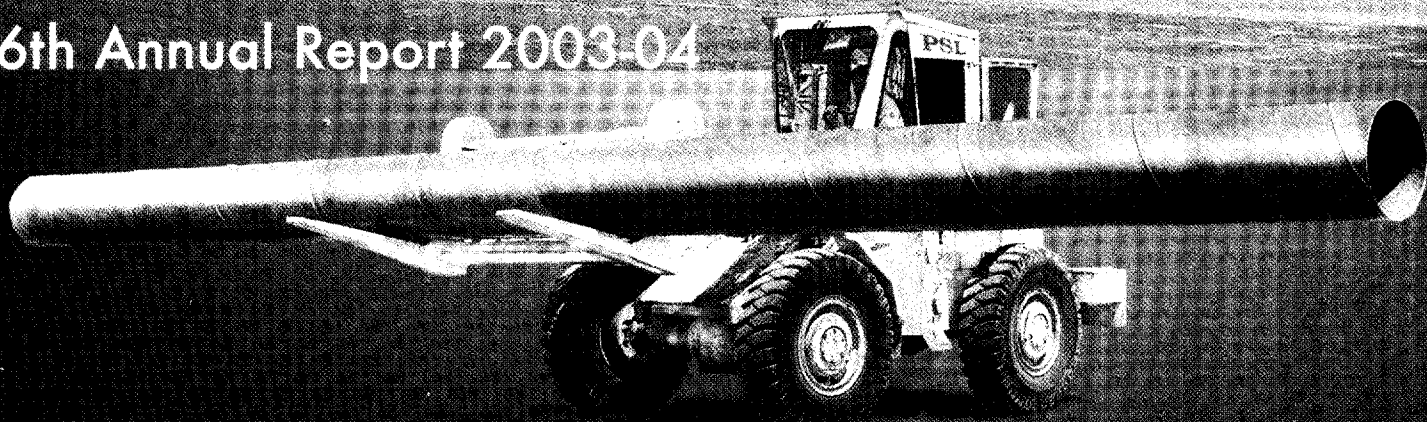




PSL LIMITED



16th Annual Report 2003-04





PSL's new Corporate Office at Mumbai
- constructed by using Glass & Structural
Tubular Steel Design



	Page No.
Board of Directors	02
PSL's Existence	03
Operations Centres	04
Financial Snapshots	05
The Growth Paradigm	06
Notice	07
Directors' Report	15
Corporate Governance Report	18
Management Discussion And Analysis Report	23
Auditors' Report	26
Balance Sheet	28
Profit & Loss Account	29
Schedules	30
Cash Flow Statement	40
Balance Sheet Abstract	41
Statement of Subsidiary Company Under Section 212 of the Companies Act	42

Consolidated Statements

Auditors' Report	45
Balance Sheet	46
Profit & Loss Account	47
Schedules	48
Cash Flow Statement	59

Subsidiary Company Statements

Directors' Report	61
Auditors' Report	63
Balance Sheet	65
Profit & Loss Account	66
Schedules	67
Balance Sheet Abstract	74

*Cover Photo: Export of Coated Pipes underway at Kandla Port.

Board of Directors**PSL Limited****BOARD OF DIRECTORS**

(at the helm)

Shri Y.P. Punj - Chairman
Shri Ashok Punj - Managing Director
Shri Alok Punj
Shri M.M. Mathur
Shri G.S. Sauhta
Shri R.K. Bahri
Shri D.N. Sehgal
Shri Prakash Vinayak Apte
Shri N.C. Sharma

**SENIOR VICE PRESIDENT &
COMPANY SECRETARY**
Shri G. Gehani**STATUTORY AUDITORS**

Suresh C. Mathur & Co.
 Chartered Accountants,
 New Delhi

SHARE TRANSFER AGENTS

(Both for physical as well as electronic shares)

Karvy Computershare Private Limited
 "Karvy House" 46, Avenue 4, Street No. 1
 Banjara Hills, Hyderabad - 500 034

SUBSIDIARY COMPANY

PSL Corrosion Control Services Limited
 B-96, Greater Kailash -I
 New Delhi - 110 048

PRINCIPAL BANKERS

— ICICI Bank Limited
 — Export Import Bank of India
 — IDBI Bank Limited
 — Global Trust Bank Limited
 — ING Vysya Bank Limited
 — Calyon Bank
 — Corporation Bank
 — BNP Paribas
 — Standard Chartered Bank
 — UTI Bank Limited
 — Development Credit Bank Limited
 — State Bank of India
 — State Bank of Patiala
 — State Bank of Hyderabad
 — Indian Overseas Bank

**REGISTERED OFFICE**

- Kachigam, Daman,
Union Territory of Daman & Diu - 396 210

CORPORATE OFFICE

- PSL Towers,
615, Makwana Road,
Marol, Andheri (E)
Mumbai - 400 059

MARKETING OFFICES

- "PSL HOUSE"
B-96, Greater Kailash - I,
New Delhi - 110 048
- Meridian House, 8/2, Montieth Lane,
Egmore, Chennai - 600 008

LEGAL & SECRETARIAL OFFICE

- 3rd Floor, 'Punj House',
M-13 A, Connaught Circus,
New Delhi - 110 001

PLANTS**PIPE MILLS & PIPE COATING YARDS**

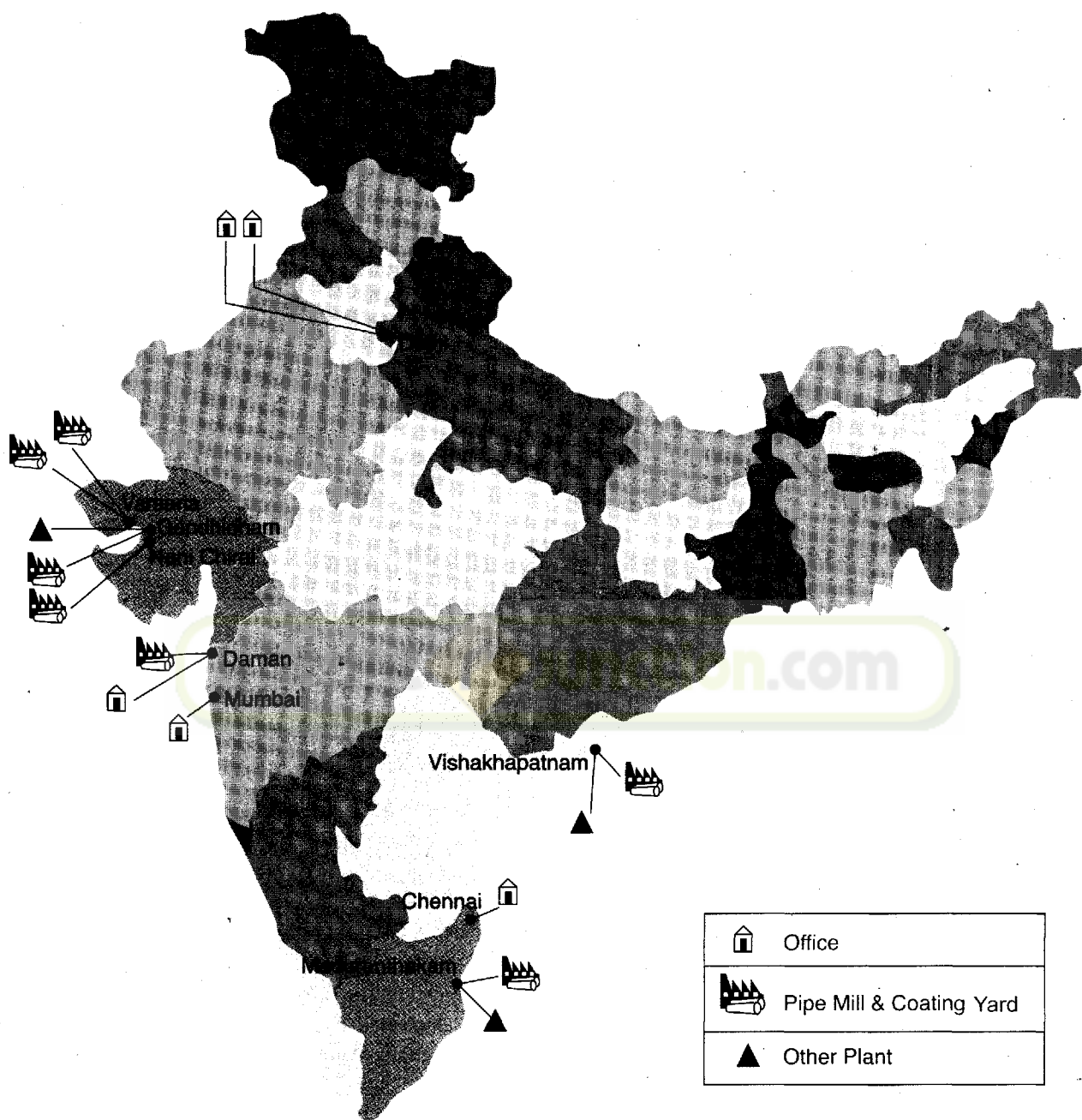
- Kachigam, **Daman**,
Union Territory of Daman & Diu - 396210
- Survey No. 35 & 37, Varsana,
Anjar, Distt. **Kutch, Gujarat**
- Survey No. 38/1, 38/2, 39, 40 & 42, Varsana,
Anjar, Distt. **Kutch, Gujarat**
- Village Nani Chirai,
Taluka Bhachau, Distt. **Kutch, Gujarat**
- Kandla Road, Gandhidham,
Dist. **Kutch, Gujarat**
- No. 22, Vaiyavur, Taluka **Maduranthakam**,
Distt. Chengai MGR, **Tamil Nadu**
- Industrial Development Area,
Gurrampalan, Near Pendurthi,
Vishakhapatnam, Andhra Pradesh

OTHER PLANTS**REBAR COATING DIVISIONS**

- No. 22, Vaiyavur, Taluka **Maduranthakam**,
Distt. Chengai MGR, **Tamil Nadu**
- Industrial Development Area,
Gurrampalan, Near Pendurthi,
Vishakhapatnam, Andhra Pradesh

ANODES & PIPE BENDS DIVISION

- Plot No.4 & 5, Sector 12/B, Kandla Road,
Gandhidham, Distt. **Kutch, Gujarat**





Seven Years at a Glance

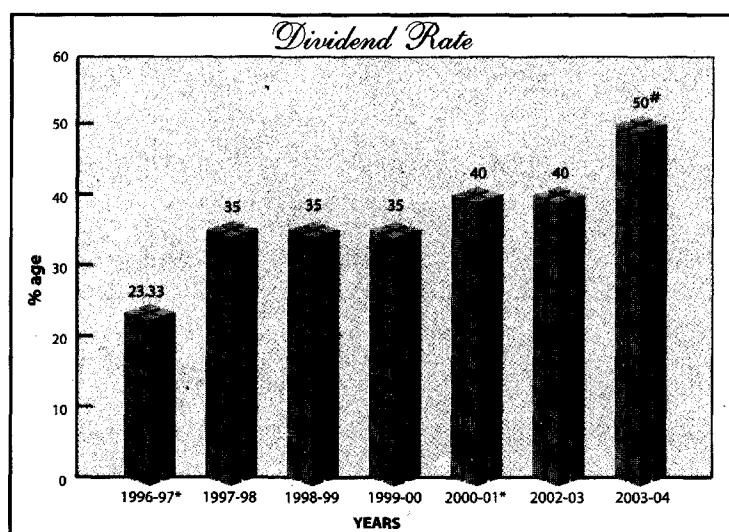
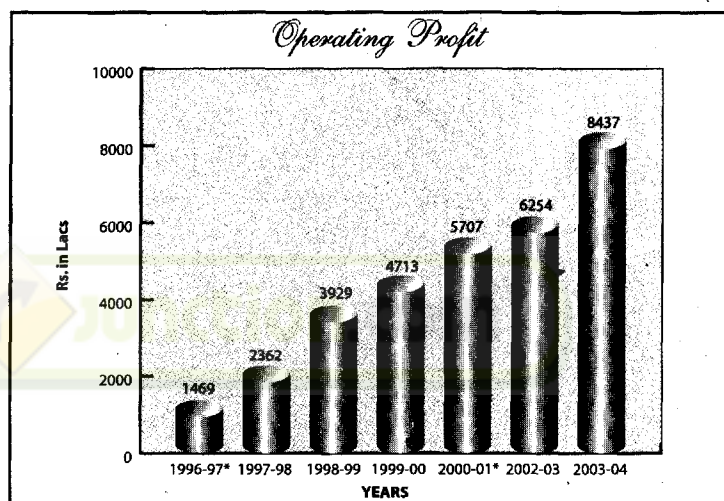
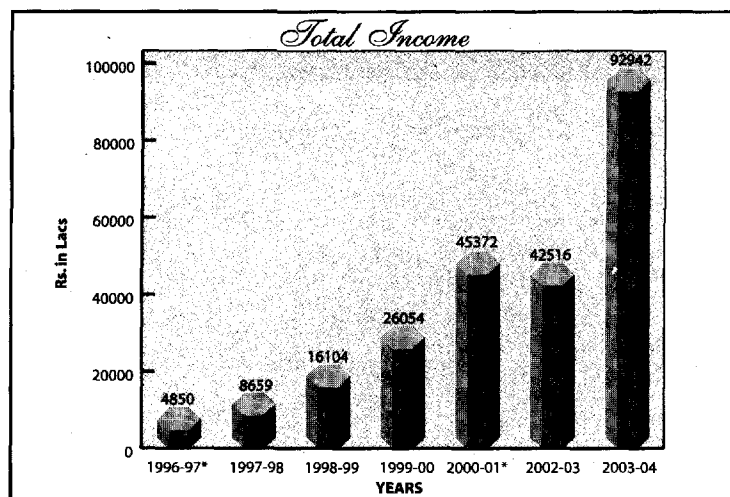
(Rs. in Lacs)

PARTICULARS	2003-04	2002-03	2000-01**	1999-2000	1998-99*	1997-98	1996-97**
Total Income	92942.05	42516.39	45371.54	26054.06	16103.82	8659.12	4850.10
Total Expenditure	84505.77	36261.96	39665.00	21341.12	12174.88	6296.79	3381.87
Operating Profit	8436.28	6254.43	5706.54	4712.94	3928.94	2362.33	1468.56
Interest	2947.22	2931.39	2104.60	1608.77	1080.60	251.62	277.45
Gross Profit	5489.06	3323.04	3601.93	3104.17	2848.34	2110.71	1191.10
Depreciation	1638.86	1601.42	1125.67	1102.62	1246.88	720.44	582.66
Profit Before Tax	3850.19	1721.62	2476.26	2001.54	1601.46	1390.27	608.43
Taxation	1050.00	250.00	411.33	265.00	127.53	360.86	30.00
Profit After Tax	2800.19	1471.62	2064.92	1736.54	1473.93	1029.41	578.43
Dividend Rate	50%#	40%	40%	35%	35%	35%	23.33%
Equity	2892.02	2892.02	2892.02	2892.02	2892.02	948.71	948.71
Reserves	13861.20	13303.66	13144.16	12108.96	11528.25	6952.36	6286.74

* Post Merger with PSL International Limited

** The data for these financial years has been annualised since the said financial years comprised of 18 months period

Subject to Shareholders' Approval



* The data for these financial years has been annualised since the said financial years comprised of 18 months period

Subject to Shareholders' Approval

Notes :

During the Financial Year 1996-97 and 2000-01, each comprising of 18 months period :

- The Total Income was recorded at Rs. 7276 Lacs and Rs. 68057 Lacs respectively.
- The Operating Profit was recorded at Rs. 2203 Lacs and Rs. 8560 Lacs respectively.



To,
the Members of **PSL LIMITED**

Notice is hereby given that **Sixteenth Annual General Meeting** of the Company will be held on Thursday, the 23rd September, 2004 at 9.30 A.M. at "Cidade de Daman, Devka Beach, Nani Daman in Union Territory of Daman & Diu, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March 2004 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare the Dividend for the Financial Year 2003-04.
3. To appoint a Director in place of Shri Alok Punj, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri D. N. Sehgal, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Shri G. S. Sauhta, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Statutory Auditors for holding the Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to consider and if thought fit to pass with or without modification the following Resolution as an **"Ordinary Resolution."**

"RESOLVED THAT M/s Suresh C. Mathur & Co., Chartered Accountants, New Delhi be and are hereby appointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors plus reimbursement of actual travelling and other incidental expenses incurred in connection with the audit."

SPECIAL BUSINESS

7. INCREASE IN AUTHORISED CAPITAL

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

"RESOLVED THAT in accordance with the provisions of Section 16, 94 and all other applicable provisions of the Companies Act, 1956, as amended up to-date, the Authorised Share Capital of the Company be and is hereby increased from Rs. 50,00,00,000/- (Rupees Fifty crores only) divided into 5,00,00,000 (Five crores) equity shares of Rs. 10/- (Rs. Ten) each to Rs. 100,00,00,000/- (Rupees One Hundred crores) divided into 10,00,00,000 (Ten crores) equity shares of Rs. 10/- (Rs. Ten) each."

8. AMENDMENT OF MEMORANDUM OF ASSOCIATION

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

"RESOLVED THAT the existing clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by replacing the figures and words: -

"Rs. 50, 00,00,000/- (Rs. Fifty crores only) divided into 5,00,00,000 (five crores only) equity shares of Rs.10/- (Rupees Ten only) each" with the figures and words

"Rs. 100,00,00,000/- (Rupees One Hundred crores only) divided into 10,00,00,000 (Ten crores only) equity shares of Rs.10/- (Rupees Ten only) each."

9. AMENDMENT OF ARTICLES OF ASSOCIATION

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as follows: -

Under the heading **"SHARE CAPITAL AND VARIATION OF RIGHTS"**, Article 3 be altered by replacing the figures and words

"Rs. 50, 00,00,000/- (Rs. Fifty crores only) divided into 5,00,00,000 (five crore only) equity shares of Rs.10/- (Rupees Ten only) each" with the figures and words

"Rs. 100,00,00,000/- (Rupees One Hundred crores only) divided into 10,00,00,000 (Ten crores only) equity shares of Rs.10/- (Rupees Ten only) each."

10. RE-APPOINTMENT OF SHRI R.K. BAHRI AS WHOLE-TIME DIRECTOR

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with schedule XIII and all other applicable provisions of the companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded and is deemed to have been so accorded to the reappointment of Shri R. K. Bahri as a Whole Time director of the company for a period of 5 (five) years with effect from 1st of April, 2004, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the company and Shri Bahri, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "the Board" which term shall also be deemed to include the Remuneration committee constituted by the Board) to alter and vary the



terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits and conditions specified in schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri R. K. Bahri."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

11. RE-APPOINTMENT OF SHRI M.M. MATHUR AS WHOLE-TIME DIRECTOR

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with schedule XIII and all other applicable provisions of the companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the company be and is hereby accorded and is deemed to have been so accorded to the reappointment of Shri M.M. Mathur as a Whole Time director of the company for a period of 5 (five) years with effect from 1st of November, 2004, on the terms and conditions including remuneration as are set out in the agreement to be entered into between the company and Shri Mathur, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to Board of Directors (hereinafter referred to as "the Board " which term shall also be deemed to include the Remuneration committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limits and conditions specified in schedule XIII to the Companies Act, 1956, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri M.M. Mathur."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

12. ENHANCEMENT IN REMUNERATION OF MANAGING DIRECTOR

To consider and if thought fit to pass with or without modification the following Resolution as an **"Ordinary Resolution."**

"RESOLVED THAT subject to such consents and permissions, if any, as may be necessary the consent of the Company be and is hereby accorded in accordance with the provisions of Section 198, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956, to enhancement in remuneration and benefits and amenities payable/ enjoyed to/ by Shri Ashok Punj, the Managing Director of the Company with effect from 1st October, 2004 as detailed in the Explanatory Statement."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also be deemed to include the Remuneration committee constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any Statutory modification/s thereof."

13. ENHANCEMENT IN REMUNERATION OF SHRI G. S. SAUHTA, THE WHOLE-TIME DIRECTOR

To consider and if thought fit to pass with or without modification the following Resolution as an **"Ordinary Resolution."**

"RESOLVED THAT subject to such consents and permissions, if any, as may be necessary the consent of the Company be and is hereby accorded in accordance with the provisions of Section 198, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956, to enhancement in remuneration and benefits and amenities payable/ enjoyed to/ by Shri G. S. Sauhta, the Whole-time Director of the Company with effect from 1st October, 2004 as detailed in the Explanatory Statement."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also be deemed to include the Remuneration committee constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any Statutory modification/s thereof."

14. ENHANCEMENT IN REMUNERATION OF SHRI R. K. BAHRI, THE WHOLE-TIME DIRECTOR

To consider and if thought fit to pass with or without modification the following Resolution as an **"Ordinary Resolution."**

"RESOLVED THAT subject to such consents and permissions, if any, as may be necessary the consent of the Company be and is hereby accorded in accordance with the provisions of Section 198, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956, to enhancement in remuneration and benefits and amenities payable/ enjoyed to/ by Shri R. K. Bahri, the Whole-time Director of the Company with effect from 1st October, 2004 as detailed in the Explanatory Statement."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also be deemed to include the Remuneration committee constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any Statutory modification/s thereof."

15. ENHANCEMENT IN REMUNERATION OF SHRI M. M. MATHUR, THE WHOLE-TIME DIRECTOR

To consider and if thought fit to pass with or without modification the following Resolution as an **"Ordinary Resolution."**

"RESOLVED THAT subject to such consents and permissions, if any, as may be necessary the consent of the Company be and is hereby