporate Affairs government of India which allowed the request of the Company in respect of the six Directors.

(j) (SAO) Estate officer Kandla port trust on 27th March, 2014 passed eviction order in respect of the PCD-1 unit at Kandla because the lease period was over.

(MR) The Company has surrendered the plots in question at Kandla but the same time is contesting the arbitrary demand of the KPT for payment of compensation bills. The dispute is pending before the Gujrat High Court at Ahmedabad. The Hon'ble court has in the mean time stayed the recovery of compensation bills till further orders.

(k) (SAO) Some Creditors have filed winding up petitions under Companies Act, 1956.

(MR) Edelweiss Assets Reconstruction Company (EARC) (assignee of Yes Bank) JSW Steel Limited (JSW) and Jotun India Pvt.Ltd. had filed the winding petitions against the Company in Mumbai High Court. Two petitions filed by EARC and JSW were dismissed as withdrawn after EARC and JSW joined the CDR scheme of the Company. Petition filed by Jotun India Pvt.Ltd. is still sub judice

(l) (SAO) A petition under Article 14, 21, 28 and 226 of the Constitution of India has been filed against the company.

(MR) Company is contesting few writ petition filed against it in Gujrat High Court at Ahmedabad and Rajasthan High Court at Jaipur. Matters are sub judice.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

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

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

Based on my verification of the M/s PSL Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2015 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 31.03.2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee

Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. NA
- (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:

Share application money amounting to Rs. 6531.57 Lac is pending for allotment at the end of the financial year. This amount was received from the Promoters/Promoter Groups/Promoter Group's Companies on different dates. Hence the Company has initiated the necessary process for allotment of the securities and has already obtained necessary approval from the shareholders of the Company through Postal Ballot held on 11th May, 2015. The Company has on 28th April, 2015 filed requisite application for in-principle approval of the two Stock Exchanges namely Bombay

Stock Exchange and National Stock Exchange with which the securities of the Company are listed. The approval from aforesaid stock exchanges is awaited.

I further report that:

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

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

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

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

I further report that during the audit period:

1. The company has made preferential allotment of 45638441 Equity shares of Rs. 10/- each at a premium of Rs. 16/- per share on 30th December, 2014 for which necessary approval was obtained from the Shareholders of the Company through postal ballot held on 4th July, 2014 to the various CDR lenders of the Company in accordance with the Master Restructuring Agreement dated 19th November, 2013 executed between the Company and the CDR Lenders.
2. The Company has on 4th March, 2015 entered into an Operation, Management and Maintenance Agreement (OMMA) with Jindal Tubular India Limited a special purpose vehicle owned and controlled by Jindal Saw Limited for handing over of the Operation of the Manufacturing units of the Company located at Varsana, Vizag, Vaiyavoor and Jaipur on some broad terms and conditions agreed and finalized between the two companies. Subsequently the operation of units located at Vizag, Jaipur and Varsana were handed over to Jindal Tubular India Ltd on 15th June, 2015, 16th July, 2015 and 3rd August, 2015 respectively.

For Avi Sangal & Associates,
Company Secretaries

Avi Sangal

Proprietor

C.P. No.: 11984

Place: New Delhi

Dated: 7th August, 2015

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

Annexure 'A' to Secretarial Audit Report

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

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

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

For Avi Sangal & Associates,
Company Secretaries

Avi Sangal

Proprietor

C.P. No.: 11984

Place: New Delhi

Dated: 7th August, 2015

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L67120DD1987PLC002395
2	Registration Date	24th August, 1987
3	Name of the Company	PSL Limited
4	Category/Sub-category of the Company	Company Limited by Share
5	Address of the Registered office & contact details	Kachigam, Daman, Union Territory of Daman & Diu - 396210
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500081

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other Tubes, Pipes and Hollow Profiles in spiral or Straight Welded Seam of DIA 300 MM & Above and made out of Iron Steel of all Type	3319	65.92%
2	Sale of Service (Rebar Coating and Induction Bending)	NA	17.34%
3	Other Operating Revenue	NA	16.74%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PSL Corrosion Control Services Ltd.	U74899DD1993PLC004666	Subsidiary	100.00%	2(87)
2	PSL Gas Distribution Pvt. Ltd.	U74999DL2010PTC211075	Subsidiary	100.00%	2(87)
3	PSL Infrastructure and Ports Pvt. Ltd.	U45200DL2011PTC212967	Subsidiary	100.00%	2(87)
4	Pipeline Systems Ltd.	Foreign Company	Subsidiary	100.00%	2(87)
5	PSL USA INC.	Foreign Company	Subsidiary	100.00%	2(87)
6	PSL FZE (Step down subsidiary)	Foreign Company	Subsidiary	100.00%	2(87)
7	PSL North America, LLC (Step down subsidiary)	Foreign Company	Subsidiary	81.00%	2(87)
8	BHI Ltd.	U14100MH1987PLC044734	Associate	26.49%	2(6)
9	Broken Hills International Pvt. Ltd.	U14299TN1990PTC019355	Associate	0.06%	2(6)
10	Eurocoustic Product Ltd.	U36109DD1981PLC002380	Associate	32.06%	2(6)
11	Punj International Pvt. Ltd.	U11200MH1987PTC045184	Associate	10.44%	2(6)
12	Punj Investments Pvt. Ltd.	U65993MH1988PTC046627	Associate	1.43%	2(6)
13	Punj Corporation Pvt. Limited	U29253DL2010PTC197999	Associate	33.71%	2(6)
14	Rosoboronterra India Pvt. Ltd. (Step down subsidiary)	U74900DL2010PTC203243	Associate	90.38%	2(6)

(i) Category-wise Share Holding

Category of Shareholders	“No. of Shares held at the beginning of the year [As on 31-March-2014]”				“No. of Shares held at the end of the year [As on 31-March-2015]”				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	17,361,610	NIL	17,361,610	32.58%	17,361,610	NIL	17,361,610	17.55%	-15.03%
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	3,621,100	NIL	3,621,100	6.79%	3,621,100	NIL	3,621,100	3.66%	-3.13%
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (A) (1)	20,982,710	NIL	20,982,710	39.37%	20,982,710	NIL	20,982,710	21.21%	-18.16%
(2) Foreign									
a) NRI Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub Total (A) (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
TOTAL (A) share holding of Promoter (A) =(A) (1)+(A)(2)	20,982,710	NIL	20,982,710	39.37%	20,982,710	NIL	20,982,710	21.21%	-18.16%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,903,345	1,300	1,904,645	3.57%	NIL	1,300	1,300	NIL	-3.57%
b) Banks / FI	204,540	NIL	204,540	0.38%	32,516,061	NIL	32,516,061	32.87%	32.49%
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	1,235,706	NIL	1,235,706	2.32%	1,235,706	NIL	1,235,706	1.25%	-1.07%
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	3,343,591	1,300	3,344,891	6.28%	33,751,767	1,300	33,753,067	34.12%	27.84%
2. Non-Institutions									
a) Bodies Corp.	7263645	2400	7266045	13.63%	19835515	2400	19837915	20.05%	6.42%
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13,825,081	109,227	13,934,308	26.14%	15,908,324	106827	16,015,151	16.19%	-9.95%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6,553,955	NIL	6,553,955	12.30%	7,137,728	NIL	7,137,728	7.21%	-5.08%
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians	1,041,559	7,300	1,048,859	1.97%	1,117,508	7300	1,124,808	1.14%	-0.83%
Overseas Corporate Bodies	NIL	1,000	1,000	NIL	NIL	1,000	1,000	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	162,543	162,543	0.30%	82,373	NIL	82,373	0.08%	-0.22%	NIL
Trusts	2,500	2,500	0.00%	500	NIL	500	NIL	NIL	NIL
Foreign Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2):-	28,849,283	119,927	28,969,210	54.35%	44,081,948	117,527	44,199,475	44.68%	-9.67%
Total Public (B)	32,192,874	121,227	32,314,101	60.63%	77,833,715	118,827	77,952,542	78.79%	18.16%
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	53,175,584	121,227	53,296,811	100.00%	98,816,425	118,827	98,935,252	100.00%	0.00%

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Arjun Punj	3,011,580	5.65%	3,011,580	3,011,580	3.04%	3011580	-2.61%
2	Keshav A. Punj	3,011,550	5.65%	3,011,550	3,011,550	3.04%	3011550	-2.61%
3	Raghav A. Punj	2,182,600	4.10%	2,182,600	2,182,600	2.21%	2182600	-1.89%
4	Psl Corrosion Control Services Ltd.	2,150,000	4.03%	2,150,000	2,150,000	2.17%	2,150,000	-1.86%
5	Ashok Y. Punj	1,660,000	3.11%	1,660,000	1,660,000	1.68%	1,660,000	-1.44%
6	Ashok Y. Punj	1,630,660	3.06%	1,630,660	1,630,660	1.65%	1,630,660	-1.41%
7	Ashok Y. Punj	1,629,230	3.06%	1,629,230	1,629,230	1.65%	1,629,230	-1.41%
8	Punj International Private Limited	1,367,000	2.56%	1,367,000	1,367,000	1.38%	1,367,000	-1.18%
9	Sandhya A. Punj	622,000	1.17%	622,000	622,000	0.63%	622,000	-0.54%
10	Sandhya A. Punj	589,900	1.11%	589,900	589,900	0.60%	589,900	-0.51%
11	Sandhya A. Punj	556,500	1.04%	556,500	556,500	0.56%	556,500	-0.48%
12	Neera A. Punj	513,100	0.96%	513,100	513,100	0.52%	513,100	-0.44%
13	Shakuntla Rani Y. Punj	505,330	0.95%	505,330	505,330	0.51%	505,330	-0.44%
14	Shakuntla Rani Y. Punj	505,250	0.95%	505,250	505,250	0.51%	505,250	-0.44%
15	Shakuntla Rani Y. Punj	505,250	0.95%	505,250	505,250	0.51%	505,250	-0.44%
16	Alok Punj	137,000	0.26%	137,000	137,000	0.14%	137,000	-0.12%
17	Jaya A. Punj	105,200	0.20%	105,200	105,200	0.11%	105,200	-0.09%
18	Punj Investments Pvt. Ltd	104,100	0.20%	104,100	104,100	0.11%	104,100	-0.09%
19	Aditit Alok Punj	98,260	0.18%	98,260	98,260	0.10%	98,260	-0.08%
20	Arya A. Punj	98,200	0.18%	98,200	98,200	0.10%	98,200	-0.08%

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

Sr. No.	Particulars	Shareholding at the beginning of the year 01-04-2014		Cumulative Shareholding during the year 31-03-2015	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	20,982,710	39.37%	20,982,710	21.21%
	Date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.):	0.00	0.00%	0.00	0.00%
	At the end of the year	20,982,710	39.37%	20,982,710	21.21%

During the year Company allotted 45638441 equity shares to the lenders of the company on preferential basis.

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

Sr. No.	Name	Shareholding at the beginning of the year (01-04-14)		Date	Increase/Decrease in share holding	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total share of the Company				No. of shares	% of total shares of the company
1	Lloyds Systems Private Limited	2,607,190	4.89%	30-12-2014	Decrease	Preference allotment to CDR Lenders	2,607,190	2.64%
2	Reliance Capital Trustee Co Ltd. Reliance Longterm Equity Fund	1,903,345	3.57%	30-12-2014	Decrease	Sold out	NIL	0.00%
3	Daiwa Capital Markets Singapore Limited A/C Hanwaco. Ltd	1,221,206	2.29%	30-12-2014	Decrease	Preference allotment to CDR Lenders	1,221,206	1.23%
4	Bajaj Allianz Insurance Company Ltd.	890,425	1.67%	30-12-2014	Decrease	Sold out	NIL	0.00%
5	Shweta Kishore Bhatia	535,869	1.01%	30-12-2014	Decrease	Sold out	NIL	0.00%
6	Satyanarayan Prakash Punj	499,959	0.94%	30-12-2014	Decrease	Preference allotment to CDR Lenders	499,959	0.51%
7	Hindustan Candle	339,079	0.64%	30-12-2014	Decrease	Sold out	NIL	0.00%
8	Sunder Hemandas	290,000	0.54%	30-12-2014	Decrease	Preference allotment to CDR Lenders	290,000	0.29%
9	K.R. Gupta	713544	0.95%	30-12-2014	Decrease	Preference allotment to CDR Lenders	469,060	0.48%
10	Savita Surendra Pai	202731	0.38%	30-12-2014	Decrease	Preference allotment to CDR Lenders	202,731	0.20%
11	Edelweiss Asset Reconstruction Company Limited	NIL	NIL	NIL	NIL	New Allotment	13,326,920	13.47%
12	ICICI Bank Ltd	NIL	NIL	NIL	NIL	New Allotment	8,346,150	8.44%
13	Indian Overseas Bank	NIL	NIL	NIL	NIL	New Allotment	6,123,076	6.19%
14	DBS Bank Limited	NIL	NIL	NIL	NIL	New Allotment	3,015,380	3.05%
15	Canara Bank Mumbai	NIL	NIL	NIL	NIL	New Allotment	2,519,230	2.55%
16	The Federal Bank Limited	NIL	NIL	NIL	NIL	New Allotment	2,403,846	2.43%
17	Union Bank of India	NIL	NIL	NIL	NIL	New Allotment	2,380,769	2.41%
18	Ing Vysya Bank Limited	NIL	NIL	NIL	NIL	New Allotment	1,700,000	1.72%
19	Export - Import Bank of India	NIL	NIL	NIL	NIL	New Allotment	1,642,307	1.66%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Director and KMP	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASHOK PUNJ				
	At the beginning of the year	4,919,890	9.23%	4,919,890	4.97%
	date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.):			Preference allotment to CDR Lenders on 30/12/2014	
	At the end of the year			4,919,890	4.97%
2	ALOK PUNJ				
	At the beginning of the year	137,000	0.26%	137,000	0.14%
	date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.):			Preference allotment to CDR Lenderson 30/12/2014	
	At the end of the year			137,000	0.14%
3	S.P. Bhatia				
	At the beginning of the year	602	0.01%	602	0.00%
	date wise Increase/Decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer/bonus/sweat equity etc.):			1700 Purchased from open market on 23/05/2014	0.001%
	At the end of the year			2,302	0.002%

V. INDEBTEDNESS

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

(Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	374,725.97	1,748.00	NIL	376,473.97
ii) Interest due but not paid	385.99	NIL	NIL	385.99
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	375,111.96	1,748.00	NIL	376,859.96
Change in Indebtedness during the financial year				
* Addition	329.80	NIL	NIL	329.80
* Reduction	10,130.36	NIL	NIL	10,130.36
Net Change	10,460.16	NIL	NIL	10,460.16
Indebtedness at the end of the financial year				
i) Principal Amount	364,595.61	1,748.00	NIL	366,343.61
ii) Interest due but not paid	715.79	NIL	NIL	715.79
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	365,311.40	1,748.00	NIL	367,059.40

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(Rs. in Lac)

Sr. No.	Particulars of Remuneration							Total Amount
	Name	Ashok Punj*	R. K. Bahri	M.M. Mathur*	S.P.Bhatia	C. K. Goel	G. Gehani*	
	Designation	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director	Whole Time Director & Co. Secretary	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,25,000	69,00,000	6,90,008	62,40,000	62,40,000	18,11,613	2,36,06,621
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,97,402	1,189,600	1,14,930	6,71,600	6,71,600	1,94,102	31,39,234
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	2,07,000	8,28,000	78,000	4,68,000	11,85,600	1,35,871	2,90,2471
2	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (A)	22,29,402	89,17,600	8,82,938	73,79,600	80,97,200	21,41,586	2,96,48,326
	Ceiling as per the Act	37,43,640	1,49,74,560	24,95,760	1,49,74,560	1,49,74,560	43,67,580	5,55,30,660

* Drew the remuneration only part of the year

B. Remuneration to other Directors

(Rs/Lac)

SN.	Particulars of Remuneration	Ashok Sharma	N. C. Sharma	P. V. Apte	Harsh Pateria	H. Shourie	Sandeep Sharma	Geeta Poojari	Alok Punj	Total Amount
1	Independent Directors									
	Fee for attending board committee meetings	60,000	180,000	80,000	160,000	160,000	-	-	-	640,000
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	60,000	180,000	80,000	160,000	160,000	-	-	-	640,000
2	Other Non-Executive Directors									
	Fee for attending board committee meetings	-	-	-	-	-	40,000	20,000	180,000	240,000
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	40,000	20,000	180,000	240,000
	Total (B)=(1+2)	60,000	180,000	80,000	160,000	160,000	40,000	20,000	180,000	880,000
	Total Managerial Remuneration									30,528,326
	Overall Ceiling as per the Act	3,00,000	10,00,000	4,00,000	8,00,000	8,00,000	2,00,000	1,00,000	8,00,000	44,00,000

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

(Rs/Lac)

SN.	Particulars of Remuneration			Total Amount
	Name	V. Subramaniam	Shashi Ranjan (w.e.f. 20/12/2014)	
	Designation	CFO	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,360,000	80,635	3,440,635
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	175,000	8,960	183,960
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
4	- as % of profit	NIL	NIL	NIL
	- others, specify	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL
	Total	3,535,000	89,595	3,624,595

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE - IV

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

A) CONSERVATION OF ENERGY

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

The various energy conservation measures taken are:

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

- DC Drives replaced by Variable Frequency Drive in Conveyors, pumps and other equipments in plant.
- Variable Frequency Drive on high power Centrifugal water pumps, high pressure piston pumps of Hydro-testing machines provided.
- Best possible effort for Voltage control through 66KV substation by automatic voltage regulation. HT side 66KV switch yard and 11Kv HT distribution system is well maintained and load monitoring/ load shedding is done in such a way that there are no tripping due to overloading.
- Continuous monitoring and Control of Power Factor correction value, maintaining it maximum up to 0.99 to 1 Level. Automatic Power factor controllers are employed in the plant at MPCC besides local power factor controllers at PCCs which gets switched on along with the switching of Inductive loads to maintain Power factor between 0.99 lag to Unity. We get rebate in the energy Bills every month for maintain Power factor.
- Use of Servo Motors and Servo drives to conserve energy. Most of the auxiliary equipment drives of Pipe Mill, Buggy control, Hydro tester etc. are replaced by high torque and low power servo motors and servo drives.
- The cables and Bus bars used in the control Panels installed in the Plant and machinery are all of copper conductor. This ensures lower heat loss and greater efficiency.
- Pipe transportation over the V-roller conveyor is a continuous process. The V-rollers are sub-divided in groups in such a way that only particular group of V-rollers are running and that too are initiated when the pipe is sensed travelling towards the roller. IFM make sensors have been used for initiation of each Roller besides Group control switches.
- Incandescent light/bulbs replaced by CFL. Use of Tube lights with electronic Ballast used in the offices and guest house. CFL lights and LED lights are used in passages and rest rooms.
- Energy conservation awareness program is conducted amongst all the employees every 3 months to see that there is no wastage of electricity at any point.

Impact of above measures.

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

Approximately Rs. 75 Lacs had been spend on energy conservation equipments

B) Technology Absorption.

i) The efforts made towards technology absorption.

- PSL is one of the pioneer's in Technology absorption as all its plants have been made by PSL with design/ technology from Germany, Italy and China.
- Continual efforts have been made by the company to develop required imported items in India.
- Development of Epoxy recovery system in India with horizontal filters was done.
- Development of Welding slides, Welding systems was done.

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

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

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

- No such Technology was imported in last three years.

iv) The expenditure incurred on Research and Development.

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

C) Foreign Exchange Earnings and Outgo

(₹ in Lacs)

	March '15	March '14
Earnings	198.05	167.01
Outgo on Royalty	Nil	Nil

DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS

(SECTION 197 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014)

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

Name	Designation	Remuneration in 2014-15 Rs. Lakhs	Remuneration in 2013-14 Rs. Lakhs	% Increase of Remuneration in 2015 as compared to 2014	Ratio to Median Remuneration	Ratio of 2014/15 Remuneration to	
						Revenue	Net Profit
Ashok Punj	Managing Director	22.29	104.63	-78.69%	15.92	0.15%	-0.05%
R K Bahri	Director	89.18	104.63	-14.77%	63.70	0.59%	-0.19%
S P Bhatia	Director	73.80	65.05	13.45%	52.71	0.49%	-0.15%
C K Goel	Director	80.97	60.15	34.63%	57.84	0.54%	-0.17%
M.M. Mathur*	Director	8.83	68.40	-	6.31	0.06%	-0.02%
V. Subramaniam**	Chief Financial Officer	35.35	6.12	-	25.25	0.24%	-0.07%
G.Gehani***	Company Secretary	21.42	65.05	-	15.30	0.14%	-0.04%
Shashi Ranjan ****	Company Secretary	0.89	NIL	N.A	0.63	0.011	0.00

* Since resigned with effect from 31/05/2014

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

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

**** Appointed with effect from 20/12/2014

- The percentage increase in the median remuneration of employees in the financial year was NIL
- The number of permanent employees on the rolls of the Company as on 31st March 2015 was 1786
- In the view of the company performance, the Company did not undertake any salary revision in favour of the employee for the year
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

Particulars	Rs. Lakhs
Aggregate Remuneration of KMP in 2014/15	341.53
Full year Revenue	15025.91
% to Revenue	2.27%
Profit before Tax and Exceptional Items	(47752.59)
% to above	-0.72%

- Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.

The Market capitalisation of the company as at March 31, 2015 is Rs. 101.08 Crore, as against Rs. 82.86 Crore as at March 31, 2014, and increase of 18.02% during the year under review. The company has negative earnings per share in the above years due to losses.

The last public offer for the shares of the company was an offer for sale made in the year 1995 for 4000000 equity shares of Rs. 10 each at a premium of Rs. 100/- per share. The market quotation (BSE closing) of the equity shares of the company as on March 31, 2015 was Rs. 10.20 per share representing an increase of approximately 2% in face value of share over the period.

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

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

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

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

(Rs. In Lacs)

Sl. No.	Employee Name	Total CTC Paid	Designation and Nature of Duties	Qualification	Exp. (Yrs.)	Date of Commencemnet of employment	Age	Last Employment held before joining the company
1	Ashok Punj	22.29	Managing Director	M.S.Engg., (IIT) USA	43	24-Aug-87	66	Jt. Managing Director, Lloyd Insulation (I) Pvt. Ltd.
2	R.K.Bahri	89.18	Whole Time Director	B.E. Mech.	45	1-Apr-94	72	Executive Director Punj International Pvt.Ltd.
3	S P Bhatia	73.80	Whole Time Director	B.Sc.Engg., Mechanical	32	15-Jan-93	64	Lapinus Rockwool Pvt.Ltd.
4	C.K.Goel	80.97	Whole Time Director	Diploma in Mec. Engg., Business Management Refrigeration & Air conditioning	37	12-Jun-78	58	Fedders Lloyd Corporation Ltd.
5	M.Venkatesh	61.94	Ex.Director	Post Graduate	30	10-May-85	54	Punj Sons (Pvt) Ltd.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement executed with the Stock Exchanges, the Company's Report on Corporate Governance for the year ended on 31st March, 2015 is set out below:-

1) PHILOSOPHY OF THE COMPANY ON CORPORATE GOVERNANCE

The philosophy of your Company in relation to Corporate Governance is to ensure fairness, transparency, integrity, equity and accountability in its dealing with its customers, dealers, employees, lenders, government, shareholders and other stakeholders. Your Company believes that good Corporate Governance is a key contributor to sustainable corporate growth and creating superior value for our various stakeholders.

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

- a) to ensure transparency in all its operations which implies the maximum possible disclosure without compromising in any way the compliance of laws and regulations and the interest of the Company and its shareholders.
- b) to ensure management's commitment in applying principles of openness, accountability, responsibility, independence, fairness and prudence in managing the Company.
- c) to maintain high quality of products and services provided by the Company on continuous basis.
- d) to ensure that better system of internal control exists in consistency with Company's Code of Conduct, thus leading to greater accountability and better profit margins.
- e) to ensure that organization is managed in the best interests of all.
- f) to focus on quality training and development of employees and workers so as to achieve the overall corporate objectives, while ensuring employee integration across national boundaries.
- g) to ensure that the Company follows globally recognized Corporate governance practices.
- h) to ensure promotion of ethical values and setting up exemplary standards of ethical behaviour in our conduct.

2) BOARD OF DIRECTORS

The present strength of the Board of Directors is eleven (11) including a Woman Director, out of which four are Executive Directors and Seven are Non-Executive Directors (including four Independent Directors, one Nominee Director

appointed by ICICI Bank and one Woman Director). During the year under review two Whole Time Directors Namely Mr. M.M. Mathur and Mr. G.Gehani and one Nominee director namely Mrs. Geeta Poojari resigned from the board very unfortunately. One Independent Director namely Mr. Prakash V.Apte left for his heavenly abode on 15th November, 2014

Since close of financial year under review Mrs. Manjula N.Bhatia was appointed on Company's Board with effect from 13th May, 2015 for filling the vacancy caused by first Women Director namely Mrs. Geeta Poojari. Even after the aforesaid changes in Company's Directorate, the present composition of Board of Directors is in full conformity with Clause 49 of the Listing Agreement executed by the Company with two Stock Exchanges.

The number of positions held by our Board Members as Directors and Committee Members in our Company as well as in other Bodies Corporate during the year under review are as follows:-

Sr. No.	Name of the Directors	Category of Directors	No. of positions held on 31/03/2015	
			Board Members#	Memberships of Standing Committee #
1.	Ashok Punj	Executive Director (MD)	14	NIL
2.	Alok Punj	Non-Executive (Promoters Group)	6	2
3.	R. K. Bahri	Executive	3	1
4.	M.M. Mathur*	Executive	NA	NA
5.	S. P. Bhatia	Executive	2	NIL
6.	G. Gehani**	Executive	NA	NA
7.	C. K. Goel	Executive	1	NIL
8.	N. C. Sharma	Independent & Non-Executive	6	8
9.	Prakash V Apte***	Independent & Non-Executive	NA	NA
10.	Harinder Shourie	Independent & Non-Executive	2	1
11.	Ashok Sharma	Independent & Non-Executive	1	2
12.	Harsh Pateria	Independent & Non-Executive	3	2
13.	Sandip Sharma	Nominee	5	NIL
14.	Geeta Poojari****	Nominee	NA	NA

Includes Board Membership & Committee Membership held in other Public Limited Companies, Subsidiary of Public Limited Companies, Private Limited Companies and Foreign Companies.

* Resigned with effect from 31/05/2014

** Resigned with effect from 15/07/2014

*** Expired on 15/11/2014

**** Resigned with effect from 28/11/2014

There are no inter-se relationship amongst the Board members except Mr. Ashok Punj and Mr. Alok Punj.

None of the Directors is a member of more than 10 committees and Chairman of more than 5 committees (as specified in clause 49)

across all the Companies in which he is a Director. The necessary disclosures regarding Committee memberships/chairmanships have been made by the Directors. Further none of the Independent Directors serves as such in more than seven (7) listed Companies.

ATTENDANCE AT MEETINGS

During the financial year ended on 31st March, 2015, the Board of Directors met four times. In compliance of Clause 41(I)(e)(i) of Listing Agreement, it was ensured that the gap between any two Board Meetings did not exceed four months. After close of the said Financial Year, the Board of Directors met on 13th May, 2015 to take on record the Audited Financial Results for the whole financial year 2014-15. The last Annual General Meeting was held on 25th September, 2014.

Attendance of each of Directors at the Board meetings held during financial year 2014-15 ended on 31st March, 2015 and at the aforesaid last Annual General Meeting held on 25th September, 2014 was as follows:

Name of Directors	Board Meetings held on				Total Board Meetings Attended	Last AGM 25.09.2014
	30.05.2014	05.08.2014	14.11.2014	10.02.2015		
Ashok Punj	P	P	P	P	4	P
Alok Punj	P	P	P	P	4	P
R. K. Bahri	P	P	P	P	4	P
M. M. Mathur (Upto 31/05/14)	P	NA	NA	NA	1	NA
Geeta Poojary (Upto 28/11/14)	LOA	P	LOA	NA	1	NA
Prakash V. Apte (Upto 15/11/14)	P	P	LOA	NA	2	NR
N. C. Sharma	P	P	P	P	4	P
Ashok Sharma	P	P	P	LOA	3	NR
Harinder Shourie	P	P	P	P	4	NR
S. P. Bhatia	P	P	P	P	4	NR
C. K. Goel	P	P	P	P	4	NR
G. Gehani (Upto 15/07/14)	P	NA	NA	NA	1	NA
Harsh Pateria	P	P	P	P	4	NR
Sandip Sharma	P	LOA	LOA	P	2	NR
No. of Directors Attended	13	11	9	9		
%	92.85	91.66	75.00	90.00		

P = Present

LOA = Leave of Absence

NR = Statutorily Not Required to attend

NA = Not Applicable

3) COMMITTEES OF BOARD OF DIRECTORS

In order to ensure that all matters of each important area concerning effective governance of the Company and also to ensure true compliance of the requirements of the Corporate Governance norms your Board has constituted its need based Committees from time to time and at the time of their constitution the Board fixes the mandate for each such Committee. However, some of the Committees have specific assignment delegated to them whereas the others being Standing Committees are permanent in nature and have to meet frequently. The tenure of the former types of Committees expire after accomplishment of the specific objective set for them whereas the tenure for Standing Committees is unlimited although the constitution and the mandate of such Standing Committees keep changing based

on the needs for such change. These Committees are :-

1	Audit Committee	Standing Committees
2	Committee of Directors	
3	Nomination and Remuneration Committee	
4	Stakeholders Relationship Committee	
5	Share Transfer Committee	
6	Risk Management Committee	Need Based Committee
7	Share Allotment Committee	

The terms of reference of these committees are either determined keeping in view the relevant provisions of Companies Act, 2013 or by the Board. Accordingly, these Standing Committees made decisions within the mandate given to them and all such decisions were then subsequently placed before the Board for its ratification/ noting.

BRIEF ABOUT STANDING COMMITTEES

(a) AUDIT COMMITTEE

COMPOSITION

The Audit Committee has been re-constituted by the Board in accordance with the provisions contained in Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges read with Section 177 of the Companies Act, 2013. The Audit Committee comprises of Independent and Non-Executive Directors all being financially literate.

During the year under review Mr. Sandip Sharma and Mr. G. Gehani resigned from the Board with effect from 30th May, 2014 and 15th July, 2014 respectively and Mr. Prakash V. Apte Independent Director of the Company left for his heavenly abode on 15th November, 2014. Therefore they automatically ceased to be a member of the Audit Committee from that date. Audit Committee presently comprises of following six members:

Sr. No.	Name of Members	Category of Directors	Position
1.	Alok Punj	Non-Executive Director	Member
2.	H.H. Shourie	Independent & Non-Executive Director	Member
3.	Harsh Pateria	Independent & Non-Executive Director	Member
4.	N.C. Sharma	Independent & Non-Executive Director	Member
5.	R. K. Bahri	Executive Director	Member
6.	Ashok Sharma	Independent & Non-Executive Director	Member

All the above members have vast experience apart from having adequate knowledge in the field of Finance and Accounting. The Statutory Auditors and other senior executives from Finance Department are invited to participate in most of the Meetings of the Audit Committee as also in some such Board Meetings where financial matters are schedule to be discussed.

(ii) TERMS OF REFERENCE

The present terms of reference, scope and functions of the Audit Committee are as per the requirements of Section 177 of the Companies Act, 2013 and the provisions of Clause 49

of the Listing Agreements and includes other functions as are assigned by the Board from time to time.

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

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

(iii) MEETINGS & ATTENDANCE

During the financial year 2014-15 four meetings of Audit Committee were held. The attendance at the said meetings were as follows:-

Name of Members	Date of Meetings				Meetings attended
	30.05.2014	05.08.2014	14.11.2014	10.02.2015	No.
Alok Punj	P	P	P	P	4
Prakash V. Apte (Upto 28/11/14)	P	P	LOA	NA	2
N. C. Sharma	P	P	P	P	4
Harinder Shourie	P	P	P	P	4
G. Gehani (Upto 15/07/14)	P	NA	NA	NA	1
Harsh Pateria	P	P	P	P	4
Sandip Sharma	LOA	NA	NA	NA	0
R.K. Bahri(W.e.f. 14/11/14)	NA	NA	NA	P	1
No. of Directors Attended	6	5	4	5	
%	85.71	100.00	80.00	100.00	
Chairman of the Meeting	Mr. Prakash V. Apte	Mr. N.C. Sharma	Mr. Harinder Shourie	Mr. N.C. Sharma	

P = Present

LOA = Leave of Absence

NA = Not Applicable

Almost all the aforesaid Audit Committee meetings were attended by Heads of Finance and Internal Audit department as well as the Statutory Auditors of the Company and Company Secretary of the Company.

(iv) ROLE OF INTERNAL AUDITORS

Our Company considers the Internal Audit Department as a powerful tool with focus on control and governance. Internal Audit Department promotes strong ethics and values within the organization.

In our Company, Internal Audit team aims at:-

- a) Achieving effectiveness and efficiency of Company's operations
- b) Complete reliability of financial reporting
- c) Full compliance with laws and regulations of all major

functional areas, purchase, store, quality, production, technical, marketing, sales & finance

- d) Correct reporting on all major findings during the audit to the Board

(b) COMMITTEE OF DIRECTORS

Pursuant to Article 113 and 114 of the Article of Association of the Company, the Board is authorised to constitute one or more committees and delegating to them powers and duties with respect to specific purposes as prescribed in various sections of the Companies Act, 2013. Accordingly the Board has formed a Standing Committee i.e. Committee of Directors. The meetings of the said committee are held as and when need arises.

(i) TERMS OF REFERENCE

The major role and terms of reference of the committee is to deliberate and decide upon all such urgent matters, which cannot wait till convening of next Board Meeting. All decisions of the committee are placed before the Board in its following meeting for its noting and ratification by the Board.

(ii) COMPOSITION

During the year under review there was some changes in composition of the Committee of Directors.

During the year under review Mr. M.M. Mathur and Mr. G. Gehani resigned from the Board with effect from 31st May, 2014 and 15th July, 2014 respectively therefore they automatically ceased to be members of the Committee of Directors from the respective dates. Composition of Committee of Directors presently is as follows:

Sr. No.	Name of Members	Category of Directors	Position
1.	Ashok Punj	Executive Director (MD)	Member
2.	Alok Punj	Non-Executive Director	Member
3.	S. P. Bhatia	Executive Director	Member
4.	R. K. Bahri	Executive Director	Member
5.	C. K. Goel	Executive Director	Member

(iii) MEETINGS & ATTENDANCE

During the year under review large numbers of meetings of this committee were held. Attendance of the members at the meetings was as follows:-

Sr. No.	Name of Members	No. of Meetings Attended
1.	Ashok Punj	12
2.	Alok Punj	10
3.	M.M. Mathur (Upto 31/05/14 only)	2
4.	G. Gehani (Upto 15/07/14 only)	4
5.	S. P. Bhatia	4
6.	R. K. Bahri (W.e.f 15/11/14)	3
7.	C. K. Goel (W.e.f 15/11/14)	4

(c) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors had constituted a Remuneration Committee in the year 2002. The said committee was renamed as "Nomination and Remuneration Committee" vide an approval granted by the Board in its meeting held on 5th August, 2014 in accordance with the provisions of the Companies Act, 2013 the Rules made thereunder and the Listing Agreements executed by the Company with the Stock Exchanges.

(i) TERMS OF REFERENCE

The Nomination and Remuneration Committee has been constituted by the Board to review and recommend the remuneration package of the Managing Director, Whole-time Directors and employees covered under Section 188 of the Companies Act, 2013 based on Company's policy, financial status, industry trends, performance of the individual concerned and his past remuneration.

(ii) REMUNERATION POLICY

The Company has a credible and transparent policy in determining and accounting for the remuneration of the executive Directors. Their remuneration is governed by the external competitive environment, track record, potential individual performance and performance of the Company as well as industry standard.

(iii) COMPOSITION

As during the year under review, Mr. G. Gehani resigned from the Board with effect from 15th July, 2014 he automatically ceased to be a Secretary of this Committee from that date. Further since Mr. Prakash V. Apte Independent Director of the Company left for his heavenly abode on 15th November, 2014 he also automatically ceased to be a Member of this Committee from that date. The Committee presently comprises of following four members:

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

(iv) MEETINGS & ATTENDANCE

As during the financial year 2014-15 no remuneration package was fixed/ enhanced for any Director therefore there was no requirement for holding any meeting.

(d) STAKEHOLDERS' RELATIONSHIP COMMITTEE

During the year the name of Shareholder's/ Investor's Grievance Committee has been renamed as "Stakeholders Relationship Committee" In accordance with the provisions of Section 178 of the Companies Act, 2013 and the Rules made thereunder and Clause 49 of the Listing Agreement executed by the Company with two Stock Exchanges. Your

Board also granted its approval in its Meeting held on 5th August, 2014.

(i) TERMS OF REFERENCE

The “Stakeholders Relationship Committee” was constituted by the Board to ensure that all the commitments to Shareholders/ Investors are fulfilled which immediately strengthens their relationship with the Company. The terms of reference of Stakeholders Relationship Committee as approved by the Board of Directors are briefly set out as follows:

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

(ii) COMPOSITION

At present the Committee comprises of following four members:

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

As during the year under review Mr. G. Gehani resigned from the Board with effect from 15th July, 2014, he automatically ceased to be a Secretary of the “Stakeholders Relationship Committee” from that date.

(iii) COMPLIANCE OFFICER

During the year under review Shri G. Gehani, Director and Company Secretary and Mr. Shashi Ranjan, Company Secretary acted as a “Compliance Officer” and hence complied with all the requirements of SEBI Regulations and Listing Agreements executed by the Company with the two Stock Exchanges.

However since Mr. Gehani resigned from the “Board” and the position of “Company Secretary” of the Company with effect from 15th July, 2014, and thereafter Mr. Shashi Ranjan in order to join Public Sector Company, had also resigned from the position of “Company Secretary” of the Company with effect from 11th May, 2015, they automatically ceased to be Compliance officer of the Company with effect from the respective dates.

(iv) INVESTOR GRIEVANCE REDRESSAL

During the year a total of 69 minor queries/Complaints/grievances were received from the investors as per report of Karvy Computershare Pvt. Ltd. Registrar of the Company submitted to the Company at the end of every quarter. As 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 2014-15.

(e) SHARE TRANSFER COMMITTEE

(i) TERMS OF REFERENCE

The role and terms of reference of the Share Transfer Committee is to give approval of transfer/transmission of physical shares of the Company lodged with the Company/ Registrar and Transfer Agent and also to deal with the requests of dematerialization & rematerialisation of shares.

(ii) COMPOSITION

As during the year under review Mr. M.M.Mathur and Mr. G.Gehani resigned from the Board with effect from 31st May, 2014 and 15th July, 2014 respectively, they automatically ceased to be members of the Share Transfer Committee from the respective dates. The Committee presently comprises of following three members:

Sr. No.	Name of Members	Position
1.	S.P. Bhatia	Member
2.	Ashok Sharma	Member
3.	Alok Punj	Member

(iii) MEETINGS & ATTENDANCE

During the financial year only three meetings were held on 25th April, 2014, 12th August, 2014 and 28th August, 2014 wherein one transmission case comprising of 100 equity shares and two transfer cases were approved. All the members of the Committee were present in the meeting. The decisions of the Committee were placed before the Board of Directors in its following meetings for its noting and ratification.

(f) RISK MANAGEMENT COMMITTEE

(i) TERMS OF REFERENCE

Pursuant to provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement executed by the Company with the two Stock Exchanges the Board of Directors in its meeting held on 14th November, 2014 constituted a Risk Management Committee. The said Committee shall act in accordance with mandate to be given to it by the Board from time to time keeping in view the various statutory provisions on this issue.

(ii) COMPOSITION

The Committee comprises of following five members

Sr. No.	Name of Members	Position
1.	N.C.Sharma	Member
2.	Harry H.Shourie	Member
3.	Alok Punj	Member
4.	V. Subramaniam*	Member
5.	K. Ramanathan	Member

* Mr. V. Subramaniam has since resigned on 29th June, 2015

DIRECTORS REMUNERATION

WHOLE TIME 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 Meeting.

The break-up of the Remunerations paid to Managing Director and different Whole time Directors of the Company during the financial year 2014-15 is summarized below:-

Sr. No.	Name of Directors	Salary (Basic + HRA)	Perquisites	Retirement Benefits	Commission & Incentives	Total Amount (in Rs.)
1.	Ashok Punj*	17,25,000	2,97,402	2,07,000	Nil	22,29,402
2.	R.K. Bahri	69,00,000	11,89,600	8,28,000	Nil	89,17,600
3.	M.M. Mathur**	6,90,008	1,14,930	78,000	Nil	8,82,938
4.	S. P. Bhatia	62,40,000	6,71,600	4,68,000	Nil	73,79,600
5.	C. K. Goel	62,40,000	6,71,600	11,85,600	Nil	80,97,200
6.	G. Gehani***	18,11,613	1,94,102	1,35,871	Nil	21,41,586
	Total	2,36,06,621	31,39,234	29,02,471	Nil	2,96,48,326

*Drew the salary for the part of the year only.

**Ceased to be Executive Director with effect from 31st May, 2014

***Ceased to be Executive Director with effect from 15th July, 2014

NON-EXECUTIVE DIRECTORS

Non Executive Directors including Independent Directors do not have any pecuniary relationships or transactions with the Company except for payment of fee for attending the meetings. Further Mr. Alok Punj is a Non-executive Director and also is a member of the promoter group.

The remunerations paid to Non-executive and Independent Directors for attending the Board Meetings and/ or Committee Meetings for the financial year 2014-15 were as follows:

Sr. No.	Name of Directors	Total Amount (Rs.)
1.	Alok Punj	1,80,000
2.	N. C. Sharma	1,80,000
3.	Prakash V Apte	80,000
4.	Harinder Shourie	1,60,000
5.	Ashok Sharma	60,000
6.	Harsh Pateria	1,60,000
7.	Sandip Sharma	40,000
8.	Mrs. Geeta Poojari	20,000

Except Mr. Alok Punj who held 137000 Equity Shares in the Company as on 31st March, 2015 no other Non-Executive Directors held any shares in the Company.

4) (i) GENERAL BODY MEETINGS

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

For Financial Year	Held on	Time	Venue	No. of Special Resolutions Passed
2013-14	25th September, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	1
2012-13	19th March, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	11
2011-12	27th September, 2012	9:30 A.M	Hotel "Sea Rock Inn" at Devka Beach, Nani Daman -396210	5
2010-11	22nd September, 2011	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	2
2009-10	30th September, 2010	9:30 A.M.	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	2

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

☐ No Extraordinary General Meeting of the members was held during the financial year 2014-15.

5) DISCLOSURES

(a) Related party Disclosures: There were no material significant related party transactions of the Company with the Directors or the management or their relatives that may have any potential conflict with interest of the Company. Suitable Disclosures as required by Accounting Standard-18 (Related Party Transactions) have been made in Annual Report.

Company has formulated a "Related Party Transaction Policy" to ensure the proper approval and reporting of transactions between the Company and its Related Parties.

(b) Statutory Compliance: It is affirmed that no person entitled to access the Audit Committee meeting was denied the said access.

(c) 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 identifies potential risks to the strategy of the Company and take effective measures to mitigate the same in the best possible manner.

(d) 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.

6) CODE OF CONDUCT

A Code of conduct for all Board Members and Senior Management Personnel of the Company in accordance with the requirement of Clause 49 of the Listing Agreement has been laid down. The said Code of Conduct is also posted on the website of the Company. The Board members and senior management personnel have affirmed their compliance of the said code for the Financial Year 2014-15. A Declaration to this effect signed by the Managing Director is annexed at the end of this report.

7) CEO/ CFO CERTIFICATION

A Certificate from Managing Director/CEO for the financial year ended on 31st March, 2015 in the prescribed format is annexed at the end of this report.

8) MEANS OF COMMUNICATION

(a) **Information to Stock Exchange and Newspaper Publicity** Quarterly, Half-Yearly & Annual Results of the Company are published in the newspapers in terms of Listing Agreement. These results are promptly submitted to Stock Exchanges. Additionally, in strict compliance of Listing Agreement requirements, the Company has always promptly reported dates of various Board Meetings, General Meetings, Book Closures/ Record Date to the Stock Exchanges and also published the information pertaining thereto not only in a leading English Financial daily but also a Gujarati daily for information of shareholders.

Price sensitive information like receiving of orders/ award and other matters that are relevant to the shareholders has been timely informed to Stock Exchanges.

(b) **Company's Website** The Company regularly posts important information such as Quarterly/Annual Audited Financial results, Shareholding pattern, change in Board of Directors etc. on Company's website www.pslimited.com at the earliest.

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

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

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

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

9) GENERAL SHAREHOLDER INFORMATION

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

b. Annual General Meeting:

Date : 23rd September, 2015
Day : Wednesday
Time : 9.30 A.M.
Venue : Hotel "Cidade De Daman"
 Devka Beach, Nani Daman - 396210
 Union Territory of Daman & Diu

c. **Financial Year :** 1st April, 2014 to 31st March, 2015

d. Un-audited/Audited Results Approval:

Sr. No.	Quarter	Ended on	Board Meeting held on
1	First	30.06.2014	05.08.2014
2	Second	30.09.2014	14.11.2014
3	Third	31.12.2014	10.02.2015
4	Fourth	31.03.2015	13.05.2015

e. **Dates of Book Closure:** 18-09-2015 to 23-09-2015
 (Both days inclusive)

f. **Payment of Dividend :** No Dividend has been recommended by the Company for the Financial Year 2014-15

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

h. **ISIN No. :** Under the depository system, the ISIN No. allotted to the Company's equity shares is INE474B01017

i. **Stock Code :** National Stock Exchange – PSL
 Bombay Stock Exchange - 526801

j. Share Market Price Data for the Financial year 2014-15

For the Month of	Price of Shares on BSE		Price of Shares on NSE	
	High	Low	High	Low
April 14	20.20	16.55	20.30	16.60
May 14	30.00	16.90	29.85	16.90
June 14	36.20	24.90	36.80	24.70
July 14	30.40	19.65	30.45	19.65
August 14	22.90	17.80	23.15	17.75
September 14	23.25	16.50	23.35	16.45
October 14	19.20	17.50	19.25	17.50
November 14	20.00	14.90	19.75	14.90
December 14	17.40	13.80	17.30	14.00
January 15	18.35	14.50	18.40	14.50
February 15	16.40	14.10	16.30	14.40
March 15	15.18	8.72	15.05	9.00

Share Price Comparison

Particulars	Price Quoted at BSE	BSE (Sensx)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2014 (Open)	16.75	22455.23	16.70	6729.50
Share Price 31.03.2015 (Close)	9.63	27957.49	9.00	8491.00
Increase/Decrease in %	(42.51)	24.50%	(41.61)	(26.18)

- k. Share Transfer Agents : Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.
- l. Share Transfer System : The Company's equity shares are compulsorily traded in demat mode at the Stock Exchanges.
- : Equity shares in physical form lodged for transfer are processed by Share Transfer Agents of the Company namely Karvy Computer Share Private Limited before a formal approval 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 Clause 47C of the Listing Agreement entered into between the Company and different Stock Exchanges, a Practicing Company Secretary based at Hyderabad has been appointed by the Company to examine the records (kept with Company's Share Registrar at Hyderabad) and processing of share transfers and for thereafter issuance of half yearly certificate which is sent to the Stock Exchanges.
- : In accordance with SEBI's requirement, another Practicing Company Secretary based at New Delhi has been appointed by the Company who on quarterly basis conducts "Secretarial Audit" for reconciliation of total issued share capital with depositories and in physical form.

- m. Distribution of Shareholding : Distribution of Shareholding of the Company as on 31st March, 2015 was as follows:

Category From - To	No. of Cases	% of Cases	Amount	% of Amount
01 - 5000	24510	76.31	41244750.00	4.17
5001 - 10000	3607	11.23	29814870.00	3.01
10001 - 20000	1962	6.11	30382440.00	3.01
20001 - 30000	667	2.08	17357930.00	1.75
30001 - 40000	321	1.00	11562700.00	1.17
40001 - 50000	265	0.83	12526560.00	1.27
50001 - 100000	433	1.35	32012980.00	3.24
100001 & Above	355	1.11	814450290.00	82.32
TOTAL	32120	100.00	989352520.00	100.00

- n. Dematerialization : 99.88% of the equity shares of the Company have already been dematerialized.

- o. Plant Locations : The Company's Plants are located at various diversified strategic locations in different states of Country 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.

- (p) Addresses for Correspondence from Shareholders for queries/complaints, if any:-

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

10) SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOTS

During the year, the Company conducted a postal ballot for the equity shareholders in accordance with the provisions of section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. The Board appointed Shri R.S. Bhatia, a practicing Company Secretary as a Scrutinizer to conduct the Postal Ballot voting process in a fair and transparent manner. Pursuant to the requirements of Companies Act, 2013, the Company had offered the facility of e-voting to the Shareholders in addition to the existing system and for this purpose the Company entered into an agreement with Karvy Computershare Pvt. Ltd. (Karvy). The Postal Ballot Forms received within 30 days of dispatch along with the votes casted electronically were considered by the Scrutinizer and thereafter Scrutinizer submitted his report to the Company for declaration of Results. The results were published in the all editions of Financial Express and also placed at the website of the Company.

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

	No. of Shares held (1)	No. of votes polled* (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)*100	No. of votes in favour (4)	No. of votes against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
RESOLUTION NO. 1:							
Promoter and Promoter Group	20982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3060301	10.56%	3033409	26892	99.12%	.88%
Total	53296811	27067562	50.88%	25237325	1830237	92.24%	6.76%

Excludes 81 invalid votes consisting of 49783 Equity Shares

RESOLUTION NO. 2:							
Promoter and Promoter Group	20982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3069234	10.59%	3036003	33231	98.92%	1.08%
Total	53296811	27076495	50.80%	25239919	1836576	93.22%	6.78%

Excludes 83 invalid votes consisting of 40850 equity Shares

RESOLUTION NO. 3:							
Promoter and Promoter Group	0982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3069334	10.59%	3040772	28562	99.07%	0.93%
Total	53296811	27076595	50.80%	25244688	1831907	93.23%	6.77%

Excludes 83 invalid votes consisting of 40750 Equity Shares

RESOLUTION NO. 4:							
Promoter and Promoter Group	20982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3056729	10.55%	3009168	47561	98.44%	1.56%
Total	53296811	27063990	50.78%	25213084	1850906	93.16%	6.84%

Excludes 86 invalid votes consisting of 53355 Equity Shares

RESOLUTION NO. 5:							
Promoter and Promoter Group	20982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3068929	10.59%	3014119	54810	98.21%	1.79%
Total	53296811	27076190	50.80%	25218035	1858155	93.14%	6.86%

Excludes 85 invalid votes consisting of 41055 Equity Shares

RESOLUTION NO. 6:							
Promoter and Promoter Group	20982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3068729	10.59%	3026519	42210	98.62%	1.38%
Total	53296811	27075990	50.80%	25230435	1845555	93.18%	6.82%

Excludes 86 invalid votes consisting of 41355

RESOLUTION NO. 7:							
Promoter and Promoter Group	20982710	20982710	100%	20982710	0	100%	0
Public - Institutional Holders	3343660	3024551	90.46%	1221206	1803345	40.38%	59.62%
Public - Others	28970441	3068729	10.59%	3022968	45761	98.51%	1.49%
Total	53296811	27075990	50.80%	25226884	1849106	93.17%	6.83%

Excludes 85 invalid votes consisting of 41355 Equity shares

11) OTHER USEFUL INFORMATION FOR SHAREHOLDERS

UNCLAIMED DIVIDEND

- Pursuant to Section 205A and Section 205C and other applicable provisions, if any of the Companies Act, 1956 Dividends which are unclaimed for a period of 7 years are statutorily required to be transferred to Investor Education and Protection Fund (IEPF) administered by Central Government and thereafter the same cannot be claimed by the Investors. In full compliance of Company's statutory responsibility, the Company has already transferred all Dividends declared up to Financial Year 2006-07 (Interim Dividend) to the said IEPF.

Members are required to submit their claims of un-received dividend amount of different dividends declared by the Company from time to time after the aforesaid dividends, to the Company without any delay since after transfer of unclaimed dividends till due dates, will be likewise transferred to Investor Education and Protection Fund. Due dates for transfer of Unclaimed dividend by the Company, if any, to Investor Education Protection Fund are as follows:

Financial Year ended	Type of dividend	Dividend No.	Date of declaration of dividend	Due date for transfer of the Company to IEP Fund
2007-08	Final	24th	04/09/2008	10/10/2015
2008-09	Interim	25th	30/01/2009	07/03/2016
2008-09	Final	26th	21/07/2009	26/08/2016
2009-10	Interim	27th	26/04/2010	01/06/2017
2009-10	Final	28th	30/09/2010	05/11/2017
2010-11	Interim	29th	28/02/2011	04/04/2018
2010-11	Final	30th	22/09/2011	28/10/2018
2011-12	Interim	31st	12/04/2012	18/05/2019

- 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 :-
 - Any change in the address/bank details
 - Particulars of the bank A/c in case the same have not been sent earlier.
 - Copy of PAN Card for transfer/ transmission/ deletion of name etc.
- Although 99.88% of Company's shares have already been dematerialized, members still holding their shares in physical form are again requested to get them dematerialized so that their eventual trading at the Stock Exchanges is facilitated.
- For better service to the investors and Shareholders, members are requested to submit their valuable suggestions to the Secretarial and Legal Department of the Company.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,

The Members of PSL Limited

We have examined the compliance of conditions of Corporate Governance by PSL Limited, for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

For and on behalf of
Suresh C.Mathur & Company
Chartered Accountants

Place : New Delhi
Date : 10th August, 2015

Sd/-
SURESH C. MATHUR
Partner
Membership No.1276
Firm Registration No. 000891N

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT.

In accordance with clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance of Company's Code of Conduct for the Financial Year ended on 31st March, 2015.

For PSL LIMITED

Place : Mumbai
Date : 10th August, 2015

Sd/-
(Ashok Punj)
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT

During the last 3 - 4 years there were external setbacks from several quarters which impeded the growth of the Pipeline Industry. Several projects under execution were stuck or delayed due to one of the other reason resulting in virtual freeze in the business of the Pipeline Industry. Also due to slow down in the Indian Economy during the past few years the payments for executed work were withheld by the large number of clients resulting into liquidity crunch in the industry. Although during the year under review, the Indian economy continued to witness the after effects of global recession as was evident by the slower growth in most of the fundamental parameters like GDP, per capita income etc. there were some signs of pick up in both the essential sectors of the Pipeline Industry in the country namely "Oil & Gas" and "Water" sector. However, the said signs did not get translated into tender inquiries and release of orders which would normally precede the award of line procurement contracts. Since your company's core business include manufacturing and coating of pipes for the development of water, oil and gas sectors, the company's operations as well as the profit recorded a setback.

OPPORTUNITIES & THREATS

a) Opportunities

Generally speaking the Oil & Gas sector is one of the core industries in India. It is of strategic importance and plays a, pivotal role across important affairs of the economy. With India's Economie growth closely linked to energy demand, the need for oil and gas is projected to grow further. The government of India has adopted several policies including allowing 100% FDI in many segments of the sector such as natural gas and petroleum products and refinery among others.

After coming into the power the new Government has clear vision of doubling the natural gas pipeline network to over 30,000 Kms in next five years. There is a good potential for achieving growth from projects of GAIL which is implementing five natural gas pipelines projects. In addition to this GAIL will be augmenting the capacities of two existing pipelines. The total length of the new pipelines will be around 5,000 km and the estimated investment on these projects would be \$4 billion.

While implementation of the various ongoing projects would provide good opportunity to oil & gas sector, Water segment of the industry is also showing signs of growth in selected states such as Madhya Pradesh, Karnataka, Tamil Nadu and others which would contribute a secondary area of opportunity.

b) Threats

While on one hand there are some good opportunities for pipeline industry in the times to come the industry also suffers from threats of abnormal delay in execution of various pipeline projects. Such a threat is evidenced by a statement from petroleum minister in Rajya Sabha on July31st when

he informed the house that the various reasons for projects running behind schedule are: - ongoing legal dispute, non availability of right of user, delay in getting statutory clearances such as forest clearance, wildlife sanctuary permission, contractual issues, complexity of terrain and non-availability of anchor load customers.

As far as specific case of your Company is concerned it is facing a threat of company's Bankers not easily willing to extend financial support to the Company consequent upon restructuring of Company's debts sometime back.

OUTLOOK

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

RISKS AND CONCERNS

The prevailing atmosphere of uncertainty in the industry can be mitigated if not totally eliminated if the regulatory and policy guidelines and clarifications that have been trickling out from the Government are expedited and clarifications wherever required should be forthcoming without delay.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company's internal control system is commensurate with its scale of operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place and have been designed to provide a reasonable assurance. Internal audits and checks from time to time ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests ways of further strengthening them, from time to time. Apart from having all policies, procedures and internal audit mechanism in place as and when need arises, your Company also engages outside experts to carry out an independent review of the effectiveness of various business processes. The observations and good practices suggested are reviewed by the Management and the Audit Committee on quarterly basis and appropriately implemented for strengthening the controls of various business processes. The Company has adequate control system and internal policies not only for order processing but also for legal compliances. Policies to reduce raw-material wastage (being an important factor for cost reduction) are framed based on the experience gained by the Company in its different plants. Direct control over compliance of Accounting Standards is also exercised as part of the Internal Control effort.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements of the Company and its various subsidiaries are prepared in accordance with the requirements of the Companies Act, 2013, and the rules made there under and the applicable accounting standard issued by the Institute of Chartered Accountants of India. In the financial statements under discussion

the Company has followed the Schedule III of Companies Act, 2013.

The management of the Company accepts the integrity and objectivity of these financial statements as well as the various estimates and judgments used therein. Adequate powers have been delegated to Senior and Middle Management to minimize the occurrences of inefficient operational performance due to lack of timely decision making. Most of the powers have been decentralized to the different operational levels at widely spread network of Company's plants. Although, the operations of the company during the year were substantially reduced due to acute cash crunch faced by the Company some time back resulting into CDR, an arrangement agreed to with a JSW Steel Ltd. a Jindal Group Company for handling the Operations of some manufacturing units of the Company is likely to boostup the operations to some extent in near future. Certain steps have been taken including the execution of Operation, Maintenance and Management Agreement (OMMA) to somewhat elevate this situation.

HUMAN RESOURCE DEVELOPMENT

For last many years the efficient human resource policy enabled the Company to attract, integrate, develop and retain the best talent to deliver business growth. Also the effective HR processes enabled the Company to be responsive to the dynamic global environment and hence they stay relevant to its customer. The Company had created a performance driven environment where innovation was encouraged, performance recognized and also nurture workplace

challenges that keep employee highly engaged and motivated to realize their potential. Your Company had a team of experienced staff and executives at different levels. Larger number of long service awards presented to individuals who have been with the Company for many many years is an evidence of the loyalty and dedication with which a sizeable work force was till recently associated with the Company.

However unfortunately consequent upon liquidity crises resulting into CDR of the Company in September, 2013 the Company was forced to substantially reduce its manpower so as to reduce the burden on Company's financial performance.

CAUTIONARY STATEMENT

The statement in the Directors' Report and Management Discussion and Analysis Report contains "forward-looking statements" about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expression for future are forward-looking statements within the meaning of applicable laws and regulations. However actual results could differ materially from those expressed or implied. Important factor that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

CEO / CFO CERTIFICATION

The Board of Directors
PSL Limited

Ref: Financial Statements for the year 2014-15
Certification by Managing Director / CEO

I, the undersigned hereby certify to the Board that:

- (a) I have reviewed Financial Statements and the Cash Flow Statement for the Financial Year 2014-15 ended on 31st March, 2015 and that to the best of my knowledge and belief:
 - (i) These statements do not contain any false or materially untrue statement or omit any material fact or contain statements that might be misleading and
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that :-
 - (i) There have been no significant changes in internal control over financial reporting during the year;
 - (ii) There have been no significant changes in accounting policies during the year; and
 - (iii) There have been no instances of significant fraud of which I have become aware of and hence there has been no involvement of any management person or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 10th August, 2015

Sd/-
(Ashok Punj)
Managing Director

AUDITORS' REPORT

To,

The Members of PSL Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **PSL Limited** which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation & presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2015.
- (ii) in the case of the Statement of Profit and Loss, of the **loss** of the Company for the year ended on that date and
- (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to:

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

Default In Payment to Banks

Based on our audit procedure and as per the information and explanation given to us, the company has defaulted in repayment of loan and interest to the banks and financial institutions as on 31st March 2015. The Company has sought a restructuring program from the bankers under the guidelines issued by the Reserve Bank of India. The Company had filed an application before the CDR Cell on March 06, 2013 (Cut Off Date : 01.01.2013) along with the Flash Report. After considering the proposal, the final restructuring package was approved by CDR Empowered Group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its Letter of Approval dated 23rd September, 2013.

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

- a) The promoters of the Company are required to make a total contribution of Rs.146.81 Crore by way of subscribing to the equity capital of the Company/ unsecured loan so that the said contribution constitutes 25% of the total sacrifice computed for the aforesaid restructuring.
- b) A portion of outstanding debt of lenders of the Company is required to be converted into Equity Shares. Yes Bank, being one of the lenders of the Company, has assigned its debt to Edelweiss Asset Reconstruction Company Ltd. through execution of Deed of Accession to Master Restructuring

- Agreement. The outstanding portion of debt amounting to Rs. 5 Crore (Rupees Five Crore only) of Edelweiss Asset Reconstruction Company Ltd. was required to be converted into Equity Shares. However the debt amounting to Rs.2.72 (Rupees Two Crore Seventy Two Lacs only) out of aforesaid total debt amount has already been converted into Equity Shares in accordance with the members' approval dated 4th July, 2014 obtained through Postal Ballot dated 20th May, 2014. Now the remaining debt of Rs.2.28 Crore (Rupees Two Core Twenty Eight Lacs only) if required to be converted into Equity Shares of the Company.
- c) The Board of the Directors has, in accordance with the SEBI (ICDR) Regulations by passing a resolution on 5th February, 2015 also duly ratified on 10th February, 2015 considered and approved, subject to the approval of the members of the company, the proposal of issuance of a total of 50619232 Equity Shares of face value of Rs.10/- (Total Ten only) each at a total price of Rs.26/- (Rupees Twenty Six only) per equity share (including premium of Rs.16/- to the Promoter/Promoter Group/Promoter's Group Entities and a CDR Lender namely Edelweiss Asset Reconstruction Company Ltd. hereinafter collectively referred to "Proposed Allottees" of the Company as mentioned at Point a) and b) above calculated in accordance with the Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations for an aggregate value upto approx. Rs.1,31,61,00,120/- (Rupees One Hundred Thirty One Crores Sixty One Lacs and One Hundred Twenty only).
 - d) Other terms applicable to the proposed issue are as follows:
 - i) The equity shares shall be subject to lock-in for a period in accordance with the provisions of the SEBI (ICDR) Regulations.
 - ii) The equity shares now to be issued shall rank passu with the existing equity shares of the Company in all respects.
 - e) Further it was mentioned that the Promoters of the Company were required to bring total contribution of Rs.146.9 Crores being 25% of lenders sacrifice. It was stated that the Promoters have infused Rs.38.60 Crores by way of cash, Rs.31.6 Crores by way of subscription of equity, in lieu of sale of land belonging to promoter owned company, Broken Hills International Pvt Ltd located in Tamil Nadu and Rs.57 Crores by mortgaging promoter owned land at Kalkaji, Delhi. The CDR EG opined that CDR package is not being implemented as per CDR guidelines as promoter's contribution is not infused in time but as lenders want to continue under the aegis of CDR, the company can continue under CDR though the package has not been implemented within the timelines.
2. Due to this there is a Cash and Capital crunch and the Company is under stress due to reduction in turn over, slow down in economic environment, increase in the cost of production as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales. There is shortage of working capital.
 3. The Company has not provided for the interest amounting to Rs.627.21 Crores for the period from 1st January 2013 to 31st December 2014 which was to be built up as funded interest term loan (FITL) on the Working Capital Term Loan and Cash Credit. The Company has also not provided regular interest for the period of three months i.e. from 1.1.2015 to 31.03.2015 amounting to Rs. 88.58 Crores. The loss of the Company in this financial year is understated to an extent of Rs. 88.58 Crores.
 4. The Company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act 2013.
 5. The Kandla Port Authorities cancelled Lease of certain leasehold lands at Kandla. They have demanded damages and arrears. The ultimate expected liability is not fully provided.
 6. The Company has accumulated losses exceeding the entire "Net Worth" and has incurred cash loss. More than 51% of the paid up capital is held partly by one or more public financial institutions which includes share of promoters pledged with the banks and institutions.
 7. The Company's financial statements have been prepared under the assumption considering the management assessment and plan to get requisite funding from various other sources as contemplated.
 8. **Leasing of the Land/Plant & Machinery of Manufacturing Unit – (Varsana, Vizag, Vaiyavoor & Jaipur)**
Operations Maintenance and Management
Agreement with Jindal Tubular (India) Limited:
 - a) The company has negotiated with Jindal Tubular (I) Ltd., through the Manager (Special Purpose Vehicle owned and controlled by Jindal Saw Limited) with necessary assistance from ICICI Bank for handing over the operations of manufacturing units of the company located at Varsana, Vizag, Vaiyavoor and Jaipur on some broad terms and conditions as are finalized between two companies consequent upon personal discussions between the senior officials of the two companies and ICICI Bank.
 - b) The duration of the proposed transaction will be for a period of one year from the date mentioned in the Definitive Agreements and shall be renewable for an additional period of one year as may be mutually agreed between the parties.
 - c) Subject to deduction of all costs and expenses incurred by the Manager towards satisfaction of

legacy dues, employee and utility dues/other liability of PSL Limited, the Manager will pay to the company 70% of the net revenue for identified facilities at Vaiyavoor, Jaipur and Vizag and for facilities located at Varsana the Manager will pay 50% of net revenue.

- d) Upon satisfactory completion of legal and taxation due diligence / identified facilities by the Manager the party shall decide the start up date. (Since decided 15th April, 2015).
- e) After completion of the proposed transaction period the parties may agree for any sale of the identified facility, the Company and the ICICI Bank shall provide the Manager a right of first refusal.
- f) As per the OMMA the Company shall, as the case may be, comply in full with the condition precedent by April 15, 2015 or within such extended time line as mutually agreed between the parties.
- g) An agreement dated March 4, 2015 giving such option to sale the specific units by the Company to JTL has also been extended.

9. Lender Banks' Balance Confirmation as on 31st March 2015:

We are informed that the company has applied for their confirmation of Bank certificate / Bank Guarantees / Letter of Credits / Corporate Guarantees given on behalf of subsidiary companies and interest certificates as on 31st March 2015 which are yet to be obtained and supplied to us.

The loan figures were arrived in the ledger as per the MRA for both categories (signed and not signed). We are informed that the figures in the MRA a document has to be taken as confirmation of balance for the loan account.

10. Investments in Subsidiaries: Note No.11 Non Current Investments.

A) Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary) Pipeline Systems Ltd. Mauritius
The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded. The Company has not provided for the same.
- ii) PSL USA INC (USA) PSL NA LLC (USA) (Step down Subsidiary)
The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the subsidiary the value of investment is eroded. The Company has not provided for the same. Also the outstanding debtors includes receivable amounting to Rs. 22.30 Crores from the subsidiary which is not provided for.

We were informed that the financial statements for the period ending on 31st March 2015 audited by other auditors of the above subsidiary companies are yet to be supplied to us. Due to this, provision for diminution / impairment in the value of its investments in the above subsidiary companies is yet to be considered.

B) Indian Subsidiaries:

PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL Port & Infrastructure Limited is Rs.28.21 Crores.
- The company was awarded the construction of Jetty at Kandla Port. Till date the company has incurred construction Expenses of Rs 65.39 Crores.
- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete.

11. Loan & Advances : Note No. 12 of Balance Sheet & Schedules

- i) The company has given Bank Guarantees on behalf of subsidiary companies.
- ii) During the year, Bank Guarantees of Rs 171.72 Crores have been encashed relating to the subsidiaries and debited to the Profit and Loss account.

12. Inventory, Current Assets: Note No. 15 of Balance Sheet and Schedules

The closing inventory as on 31st March, 2015 is Rs. 1391.25 Crores which includes non moving stock of Rs.1101.71 Crores (includes Rs.1078.38 Crores as reported earlier). In view of company's production activities having come down and slow movement in the inventory, there is a need for systematic age wise segregation and analysis of the items comprised in the inventory to assess their usefulness/ usability in the production and servicing activities, period over which they could be used also whether the inventory items are capable of being sold/disposed off as standalone items. Pending such an exercise, we are unable to express an opinion towards non moving and obsolete inventories and the eventual realizable amount in respect of the inventories, as also the possible effect on the financial statements.

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

- i) The Company has Sundry Debtors of Rs 311.94 Crores as on March 31, 2015

Less than Six Months	Rs. 85.57 Crores	
More than Six Months.	Rs.227.36 Crores	
(-) Provision for doubtful debts	NIL	
Total	Rs. 311.94 Crores	

- ii) The debtors of more than 6 months of Rs.227.36 Crores includes the following amount:-

1.	Lanco (IOCL Project)	Rs. 14.42 Crores
	The Company is in the process of filing winding up a petition towards recovery	
2.	Electro Steel	Rs. 0.63 Crores
3.	IOCL (SMPL Project) has recovered L/D and separately for risk and cost charges amounting to Rs. 21.27 Crores.	
	The Company has objected to this arbitrary charge and appointed a lawyer to deal the matter.	

The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on March 31, 2015. In the absence of adequate evidence and information made available to us supporting the recoverability of this amount, we are further unable to comment on the financial impact of this matter on the profit / loss for the year ended on 31st March 2015.

14. Sundry Creditors & Loans and Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31st March, 2015, provision for any adverse variation in the balances is not quantified.

15. The management has decided not to provide for Gratuity, Leave Encashment & Superannuation for the period of 1st April, 2014 to 31st March 2015 because current provision is considered sufficient by the management for this purpose.
16. The Company has incurred losses during the extended financial year 2013 and paid excess remuneration aggregating to Rs.5.91.crores to Seven whole time directors. Since the remuneration was in excess to the limits specified in relevant Sections of the Companies Act, 1956 read with Schedule XIII of The Companies Act, 1956 the company has filed an application to Ministry of Corporate Affairs, Govt. of India to permit waiver of recovery of the aforesaid excess remuneration from each of the 7 Whole Time Directors. Subsequently Permission for six directors received by the Company , permission for one director is still pending.
17. The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorized) passed order on 27th March, 2014 for the evacuation of the Kandla PCD-I premises because lease period was over The Estate Office has taken

over the possession of the land. Since the lease amount is under dispute, the lease payments have not been made and not provided in the accounts.

18. Some of Creditors have filed winding up petition u/s 433(e) and 434 of The Companies Act, 1956. The matter is sub judice.
19. A petition under Article 14, 21, 28 and 226 of the Constitution of India has been filed against the company. Our opinion is not qualified in respect of these matters.
20. As required by the Companies (Auditor's Report) Order 2015 issued by the Central Government Ministry of Corporate Affairs in terms of Sub-section (11) of Section 143 of the Companies Act, 2015, we enclose Annexure – A, attached to our report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 of the Act, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - On the basis of written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 of the Act.

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

Place: New Delhi
Dated: 13th May, 2015

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

ANNEXURE – A TO THE AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date on the financial statements for the year ended on 31st March 2015 of PSL Limited

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets. These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- b) In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
2. Subject to our remark in Item No. 12 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 Company is maintaining proper records of inventory and any material discrepancies noticed on physical verification have been properly dealt with in the books of account.
3. The Company has not granted loans, secured/unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no failure to correct major weaknesses in internal control system. However the internal controls over accounting of consumption, wastages, material reconciliation, need further strengthening.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 189 of the Companies Act, 2013 have so been entered.

- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 189 of the Companies Act, 2013 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of Section 73 and 74 of the Act and any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.
7. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete. The cost audit is completed up to the year ended 31st March 2012.

The Cost Audit Report is mandatory u/s. 233B of the Companies Act 1956.
8. According to the records of the Company, the Company is not regular in depositing undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Excise, valued added tax cess and any other statutory dues with the appropriate authorities, however there is some delay in depositing Govt. dues due to financial difficulties. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were outstanding, at the financial reporting period ending on 31st March 2015 for a period of more than six months from the date they became payable.

As on 31st March, 2015 according to the records of the Company the following are the particulars of disputed dues on account of Excise duty, Customs, Income Tax, Service Tax, Sales Tax & DGFT and have not been deposited.

SR. No.	Amount under Dispute (Rs. In Lacs)	Facts of the Case	Period which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
1	3752	Demand of duty on exempted orders	2006	CESTAT, Ahmedabad
2.	1467	Duty on Fusion Bonded Epoxy	2008	CESTAT, Mumbai
3.	8	Duty on Fusion Bonded Epoxy Coating	2010	Commissioner (Appeals), Chennai
4.	3	Demand of differential Excise Duty	2009	CESTAT, Chennai
5.	34	Demand of Cenvat Credit	2010	CESTAT, Ahmedabad
6.	10	Relating to interest on incorrect Cenvat Credit	2010	CESTAT, Bangalore
7.	0.45	Excess Cenvat Credit taken	2012	CESTAT, Ahmedabad.
8.	9	Goods cleared without payment of Excise Duty	2012	CESTAT, New Delhi
9.	18	Cenvat Credit availed on Capital Goods	2012	CESTAT, Ahmedabad
10.	54	Demand of Central Excise Duty	2012	CESTAT, Ahmedabad
11.	181	Demand for non payment of duty on transportation charges	2013	CESTAT, Bangalore
12.	202	Demand of Central Excise Duty	2013	Commissioner, Rajkot
13.	57	Demand of Central Excise Duty	2013	CESTAT, Ahmedabad
CUSTOMS / DGFT				
1.	871	Demand for differential custom duty	2012	CESTAT, Ahmedabad
2.	18900	Demand for duty	2013	DGFT, New Delhi
SERVICE TAX				
1.	45	Tax on construction of Mall	2008	CESTAT, Chennai
2.	209	BAS	2009	Commissioner, Chennai
3.	2	Demand for Interest Liability	2009	Commissioner (Appeals), Vizag
4.	32	Service Tax on ECB Loan	2011	Addl. Commissioner, Mumbai.
5..	31	Denial of Credit of Service Tax on Outward Transport	2011	Addl. Commissioner, Jaipur
6..	6	Cenvat Credit availed on input services not covered	2012	Commissioner (Appeals), Vizag
7.	21	Wrong availment of Cenvat Credit	2012	CESTAT, Ahmedabad
8.	30	Wrong availment of Cenvat Credit	2013	Commissioner (Appeals),
SALES TAX				
1	43	Non payment of composition tax	2004	High court of A.P.
2	1200	Demand of duty	2005	High Court of A.P.
INCOME TAX				
1	136	Demand of Income Tax	2011-2012	CIT (Appeals)
2	21	Demand of Income Tax	2005-2006	CIT (Appeals) Sec 143(3)/263
3	25	Demand of Income Tax	2012-2013	CIT (Appeals)

CASES FILED AGAINST THE COMPANY

Financial Institution	Purpose
Syndicate Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of the cheque No 355113 for Rs. 12,50,00,000/- drawn on State Bank Of India
Syndicate Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of the cheque No 355114 for Rs. 12,50,00,000/- drawn on State Bank Of India
Kotak Mahindra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two cheques No 753765 & 753766 for Rs. 5,00,00,000/- each drawn on ICICI Bank
Kotak Mahindra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two cheques No 483804 & 539241 for Rs. 5,00,00,000/- each drawn on ICICI Bank
Kotak Mahindra Bank	Notice u/s 138 of NI Act, 1881 regarding Dishonour of two cheques No 483805 & 539242 for Rs. 5,00,00,000/- each drawn on ICICI Bank
DBS Bank Limited	Legal Notice Regarding recall of credit facility for Rs. 2000 Million. However the Bank has agreed for the restructuring of the loan and signed the MRA.
Aditya Birla Finance Limited	Notice regarding recall of outstanding credit facility extended vide sanctioned letter dated 30/05/2012. A case was registered by Economic offences wing (EOW) on the Company as well as the Directors under CrPC. The matter is under investigation.

9. The Company has transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
10. Based on our audit procedures and on the information and explanations given by the management, the Company has defaulted in repayment of dues as per CDR package amounting to Rs. 273.11 Crore towards principal and Rs. 88.58 Crores towards Interest during the year to financial institution, and banks due to financial difficulty. The Company operates in a multiple banking system availing facility for various coated pipe supply projects from respective bankers. In this circumstances amount of overdue principal and overdue interest as on a particular date and corresponding period of delay is not quantifiable.
11. In our opinion and explanation given to us the Company has given Guarantees for loan taken by its subsidiaries from banks/financial institutions, but terms and conditions of such guarantees are not prejudicial to the interest of the Company. However company has not given any guarantee during the year.
12. Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained. However there is no new loan availed by the company during the year.
13. According to the information and explanations given to us & based on the documents & records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures & other securities.
14. According to the information and explanations given to us and on an overall examination of the Balance Sheet and

Cash flow statement of the Company, the Company has not availed any new loan.

15. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Reasons for unfavourable /Qualified answers

1. **Paragraph No. 7 – Cost Audit** – We were given to understand that report for the period ended September 2013, March 2013, March 2014 and March 2015 are under progress.
2. **Paragraph No. 8 – Statutory dues** Due to Financial crunch non availability of funds there is irregularity in depositing statutory dues. However the management is taking all the necessary steps to be in line.
3. **Paragraph No. 10- - Default in repayment of bank loan** – Due to Financial crunch the repayments were not made. The company is in the process of entering into a Contract (OMMA) with another company in order to revive the operation and generate revenue towards repayment of loan. In the absence of bank confirmation banks loans were taken as per books.

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

Place: New Delhi
Dated: 13th May, 2015

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

BALANCE SHEET AS AT 31ST MARCH, 2015

(₹ in Lacs)

	Particulars	Note No.	As at 31st March 2015 (12 Months)	As at 31st March 2014 (6 Months)
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share Capital	2	9,893.53	5,329.68
	(b) Reserves and Surplus	3	(26,448.95)	14,632.49
	(c) Money Received against Share Warrants		NIL	NIL
2	Share Application Money Pending Allotment	3A	6,531.57	1,800.74
3	Non-current Liabilities			
	(a) Long-term Borrowings	4	330,848.61	340,978.97
	(b) Deferred Tax Liabilities (Net)	5	NIL	NIL
	(c) Trade Payables		29,295.63	29,295.63
	(d) Long-term Provisions	6	1,338.44	1,340.57
4	Current Liabilities			
	(a) Short-term Borrowings	7	35,495.00	35,495.00
	(b) Trade Payables		2,191.59	5,362.68
	(c) Other Current Liabilities	8	34,585.85	31,652.53
	(d) Short-term Provisions	9	NIL	NIL
	TOTAL		423,731.26	465,888.29
II.	ASSETS			
	Non-current Assets			
1	(a) Fixed Assets	10		
	(i) Tangible Assets		171,341.08	185,133.82
	(ii) Intangible Assets		0.58	0.50
	(iii) Capital Work-in-Progress		1,101.60	1,068.09
	(iv) Intangible Assets Under Development		NIL	NIL
	(b) Non-current Investments	11	30,461.07	30,461.07
	(c) Deferred Tax Assets (net)		604.57	604.57
	(d) Long-term Loans and Advances	12	44,017.22	43,086.48
	(e) Other Non-current Assets	13	NIL	NIL
2	Current Assets			
	(a) Current Investments	14	NIL	NIL
	(b) Inventories	15	139,125.26	144,404.04
	(c) Trade Receivables	16	31,194.09	34,985.13
	(d) Cash and Cash Equivalents	17	2,779.35	10,200.95
	(e) Short-term Loans and Advances	18	3,106.45	15,943.64
	(f) Other Current Assets	19	NIL	NIL
	TOTAL		423,731.26	465,888.29
The Notes form an integral part of these Financial Statements		1 To 41		

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

For and on behalf of the Board of Directors

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

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

Place: Mumbai
Dated: 13/05/2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(₹ in Lacs)				
	Particulars	Note No.	For the Period Ended 31st March 2015 (12 Months)	For the Period Ended 31st March 2014 (6 Months)
I.	Revenue From Operations	20	15,117.71	19,937.15
	Less: Excise Duty		485.74	702.88
			14,631.97	19,234.26
II.	Other Income	21	393.94	2,587.06
III.	Total Revenue (I + II)		15,025.91	21,821.32
IV.	Expenses:			
	Cost of Materials Consumed	22	8,634.80	10,210.59
	Manufacturing and Operating Costs	23	5,667.38	3,193.51
	Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	24	1,366.96	5,554.59
	Employee Benefits Expense	25	5,254.49	2,945.90
	Finance Costs	26	4,789.80	2,064.53
	Depreciation and Amortization Expense		17,383.98	8,945.02
	Other Expenses	27	2,508.70	3,107.90
	Total Expenses		45,606.11	36,022.05
V.	Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		(30,580.20)	(14,200.72)
VI.	Exceptional Items		17,172.39	NIL
VII.	Profit Before Extraordinary Items and Tax (V - VI)		(47,752.59)	(14,200.72)
VIII.	Extraordinary Items		NIL	NIL
IX.	Profit Before Tax (VII- VIII)		(47,752.59)	(14,200.72)
X	Tax Expense:			
	(1) Current Tax		NIL	NIL
	(2) Deferred Tax		NIL	1,555.07
XI	Profit (Loss) for the Period From Continuing Operations (IX - X)		(47,752.59)	(12,645.65)
XII	Profit/(loss) from Discontinuing Operations		NIL	NIL
XIII	Tax Expense of Discontinuing Operations		NIL	NIL
XIV	Profit/(Loss) from Discontinuing Operations (After Tax) (XII-XIII)		NIL	NIL
XV	Profit (Loss) for the period (XI + XIV)		(47,752.59)	(12,645.65)
XVI	Earnings Per Equity Share:			
	(1) Basic		(48.27)	(26.64)
	(2) Diluted		(48.27)	(26.64)
The Notes form an integral part of these Financial Statements		1 To 41		

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

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

Place: Mumbai
Dated: 13/05/2015

For and on behalf of the Board of Directors

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2015
(PURSUANT TO THE LISTING AGREEMENT WITH STOCK EXCHANGES)

(₹ in Lacs)

	PARTICULARS		For the Year Ended 31st March, 2015	For the period Ended 31st March, 2014
			12 Months	6 Months
A)	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit Before Tax & Extra-Ordinary Items		(47752.59)	(14200.72)
	ADJUSTED FOR			
	Add : Depreciation		17383.99	8945.02
	Interest (Net)		4563.74	1815.88
	Other Borrowing Cost		171.58	248.65
	Revaluation of Assets		NIL	NIL
	Prior year Expenditure		(630.99)	NIL
	Less: Profit on Sale of Fixed Assets		(3.68)	(955.42)
	Less: Dividend Income		NIL	NIL
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		(26260.59)	(4146.59)
	Changes in			
	Trade Receivables		3791.04	(1108.74)
	Inventories		5278.78	5352.15
	Trade Payables/Other Liabilities		(239.90)	6410.92
	Loans and Advances		11906.46	(2705.00)
	CASH GENERATED FROM OPERATIONS		(5524.21)	3802.74
	Tax Paid/Payable/Advance Tax		NIL	(163.27)
	Technical Know How Fees		NIL	NIL
	NET CASH FROM OPERATING ACTIVITIES	[A]	(5524.21)	3639.47
B)	CASH FLOW FROM INVESTING ACTIVITIES			
	Sale of Fixed Assets		4.48	999.63
	Increase/Decrease in CWIP		(33.51)	5,299.25
	Interest Received		54.49	449.97
	Dividend Received		NIL	NIL
	Sale/(Purchase) of Investments		NIL	NIL
	Purchase of Fixed Assets		(3599.51)	(5,326.96)
	NET CASH USED IN INVESTING ACTIVITIES	[B]	(3574.05)	1421.89
C)	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from Issue of Shares		4563.85	NIL
	Security Premium on Share Issue		7302.15	NIL
	Share application money		4730.83	688.98
	Deferred Tax Assets		NIL	(604.57)
	Unsecured Loan from Promoters		NIL	NIL
	Interest Paid		(4618.23)	(2,265.85)
	Other Borrowing Cost		(171.58)	(248.65)
	Loan Received/Repayments (Conversion of Loan to Equity)		(10130.36)	(4,495.43)
	Dividend Paid		NIL	NIL
	NET CASH USED IN FINANCING ACTIVITIES	[C]	1676.66	(6925.52)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	[A+B+C]	(7421.60)	(1864.16)
	Cash and Cash Equivalent- Opening	[A]	10200.95	12065.11
	Cash and Cash Equivalent - Closing	[B]	2779.35	10200.95
		[B-A]	(7421.60)	(1864.16)

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

For and on behalf of the Board of Directors

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

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

Place: Mumbai
Dated: 13/05/2015

Auditors' Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 31st March 2015 . The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company.

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

Place: New Delhi
Date: 13/05/2015

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

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE NO. 1

**Statement of Significant Accounting Policies and Practices
(Annexed) to and forming part of the financial statements for the period ended 31st March 2015)**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance. In all material aspects, with the applicable accounting principles in India, the applicable accounting standard notified under section 133 and the other relevant provisions of the Companies Act, 2013

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than twelve months.

A. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 2013

B. Valuation of Inventories

The Raw Materials, Stores and Spare Parts are valued at cost, which is arrived on FIFO basis. Work in progress, Semi Finished Goods and Finished Goods are valued at cost or at the net realisable value, whichever is lower. Cost of Inventories comprises of all costs of purchase (other than refundable duties and taxes), costs of conversion & other costs incurred in bringing the inventories to their present condition and location. Costs of Raw Materials, Packing Materials and Stores and Spares are determined by the average cost method. Cost of Work in Progress and Finished Goods inventories are determined by the absorption costing method. Obsolete, defective, slow moving and unserviceable inventories are duly provided for.

C. Method of Depreciation and Amortisation

Depreciation is provided from the date the assets have been installed and put to use on written down value method at the rates and in the manner prescribed by schedule XIV of the Companies Act, 1956. Lease hold land is being amortised over the period of lease. Depreciation on additions to assets or on sale - discardment of assets, is calculated on pro-rata from the month of such addition or upto the month of such sale/discardment, as the case may be.

D. Research and Development

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year when it is incurred.

E. Revenue Recognition / Income

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

Sales revenue is recognised when it is earned and no significant uncertainty exist as to its realisation or collection. Sales are net of sales return and trade discounts. Rebate, claims and discounts are accounted for as and when determined. Deductions made have been reduced from the Sales where found necessary.

Export sales are accounted on the basis of acceptance by the customers and on the basis of export bill of lading.

Export sales are accounted as per the prevailing exchange rate on the date of transaction.

Revenue from services is recognised on rendering of services.

The pipe coating income is recognised after inspection, approval by customers and after dispatch. Interest Income is taken on accrual basis and it is netted off against Interest Payment during the year.

Dividend income on investments are accounted for when the right to receive the payment is established.

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

F. Treatment of expenditure during construction period

Expenditure in the case of new units and substantial expansion of existing units during the construction period is included in the work in progress and the same is allotted to the respective Fixed Assets on the completion of the construction.

G. Fixed Assets

Fixed Assets are stated at cost of acquisition and installation. The cost includes Freight, Taxes and related incidental expenses less

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

Modvat Credit.

The Company has erected factory building sheds and installed plant and machinery on lease hold land. The company had incurred some developmental expenditure which was earlier in CWIP on factory building, plant and on lease hold land which increase the future benefits from the existing assets beyond its previously assessed standard of performance i.e. increase in capacity, modernisation & up gradation.

H. Foreign Currency Translations

The Company is exposed to Currency Fluctuations on Foreign Currency transactions. With a view to minimize the volatility arising from fluctuations in the currency rates, the company follows established risk management policies including the use of exchange forward contracts and other derivative instruments.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Monetary Assets and Liabilities in Foreign Currency as at the Balance Sheet. Gains and losses arising on account of difference in foreign exchange rates on settlement / translation of Monetary Assets and Liabilities are recognized in the Profit and Loss Account.

In respect of forward contracts assigned to the Foreign Currency assets as at the balance sheet date, the proportionate premium / discount for the period up to the date of balance sheet is recognized in the profit and loss account. The exchange difference measured by the change rate between the inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognized in the profit and loss account.

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

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

I. Investments

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

J. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits:

a. Defined contribution plans

Defined contribution plans are Provident Fund scheme, employee state insurance scheme and Government administered Pension Fund scheme for all employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans is recognized in the Profit and Loss Account in the financial year to which they relate.

The Company makes specified monthly contributions towards employee provident fund to the respective Regional Provident Fund Authority.

b. Defined Benefit Gratuity Plan

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

c. Other long term employee benefits

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

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

K. Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard -3 on Cash Flow Statement and presents Cash Flows by operating investing and financing activities of the Company. Cash and cash equivalent presented in the Cash Flow Statement consists of Cash in Hand and demand deposits with banks as on the Balance sheet date.

L. Borrowing Cost

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

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligations and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are not recognized but disclosed in financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

N. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

O. Excise Duty /Service Tax and Sales Tax/Value Added Taxes

Excise duty/Service tax is accounted on the basis of both, payments made in respect of goods cleared/services provided as also provision made for goods lying in bonded warehouses. Sales tax/Value added tax paid is charged to Profit and Loss account.

P. Accounting for Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on income. Income taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws. The company offsets advance payments and provisions for current tax and discloses the net amount it intends to settle and where it has a legally enforceable right to set off the recognised amount.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax assets or a deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonable certain that sufficient future taxable income will be available against which the deferred tax assets can be realized.

Q. Impairment of Assets:

In the opinion of the company's Management, there is no impairment to the assets to which Accounting Standard 28 - "Impairment of Assets" applied requiring any revenue recognition

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

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

Place: Mumbai
Dated: 13/05/2015

For and on behalf of the Board of Directors

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “2” – SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorised		
180,000,000 Equity Shares of ₹10/- each	18,000.00	10,000.00
(Previous year 100000000)		
Issued		
99099352* Equity Shares of ₹10/- each	9,909.94	5,346.09
(Previous year 53460911)		
(Out of the above stated Equity Shares 4,56,38,441 fully Paid up and Pari Passu ranking Equity Shares of Rs.10/- were allotted to CDR lenders of the Company on Preferential Basis during the year in compliance of Debt Restructuring Scheme approved for the Company)		
Subscribed & Fully Paid up		
98935252* Equity Shares of ` 10/- each	9,893.53	5,329.68
(Out of the above stated Equity Shares 4,56,38,441 fully Paid up and Pari Passu ranking Equity Shares of Rs.10/- were allotted to CDR lenders of the Company on Preferential Basis during the year in compliance of Debt Restructuring Scheme approved for the Company)		
(Previous year 53296811)		
Less: Calls in Arrears by Directors	NIL	NIL
Calls in Arrears by Officers	NIL	NIL
Calls in Arrears by Others	NIL	NIL
Subscribed but not fully Paid up		
Less: Calls in Arrears by Directors	NIL	NIL
Calls in Arrears by Officers	NIL	NIL
Calls in Arrears by Others	NIL	NIL
Total	9,893.53	5,329.68

*The difference in Number of Shares of issued and subscribed & fully paid up is on account of 164100 equity share which were earlier forfeited by the Company on account of non payment of call money.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “2 A”

Particulars	Equity Shares	
	As at March 31, 2015	As at March 31, 2014
	No. of Shares	No. of Shares
Shares Outstanding at the Beginning of the Year	53,296,811	53,296,811
Shares Issued during the Year	45,638,441	NIL
Shares Bought Back during the year	NIL	NIL
Shares Outstanding at the end of the year	98,935,252	53,296,811

NOTE “2 B”

The Company has only one class of Equity Shares having a par value of Rs. 10 Per Share. Each Shareholder is eligible for one vote per share. In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

NOTE “2 C”

The details of Shareholders holding more than 5% Shares

Sr. No.	Name of Shareholder	As at March 31, 2015		As at March 31, 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Ashok Y Punj	4,919,890	4.97	4,919,890	9.20
2	Arjun A Punj	3,011,580	3.04	3,011,580	5.63
3	Keshav A Punj	3,011,550	3.04	3,011,550	5.63
4	Reliance Capital Trustee Co.Ltd.(Reliance Infrastructure Fund)	NIL	NIL	1,903,345	3.57
5	Edelweiss Asset Reconstruction Company Limited	12,280,770	12.41	NIL	NIL
6	ICICI Bank Limited	8,346,150	8.44	NIL	NIL
7	Indian Overseas Bank	6,123,076	6.19	NIL	NIL

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

The Percentage of shareholding of Mr.Ashok Y Punj, Arjun A Punj and Mr Keshav A Punj were reduced due to allotment of 45638411 equity shares during the year to various lender of the Company.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “3” - RESERVES & SURPLUS

Particulars	As at March 31, 2015	As at March 31, 2014
Securities Premium Reserve		
Opening Balance	43,127.58	42,854.83
Add : Securities Premium Credited on Share issue	7,302.15	NIL
Add: Excess provision of FCCB Redemption Premium written back	NIL	272.75
Less: Allotment Money in Arrears (Directors-Nil)	NIL	NIL
Less : Premium Utilised for various reasons	NIL	NIL
Premium on Redemption of Debentures	NIL	NIL
For Issuing Bonus Shares	NIL	NIL
Closing Balance	50,429.73	43,127.58
Other Reserves (Investment Allowance Utilised Reserve)		
As per Last Balance Sheet	139.64	139.64
Other Reserves (General Reserve)		
Opening Balance	7,055.93	7,055.93
(+) Current Year Transfer	NIL	NIL
(-) Written Back in Current Year	NIL	NIL
Closing Balance	7,055.93	7,055.93
Other Reserves (Revaluation of Reserve)		
Revaluation of Land	51,400.00	51,400.00
Closing Balance	51,400.00	51,400.00
Surplus		
Opening balance	(87,090.67)	(74,445.02)
(+) Net Profit/(Net Loss) For the current year	(47,752.59)	(12,645.65)
(+) Transfer from Reserves	NIL	NIL
(-) Proposed Dividends	NIL	NIL
(-) Interim Dividends	NIL	NIL
(-) Transfer to Reserves	NIL	NIL
(-) Diminution in value in WIP	NIL	NIL
(-) Prior Years Expenses	(630.99)	NIL
(+) Prior Year excess provision withdrawn	NIL	NIL
Closing Balance	(135,474.25)	(87,090.67)
Total	(26,448.95)	14,632.49

NOTE “3 A” - SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Share Application Money Pending Allotment	6,531.57	1,800.74

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE "4" - LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
4 A. Secured		
Term loans		
From Banks		
Foreign Currency Loan	29,823.15	29,823.15
Rupee Loan	321,583.38	316,758.67
Current maturities of long-term debt	(22,307.00)	(7,368.73)
Motor Vehicle Loans	1.08	17.88
	329,100.61	339,230.97

All the Bank Loans are Secured by First Charge on the Specific Immovable Property, entire Moveable Assets and the entire Current Assets of the Company on pari passu basis except for a Bank which has the first exclusive charge on the Specific Non Core Assets of the company namely land at pipava, Mahudi and Panipat.

The Company had filed the Flash Report on 6th March 2013 before Corporate Restructuring (CDR) cell at Mumbai. The restructuring package was approved by CDR Cell, effective date being 24th August 2013. The outstanding loan balance is worked out on the basis of the approved package and it is accounted. The Interest payable on this entire restructured loan as per the approved interest rate for this nine month periods (1st April, 2014 to 31st December, 2014), is not accounted.

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

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
4.B. Unsecured		
From Promoters' Companies	1,748.00	1,748.00
Total (A+B)	330,848.61	340,978.97

NOTE "5" - DEFERRED TAX LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred Tax Liabilities - Depreciation Difference	NIL	(454.57)
Deferred Tax Assets) Disallowances and others	NIL	150.00
Net Deferred Tax Liability / (Assets)	NIL	(604.57)

TRADE PAYABLES

(₹ in Lacs)

Other Long Term Liabilities	As at March 31, 2015	As at March 31, 2014
(a) Trade Payables	29,295.63	29,295.63
(b) Others	NIL	NIL
Total	29,295.63	29,295.63

NOTE : "6" - LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
(a) Provision for employee benefits		
Superannuation (unfunded)	NIL	NIL
Gratuity (unfunded)	1,338.44	1,340.57
Leave Encashment (unfunded)	NIL	NIL
ESOP / ESOS	NIL	NIL
(b) Others (Specify nature)	NIL	NIL
Total	1,338.44	1,340.57

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “7” - SHORT TERM BORROWINGS

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
	Secured		
	Loans Repayable on Demand		
i)	From Banks	35,495.00	35,495.00
	(Secured against Hypothecation of Current Assets and charge on the Assets of Company)		
ii)	From Banks	NIL	NIL
	(Secured against Hypothecation of Project Current Assets)		
		35,495.00	35,495.00
	Unsecured		
	Loans Repayable on Demand		
	From Banks	NIL	NIL
	Total	35,495.00	35,495.00

NOTE “8” - OTHER CURRENT LIABILITIES

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Current Maturities of Long-term Debt	22,307.00	7,368.73
(b)	Current Maturities of Finance Lease Obligations	NIL	NIL
(c)	Interest Accrued but not due on Borrowings	NIL	NIL
(d)	Interest Accrued and due on Borrowings	NIL	NIL
(e)	Income Received in Advance	NIL	NIL
(f)	Unpaid Dividends	28.75	29.12
(g)	Mobilisation Advance from Customer	5,696.48	16,166.13
(k)	Other Payables	6,553.62	8,088.56
	Total	34,585.85	31,652.53

NOTE “9” - SHORT TERM PROVISIONS

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
(a)	Provision for Employee Benefits		
	Salary & Reimbursements	NIL	NIL
	Contribution to PF	NIL	NIL
	Gratuity (Funded)	NIL	NIL
	Leave Encashment (funded)	NIL	NIL
	Superannuation (funded)	NIL	NIL
	ESOP / ESOS	NIL	NIL
(b)	Others (Specify nature)		
	Provision for Taxation - Current Tax	NIL	NIL
	Proposed Dividend	NIL	NIL
	Tax on Proposed Dividend	NIL	NIL
	Total	NIL	NIL

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE "10" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance	Additions	Revaluation	Disposals	Balance	Upto	For the	Disposals	Upto	Balance
	As at 1-Apr-14				as at March 31, 2015	1-Apr-14	Period		March 31, 2015	As at March 31, 2014
I. TANGIBLE ASSETS										
Free Hold Land	57,341.14	3,300.85	NIL	NIL	60,641.99	NIL	NIL	NIL	NIL	57,341.14
Lease Hold Land	44.58	NIL	NIL	NIL	44.58	25.41	2.97	NIL	28.38	19.17
Office Buildings	117.23	NIL	NIL	NIL	117.23	46.91	3.52	NIL	50.44	70.31
Factory Building	20,495.32	1.34	NIL	NIL	20,496.66	9,278.63	1,121.75	NIL	10,400.38	11,216.69
Furniture & Fixtures	573.62	NIL	NIL	NIL	573.61	418.40	28.09	NIL	446.50	155.21
Plant and Equipment	189,079.80	286.42	NIL	NIL	189,366.23	73,958.19	16,016.56	NIL	89,974.74	115,121.62
Office Equipments	479.08	2.47	NIL	NIL	481.56	358.24	17.32	NIL	375.56	120.84
Lab Equipments	989.22	NIL	NIL	NIL	989.22	601.88	53.88	NIL	655.76	387.34
Computers	470.18	1.03	NIL	NIL	471.22	448.66	9.43	NIL	458.10	21.60
Motor Cars	1,117.83	NIL	NIL	8.20	1,109.63	947.01	44.23	7.40	983.83	170.83
Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	104.64	0.14	NIL	104.79	0.47
Cycles	0.29	NIL	NIL	NIL	0.29	0.26	0.01	NIL	0.27	0.02
Earth Moving Equipments	3,688.10	NIL	NIL	NIL	3,688.10	3,512.21	52.77	NIL	3,564.96	175.90
Shed Construction	938.62	NIL	NIL	NIL	938.62	605.91	33.27	NIL	639.18	332.72
TOTAL I	275,440.11	3,592.11	8.20	8.20	279,024.02	90,306.36	17,383.94	7.40	107,682.89	185,133.84
TOTAL (Previous Year)	270,187.94	5,326.96	NIL	74.79	25,440.11	81,391.99	8,944.89	30.60	90,306.27	188,795.97
II. INTANGIBLE ASSETS										
Computer Software	35.36	NIL	NIL	NIL	35.36	34.72	0.05	NIL	34.78	0.58
TOTAL II	35.36	NIL	NIL	35.36	34.72	0.05	NIL	34.78	0.58	0.50
TOTAL (Previous Year)	35.36	NIL	NIL	NIL	35.36	34.72	0.13	NIL	34.86	0.64
TOTAL I + II	275,475.47	3,592.11	8.20	8.20	279,059.38	90,341.08	17,383.99	7.40	107,717.67	185,134.33
TOTAL (Previous Year)	270,223.30	5,326.96	NIL	74.79	275,475.47	81,426.71	8,945.02	30.60	90,341.13	188,796.60

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

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

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

By way of an advance payment made vide Cheque No 702339 dated 29th March 2014 drawn on ICICI Bank 100,000.00

By way of issuance of 1,21,30,770 equity shares of face value of Rs 10 each which shall be issued at a premium of Rs 16/- per share thereby aggregating to Rs 26/- per share which is in share application money pending allotment 315,400,020.00

Total 315,500,020.00

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE "11" - NON CURRENT INVESTMENT

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
11A	Investment in Subsidiaries		
	Unquoted, Trade		
	1400020 Equity Shares of Rs. 10/- each of PSL Corrossion Control Services Ltd (Previous Year 1400020 equity shares)	140.00	140.00
	30859741 Equity Shares of USD 1 /- of Pipeline Systems Ltd. Mauritius (Previous year 30859741 equity shares)	14,163.45	14,163.45
	29488083 Equity Shares of USD 1 /- of PSL USA, INC. (Previous year 29488083 equity shares)	13,034.34	13,034.34
	170000 Equity Shares of Rs.10/- each of PSL Gas Distribution Pvt. Ltd. (Previous Year 170000 Equity shares)	17.00	17.00
	28210000 Equity Shares of Rs.10/- each of PSL Infrastructure & Ports Pvt. Ltd. (Previous 28210000 Equity Shares)	2,821.00	2,821.00
	(A)	30,175.79	30,175.79
11.B.	Investment in Associates		
	Unquoted, Trade		
	1330000 Equity Shares of Rs. 10/- each of BHI LTD. (Previous year 1330000 Shares)	133.00	133.00
	150000 Equity Shares of Rs.10/- each of Punj International Pvt. Ltd. (Previous Year 150000 Equity Shares)	15.00	15.00
	7500 Equity Shares of Rs. 10/- each of Broken Hills International Ltd. (Previous year 7500 Equity Shares)	0.75	0.75
	2000 Equity Shares of Rs. 100/- each of Punj Investments Pvt Ltd. (Previous year 2000 Equity Shares)	2.00	2.00
	860000 Equity Shares of Rs. 10/- each of Eurocoustic Products Ltd. (Previous Year 860000 Equity Shares)	86.00	86.00
	484000 Equity Shares of Rs. 10/- each of Punj Corporation Pvt. Ltd. (Previous Year 484000 Equity Shares)	48.40	48.40
	(B)	285.15	285.15
11.C.	Non Trade Investments Equity		
	Unquoted, Trade		
	128 Shares of Rs. 100/- each in The Gandhidham Mercantile Co-Op. Bank Ltd. (Previous year 128 Shares)	0.13	0.13
	(C)	0.13	0.13
	(A+B+C)	30,461.07	30,461.07

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “12”- LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

	Particulars		As at March 31, 2015	As at March 31, 2014
a.	Capital Advances			
	Secured, Considered Good		NIL	NIL
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(A)	NIL	NIL
b.	Security Deposits			
	Secured, Considered Good		1,617.39	2,436.82
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(B)	1,617.39	2,436.82
c.	Loans and Advances to Related Parties			
	Secured, Considered Good		NIL	NIL
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(C)	NIL	NIL
d.	Other Loans and Advances (Specify Nature)			
	Secured, Considered Good			
	Excise & Service Tax Deposits		42,399.83	40,649.66
	Unsecured, Considered Good		NIL	NIL
	Doubtful		NIL	NIL
		(D)	42,399.83	40,649.66
	Total	(A+B+C+D)	44,017.22	43,086.48

NOTE “13” - OTHER NON-CURRENT ASSETS

(₹ in Lacs)

	Particulars	As at March 31, 2015	As at March 31, 2014
a.	Long Term Trade Receivables (including Trade Receivables on Deferred Credit Terms)		
	Secured, Considered Good	NIL	NIL
	Unsecured, Considered Good	NIL	NIL
	Doubtful	NIL	NIL
	Less: Provision for Doubtful Debts	NIL	NIL
		NIL	NIL
b.	Others (Specify Nature)		
	Secured, Considered Good	NIL	NIL
	Unsecured, Considered Good	NIL	NIL
	Doubtful	NIL	NIL
	Less: Provision for Doubtful Debts	NIL	NIL
		NIL	NIL
c.	Debts due by Related Parties		
	Secured, Considered Good	NIL	NIL
	Unsecured, Considered Good	NIL	NIL
	Doubtful	NIL	NIL
	Less: Provision for Doubtful Debts		
		NIL	NIL
	Total	NIL	NIL

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE "14" - CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Mutual Funds (Unquoted) (Units of Rs. 10 each, unless otherwise specified)	NIL	NIL
Unquoted, Trade		
SBI Capital Protection Oriented Fund (Mutual Fund)	NIL	NIL
	NIL	NIL

NOTE "15" - INVENTORIES

(₹ in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
a. Raw Materials and Components (Valued at cost)		7,671.33	10,768.51
Goods-in transit		NIL	33.25
	(A)	7,671.33	10,801.76
b. Work-in-Progress		126,018.84	126,334.14
Goods-in Transit		NIL	NIL
	(B)	126,018.84	126,334.14
c. Finished goods (Valued at Cost or Realisable Value whichever is less)		1,239.26	2,290.91
Goods-in Transit		NIL	NIL
	(C)	1,239.26	2,290.91
d. Stores and Spares (Valued at Cost)		4,195.82	4,977.23
Goods-in Transit		NIL	NIL
	(D)	4,195.82	4,977.23
Grand Total	(A+B+C+D)	139,125.26	144,404.04

NOTE "16" - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Receivables outstanding for a period of exceeding Six months from the date they are due for payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	28,112.75	15,954.25
Unsecured, Considered Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	221.05
	28,112.75	15,733.20
Trade Receivables Outstanding for less than Six months from the date they are due for payment		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	3,081.34	19,251.93
Unsecured, Considered Doubtful	NIL	NIL
	3,081.34	19,251.93
Total	31,194.09	34,985.13

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “17” - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
a. Balances with Banks	1,552.59	686.06
b. Fixed Deposits with Banks with more than 12 months Maturity	1,149.28	9,456.71
Fixed Deposits with Banks (Under Lien Rs.1149.28 Lacs)		
b. Cheques, Drafts on hand	NIL	NIL
c. Cash on Hand	77.48	58.18
d. Unclaimed Dividend	NIL	NIL
Total	2,779.35	10,200.95

NOTE “18” - SHORT TERM LOAN AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Secured, Considered Good		
Advance to Raw Material and Others	2,295.93	15,667.38
Loan to Employees	55.59	112.99
Advance Income Tax	754.93	163.27
Unsecured, Considered Good	NIL	NIL
Unsecured, Considered Doubtful	NIL	NIL
Total	3,106.45	15,943.64

NOTE “19” - OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Dividend, Interest Subsidy and Interest Receivable	NIL	NIL
Export Incentives Receivables	NIL	NIL
Claims and other Receivables	NIL	NIL
	NIL	NIL

NOTE “20” - REVENUE FROM OPERATION (GROSS)

(₹ in Lacs)

Particulars		For the year Ended	For the period Ended
		31st March 2015	31st March 2014
		(12 months)	(6 months)
Sale of Products			
H.Saw Pipes		8552.06	13268.37
Coating on Steel Pipes		1412.81	3599.82
Anodes		NIL	67.73
	(A)	9964.87	16935.92
Sale of Services			
Rebar Coating		1905.00	656.65
Induction Bending		716.33	150.58
	(B)	2621.33	807.23
Other Operating Revenues			
Equipment Sales		414.75	921.91
Process Waste Sale		1822.91	1167.17
Other Material Sales		293.85	104.92
	(C)	2,531.51	2194.00
Total	(A+B+C)	15,117.71	19,937.15

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “21” - OTHER INCOME

(₹ in Lacs)

	For the period Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Dividend Income		
From a Subsidiary	NIL	NIL
From a Associate	0.21	NIL
Net Surplus on disposal of Assets	NIL	NIL
Rent and Compensation	73.90	30.57
Exchange Fluctuation Gain (Net)	NIL	1560.18
Insurance Claim /Excise Duty /Sales Tax Claim	3.87	5.96
Profit on sale of assets	3.68	955.43
Interest	54.49	4.41
Claims received	133.34	NIL
Other Non Operating Income	124.45	30.51
Total	393.94	2,587.06

NOTE “22” - COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Raw Material		
Opening Stock	10,768.51	10,272.68
Purchases	5,537.62	10,706.42
	16,306.13	20,979.10
Less : Sales	NIL	NIL
Less: Closing Stock	7,671.33	10,768.51
	8,634.80	10,210.59
Imported and Indigenous Raw Material Consumed		
Imported	1,852.64	676.13
%	21.46%	6.62%
Indigenous	6,782.17	9,534.46
%	78.54%	93.38%
Total	8,634.81	10,210.59
%	100.00%	100.00%
Details of Raw Material Consumed		
H. R. Coil	6,431.91	4,752.71
Flux	58.53	18.90
Filler Wire	37.42	23.67
M S Wire	NIL	11.77
Epoxy Powder	570.44	300.72
Adhesive	76.06	56.11
Polyethylene	308.98	400.03
Polypropylene	0.37	NIL
Inner Wrap	21.46	5.35
Outer Wrap	18.81	11.34
Coal Tar Enamel	100.11	47.76
Wiremesh	45.71	2.72
Cement	24.89	8.93
Sand	21.74	12.80
Iron Ore	6.03	1.04
Zinc	0.03	650.42
Coating Materials and others	912.31	3,906.32
Total	8,634.80	10,210.59

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “23” - MANUFACTURING AND OPERATING COST

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Consumption of Stores and Spares Parts	1825.88	1,271.29
Power & Fuel	1037.43	751.79
Excise Duty, Service Tax and Sales Tax	910.73	641.44
Freight & Cartage	385.94	351.52
Equipment Hire Charges	1.19	0.09
Labour Charges	155.05	65.80
Interest on Bill Discounting	210.52	2.69
Other Manufacturing & Operating Expenses	654.69	67.14
Water Charges	4.88	2.58
Liquidated Damages	401.40	NIL
Dumpsite Maintains	79.67	39.37
Total	5,667.38	3,193.71
Imported and Indigenous Stores & Spare Parts Consumed		
Imported	0.00	0.00
%	0.00%	0.00%
Indigenous	1825.88	1,271.29
%	100.00%	100.00%
Total	1,825.88	1,271.29
%	100.00%	100.00%

NOTE “24” - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Opening Stock		
Finished Goods	2290.91	6900.29
Work in Progress	126334.14	127279.36
	128625.05	134179.65
Closing Stock		
Finished Goods	1239.26	2290.91
Work in Progress	126018.84	126334.14
	127258.10	128625.05
Total	1366.96	5554.60

NOTE “25” - EMPLOYEE BENEFIT EXPENSE

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Salaries, Bonus etc.	4467.16	2526.27
Contributions to Provident and other funds	409.34	188.93
Staff welfare expenses	378.00	230.69
Total	5,254.49	2,945.90

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “26” - FINANCE COST

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Interest expense	4,618.23	1815.88
Other borrowing costs	171.58	248.65
Currency Loss	NIL	NIL
Total	4,789.80	2,064.53

NOTE “27” - OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Conveyance	144.32	64.25
Traveling Expenses	219.59	153.78
Postage, Telegram and Telephones	78.33	45.28
Printing and Stationery	34.30	22.36
Rent, Rates & Taxes	283.05	146.81
Electricity Charges	54.28	29.70
Professional Charges	503.94	272.31
Repair and Maintenance (Plant)	7.40	16.62
Repair and Maintenance (Building)	4.50	3.27
Repair and Maintenance (Others)	150.15	61.18
Insurance	158.05	64.85
Auditors' Remuneration	25.00	12.50
Vehicle Expenses	113.98	84.24
General Expenses	731.81	1,096.57
Risk and Cost Recovery	Nil	1,034.18
Total	2,508.70	3,107.90

NOTE “27” [A] - PAYMENT TO AUDITOR

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Payments to Auditor :		
As Audit Fees	18.00	8.50
For Taxation Matters	4.00	2.00
For Company Law Matters	Nil	NIL
For Management Services	Nil	NIL
For Other Services	2.00	1.00
For Re-imbursement of Expenses	1.00	1.00
Total	25.00	12.50

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE "28" - VALUE OF IMPORTS

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Raw Material	1,852.64	676.13
Stores & Spare Parts	NIL	NIL

NOTE "29" - EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Traveling Expenses	30.19	21.40
Agency Commission & Others	NIL	NIL

NOTE "30" - EARNING IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Pipe Sales & Pipe Coating Receipt (FOB)	NIL	124.63

NOTE "31" - REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2015	31st March 2014
	(12 months)	(6 months)
Year to which the Dividend Relates	NIL	NIL
Number of Non-resident Shareholders to whom remittance were made	NIL	NIL
Number of Shares on which remittances were made	NIL	NIL
Amount remitted	NIL	NIL

NOTE 32 - TRADE PAYABLES

- a. Trade Payables includes Rs. Nil (Previous Year Rs. Nil) Due to Micro and Small Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs.314.86 Crores (Previous Year Rs.3456.58 Crores) due to other parties
- b. No interest is paid/payable during the year to any enterprise registered under the MSME.
- c. The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of Suppliers under the MSME.

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE "33" - DERIVATIVE INSTRUMENTS

- I. The Company has entered into the following derivative instruments.
- Forward Exchange contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
Forward Exchange Contracts entered into by the Company as on March 31, 2015. (payable): USD NIL
 - Interest Rate Swaps to hedge against fluctuations in interest rate changes :
No of Contracts NIL
Notional Principal NIL
 - Currency Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate.
No of Contracts NIL
Notional Principal NIL
- II. The year end Foreign Currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

Particulars	March 31, 2015	March 31, 2014
Receivable /(Payables) (Rs. In lacs)	NIL	(10.54)
Receivable /(Payables) (USD in Mn)	NIL	(1.77)

Foreign Exchange exposure of ECB Term Loan of USD 50 mio not included in the above as this ECB Loan will be converted as per CDR package into Rupee Term Loan, subject to RBI permission. RBI permission is applied for.

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

NOTE "34" - RELATED PARTY DISCLOSURES

I.	Relationships	
a)	Subsidiary Companies	
	PSL Corrosion Control Services Ltd.	100% Subsidiary Company
	Pipe Line System Ltd., Mauritius	100% Subsidiary Company
	PSL USA INC. , Delaware , USA	100% Subsidiary Company
	PSL Gas Distribution Pvt.Ltd.	100% Subsidiary Company
	PSL Infrastructure & Ports Pvt.Ltd.	100% Subsidiary Company
	PSL FZE, Sharjah.	100% Subsidiary Company of Pipeline Systems Ltd., Mauritius
	PSL North America LLC.	JV Company of PSL USA INC., Delaware, USA (80% holding)
	(PSL North America LLC and PSL USA Inc., have filed insolvency petition under Chapter 11 under the US regulation. Currently under judicial process)	
b)	Associate	
	BHI Ltd.	
	Broken Hills International Ltd.	
	Eurocoustic Products Ltd.	
	Punj International Pvt. Ltd.	
	Punj Investments Ltd.	
	Punj Corporation Private Limited	
	Rosoboronterra India Pvt.Ltd.	
	(Subsidiary of Punj Corporation Private Limited)	

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

c)	Key Management Personnel	
	Ashok Punj	: Managing Director
	M.M.Mathur	: Director (till 31st May, 2014)
	R. K . Bahri	: Director
	S.P.Bhatia	: Director
	C K Goel	: Director
	G. Gehani	: Director & Co. Secretary (till 15th July, 2014)
	Shashi Ranjan	: Company Secretary (w.e.f. 20th December, 2014)
	Note: Related party Relationship is as identified by the Company and relied upon by the Auditors	

2.	Transaction Carried out with Related Parties in ordinary course of Business			
	Nature of Transaction			(Rs. In Lacs)
		Key Personnel	Subsidiary	Associates
	Purchase of Goods	NIL	75.96	0.31
	Purchase of Capital Goods (Land)	NIL	NIL	3155.00
	Reimbursement of Expenses	NIL	1,659.14	105.63
	Lease Rental	NIL	NIL	10.96
	Remuneration	296.48	NIL	NIL
	Dividend Received	NIL	NIL	NIL
	Sale of Goods	NIL	272.69	NIL

NOTE 35 - LEASE

Operating lease payments are recognized as expenditure in the Profit and Loss account on a straight-line basis, which is representative of the time pattern of benefits received from the use of assets taken on lease. Lease rentals in respect of operating Lease are recognised as income over the lease period.

NOTE "35A" - PREMISES TAKEN ON OPERATING LEASE

Particulars	31 March 2015 (12 Months)	31 March, 2014 (6 months)
Premises taken on operating lease:		
The total future minimum lease rentals payable at the Balance Sheet date is as under		
For a period not late than one year	85.56	85.56
For a period later than one year and not late than five years	427.80	427.80
For a period later than five years	256.68	256.68
Vehicles taken on operating lease	Nil	Nil
Premises given on operating lease		
Gross Carrying amount	44.58	44.58
Depreciation for the year	1.49	1.49
Accumulated depreciation	20.95	20.95
The total future minimum lease rentals receivable at the balance sheet date is as under		
For a period not late than one year	3.06	3.06
For a period later than one year and not late than five years	15.30	15.30
For a period later than five years	9.21	9.21

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE “36” - DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 “EMPLOYEE BENEFITS”

	For the Year ended 31 March, 2015 (12 months)	For the Year ended 31 March, 2014 (6 months)
Defined Contribution Plan -		
The Company has recognised the following amounts in the Profit and Loss accounts for the year		
Contribution to Employee Provident Fund - RPFC	180.44	140.40
Contribution to Employee Provident Fund - Trust	NIL	NIL
Contribution to Pension Fund	174.45	NIL
Contribution to Superannuation Fund	173.01	36.72
	527.91	177.12
Defined Benefit Plan -		
The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005)		
A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO)		
Opening DBO	2,206.61	2,106.13
Current service cost	97.98	113.60
Interest cost	54.17	351.63
Actuarial (gain)/loss	NIL	NIL
Past Service Cost	NIL	NIL
Liabilities Extinguished on settlements	NIL	NIL
Benefits paid	448.27	364.75
Closing DBO	1,910.49	2,206.61
A reconciliation of the opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	881.02	1,175.04
Expected return	8.35	68.06
Actuarial gain/ (loss)	NIL	NIL
Contribution by the employer	5.97	2.67
Assets Distributed on Settlements	NIL	NIL
Benefits paid	448.27	364.75
Closing fair value of plan assets	447.07	881.02
A reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets recognised in the balance sheet:		
Present value of the defined benefit obligation at the end of the period	1,910.49	2,206.67
Fair value of the plan assets at the end of the year	447.07	881.02
Liability recognised in the balance sheet	1,463.42	1,325.65
The total expense recognised in the profit and loss account:		
Current service cost	97.98	113.60
Interest Cost	54.17	351.63
Expected return on plan assets	8.35	68.06
Actuarial (gains)/loss	NIL	NIL
Past Service Cost	NIL	NIL
Losses/(Gains) on “Curtailements & Settlements”	NIL	NIL
Net Gratuity cost	143.80	397.17
For each major category of plan assets following is the percentage that each major category constitutes of the fair value of the total plan assets.		
LIC of India	100%	100%
Government of India securities	NIL	NIL
Corporate bonds	NIL	NIL
Special deposit schemes/others	NIL	NIL
Actual return on plan assets	8.75%	6.75%
Following are the Principal Actuarial Assumptions used as at the balance sheet date :		
Discount rate	8.00%	8.00%
Expected rates of return on any plan assets	8.75%	6.75%
Average Salary escalation rate for Non Management for Each Year	7.00%	5.33%
Average Salary escalation rate for Non Management Every Third Year		

NOTES ON FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2015

NOTE 37

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

NOTE 38

(₹ in lacs)

		31st March 2015		31st March 2014	
I.	Contingent liabilities				
	A. Counter Guarantees given by the Company for Bank Guarantees		9,566.12		35,896.04
	B. Other Guarantees Given by the Company on behalf of				
	- Subsidiary Companies	44,198.00		101,256.79	
	- Others	4,575.68	48,773.68	4,575.68	105,832.47
	C. Letter of Credit Outstanding (Not yet committed)		NIL		124.74
	D. Bills Discounting		369.43		535.32
	E. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		NIL		NIL
II.	Income Tax Assessment Completed upto AY 2012-13 (March'2012), Demand raised by the Department amounting to Rs 24.65 Lacs is contested before CIT (Appeal) Mumbai. Assessment for AY 2005-06 (March'05) u/s 263 r.w.s.143 (3) completed by the Department. Final Demand Rs.43.59 lacs is contested before CIT (Appeal)				
III.	Gujarat Water Supply & Sewerage Board (GWSSB) , a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to "Gujarat Public Works Contracts Disputes Arbitration Tribunal" for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force major conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.				
IV.	The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) passed order on 27/3/14 for the evacuation of Kandla PCD-I premises because lease period was over. The Company is taking suitable legal action against above order. Since the lease amount is under dispute, the lease payment have not been made and not provided in accounts.				
V.	In the opinion of the Board the Current Assets are approximately of the value, if realised, in the ordinary course of the business. The Provision for Depreciation and for all known Liabilities are adequate and not in excess of the amount reasonably considered necessary. All the income accrued has been accounted for in the books.				
VI.	Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.				

NOTE "39"

In terms of the approval (LOA) of CDR cell interest on the bank loans of CDR member banks and non CDR member banks shall be funded for a period of 2 years i.e. from 1/1/2013 to 31/12/2014 as a fresh term loan namely FITL. Interest as per the approved rate based on the restructuring package was worked out, however not charged to interest account. Interest payable as per this calculation for the loan outstanding as on date amounting to Rs. 627.21 Crores. Also the Company has not provided regular interest on loan outstanding amounting to Rs. 88.58 Crores for the period from 01/01/2015 to 31/03/2015.

NOTE "40"

Current Year figures are for a period of 12 months and hence not comparable with the previous period figures which are for 6 months. The previous period figures have also been reclassified regrouped to conform to this period's classification

NOTE "41"

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

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

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

Place: Mumbai
Dated: 13th May, 2015

For and on behalf of the Board of Directors

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

Consolidated Statements



Consolidated Auditors' Report
Consolidated Balance Sheet
Consolidated Statement of Profit & Loss
Consolidated Cash Flow Statement
Notes to Consolidated Financial Statement

CONSOLIDATED AUDITORS' REPORT

To

The Board of Directors
PSL Limited

We have audited the accompanying Consolidated Financial Statements of **PSL LIMITED** ("the Company") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

The unaudited financial results of PSL USA INC and PSL North America LLC, (step down subsidiary of PSL USA Ltd.) Pipeline System and PSL FZE (step down subsidiary of Pipeline System Ltd.) have been included in this consolidation.

Management's Responsibility for the Consolidated Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Emphasis of Matter:

We draw attention to:

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

Default In Payment to Banks

Based on our audit procedure and as per the information and explanation given to us, the company has defaulted in repayment of loan and interest to the banks and financial institutions as on 31st March 2015. The Company has sought a restructuring program from the bankers under the guidelines issued by the Reserve Bank of India. The Company had filed an application before the CDR Cell on March 06, 2013 (Cut Off Date : 1st January, 2013) along with the Flash Report. After considering the proposal, the final restructuring package was approved by CDR Empowered Group on 23rd August, 2013 which was duly communicated to the Company by the CDR Cell vide its Letter of Approval dated 23rd September, 2013.

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

- a) The promoters of the Company are required to make a total contribution of Rs. 146.81 Crore by way of subscribing to the equity capital of the Company/ unsecured loan so that the said contribution constitutes 25% of the total sacrifice computed for the aforesaid restructuring.
- b) A portion of outstanding debt of lenders of the Company is required to be converted into Equity Shares. Yes Bank, being one of the lenders of the

Company, has assigned its debt to Edelweiss Asset Reconstruction Company Ltd. through execution of Deed of Accession to Master Restructuring Agreement. The outstanding portion of debt amounting to Rs. 5 Crore (Rupees Five Crore only) of Edelweiss Asset Reconstruction Company Ltd. was required to be converted into Equity Shares. However the debt amounting to Rs. 2.72 (Rupees Two Crore Seventy Two Lacs only) out of aforesaid total debt amount has already been converted into Equity Shares in accordance with the members' approval dated 4th July, 2014 obtained through Postal Ballot dated 20th May, 2014. Now the remaining debt of Rs.2.28 Crore (Rupees Two Core Twenty Eight Lacs only) if required to be converted into Equity Shares of the Company.

- c) The Board of the Directors has, in accordance with the SEBI (ICDR) Regulations by passing a resolution on 5th February, 2015 also duly ratified on 10th February, 2015 considered and approved, subject to the approval of the members of the company, the proposal of issuance of a total of 50619232 Equity Shares of face value of Rs.10/- (Total Ten only) each at a total price of Rs.26/- (Rupees Twenty Six only) per equity share (including premium of Rs.16/- to the Promoter/Promoter Group/Promoter's Group Entities and a CDR Lender namely Edelweiss Asset Reconstruction Company Ltd. hereinafter collectively referred to "Proposed Allottees" of the Company as mentioned at Point a) and b) above calculated in accordance with the Regulation 76 of Chapter VII of the SEBI (ICDR) Regulations for an aggregate value upto approx. Rs.1,31,61,00,120/- (Rupees One Hundred Thirty One Crores Sixty One Lacs and One Hundred Twenty only).
- d) Other terms applicable to the proposed issue are as follows:
 - i) The equity shares shall be subject to lock-in for a period in accordance with the provisions of the SEBI (ICDR) Regulations.
 - ii) The equity shares now to be issued shall rank passu with the existing equity shares of the Company in all respects.
- e) Further it was mentioned that the Promoters of the Company were required to bring total contribution of Rs.146.9 crore being 25% of lenders sacrifice. It was stated that the Promoters have infused Rs.38.60 crore by way of cash, Rs.31.6 crore by way of subscription of equity, in lieu of sale of land belonging to promoter owned company, Broken Hills International Pvt. Ltd. located in Tamil Nadu and Rs.57 crore by mortgaging promoter owned land at Kalkaji, Delhi. The CDR EG opined that CDR package is not being implemented as per CDR guidelines as promoter's contribution is not infused in time but as lenders want to continue under the aegis of CDR, the company can continue

under CDR through the package has not been implemented within the timelines.

2. Due to this there is a Cash and Capital crunch and the Company is under stress due to reduction in turn over, slowdown in economic environment, increase in the cost of production as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales. There is shortage of working capital.
3. The Company has not provided for the interest amounting to Rs.627.21 Crores for the period from 1st January, 2013 to 31st December, 2014 which was to be built up as funded interest term loan (FITL) on the Working Capital Term Loan and Cash Credit. The Company has also not provided regular interest for the period of three months i.e. from 1st January, 2015 to 31st March, 2015 amounting to Rs.88.58 crores. The loss of the Company in this financial year is understated to an extent of Rs.88.58 crores.
4. The Company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act, 2013.
5. The Company has accumulated losses exceeding the entire "Net Worth" and has incurred cash loss. More than 51% of the paid up capital is held partly by one or more public financial institutions which includes share of promoters pledged with the banks and institutions.
6. The Company has not carried out detailed assessment of the useful life and hence not adjusted depreciation charge accordingly as per the notification to Schedule II of the Companies Act 2013.

Opinion:

In our opinion and to the best of the information and according to the explanations given to us and based on the consideration of the reports of financial statements of the subsidiaries submitted by the management as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March, 2015.
- (ii) In the case of the consolidated Statement of Profit and Loss, of the LOSS of the Company for the year ended on that date and
- (iii) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Other Matters:

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

solely on the reports submitted by the management. The details of assets, revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

(Rs. in Lacs)

Sl. No.	Particulars	Total Assets	Total Revenues	Net Cash Inflow/ (Outflows)
1.	PSL USA INC., Delaware, USA	91,338.86	NIL	NIL

These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, are based solely on these certified financial statements.

Since the financial statements for the financial year ended 31st March, 2015, which were compiled by management of these Companies, were not audited, any adjustments to their balance could have consequential effects on the attached consolidated financial statements. However, the size of these subsidiaries, in the consolidated position is not significant in relative terms.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are

in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities.
 - ii. Provision has not been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

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

Place: New Delhi
Dated: 13th May, 2015

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

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

				(₹ in Lacs)	
Particulars	Note No.	As at 31st March 2015		As at 31st March 2014	
		(12 Months)		(6 Months)	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	2	9,893.53		5,329.68	
(b) Reserves and Surplus	3	(34,343.77)		(2,469.95)	
(c) Money Received against Share Warrants		NIL		NIL	
(d) Minority Interest		620.97		(518.73)	
2 Share Application Money Pending Allotment	3A	6,531.57		1,800.74	
3 Non-Current Liabilities					
(a) Long-Term Borrowings	4	400,664.36		427,474.32	
(b) Deferred Tax Liabilities (Net)		NIL		NIL	
(c) Other Long term Liabilities	5	29,295.63		29,295.63	
(d) Long-term Provisions	6	1,338.44		1,340.57	
4 Current Liabilities					
(a) Short-term Borrowings	7	73,783.10		65,317.09	
(b) Trade Payables	8	16,040.95		11,837.88	
(c) Other Current Liabilities	9	33,894.82		30,119.41	
(d) Short-term Provisions	10	751.99		832.37	
TOTAL		538,471.58		570,359.01	
II. ASSETS					
Non-current Assets					
1 (a) Fixed Assets	11				
(i) Tangible Assets		264,776.40		273,138.93	
(ii) Intangible Assets		0.58		0.50	
(iii) Capital Work-in-Progress		8,242.29		12,798.94	
(iv) Intangible Assets Under Development		NIL		NIL	
(b) Non-Current Investments	12	299.28		299.28	
(c) Deferred Tax Assets (net)		5,307.69		606.18	
(d) Long-term Loans and Advances	13	44,705.14		43,473.36	
(e) Other non-current Assets	14	NIL		NIL	
2 Current Assets					
(a) Current Investments	15	29.21		29.21	
(b) Inventories	16	157,180.23		158,515.14	
(c) Trade Receivables	17	39,951.66		45,039.60	
(d) Cash and Cash Equivalents	18	7,456.57		15,821.01	
(e) Short-term Loans and Advances	19	7,740.22		20,636.86	
(f) Other Current Assets	20	2,782.31		NIL	
TOTAL		538,471.58		570,359.01	
The Notes from an integral part of these Consolidated Financial Statements		1 To 38			

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

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

Place: Mumbai
Dated: 13th May, 2015

For and on behalf of the Board of Directors

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2015

(₹ in Lacs)

	Particulars	Note No.	As at March 31, 2015 (12 Months)	As at March 31, 2014 (6 Months)
I.	Revenue from Operations	21	30,437.54	77,867.88
	Less: Excise Duty		485.74	702.88
			29,951.80	77,165.00
II.	Other Income	22	675.10	4,495.00
III.	Total Revenue	(I + II)	30,626.90	81,660.00
IV.	Expenses:			
	Cost of Materials Consumed	23	18,330.66	47,122.00
	Manufacturing and Operating Costs	24	8,592.55	17,043.34
	Changes in Inventories Of Finished Goods Work-in-Progress and Stock-in-Trade	25	3,318.88	20,870.00
	Employee Benefits Expense	26	6,750.42	4,259.85
	Finance Costs	27	8,233.99	5,061.00
	Depreciation and Amortization Expense		20,788.16	13,474.00
	Other Expenses	28	5,342.02	10,348.81
	Total Expenses		71,356.68	118,179.01
V.	Profit Before Exceptional and Extraordinary Items and Tax	(III-IV)	(40,729.78)	(36,519.00)
VI.	Exceptional Items		17,172.39	NIL
VII.	Profit Before Extraordinary Items and Tax	(V - VI)	(57,902.17)	(36,519.00)
VIII.	Extraordinary Items		NIL	NIL
IX.	Profit Before Tax	(VII- VIII)	(57,902.17)	(36,519.00)
X.	Tax Expense:			
	(1) Current Tax		NIL	1,279.00
	(2) Deferred Tax		NIL	1,545.07
			NIL	2,824.07
XI.	Profit/(Loss) for the Period from Continuing Operations	(IX - X)	(57,902.17)	(33,694.93)
XII.	Profit/(Loss) from Discontinuing Operations		NIL	NIL
XIII.	Tax Expense of Discontinuing Operations		NIL	NIL
XIV.	Profit/(Loss) from Discontinuing Operations (After Tax)	(XII-XIII)	NIL	NIL
XV.	Profit/(Loss) for the Period	(XI + XIV)	(57,902.17)	(33,694.93)
XVI.	Earnings Per Equity Share:			
	(1) Basic		(58.53)	(63.03)
	(2) Diluted		(58.53)	(63.03)
The Notes from an integral part of these Consolidated Financial Statements		1 To 38		

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

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

Place: Mumbai
Dated: 13th May, 2015

For and on behalf of the Board of Directors

Alok Punj
R.K.Bahri

Ashok Punj
S.P.Bhatia
C.K.Goel

(Directors)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH 2015

(₹ in Lacs)

Particulars		As at March 31,2015 (12 Months)	AS at March 31,2014 (6 Months)
A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit Before Tax & Extra-Ordinary Items	(57902.85)	(36519.00)
	ADJUSTED FOR		
	Add : Depreciation	20,788.18	13,474.00
	Interest (Net)	7,733.95	4,674.48
	Other Borrowing Cost	377.51	386.52
	Revaluation Of Assets	NIL	NIL
	Prior Year Expenditure	(635.01)	NIL
	Less: Bad Debts Provision	NIL	NIL
	Less: Profit On Sale Of Fixed Assets	(3.68)	(955.42)
	Add : Loss On Investments	NIL	NIL
	Less: Dividend Income	NIL	NIL
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(29634.54)	(17028.58)
	Changes In		
	Trade Receivables	5087.94	9688.82
	Inventories	1334.91	27097.38
	Trade Payables/Other Liabilities	28392.23	(15641.89)
	Loans And Advances	8883.85	6527.53
	CASH GENERATED FROM OPERATIONS	14064.39	10643.26
	Tax Paid/Payable/Advance Tax	(4701.50)	6411.95
	Technical Know How Fees	NIL	NIL
	NET CASH FROM OPERATING ACTIVITIES	9362.89	17055.21
B)	CASH FLOW FROM INVESTING ACTIVITIES		
	Sale of Fixed Assets	4.48	1,000.29
	Decrease In Capital Wip	3421.25	5,299.25
	Interest Received	122.54	478.45
	Dividend Received	NIL	NIL
	Sale/ (Purchase) of Investments	NIL	NIL
	Purchase of Fixed Assets	(12433.90)	(8752.48)
	NET CASH USED IN INVESTING ACTIVITIES	(8885.63)	(1974.49)
C)	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds From Issue of Shares	4563.85	NIL
	Including Share Premium	7,302.15	NIL
	Minority Interest	1139.70	(1,139.70)
	Share Application Money Pending Allotment	4,730.83	688.98
	Unsecured Loan From Promoters	NIL	NIL
	Interest Paid	(7856.49)	(5152.93)
	Other Borrowing Cost	(377.51)	(386.52)
	Loans Received / Repayments (Net)	(18343.95)	(12138.54)
	NET CASH USED IN FINANCING ACTIVITIES	(8841.42)	(18128.71)
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENT	(8364.16)	(3047.99)
	CASH AND CASH EQUIVALENT - OPENING	15,821.01	18,869.00
	CASH AND CASH EQUIVALENT - CLOSING	7,456.85	15,821.01
		(8364.16)	(3047.99)

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

(SURESH C. MATHUR)
Partner
M.No. 1276
Place: Mumbai
Dated: 13th May, 2015

For and on behalf of the Board of Directors

Alok Punj
R.K. Bahri

Ashok Punj
S.P. Bhatia
C.K. Goel

(Directors)

Auditor's Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 31st March 2015. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and based on and is in agreement with the corresponding Statement of Profit & Loss and Balance Sheet of the Company.

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

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

Place: New Delhi
Date: 13th May, 2015

NOTES ON CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

NOTE 1

CONSOLIDATED - PSL LIMITED

**Statement of Significant Accounting Policies and Practices
(Annexed) to and forming part of the financial statements for the period ended 31st March 2015)**

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance. In all material aspects, with the applicable accounting principles in India, the applicable accounting standard notified under Section 133 and the other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than 12 months.

A. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 2013.

B. Principles of Consolidation

The Consolidated financial statements have been prepared on the following basis:

- i) The consolidated financial statements have been prepared in accordance with the accounting standards 21 (AS 21) – "Consolidated Financial Statements", Accounting Standard 23 (AS-23)- "Accounting for investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All Assets and Liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserves and in case of loss the same is charged to Profit and Loss account.
- iii) All subsidiaries of the Company are subsidiaries since inception of their business activities. Hence there is no capital reserve or goodwill arising on consolidation.
- iv) For the purpose of Consolidation, Accounting policies of the holding company have been adopted for all the entries.

C. Valuation of Inventories

The Raw Materials, Stores and Spare Parts are valued at cost, which is arrived on FIFO basis. Work in progress, Semi Finished Goods and Finished Goods are valued at cost or at the net realisable value, whichever is lower. Cost of Inventories comprises of all costs of purchase (other than refundable duties and taxes), costs of conversion & other costs incurred in bringing the inventories to their present condition and location. Costs of Raw Materials, Packing Materials and Stores and Spares are determined by the average cost method. Cost of Work in Progress and Finished Goods inventories are determined by the absorption costing method. Obsolete, defective, slow moving and unserviceable inventories are duly provided for.

D. Method of Depreciation and Amortisation

Depreciation is provided from the date the assets have been installed and put to use on written down value method at the rates and in the manner prescribed by schedule XIV of the Companies Act, 1956. Lease hold land is being amortized over the period of lease. Depreciation on additions to assets or on sale - discardment of assets, is calculated on pro-rata from the month of such addition or upto the month of such sale/discardment, as the case may be.

E. Research and Development

Revenue Expenditure is charged to Profit & Loss Account and Capital Expenditure is added to the cost of Fixed Assets in the year when it is incurred.

F. Revenue Recognition / Income

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

Sales revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection. Sales are net of sales return and trade discounts. Rebate, claims and discounts are accounted for as and when determined. Deductions made have been reduced from the Sales where found necessary.

Export sales are accounted on the basis of acceptance by the customers and on the basis of export bill of lading.

Export sales are accounted as per the prevailing exchange rate on the date of transaction.

Revenue from services is recognised on rendering of services.

The pipe coating income is recognised after inspection, approval by customers and after despatch. Interest Income is taken on accrual basis and it is netted off against Interest Payment during the year.

Dividend income on investments are accounted for when the right to receive the payment is established.

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

G. Treatment of expenditure during construction period

Expenditure in the case of new units and substantial expansion of existing units during the construction period is included in the work in progress and the same is allotted to the respective Fixed Assets on the completion of the construction.

H. Fixed Assets

Fixed Assets are stated at cost of acquisition and installation. The cost includes Freight, Taxes and related incidental expenses less Modvat Credit.

The Company has erected factory building sheds and installed plant and machinery on lease hold land. The company had incurred some developmental expenditure which was earlier in CWIP on factory building, plant and on lease hold land which increase the future benefits from the existing assets beyond its previously assessed standard of performance i.e. increase in capacity, modernisation & up gradation.

I. Foreign Currency Translations

The Company is exposed to Currency Fluctuations on Foreign Currency transactions. With a view to minimize the volatility arising from fluctuations in the currency rates, the company follows established risk management policies including the use of exchange forward contracts and other derivative instruments.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of such transactions. Monetary Assets and Liabilities in Foreign Currency as at the Balance Sheet. Gains and losses arising on account of difference in foreign exchange rates on settlement / translation of Monetary Assets and Liabilities are recognized in the Profit and Loss Account.

In respect of forward contracts assigned to the Foreign Currency assets as at the balance sheet date, the proportionate premium / discount for the period up to the date of balance sheet is recognized in the profit and loss account. The exchange difference measured by the change rate between the inception of forward contract and date of balance sheet is applied on foreign currency amount of the forward contract and is recognized in the profit and loss account.

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

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

J. Investments

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

K. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

Post-employment benefits:

a. Defined contribution plans

Defined contribution plans are Provident Fund scheme, employee state insurance scheme and Government administered Pension Fund scheme for all employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans is recognized in the Profit and Loss Account in the financial year to which they relate.

The Company makes specified monthly contributions towards employee provident fund to the respective Regional Provident Fund Authority.

b. Defined Benefit Gratuity Plan

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

c. Other long term employee benefits

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

L. Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard -3 on Cash Flow Statement and presents Cash Flows by operating, investing and financing activities of the Company. Cash and cash equivalent presented in the Cash Flow Statement consists of Cash in Hand and demand deposits with banks as on the Balance Sheet date.

M. Borrowing Cost

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

N. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligations and in respect of which reliable estimate can be made. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

Contingent liabilities are not recognized but disclosed in financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

O. Earning Per Share

The Company reports basic and diluted Earning Per Share in accordance with Accounting Standard 20 on Earning per Share. Basic Earnings per share is computed by dividing the Net Profit or Loss for the year by the weighted average number of equity shares outstanding during the year. Diluted Earning Per Share is computed by dividing the Net Profit or Loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

P. Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and the differences between actual results and estimates are recognised in the periods in which the results are known / materialize.

Q. Excise Duty /Service Tax and Sales Tax/Value Added Taxes

Excise duty/Service tax is accounted on the basis of both, payments made in respect of goods cleared/services provided as also provision made for goods lying in bonded warehouses. Sales tax/Value added tax paid is charged to Profit and Loss account.

R. Accounting for Taxes on Income

Income Taxes are accounted for in accordance with Accounting Standard 22 on Accounting for taxes on income. Income taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the revenue authorities, using applicable tax rates and laws. The company offsets advance payments and provisions for current tax and discloses the net amount it intends to settle and where it has a legally enforceable right to set off the recognised amount.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax assets or a deferred tax liability. Deferred tax assets and liabilities are recognized for future tax consequences attributable to timing differences. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax assets can be realized.

S. Impairment of Assets:

In the opinion of the company's management there is no impairment to the assets to which Accounting Standard 28- "Impairment of Assets" applied requiring any revenue recognition.

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

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

Place: Mumbai
Dated: 13th May, 2015

For and on behalf of the Board of Directors

Alok Punj
R.K. Bahri

Ashok Punj
S.P. Bhatia
C.K. Goel

(Directors)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “2” - SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
	(12 Months)	(6 Months)
Authorised		
180,000,000 Equity Shares of ₹10/- each	18,000.00	10,000.00
(Previous year 100000000)		
Issued		
99099352* Equity Shares of ₹ 10/- each	9,909.94	5,346.09
(Previous year 53460911)		
(Out of the above stated Equity Shares 4,56,38,441 full paid up and pari passu ranking Equity Shares of Rs.10/- were allotted to CDR lenders of the Company on preferential basis during the year in compliance of Debt Restructuring Scheme approved for the Company)		
Subscribed & Fully Paid up		
98935252* Equity Shares of ₹ 10/- each	9,893.53	5,329.68
(Out of the above stated Equity Shares 4,56,38,441 full paid up and pari passu ranking Equity Shares of Rs.10/- were allotted to CDR lenders of the Company on preferential basis during the year in compliance of Debt Restructuring Scheme approved for the Company)		
(Previous year 53296811)		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	9,893.53	5,329.68
Subscribed but not fully Paid up		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	NIL	NIL
Total	9,893.53	5,329.68

*The difference in Number of Shares of issued and subscribed & fully paid up is on account of 164100 equity share which were earlier forfeited by the Company on account of non payment of calls

NOTE “2 - A”

(₹ in Lacs)

Particulars	Equity Shares	
	As at Mar 31, 2015	As at March 31, 2014
	No. of Shares	No. of Shares
Shares Outstanding at the Beginning of the Year	53,460,911	53,460,911
Shares Issued during the Year	45,638,441	NIL
Shares Bought Back during the Year	NIL	NIL
Shares Outstanding at the End of the Year	99,099,352	53,460,911

NOTE “2 - B”

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

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE "2 - C"

The details of Shareholders holding more than 5% Shares

(₹ in Lacs)

SR NO	Name of Shareholder	As at March 31, 2015	
		No. of Shares held	% of Holding
1	Ashok Y Punj	4,919,890	4.97
2	Arjun A Punj	3,011,580	3.04
3	Keshav A Punj	3,011,550	3.04
4	Reliance Capital Trustee Co. Ltd.(Reliance Infrastructure Fund)	NIL	NIL
5	Edelweiss Asset Reconstruction Company Limited	12,280,770	12.41
6	ICICI Bank Limited	8,346,150	8.44
7	Indian Overseas Bank	6,123,076	6.19

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

The Percentage of shareholding of Mr. Ashok Y Punj, Arjun A Punj and Mr Keshav A Punj were reduced due to allotment of 45638411 equity shares during the year to various lender of the Company.

NOTE "3" - RESERVES & SURPLUS

(₹ in Lacs)

Particular		As at March 31,2015	As at March 31,2014
		(12 Months)	(6 Months)
a. Securities Premium Reserve			
Opening Balance		43,127.58	43,127.58
Add : Securities Premium Credited on Share Issue		7,302.15	NIL
Add: Excess Provision of FCCB Redemption Premium written back		NIL	NIL
Less: Allotment Money in Arrears (Directors Nil)		NIL	NIL
Less : Premium Utilised for various reasons		NIL	NIL
Premium on Redemption of Debentures		NIL	NIL
For Issuing Bonus Shares		NIL	NIL
Closing Balance	(A)	50,429.73	43,127.58
b-1 Other Reserves (Investment Allowance Utilised Reserve)			
As per Last Balance Sheet	(B1)	139.64	139.64
b-2 Other Reserves (General Reserve)			
Opening Balance		8,228.89	8,241.18
(-) Investment in Subsidiary Companies		12.29	(12.29)
(+) Current Year Transfer		NIL	NIL
(-) Written Back in Current Year		NIL	NIL
Closing Balance	(B2)	8,241.18	8,228.89
b-3 Other Reserves (Revaluation of Reserve)			
Revaluation of Land	(B3)	51,400.00	51,400.00
Closing Balance		51,400.00	51,400.00
c. Surplus			
Opening Balance		(111,125.77)	(77,430.84)
(+) Net Profit/(Net Loss) For the Current Year		(57,902.85)	(33,694.93)
(+) Transfer from Reserves		NIL	NIL
(-) Proposed Dividends		NIL	NIL
(-) Interim Dividends		NIL	NIL
(-) Transfer to Reserves		NIL	NIL
(-) Diminution in value in WIP		NIL	NIL
(-) Prior Years Expenses		(635.01)	NIL
(+) Prior Year Excess Provision Withdrawn		NIL	NIL
Closing Balance	(C)	(169,663.63)	(111,125.77)
d. Foreign Exchange Difference on Consolidation	(D)	25,138.81	5,788.44
e. Miscellaneous Expenditure (Preliminary and Preoperative Expenses)	(E)	(29.50)	(28.73)
Total	(A to E)	(34,343.77)	(2,469.94)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “3 -A” SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
	(12 Months)	(6 Months)
Share Application Money Pending Allotment	6,531.57	1,800.74
Money Received against Share Warrant	NIL	NIL

NOTE “4” - LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
	(12 Months)	(6 Months)
A SECURED		
Term Loans		
From Banks		
Foreign Currency Loan	50,386.77	96,552.87
Rupee Loan	322,585.38	316,758.67
Current maturities of long-term debt	(22,307.00)	(7,368.73)
From Others		
NBFC	NIL	1,334.00
Motor Vehicle Loans	1.08	17.88
Bonds and lease payable	48,250.13	NIL
	398,916.36	407,294.69

Borrowing in PSL USA INC.

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

- Tax Exemption Bonds repayable in semi annual equal installment of USD 2.267 mio from May 2018. Last Installment May 2026. Secured by SBLC from a Bank.
- Taxable Bonds repayable in semi annual installment of USD 588.235 from November 2009. Last Installment November 2017. Secured by SBLC from a Bank.

Borrowing in Pipeline Systems Ltd., Mauritius

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

- Term Loan amounting to USD 33 mio (March 31, 2013 USD 33 mio) is Secured against Standby Letter of credit issued by ICICI Bank Ltd, Baharin
Terms of Repayment : USD 33 mio payable in February 2016

Borrowing in PSL Limited

All the bank loans are secured by first charge on the specific immovable property, entire moveable assets and the entire Current assets of the Company on Pari Passu basis except for a bank which has the first exclusive charge on the specific non core assets of the Company namely land at Pipava, Mahudi and Panipat.

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

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

Borrowing in PSL Corrossion Control Services Limited

Secured against First Charge on the entire Fixed Assets of the Company and first Parri Passu Charges on the Curent Assets of the Company

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

Particulars		As at March 31, 2015	As at March 31, 2014
		(12 Months)	(6 Months)
B	UNSECURED		
	From Promoters' Companies	1,748.00	20,179.63
	Total (B)	1,748.00	20,179.63
	Total (A) + (B)	400,664.36	427,474.32

NOTE : "5" - OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
		(12 Months)	(6 Months)
	Trade Payables	29,295.63	29,295.63
	Others	NIL	NIL
	Total	29,295.63	29,295.63

NOTE "6" - LONG TERM PROVISIONS

(₹ in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
		(12 Months)	(6 Months)
	Provision for Employee Benefits		
	Superannuation (Unfunded)	NIL	NIL
	Gratuity (Unfunded)	1,338.44	1,340.57
	Leave Encashment (Unfunded)	NIL	NIL
	ESOP / ESOS	NIL	NIL
	Others (Specify Nature)	NIL	NIL
	Total	1,338.44	1,340.57

NOTE "7" - SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
		(12 Months)	(6 Months)
	Secured		
	Loans Repayable on Demand		
i)	From banks (Secured against hypothecation of Current Assets and charge on the assets of company)	38,995.00	29,822.09
ii)	From Banks (Secured against hypothecation of Project Current Assets)	34,788.10	35,495.00
		73,783.10	65,317.09
	Unsecured		
	Loans Repayable on Demand		
	From Banks	NIL	NIL
		NIL	NIL
	Total	73,783.10	65,317.09

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “8” - TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31,2015	As at March 31,2014
	(12 Months)	(6 Months)
Trade Payables	16,040.95	11,837.88
Total	16,040.95	11,837.88

NOTE “9” - OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31,2015	As at March 31,2014
	(12 Months)	(6 Months)
Current Maturities of Long-term Debt	26,914.67	7,368.73
Current Maturities of Finance Lease Obligations	NIL	NIL
Interest Accrued but not due on Borrowings	NIL	NIL
Interest Accrued and due on Borrowings	NIL	NIL
Income Received in advance	NIL	NIL
Unpaid dividends	28.75	29.12
Mobilisation Advance from Customer	1,330.35	5,125.01
Other Payables	5,621.05	17,596.55
Total	33,894.82	30,119.41

NOTE “10” - SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31,2015	As at March 31,2014
	(12 Months)	(6 Months)
Provision for Employee Benefits		
Salary & Reimbursements	27.16	34.37
Contribution to Provident Fund	NIL	NIL
Gratuity (Funded)	NIL	NIL
Leave Encashment (Funded)	NIL	NIL
Superannuation (Funded)	NIL	NIL
Other Provision	159.83	233.00
ESOP / ESOS	NIL	NIL
Others (Specify nature)		
Provision for Taxation - Current Tax	565.00	565.00
Proposed Dividend	NIL	NIL
Tax on Proposed Dividend	NIL	NIL
Total	751.99	832.37

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE "11" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				Upto 1-Apr-14	DEPRECIATION/AMORTISATION			NET BLOCK		
	Balance As at 1-Apr-14	Additions	Revaluation	Disposals		For the Period	Disposals	Upto March 31, 2015	Balance As at March 31, 2015	Balance As at March 31, 2014	
					March 31, 2015						(In Lacs)
I. TANGIBLE ASSETS											
Free Hold Land	57,341.14	3,300.85	NIL	NIL	60,641.99	NIL	NIL	NIL	60,641.99	57,341.14	
Lease Hold Land	44.58	NIL	NIL	NIL	44.58	2.97	NIL	28.40	16.18	19.15	
Office Buildings	204.53	NIL	NIL	NIL	204.53	3.58	NIL	71.07	133.47	137.05	
Factory Building	43,319.54	1.34	NIL	NIL	43,320.88	1,127.13	NIL	10,916.44	32,404.44	33,530.23	
Furniture & Fixtures	791.92	NIL	NIL	NIL	791.91	36.18	NIL	602.20	189.71	225.90	
Plant and Equipment	274,441.36	9,121.00	NIL	NIL	283,562.37	19,385.40	NIL	114,245.01	169,317.36	179,581.75	
Office Equipments	505.68	2.47	NIL	NIL	508.15	17.62	NIL	389.31	118.84	133.98	
Lab Equipments	1,020.96	NIL	NIL	NIL	1,020.96	54.92	NIL	680.92	340.04	394.96	
Computers	505.79	1.24	NIL	NIL	507.03	10.09	NIL	488.80	18.24	27.09	
Motor Cars	1,545.47	NIL	NIL	8.20	1,537.27	63.16	7.40	1,271.85	265.42	329.38	
Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	0.14	NIL	104.81	0.29	0.45	
Cycles	0.29	NIL	NIL	NIL	0.29	0.01	NIL	0.31	NIL	NIL	
Earth Moving Equipments	3,974.96	NIL	NIL	NIL	3,974.96	53.66	NIL	3,762.01	212.95	266.61	
Shed Construction	2,631.29	NIL	NIL	NIL	2,631.29	33.27	NIL	1,513.79	1,117.50	1,150.77	
TOTAL	386,432.61	12,426.90	8.20	79.98	398,851.31	20,788.13	7.40	134,074.91	264,776.41	273,138.45	
TOTAL [Previous Year]	380,887.55	5,625.04	NIL	79.98	386,432.61	13,473.87	35.12	113,294.17	273,138.42	281,032.18	
II. INTANGIBLE ASSETS											
Computer Software	35.36	NIL	NIL	NIL	35.36	0.05	NIL	34.92	0.58	0.50	
TOTAL	35.36	NIL	NIL	NIL	35.36	0.05	NIL	34.92	0.58	0.50	
TOTAL	386,467.97	12,426.90	8.20	79.98	398,886.67	20,788.18	7.40	134,109.83	264,776.85	273,138.93	
TOTAL [Previous Year]	380,922.90	5,625.04	NIL	79.98	386,467.97	13,474.00	35.12	113,329.03	273,138.93	281,032.81	

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

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

The Purchase consideration of Rs 31,55,00,020 is to be paid as under :-

By way of an advance payment made vide Cheque No 702339 dated 29th March 2014 drawn on ICICI Bank
By way of issuance of 1,21,30,770 equity shares of face value of Rs 10 each which shall be issued at a premium of Rs 16/- per share thereby aggregating to Rs 26/- per share

	100,000.00
	315,400,020.00
Total	315,500,020.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “12” NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
		(12 Months)	(6 Months)
Investment in Associates			
Unquoted, Trade			
1470000 Equity Shares of Rs. 10/- each of BHI LTD.		147.00	147.00
(Previous year 1470000 Shares)			
150000 Equity Shares of Rs.10/- each of Punj International Pvt. Ltd.		15.00	15.00
(Previous Year 150000 Equity Shares)			
7500 Equity Shares of Rs. 10/- each of Broken Hills International Ltd.		0.75	0.75
(Previous year 7500 Equity Shares)			
2000 Equity Shares of Rs. 100/- each of Punj Investments Pvt Ltd.		2.00	2.00
(Previous year 2000 Equity Shares)			
860000 Equity Shares of Rs. 10/- each of Eurocoustic Products Ltd.		86.00	86.00
(Previous Year 860000 Equity Shares)			
484000 Equity Shares of Rs. 10/- each of Punj Corporation Pvt. Ltd.		48.40	48.40
(Previous Year 484000 Equity Shares)			
	(A)	299.15	299.15
Non Trade Investments Equity			
Unquoted, Trade			
128 Shares of Rs. 100/- each in The Gandhidham Mercantile Co-Op. Bank Ltd.		0.13	0.13
(Previous year 128 Shares)			
	(B)	0.13	0.13
TOTAL	(A+B)	299.28	299.28

NOTE “13” - LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars		As at March 31, 2015	As at March 31, 2014
		(12 Months)	(6 Months)
Capital Advances			
Secured, Considered Good		NIL	NIL
Unsecured, Considered Good		NIL	NIL
Doubtful		NIL	NIL
	(A)	NIL	NIL
Security Deposits			
Secured, Considered Good		2,053.32	2,447.01
Unsecured, Considered Good		NIL	91.63
Doubtful		NIL	NIL
	(B)	2,053.32	2,538.64
Loans and Advances to Related Parties			
Secured, Considered Good		NIL	NIL
Unsecured, Considered Good		NIL	NIL
Doubtful		NIL	NIL
	(C)	NIL	NIL
Other Loans and Advances (Specify Nature)			
Secured, Considered Good			
Loan to Employee		NIL	17.60
Excise & Service Tax Deposits		42,651.82	40,917.12
Unsecured, Considered Good		NIL	NIL
Doubtful		NIL	NIL
	(D)	42,651.82	40,934.72
Total	(A+B+C+D)	44,705.14	43,473.36

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE "14" - OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31,2015	As at March 31,2014
	(12 Months)	(6 Months)
Long term Trade Receivables (including Trade Deceivables on Deferred Credit Terms)		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for Doubtful Debts	NIL	NIL
	NIL	NIL
Others (Specify Nature)		
Secured, Considered Good	NIL	NIL
Unsecured, Considered Good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision	NIL	NIL
	NIL	NIL
Debts due by Related Parties		
Secured, considered good	NIL	NIL
Unsecured, considered good	NIL	NIL
Doubtful	NIL	NIL
Less: Provision for doubtful debts		
	NIL	NIL
Total	NIL	NIL

NOTE "15" - CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31,2015	As at March 31,2014
	(12 Months)	(6 Months)
Mutual Funds (Unquoted) (Units of Rs. 10 each, Unless Otherwise Specified)		
Unquoted, Trade		
SBI Capital Protection Oriented Fund (Mutual Fund)	14.21	14.21
(Previous year 100)		
Axis Equity Fund	15.00	15.00
Total	29.21	29.21

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “16” - INVENTORIES

(₹ in Lacs)

Particulars		As at March 31,2015	As at March 31,2014
		(12 Months)	(6 Months)
Raw Materials and components (Valued at cost)		9,679.75	19,955.45
Goods-in Transit			33.25
	(A)	9,679.75	19,988.70
Work-in-Progress		140,395.69	127,961.28
Goods-in Transit			NIL
	(B)	140,395.69	127,961.28
Finished Goods (Valued at Cost or Realisable Value Whichever is Less)		2,173.76	4,851.32
Goods-in Transit			NIL
	(C)	2,173.76	4,851.32
Stores and Spares (Valued at Cost)		4,931.02	5,713.84
Goods-in Transit			NIL
	(D)	4,931.02	5,713.84
Total	(A+B+C+D)	157,180.23	158,515.14

NOTE “17” - TRADE RECEIVABLES

(₹ in Lacs)

Particulars		As at March 31,2015	As at March 31,2014
		(12 Months)	(6 Months)
Trade Receivables Outstanding for a period of exceeding Six Months from the date they are due for Payment			
Secured, Considered Good		NIL	NIL
Unsecured, Considered Good		31,276.90	24,373.21
Unsecured, Considered Doubtful		NIL	NIL
Less: Provision for Doubtful Debts		NIL	221.05
	(A)	31,276.90	24,152.16
Trade Receivables Outstanding for less than Six Months from the date they are due for Payment			
Secured, Considered Good		NIL	NIL
Unsecured, Considered Good		8,674.77	20,887.44
Unsecured, Considered Doubtful		NIL	NIL
	(B)	8,674.77	20,887.44
Total	(A+B)	39,951.66	45,039.60

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE "18" - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
	(12 Months)	(6 Months)
Balances with Banks	4,206.41	3,574.88
Fixed Deposits with Banks with more than 12 Months Maturity (Under Lien Rs.3114.33 Lacs)	3,114.33	12,179.53
Cheques, Drafts on Hand	NIL	NIL
Cash on Hand	135.83	66.60
Total	7,456.57	15,821.01

NOTE "19" - SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
	(12 Months)	(6 Months)
Secured, Considered Good		
Advance to Raw Material and Others	6,275.89	20,004.82
Loan to Employees	72.37	112.99
Advance Income Tax	1,391.96	519.05
Unsecured, Considered Good	NIL	NIL
Unsecured, Considered Doubtful	NIL	NIL
Total	7,740.22	20,636.86

NOTE "20" - OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
	(12 Months)	(6 Months)
Dividend, Interest Subsidy and Interest Receivable	NIL	NIL
Export Incentives Receivables	NIL	NIL
Claims and other Receivables	2,782.31	NIL
Total	2,782.31	NIL

NOTE "21" - REVENUE FROM OPERATION (GROSS)

(₹ in Lacs)

Particulars		For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
		(12 Months)	(6 Months)
Sale of products			
HSAW Pipes		10169.22	47486.12
Coating on Steel Pipes		9959.64	20218.38
Anodes		NIL	67.73
	(a)	20128.86	67772.23
Sale of services			
Rebar Coating		6603.31	7730.67
Induction Bending		993.85	150.58
	(b)	7597.16	7881.25
Other Operating Revenues			
Equipment Sales		414.75	921.91
Process Waste Sale		1822.91	1167.17
Other Material Sales		473.86	125.32
	(c)	2,711.52	2214.40
Total	(a+b+c)	30,437.54	77,867.88

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “22” - OTHER INCOME

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Dividend Income		
From a Subsidiary	NIL	NIL
From a Associate	0.21	NIL
Net Surplus on Disposal of Assets	NIL	NIL
Rent and Compensation	73.90	30.57
Exchange Fluctuation Gain (Net)	NIL	1560.18
Insurance Claim /Excise Duty /Sales Tax Claim	3.87	5.96
Profit on sale of assets	3.68	955.43
Interest	54.49	4.41
Claims received	133.34	NIL
Other Non Operating Income	337.56	1909.97
Interest Income	68.05	28.48
Total	675.10	4,495.00

NOTE “23” COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Raw Material		
Opening Stock	16,397.13	14,432.65
Purchases	11,613.28	48,860.15
	28,010.41	63,292.80
Less : Sales	NIL	NIL
Less: Closing Stock	9,679.75	16,170.80
	18,330.66	47,122.00
Details of Raw Material Consumed		
H. R. Coil	6,931.20	23,454.99
Flux	59.68	21.04
Filler Wire	39.31	27.21
M S Wire	NIL	11.77
Epoxy Powder	2,387.44	666.17
Adhesive	76.06	151.64
Polyethylene	591.98	1,110.35
Polypropylene	976.82	441.94
Inner Wrap	21.46	5.35
Outer Wrap	18.81	11.34
Coal Tar Enamel	100.11	47.76
Coal Tar Tape	0.99	NIL
Polyethylene Tape	NIL	NIL
Wiremesh	1,036.41	424.88
Cement	437.96	378.21
Sand	21.74	12.80
Iron Ore	3,431.64	732.48
Aluminum	NIL	NIL
Zinc	0.03	650.42
Coating Materials and others	2199.02	18,973.65
Total	18,330.66	47,122.00

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “24” MANUFACTURING AND OPERATING COST

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Consumption of Stores and Spares Parts	2610.26	2,288.74
Power & Fuel	1608.96	1,242.86
Excise Duty, Service Tax and Sales Tax	1157.83	1,194.37
Freight & Cartage	570.39	846.28
Equipment Hire Charges	314.33	2,252.26
Labour Charges	155.05	65.60
Interest on Bill Discounting	210.52	NIL
Testing Charges	1.23	72.37
Other Manufacturing & Operating Expenses	1478.03	9,038.91
Water Charges	4.88	2.58
Liquidated Damages	401.40	NIL
Dumpsite Maintains	79.67	39.37
Total	8,592.55	17,043.34

NOTE “25” - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Opening Stock		
Finished Goods	4851.32	21184.29
Work in Progress	126346.83	130883.86
	131198.15	152068.15
Closing Stock		
Finished Goods	2173.76	4851.32
Work in Progress	125705.52	126346.83
	127879.28	131198.15
	3318.88	20870.00

NOTE “26” - EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Salaries, Bonus etc.	5700.46	3622.69
Contributions to Provident and other Funds	518.40	194.40
Staff welfare expenses	531.57	442.76
Total	6,750.42	4,259.86

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “27” - FINANCE COST

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Interest Expense	7,856.49	4674.48
Other Borrowing Costs	377.51	386.52
Currency Loss	NIL	NIL
Total	8,233.99	5,061.00

NOTE “28” OTHER EXPENSES

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Conveyance	154.58	69.06
Traveling Expenses	375.70	291.33
Postage, Telegram and Telephones	100.52	69.91
Printing and Stationery	34.30	22.36
Rent, Rates & Taxes	314.65	2,032.63
Electricity Charges	56.62	32.62
Professional Charges	571.02	371.32
Repair and Maintenance (Plant)	86.37	821.53
Repair and Maintenance (Building)	9.53	5.12
Repair and Maintenance (Others)	157.75	68.99
Insurance	203.80	106.88
Auditors' Remuneration	33.59	23.62
Vehicle Expenses	123.02	89.82
General Expenses	3,120.57	5,309.44
Risk and Cost Recovery	Nil	1,034.18
Total	5,342.02	10,348.81

NOTE “28 [A]” - AUDIT FEES

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Payments to Auditor :		
As Audit Fees	19.35	21.50
For Taxation Matters	4.00	0.62
For Company Law Matters	Nil	NIL
For Management Services	Nil	NIL
For Other Services	2.00	1.00
For Re-imbursement of Expenses	1.00	0.50
	26.35	23.62

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “29” - TRADE PAYABLES

- Trade Payables includes Rs. Nil (Previous Year Rs. Nil) Due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) Rs.464.81Crores (Previous Year Rs 11837.88 Lacs) due to other parties
- No interest is paid/payable during the year to any enterprise registered under the MSME.
- The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of Suppliers under the MSME.

NOTE “30” - DERIVATIVE INSTRUMENTS

I. The Company has entered into the following derivative instruments.

- Forward Exchange contracts (being a derivative instrument), which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.
Forward Exchange Contracts entered into by the Company as on March 31,2015 .(payable): USD NIL
- Interest Rate Swaps to hedge against fluctuations in interest rate changes :
No of Contracts NIL
Notional Principal NIL
- Currency Swaps (other than forward exchange contracts stated above) to hedge against fluctuations in changes in exchange rate.
No of Contracts NIL
Notional Principal NIL

II. Derivative Instruments (causing an unhedged Foreign Currency exposure): NIL

NOTE “31” - RELATED PARTY DISCLOSURES

Relationships	
a) Subsidiary Companies	
PSL Corrosion Control Services Ltd.	100% Subsidiary Company
Pipe Line System Ltd., Mauritius	100% Subsidiary Company
PSL USA INC. , Delaware , USA	100% Subsidiary Company
PSL Gas Distribution Pvt.Ltd.	100% Subsidiary Company
PSL Infrastructure & Ports Pvt.Ltd.	100% Subsidiary Company
PSL FZE, Sharjah.	100% Subsidiary Company of Pipeline Systems Ltd., Mauritius
PSL North America LLC.	JV Company of PSL USA INC., Delaware, USA (80% holding)
<i>(PSL North America LLC and PSL USA Inc., have filed insolvency petition under Chapter 11 under the US regulation. Currently under judicial process)</i>	
b) Associate	
BHI Ltd.	
Broken Hills International Ltd.	
Eurocoustic Products Ltd.	
Punj International Pvt. Ltd.	
Punj Investments Ltd.	
Punj Corporation Private Limited	
Rosoboronterra India Pvt.Ltd.	
(Subsidiary of Punj Corporation Private Limited)	
c) Key Management Personnel	
Ashok Punj	: Managing Director
M.M.Mathur	: Director (till 31st May 2014)
R. K . Bahri	: Director
S.P.Bhatia	: Director
C K Goel	: Director
G.Gehani	: Director & Co. Secretary (till 15th July 2014)
Shashi Ranjan	: Company Secretary (w.e.f. 20th December, 2014)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “32” DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT
Corporate Guarantee given on behalf of Subsidiary Companies

(₹ in Lacs)

Name of the Company	Relationship	Amount Outstanding	Amount Outstanding
		as on 31st March 2015	as on 31st March 2014
PSL FZE	Step down Subsidiary of PSL Limited	44,198.00	54,111.37
PSL North America LLC	Step down Subsidiary of PSL Limited	31,200.00	47,145.42
PSL Corrossion Control Services Ltd.	100% Subsidiary of PSL Limited	1,500.00	1,500.00

Note: Related party relationship is as identified by the Company and relied upon by the Auditors

The Financial Statements of PSL Limited (The Company and its Indian and Overseas subsidiaries are combined on a line by line basis by adopting together the book values like items of assets, liabilities, Income and Expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized Profits and Losses

The Financial Statement of PSL Corrossion Control Services Ltd. , PSL Gas Distribution Pvt.Ltd, PSL Infrastructure and Ports private limited and overseas subsidiaries namely PSL USA, INC and Pipeline Systmes ltd,used in the consolidation are drawn upto the period of 31st March 2015 (12 months)

NOTE “33” - LEASE

Operating lease payments are recognized as expenditure in the Profit and Loss account on a straight-line basis, which is representative of the time pattern of benefits received from the use of assets taken on lease. Lease rentals in respect of operating lease are recognized as income over the lease period.

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015	For the Period Ended 31st March 2014
	(12 Months)	(6 Months)
Premises taken on Operating Lease:		
The total Future Minimum Lease Rentals payable at the Balance Sheet date is as under		
For a period not late than One Year	85.56	85.56
For a period later than One Year and not late than Five Years	427.80	427.80
For a period later than Five Years	256.68	256.68
Vehicles taken on operating lease	Nil	Nil
Premises given on operating lease		
Gross Carrying amount	44.58	44.58
Depreciation for the year	1.49	1.49
Accumulated Depreciation	20.95	20.95
The total future minimum lease rentals receivable at the balance sheet date is as under		
For a period not late than One Year	3.06	3.06
For a period later than One Year and not late than Five Years	15.30	15.30
For a period later than Five Years	9.21	9.21

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “34” - DISCLOSURES PURSUANT TO ACCOUNTING STANDARD - 15 “EMPLOYEE BENEFITS”

(₹ in Lacs)

Particulars	For the Period Ended 31st March 2015 (12 Months)	For the Period Ended 31st March 2014 (6 Months)
Defined Contribution Plan -		
The Company has recognised the following amounts in the Profit and Loss accounts for the year		
Contribution to Employee Provident Fund - RPFC	180.44	140.40
Contribution to Employee Provident Fund - Trust	NIL	NIL
Contribution to Pension Fund	174.45	NIL
Contribution to Superannuation Fund	173.01	36.72
	527.91	177.12
Defined Benefit Plan -		
The following table set out the status of the Gratuity Plan as required under AS 15 (Revised 2005)		
A Reconciliation of Opening and Closing Balances of the Present Value of the Defined Benefit Obligation (DBO)		
Opening DBO	2,206.61	2,106.13
Current Service Cost	97.98	113.60
Interest Cost	54.17	351.63
Actuarial (Gain)/Loss	NIL	NIL
Past Service Cost	NIL	NIL
Liabilities Extinguished on Settlements	NIL	NIL
Benefits Paid	448.27	364.75
Closing DBO	1,910.49	2,206.61
A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:		
Opening Fair Value of Plan Assets	881.02	1,175.04
Expected Return	8.35	68.06
Actuarial Gain/ (Loss)	NIL	NIL
Contribution by the Employer	5.97	2.67
Assets Distributed on Settlements	NIL	NIL
Benefits Paid	448.27	364.75
Closing Fair Value of Plan Assets	447.07	881.02
A Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of the Plan Assets to the Assets Recognised in the Balance Sheet:		
Present Value of the Defined Benefit Obligation at the End of the Period	1,910.49	2,206.67
Fair Value of the Plan Assets at the End of the Year	447.07	881.02
Liability Recognised in the Balance Sheet	1,463.42	1,325.65
The Total Expense Recognised in the Profit and Loss Account:		
Current Service Cost	97.98	113.60
Interest Cost	54.17	351.63
Expected Return on Plan Assets	8.35	68.06
Actuarial (Gains)/Loss	NIL	NIL
Past Service Cost	NIL	NIL
Losses/(Gains) On “Curtailements & Settlements”	NIL	NIL
Net Gratuity Cost	143.80	397.17
For Each Major Category of Plan Assets Following is the Percentage that Each Major Category constitutes of the Fair Value of the total Plan Assets		
LIC of India	100%	100%
Government of India Securities	NIL	NIL
Corporate Bonds	NIL	NIL
Special Deposit Schemes/Others	NIL	NIL
Actual Return on Plan Assets	8.75%	6.75%
Following are the Principal Actuarial Assumptions Used as at the Balance Sheet Date :		
Discount Rate	8.00%	8.00%
Expected Rates of Return on any Plan Assets	8.75%	6.75%
Average Salary escalation rate for Non Management for Each Year	7.00%	5.33%
Average Salary escalation rate for Non Management Every Third Year		

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED ON MARCH 31, 2015

NOTE “35”

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

NOTE “36”

(₹ in Lacs)

Particulars		For the Period Ended 31st March 2015 (12 Months)	For the Period Ended 31st March 2014 (6 Months)
Contingent liabilities			
A.	Counter Guarantees given by the Company for Bank Guarantees	9,566.12	35,896.04
B.	Others	4,575.68	4,575.68
C.	Letter of Credit Outstanding (Not yet committed)	NIL	124.74
D.	Bills Discounting	369.43	535.32
E.	Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	NIL	NIL

Income Tax Assessment Completed upto AY 2012-13 (March’2012), Demand raised by the Department amounting to Rs 24.65 Lacs is contested before CIT (Appeal) Mumbai. Assessment for AY 2005-06 (March’05) u/s 263 r.w.s.143 (3) completed by the Department. Final Demand Rs.43.59 lacs is contested before CIT (Appeal)

Gujarat Water Supply & Sewerage Board (GWSSB) , a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to “Gujarat Public Works Contracts Disputes Arbitration Tribunal” for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force major conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.

The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) passed order on 27/3/14 for the evacuation of Kandla PCD-I premises because lease period was over. The Company is taking suitable legal action against above order. Since the lease amount is under dispute, the lease payment have not been made and not provided in accounts.

In the opinion of the Board the Current Assets are approximately of the value, if realised, in the ordinary course of the business. The Provision for Depreciation and for all known Liabilities are adequate and not in excess of the amount reasonably considered necessary . All the income accrued has been accounted for in the books.

Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.

NOTE “37”

In terms of the approval (LOA) of CDR cell interest on the bank loans of CDR member banks and non CDR member banks shall be funded for a period of 2 years i.e. from 1/1/2013 to 31/12/2014 as a fresh term loan namely FITL. Interest as per the approved rate based on the restructuring package was worked out, however not charged to interest account. Interest payable as per this calculation for the loan outstanding as on date amounting to Rs. 627.21 Crores. Also the Company has not provided regular interest on loan outstanding amounting to Rs. 88.58 Crores for the period from 1st January 2015 to 31st March 2015.

NOTE “38”

Current Year figures are for a period of 12 months and hence not comparable with the previous period figures which are for 6 months. The previous period figures have also been reclassified regrouped to conform to this period’s classification.

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

(SURESH C. MATHUR)

Partner

M.No. 1276

Place: Mumbai

Dated: 13th May, 2015

For and on behalf of the Board of Directors

Alok Punj
R.K. Bahri

Ashok Punj
S.P. Bhatia
C.K. Goel

(Directors)

FORM AOC-1
(Pusuant to First Proviso to Sub Section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014
Statement Containing Salient Features of The Financial Statement of Subsidiary Companies

Sr. No.	Name of the Subsidiary	Reporting Currency	Period/ Year	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investment other than investment in subsidiary	Turnover	Profit / (Loss) before Tax	Provision for Current Taxes	Profit/ (Loss) after Taxation	Proposed Dividend	Country of Incorporation
1	PSL Corrosion Control Services Ltd.	INR	2014-15 March '15 (12 Months)	N.A.	140.00	5,756.03	12,166.08	12,166.08	43.21	4,724.26	33.68	-	33.68	-	INDIA
			2013-14 March '14 (6 Months)	N.A.	140.00	5,726.37	13,232.96	13,232.96	43.21	7,267.32	541.84	205.00	336.84	-	
2	Pipeline Systems Ltd.*	USD	2014-15 March '15	59.64	19,229.93	(16,958.77)	47,814.24	47,814.24	10,595.57	(10,183.25)	-	(10,183.25)	-	-	Mauritius
			2013-14 March '14	59.64	18,406.69	(6,484.80)	65,887.06	65,887.06	33,553.79	(9,225.99)	-	(9,225.99)	-	-	
3	PSL USA INC**	USD	2014-15 March '15	59.64	18,493.49	(7,175.97)	91,338.86	91,338.86	-	-	-	-	-	-	USA
			2013-14 March '14	59.64	17,601.82	(23,060.40)	55,140.03	55,140.03	-	19,017.57	(13,634.13)	(1,474.00)	(12,160.13)	-	
4	PSL Gas Distribution Pvt.Ltd.	INR	2014-15 March '15	-	17.00	-	17.11	17.11	-	-	-	-	-	-	INDIA
			2013-14 March '14	-	17.00	-	17.06	17.06	-	-	-	-	-	-	
5	PSL Infrastructure & Ports Pvt.Ltd.	INR	2014-15 March '15	-	2,821.00	-	6,562.82	6,562.82	-	-	-	-	-	-	INDIA
			2013-14 March '14	-	2,821.00	-	6,512.82	6,512.82	-	-	-	-	-	-	

Note: Indian rupee equivalent of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2015

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

** Amount include results of its subsidiary namely PSL North America LLC incorporated under the law of state of Delaware

This image shows a full page of blank, lined paper. It features approximately 28 evenly spaced horizontal grey lines across its entire width, typical of standard notebook paper. The background is a solid off-white color, and there are no margins, text, or other markings present.



PROXY FORM

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

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

I/We, being the member (s) of PSL limited holding _____ shares hereby appoint

- (1) Name: _____ Address: _____
 Email id: _____ Signature: _____ or failing him/her;
- (2) Name: _____ Address: _____
 Email id: _____ Signature: _____ or failing him/her;
- (3) Name: _____ Address: _____
 Email id: _____ Signature: _____ or failing him/her;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 27th Annual General Meeting of the Company, to be held on Wednesday, the 23rd day of September 2015, at 9:30 a.m., at Hotel Cedade De Daman, at Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolutions	Vote Optional (See Note 2) (Please mention no. of shares)	
		For	Against
Ordinary Business			
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial Year ended March 31, 2015.		
2	Re-appointment of Shri C.K. Goel, as Director who retires by rotation.		
3	Re-appointment of Shri Alok Punj, as Director who retires by rotation.		
4	Appoint M/s Suresh C Mathur & Co. Chartered Accountants, as Statutory Auditors from the conclusion of this AGM until the conclusion of next AGM.		
Special Business			
5	Appointment of Smt. Manjula N. Bhatia (DIN:07178575) as “Director” of the Company.		
6	To ratify the payment of remuneration to the Cost Auditor for the Financial Year 2015-16.		

Signed this..... day of2015.

Affix
Revenue
Stamp

Signature of the member

Signature of the proxy holder (s)

Notes:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
- It is optional to indicate your preference. If you leave for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
- A proxy need not be a member of the Company.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- For the Resolutions, Explanatory Statements and notes please refer to the Notice of 27th Annual General Meeting



PSL LIMITED

CIN: L67120DD1987PLC002395

Regd. Office: Kachigam, Daman, U.T. of Daman & Diu-396 210
www.psllimited.com

ATTENDANCE SLIP

DP Id*		Folio No.	
Client Id*		No. of Shares	

Name and Address of the Shareholder _____

I hereby record my presence at the 27th Annual General Meeting of the Company held on Wednesday, the 23th day of September, 2015 at 9:30 a.m. at Hotel Cedade De Daman, at Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu.

Signature of Shareholder/proxy

Note:

1. Member/Proxy wish to attend the meeting must bring this Attendance Slip and handover the slip at the entrance of the meeting hall duly signed.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.



PSL LIMITED

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