

PSL LIMITED



**29th Annual Report
(2016-17)**

BOARD OF DIRECTORS

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

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 Office:

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

Projects Office:

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

Registrar and Share Transfer Agents

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

Statutory Auditors

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, 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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NOTICE

To,
The Members of
PSL LIMITED

Notice is hereby given that **Twenty Ninth Annual General Meeting** of the Company will be held on Thursday, the 28th day of September, 2017 at 9:30 a.m. at Hotel "Reevanta", Teen Batti, Devka Road, Nani Daman-396210 to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt:
 - a. the Audited Financial Statements of the Company for the financial year ended on March 31, 2017 including audited Balance Sheet as on even date and the audited statement of Profit & Loss for the period ended on that date, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company duly consolidated with those of Company's various subsidiaries for the financial year ended on March 31, 2017, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Shri Alok Punj (DIN 00058049), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Manjula N. Bhatia (DIN 07178575), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and If thought fit to pass with or without modification(s) the following Resolution as an "**Ordinary Resolution**":-

"**RESOLVED THAT** pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendation of the Audit Committee and the Board, (M/s. V. Parekh & Associates) Chartered Accountants (Firm Registration No. 107488W) be appointed as Statutory Auditors of the Company for the period of five years commencing from the Financial Year 2017-18, in place of retiring auditors M/s. Suresh C. Mathur & Co. Chartered Accountants (Firm Registration No. 000891N) to hold office from the conclusion of this 29th Annual General Meeting until the conclusion of 34th Annual General Meeting (subject to ratification of their appointment by the Members of the Company at the successive Annual General Meetings of the Company in compliance of proviso to sub-rule 7 of rule 3 of the Companies (Audit and Auditors) Rules, 2014)."

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

SPECIAL BUSINESS

5. **TO RATIFY THE QUANTUM OF REMUNERATION PAYABLE TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2017-18**

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

"**RESOLVED THAT** pursuant to section 148 and other applicable provisions if any, of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, the consolidated fees of Rs. 4.00 Lakhs plus out of pocket expenses and applicable taxes, duly recommended by the Audit Committee and approved by the Board of Directors for Vikas Vinayak Deodhar, Cost Accountant Firm Registration No. 100025 appointed by the Board to conduct the audit of the Cost Records of the Company for the Financial Year 2017-18, be and is hereby ratified."

6. **TO CONSIDER AND FIX FEE FOR SERVING VARIOUS DOCUMENTS ON MEMBERS 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** pursuant to Section 20 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), upon receipt of a request from any member for delivery of any document through a particular mode an amount of Rs. 10/- (rupees ten only) for each page of such document, over and above reimbursement of actual expenses incurred by the Company, be levied as and by way of cost for sending the document to the concerned member(s) in the desired particular mode."

"**RESOLVED FURTHER THAT** the delivery of the aforesaid copy of the document by the Company shall be initiated only after the concerned member has, atleast 1 week in advance, paid the estimated fees and the related cost to the Company."

Regd. Office:
Kachigam, Daman
Union Territory of
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: August 10, 2017

By order of the Board of Directors of
PSL LIMITED

(Nikita Bansal)
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting ('the Meeting') is entitled to appoint a proxy to attend and vote on a poll, if any, instead of himself/herself and the proxy need not be a member of the Company. Proxy form duly completed must reach the registered office of the Company not less than forty-eight hours before the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of matters covered under "Special Business" is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), of the person seeking re-appointment as Director under Item Nos. 2 & 3 of the Notice, are also annexed.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative under Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the Meeting. Such representative shall possess a valid identity proof to be produced at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 25th day of September, 2017 to Thursday, the 28th day of September, 2017 (both days inclusive) for the purpose of 29th Annual General Meeting.
6. For convenience of Members, an attendance slip is annexed to the proxy form. Members/Proxies are requested to affix their signatures at the space provided therein and thereafter hand over the attendance slip at the venue of the meeting. The Proxy of a Member should mark on the attendance slip as "Proxy".
7. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
8. Members seeking any information with regard to Accounts of the Company and proposed Resolutions are requested to send their queries in writing to the Company at its Registered Office, so as to reach at least Seven days before the date of the Meeting, to enable the Company to furnish the required information at the Meeting.
9. The Securities and Exchange Board of India ('SEBI') has mandated the submission of Permanent Account Number ('PAN') by every participant in securities market, members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Karvy Computershare Private Limited ('Karvy').
10. Pursuant to Regulation 36 of Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Shri Alok Punj and Smt. Manjula N. Bhatia, Directors proposed to be re-appointed is annexed herewith.
11. In accordance with provisions of section 205A of the Companies Act, 1956, as amended, from time to time and / or relevant corresponding provision of the Companies Act, 2013 once notified, such dividend amounts which remain unpaid or unclaimed for a period of 7 years with respect to four different dividends as per details stated at para no. VIII (i) of Corporate Governance Report annexed to the Director's Report will be transferred to IEPF. Shareholders who have so far not encashed the dividend warrant(s) for the so referred dividends are requested to make their claim to the Secretarial Department at Delhi Office of the Company or the office of the RTA on or before the dates stated in the aforesaid para no. VIII (i) of Corporate Governance Report failing which the unpaid/unclaimed amount will be transferred to the IEPF. It may also be noted that once the unpaid/unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the IEPF in respect of such amount by the Member.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the rules framed thereunder and Regulation 44 of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy, our Registrar and Transfer Agent on all the resolutions set forth in this Notice. The e-voting period commences on Monday the 25th day of September, 2017 (09:00 a.m. IST) and ends on Wednesday the 27th day of September, 2017 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on September 21, 2017, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. A separate e-voting instruction slip has been sent explaining the process of e-voting with necessary user id and password along with procedure for such e-voting.
13. The facility for voting through ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pslimited.com and on the website of Karvy at www.evoting.karvy.com within two days of passing of the resolutions at the 29th Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
15. To support the "Green Initiative" in Corporate Governance taken by Ministry of Corporate Affairs, to contribute toward the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Karvy, if shares are held in physical mode or with the depository participant if the shares are held in electronic mode.
16. Route map of the venue of Annual General Meeting is enclosed herewith for the convenience of the members to attend the meeting.

Regd. Office:
Kachigam, Daman
Union Territory of
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: August 10, 2017

By order of the Board of Directors of
PSL LIMITED

(Nikita Bansal)
Company Secretary



EXPLANATORY STATEMENT

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

ITEM NO. 5: TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2017-18

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

In order to comply with the said statutory provisions read with Rule 14 of the Companies (Audit & Auditor) Rules, 2014 your Board of Directors, after the recommendations of the Audit Committee, has appointed Shri V. V. Deodher, a Practicing Cost Accountant based at Mumbai as Cost Auditor of the Company for the Financial Year 2017-18. Although the Board has fixed a remuneration of Rs. 4.00 Lakhs as consolidated fee plus out of pocket expenses and taxes as applicable, the ratification of members of the Company is sought for.

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

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

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

ITEM NO. 6: TO FIX FEE FOR SERVING VARIOUS DOCUMENTS ON MEMBERS OF THE COMPANY

In accordance with the provisions of section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him/her through any postal mode or by Courier or by delivering at his/her office address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors recommend the Ordinary Resolution at item no. 6 of the accompanying notice, for the approval of the members of the Company.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item no. 6 of the accompanying Notice.

Regd. Office:

Kachigam, Daman

Union Territory of

Daman & Diu - 396 210

CIN: L67120DD1987PLC002395

Dated: August 10, 2017

By order of the Board of Directors of
PSL LIMITED

(Nikita Bansal)
Company Secretary

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

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

Name of Director	Shri Alok Punj	Smt. Manjula N. Bhatia
Date of Birth	29 th May, 1950	10 th September, 1943
Expertise in specific functional area	General Management	Accounting, Finance and Administration
Directorship held in other companies (excluding foreign companies and Section 8 companies)	Eurocoustic Products Limited BHI Limited Sai Shakti Properties Private Limited PSL USA INC PSL North America LLC	Nil
Memberships / Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders’ Relationship Committee.)	NIL	Nil
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. Since then Mr. Alok Punj has been rendering valuable service to the Company by way of being not only on Company’s Board, but even on few important Committees of Board such as Audit Committee, Committee of Directors, Nomination & Remuneration Committee, Stakeholders Relationship Committee, etc	Smt. Manjula N. Bhatia had immediately after completing her formal education started working in the Corporate world. Because of her hard work and dedication she kept on getting elevated to the senior positions on frequent intervals. Her rich experience in functions like accounting, banking, finance and administration in different companies that her work has enabled to acquire adequate expertise over these functions. She is also a member of some of the few important Committees of Board such as Audit Committee, Committee of Directors, Risk Management Committee, etc
Relationship with Directors	Brother of Mr. Ashok Punj, Managing Director	None
Number of shares held in the Co.	137000	Nil



DIRECTOR'S REPORT

To,
The Members of
PSL LIMITED

Your Directors hereby present this Twenty Ninth Annual Report along with Audited Statements of Accounts of the Company for the Financial Year 2016-17.

FINANCIAL PERFORMANCE:

The financial performance of the Company for the financial year ended on March 31, 2017 is summarized below:

(Rs.in Crore)

Particulars	Standalone		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Revenue from operations	19.05	100.83	109.17	275.71
Other Income	5.10	5.22	5.79	5.74
Total Income	24.15	106.05	114.96	281.45
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items, Extraordinary items & Tax	(425.68)	(1205.34)	(431.2)	(1181.84)
Less: Depreciation and Finance Cost	141.35	150.64	190.82	241.02
Less: Exceptional items	-	-	-	-
Less: Extraordinary Items	130.34	-	130.34	-
Profit/(Loss) Before Taxation Provisions	(697.37)	(1355.98)	(752.36)	(1422.86)
Less: Current Tax	-	-	0.24	0.27
Less : Deferred Tax	-	-	(0.01)	-
Profit / (Loss) After Tax	(697.37)	(1355.98)	(752.59)	(1423.13)
Balance Carried to Balance Sheet	(697.37)	(1355.98)	(752.59)	(1423.12)

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2016-17 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued there under, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). These statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries as approved by their respective Board of Directors.

DIVIDEND

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

TRANSFER TO RESERVES

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review in compliance of Section 205C(2) of the Companies Act, 1956, as amended, from time to time and / or relevant corresponding provision of the Companies Act, 2013 once notified, the Company transferred an amount of Rs. 2,04,673/- to "Investor

Education & Protection Fund". Although the said amount was part of an earlier dividend and, therefore, was due and payable to few shareholders but since the same remained unclaimed and unpaid for a period of seven years hence this transfer had to be done.

INCREASE OF PAID UP CAPITAL

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

During the year under review the Company completed the entire process of listing of the said shares on the two exchanges with which the Company's shares are listed. As consequence of which one of the condition imposed by CDR Cell while sanctioning the scheme of restructuring of Company's debt was fully complied with.

COMPANY'S EXIT FROM CDR MECHANISM

Consequent upon severe financial crunch faced by the Company resulting into its approaching the Corporate Debt Restructuring Cell for restructuring of Company's debt, the CDR Empowered Group had accorded its approval on September 23, 2013 to the restructuring scheme in accordance with RBI Guidelines. Sincere efforts were thereafter made to implement the said scheme in letter and spirit. However, since promoters group could not encash some of its immovable properties due to depressed real estate market condition, the promoters group was not able to complete its entire contribution –prefixed by the CDR Empowered Group CDR (EG). Further since even the banks failed to provide the desired support for Company's operations, eventually the CDR (EG) in its meeting held on December 28, 2016 took a decision for Company's exit from CDR mechanism on account of failure of the CDR approved package.

REFERENCE TO NATIONAL COMPANY LAW TRIBUNAL ("NCLT")

Your Company back in the mid of the year 2015 had filed a reference in Form 'A' under Section 15 of Sick Industrial Companies (Special Provision) Act, 1985 to the Board for Industrial and Financial Reconstruction (BIFR) for determination of the measures which shall be adopted with respect to the Company. The aforesaid reference had been admitted by the Board on September 08, 2015 and the same had been registered as case no. 119/2015.

Pursuant to repeal of the Sick Industrial Companies (Special Provisions) Act, 1985 by Insolvency and Bankruptcy Code, 2016 ("Code") the reference before BIFR got abated w.e.f. December 01, 2016 and the Company was required to file a reference before the National Company Law Tribunal ("NCLT") within 180 days from the date of notification of the Code i.e. on & before May 29, 2017. Accordingly Company filed the necessary application with NCLT within the said time limit which is currently pending with NCLT for its admission

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATOR / COURTS / TRIBUNAL

As explained above, after exit from CDR Mechanism as also after abatement of Company's reference admitted earlier by BIFR on 8th

September, 2015 the Company has filed a reference before National Company Law Tribunal the admission of which is pending. However, in an independent petition filed by one of the creditors of the Company for Company's winding up in Bombay High Court, the petition has been admitted but the Court has refrained from appointing any official liquidator.

OPERATIONAL PERFORMANCE

In view of the extreme adverse circumstances in which the Company landed during the last three years, the Company was obviously not in a position to effectively perform on its operational front as it used to in the period prior to commencement of financial crunch. Moreover, the failure of CDR package followed by unfortunate repealing of Sick Industrial Companies Act, 1985 resulting into abatement of Company's reference admitted earlier by BIFR further aggravated the Company's problems directly resulting into acute dip in Company's operations. Under these circumstances the Company turnover fell to only Rs. 24 Crores on standalone basis and to Rs. 115 Crores on consolidated basis. The accumulated losses of the Company got further enhanced due to heavy losses incurred during the year directly resulting into further decline in Company's network.

ACCOUNTS STATEMENTS OF SUBSIDIARY COMPANIES

Your Company has five wholly owned subsidiaries in addition to two stepdown subsidiaries and seven associate Companies as on March 31, 2017. There has been no material change in the nature of the business of the Subsidiaries. During the year in question the Board of Directors reviews the affairs of the subsidiaries periodically.

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

Further pursuant to the provisions of section 136 of the Companies Act, 2013 the Audited Financial Statement, Consolidated Financial Statement along with relevant documents and separate audit accounts in respect of subsidiaries are available on the website of the Company.

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

DIRECTORATE

During the year under review Sh. R. K. Bahri & Sh. C. K. Goel, Whole Time Directors of the Company expressed their inability to act as 'Whole Time Directors' on the Board of the Company and submitted their resignations. The resignations were accepted by the Board effective from January 01, 2017. The Board while accepting their resignations recorded its deep appreciation for the valuable services rendered by Sh. R. K. Bahri & Sh. C. K. Goel during their respective tenure as 'Whole Time Directors'. Sh. Bahri & Sh. Goel, however, would continue to provide their services as 'Non-Executive Directors' on the Board of the Company.

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

Smt. Manjula N. Bhatia retires by rotation and being eligible has offered herself for reappointment at the AGM. The Board of Directors recommends her re- appointment.

Consequent upon said changes, your Board now comprises of only Nine Directors including the Managing Director, four Non-Executive Directors and four Independent Directors.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) While preparing the annual accounts of the financial year ended on March 31, 2017, 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 and applied them consistently to give a true and fair view of the state of affairs of the Company at the end of financial year under review and Profit & Loss Account of the period under report.
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) Annual Accounts have been prepared on a going concern basis.
- e) The directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD DIVERSITY

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

NUMBER OF MEETINGS OF THE BOARD

Four meetings of the Board were held during the financial year 2016-17, the details of which are given in the Corporate Governance Report that is annexed to this Report as *Annexure - VI*. The intervening gap between any two meetings was not only within the period prescribed by the Companies Act, 2013 but it was also in accordance with SEBI (LODR) Regulations, 2015.

DECLARATION BY INDEPENDENT DIRECTORS

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

POLICY ON DIRECTOR'S APPOINTMENT, REMUNERATION AND OTHER DETAILS

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

The remunerations paid to Executive Directors are in accordance with the recommendation of the Nomination & Remuneration Committee as well as by the prescribed law. Due care is also taken to ensure that the remuneration package is in consistent with the recommended best practices in the country.

FAMILIARIZATION PROGRAMME FOR DIRECTORS

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

BOARD COMMITTEES

For assisting the Board of Directors in discharging its responsibilities in various fields effectively & efficiently, various Standing and Non-standing Committees are constituted by the Board from time to time. The detail of all standing committees along with their composition and meeting held during the year under review are given in the Report of Corporate Governance which forms part of this Report.

RISK MANAGEMENT

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

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

BOARD EVALUATION

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

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

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

INTERNAL CONTROL AND ADEQUACY

Your Company has a proper and adequate system of Internal Control for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

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

CORPORATE GOVERNANCE REPORT

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

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

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

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

COMPANY SECRETARY

During the year under review consequent upon resignation of Mrs. Geeta Girdher effective from March 15, 2016 from the post of 'Company Secretary & Compliance Officer' of the Company, your board had appointed Ms. Nikita Bansal as a 'Company Secretary and Compliance Officer' of the Company w.e.f. August 08, 2016.

AUDITORS:**1. Statutory Auditors and Auditors' Report**

The Auditors, M/s Suresh C. Mathur & Co. Chartered Accountants, Auditor of the Company retire at the ensuing Annual General Meeting. Since said chartered Accountants firm cannot be re-appointed in view of bar imposed by Section 139 of the companies act, 2013, the shareholders of the company will have to appoint another firm of Chartered Accountant as Statutory Auditor of the company for which shareholders have to pass a separate Resolution. The notes to the accounts referred to in Auditor's Report are self-explanatory and therefore do not call for any further comments by the Board of Directors.

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

2. Cost Auditors

In accordance with the provisions of Section 148 of the Companies Act, 2013 Mr. V.V. Deodhar, a practicing Cost Accountant was re-appointed by the Board of Directors as a Cost Auditor of your Company for conducting the Cost Audit of "Steel Pipe Products" for the Financial Year 2017-18 at consolidated fees of Rs. 4.00 Lacs, subject to ratification of the same by Shareholders of the Company.

3. Secretarial Auditor

A firm of Practising Company Secretary namely "Avi Sangal & Associates" was appointed to undertake the Secretarial Audit of the Company for the year ended March 31, 2017 as required under Section 204 of the Companies Act, 2013 read with rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report for the financial year ended March 31, 2017 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.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

DEPOSITS

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return as on March 31, 2017 in the prescribed Form No. MGT-9, pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is attached as *Annexure - III* to this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

PARTICULARS OF EMPLOYEES

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

ACKNOWLEDGEMENTS

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

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

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

Managing
Director

Director

Place : Mumbai
Date : 10th August 2017



ANNEXURES TO DIRECTORS' REPORT

Management's Response to the various paras included in Statutory Auditor's Report dated May 09, 2017 appearing under the heading of "Emphasis of Matter" for the Financial Year 2016-17.

The Board of Directors refer to the Statutory Auditors' remarks in heading "Emphasis of Matter" in the Auditor's Report for the financial year 2016-17 and in compliance of section 134 (4) of the Companies Act, 2013 provide its explanations as under:

Reply to Para No. 1:

No comments or explanations are required as this para contains a factual statement.

Reply to Para No. 2, 3 & 4:

As per the CDR Scheme approved for the Company on September 23, 2013 the debts owed by the Company to various lenders had been restructured and repayment of the same had been rescheduled. Two year moratorium period was also provided from the cut-off date i.e. January 01, 2013. As per the said CDR scheme, the Company was required to commence repayment of debts w.e.f. 4th quarter of the financial year 2014-15. The Promoters/Promoter Group/Promoter group's entities had not only infused funds towards promoter contribution in cash as well as in kind but also created charge on certain immovable assets of the promoter's group entities. Due to lack of orders and acute financial crunch being faced by the Company and also because the CDR lenders could not bring in full amount of Rs. 140 Crores in accordance with the terms & conditions of approved CDR scheme even after the implementation of the CDR package approved for the Company, the Company's turnover could not be improved resulting in default in repayment of loan. Due to non-compliance of certain conditions of CDR scheme, the CDR cell vide their letter dated December 28, 2016 has exited the Company from the CDR mechanism. Consequent upon default in repayment of loan, few lenders recalled the facilities granted earlier and treated the outstanding dues owed by the Company as 'Non-Performing Assets'.

Reply to Para No. 5:

Due to various reasons which include overall slowdown in economic environment, lack of orders and acute financial crunch, the Company was not in a position to increase its turnover and earn profits as was expected after the implementation of the CDR Scheme. The Operation Maintenance and Management Agreement executed by the Company with JTL also did not record any profits as was anticipated at the time of entering into such an arrangement with JTL. As a result the Company could not improve its overall financial condition and recorded a net loss of Rs. 697.37 Crores during the financial year ended on March 31, 2017.

Reply to Para No. 6 & 7:

As per the audited financial results of the extended financial year ended on September 30, 2013 accumulated losses of the Company were in excess of its entire networth. In view of the above the Company became a Sick Company in terms of the provisions of Sick Industrial Companies Act, 1985 ('SICA') and as per the statutory requirement, the Company had made a reference to BIFR on June 19, 2015. The said reference was admitted by the BIFR on September 8, 2015 and the Company was restrained from disposing off or otherwise alienating in any manner the fixed assets of the Company without prior consent of the BIFR. Consequent upon repealing of SICA and recently introduced Insolvency and Bankruptcy Code, 2016 ('IBC'), Company's

proceeding filed earlier with BIFR stands abated. In accordance with the provisions of IBC, fresh Corporate Insolvency Resolution Process ("CIRP") application was filed by the Company on May 29, 2017 with Ahmedabad Bench of NCLT. The matter is sub-judice.

Reply to Para No. 8:

Due to various reasons which include overall slow down in economic environment, lack of orders and acute financial crunch the Company was not in a position to increase its turnover and earn profits as was expected after the implementation of CDR Scheme. Since most of the assets of the company were not utilized for production in the year under review the expense towards wear and tear of these assets has not been charged to Profit & Loss account.

Reply to Para No. 9:

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

Reply to Para No. 10:

As per the CDR scheme approved earlier for the Company the interest accruing on the outstanding dues of the lenders was converted into fixed interest term loan (FITL) for the period of two years from the cutoff date i.e. January 01, 2013 and based on the aforesaid provisions of the CDR Scheme, no provision for interest for the said period had been provided by the Company before its exit from CDR scheme. As most of the lenders have now treated their outstanding dues from Company as Non Performing Assets and have not provided for interest due to them, as accrued income the Company in congruency with it has also not provided for interest amounting to Rs. 414.79 crores in its books of accounts during the year under review.

Reply to Para No. 11:

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

Reply to Para No. 12:

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

Reply to Para No. 13 & 14:

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

Reply to Para No. 15:

Consequent upon restructuring of company's debts in accordance with a CDR scheme approved as per RBI's guideline and in the absence of balance confirmation letters from the company's creditors, the book balances as on 31st March, 2017 had to be taken into account.

Reply to Para No. 16:

Kindly refer the reply to Para no. 2, 3, 4 & 5.

Reply to Para No. 17:

The EOW in February, 2015 ordered freezing of the few bank accounts of the Company at different locations in the Country as a result of this Company's Rs. 11.68 Crores lying to the credit of some accounts

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

Reply to Para No. 18:

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

Reply to Para No. 19:

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

Reply to Para No. 20:

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

Reply to Para No. 21:

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

Reply to Para No. 22 & 23:

The Company has made adequate compliances of Section 189 and other relevant provisions of the Companies Act, 2013 during the financial year ended on March 31, 2017.

Reply to Para No. 24:

Due to adverse market conditions and lack of orders the PSL FZE Sharjah a step down subsidiary of the Company has suffered losses

which accumulated to Rs. 141.63 crores as on March 31, 2017. The Company expects this to be temporary phenomena and hopes the Business of the Company will pickup in near future.

The wholly owned subsidiary of the Company i.e. PSL USA Inc and Step down subsidiary PSL North America LLC have suffered massive losses and as such subsidiary has filed a Bankruptcy petition under chapter XI of the title 11 of United States Bankruptcy Code. All the assets of PSL North America LLC were put to sale / sold to a Company to discharge its liability towards its creditors under the supervision of the Bankruptcy Court. The Company has written off the investment made in USA.

Kandla port Authorities had terminated the concession agreement executed by PSL Infrastructure and Ports Pvt. Ltd. which is of wholly owned subsidiary of the Company on 20th February, 2014. The said subsidiary Company had challenged the illegal termination of the Contract by way of invoking of Arbitration clause contained in the said Concession Agreement. The Subsidiary had filed a claim under different heads aggregating to Rs. 114.70 Crores against the Kandla Port Trust. The Arbitral Tribunal has on August 16, 2017 pronounced its award whereby the majority award allowed the Company's claim to the extent of Rs. 17.11 Crores along with interest @ 9% p.a. from the date of claim petition. The subsidiary namely PSL Gas Distribution Pvt. Ltd is yet to commence its business activities and therefore routine expenses have been accounted for during the current financial year.

Reply to Para No. 25 & 26:

As ever since company started having financial problems it didn't received adequate orders as a result of which the production activities of the company has been seriously effected. Hence the evaluation of impairment of the Assets was not carried out.

Reply to Para No. 27:

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



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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 31.03.2017 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 31.03.2017 according to the provisions of:

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements/SEBI (LODR) 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:

In accordance with the provision of Section 203 of the Companies Act, 2013, a CFO was required to be appointed in the Company.

I further report that:

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

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

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

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

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

Avi Sangal
Proprietor
C.P. No.: 11984

Place: New Delhi
Dated: 1st May, 2017

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: 1st May, 2017

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

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Other Tubes, Pipes and Hollow Profiles in Spiral or Straight Welded Seam of DIA 300 MM & Above and made out of Iron Steel of all types	3319	47.30
2.	Sale of Service (Rebar Coating and Induction Bending)	N.A	0
3.	Other Operating Revenue	N.A	52.69

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV. SHARE HOLDING PATTERN : (Equity Share Capital Breakup as percentage of Total Equity)
a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	17361610	0	17361610	17.55	17846225	0	17846225	14.28	-3.27
b) CentralGovt.	0	0	0	0	0	0	0	0	0
c) StateGovt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	3621100	0	3621100	3.66	28258791	0	28258791	22.62	18.96
e) Bank /FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1):	20982710	0	20982710	21.21	46105016	0	46105016	36.90	15.69
2. Foreign									
a) NRI Individual	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Bank /FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A)(2):	0	0	0	0	0	0	0	0	0
Promoter Shareholding TOTAL (A) : (A)(1)+ (A)(2)	20982710	0	20982710	21.21	46105016	0	46105016	36.90	15.69
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	0	1300	1300	0	0	1300	1300	0	0
b. Banks / FI	32451089	0	32451089	32.80	28486115	0	28486115	22.80	-10
c. Central Govt.	0	0	0	0	0	0	0	0	0
d. State Govt(s)	0	0	0	0	0	0	0	0	0
e. Venture Capital Funds	0	0	0	0	0	0	0	0	0
f. Insurance Companies	0	0	0	0	0	0	0	0	0
g. FIIs	1235706	0	1235706	1.25	1348206	0	1348206	1.08	-0.17
h. Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i. Others (specify)									
1. Overseas Corporate Bodies	0	1000	1000	0	0	1000	1000	0	0
2. Foreign Nationals	25000	0	25000	0.03	50000	0	50000	0.04	0.01
Sub-total(B)(1)	33711795	2300	33714095	34.08	29884321	2300	29886621	23.92	-10.16
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	0	0	0	0	0	0	0	0	0
ii. Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs. 1 lakh	16231557	105727	16337284	16.51	17232431	105027	17337458	13.88	-2.63
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	8215279	0	8215279	8.30	10814490	0	10814490	8.66	0.36



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i. Bodies Corporate	18503927	2400	18506327	18.71	19563358	2400	19565758	15.66	-3.05
Non Resident Indians	1155103	7300	1162403	1.17	970912	7300	978212	0.78	-0.39
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	31079	0	31079	0.03	103480	0	103480	0.08	0.05
Trusts	750	0	750	0	750	0	750	0	0
Non Resident Indian Non Repatriable	0	0	0	0	183374	0	183374	0.15	0.15
Foreign Bodies	0	0	0	0	0	0	0	0	0
Sub-total (B)(2)	44137695	115427	44238447	44.72	48868795	114727	48983522	39.21	-5.51
Public Shareholding TOTAL (B): (B)(1)+(B)(2)	77834815	117727	77952542	78.8	78753116	117027	78870143	63.13	-15.67
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
GRAND TOTAL (A+B+C)	98817525	117727	98935252	100	124858132	117027	124975159	100	

b) Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Arjun A. Punj	3011580	3.04	100	3011580	2.41	100	-0.63
2.	Keshav A. Punj	3011550	3.04	100	3011550	2.41	100	-0.63
3.	Raghav A. Punj	2182600	2.21	100	2182600	1.75	100	-0.46
4.	M/s. PSL Corrosion Control Services Limited	2150000	2.17	100	2150000	1.72	100	-0.45
5.	Ashok Y. Punj	1660000	1.68	100	1660000	1.33	0	-0.35
6.	Ashok Y. Punj	1630660	1.65	100	1630660	1.31	0	-0.34
7.	Ashok Y. Punj	1629230	1.65	100	1629230	1.30	0	-0.35
8.	M/s. Punj International Private Limited	1367000	1.38	100	7647115	6.12	17.88	4.74
9.	Sandhya A. Punj	622000	0.63	100	622000	0.50	100	-0.13
10.	Sandhya A. Punj	589900	0.60	100	589900	0.47	100	-0.13
11.	Sandhya A. Punj	556500	0.56	100	556500	0.45	100	-0.11
12.	Neera A. Punj	513100	0.52	100	513100	0.41	100	-0.11
13.	Shakuntalarani Y. Punj	505330	0.51	100	505330	0.40	100	-0.11
14.	Shakuntalarani Y. Punj	505250	0.51	100	505250	0.40	100	-0.11
15.	Shakuntalarani Y. Punj	505250	0.51	100	505250	0.40	100	-0.11
16.	Alok Punj	137000	0.14	100	137000	0.11	100	-0.03
17.	Jaya A. Punj	105200	0.11	100	105200	0.08	100	-0.03
18.	M/s. Punj Investments Private Limited	104100	0.11	100	704100	0.56	14.78	0.45
19.	Aditi Alok Punj	98260	0.10	100	98260	0.08	100	-0.02
20.	Arya A. Punj	98200	0.10	100	98200	0.08	100	-0.02
21.	Ashok Yoginder Punj (as a trustee of Y.P. Punj Family Trust)	0	0	0	484615	0.39	100	0.39
22.	M/s. BHI Limited	0	0	0	1776923	1.42	100	1.42
23.	M/s. Eurocoustic Products Limited	0	0	0	2880653	2.31	100	2.31
24.	M/s. Broken Hills International Pvt. Ltd	0	0	0	12615385	10.10	100	10.10
25.	M/s. Saishakti Properties Private Limited	0	0	0	484615	0.39	100	0.39

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

S No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year	20982710	21.21	20982710	21.21
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Increase in Promoter shareholding due to allotment of 25122306 equity shares of the Company to seven Promoter Group Entities at the rate Rs. 26/- per share (including premium of Rs. 16) on May 24, 2016			
3.	At the end of the year	46105016	36.90	46105016	36.90

d) Shareholding pattern of top ten Shareholders

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1.	Edelweiss Asset Reconstruction Company Limited	13326920	13.47	Increase due to allotment of 876926 equity share on May 24, 2016	14203846	11.37
2.	ICICI Bank Ltd	8346150	8.44	Nil	8346150	6.68
3.	Indian Overseas Bank	6123076	6.19	Nil	6123076	4.90
4.	DBS Bank Limited	3015380	3.05	1207287 shares (Sold Out)	1808093	1.45
5.	Lloyd Systems Private Limited	2607190	2.64	Nil	2607190	2.09
6.	Canara Bank-Mumbai	2519230	2.55	Nil	2519230	2.02
7.	Union Bank Of India	2380769	2.41	Nil	2380769	1.91
8.	The Federal Bank Ltd	2338874	2.36	Nil	2338874	1.87
9.	Kotak Mahindra Bank Limited	1700000	1.72	Nil	1700000	1.36
10.	Export Import Bank of India	1642307	1.66	Nil	1642307	1.31

e) Shareholding of Directors and Key Managerial Personnel

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	At the beginning of the year				
	Ashok Yoginder Punj	4919890	4.97	4919890	4.97
	Alok Punj	137000	0.14	137000	0.14
2.	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Decrease in percentage shareholding of Ashok Yoginder Punj & Alok Punj due to allotment of shares by the Company to seven promoter group entities and one lender on May 24, 2016			
3.	At the end of the year				
	Ashok Yoginder Punj	4919890	3.94	4919890	3.94
	Alok Punj	137000	0.11	137000	0.11

V) INDEBTEDNESS

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	386889.11	1748.00	Nil	388637.11
ii) Interest due but not paid	108045.00	Nil	Nil	108045.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	494934.11	1748.00	Nil	496682.11
Change in Indebtedness during the financial year				
• Addition	41479.00	Nil	Nil	41479.00
• Reduction	614.32	Nil	Nil	614.32
Net Change	40864.68	Nil	Nil	40864.68
Indebtedness at the end of the financial year				
i) Principal Amount	386274.79	1748.00	Nil	388022.79
ii) Interest due but not paid	149524.00	Nil	Nil	149524.00
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	535798.79	1748.00	Nil	537546.79

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

S. No.	Particulars of Remuneration				Total Amount
	Name	Ashok Punj	R. K. Bahri*	C. K. Goel*	
	Designation	MD	WTD	WTD	
1.	a) Gross salary (Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961)	Nil	6325000	3542500	9867500
	b) Value of perquisites u/s 17(2)Income-tax Act, 1961	Nil	991295	1025232	2016527
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission:				
	- as % of profit	Nil	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil	Nil
5.	Others, please specify Retirement	Nil	Nil	Nil	Nil
6.	Total (A)	Nil	7316295	4567732	11884027
	Ceiling as per the Act	10578000	9078000	5289000	24945000

*Ceased to be Executive Director w.e.f January 01, 2017, therefore above mentioned data is from April 01, 2016 to December 31, 2016.

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration								Total Amount
	Name of Directors	Ashok Sharma	N. C. Sharma	Harsh Pateria	Harry Shourie	Alok Punj	R.K. Bahri*	C.K. Goel*	
1.	Independent Directors								
	(a) Fee for attending board / committee meetings	50000	190000	200000	130000	190000	Nil	Nil	760000
	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Total (1)	50000	190000	200000	130000	190000	Nil	Nil	760000
3.	Other Non-Executive Directors								
	(a) Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	(b) Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5.	(c) Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6.	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7.	Total (B)=(1+2)	50000	190000	200000	130000	190000	Nil	Nil	760000
8.	Total Managerial Remuneration	50000	190000	200000	130000	190000	Nil	Nil	760000
9.	Overall Ceiling as per the Act	1000000	1000000	1000000	800000	1000000	100000	100000	5000000

*Change in designation from Executive Director to Non-Executive Director w.e.f January 01, 2017

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

(Rs. In Lakhs)

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

*appointed Ms. Nikita Bansal as Company Secretary w.e.f August 08, 2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences under the Companies Act 2013 for the year ended 31 March 2017.

ANNEXURE-IV

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

A. CONSERVATION OF ENERGY

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

All the production units of PSL Limited are being audited for energy conservation from last more than one decade by external competent agencies, and recommendation made during these audits are implemented. The various energy conservation measures are taken like use of Servo Motors and Servo drives to conserve energy, Continuous monitoring and Control of Power Factor correction value, DC Drives replaced by Variable Frequency Drive in Conveyors, pumps and other equipments in plant, Incandescent light/bulbs replaced by CFL, Replacement of Reciprocating Compressors Screw Compressors for Pipe mill and Coating Lines, etc.

Impact of above measures

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

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

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

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

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

iv) The capital investment on energy conservation equipments.

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

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption.

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

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

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

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

No such Technology was imported in last three years.

iv) The expenditure incurred on Research and Development.

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

	March'17	March'16
Earnings	Nil	Nil
Outgo on Royalty	Nil	Nil

DETAILS OF REMUNERATION OF EMPLOYEES AND DIRECTORS

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

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

And

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

Name	Designation	Remuneration in 2016-17 (Rs. In Lakhs)	Remuneration in 2015-16 (Rs. In Lakhs)	% Increase of Remuneration in 2017 as compared to 2016	Ratio to Median Remuneration	Ratio of 2016-2017 Remuneration to	
						Revenue	Net Profit
Ashok Punj*	Managing Director	-	-	-	-	-	-
R. K. Bahri**	Director	73.16 [#]	94.92	-22.92	41.81	0.03	0.00
C. K. Goel**	Director	45.67 [#]	83.36	-45.21	26.10	0.02	0.00
Nikita Bansal***	Company Secretary	2.8 [#]	-		1.60	0.00	0.00

*Didn't draw salary in financial year 2016-17 & 2015-16.

**Designation changed to Non- Executive Directors with effect from 01/01/2017

***Appointed as Company Secretary w.e.f 08/08/2016

[#] Remuneration is for part of the year

3. The percentage increase in the median remuneration of employees in the financial year **Nil**.
4. The number of permanent employees on the rolls of the Company as on 31st March, 2017 was **809**.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

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

6. It is hereby affirmed that the remuneration paid during the year is as per remuneration policy of the Company.

REPORT ON CORPORATE GOVERNANCE
1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of your Company on corporate governance envisages attainment of the highest levels of transparency, accountability, and equity in all facets of its operations and in its interactions with its stakeholders, including shareholders, employees, lenders, and the government. Your Company is committed to achieve and maintain the highest standards of Corporate Governance. Your Company ensures adequate, timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company to the Stock Exchanges and the investors. Your Company is committed to conduct its business in compliance with the applicable laws, rules & regulations and with the highest standards of business ethics. The Company has adopted the requirements of Corporate Governance stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

2. BOARD OF DIRECTORS
Board Composition & Category of Directors:

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

During the year under review Sh. R. K. Bahri & Sh. C. K. Goel, Whole Time Directors of the Company expressed their inability to act as 'Whole Time Directors' on the Board of the Company and submitted their resignations. The resignations were accepted by the Board effective from January 01, 2017. The Board while accepting their resignations recorded its deep appreciation for the valuable services rendered by Sh. R. K. Bahri & Sh. C. K. Goel during their respective tenure as 'Whole Time Directors'. Sh. Bahri & Sh. Goel, however, would continue to provide their services as 'Non-Executive Directors' on the Board of the Company.

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

None of the Directors on the Board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2017 have been made by the Directors. There are no inter-se relationship amongst the Board members except Mr. Ashok Punj and Mr. Alok Punj.

During the year 2016-17, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, was placed before the Board for its consideration.

The names and categories of the Directors on the Board, the number of Directorships and Committee Chairmanships/Memberships held by them in other public companies (including private Company which is

a holding/subsidiary of Public Company) as on March 31, 2017 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act.

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

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

Attendance at meetings:

During the financial year ended on March 31, 2017, the Board of Directors met four times. The necessary quorum was present for all the meetings. The maximum interval between any two meetings did not exceed 120 days. The last Annual General Meeting was held on September 29, 2016.

Attendance of different directors at the Board Meetings held during the year 2016-17 was as follows:

Name of Directors	Total Board Meetings Attended	Last AGM 29.09.2016	No. of Board meetings held, attended, during the year			
			May 24, 2016	Aug 03, 2016	Nov 11, 2016	Feb 09, 2017
Ashok Punj	4	P	P	P	P	P
Alok Punj	4	P	P	P	P	P
R. K. Bahri	2	P	P	LOA	P	LOA
N. C. Sharma	4	P	P	P	P	P
Ashok Sharma	2	NR	P	P	LOA	LOA
Harinder Shourie	1	NR	P	LOA	P	P
C. K. Goel	4	NR	P	P	P	P
Harsh Pateria	4	NR	P	P	P	P
Manjula N. Bhatia	4	P	P	P	P	P
No. of Directors Attended			9	7	8	7
%			100	77.77	88.88	77.77
Quorum met			Yes			

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

After close of the said Financial Year, the Board of Directors met on May 09, 2017 to take on record the Audited Financial Results for the whole Financial Year 2016-17 and again on August 10, 2017 for taking on record the un-audited financial results for the first quarter of Financial Year 2017-18 ended on June 30, 2017.

Separate Independent Directors' Meetings

During the year, one meeting of the Independent Directors was held on May 24, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors and the Board as a whole.

Familiarization program for Independent Directors

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

3. BOARD COMMITTEES

Your Board has constituted seven sub-committees with defined areas and make informed decisions within the authority delegated to each of the Committees. Each Committee of the Board is guided by its Charter, which defines the scope, powers and composition of the Committee. However, some of the Committees have specific assignment delegated to them (need based committees) whereas the others being permanent in nature and have to meet from time to time (Standing Committees).

Brief details about these Committees are as follows:

A. AUDIT COMMITTEE

The Audit Committee presently comprises six Non-Executive Directors, four of whom are Independent Directors. The Chairman of the Committee is an Independent Director. All members of the Committee are financially literate. Terms of reference of the audit committee cover the matters specified for audit committee under SEBI listing regulations and provisions of Section 177 of the Companies Act, 2013. The composition of the committee is in conformity with the requirements of SEBI listing regulations and the provisions of section 177 of the Companies Act, 2013. Mr. N. C. Sharma, Chairman of the Audit Committee attended the last Annual General Meetings of the Company held on September 29, 2016 to answer shareholder's queries.

The financial results of the Company are minutely scrutinized by the Committee and discussed at length before being recommended to the Board for its adoption. Internal Audit Report of the Company is also placed before the Committee for its perusal. The committee closely analyses the internal control mechanism and wherever necessary directs for suitable changes. Similarly, other matters required to be placed in conformity with the provisions of the SEBI listing regulations and the Companies Act, 2013 and the rules framed there under are placed at regular intervals to ensure transparency in the conduct of business is maintained.

During the Financial Year 2016-17 four meetings of Audit Committee were held. The attendance at the said meetings was as follows:-

Name of Members	Category	Total no. of Meetings attended	% of Attendance	No. of meetings held & attended during the year			
				May 24, 2016	Aug 03, 2016	Nov 11, 2016	Feb 09, 2017
Alok Punj	NED	4	100	P	P	P	P
Harinder Shourie	I & NED	3	75	P	LOA	P	P
N. C. Sharma	I & NED	4	100	P	P	P	P
Harsh Pateria	I & NED	4	100	P	P	P	P
Ashok Sharma	I & NED	2	50	P	P	LOA	LOA
Manjula N. Bhatia	NED	4	100	P	P	P	P
No. of Directors Attended				6	5	5	5
				%	100	83.3	83.3
Quorum met				Yes			
Chairman of the Meeting				N. C. Sharma			

P = Present

LOA = Leave of Absence

NED = Non-Executive Director

I & NED = Independent & Non-Executive Director

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

B. COMMITTEE OF DIRECTORS

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

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

During the year under review, Mrs. Manjula N. Bhatia was appointed as Member of the said Committee with effect from 24th May, 2016. The committee met thirteen times during the year.

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

S. No.	Name of Members	Category of Directors	No. of Meetings Attended
1.	Ashok Punj	Executive Director	13
2.	Alok Punj	Non-Executive Director	12
3.	R. K. Bahri	Non-Executive Director	13
4.	C. K. Goel	Non-Executive Director	11
5.	Manjula N Bhatia	Non-Executive Director	12

C. NOMINATION AND REMUNERATION COMMITTEE

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

The Company has adopted a credible and transparent policy in determining and accounting for the remuneration of the

executive Directors, Key Managerial personnel, etc. and to determine their remuneration as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be.

The committee comprised of four members as at March 31, 2017. The committee met two times during the year on August 03, 2016 & December 29, 2016.

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

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

Mr. N. C. Sharma, Chairman of the Nomination & Remuneration Committee attended the last Annual General Meetings of the Company held on September 29, 2016.

D. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The composition of the Committee is as under:-

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

During the year under review Ms. Nikita Bansal was appointed as "Company Secretary & Compliance Officer" of the Company w.e.f. 8th August, 2016 and hence she will comply with all the requirements of SEBI Listing Regulations, etc. executed by the Company with the two Stock Exchanges.

During the financial year ended March 31, 2017, a total of 39 minor queries/ Complaints/ grievances were received from the investors as per report of Karvy Computershare Private Limited submitted to the Company at the end of every quarter, all of them were immediately resolved to the full satisfaction of the investors. There were no outstanding complaints at the end of the financial year 2016-17.

E. SHARE TRANSFER COMMITTEE

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

During the year under review, Mrs. Manjula N. Bhatia was appointed as Member of the said Committee with effect from 24th May, 2016. The Committee presently comprises of following members:

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

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

During the financial year two meetings were held wherein 1 transmission case comprising of 100 equity shares was approved on May 19, 2016 and another transmission case comprising of 700 equity shares was approved on March 09, 2017. The decision of the Committee was placed before the Board of Directors for its noting and ratification.

F. RISK MANAGEMENT COMMITTEE

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

The Committee presently comprises of following members:

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

As during the year under review Mrs. Manjula N. Bhatia was appointed as Member of the said Committee with effect from 24th May, 2016. There was no meeting during the year.

4. DIRECTORS REMUNERATION

As mentioned above the Board comprises of an ideal mix of Executive as well as Non executive Directors. Remuneration paid to Managing Directors and/or Whole time Directors are decided by the Remuneration Committee, confirmed by the Board and then approved by the shareholders in the subsequent Annual General Meetings. In view of the temporary financial crunch of the Company, during the financial year 2016-17 Mr. Ashok Punj, Managing Director of the Company did not accept any remuneration.

a) To Whole Time Directors

The break-up of the Remunerations paid to different Whole time Directors of the Company during the financial year 2016-17 is summarized below:-

S. No.	Name of Directors	Salary (Basic + HRA)	Perquisites	Retirement Benefits	Commission & Incentives	Total Amount (in Rs.)
1.	R.K. Bahri*	63,25,000	9,91,295	Nil	Nil	73,16,295
2.	C. K. Goel*	35,42,500	10,25,232	Nil	Nil	45,67,732
	Total	98,67,500	20,16,527	Nil	Nil	1,18,84,027

*Ceased to be Executive Director w.e.f January 01, 2017.

b) To Non-Executive Directors

According to statutory provisions the Non Executive Directors are only paid sitting fee for attending Board/Committee meetings at a fixed rate duly approved by the Board time to time.

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

The remunerations paid to Non-executive and Independent Directors for attending the Board Meetings and/ or Committee Meetings for the financial year 2016-17 were as follows:

S. No.	Name of Directors	Sitting Fees (Rs.)
1.	Alok Punj	1,90,000
2.	Harsh Pateria	2,00,000
3.	N. C. Sharma	1,90,000
4.	Harinder Shourie	1,30,000
5.	Ashok Sharma	50,000

As per Regulation 26(4) of SEBI (LODR) Regulations, 2015 none of the Non-Executive Directors held any shares in the Company except Mr. Alok Punj who held holding 1,37,000 shares in the Company as on March 31, 2017.

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
2015-16	September 29, 2016	9:30 A.M	Hotel "Reevanta" at Teen Batti, Devka Road, Nani Daman -396210	5
2014-15	September 23, 2015	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	0
2013-14	September 25, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	1
2012-13	March 19, 2014	9:30 A.M	Hotel "Cidade De Daman" at Devka Beach, Nani Daman -396210	11
2011-12	September 27, 2012	9:30 A.M	Hotel "Sea Rock Inn" at Devka Beach, Nani Daman -396210	5

- None of the business proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution through Postal Ballot.
- No Extraordinary General Meeting of the members was held during the financial year 2016-17.

II. MEANS OF COMMUNICATION

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

- Company's Website** The Company regularly posts important information such as Quarterly/Annual Audited Financial results, Shareholding pattern and change in Board of Directors etc. on Company's website www.pslimited.com at the earliest. There were no official news releases during the year:
- NSE Electronic Application Processing System ("NEAPS")**: The Shareholding pattern and Corporate Governance for every quarter are filed electronically on NEAPS which is a web based application designed by National Stock Exchange for corporate.
- BSE Corporate Compliance and Listing Centre ("Listing Centre")**: The Listing Centre is web based application designed by BSE for corporates. The Shareholding Pattern, Corporate Governance Report, Corporate Announcement, Media Release, Results etc. are filed electronically on the Listing Centre.
- SEBI Complaints Redress Systems ("SCORES")**: The investors complaints are now processed in a centralized web based complaints redress system termed as SEBI Complaints Redress Systems (SCORES). The Action taken reports are submitted online by the Company and resolved to the satisfaction of the investor through SCORES.
- The Management's Discussions and Analysis Report** forms part of this Annual Report.

III. GENERAL SHAREHOLDER INFORMATION

- Registered Office** : Kachigam, Daman Union Territory of Daman & Diu – 396210
- Annual General Meeting**
Date : September 28, 2017
Day : Thursday
Time : 9.30 a.m.
Venue : Hotel "Reevanta" Teen Batti, Devka Road, Nani Daman, Union Territory of Daman & Diu – 396210
- Financial Year** : April 01, 2016 to March 31, 2017
- Un-audited/Audited Results Approval:**

S. No.	Quarter	Ended on	Board Meeting held on
1.	First	30.06.2016	03.08.2016
2.	Second	30.09.2016	11.11.2016
3.	Third	31.12.2016	09.02.2017
4.	Fourth	31.03.2017	09.05.2017

- Dates of Book Closure** : September 25, 2017 to September 27, 2017 (Both days inclusive)
- Payment of Dividend** : For the Financial Year 2016-17 no dividend has been recommended by the Board of Directors of the Company.
- Listing at Stock Exchanges**: National Stock Exchange of India & BSE Limited
- Stock Code** : National Stock Exchange of India – PSL
BSE Limited - 526801
- ISIN No.** : INE474B01017

J. Share Market Price Data for the financial year 2016-17

For the Month of	Price of Shares on BSE		Price of Shares on NSE	
	High	Low	High	Low
April 16	8.47	7.25	8.5	6.25
May 16	7.85	6.1	7.6	6.1
June 16	7.49	5.75	7.4	5.7
July 16	7.46	6	7.6	5.95
August 16	7.34	6	7.15	6
September 16	6.97	5.95	6.85	5.95
October 16	8.35	6	8.4	6
November 16	7	5	7	4.9
December 16	6	4.88	5.95	4.9
January 17	6.15	5.17	6.4	5.25
February 17	7.7	5.5	7.5	5.5
March 17	8	5.2	7.95	5.15

K. Share Price Comparison

Particulars	Price Quoted at BSE	BSE (Sensx)	Price Quoted at NSE	NSE (Nifty)
Share Price 01.04.2016 (Open)	7.84	25301.70	7.4	7718.05
Share Price 31.03.2017 (Close)	5.31	29620.50	5.4	9173.75
Increase/Decrease in%	(32.27)	17.06	(27.02)	18.86

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

M. Share Transfer System : The Company's equity shares are compulsorily traded in demat mode at the Stock Exchanges.

Equity shares in physical form lodged for transfer are processed by Share Transfer Agents of the Company namely Karvy Computershare Private Limited before a formal approval is accorded by Share Transfer Committee of the Board. The transfer/ transmission of shares in physical form is normally processed and completed within 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed instantly by NSDL/ CDSL through their respective Depositories.

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

In accordance with SEBI's requirement, another a Practicing Company Secretary has been appointed by the Company who on quarterly basis conducts "Secretarial

Audit" for reconciliation of total issued share capital with depositories and in physical form.

N. Distribution of Shareholding of the Company as on March 31, 2017 was as follows

Category From - To	No. of Cases	% of Cases	Amount	% of Amount
01 - 5000	21828	73.52	36829460.00	2.95
5001 - 10000	3409	11.48	28419080.00	2.27
10001 - 20000	1977	6.66	30922320.00	2.48
20001 - 30000	783	2.64	20257230.00	1.62
30001 - 40000	374	1.26	13460540.00	1.08
40001 - 50000	354	1.19	16757490.00	1.34
50001 - 100000	517	1.74	38868230.00	3.11
100001 & Above	449	1.51	1063830490.00	85.15
TOTAL	29691	100.00	1249344840.00	100.00

O. Dematerialization of Shares : 99.9% of the equity shares of the Company have already been dematerialized

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

- In Gujarat - Varsana, Nanichirai, Gandhidham and Mahudi
- In Union Territory of Daman & Diu - Daman
- In Tamil Nadu - Maduranthakam (near Chennai)
- In Andhra Pradesh - Kakinada and Vishakhapatnam
- In Rajasthan - Jaipur
- In addition to the aforesaid domestic plants, one Plant has been set up by PSL FZE, a subsidiary of the Company at Plot No. HJ02, Inner Harbour, Hamriyah Free Trade Zone, Sharjah, UAE.

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

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

IV) OTHER DISCLOSURES

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

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

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

- b) Details of non-compliance by the Company, penalties, restrictions imposed on the Company by the stock exchanges or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years 2014-15, 2015-16 and 2016-17 are Nil.
- c) **Whistle Blower Policy:** Your Company is committed to adopt the best Corporate Governance Practices and to follow the highest possible moral, legal and ethical standards in the conduct of its business. In line with this commitment, Whistle blower Policy was designed to provide a mechanism for employees/Board Members and others to raise good faith concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and to protect the individuals who take such actions from retaliation or any threat of retaliation.
- d) **Policy for determining 'Material' Subsidiary(ies):** The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any unlisted material Indian subsidiary companies.

As per Regulation 24 of the SEBI (LODR) Regulations, 2015, The Company has made a policy on determining 'Material Subsidiaries' which is disclosed on the Company's website at the following: [linkhttp://http://www.pslimited.com/investorupdates.aspx](http://www.pslimited.com/investorupdates.aspx)

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

V) COMPLIANCE WITH MANDATORY REQUIREMENTS

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements stipulated under regulation 17 to

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

VI) CODE OF CONDUCT

In order to compliance of provisions of regulation 26(3) of SEBI listing regulations the Code of conduct has been laid down for all Board Members and Senior Management Personnel of the Company. The Board members and senior management personnel have affirmed their compliance of the said code for the Financial Year 2016-17. A Declaration to this effect signed by the Managing Director is annexed at the end of this report.

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

VII) CEO/ CFO CERTIFICATION

Certificate from Managing Director/CEO for the financial year ended on 31st March, 2017 is annexed at the end of this report.

VIII) OTHER USEFUL INFORMATION FOR SHAREHOLDERS

UNCLAIMED DIVIDEND

- i) Pursuant to Section 205A & 205C and other applicable provisions, if any of the Companies Act, 1956, as amended, from time to time and / or relevant corresponding provision of the Companies Act, 2013 once notified, 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 2009-10 (Interim Dividend) to the said IEPF.

Members are required to submit their claims of un-received dividend amount of different dividends declared by the Company from time to time to the Company without any delay. Due dates for transfer of unclaimed dividend by the Company, if any, to Investor Education Protection Fund are as follows:

Financial Year ended	Type of dividend	Dividend No.	Date of declaration of dividend	Due date for transfer to IEPF Account
2009-10	Final	28 th	30/09/2010	05/11/2017
2010-11	Interim	29 th	28/02/2011	04/04/2018
2010-11	Final	30 th	22/09/2011	28/10/2018
2011-12	Interim	31 st	12/04/2012	18/05/2019

- ii) Members still holding shares in physical form are requested to notify/send the following to the Company's RTA to enable them to provide better services:
 - a) Any change in the address/bank details
 - b) Particulars of the bank A/c in case the same have not been sent earlier.
 - c) Copy of PAN Card for transfer/ transmission/ deletion of name etc.
- iii) Although 99.9 % of Company's shares have already been dematerialized, members still holding their shares in physical form are again requested to get them dematerialized so that their eventual trading at the Stock Exchanges is facilitated.
- iv) For better service to the investors and Shareholders, members are requested to submit their valuable suggestions to the Secretarial and Legal Department of the Company.

AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of PSL Limited

We have examined the compliance of conditions of Corporate Governance by PSL Limited for the year ended on March 31, 2017 as stipulated in Regulation 34 read with Schedule V Para E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

Sd/-
SURESH C. MATHUR
Partner

Place : Mumbai
Date : 10th August 2017

Membership No.1276
Firm Registration No. 000891N

DECLARATION REGARDING AFFIRMATION OF THE CODE OF CONDUCT

In terms of the requirement of Regulations 26(3) read with schedule V Para D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct of the Company has been displayed at the Company's Website www.psllimited.com. All the members of the Board and the Senior Management Personnel of the Company had affirmed compliance of Company's Code of Conduct for the Financial Year ended on March 31, 2017.

For PSL LIMITED

Place : Mumbai
Date : 10th August 2017

Sd/-
(Ashok Punj)
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

COUNTRY'S GENERAL ECONOMIC SCENARIO

Although most of the developed countries as well as developing countries are still trying to come out of the Global economic recession experienced by many Countries few years ago, somehow Indian economy has not been hit by the said recession in real terms. Probably it is because of such factual position that even the international forums like World Bank & IMF have appreciated India's Economic Scenario in their various documents. The FDI inflow during the Financial Year 2016-17 and consistent stock markets at reasonably high levels is a testimony of the brighter side of the Indian Economy. The maintenance of GDP rate of approx 7% from year to year coupled with adequate restraint on both retail and wholesale inflation close to 5% has further generated sizable confidence in the international business community about balanced growth of Indian Economy.

INDUSTRY STRUCTURE & DEVELOPMENT

The pipeline Industry basically caters to three different segments namely water, oil and gas. Various steps have been initiated by Government of India to boost the production of the pipeline industry for all these three segments. While on one hand approval has been granted for awarding the contracts for onshore & offshore areas of discovered small oil and gas fields, on the other adequate importance is being given to increase Country's crude oil refining capacity in next two decades. Similarly demand for steel pipes for water sector is also likely to grow by about 8% in next 2-3 years for meeting water supply and sanitation requirements. So much so that Government of India through Prime Minister's Agriculture Irrigation Scheme is planning to spend about Rs. 55,000 crores rupees in next 3 years. In one single budget of current financial year the Government has allocated Rs. 8,700 Crores for irrigation activities which as much as 28% higher than the previous year's budget. Again Southern India demand for water pipes valuing approx. 3000 crores has arisen just by a single Telangana Grid Project. Another important measure initiated by central water commission pertains to heavy savings of losses of account of water evaporation in the open channel system as it is proposed to commence the use of piped irrigation systems.

OPPORTUNITIES & THREATS

Opportunities:

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

Threats:

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

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

as a direct consequence of which most of the pipeline manufactures including your Company started experience idle capacity.

OUTLOOK

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

RISK AND CONCERNS

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

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

As discussed earlier due to acute financial crunch faced by the Company in early 2013, the Company's business especially in this tight liquidity environment, suffered major setback and the Company had to request its lenders to restructure the financial package as per the prescribed RBI Guidelines in this regard. However, as some of the stringent conditions of the CDR Scheme approved for the Company in September, 2013 could not be complied with, the Company was exited from CDR process in 28th December, 2016. Also the Company's efforts to increase its turnover and profits by entering into Operation, Maintenance and Management Agreement with Jindal Tubular (India) Limited did not yield the results as anticipated due to sluggish economic conditions. Since the financial stability continues to play a critical role in the Company's business, the operations of the Company were substantially reduced during the financial year under review.

Under extremely difficult conditions the Company has managed to bring down losses from Rs. 1355.98 crores recorded in the previous Financial Year to Rs. 697.37 crores in the Financial Year under review.

HUMAN RESOURCE DEVELOPMENT

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

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

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

However, consequent upon liquidity crises faced by the Company resulting in CDR of the Company's debts in 2013 and also due to lack of orders, the Company had to limit its payroll expense so as to reduce the financial burden on the Company.

CAUTIONARY STATEMENT

Some of the statements in this Management and Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. However, actual results could differ materially from those expressed or implied. Important factor that could make a difference to the Company's operations include the attitude that the lenders would adopt towards the Company particularly because the Company has now initiated a process for resolution of its current financial crises.

CEO / CFO / CERTIFICATION

The Board of Directors PSL Limited

CERTIFICATION BY MANAGING DIRECTOR/CEO AND CFO

We, the undersigned hereby certify to the Board that:

- A. We have reviewed Financial Statements and the Cash Flow Statement for the Financial Year 2016-17 ended on 31st March, 2017 and that to the best of our knowledge and belief:
 1. these statements do not contain any false or materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:-
 1. there have been no significant changes in internal control over financial reporting during the year;
 2. there have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and
 3. there have been no instances of significant fraud of which we have become aware of and there has been no involvement of any management person or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai
Date : 10th August 2017

Sd/
(Ashok Punj)
Managing Director

AUDITORS' REPORT

The Members,
PSL Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PSL Limited** ('the Company'), which comprises of the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on the said date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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

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

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

Opinion

In our opinion and to the best of the information and according to the explanations given to us, the aforesaid standalone 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 2017.
- (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. Increase of Paid Up Capital:

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

2. Long Term Borrowings:

Note No. 4 of Balance Sheet and Schedules.

Default In Payment to Banks

Based on our audit procedure and as per the information and explanation given to us, the company has defaulted in repayment of loans and interest to the banks and financial institutions as on 31st March 2017.

- 2.1 Due to continuous financial stress the Company had sought a restructuring program from the lenders under the CDR guidelines issued by the Reserve Bank of India. The Company filed an application before CDR Cell on 6th March, 2013 (Cut-off date is 1st January, 2013) along with 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. However CDR Cell vide their letter No. 414/2016-17 dated December 29, 2016 has informed that Company's CDR Mechanism stands exited on account of failure of CDR approved package.
3. Due to non-implementation CDR package, there is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales.

4. As some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA). The CDR cell has exited the company from the CDR mechanism on 28th December 2016, since some of the conditions as stipulated by them in the restructuring package were not satisfied.
5. It is noticed that the business of the Company is at stand still and not much production activity is carried out except negligible production has been carried out in Vizag, Varsana induction Bend Division and Chennai factories. Hence the turnover is also very low.
6. The financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's net worth is eroded. A reference has been made to the Board of Industrial and Financial Restructuring (BIFR). These events cast significant doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations.
7. As a consequence to acute financial stress being faced by the Company in recent years, the Company's net worth has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses is further enhanced creating a further adverse impact on the net worth. Although, as a result of erosion of said net worth the company had made reference to BIFR under the provisions of Sick Industrial Companies Act, however, consequent upon recent development of coming into force of a new legislation namely Insolvency and Bankruptcy Code the said reference was abated. Company is now in the process of soon filing the necessary application to National Company Law Tribunal in accordance with the new provisions brought on the statute book by way of the aforesaid Insolvency and Bankruptcy Code, 2016.
8. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted accordingly as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.
9. The company has reported a Net Loss of Rs.697.38 Crores for the year ended 31st March, 2017 against last year net loss of Rs. 1355.98 Crores.
10. Since most of the banks which had extended financial facilities to the company have already treated the outstandings from the company as "Non Performing Assets", they as a usual practice have discontinued making provisions of interest on such loss as accrued income in their books. In order to achieve the desired congruency on this issue the Company has also not provided for any interest amounting to Rs.414.79 Crores on such outstanding facilities for the year ended on 31st March, 2017 due to various banks. Had the said interest been provided in the books in the normal course, the present losses of Rs.697.38 Crores would have risen to Rs. 1112.17 Crores.
11. Sometime back Kandla Port Trust had cancelled the lease of different plots at Kandla leased by them to the company due to

non-payment of their heavy invoices for bills for compensation and had also taken physical possession of the land. However, on the company approaching Gujarat High Court and Hon'ble High Court having granted stay of Kandla Port Trust orders the Company has not provided for any liability that may arise on this account.

12. Inventory:

- a) The closing inventory as on 31st March, 2017 is Rs. 19.52 Crores (valued at realizable value) excludes disputed WIP Building of Coimbatore Rs.17.07 which is in arbitration stage.
- b) The Company has done physical inventories at the end of the year 31st March 2017 in presence of Chartered engineer checked at various sites and they have certified the realizable value as on 31/3/2017 on physical / saleable ground.

13. Operations, Maintenance and Management Agreement ('OMMA') with Jindal Tubular (India) Limited.

- a) As per the Operations, Maintenance and Management Agreement with Jindal Tubular (India) Limited (JTIL), they had taken over operations of the following three units of the company mentioned underneath :-

PSL VIZAG	15.06.2015
JAIPUR	16.07.2015
VARSAANA	03.08.2015

- b) Now JTIL has returned back all Plants on OMMA to Company on following dates:-

PSL VIZAG	30.11.2016
JAIPUR	17.11.2016
VARSAANA	17.09.2016

- c) It will not be out of place to mention that Jindal Tubular India Limited has shifted from Varsana, a part of Plant & Machinery to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement.
- d) The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004.

Sl. No.	Show Cause Notice	Amount (Rs.)
1.	Varsana 1	71,70,823/-
2.	Varsana 2 Coating	4,86,28,617/-
3.	Varsana 2 Pipe Mill	5,52,20,906/-
	Total Rs.	11,10,20,346/-

The Company has submitted that the allegations made in the show cause notices are not correct in law as well on facts. The matter is pending before the Excise department of Sr. No. 1 & 3 and for Sr. No. 2 Department has given Show Cause Notice for Rs. 4,86,28,617/-, as well as 100% penalty and interest, company has already submitted the appeal to Excise department against the above.

- e) Jindal Tubular (India) Limited has submitted the provisional Balance Sheet and Profit & Loss Account for the period ended 31st March, 2017 and shown a loss of Rs. 9.39 Crores. Besides this they have claimed Non Legacy & legacy payment from PSL amounting to Rs. 4.37 Crores. However the PSL Statements are showing outstanding of Rs. 2.85 Crores including Rs. 1.52 Crores on account of Legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.

It appears that due to “Net Revenue” being a loss, PSL will not be entitled for any revenues.

- f) The Company has created pari passu charge with respect to immovable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited.
- g) **Lay off the Company’s undertaking at Village Varsana, Taluka Anjar, Village Nani Chirai, Taluka Bhachau, Gandhidham, District Kutch & Closure of PSL Jaipur Unit**

Lay-off in terms of Section 2(kkk) of “The Industrial Disputes Act, 1947” at Company’s undertaking at Village Varsana, Taluka Anjar, Village Nani Chirai, Taluka Bhachau, Gandhidham District Kutch has been undertaken. The Company has also done closure of Jaipur facilities due to lack of orders & financial facilities / crises of the fund.

14. Assignment of entire Financial Assistance granted by ICICI Bank to the Company to “Edelweiss Assets Reconstructions Co. Ltd.”

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

Since it was provided for in the restructuring package by the CDR Cell on 23rd August, 2013 for a portion of debt of each lender would be converted into company’s equity, almost all the secured creditors had come forward with a request to that effect to the company and the company allotted the desired number of equity shares at a price of Rs.26/- per share in accordance with SEBI formula for the purpose in the last financial year, however, since a portion of the debt of Edelweiss Assets Reconstructions Company Ltd. was converted into equity alongwith other creditors and made a request to the company in the current financial year. Accordingly a total of 876926 equity shares were allotted by

the company to the said creditors in the Board Meeting held on 24th May, 2016 during the Financial Year in question. With the said additional allotment the total number of shares 4,65,15,367 allotted to different lenders amounting to Rs.120,94,00,100/- (Rounded Off).

d) Contribution by Different Entities of Promoters Group:

Since one of the important condition of restructuring scheme was that the different entities of promoter group were also to contribute to the equity capital of the Company seven different promoter group entities including six associate companies made a total contribution of Rs.65.318 Crores for which 25122306 equity shares at a price of Rs.26/- each were required to be allotted to the said seven [promoter group entities].

15. Lender Banks’ Balance Confirmation as on 31st March 2017:

We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter of Credit/ Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2017 but the same have not yet been issued. Pending balance confirmation, book balances as on 31st March, 2017 have been taken in the accounts of the Company.

16. The financial performance had deteriorated substantially in last 12 months. The manufacturing cost has gone up. There is weakness in demand. The Company continue to deal with a range of uncertainties. The interest payments exceeded its operating income. The Company is not able to service its debts.
17. EOW case on the Complaint - filed by Aditya Birla Finance Limited (ABFL):

As on date, approximately Rs. 106.01 million (Rs.106013284.37) is lying in FD account with ICICI (FD Account No. 039313005070). This is on account of receipt from various legacy orders like ISPRL, MT Educare, L&T, etc. executed post CDR implementation and receipt of Vizag insurance claim amount. Due to EOW order, the Company is unable to use it which otherwise could be used for its operating expenses, insurance payments and / or for distribution to lenders in case of surplus. It may be noted that although ABFL has become transaction specific member of CDR, however it has not acceded to CDR restructuring package.

18. Sundry Debtors: Note No. 12 of Balance Sheet and Schedules

- i) The Company has Sundry Debtors of Rs. 9.63 Crores as on 31st March, 2017.

Less than Six Months	Rs.0.94 Crores
More than Six Months	Rs.0.50 Crores
Doubtful Debts	Rs.8.19 Crores

- ii) The Company has not produced confirmation of balances from sundry debtors confirming the amount outstanding as on 31st March 2017. In the absence of adequate evidence and information made available to us supporting the recoverability of this amount, we are further unable to comment on the financial impact of this matter on the profit / loss for the year ended 31st March 2017.

- iii) The Arbitration proceeding between PSL Limited and Gail India Limited is pending before the Sole Arbitrator.
- iv) The Company is in the process of filing Arbitration petition/Obligations for the dispute against SPML Infra Limited for recovery of Rs.98,80,383/- together with interest against the supply of Saw Pipes.

19. Sundry Creditors & Loans & Advances:

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2017, provision for any adverse variation in the balances is not quantified.

20. Due to Micro & Small Suppliers:

This information is not provided by the Company.

- 21. There is an existence of adequate internal financial controls and its operational effectiveness in the Company.
- 22. 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.
- 23. 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.

24. Investment in Subsidiaries

A) Foreign Subsidiaries:

- i) PSL FZE (Sharjah) (Step down Subsidiary)
Pipeline Systems Mauritius
 - a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded.

The Company has not provided for the diminution in the value of investment as per Accounting Standard (AS) 13 issued by Institute of Chartered Accountants of India.

PSL Limited has also not provided for amounts due from PSL FZE being doubtful of recovery on account of losses incurred by PSL FZE.
 - b) The share certificate of PSL FZE, Sharjah held by PSL Ltd. indirectly through the above said Company, amounting to 100% of the Equity Share Capital of the Company have been pledged in favour of National Bank of Oman S.A.O.G. acting as Security Agent of ICICI Bank Limited, Bahrain.
 - c) During the year PSL FZE has incurred loss of AED 30,274 Mio. The interest on the loans of Standard Chartered Bank and ICICI Bank, Baharin has not been provided. Based on the audit procedure and the information obtained, we have observed some of the loans were rolled over / rescheduled by the bank. Also in some cases company was not able

to make the payment on due date of installment due to the banks. The bank balance confirmations were not available.

- d) PSL FZE has executed a project received from SWCC. Bank of Baroda has given guarantee in favour of State Bank of India, Bahrain to issue performance guarantee in favour of the client to the extent of USD 4.5 million. This is contingent liability of PSL FZE as on 31-3-2017.
- e) A creditor namely Petromac, Abudhabi-UAE has filed a suit for his dues of USD 22,58,175. The matter is sub-judice.
- ii) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 111.82 Million AED against Plant & Machinery, assignment of receivable and inventory as the security and the subordination of unsecured loans advances by PSL Ltd. and assets on pari passu basis with one of the banker.
- iii) Term Loan 121.61 AED

The Term Loan due to ICICI Bank, Bahrain is secured by charge on the fixed asset of PSL FZE and Corporate Guarantee issued by PSL Limited.
- iv) Bank Guarantee given by Banks 1,65,70,815 AED
- v) PSL USA INC (USA)
PSL NA LLC (USA) (Step down Subsidiary)

The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded.
- vi) Due to continuous losses suffered by the company's step down subsidiary namely PSL North America LLC, it was directly affecting the financial position of PSL/USA/Inc. (the holding Company of PSL North America LLC). The Company voluntary petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware. All the assets of PSL North America LLC were put to sale/sold to a company for US 100 Million and no liabilities (related with non fund base facilities like LC, BG, etc) is pending of PSL India in USA. The company has written off Rs. 130.34 Crores invested in USA.
- vii) The audited financial statements have not been received by the Company from foreign subsidiary companies and we have relied on the financial statements of the management. Based on our review conducted as above and subject to the possible effects of the matter described above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified u/s 133 of the Companies Act, 2013 reads with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

B) Indian Subsidiaries:

1) PSL Infrastructure & Ports Pvt. Ltd.

- Total investment in PSL 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.65.11 Crores.
- Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/contribute funds for the construction of the jetty.
- The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete.

2) PSL Corrosion Control Services Ltd.

The total Revenue for the year stood at Rs. 68.92 Crores against Rs.72.49 Crores. The Net Profit is Rs.79.64 Lacs. In our opinion and explanation given to us, the Guarantees given by the holding Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company.

3) PSL Gas Distribution (P) Ltd.

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

25. Impairment of Assets:

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

26. Due to this, provision for diminution / impairment in the value of its investments in the above subsidiary companies is not provided.

27. According to the information and explanations given to us & based on the documents & records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures & other securities.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report that:

- a) Except the matters described in Emphasis of Matter Paragraphs 1 to 13 and Annexure A Para No.7(a) in our

opinion, may have an adverse effect on the functioning of the Company, aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note Nos. 2 to 12 and Annexure to the financial statements;
- ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
- iii) there have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the Company.

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

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

Place : New Delhi
Dated: 9th May, 2017



ANNEXURE – A TO THE AUDITORS'S 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 2017 of PSL Limited

1. a) The Company has maintained Assets Register. It is to be updated. All the factory units have kept details of their fixed assets at their level.
- b) During the year, physical verification was done by the management of all the factory units of the Company. As the Asset Register is not updated, the full particulars including total quantitative details could not be ascertained. Pending completion of reconciliations which has not been completed discrepancies if any cannot be ascertainable. Pending updating of records and reconciliation books balances as at 31-3-2017 have been adopted.
- c) In our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- d) The title deeds of the immovable properties are held in the name of the Company.
2. Subject to our remark in Item No. 1 in "Emphasis of Matter" the physical verification of inventory has been conducted at reasonable intervals by the management; and the procedures of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and nature of its business. The stock is maintained on Excel Sheets. On line package is not installed and not integrated with books of accounts. The Company is maintaining proper records of inventory and any material discrepancies noticed on physical verification have been properly dealt with in the books of account.
3. The Company has not granted loans, secured/unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
4. The Company has complied in respect of loan, investments, guarantees and securities as required under provision of sections 185 and 186 of the Companies Act, 2013.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under. Therefore, the provisions of Section 73 and 74 of the Act and any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to deposits accepted from the public are not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete. The cost audit is completed up to the year ended 31st March, 2014. The Cost Audit Report is mandatory u/s 148(1) of the Companies Act 2013.
7. a) According to the records of the Company, the Company is 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, 2017 for a period of more than six months from the date they became payable.
- b) As on 31st March, 2017 according to the records of the Company the following are the particulars of disputed dues on account of Excise duty, Customs/DGFT, Service Tax, Sales Tax and Civil Cases have not been deposited.

Sr. No.	Amount under Dispute (Rs. In Lacs)	Facts of the Case	Period which the amount relates	Forum where the dispute is pending
EXCISE DUTY				
1.	3828	Demand of Duty on exempted orders	2006	O-I-O No. 26/BVR/Commissioner/09 dt. 24-2-2009 passed and confirmed the demand
2.	1467	Duty on Fusion Bonded Epoxy Coating	2008	CESTAT, Mumbai
3.	8	Duty on Fusion Bonded Epoxy Coating	2010	Commissioner (Appeals), Chennai
4.	3	Demand of differential Excise Duty	2011	CESTAT, Chennai
5.	10	Relating to interest on incorrect Cenvat Credit	2010	CESTAT, Bangalore
6.	6.78	Demand of interest & penalty for wrong availment of Cenvat Credit	2010	CESTAT, Mumbai
7.	9	Goods cleared without payment of Excise Duty	2012	Addl. Commissioner of Central Excise, Jaipur
8.	31	Wrong availment of Cenvat of GTA (Inward Freight)	2011	Order Awaited
9.	9	Cenvat credit availed on capital goods	2012	Transferred back to Tribunal Ahmedabad
10.	54	Demand of Central Excise Duty	2012	Commissioner of Central Excise, Ahmedabad
11.	0.32	Demand of Central Excise Duty	2013	Dy. Commissioner, Central Excise, Vizag
12.	181	Short paid Excise Duty on Transportation	2013	Commissioner of Central Excise, Vizag
13.	202.79	None Payment of Excise Duty	2013	Commissioner, Rajkot
14.	56.61	Short Reversal of Cenvat Credit	2013	CESTAT, Ahmedabad
15.	29.85	Recovery of Refund erroneously paid to us by Ex. Deptt	2014	Asstt. Commissioner Central Excise, Gandhidham
16.	1.13	Demand of Excise Duty, interest and penalty	2015	Asstt. Commissioner, Jaipur
17.	75.85	Wrong availment of Cenvat Credit	2016	Commissioner Central Ex., Gandhidham
18.	75.85	Wrong utilization of Cenvat Credit	2016	Commissioner Central Ex. Gandhidham
19.	71.71	Non reversal of Cenvat Credit on Capital goods and machinery	2016	Reply submitted, hearing attended on 23-11-2016 awaiting order – Commissioner Central Excise Kutch
20.	552.21	Non reversal of Cenvat Credit on capital goods and machinery	2016	Reply submitted, hearing attended on 23-11-2016 awaiting order – Commissioner Central Excise Kutch
21.	486	Non reversal of Cenvat Credit on capital goods and machinery	2016	Reply submitted, hearing attended, order awaited – Commissioner Central Excise Kutch
CUSTOMS / DGFT				
1.	871.13	Wrong availment of customs duty –HDPE	2012	CESTAT, Ahmedabad
SERVICE TAX				
1.	45	Tax on construction of Mall	2008	CESTAT, Chennai
2.	2		2009	Asst. Commissioner (Appeals),Service-tax, Vizag
3.	15		2009	Asstt. Commissioner, Service Tax, Vizag
4.	2	Demand of Service Tax BAS	2010	CESTAT, Mumbai
5.	6	Service Tax on ECB Loan	2011	Addl. Commissioner, Service Tax, Mumbai
6.	6	Cenvat credit availed on input services not covered	2012	Add. Commissioner of C. Ex., Vizag Commissionerate
7.	20.9	Wrong availment of Cenvat Credit	2012	CESTAT, Ahmedabad
8.	30.45	Cenvat credit availed on service tax paid on agency commission	2013	CESTAT, Ahmedabad
9.	123.42	Short payment of Service-tax	2016	Commissioner of Central Excise, Gandhidham
10.	11	Interest not paid on belated payment of service-tax	2016	Commissioner of Central Excise, Puchcherry



SALES TAX				
1.	3	Appeal u/s 83 of Rajasthan VAT Act – Appeal No. 2208/13/JPR dt. 23.7.2014		Rajasthan Tax Board – Ajmer – Dept. filed the appeal eg. Order passed in favour of PSL
2.	23	Sales tax on Freight – Appeal No. 139/2016 dt. 13-1-2016	2009-10	Rajasthan Tax Board - Ajmer
3.	0.81	Sales tax on Freight – Appeal No. 140/2016 dt. 13-1-2016	2010-11	Rajasthan Tax Board - Ajmer
4.	120	Sales tax on Freight – Appeal No. 141/2016 dt. 13-1-2016	2010-11	Rajasthan Tax Board - Ajmer
5.	35	Sales tax on Freight – Appeal No. 142/2016 dt. 13-1-2016	2011-12	Rajasthan Tax Board - Ajmer
6.	11	Sales tax on Freight – Appeal No. 143/2016 dt. 13-1-2016	2012-13	Rajasthan Tax Board - Ajmer
7.	1	Sales tax on Freight – Appeal No. 144/2016 dt. 13-1-2016	2013-14	Rajasthan Tax Board - Ajmer
8.	0.01	Sales-tax on Freight	2014-15	Rajasthan Tax Board – Ajmer
9.	144.01	Sales in Course of Import	2002-03	Hearing under progress in Appellate Tribunal
10.	460.68	Levy of tax @ 12.5% on pipes instead of 4%	2003-04	AP High Court
11.	306.76	Levy of tax @ 12.5% on pipes instead of 4%	2004-05	AP High Court
12.	125.01	Work Contract	2008-09	Appeal filed before Tribunal
13.	178	ST Exemption	2000-01	Appeal in High Court Ahmedabad
14.	10	Interest & Penalty	2000-01	Appeal in High Court Ahmedabad
15.	844	8% cst Re Assessment & Bombay High Sales	2005-06	Appeal filed – Rajkot
16.	41	WCT/Form – C Addl. Int/Penalty	2007-08	Appeal Filed – Rajkot – Stay Obtained
17.	1499	WCT/Form – C Addl. Int/Penalty	2008-09	Appeal Filed – Rajkot – Stay Obtained
18.	35	Export Sales (Bombay High) treated as Interstate sales	2010-11	Commissioner – Rajkot
19.	66	Interest on delayed payment of VAT/CST for the year 2012-13 as per Assessment Order	2012-13	Appeal under progress at Commissioner-Rajkot
20.	156	Sales to Siemens Ltd under SEZ, disallowed and Export Sales (Bombay High) treated as Interstate Sale	2011-12	Commissioner- Rajkot Stay Obtained
SHOW CASE NOTICE				
1.	105	Payment of Service Tax	2005-06	High Court - Mumbai
CIVIL CASES				
1.	2.64	Harjivandas Hghibhai Patel, Varsana	2016	Small Cause Court – Ahmedabad
2.	3.50	Ravi Sales & Services, Jaipur	2016	Addl. Civil June - Kalol
3.	25.10	Deversh Engineers, Jaipur		
4.	3.34	Sigil Industrial Gases Ltd., Jaipur		

7.c) DGFT:

The Company has taken 5 Advance Licences and one Annual Advance Licence from DGFT. The Company has already done the export obligation and submitted the relevant papers to DGFT. However, the above Licences are not closed and the matter is pending with DGFT. The Company has shown contingent liability of Rs. 253.22 Crores

8. Legal Matters:

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

provisions of Negotiable Instruments Act but after the order of Addl. Sessions Court of Bombay, one complaint has been scrapped with respect to some of the Directors and matters are now pending for disposal.

- b) Five Petitions have been filed before the High Court of Gujarat at Ahmedabad challenging compensation Bill raised by Kandla Port Trust (KPT) in respect of five plots of land of PCD-I unit located in East of NHNo. 08A, Kandla Road, Gandhidham and two petitions w.r.t. two plots of land of PCD-II in Plot No. 5&6 in Block D, Sector 12, Gandhidham. Stay has been granted in favour of Company with regard to

- 5 of the 7 plots. Interim orders earlier passed by the court restraining KPT from implement in the compensation bills continue to operate. The matters are still sub-judice.
- c) Termination of concession agreement executed by Kandla Port Trust in respect of PSL Infrastructure and Ports Private Limited. The matter is pending before arbitration Tribunal.
- d) On the complaint of one of the creditors of the Company namely Aditya Birla Finance Limited, a FIR has been registered by EOW, Delhi accusing the Company, Managing Director, Whole Time Directors and an Official.
- e) **The Economic Offence Wing of Crime Branch of Delhi Police on complaint of Aditya Birla Finance Limited (ABFL) – lender of the Company**
- The action taken by EOW, Delhi Police consequent to which some of the Company's Bank Accounts at various locations were frozen. The Court of ACMM on 1/7/2016 had allowed the defreezing of five bank accounts which can now be operated by the company. However, the money frozen earlier shall remain frozen and cannot be utilized by the company till investigation is complete and / or till further orders in this regard. However, recently Edelweiss Assets Reconstructions Co. Ltd. (EARC) which has acquired the debts of three lenders of the company has filed an application before the court of ACMM with a prayer that the amount of Rs.11.68 Crores FD lying to the credit of three frozen Bank accounts be allowed to be appropriated by all the CDR Lenders on pro-rata basis. The proceedings are in progress.
- f) **Filing of commercial suit by Bhimji Velji Sorathia Construction (P) Ltd. against Company's subsidiary PSL Infrastructure and Ports (P) Ltd.**
- The aforesaid company had earlier filed a suit for recovery of Rs.8,70,13,191/- plus interest against the above mentioned subsidiary of the Company. However, after the commercial Courts Act, 2015 came into force retrospective w.e.f. 23rd October, 2015 the said suit has been transferred to the commercial court at Rajkot. The subsidiary Company has engaged a lawyer and is defending the case
- g) **Filing of commercial suit by Paresh Constructions & Foundation (P) Ltd.**
- The aforesaid company had earlier filed a suit for recovery of Rs.6,52,59,744/- plus interest against company's wholly owned subsidiary namely (PSL Infrastructure & Ports Pvt. Ltd). However, after the commercial Courts Act, 2015 came into force retrospective w.e.f. 23rd October, 2015, the said suit has been transferred to the commercial court at Rajkot. The subsidiary company has engaged a lawyer and is defending the case.
- h) **Winding up Petition filed by Jotun India (P) Ltd.**
- Jotun India (P) Ltd., a supplier of Company had on 10-03-2015 filed a company petition No. 434 of 2015 for winding up of the Company under Section 433(e) & (f) read with Section 434 and 439 of Companies Act, 1956 before the Bombay High Court.
- i) Another supplier of company had on 10-3-2015 filed a company petition No. 434 of 2015 against the Company under Section 433(e) and (f) read with Section 434 and 439 of Companies Act, 1956 before the Bombay High Court. The matter is pending
- j) **Action taken by the Kotak Mahindra Bank Limited under the provisions of SARFAESI Act, 2002**
- The Bank has initiated action under SARFAESI Act, 2002 U/s 14 of the said Act praying possession of property at Mouje, Nanicherai, Distt. Kutch, which property had been earlier mortgaged in favour of Kotak Mahindra Bank to secure the repayment of certain loan amounts. The company had filed Special Leave Application before Gujarat High Court challenging the action of the Bank. The Court after hearing the parties passed an order on 8th September, 2016 quashing the order dated 5th March, 2016 of District Magistrate, Kutch, Gujarat and directed the District Magistrate to proceed afresh after giving the company an opportunity of being heard. The District Magistrate has now issued fresh notice to the company for its objections. The matter is being defended by the company.
- The Company has initiated a suitable legal action against the order of the District Magistrate and Executive Magistrate in connection of handing over of physical possession of the land at Varsana, Kutch in favour of Kotak Mahindra Bank.
- k) **Indian Bank, Nariman Point, Mumbai**
- Issued Notice to the Company and Directors to pay Rs.64,57,90,389/- and Bank Guarantee Rs.3,21,90,190/- due to them and threatened to initiate legal proceedings. However no legal action has been initiated by the said Bank.
- l) **Federal Bank**
- The Federal Bank has given a show cause notice in pursuance of the proceedings for declaring the Company as Willful defaulter. This is objected by the Company as unwarranted and non-tenable. The matter is under dispute.
- m) **Standard Chartered Bank**
- Given Notice u/s 433 and 434 of the Companies Act to pay outstanding dues and to initiate winding up proceedings against the Company. However no action has been taken by the said Bank.
- n) **Writ Petition filed by Swamy Vivekanand Navyuk Mandal against the Company in Rajasthan High Court at Jaipur**
- Civil Writ Petition No. 13780 of 2011 filed by the above mentioned petitioner against the state of Rajasthan and the Company challenging the allotment of land by the Rajasthan Government to the Company, came up for hearing before the court on 5th December, 2016 when the petitioner's counsel made a request to the court for permission to withdraw and said petition. The Court allowed his request and permitted to withdraw the petition. The petition now stands dismissed as withdrawn.
- o) **Filing of Criminal Miscellaneous Petition by the Company in Delhi High Court, challenging the order passed by Additional Sessions Judge on 22-7-2015**
- The Company has challenged the Criminal Miscellaneous Petition being Cr. M.C. No. 5072 of 2015 in the Delhi High Court challenging the order dated 22-7-2015 of AS) dismissing our Revision Petition. The matter is pending.
- p) M/s. Harjivandas Hathi Patel, Partnership concern has filed a Suit No. 4460 of 2016 against the company small causes at Ahmedabad against their dues. The matter is sub-judice.

9. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of audited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Reg. 33 of SEBI (LODR) Reg., 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
10. The Company has defaulted in repayment of loan and borrowings to financial institution, bank and Govt. The lenders balance confirmations were not available.
11. The Company has not raised money by way of initial public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.
12. 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.
13. The Company is not a Nidhi Company and Nidhi rules 2015 is not applicable.
14. The Company has disclosed all transaction with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 were applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him.
16. The Company is not required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934. This is not applicable to the Company.

Reasons for Unfavourable Report

1. As some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA). The CDR cell as delisted the company from the CDR on 28th December 2016, since some of the conditions as stipulated by them were not satisfied.
2. The production has fallen resulting in heavy losses. Due to financial crunch and non availability of funds, there are some delays in depositing the government dues. . There are defaults in repayment of bank loans. The debtors have stopped payment of their dues. The creditors have started filing legal suits for their recovery and winding up proceedings. The net worth has eroded.

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

(Suresh C. Mathur)

PARTNER

M. No. 1276

Place : New Delhi
Dated: 9th May, 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of PSL Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: New Delhi
Dated: 9th May, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in Lacs)

	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	12,493.45	9,893.53
	(b) Reserves and surplus	3	(227,840.48)	(162,047.09)
	(c) Money received against share warrants		NIL	NIL
2	Share application money pending allotment	3A	NIL	6,531.57
3	Non-current liabilities			
	(a) Long-term borrowings	4	317,375.79	317,990.11
	(b) Deferred tax liabilities (Net)		NIL	NIL
	(c) Long term Liabilities		24,358.82	26,355.58
	(d) Long-term provisions	5	1,329.75	1,338.44
4	Current liabilities			
	(a) Short-term borrowings	6	35,495.00	35,495.00
	(b) Trade payables		2,512.53	2,512.53
	(c) Other current liabilities	7	48,045.96	46,842.87
	(d) Short-term provisions		NIL	NIL
	TOTAL		213,770.83	284,912.55
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets	8		
	(i) Tangible assets		143,842.86	156,310.67
	(ii) Intangible assets		0.19	0.58
	(iii) Capital work-in-progress		NIL	1,113.59
	(iv) Intangible assets under development		NIL	NIL
	(b) Non-current investments	9	17,426.73	30,461.07
	(c) Deferred tax assets (net)		604.57	604.57
	(d) Long-term loans and advances	10	43,622.51	43,867.46
	(e) Other non-current assets			
2	Current assets			
	(a) Current investments		NIL	NIL
	(b) Inventories	11	1,951.96	15,637.59
	(c) Trade receivables	12	963.35	28,723.19
	(d) Cash and cash equivalents	13	2,090.92	2,353.02
	(e) Short-term loans and advances	14	3,267.74	5,840.82
	(f) Other current assets		NIL	NIL
	TOTAL		213,770.83	284,912.55

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
PSL Limited

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

Nikita Bansal
Co.Secretary

Alok Punj
C K Goel

Ashok Punj
R K Bahri

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lacs)

	Particulars	Note No.	For the year Ended 31st March 2017	For the Year Ended 31st March 2016
I.	Revenue from operations	15	1,996.80	10,187.89
	Less: Excise Duty		91.37	104.17
			1,905.43	10,083.72
II.	Other income	16	510.75	522.63
III.	Total Revenue (I + II)		2,416.18	10,606.35
IV.	Expenses:			
	Cost of materials consumed	17	1,523.93	7,376.50
	Manufacturing and Operating Costs	18	2,897.61	2,837.20
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	10,270.47	116,512.88
	Employee benefits expense	20	2,063.06	2,567.93
	Finance costs	21	86.43	34.86
	Depreciation and amortization expense		14,049.37	15,030.46
	Other expenses	22	8,368.43	1,844.65
	Bad Debts written off		19,860.43	Nil
	Total expenses		59,119.72	146,204.49
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(56,703.54)	(135,598.13)
VI.	Exceptional items		NIL	NIL
VII.	Profit before extraordinary items and tax (V - VI)		(56,703.54)	(135,598.13)
VIII.	Extraordinary Items		13,034.34	NIL
IX.	Profit before tax (VII- VIII)		(69,737.89)	(135,598.13)
X	Tax expense:			
	(1) Current tax		NIL	NIL
	(2) Deferred tax		NIL	NIL
XI	Profit/(Loss) for the period from continuing operations (IX - X)		(69,737.89)	(135,598.13)
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)		(69,737.89)	(135,598.13)
XVI	Earnings per equity share:			
	(1) Basic		(55.83)	(137.06)
	(2) Diluted		(55.83)	(137.06)

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
PSL Limited

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

Nikita Bansal
Co.Secretary

Alok Punj
C K Goel

Ashok Punj
R K Bahri
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lacs)

PARTICULARS		2016-17	2015-16
A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(69,737.89)	(135,598.14)
Add:- Extraordinary item (Written off in value of non-current investment)		13,034.34	-
Profit before tax and extraordinary item		(56,703.55)	(135,598.14)
Adjustments to Reconcile Profit before tax to net cash flows			
Depreciation		14,049.37	15,030.46
Other Borrowing Costs		86.43	34.86
Interest Received		(172.75)	(91.48)
Non Operating Income		(31.62)	-
Prior year Expenses		(215.39)	-
Movements in Working Capital			
Decrease/ (Increase) in Inventories		13,685.63	123,487.67
Decrease/ (Increase) in Trade Receivables		27,759.84	2,470.90
Decrease/ (Increase) in Short Term Loans & Advances		2,573.07	(2,584.61)
Increase/ Decrease in other current liabilities		1,203.09	9,637.92
Gratuity Provision Written off		(8.69)	-
Net Cash Flow from Operating Activities	[A]	2,225.43	12,387.58
B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Tangible fixed assets		(1,580.80)	-
Acquisition of Intangible Assets		(0.39)	-
Interest Received		172.75	91.48
Decrease in Capital WIP		1,113.59	(11.99)
Other Non Operating Income		31.62	-
Net Cash Flow from Investing Activities	[B]	(263.23)	79.49
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long term Loans and Advances		244.95	-
Repayment of Long term Borrowings		(2,611.08)	(12,858.50)
Proceeds from issue of shares		2,599.92	-
Securities Premium		4,159.88	-
Share Application money Pending allotment		(6,531.57)	-
Other Borrowing Costs		(86.43)	(34.86)
Net Cash Flow from Financing Activities	[C]	(2,224.33)	(12,893.36)
Net Decrease/Increase in Cash & Cash equivalents	[A+B+C]	(262.13)	(426.29)
Opening Cash & Cash equivalents [A]		2,353.02	2779.35
Closing Cash & Cash equivalents [B]		2,090.89	2353.02
	[B-A]	(262.13)	(426.33)

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
PSL Limited

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

Nikita Bansal
Co.Secretary

Alok Punj
C K Goel

Ashok Punj
R K Bahri

Directors

Auditors' Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 31st March 2017. 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

(Suresh C. Mathur)
Partner

M.No. 001276

Place : New Delhi
Date : 9th May 2017

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - "1"

Statement of Significant Accounting Policies and Practices

(Annexed to and forming part of the financial statements for the period ended 31st March, 2017)

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 VI of the Companies Act 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be less than twelve months.

A. Fixed Assets

Fixed Assets are stated at cost of acquisition and installation. The cost 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, modernization & up gradation.

B. Lease

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

C. Method of Depreciation and Amortization

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

D. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment loss is charged to the profit and loss statement in the year in which an asset is identified and confirmed as impaired.

E. Foreign Currency 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.

F. Investments

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

G. Valuation of Inventories

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



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

bringing the inventories to their present condition and location. Costs of Raw Materials, Packing Materials and Stores and Spares are determined by the average cost method. Cost of Work in Progress and Finished Goods inventories are determined by the absorption costing method. Obsolete, defective, slow moving and unserviceable inventories are duly provided for.

H. Revenue Recognition / Income

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

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

Export sales are accounted on the basis of acceptance by 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 recognized on rendering of services.

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

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

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

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

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

J. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes 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 recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

K. Borrowing Cost

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

L. Research and Development

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

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when there is a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligations and in respect of which reliable estimate can be made. Provision is not discounted to its present value

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

and is determined based on the best estimate required to settle the obligation at the year end date. These are reviewed at each year end date and adjusted to reflect the best current estimate.

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

N. Method of Accounting

The Accounts have been prepared to comply in all material aspects with applicable principles in India and the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act 1956

O. Treatment of expenditure during construction period

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

P. Cash Flow Statement

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

Q. Management Estimates

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

R. Accounting for Taxes on Income

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

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

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

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

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

NOTE "2" - SHARE CAPITAL

(₹ in Lacs)

Share Capital	As at March 31,2017	AS at March 31,2016
Authorised		
180000000 Equity Shares of ₹10/- each	18,000.00	18,000.00
(Previous year 180000000)		
Issued		
125098584* Equity Shares of ₹ 10/- each	12,509.86	9,909.94
(Previous year 99099352)		
(Out of the above stated equity shares 25999232 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		
124934484* Equity Shares of ₹ 10/- each	12,493.45	9,893.53
(Previous year 98935252)		
(Out of the above stated equity shares 2,59,99,232 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)		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	12,493.45	9,893.53
Subscribed but not fully Paid up		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	NIL	NIL
Total	12,493.45	9,893.53

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

NOTE "2 A"

(₹ in Lacs)

Particulars	Equity Shares	
	As at March 31,2017	As at March 31,2016
Shares outstanding at the beginning of the year	98,935,252	98,935,252
Shares Issued during the year	25,999,232	NIL
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	124,934,484	98,935,252

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

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 Shareholder are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

NOTE “2 C”

The details of Shareholders holding more than 5% Shares

Sr. No.	Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Edelweiss Asset Reconstruction Company Limited*	14,203,846	11.37	13,326,920	13.47
2	Broken Hills International Pvt. Ltd.	12,615,385	10.10	NIL	NIL
3	ICICI Bank Limited	8,346,150	6.68	8,346,150	8.44
4	Punj International Pvt Ltd.	7,647,115	6.12	1,367,000	1.39
5	Indian Overseas Bank	6,123,076	4.90	6,123,076	6.19

* Shares issued under two different folios as assignee of State Bank of India and Yes Bank

NOTE “3” - RESERVES & SURPLUS

(₹ in Lacs)

Reserves & Surplus	As at March 31,2017	As at March 31,2016
a. Securities Premium Reserve		
Opening Balance	50,429.73	50,429.73
Add : Securities premium credited on Share issue	4,159.88	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	54,589.61	50,429.73
b-1. Other Reserves (Investment Allowance Utilised Reserve)		
As per Last Balance Sheet	139.64	139.64
b-2. Other Reserves (General Reserve)		
Opening Balance	7,055.93	7,055.93
(+) Current Year Transfer	NIL	NIL
(-) Written Back in Current Year	NIL	NIL
Closing Balance	7,055.93	7,055.93
b-3. Other Reserves (Revaluation of Reserve)		
Revaluation of Land	51,400.00	51,400.00
Closing Balance	51,400.00	51,400.00
c. Surplus		
Opening balance	(271,072.39)	(135,474.25)
(+) Net Profit/(Net Loss) For the current year	(69,737.89)	(135,598.14)
(+) 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	(215.39)	NIL
(+) Prior Year excess provision withdrawn	NIL	NIL
Closing Balance	(341,025.67)	(271,072.39)
Total	(227,840.48)	(162,047.09)

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

NOTE “3 A” - SHARE APPLICATION MONEY PENDING ALLOTMENT

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
Share Application money pending allotment	NIL	6,531.57

NOTE “4” - LONG TERM BORROWINGS

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
4 A.	Secured		
	Term loans		
	From Banks		
	Foreign Currency Loan	32,393.42	29,823.15
	Rupee Loan	318,385.29	321,569.88
	Current maturities of long-term debt	(35,152.00)	(35,152.00)
	Motor Vehicle Loans	1.08	1.08
		315,627.79	316,242.11

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

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.286.27 Crores for this year was not repaid (Previous year Rs. 223.07 Crores)

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
4 B.	Unsecured		
	From Promoters' Companies	1,748.00	1,748.00
	Total	1,748.00	1,748.00
		317,375.79	317,990.11

NOTE “5” - LONG TERM PROVISIONS

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
(a)	Provision for employee benefits		
	Superannuation (unfunded)	NIL	NIL
	Gratuity (unfunded)	1,329.75	1,338.44
	Leave Encashment (unfunded)	NIL	NIL
	ESOP / ESOS	NIL	NIL
(b)	Others (Specify nature)	NIL	NIL
	Total	1,329.75	1,338.44

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

NOTE “6” - SHORT TERM BORROWINGS

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
	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 “7” - OTHER CURRENT LIABILITIES

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
(a)	Current maturities of long-term debt	35,152.00	35,152.00
(b)	Current maturities of finance lease obligations	NIL	NIL
(c)	Interest accrued but not due on borrowings	NIL	NIL
(d)	Interest accrued and due on borrowings	NIL	NIL
(e)	Income received in advance	NIL	NIL
(f)	Unpaid dividends	28.75	28.75
(g)	Mobilisation Advance from Customer	5,267.83	5,074.00
(k)	Other payables	7,597.38	6,588.13
	Total	48,045.96	46,842.87

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

NOTE "8" - FIXED ASSETS

PARTICULARS	G R O S S B L O C K			D E P R E C I A T I O N / A M O R T I S A T I O N			N E T B L O C K				
	Balance as at 1-Apr-16	Additions	Revaluation	Disposals	Balance as at March 31, 2017	Upto 1-Apr-16	For the Year	Disposals	Upto March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
I. TANGIBLE ASSETS											
Free Hold Land	60,641.99	500.65	NIL	NIL	61,142.64	NIL	NIL	NIL	NIL	61,142.64	60,641.99
Lease Hold Land	44.58	NIL	NIL	NIL	44.58	31.35	2.97	NIL	34.33	10.25	13.22
Office Buildings	117.23	NIL	NIL	NIL	117.23	53.77	3.17	NIL	56.94	60.28	63.46
Factory Building	20,496.66	NIL	NIL	NIL	20,496.66	11,410.01	908.66	NIL	12,318.68	8,177.98	9,086.65
Furniture & Fixtures	573.62	NIL	NIL	NIL	573.61	469.51	18.84	NIL	488.35	85.26	104.11
Plant and Equipment	189,366.22	NIL	NIL	NIL	189,366.23	103,800.12	11,902.24	NIL	115,702.36	73,663.86	85,566.10
Office Equipments	481.56	NIL	NIL	NIL	481.56	390.31	12.69	NIL	403.00	78.56	91.25
Lab Equipments	989.22	NIL	NIL	NIL	989.22	702.14	39.93	NIL	742.07	247.14	287.08
Computers	471.22	NIL	NIL	NIL	471.22	463.32	3.15	NIL	466.48	4.74	7.89
Motor Cars	1,109.63	NIL	NIL	NIL	1,109.63	1,016.41	24.14	NIL	1,040.55	69.08	93.22
Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	104.88	0.07	NIL	104.94	0.16	0.22
Cycles	0.29	NIL	NIL	NIL	0.29	0.27	0.00	NIL	0.28	0.01	0.02
Earth Moving Equipments	3,688.10	NIL	NIL	NIL	3,688.10	3,601.91	25.86	NIL	3,627.76	60.34	86.19
Shed Construction	938.62	NIL	NIL	NIL	938.62	669.12	26.95	NIL	696.07	242.55	269.50
Temporary Shed	NIL	1,080.54	NIL	NIL	1,080.54	NIL	1,080.54	NIL	1,080.54	NIL	NIL
TOTAL I	279,024.02	1,581.19	NIL	NIL	280,605.21	122,713.12	14,049.23	NIL	136,762.35	143,842.86	156,310.92
(PRE.YEAR)	279,024.02	NIL	NIL	NIL	279,024.02	107,682.88	15,030.25	NIL	122,713.13	156,310.89	171,341.12
II. INTANGIBLE ASSETS											
Computer Software	35.36	NIL	NIL	NIL	35.36	35.02	0.14	NIL	35.17	0.19	0.34
TOTAL II	35.36	0.00	0.00	0.00	35.36	35.02	0.14	0.00	35.17	0.19	0.34
(PRE.YEAR)	35.36	-	-	-	35.36	34.78	0.23	-	35.01	0.35	0.58
TOTAL I + II	279,059.38	1,581.19	-	-	280,640.57	122,748.14	14,049.37	-	136,797.52	143,843.06	156,311.26
(PRE.YEAR)	279,059.38	-	-	-	279,059.38	107,717.66	15,030.48	-	122,748.14	156,311.24	171,341.70

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

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

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

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

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

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

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

NOTE "9" - NON CURRENT INVESTMENTS

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
A.	Investment in Subsidiaries		
	Unquoted, Trade		
	1400020 Equity Shares of Rs. 10/- each of PSL Corrosion Control Services Ltd (Previous Year 1400020)	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., 13,034.34 Impairment of 100% investment value since the company filed insolvency petition 13,034.34 (Previous year 29488083 equity shares)	NIL	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. of Rs. 10/- each (Previous 28210000 Equity Shares)	2,821.00	2,821.00
		17,141.45	30,175.79
B.	Investment in Associates		
	Unquoted, Trade		
	1330000 Equity Shares of Rs. 10/- each of BHI LTD. (Previous year 1330000 Shares)	133.00	133.00
	150000 Equity Shares of Rs.10/- each of Punj International Pvt.Ltd. (Previous Year 150000 Equity Shares)	15.00	15.00
	7500 Equity Shares of Rs. 10/- each of Broken Hills International Ltd. (Previous year 7500 Equity Shares)	0.75	0.75
	2000 Equity Shares of Rs. 100/- each of Punj Investments Pvt Ltd. (Previous year 2000 Equity Shares)	2.00	2.00
	860000 Equity Shares of Rs. 10/- each of Eurocoustic Products Ltd. (Previous Year 860000 Equity Shares)	86.00	86.00
	484000 Equity Shares of Rs. 10/- each of Punj Corporation Pvt.Ltd. (Previous Year 484000 Equity Shares)	48.40	48.40
		285.15	285.15
C.	Non Trade Investments Equity		
	Unquoted, Trade		
	128 Shares of Rs. 100/- each in The Gandhidham Mercantile Co-Op. Bank Ltd. (Previous year 128 Shares)	0.13	0.13
		0.13	0.13
		17,426.73	30,461.07

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

NOTE "10" - LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
a	Capital Advances		
	Secured, considered good	NIL	NIL
	Unsecured, considered good	NIL	NIL
	Doubtful	NIL	NIL
		NIL	NIL
b.	Security Deposits		
	Secured, considered good	1,870.11	1,210.26
	Unsecured, considered good	NIL	NIL
	Doubtful	NIL	NIL
		1,870.11	1,210.26
c.	Loans and advances to related parties		
	Secured, considered good	NIL	NIL
	Unsecured, considered good	NIL	NIL
	Doubtful	NIL	NIL
		NIL	NIL
d.	Other loans and advances (specify nature)		
	Secured, considered good		
	Excise & Service Tax Deposits	41,752.42	42,657.20
	Unsecured, considered good	NIL	NIL
	Doubtful	NIL	NIL
		41,752.42	42,657.20
	Total	43,622.53	43,867.46

NOTE "11" - INVENTORIES

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
a.	Raw Materials and components (Valued at cost)	828.09	1,765.40
	Goods-in transit	NIL	NIL
	Sub total	828.09	1,765.40
b.	Work-in-progress	369.02	10,621.81
	Goods-in transit	NIL	NIL
	Sub total	369.02	10,621.81
c.	Finished goods (Valued at cost or realisable value whichever is less)	105.73	123.41
	Goods-in transit	NIL	NIL
	Sub total	105.73	123.41
d.	Stores and spares (Valued at Cost)	649.12	3,126.97
	Goods-in transit	NIL	NIL
	Sub total	649.12	3,126.97
	Grand Total	1,951.96	15,637.59

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

NOTE “12” - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
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	328.21	28,373.19
Unsecured, considered doubtful	561.28	NIL
	889.49	28,373.19
Trade receivables outstanding for less than six months from the date they are due for payment		
Secured, considered good	NIL	NIL
Unsecured, considered good	73.86	350.00
Unsecured, considered doubtful	NIL	NIL
	73.86	350.00
Total	963.35	28,723.19

NOTE “13” - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
a.	Balances with banks	597.46	1,527.93
b.	Fixed deposits with Banks with more than 12 months maturity	1,481.25	748.74
	Fixed deposits with Banks(Under Lien Rs.1395.91 Lacs)		
b.	Cheques, drafts on hand	NIL	NIL
c.	Cash on hand	12.22	76.35
d.	Unclaimed Dividend	NIL	NIL
	Total	2,090.92	2,353.02

NOTE “14” - SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
Secured, considered good		
Advance to Raw Material and Others	2,879.08	4,987.33
Loan to Employees	40.64	46.75
Advance Income Tax	348.02	806.73
Unsecured, considered good	NIL	NIL
Unsecured, considered doubtful	NIL	NIL
Total	3,267.74	5,840.81

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

NOTE "15" - REVENUE FROM OPERATIONS (GROSS)

(₹ in Lacs)

	Particulars	For the year Ended	For the year Ended
		As at March 31,2017	As at March 31,2016
a)	Sale of products		
	H.Saw Pipes	897.07	5,705.69
	Coating on Steel Pipes	47.54	681.31
	Anodes	0.00	-
	Total	944.61	6,387.00
b)	Sale of services		
	Rebar Coating	0.00	290.41
	Induction Bending	0.00	481.59
	Total	0.00	772.00
c)	Other Operating revenues		
	Equipment Sales	518.98	279.35
	Process Waste Sale	403.41	2,578.95
	Other Material Sales	129.80	170.59
	Total	1,052.19	3,028.89
	Total (a+b+c)	1,996.80	10,187.89

NOTE "16" - OTHER INCOME

(₹ in Lacs)

	Particulars	For the year Ended	For the year Ended
		As at March 31,2017	As at March 31,2016
i)	Dividend Income		
	From a Subsidiary	NIL	NIL
	From a Associate	NIL	NIL
ii)	Net Surplus on disposal of Assets	NIL	NIL
iii)	Rent and Compensation	90.63	88.91
iv)	Exchange Fluctuation Gain (Net)	NIL	NIL
v)	Insurance Claim /Excise Duty /Sales Tax Claim	215.75	215.90
vi)	Profit on sale of assets	NIL	NIL
vii)	Interest	172.75	91.48
viii)	Claims received	NIL	NIL
ix)	Other Non Operating Income	31.62	126.34
	Total	510.75	522.63

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

NOTE "17" - COST OF MATERIAL CONSUMED

(₹ in Lacs)

	Particulars	For the year Ended	For the year Ended
		As at March 31,2017	As at March 31,2016
A.	Raw Material		
	Opening Stock	1,765.40	7,671.33
	Purchases	586.62	1,470.57
		2,352.02	9,141.90
	Less : Sales	NIL	-
	Less: Closing Stock	828.09	1,765.40
		1,523.93	7,376.50
B.	Imported and Indigenous Raw Material Consumed		
	Imported	62.95	-
	%	4.13%	-
	Indigenous	1,460.98	7,376.50
	%	95.87%	100%
		1,523.93	7,376.50
		100%	100%
C.	Details of Raw Material Consumed		
	H. R. Coil	595.75	5,797.78
	Flux	22.23	47.75
	Filler Wire	24.37	66.03
	M S Wire	2.09	-
	Epoxy Powder	356.18	115.53
	Adhesive	-	52.02
	Polyethylene	-	357.87
	Polypropylene	-	41.72
	Inner Wrap	0.01	5.90
	Outer Wrap	0.05	12.39
	Coal Tar Enamel	-	32.75
	Wire mesh	-	13.91
	Cement	-	10.59
	Sand	-	18.95
	Iron Ore	207.26	180.89
	Zinc	-	5.55
	Coating Materials and others	315.99	616.90
		1,523.93	7,376.53

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

NOTE "18" - MANUFACTURING & OPERATING COST

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
Consumption Of Stores and Spares Parts	2562.12	1,059.89
Power & Fuel	138.39	382.14
Excise Duty ,Service Tax and Sales Tax	98.33	537.79
Freight & Cartage	8.64	495.01
Equipment Hire Charges	1.24	0.38
Labour Charges	17.86	30.67
Interest On Bill Discounting/Others	Nil	Nil
Other Manufacturing & Operating Expenses	44.84	252.03
Water Charges	Nil	1.38
Liquidated Damages	Nil	Nil
Dumpsite Maintains	26.19	77.92
Total	2,897.61	2,837.21
A. Imported and Indigenous Stores & Spare Parts Consumed		
Imported	-	-
%	-	-
Indigenous	2562.12	1,059.89
%	100.00%	100%
Total	2,562.12	1,059.89
%	100.00%	100.00%

NOTE "19" - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
Opening Stock		
Finished Goods	123.41	1,239.26
Work in Progress	10621.81	126,018.84
	10745.22	127,258.10
Closing Stock		
Finished Goods	105.73	123.41
Work in Progress	369.02	10,621.81
	474.75	10,745.22
Total	10270.47	116,512.88

NOTE "20" - EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
(a) Salaries, Bonus etc.	1806.54	2,227.62
(b) Contributions to Provident and other funds	116.01	205.13
(c) Staff welfare expenses	140.51	135.19
Total	2,063.06	2,567.93

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

NOTE “21” - FINANCE COSTS

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
Interest expense	NIL	NIL
Other borrowing costs	86.43	34.86
Currency Loss	NIL	NIL
Total	86.43	34.86

NOTE “22” - OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
Conveyance	44.94	61.91
Traveling Expenses	127.97	119.45
Postage, Telegram and Telephones	35.50	49.02
Printing and Stationery	18.40	20.96
Rent, Rates & Taxes	131.77	213.39
Electricity Charges	37.58	53.31
Professional Charges	605.93	374.87
Repair and Maintenance (Plant)	557.50	1.52
Repair and Maintenance (Building)	2.67	4.48
Repair and Maintenance (Others)	109.62	119.21
Insurance	62.16	172.13
Auditors' Remuneration	25.00	25.00
Vehicle Expenses	83.99	89.33
General Expenses	6,525.39	540.07
Total	8,368.43	1,844.65

NOTE “23” - PAYMENTS TO AUDITOR

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
Payments to Auditor :		
As Audit Fees	18.00	18.00
For Taxation Matters	4.00	4.00
For Company Law Matters	Nil	Nil
For Management Services	Nil	Nil
For Other Services	2.00	2.00
For Re-imbursement of Expenses	1.00	1.00
Total	25.00	25.00

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

NOTE “24” - VALUE OF IMPORTS

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
Raw Material	62.95	676.13
Stores & Spare Parts	NIL	NIL

NOTE “25” - EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
	(12 months)	(12 months)
Traveling Expenses	17.34	12.87
Agency Commission & Others	NIL	NIL

NOTE “26” - EARNING IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
	(12 months)	(12 months)
Pipe Sales & Pipe Coating Receipt (FOB)	NIL	NIL

NOTE “27” - REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDENDS

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	As at March 31,2017	As at March 31,2016
	(12 months)	(12 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 (Rs. In Lacs)		

NOTE “28” - 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.268.71 Crores (Previous Year Rs.288.68 Crores) 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.

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

NOTE “29” - DERIVATIVE INSTRUMENTS

- i. The Company has not entered into any foreign exchange derivative instrument during the year (last year Nil)
- ii. Foreign exchange exposure of ECB Term Loan of USD 50 million 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 “30” - RELATED PARTY DISCLOSURES

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

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	Key Personnel	Subsidiary	(Rs. In Lacs)
			Associates
Purchase of Goods	NIL		
Purchase of Capital Goods (Land)	NIL	NIL	7.06
Reimbursement of Expenses	NIL	1,392.48	0.79
Lease Rental	NIL	NIL	NIL
Remuneration	133.99	NIL	NIL
Dividend Received	NIL	NIL	NIL
Sale of Goods	NIL	NIL	7.69

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

NOTE "31" - LEASE

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

	Particulars	As at March 31,2017	As at March 31,2016
I	Operating		
	A. Premises taken on operating lease		
	The total future minimum lease rentals payable at the Balance Sheet date is as under		
	For a period not later than one year	Nil	85.56
	For a period later than one year and not later than five years	Nil	427.80
	For a period later than five years	Nil	256.68
	B. Vehicles taken on operating lease	Nil	Nil
	C. Premises given on operating lease		
	Gross Carrying amount	44.58	44.58
	Depreciation for the year	2.97	1.49
	Accumulated depreciation	34.33	20.95
	D. The total future minimum lease rentals receivable at the balance sheet date is as under		
	For a period not later than one year	1.20	3.06
	For a period later than one year and not later than five years	4.80	15.30
	For a period later than five years	3.60	9.21
II	Others		
	Foreign Subsidiary		
	The Company had invested Rs. 130.34 crores in a wholly owned subsidiary namely PSL USA Inc., due to cumulative losses in the step down subsidiary the value of investment is eroded. The Company has filed relief under chapter XI of the title 11 of United States code were filed. Company has provided diminution in the value of investment.		

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

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

(₹ in Lacs)

	31st March 2017	31st March 2017
i) Defined Contribution Plan -		
The Company has recognised the following amounts in the Profit and Loss accounts for the year		
Contribution to Employee Provident Fund - RPF	63.86	92.03
Contribution to Employee Provident Fund - Trust		-
Contribution to Pension Fund	43.03	49.83
Contribution to Superannuation Fund	27.95	22.36
	134.83	164.22
ii) Defined Benefit Plan -		
The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005)		
(a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO)		
Opening DBO	646.80	1,910.49
Current service cost	24.43	24.42
Interest cost	51.74	9.75
Actuarial (gain)/loss	529.22	-
Past Service Cost		-
Liabilities Extinguished on settlements		901.23
Benefits paid	251.05	396.63
Closing DBO	1,001.14	646.80
(b) A reconciliation of the opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	65.91	447.07
Expected return	5.07	14.36
Actuarial gain/ (loss)		-
Contribution by the employer	220.93	1.11
Assets Distributed on Settlements	-	-
Benefits paid	251.05	396.63
Closing fair value of plan assets	40.87	65.91
(c) A reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets recognised in the balance sheet:		
Present value of the defined benefit obligation at the end of the period	1,001.14	646.80
Fair value of the plan assets at the end of the year	40.86	429.77
Liability recognised in the balance sheet	960.28	217.03
(d) The total expense recognised in the profit and loss account:		
Current service cost	24.43	24.42
Interest Cost	51.74	9.75
Expected return on plan assets	5.07	21.22
Actuarial (gains)/loss		-
Past Service Cost		-
Losses/(Gains) on "Curtailments & Settlements"	529.22	-
Net Gratuity cost	600.32	12.95
(e) For each major category of plan assets following is the percentage that each major category constitutes of the fair value of the total plan assets.		
LIC of India	100%	100%
Government of India securities		
Corporate bonds		
Special deposit schemes/others		
(f) Actual return on plan assets	8.75%	8.75%
(g) Following are the Principal Actuarial Assumptions used as at the balance sheet date :		
Discount rate	8.00%	8.00%
Expected rates of return on any plan assets	8.75%	8.75%
Average Salary escalation rate for Non Management for Each Year	7.00%	7.00%
Average Salary escalation rate for Non Management Every Third Year		

NOTE “33”

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

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

NOTE "34"

		31st March 2017	31st March 2016
I.	Contingent liabilities		
A.	Counter Guarantees given by the Company for Bank Guarantees	3,744.42	6,047.47
B.	Other Guarantees Given by the Company on behalf of		
	- Subsidiary Companies	45,522.95	49,157.97
	- Others	4,567.16	4,567.16
		50,090.11	53,725.13
C.	Letter of Credit Outstanding (Not yet committed)	NIL	NIL
D.	Bills Discounting	NIL	NIL
E.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL
F.	Government Dues		
	(i) Disputed dues on account of Excise duty (21 Nos.) estimated amount Rs. 12081.94 Lacs		
	(ii) Disputed dues on account of Service Tax (11 Nos.) estimated amount Rs. 285.21 Lacs		
	(iii) Disputed dues on account of Custom duty ((1 No) estimated amount Rs. 871.13 Lacs		
	(iv) Disputed dues on account of Sales Tax (18 Nos) estimated amount Rs. 6819.28 Lacs		
	(v) Pending closure of Advance Authorisation (6 Nos) estimated amount Rs. 2532.16 lacs		
	G. Other liability includes litigation on account of land, return of cheques under sec 138 of N.A. Act , Arbitration , winding up cases etc.		
II.	Income Tax Assessment Completed upto AY 2014-15(March'2014). No pending Demand.		
III.	Gujarat Water Supply & Sewerage Board (GWSSB) , a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to "Gujarat Public Works Contracts Disputes Arbitration Tribunal" for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force major conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.		
IV.	The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) passed order on 27/3/14 for the evacuation of Kandla PCD-I premises because lease period was over. The Company is taking suitable legal action against above order. Since the lease amount is under dispute, the lease payment have not been made and not provided in accounts.		
V.	In the opinion of the Board the Current Assets are approximately of the value, if realized, 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	Details of specified bank notes (SBN) and held and transacted during the period from 8/11/2016 to 30/12/2016		
		SBNs	Notes
	Closing cash in hand on 8/11/2016	736000	1821899
	(+) Permitted receipts		3155155
	(-) Permitted payments	19000	4198435
	(-) Amount deposited in Banks	717000	0
	Closing cash in hand as on 30/12/2016		778619
VI	Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.		
VII	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 diminution in the value of investment based on relevant accounting standard.		
VIII	The Company had invested the following amounts in each of the wholly owned subsidiaries:		
	1. Pipeline system Mauritius	Rs. 14163.05 Lacs	
	2. PSL Gas Distribution	Rs. 17.00 Lacs	
	3. PS Infrastructure Pvt.Ltd.	Rs. 2821.00 Lacs	
	Due to cumulative losses in the above subsidiaries the value of the investment by the Holding Company is eroded.		
	The Company has not provided the diminution in the value of the investment based on relevant accounting standard.		

NOTE "35"

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

For and on behalf of the Board of Directors
PSL Limited

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

Nikita Bansal
Co.Secretary

Alok Punj
C K Goel

Ashok Punj
R K Bahri

Directors

CONSOLIDATED AUDITORS' REPORT

The Members,
PSL Limited

Report on the Consolidated Financial Statements:

We have audited the accompanying consolidated financial statements of **PSL Limited** ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31st March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

1. The audited financial results of PSL USA INC and PSL North America LLC (step down subsidiary of PSL USA INC) have not been received.
2. The unaudited financial results of Pipeline Systems Limited (Holding Company of PSL FZE) and PSL FZE (step down subsidiary of Pipeline System Ltd.) have been included in the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements:

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

Auditors' Responsibility:

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31st March 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter:

We draw attention to:

1. Long Term Borrowings

Default In Payment to Banks

Based on our audit procedure and as per the information and explanation given to us, the company has defaulted in repayment of loans and interest to the banks and financial institutions as on 31st March 2017.

- 1.1 Due to continuous financial stress the Company had sought a restructuring program from the lenders under the CDR guidelines issued by the Reserve Bank of India. The Company filed an application before CDR Cell on 6th March, 2013 (Cut-off date is 1st January, 2013) along with 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. However CDR Cell vide their letter No. 414/2016-17 dated December 29, 2016 has informed that Company's CDR Mechanism stands exited on account of failure of CDR approved package.
2. Due to non-implementation CDR package, there is a Cash and Capital Crunch and the Company is under stress due to reduction in turnover, slow-down in economic environment, increase in the cost of production, as well as due to idle labour, lack of sufficient orders and reduced net realization in comparison to the increase cost of sales.
3. As some of the conditions of the CDR package could not be implemented in letter and spirit, various banks which had advanced its facilities to the company have chosen to treat their outstanding dues to the company as Non Performing Assets (NPA). The CDR cell has exited the company from the CDR mechanism on 28th December 2016, since some of the conditions as stipulated by them in the restructuring package were not satisfied.
4. It is noticed that the business of the Company is at stand still and not much production activity is carried out except negligible production has been carried out in Vizag, Varsana induction Bend Division and Chennai factories. Hence the turnover is also very low.
5. The financial statements being prepared on a going concern basis, notwithstanding the fact that the Company's net worth is eroded. A reference has been made to the Board of Industrial and Financial Restructuring (BIFR). These events cast significant

- doubt on the ability of the Company to continue as a going concern. The appropriateness of the said basis is inter-alia dependent on the Company's ability to infuse requisite funds for meeting its obligations (including statutory liabilities and those in respect of contracts entered into for purchase of goods and assets), rescheduling of debt/other liabilities and resuming normal operations.
6. As a consequence to acute financial stress being faced by the Company in recent years, the Company's net worth has been eroded due to accumulated losses. Keeping in view the current status of company's operations it is likely that the accumulated losses is further enhanced creating a further adverse impact on the net worth. Although, as a result of erosion of said net worth the company had made reference to BIFR under the provisions of Sick Industrial Companies Act, however, consequent upon recent development of coming into force of a new legislation namely Insolvency and Bankruptcy Code the said reference was abated. Company is now in the process of soon filing the necessary application to National Company Law Tribunal in accordance with the new provisions brought on the statute book by way of the aforesaid Insolvency and Bankruptcy Code, 2016.
7. The company has not carried out detailed assessment of the useful life of Company's assets and hence depreciation has not been adjusted accordingly as per the notification to Schedule II of the Companies Act, 2013. We are unable to comment on the impact on statement of Profit & Loss Account.
8. Since most of the banks which had extended financial facilities to the company have already treated the outstandings from the company as "Non Performing Assets", they as a usual practice have discontinued making provisions of interest on such loss as accrued income in their books. In order to achieve the desired congruency on this issue the Company has also not provided for any interest amounting to Rs.414.79 Crores on such outstanding facilities for the year ended on 31st March, 2017 due to various banks. Had the said interest been provided in the books in the normal course, the present losses of Rs697.38 Crores would have risen to Rs.1112.17 Crores of the standalone financial statements.
9. The Company has shown consolidated Loss of Rs.752.60 Crores during the year. This does not include the interest of Rs.414.79 Crores of the standalone financial statements and the amount of interest of PSL FZE on loans of Standard Chartered Bank and ICICI Bank, Baharain.
10. Sometime back Kandla Port Trust had cancelled the lease of different plots at Kandla leased by them to the company due to non-payment of their heavy invoices for bills for compensation and had also taken physical possession of the land. However, on the company approaching Gujarat High Court and Hon'ble High Court having granted stay of Kandla Port Trust orders the Company has not provided for any liability that may arise on this account.
11. **Operations Maintenance & Management Agreement with Jindal Tubular (India) Limited**
- a) As per the Operations, Maintenance and Management Agreement with Jindal Tubular (India) Limited, they had taken over operations of the following three units of the company mentioned underneath :-

PSL VIZAG	15.06.2015
JAIPUR	16.07.2015
VARSA NA	03.08.2015

- b) Now JTIL has returned back all Plants on OMMA to Company on following dates:-

PSL VIZAG	30.11.2016
JAIPUR	17.11.2016
VARSA NA	17.09.2016

- c) It will not be out of place to mention that Jindal Tubular India Limited has shifted from Varsana, a part of Plant & Machinery to their unit, Ambapura, Madhya Pradesh for their manufacturing purpose. This is contrary to the Agreement.
- d) The Excise Department has issued following notices to the company directing to show cause as to why the Cenvat credit taken on the capital goods and machineries removed from the factory premises of notices under the provisions of Rule 3(5A)(a), Rule 2 and Rule 4(5)(a)(ii) of Cenvat Credit Rules, 2004, should not be demanded and recovered under Section 11A with interest u/s 11AA and penalty u/s 11AC of the Central Excise Act, 1944 read with Rule 14 of the Cenvat Credit Rules, 2004.

Sl. No.	Show Cause Notice	Amount (Rs.)
1.	Varsana 1	71,70,823/-
2.	Varsana 2 Coating	4,86,28,617/-
3.	Varsana 2 Pipe Mill	5,52,20,906/-
	Total Rs.	11,10,20,346/-

The Company has submitted that the allegations made in the show cause notices are not correct in law as well on facts. The matter is pending before the Excise department of Sr. No. 1 & 3 and for Sr. No. 2 Department has given Show Cause Notice for Rs. 4,86,28,617/-, as well as 100% penalty and interest, company has already submitted the appeal to Excise department against the above.

- e) Jindal Tubular (India) Limited has submitted the provisional Balance Sheet and Profit & Loss Account for the period ended 31st March, 2017 and shown a loss of Rs. 9.39 Crores. Besides this they have claimed Non Legacy & legacy payment from PSL amounting to Rs. 4.37 Crores. However the PSL Statements are showing outstanding of Rs. 2.85 Crores including Rs. 1.52 Crores on account of Legacy dues. The Company has not accepted their claim and the accounts are under reconciliations.

It appears that due to "Net Revenue" being a loss, PSL will not be entitled for any revenues.

- f) The Company has created pari passu charge with respect to immovable property at Jaipur in favour of JSW and CDR lenders by way of mortgage by deposit of title deeds in favour of IDBI Trusteeship Services Limited.
- g) **Lay off the Company's undertaking at Village Varsana, Taluka Anjar, Village Nani Chirai, Taluka Bhachau, Gandhidham, District Kutch & Closure of PSL Jaipur Unit**
- Lay-off in terms of Section 2(kkk) of "The Industrial Disputes Act, 1947" at Company's undertaking at Village Varsana, Taluka Anjar, Village Nani Chirai, Taluka Bhachau, Gandhidham District Kutch has been undertaken. The Company has also done closure of Jaipur facilities due to lack of orders & financial facilities / crises of the fund.
12. **Assignment of entire Financial Assistance granted by ICICI Bank to the Company to "Edelweiss Assets Reconstructions Co. Ltd."**
- a) M/s. Edelweiss Assets Reconstruction Co. Ltd. has informed that pursuant to an Assignment Agreement executed by ICICI Bank, State Bank of India, Axis Bank Ltd. and Yes Bank Ltd., in favour of Edelweiss Assets Reconstructions Co. Ltd. on various dates, the banks have assigned all its rights, title and interest in financial assistances granted by all three banks to PSL Limited in favour of M/s. Edelweiss Asset Reconstruction Co. Ltd. Pursuant to this, M/s. Edelweiss Asset Reconstruction Co. Ltd., is now the biggest secured lender of the company.
- b) M/s. Assets Care & Reconstruction Enterprise Ltd., has informed that pursuant to an Assignment Agreement

executed by DBS Bank Ltd., in their favour on 29th March 2017, DBS Bank Ltd., has assigned all its rights, title and interest in financial assistances granted by them to PSL Limited in favour of M/s. Assets Care & Reconstruction Enterprise Ltd.

c) **Conversion of Portion of Debt**

Since it was provided for in the restructuring package by the CDR Cell on 23rd August, 2013 for a portion of debt of each lender would be converted into company's equity, almost all the secured creditors had come forward with a request to that effect to the company and the company allotted the desired number of equity shares at a price of Rs.26/- per share in accordance with SEBI formula for the purpose in the last financial year, however, since a portion of the debt of Edelweiss Assets Reconstructions Company Ltd. was converted into equity alongwith other creditors and made a request to the company in the current financial year. Accordingly a total of 876926 equity shares were allotted by the company to the said creditors in the Board Meeting held on 24th May, 2016 during the Financial Year in question. With the said additional allotment the total number of shares 4,65,15,367 allotted to different lenders amounting to Rs.120,94,00,100/- (Rounded Off).

d) **Contribution by Different Entities of Promoters Group**

Since one of the important condition of restructuring scheme was that the different entities of promoter group were also to contribute to the equity capital of the Company seven different promoter group entities including six associate companies made a total contribution of Rs.65.318 Crores for which 25122306 equity shares at a price of Rs.26/- each were required to be allotted to the said seven [promoter group entities].

13. **Lender Banks' Balance Confirmation as on 31st March 2017**

We have been informed by the officials of the company that although the company has requested its various bankers to issue their confirmation letters confirming the balances with respect to various Bank Accounts/Bank Guarantee/Letter of Credit/Corporate Guarantee given by company for its subsidiaries company as on 31st March, 2017 but the same have not yet been issued. Pending balance confirmation, book balances as on 31st March, 2017 have been taken in the accounts of the Company.

14. The financial performance had deteriorated substantially in last 12 months. The manufacturing cost has gone up. There is weakness in demand. The Company continue to deal with a range of uncertainties. The interest payments exceeded its operating income. The Company is not able to service its debts.

15. **EOW case on the Complaint - filed by Aditya Birla Finance Limited (ABFL)**

As on date, approximately Rs. 106.01 million (Rs.106013284.37) is lying in FD account with ICICI (FD Account No. 039313005070). This is on account of receipt from various legacy orders like ISPRL, MT Educare, L&T, etc. executed post CDR implementation and receipt of Vizag insurance claim amount. Due to EOW order, the Company is unable to use it which otherwise could be used for its operating expenses, insurance payments and / or for distribution to lenders in case of surplus. It may be noted that although ABFL has become transaction specific member of CDR, however it has not acceded to CDR restructuring package.

16. **Sundry Creditors & Loans & Advances**

In the absence of pending confirmation of balances from Trade Payables, Other Loans & Advances as on 31.03.2017, provision for any adverse variation in the balances is not quantified.

17. **Due to Micro & Small Suppliers**

This information is not provided by the Company.

18. There is an existence of adequate internal financial controls and its operational effectiveness in the Company.

19. 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.

20. 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.

21. **Investment in Subsidiaries:**

A) **Foreign Subsidiaries:**

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

a) The Company had invested Rs. 141.63 Crores in a wholly owned subsidiary namely Pipeline Systems Mauritius. Due to cumulative losses in the subsidiary the value of investment is eroded.

The Company has not provided for the diminution in the value of investment as per Accounting Standard (AS) 13 issued by institute of Chartered Accountants of India.

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

b) The share certificate of PSL FZE, Sharjah held by PSL Ltd. indirectly through the above said Company, amounting to 100% of the Equity Share Capital of the Company have been pledged in favour of National Bank of Oman S.A.O.G. acting as Security Agent of ICICI Bank Limited, Bahrain.

c) During the year PSL FZE has incurred loss of AED 30,274 Mio. The interest on the loans of Standard Chartered Bank and ICICI Bank, Bahrain has not been provided. Based on the audit procedure and the information obtained, we have observed some of the loans were rolled over / rescheduled by the bank. Also in some cases company was not able to make the payment on due date of installment due to the banks. The bank balance confirmations were not available.

d) PSL FZE has executed a project received from SWCC. Bank of Baroda has given guarantee in favour of State Bank of India, Bahrain to issue performance guarantee in favour of the client to the extent of USD 4.5 million. This is contingent liability of PSL FZE as on 31-3-2017.

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

ii) PSL has given Corporate Guarantee covering facilities sanctioned by lender bankers for working capital outstanding of 111.82 Million AED against Plant & Machinery, assignment of receivable and inventory as the security and the subordination of unsecured loans advances by PSL Ltd. and assets on pari passu basis with one of the banker.

iii) **Term Loan 121.61 AED**

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

iv) Bank Guarantee given by Banks 1,65,70,815 AED

v) PSL USA INC (USA)

PSL NA LLC (USA) (Step down Subsidiary)

The Company had invested Rs. 130.34 Crores in a wholly owned subsidiary namely PSL USA Inc. Due to cumulative losses in the step down subsidiary the value of investment is eroded.

- vi) Due to continuous losses suffered by the company's step down subsidiary namely PSL North America LLC, it was directly affecting the financial position of PSL/USA/Inc. (the holding Company of PSL North America LLC). The Company voluntarily petitioned for relief under chapter XI of the Title 11 of United States code were filed in United States Bankruptcy court for the district of Delaware. All the assets of PSL North America LLC were put to sale/sold to a company for US 100 Million, and no liabilities (related with non fund base facilities like LC, BG, etc) is pending of PSL India in USA. The company has written off Rs. 130.34 Crores invested in USA.
- vii) The audited financial statements have not been received by the Company from foreign subsidiary companies and we have relied on the financial statements of the management. Based on our review conducted as above and subject to the possible effects of the matter described above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards as specified u/s 133 of the Companies Act, 2013 reads with Rule 7 of the Companies (Account) Rules, 2014 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of regulation 63 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

B) Indian Subsidiaries:

- 1) PSL Infrastructure & Ports Pvt. Ltd.
 - Total investment in PSL 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.65.11 Crores.
 - Due to restrictions imposed by CDR package of PSL Ltd, the parent company, could not inject/ contribute funds for the construction of the jetty.
 - The Kandla Port authorities have given notice for the cancellation of the agreement. The matter is in dispute and under Arbitration. At present, project is incomplete.
- 2) PSL Corossion Control Services Ltd.

The total Revenue for the year stood at Rs. 68.92 Crores against Rs.72.49 Crores. The Net Profit is Rs.79.64 lacs. In our opinion and explanation given to us, the Guarantees given by the holding Company for Loan taken by its subsidiaries from banks / financial institution and the terms and conditions of such guarantees are not prejudicial to the interests of the Company.
- 3) PSL Gas Distribution (P) Ltd.

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

22. Impairment of Assets:

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

23. Due to this, provision for diminution / impairment in the value of its investments in the above subsidiary companies is not provided.

24. 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.

Report on Other Legal & Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a) Except the matters described in Emphasis of Matter Paragraphs 1 to 13 and Annexure A Para Nos.7(a) in our opinion, may have an adverse effect on the functioning of the Company, aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - b) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - c) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note Nos. 2 to 12 and Annexure to the financial statements;
 - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
 - iii) there have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv) the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and are in accordance with the books of accounts maintained by the Company.

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

(Suresh C. Mathur)
(PARTNER)

Membership number: 1276

Place: New Delhi
Dated: 9th May 2017

ANNEXURE – A TO THE AUDITORS'S REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of PSL Limited (“the Holding Company”) and its subsidiary companies which are companies incorporated in India as well as outside India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

(Suresh C. Mathur)
(PARTNER)

Place : New Delhi
Dated : 9th May 2017

Membership number: 1276

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in Lacs)

Particulars		Note No.	As at 31st March 2017	As at 31st March 2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	12,493.45	9,893.53
	(b) Reserves and surplus	3	(245,281.54)	(179,270.11)
	(c) Money received against share warrants		NIL	NIL
	(d) Minority Interest		NIL	NIL
2	Share application money pending allotment	3A	NIL	6,531.57
3	Non-current liabilities			
	(a) Long-term borrowings	4	342,271.79	343,447.73
	(b) Deferred tax liabilities (Net)		NIL	NIL
	(c) Long Term Liabilities		29,227.33	26,355.58
	(d) Long-term provisions	5	1,329.75	1,338.44
4	Current liabilities			
	(a) Short-term borrowings	6	54,975.87	55,252.32
	(b) Trade payables		2,512.53	7,234.98
	(c) Other current liabilities	7	41,816.25	40,493.26
	(d) Short-term provisions		855.50	813.19
	TOTAL		240,200.94	312,090.49
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets	8		
	(i) Tangible assets		164,335.73	179,917.23
	(ii) Intangible assets		0.19	0.58
	(iii) Capital work-in-progress		8,095.41	9,183.45
	(iv) Intangible assets under development		NIL	NIL
	(b) Non-current investments	9	299.28	13,333.62
	(c) Deferred tax assets (net)		607.38	606.18
	(d) Long-term loans and advances	10	43,726.58	44,206.42
	(e) Other non-current assets			
2	Current assets			
	(a) Current investments	11	29.21	29.21
	(b) Inventories	12	5,398.19	18,202.54
	(c) Trade receivables	13	5,956.75	32,043.38
	(d) Cash and cash equivalents	14	3,398.82	4,087.31
	(e) Short-term loans and advances	15	8,353.40	10,480.58
	(f) Other current assets		NIL	NIL
	TOTAL		240,200.94	312,090.49

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
PSL Limited

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

Nikita Bansal
Co.Secretary

Alok Punj
C K Goel

Ashok Punj
R K Bahri

Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lacs)

	Particulars		Refer Note No.	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
I.	Revenue from operations		16	11,008.65	27,675.73
	Less: Excise Duty			91.37	104.17
				10,917.28	27,571.56
II.	Other income		17	579.73	574.46
III.	Total Revenue	(I + II)		11,497.01	28,146.02
IV.	Expenses:				
	Cost of materials consumed		18	5,221.61	10,918.15
	Manufacturing and Operating Costs		19	5,445.72	6,994.74
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade		20	9,634.96	118,771.07
	Employee benefits expense		21	3,734.51	4,234.61
	Finance costs		22	1,909.04	5,443.93
	Depreciation and amortization expense			17,173.76	18,659.46
	Other expenses		23	9,599.99	5,409.76
	Bad Debts written off			20,979.38	Nil
	Total expenses			73,698.96	170,431.73
V.	Profit before exceptional and extraordinary items and tax	(III-IV)		(62,201.95)	(142,285.71)
VI.	Exceptional items			NIL	NIL
VII.	Profit before extraordinary items and tax	(V - VI)		(62,201.95)	(142,285.71)
VIII.	Extraordinary Items			13,034.34	NIL
IX.	Profit before tax	(VII- VIII)		(75,236.30)	(142,285.71)
X	Tax expense:				
	(1) Current tax			24.61	27.13
	(2) Deferred tax			(1.20)	NIL
XI	Profit (Loss) for the period from continuing operations	(IX - X)		(75,259.71)	(142,312.84)
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)		(75,259.71)	(142,312.84)
XVI	Earnings per equity share:				
	(1) Basic			(60.23)	(143.82)
	(2) Diluted			(60.23)	(143.82)

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
PSL Limited

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

Nikita Bansal
Co.Secretary

Alok Punj
C K Goel

Ashok Punj
R K Bahri
Directors

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

		(₹ in Lacs)	
Particulars		2016-17	2015-16
A) CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(75,236.30)	(142,312.84)
Add:- Extraordinary item (Written off in value of non-current investment)		13,034.34	-
Profit before tax and extraordinary item		(62,201.96)	(142,312.84)
Adjustments to Reconcile Profit before tax to net cash flows			
Depreciation		17,173.76	18,659.46
Other Borrowing Costs		182.22	286.09
Interest (Net)		1,516.76	5,157.84
Non Operating Income		(59.82)	-
Prior year Expenses		(215.39)	-
Foreign Exchange Difference		5,303.79	-
Movements in Working Capital			
Decrease/ (Increase) in Inventories		12,804.45	125,948.75
Decrease/ (Increase) in Trade Receivables		26,086.98	6,892.36
Decrease/ (Increase) in Short Term Loans & Advances		2,127.18	(2,559.60)
Increase/ Decrease in Short Term Provisions		17.70	-
Increase/ Decrease in other current liabilities		1,322.99	-
Decrease/ Increase in Trade Payables		(4,722.45)	606.55
Gratuity Provision Written off		(8.69)	-
Net Cash Flow from Operating Activities	[A]	(672.48)	12,678.61
B) CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Tangible fixed assets		(1,592.34)	(1,668.52)
Acquisition of Intangible Assets		(0.39)	-
Interest Received		210.06	135.22
Decrease in Capital WIP		1,088.45	941.16
Other Non Operating Income		59.82	-
Net Cash Flow from Investing Activities	[B]	(234.40)	(592.14)
C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Long term Loans and Advances		479.84	-
Repayment of Long term Borrowings		(1,175.94)	(8,757.61)
Increase in Long term Borrowings		2,871.75	-
Repayment of Short term Borrowings		(276.45)	-
Proceeds from issue of shares		2,599.92	-
Securities Premium		4,159.88	-
Share Application money Pending allotment		(6,531.57)	-
Other Borrowing Costs		(182.22)	(286.09)
Interest Paid		(1,726.82)	(5,293.04)
Net Cash Flow from Financing Activities	[C]	218.39	(14,336.74)
Net Decrease/Increase in Cash & Cash equivalents	[A+B+C]	(688.49)	(2,250.27)
Opening Cash & Cash equivalents	[A]	4,087.31	6337.58
Closing Cash & Cash equivalents	[B]	3,398.82	4087.31
	[B-A]	(688.49)	(2,250.27)

As per our report attached
for Suresh C Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N
(SURESH C. MATHUR)
Partner
M.No. 1276

Nikita Bansal
Co.Secretary

For and on behalf of the Board of Directors
PSL Limited

Alok Punj
C K Goel

Directors

Ashok Punj
R K Bahri

Auditors' Certificate

We have examined the above Cash Flow Statement of PSL Limited for the Financial Reporting Period ended 31st March 2017. 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

(Suresh C. Mathur)

Partner

M.No. 001276

Place : New Delhi
Date : 9th May 2017

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE - "1"
Statement of Significant Accounting Policies and Practices

(Annexed to and forming part of the financial statements for the period ended 31st March 2017)

A. Basis of Preparation

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

B. Method of Accounting

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

C. Principles of Consolidation

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

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

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

D. Fixed Assets

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

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

E. Lease

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

F. Method of Depreciation and Amortization

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

G. Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An Impairment loss is charged to the profit and loss statement in the year in which an asset is identified and confirmed as impaired.

H. Foreign Currency Translations

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

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

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

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

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

I. Investments

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

J. Valuation of Inventories

The Raw Materials are valued at cost and stores spares and consumables valued at realizable value, which is arrived on FIFO basis. Work in progress, Semi Finished Goods and Finished Goods are valued at cost or at the net 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.

K. Revenue Recognition / Income

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

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

Export sales are accounted on the basis of acceptance by 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 recognized on rendering of services.

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

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

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

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

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

M. Employee Benefits

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes 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 recognized when they accrue to employees. Sick leave can only be availed while annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulations of leave. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

N. Borrowing Cost

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

O. Research and Development

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

P. Provisions, Contingent Liabilities and Contingent Assets

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

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

Q. Treatment of expenditure during construction period

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

R. Cash Flow Statement

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

S. Management Estimates

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

T. Accounting for Taxes on Income

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

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

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

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

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

NOTE “2” - SHARE CAPITAL

(₹ in Lacs)

Share Capital	As at March 31,2017	AS at March 31,2016
Authorised		
18000000 Equity Shares of ₹10/- each	18,000.00	18,000.00
(Previous year 180000000)		
Issued		
125098584* Equity Shares of ₹10/- each	12,509.86	9,909.94
(Previous year 99099352)		
(Out of the above stated equity shares 25999232 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		
124934484* Equity Shares of ₹10/- each	12,493.45	9,893.53
(Previous year 98935252)		
(Out of the above stated equity shares 2,59,99,232 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)		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	12,493.45	9,893.53
Subscribed but not fully Paid up		
Less: Calls in arrears by Directors	NIL	NIL
Calls in arrears by Officers	NIL	NIL
Calls in arrears by Others	NIL	NIL
	NIL	NIL
Total	12,493.45	9,893.53

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

NOTE “2 A”

(₹ in Lacs)

Particulars	Equity Shares	
	As at March 31,2017	AS at March 31,2016
	No.of Shares	No.of Shares
Shares outstanding at the beginning of the year	98,935,252	98,935,252
Shares Issued during the year	25,999,232	NIL
Shares bought back during the year	NIL	NIL
Shares outstanding at the end of the year	124,934,484	98,935,252

NOTE “2 B”

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

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

NOTE “2 C”

The details of Shareholders holding more than 5% Shares

Sr. No.	Name of Shareholders	As at March 31, 2017		As at March 31, 2016	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Edelweiss Asset Reconstruction Company Limited*	14,203,846	11.37	13,326,920	13.47
2	Broken Hills International Pvt. Ltd.	12,615,385	10.10	NIL	NIL
3	ICICI Bank Limited	8,346,150	6.68	8,346,150	8.44
4	Punj International Pvt Ltd.	7,647,115	6.12	NIL	NIL
5	Indian Overseas Bank	6,123,076	4.90	6,123,076	6.19

* Shares issued under two different folios as assignee of State Bank of India and Yes Bank

NOTE “3” - RESERVES & SURPLUS

(₹ in Lacs)

	Reserves & Surplus	As at March 31, 2017	As at March 31, 2016
a.	Securities Premium Reserve		
	Opening Balance	50,429.73	50,429.73
	Add : Securities premium credited on Share issue	4,159.88	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	54,589.61	50,429.73
b-1.	Other Reserves (Investment Allowance Utilised Reserve)		
	As per Last Balance Sheet	139.64	139.64
b-2.	Other Reserves (General Reserve)		
	Opening Balance	8,228.89	8,228.89
	(+) Current Year Transfer	12.29	12.29
	(-) Written Back in Current Year	NIL	NIL
	Closing Balance	8,241.18	8,241.18
b-3.	Other Reserves (Revaluation of Reserve)		
	Revaluation of Land	51,400.00	51,400.00
	Closing Balance	51,400.00	51,400.00
c.	Surplus		
	Opening balance	(289,480.66)	(162,487.66)
	(+) Net Profit/(Net Loss) For the current year	(75,259.71)	(142,312.84)
	(+) 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	(215.39)	NIL
	(+) Foreign Exchange Difference on consolidation	5,303.79	15,319.84
	Closing Balance	(359,651.97)	(289,480.66)
	Total	(245,281.54)	(179,270.11)

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

NOTE “3 A” - SHARE APPLICATION MONEY PENDING ALLOTMENT

Reserves & Surplus	As at March 31, 2017	As at March 31, 2016
Share Application money pending allotment	NIL	6,531.57

NOTE “4” - LONG TERM BORROWINGS

(₹ in Lacs)

Long Term Borrowings	As at March 31,2017	As at March 31,2016
4 A. Secured		
Term loans		
From Banks		
Foreign Currency Loan	32,393.42	29,823.15
Rupee Loan	342,943.29	346,357.50
Current maturities of long-term debt	(35,152.00)	(35,152.00)
Motor Vehicle Loans	1.08	1.08
From Others		
NNFC	338.00	670.00
	340,523.79	341,699.73

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

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.286.27 Crores for this year was not repaid (Previous year Rs. 223.07 Crores)

Particulars	As at March 31,2017	As at March 31,2016
4.B. Unsecured		
From Promoters' Companies	1,748.00	1,748.00
Total (B)	1,748.00	1,748.00
Total (A+B)	342,271.79	343,447.73

NOTE “5” - LONG TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
(a) Provision for employee benefits		
Superannuation (unfunded)	NIL	NIL
Gratuity (unfunded)	1,329.75	1,338.44
Leave Encashment (unfunded)	NIL	NIL
ESOP / ESOS	NIL	NIL
(b) Others (Specify nature)	NIL	NIL
Total	1,329.75	1,338.44

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

NOTE “6” - SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
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	19,480.87	19,757.32
(Secured against hypothecation of Project Current Assets)		
	54,975.87	55,252.32
Unsecured		
Loans repayable on demand		
from banks	NIL	NIL
Total	54,975.87	55,252.32

NOTE “7” - OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
(a) Current maturities of long-term debt	35,152.00	35,152.00
(b) Current maturities of finance lease obligations	NIL	NIL
(c) Interest accrued but not due on borrowings	NIL	NIL
(d) Interest accrued and due on borrowings	NIL	NIL
(e) Income received in advance	NIL	NIL
(f) Unpaid dividends	28.75	28.75
(g) Mobilisation Advance from Customer	1,172.91	923.24
(h) Other payables	5,462.57	4,389.27
Total	41,816.23	40,493.26

SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
(a) Provision for employee benefits		
Salary & Reimbursements	92.29	97.13
Contribution to PF	NIL	NIL
Gratuity (Funded)	NIL	NIL
Leave Encashment (funded)	NIL	NIL
Superannuation (funded)	NIL	NIL
Other Provision	146.48	123.94
ESOP /ESOS	NIL	NIL
(b) Others (Specify nature)		
Provision for Taxation - Current Tax	616.73	592.12
Proposed Dividend	NIL	NIL
Tax on Proposed Dividend	NIL	NIL
Total	855.50	813.19

NOTE "8" - CONSOLIDATED FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION			NET BLOCK			
	Balance as at 1-Apr-16	Additions	Revaluation	Disposals	Balance as at March 31, 2017	Upto 1-Apr-16	For the Year	Disposals	Upto March 31, 2017	Balance as at March 31, 2017	Balance as at March 31, 2016
I. TANGIBLE ASSETS											
Free Hold Land	60,641.99	500.65	NIL	NIL	61,142.64	NIL	NIL	NIL	NIL	61,142.64	60,641.99
Lease Hold Land	44.58	NIL	NIL	NIL	44.58	31.37	2.97	NIL	34.34	10.24	13.21
Office Buildings	204.53	NIL	NIL	NIL	204.53	79.30	7.65	NIL	86.96	117.57	125.23
Factory Building	43,328.04	NIL	NIL	NIL	43,328.04	11,931.21	913.70	NIL	12,844.91	30,483.13	31,396.83
Furniture & Fixtures	794.27	0.69	NIL	NIL	794.95	633.61	26.10	NIL	659.71	135.24	160.66
Plant and Equipment	211,618.75	6.69	NIL	NIL	211,625.45	125,783.66	14,863.96	NIL	140,647.61	70,977.84	85,835.09
Office Equipments	509.91	1.13	NIL	NIL	511.04	406.52	14.94	NIL	421.46	89.58	103.39
Lab Equipments	1,021.77	NIL	NIL	NIL	1,021.77	728.22	40.81	NIL	769.03	252.74	293.55
Computers	507.64	2.64	NIL	NIL	510.28	495.57	4.62	NIL	500.20	10.09	12.08
Motor Cars	1,513.99	NIL	NIL	NIL	1,513.99	1,294.59	38.72	NIL	1,333.30	180.69	219.40
Commercial Vehicles	105.10	NIL	NIL	NIL	105.10	104.92	0.07	NIL	105.00	0.10	0.18
Cycles	0.29	NIL	NIL	NIL	0.29	0.33	NIL	NIL	0.34	NIL	NIL
Earth Moving Equipments	3,974.96	NIL	NIL	NIL	3,974.96	3,811.90	34.78	NIL	3,846.67	128.29	163.06
Shed Construction	2,631.29	NIL	NIL	NIL	2,631.29	1,678.93	144.76	NIL	1,823.69	807.60	952.36
Temporary Shed Construction	NIL	1,080.54	NIL	NIL	1,080.54	NIL	1,080.54	NIL	1,080.54	NIL	NIL
TOTAL I	326,897.12	1,592.34	NIL	NIL	328,489.46	146,980.11	17,173.62	-	164,153.75	164,335.73	179,917.02
II. INTANGIBLE ASSETS											
Computer Software	35.36	NIL	NIL	NIL	35.36	35.02	0.14	NIL	35.16	0.19	0.34
TOTAL II	35.36	-	-	-	35.36	35.02	0.14	-	35.16	0.19	0.32
TOTAL I + II	326,932.48	1,592.34	-	-	328,524.82	147,015.13	17,173.76	-	164,188.91	164,335.92	179,917.34

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

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

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

The Company has purchased 39.345 Acres of land from "Broken Hills International Private Limited for a consideration of Rs 31,55,00,020/- (Rupees Thirty One Crores Fifty Five Lacs Twenty Only). The vendor has prior to execution of the sale deed, obtained the No Objection Certificate dated 20.03.2014 from ICICI Bank Limited (Acting as the Monitoring Institution in terms of the Master Restructuring Agreement dated 19.11.2013) under which ICICI Bank Limited has permitted the vendor to convey, transfer and assure the Scheduled land to the Purchasers subject to such conveyance transfer and assurance being subject to the mortgage subsisting in favour of the Mortgagee for the benefit of the lenders to the purchaser under the Master Restructuring Agreement dated 13.11.2013 and also on the condition that 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	Rs. 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	Rs. 315,400,020.00
	<u>Rs. 315,500,020.00</u>

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

NOTE “9” - NON CURRENT INVESTMENTS

(₹ in Lacs)

	Particulars		As at March 31,2017	As at March 31,2016
9A	Investment in Subsidiaries			
	29488083 Equity Shares of USD 1 /- of PSL USA INC.,	13,034.34		
	Impairment of 100% investment value since the company filed insolvency petition	13,034.34	NIL	13,034.34
	(Previous year 29488083 equity shares)			
	(Refer Notes to Account Point No.			
	170000 Equity Shares of Rs.10/- each of PSL Gas Distribution Pvt.Ltd.			
	(Previous Year 170000 Equity shares)			
	28210000 Equity Shares of Rs.10/- each of PSL Infrastructure & Ports Pvt.Ltd. of Rs. 10/- each			
	(Previous 282100000 Equity Shares)			
			NIL	13,034.34
9B.	Investment in Associates			
	Unquoted, Trade			
	1330000 Equity Shares of Rs. 10/- each of BHI LTD.		147.00	147.00
	(Previous year 1330000 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)			
			299.15	299.15
9.C.	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)			
			0.13	0.13
	Total		299.28	13,333.62

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

NOTE "10" - LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
a. Capital Advances		
Secured, considered good	NIL	NIL
Unsecured, considered good	NIL	NIL
Doubtful	NIL	NIL
	NIL	NIL
b. Security Deposits		
Secured, considered good	1,974.18	1,319.33
Unsecured, considered good	NIL	NIL
Doubtful	NIL	NIL
	1,974.18	1,319.33
c. Loans and advances to related parties		
Secured, considered good	NIL	NIL
Unsecured, considered good	NIL	NIL
Doubtful	NIL	NIL
	NIL	NIL
d. Other loans and advances (specify nature)		
Secured, considered good		
Excise & Service Tax Deposits	41,752.42	42,887.09
Unsecured, considered good	NIL	NIL
Doubtful	NIL	NIL
	41,752.42	42,887.09
Total	43,726.60	44,206.42

NOTE "11" - CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
Mutual Funds (Unquoted) (Units of Rs. 10 each, unless otherwise specified)		
	NIL	NIL
Unquoted, Trade		
SBI Capital Protection Oriented Fund (Mutual Fund)	14.21	14.21
(Previous year 100)		
Aixs Equity Fund	15.00	15.00
	29.21	29.21

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

NOTE “12” - INVENTORIES

(₹ in Lacs)

	Particulars	As at March 31,2017	As at March 31,2016
a.	Raw Materials and components (Valued at cost)	2,770.65	3,472.05
	Goods-in transit	NIL	NIL
	<i>Sub total</i>	2,770.65	3,472.05
b.	Work-in-progress	675.10	10,701.88
	Goods-in transit	NIL	NIL
	<i>Sub total</i>	675.10	10,701.88
c.	Finished goods (Valued at cost or realisable value whichever is less)	664.80	273.51
	Goods-in transit	NIL	NIL
	<i>Sub total</i>	664.80	273.51
d.	Stores and spares (Valued at Cost)	1,287.63	3,755.09
	Goods-in transit	NIL	NIL
	<i>Sub total</i>	1,287.63	3,755.09
	Grand Total	5,398.19	18,202.53

NOTE “13” - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
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	4,838.42	28,205.58
Unsecured, considered doubtful	561.28	NIL
	5,399.70	28,205.58
Trade receivables outstanding for less than six months from the date they are due for payment		
Secured, considered good	NIL	NIL
Unsecured, considered good	557.05	3,837.80
Unsecured, considered doubtful	NIL	NIL
	557.05	3,837.80
Total	5,956.75	32,043.38

NOTE “14” - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
a. Balances with banks	1,238.18	2,572.55
b. Fixed deposits with Banks with more than 12 months maturity	2,110.78	1,426.07
Fixed deposits with Banks(Under Lien Rs.1395.91 Lacs)		
c. Cheques, drafts on hand	NIL	NIL
d. Cash on hand	49.87	88.69
e. Unclaimed Dividend	NIL	NIL
Total	3,398.82	4,087.31

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

NOTE “15” - SHORT-TERM LOANS AND ADVANCES

(₹ in Lacs)

Particulars	As at March 31,2017	As at March 31,2016
Secured, considered good		
Advance to Raw Material and Others	7,520.67	8,937.02
Loan to Employees	46.13	46.75
Advance Income Tax	786.61	1,496.80
Unsecured, considered good	NIL	NIL
Unsecured, considered doubtful	NIL	NIL
Total	8,353.40	10,480.57

NOTE “16” - REVENUE FROM OPERATIONS (GROSS)

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
a) Sale of products		
H.Saw Pipes	2063.39	5,705.69
Coating on Steel Pipes	1064.61	10,931.78
Anodes	0.00	-
Total	3128.00	16,637.47
b) Sale of services		
Rebar Coating	6727.64	7,445.89
Induction Bending	0.00	512.58
Total	6727.64	7,958.47
c) Other Operating revenues		
Equipment Sales	518.98	279.35
Process Waste Sale	504.23	2,587.47
Other Material Sales	129.80	212.97
Total	1,153.01	3,079.79
Total (a+b+c)	11,008.65	27,675.73

NOTE “17” - OTHER INCOME

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
i) Dividend Income		
From a Subsidiary	NIL	NIL
From a Associate	NIL	NIL
ii) Net Surplus on disposal of Assets	NIL	NIL
iii) Rent and Compensation	90.63	88.91
iv) Exchange Fluctuation Gain (Net)	NIL	NIL
v) Insurance Claim /Excise Duty /Sales Tax Claim	219.22	216.18
vi) Profit on sale of assets	NIL	NIL
vii) Interest	210.06	135.22
viii) Claims received	NIL	NIL
ix) Other Non Operating Income	59.82	134.15
Total	579.73	574.46

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

NOTE "18" - COST OF MATERIAL CONSUMED

(₹ in Lacs)

	Particulars	For the year Ended	For the year Ended
		31st March 2017	31st March 2016
A.	Raw Material		
	Opening Stock	3,462.04	9,744.78
	Purchases	4,530.22	4,645.42
		7,992.26	14,390.20
	Less : Sales	NIL	-
	Less: Closing Stock	2,770.65	3,472.05
		5,221.61	10,918.15
	Imported	62.95	-
	%	1.21%	-
	Indigenous	5,158.66	7,376.50
	%	98.79%	68%
		5,221.61	7,376.50
		100.00%	0.68
B.	Details of Raw Material Consumed		
	H. R. Coil	1,135.86	5,803.77
	Flux	63.49	47.75
	Filler Wire	61.52	66.03
	M S Wire	2.09	-
	Epoxy Powder	3,292.08	3,185.57
	Adhesive	18.39	93.09
	Polyethylene	69.49	565.31
	Polypropylene	44.65	88.38
	Inner Wrap	0.01	5.90
	Outer Wrap	0.05	12.39
	Coal Tar Enamel	-	32.75
	Wiremesh	-	31.52
	Cement	-	42.65
	Sand	-	18.95
	Iron Ore	207.26	290.89
	Zinc	-	5.55
	Coating Materials and others	326.72	627.65
		5,221.61	10,918.15

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

NOTE “19” - MANUFACTURING & OPERATING COST

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
Consumption Of Stores and Spares Parts	3102.66	1,544.49
Power & Fuel	708.87	1,001.99
Excise Duty ,Service Tax and Sales Tax	98.33	537.79
Freight & Cartage	235.25	909.84
Equipment Hire Charges	6.54	768.47
Labour Charges	17.86	30.67
Interest On Bill Discounting/Others	Nil	Nil
Other Manufacturing & Operating Expenses	1250.03	2,122.20
Water Charges	Nil	1.38
Liquidated Damages	Nil	Nil
Dumpsite Maintains	26.19	77.92
Total	5,445.72	6,994.74

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

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
Opening Stock		
Finished Goods	349.54	2,231.24
Work in Progress	10625.32	127,578.42
	10974.86	129,809.66
Closing Stock		
Finished Goods	664.80	275.44
Work in Progress	675.10	10,763.15
	1339.90	11,038.59
Total	9634.96	118,771.07

NOTE “21” - EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
(a) Salaries ,Bonus etc.	3283.16	3,493.31
(b) Contributions to Provident and other funds	194.26	381.77
(c) Staff welfare expenses	257.09	359.54
Total	3,734.51	4,234.61

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

NOTE “22” - FINANCE COSTS

(₹ in Lacs)

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
Interest expense	1,726.82	5,157.84
Other borrowing costs	182.22	286.09
Currency Loss	NIL	NIL
Total	1,909.04	5,443.93

NOTE “23” - OTHER EXPENSES

(₹ in Lacs)

Particulars	For the year Ended	For the period Ended
	31st March 2017	31st March 2016
Conveyance	57.13	81.74
Traveling Expenses	218.40	231.83
Postage, Telegram and Telephones	53.04	72.45
Printing and Stationery	19.99	22.60
Rent, Rates & Taxes	478.77	2,099.53
Electricity Charges	47.58	56.40
Professional Charges	647.28	927.14
Repair and Maintenance (Plant)	560.34	3.39
Repair and Maintenance (Building)	3.75	5.56
Repair and Maintenance (Others)	119.98	244.60
Insurance	112.62	185.21
Auditors' Remuneration	48.05	40.86
Vehicle Expenses	116.85	129.97
General Expenses	7,116.20	1,308.48
Total	9,599.99	5,409.76

Particulars	For the year Ended	For the year Ended
	31st March 2017	31st March 2016
Payments to Auditor :		
As Audit Fees	41.05	34.22
For Taxation Matters	4.00	4.00
For Company Law Matters	Nil	Nil
For Management Services	Nil	Nil
For Other Services	2.00	2.00
For Re-imburement of Expenses	1.00	1.00
Total	48.05	41.22

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

NOTE “24” - 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. 317.39 Crores (Previous Year Rs. Rs. 355.89 Crores) due to other parties.
- b. No interest is paid/payable during the year to any enterprise registered under the MSME.
- c. The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of Suppliers under the MSME.

NOTE “25” - DERIVATIVE INSTRUMENTS

- i. The Company has not entered into any foreign exchange derivative instrument during the year (last year Nil)
- ii. 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 “26” - RELATED PARTY DISCLOSURES

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

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

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

2. Transaction Carried out with related parties in ordinary course of business			
			(Rs. In Lacs)
Nature of Transaction	Key Personnel	Subsidiary	Associates
Purchase of Goods	NIL		
Purchase of Capital Goods (Land)	NIL	NIL	7.06
Reimbursement of Expenses	NIL	1,708.42	226.99
Lease Rental	NIL	NIL	1.35
Remuneration	133.99	NIL	NIL
Dividend Received	NIL	NIL	NIL
Sale of Goods	NIL	NIL	7.69

NOTE "27" - 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.

Particulars		As at March 31,2017	As at March 31,2016
I	Operating		
	A. Premises taken on operating lease		
	The total future minimum lease rentals payable at the Balance Sheet date is as under		
	For a period not later than one year	Nil	85.56
	For a period later than one year and not later than five years	Nil	427.80
	For a period later than five years	Nil	256.68
	B. Vehicles taken on operating lease	Nil	Nil
	C. Premises given on operating lease		
	Gross Carrying amount	44.58	44.58
	Depreciation for the year	2.97	1.49
	Accumulated depreciation	34.33	20.95
	D. The total future minimum lease rentals receivable at the balance sheet date is as under		
	For a period not later than one year	1.20	3.06
	For a period later than one year and not later than five years	4.80	15.30
	For a period later than five years	3.60	9.21
II	Others		
	Foreign Subsidiary		
	The Company had invested Rs. 130.34 crores in a wholly owned subsidiary namely PSL USA Inc., due to cumulative losses in the step down subsidiary the value of investment is eroded. The Company has filed relief under chapter XI of the title 11 of United States code were filed. Company has provided diminution in the value of investment.		



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

NOTE “28” - DISCLOSURES PURSUANT TO ACCOUNTING STANDARD-15 “EMPLOYEE BENEFITS”

(₹ in Lacs)

	31st March 2017	31st March 2017
i) Defined Contribution Plan -		
The Company has recognised the following amounts in the Profit and Loss accounts for the year		
Contribution to Employee Provident Fund - RPF	63.86	92.03
Contribution to Employee Provident Fund - Trust		-
Contribution to Pension Fund	43.03	49.83
Contribution to Superannuation Fund	27.95	22.36
	134.83	164.22
ii) Defined Benefit Plan -		
The following table set out the status of the gratuity plan as required under AS 15 (Revised 2005)		
(a) A reconciliation of opening and closing balances of the present value of the defined benefit obligation (DBO)		
Opening DBO	646.80	1,910.49
Current service cost	24.43	24.42
Interest cost	51.74	9.75
Actuarial (gain)/loss	529.22	-
Past Service Cost		-
Liabilities Extinguished on settlements		901.23
Benefits paid	251.05	396.63
Closing DBO	1,001.14	646.80
(b) A reconciliation of the opening and closing balances of the fair value of plan assets:		
Opening fair value of plan assets	65.91	447.07
Expected return	5.07	14.36
Actuarial gain/ (loss)		-
Contribution by the employer	220.93	1.11
Assets Distributed on Settlements	-	-
Benefits paid	251.05	396.63
Closing fair value of plan assets	40.87	65.91
(c) A reconciliation of the present value of the defined benefit obligation and the fair value of the plan assets to the assets recognised in the balance sheet:		
Present value of the defined benefit obligation at the end of the period	1,001.14	646.80
Fair value of the plan assets at the end of the year	40.86	429.77
Liability recognised in the balance sheet	960.28	217.03
(d) The total expense recognised in the profit and loss account:		
Current service cost	24.43	24.42
Interest Cost	51.74	9.75
Expected return on plan assets	5.07	21.22
Actuarial (gains)/loss		-
Past Service Cost		-
Losses/(Gains) on "Curtailments & Settlements"	529.22	-
Net Gratuity cost	600.32	12.95
(e) For each major category of plan assets following is the percentage that each major category constitutes of the fair value of the total plan assets.		
LIC of India	100%	100%
Government of India securities		
Corporate bonds		
Special deposit schemes/others		
(f) Actual return on plan assets	8.75%	8.75%
(g) Following are the Principal Actuarial Assumptions used as at the balance sheet date :		
Discount rate	8.00%	8.00%
Expected rates of return on any plan assets	8.75%	8.75%
Average Salary escalation rate for Non Management for Each Year	7.00%	7.00%
Average Salary escalation rate for Non Management Every Third Year		

NOTE “29”

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.

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

NOTE "30"

		31st March 2017	31st March 2016
I.	Contingent liabilities		
A.	Counter Guarantees given by the Company for Bank Guarantees	3,744.42	6,047.47
B.	Other Guarantees Given by the Company on behalf of		
	- Subsidiary Companies	45,522.95	49,157.97
	- Others	4,567.16	4,567.16
		50,090.11	53,725.13
C.	Letter of Credit Outstanding (Not yet committed)	NIL	NIL
D.	Bills Discounting	NIL	NIL
E.	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	NIL	NIL
F.	Government Dues		
	(i) Disputed dues on account of Excise duty (21 Nos.) estimated amount Rs. 12081.94 Lacs		
	(ii) Disputed dues on account of Service Tax (11 Nos.) estimated amount Rs. 285.21 Lacs		
	(iii) Disputed dues on account of Custom duty ((1 No) estimated amount Rs. 871.13 Lacs		
	(iv) Disputed dues on account of Sales Tax (18 Nos) estimated amount Rs. 6819.28 Lacs		
	(v) Pending closure of Advance Authorisation (6 Nos) estimated amount Rs. 2532.16 lacs		
G.	Other liability includes litigation on account of land, return of cheques under sec 138 of N.A. Act , Arbitration , winding up cases etc.		
II.	Income Tax Assessment Completed upto AY 2014-15(March'2014). No pending Demand.		
III.	Gujarat Water Supply & Sewerage Board (GWSSB), a Government of Gujarat Undertaking and a regular customer of the Company has made a reference to "Gujarat Public Works Contracts Disputes Arbitration Tribunal" for settlement of some Disputes, including a claim against the Company arising out of a routine contract awarded earlier to the Company the performance of which was hit by force major conditions. As Company has since challenged the jurisdiction of aforesaid tribunal, the matter is pending. Hence at this stage no provision has been made in the attached accounts towards any possible liability on this account.		
IV.	The Estate Office Kandla Port Trust under Public Premises (Evacuation of unauthorised) passed order on 27/3/14 for the evacuation of Kandla PCD-I premises because lease period was over. The Company is taking suitable legal action against above order. Since the lease amount is under dispute, the lease payment have not been made and not provided in accounts.		
V.	In the opinion of the Board the Current Assets are approximately of the value, if realized, 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.	Details of specified bank notes (SBN) and held and transacted during the period from 8/11/2016 to 30/12/2016		
		Other Denomination	
		SBNs	Notes
			Total
	Closing cash in hand on 8/11/2016	828000	2695612
	(+) Permitted receipts		4483014
	(-) Permitted payments	19000	5838485
	(-) Amount deposited in Banks	809000	366027
	Closing cash in hand as on 30/12/2016		1340141
VII.	Sundry Debtors, Sundry Creditors and other advances are subject to confirmation.		
VIII.	The Company had invested the following amounts in each of the wholly owned subsidiaries:		
	1. Pipeline system Mauritius	Rs. 14163.05 Lacs	
	2. PSL Gas Distribution Pvt. Ltd.	Rs. 17.00 Lacs	
	3. PS Infrastructure Pvt. Ltd.	Rs. 2821.00 Lacs	
	Due to cumulative losses in the above subsidiaries the value of the investment by the Holding Company is eroded.		
	The Company has not provided the diminution in the value of the investment based on relevant accounting standard.		

NOTE "31"

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

Nikita Bansal
Co.Secretary

For and on behalf of the Board of Directors
PSL Limited

Alok Punj
C K Goel

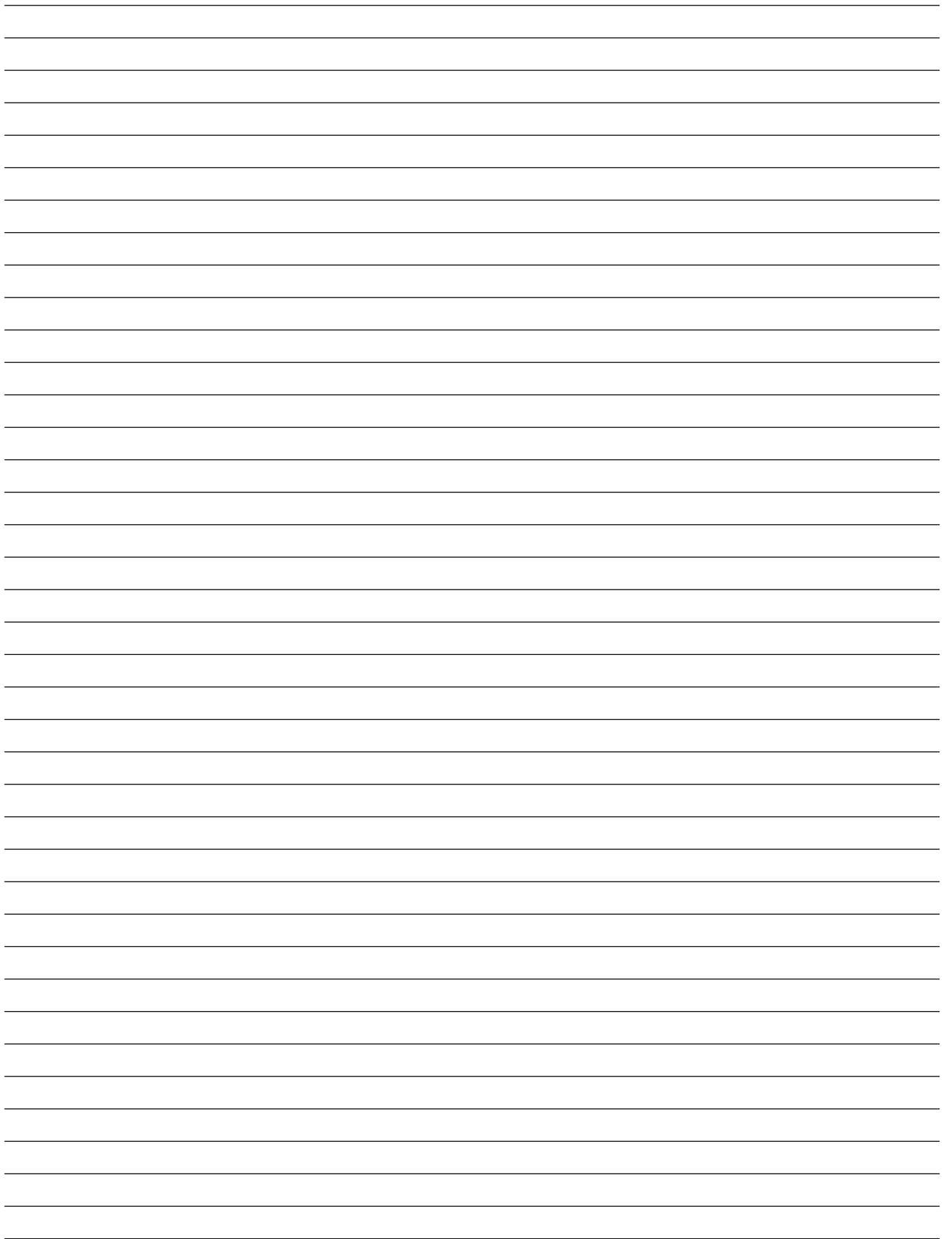
Ashok Punj
R K Bahri

Directors

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

Sr. No.	Name of the Subsidiary	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Total Investment	Turnover	Profit / (Loss) before Tax	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Shareholding	Country of Incorporation
Subsidiaries of the Company incorporated in India (Rs. in Lacs)													
1.	PSL Corrosion Control Services Ltd.	140.00	5,872.91	12,535.31	12,535.31	55.50	6,823.51	79.65	23.41	56.24	-	100.00	INDIA
2	PSL Gas Distribution Pvt.Ltd.	17.00	-	17.61	17.61	-	-	-	-	-	-	100.00	INDIA
3	PSL Infrastructure & Ports Pvt.Ltd.	2,821.00	-	6,535.21	6,535.21	-	-	-	-	-	-	100.00	INDIA
Subsidiaries of the Company incorporated outside India (in USD)													
4	Pipeline Systems Ltd.* (Exchange rate as on 31st March, 2017 : 1 USD= 64.8 INR)	30,859,731.00	(46,377,462.00)	47,826,307.00	47,826,307.00	-	3,400,917.00	(8,695,167.00)	-	(8,695,167.00)	-	100.00	Mauritius
5	PSL USA INC's	-	-	-	-	-	-	-	-	-	-	100.00	USA

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





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 29th Annual General Meeting of the Company, to be held on Thursday, the 28th day of September 2017, at 9:30 a.m., at Hotel Reevanta, at Teen Batti, Devka Road, Nani Daman - 396210, in Union Territory of Daman & Diu, and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sr. No.	Resolutions	Vote Optional (See Note 2) (Please mention no. of Shares)	
		For	Against
Ordinary Business			
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the Financial Year ended on March 31, 2017.		
2	Re-appointment of Shri Alok Punj, (DIN 00058049) as Director who retires by rotation.		
3	Re-appointment of Smt. Manjula N Bhatia, (DIN 07178575) as Director who retires by rotation.		
4	Appointment of M/s. V. Parekh & Associates Chartered Accountants, as Statutory Auditors for a term of five years commencing from the Financial Year 2017-18.		
Special Business			
5	To ratify the quantum of remuneration payable to the Cost Auditor for the financial year 2017-18.		
6	To consider and fix fee for serving various documents on members of the company.		

Signed this..... day of 2017.

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 commencement of the Annual General Meeting.
- It is optional to indicate your preference. If you leave for, against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
- A proxy need not be a member of the Company.
- When a member appoints a Proxy and both the members & proxy attend the meeting, the Proxy will stand automatically revoked.
- For the resolutions, Explanatory Statements and Notes to accounts, please refer to the notice of 29th 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 29th Annual General Meeting of the Company held on Thursday, the 28th day of September, 2017 at 9:30 a.m. at Hotel Reevanta, at Teen Batti, Devka Road, Nani Daman-396210, in Union Territory of Daman & Diu.

Signature of Shareholder / proxy

Note:

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



PSL LIMITED

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