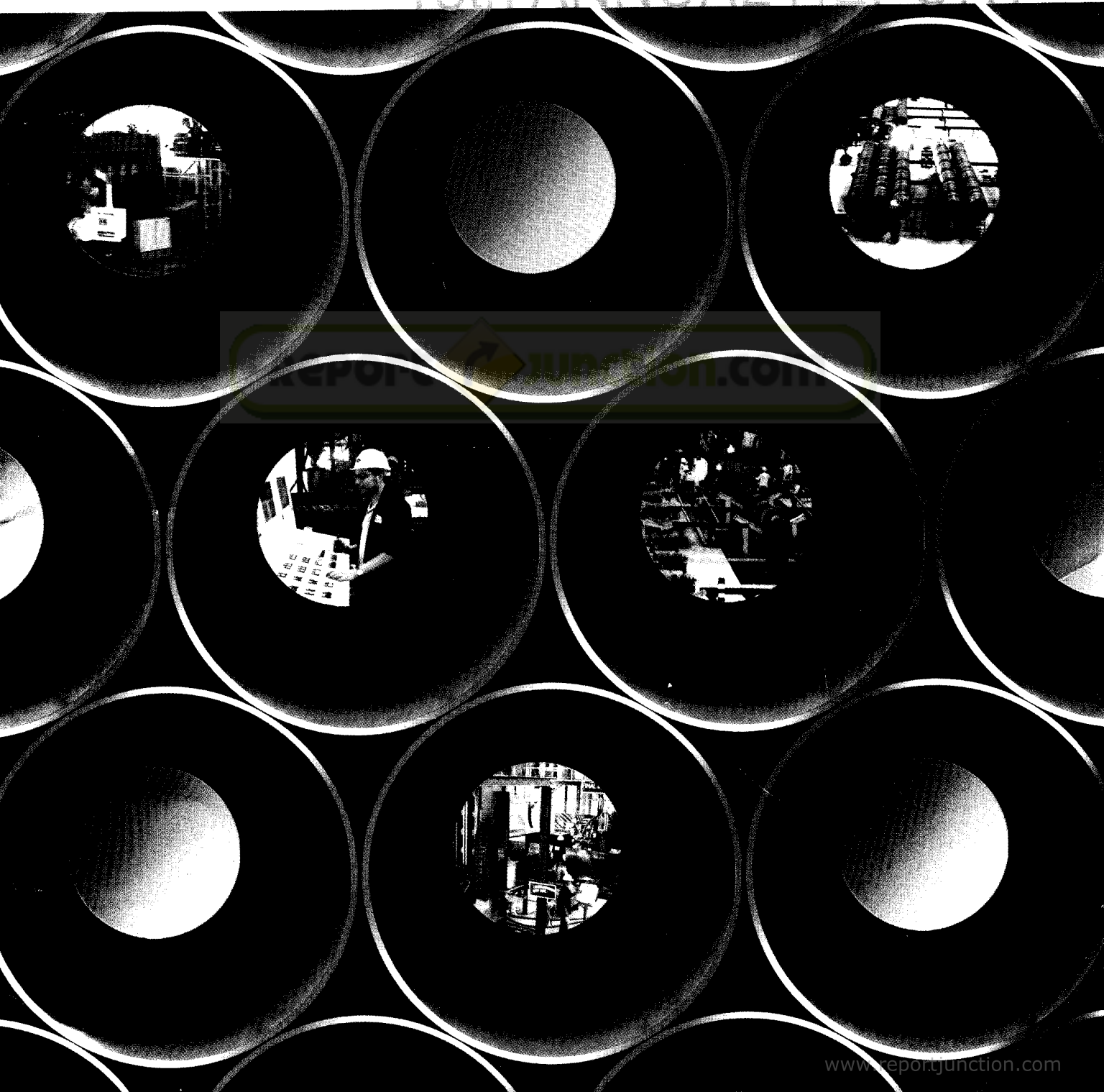


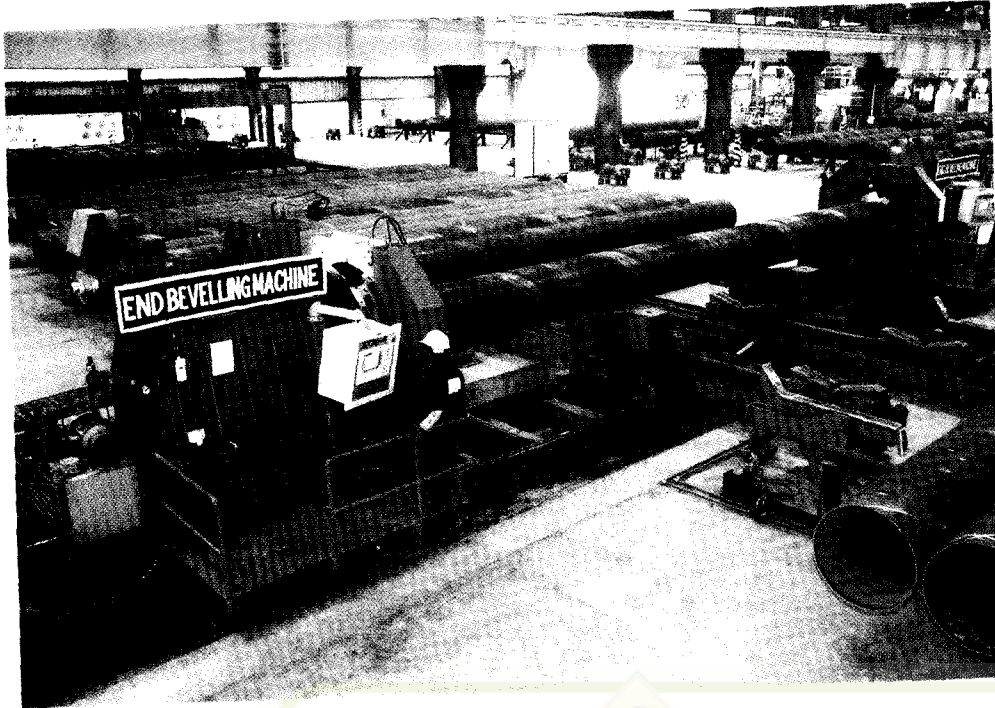


PSL LIMITED

18th ANNUAL REPORT



Pipe End Bevelling Machine



3 LPE Coating in Operation



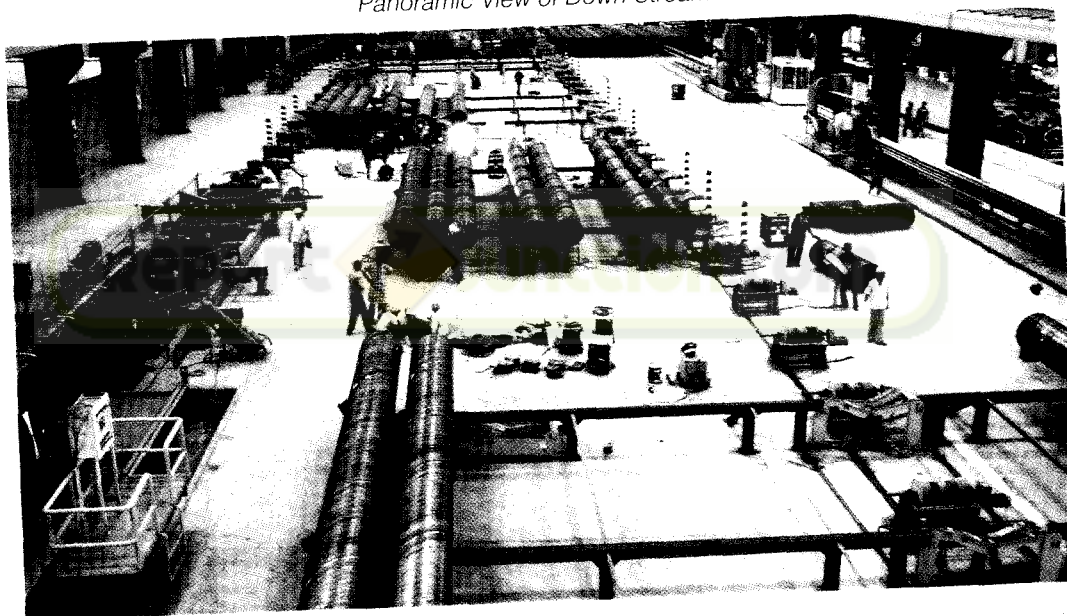
Cover Photograph: Internally Coated Pipes Stacked at a Yard, Awaiting Shipment



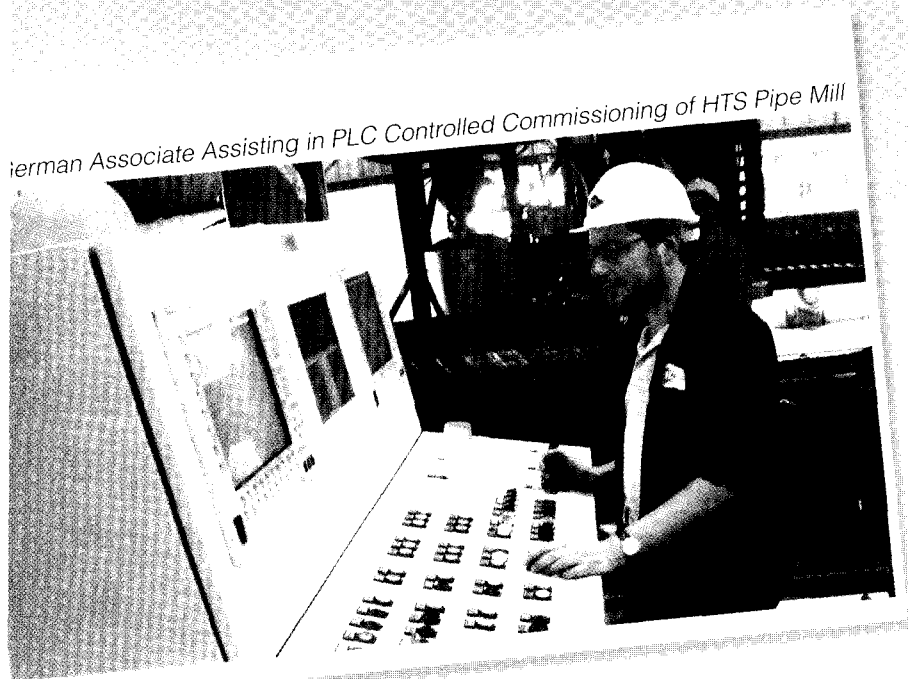
PSL achieves yet another Milestone ...

Setting up of a new State of the Art factory at Varsana, Gujarat

Panoramic View of Down-Stream Activities of the HTS Pipe Mill



During 2005-06 PSL has set up a state of the art new factory at Varsana in Gujarat comprising of a HTS-SAW (Helical Two Step Submerged Arc Welded) Pipe Mill, a 3LPE (Three Layer Polyethelene) Coating Plant and an ICP (Internal Coating Plant)



H-SAW (Helical Submerged Arc Welded) pipes commonly known as Spiral Pipes are extensively used around the world for transportation of Gas, Oil & Water and Piling applications. PSL is the pioneer in terms of commercially exploiting H-SAW technology in India since mid-90s. The Company continues to concentrate on enhancing its strengths in its core competence of H-SAW pipes and has supplied large



quantities to above sectors. The Company has several Spiral Pipe Mills at strategic locations.

The Company's installed capacity is now in excess of one million tonnes per annum; by far, the largest capacity of a single Company in the world.



Feeding End View of 3 Nos. Off-line Welding Stands



Panoramic View of Helical Two Step Pipe Mill

Off-line SAW (Submerged Arc Welding) Stands - Simultaneously Welding of 3 Pipes



PSL, apart from having ten conventional H-SAW Pipe Mills, has added to its fold, a state of the art HTS-SAW Pipe Mill with an installed capacity of 3,50,000 MT/annum, at Varsana in Kutch, Gujarat.

In general, the capacity of conventional H-SAW Pipe Mill is limited by the speed of SAW process. Therefore, the conventional H-SAW Pipe Mill generally has an installed capacity upto 75,000 MT/annum.

To overcome this capacity limitations, as well as to adopt latest high speed Two Step and Digital Welding technology, the Pipe Manufacturing process in this new mill has been split into the following two steps:

- In the first step, Pipe Forming and Tack Welding is done at a high speed of 10 mtrs/minute.
- In the second step, ID and OD Submerged Arc Welding of Pipes on Off-line Welding Stands is carried out.

To match the high speed pipe forming and tack welding of pipes, three Off-line welding stands with SAW process have been installed.

Two Step technology has following distinct advantages :

- Pipe Forming and continuous tack welding on the ID of pipes using MAG process at a speed of upto 10 mtrs/min. ensures high productivity and throughput.
- Excellent controls and automation on the mill and

tack welding station ensures an excellent pipe geometry and consistency in the quality.

- Ease of positioning and adjustment of welding heads, with digital welding equipments and seam tracking system (both at the tack welding and SAW) ensures consistent weld quality and data recording.
- With PLCs and other automation systems in place; forming, tack welding and submerged arc welding parameters are monitored, recorded and can be retrieved for future references and repeatability of production of identical sizes.
- Before tack welded pipes undergo SAW process, pipes are inspected for visual and dimensional checks so that only accepted pipes are sent for carrying out un-interrupted SAW process. This ensures that rejection of pipes after SAW process is almost nil.
- Capability to manufacture pipes upto 18 mtrs. (60 ft.) length.

This new HTS-SAW Pipe Mill has been set up with active collaboration of two leading German Companies, namely M/s. PWS (in the form of supply of drawings / know-how and sophisticated mechanical hardware and Electrical Panels) and M/s. iSAM (in the form of supply of Hardware and Software for Digital Welding, Seam tacking, PLC and HMI systems).



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BOARD OF DIRECTORS

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
Shri Ashok Sharma
Shri Harry Harinder Shourie

EXECUTIVE DIRECTOR & 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 - 110048

PRINCIPAL BANKERS

— ICICI Bank Limited
— State Bank of India
— Standard Chartered Bank
— Export Import Bank of India
— IDBI Bank Limited
— UTI Bank Limited
— BNP Paribas
— State Bank of Patiala
— State Bank of Hyderabad
— Indian Overseas Bank
— Union Bank of India
— Hongkong & Shanghai Banking Corp. Ltd.



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 - 600008.

LEGAL, SECRETARIAL & PROJECTS OFFICE

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

PLANTS

PIPE MILLS & PIPE COATING PLANTS

- Survey No. 35 & 37, Varsana,
Anjar, **Kutch, Gujarat**
- Survey No. 38/1,38/2,39,40 & 42, Varsana,
Anjar, **Kutch, Gujarat**
- Village Nani Chirai,
Taluka Bhachau, **Kutch, Gujarat**
- East of N.H -8 A, Kandla Road,
Gandhidham, **Kutch, Gujarat**
- Plot No.4 & 5, Sector 12/B, Kandla Road,
Gandhidham, **Kutch, Gujarat**
- Kachigam, **Daman**,
Union Territory of Daman & Diu - 396210
- No. 22 Vaiyavoor, **Maduranthakam Taluk**
Kancheepuram Distt., **Tamil Nadu**
- Survey No. 207, Industrial Development Area
Gurrampalem, Pendurthi,
Vishakhapatnam, Andhra Pradesh
- Survey No.124, Khadat,
Pilwai, Towards Mahudi Road
Taluka - Mansa
Distt. Gandhinagar, **Gujarat**

OTHER PLANTS

REBAR COATING DIVISIONS

- No. 22 Vaiyavoor, **Maduranthakam Taluk**
Kancheepuram Distt., **Tamil Nadu**.
- Survey No. 207, Industrial Development Area
Gurrampalem, Pendurthi,
Vishakhapatnam, Andhra Pradesh

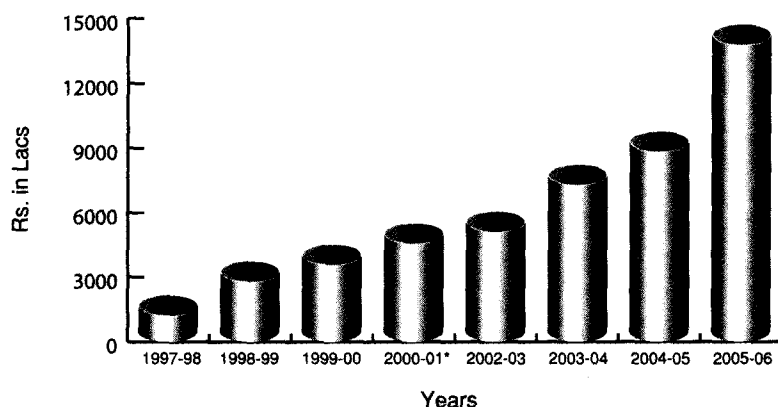
ANODES & PIPE BENDS DIVISION

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



The Growth Paradigm

Operating Profit - 8 Years Profile



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

Highlights 2005-06

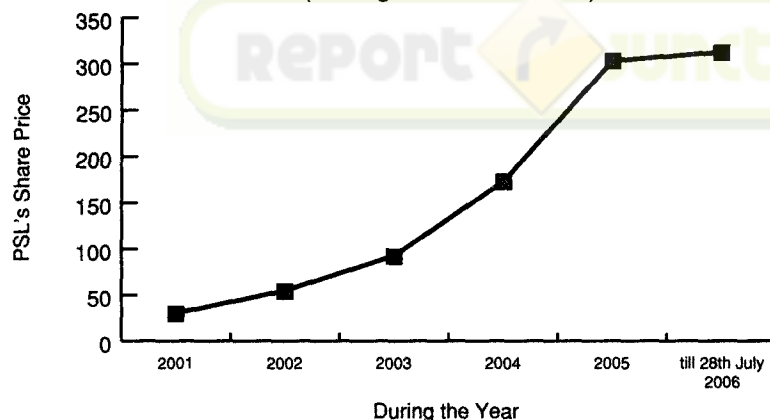
TURNOVER

Rs. 1539.06 crore
(US \$ 346.01 million)

OPERATING PROFIT

Rs. 149.29 crore
(US \$ 33.56 million)

Gradual Growth of Highest Market Price
of PSL's Share in Bombay Stock Exchange
(During Last Five Years)



GROSS PROFIT

Rs. 100.76 crore
(US \$ 22.65 million)

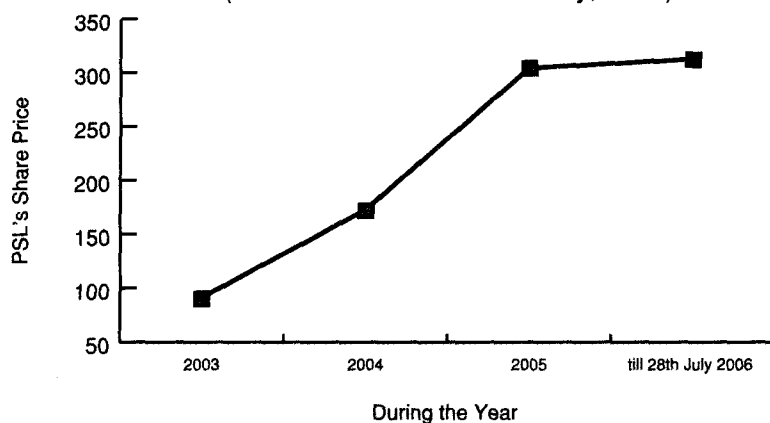
CASH PROFIT

Rs. 83.05 crore
(US \$ 18.67 million)

NET PROFIT

Rs. 49.19 crore
(US \$ 11.06 million)

Gradual Growth of Highest Market Price of
PSL's Share in National Stock Exchange
(Listed in NSE w.e.f. 29th May, 2003)



TOTAL ASSETS

Rs. 946.70 crore
(US \$ 212.84 million)