



PSL *Pioneers*
Manufacture of Hi-Strength
API 5L X-80 Pipes



PSL LIMITED

22nd ANNUAL REPORT
2009-2010



Some Pictures of the Production of High-Strength API 5L X-80 Pipes



48"ODx 17.5mm WT Pipe under formation



Formed pipe at Pay-off Table

PSL :



Yet Another Bold Initiative...

The manufacture of

High-Strength API 5L X-80 Pipes

PSL, after achieving the important milestone a few years ago of being the single largest Pipe Manufacturer in India, has now boldly achieved another distinction by initiating the production of High-Strength API 5L X-80 Pipes. Coupling this major technological advancement with the earlier achievement of crossing the mark of One Million Metric Tonnes annual production capacity, supports the claim of being “the First in India” on both occasions.

A view of the Pipe Mill





End Beveling Machine

Pioneering the introduction of High-Strength API 5L X-80 Steel Pipes of up to 25mm thickness that can withstand enormous pressure assists in not only serving the environment, but also helps customers in reducing costs. Such an initiative has again proved that, as in the past, PSL's quest for excellence continues. The utilization of API 5L X70 or 5L X-80 Steel within pipelines, as recommended by the American Petroleum Institute, makes the pipes well suited for Cross Country Gas Pipelines that traverse long distances. In commencing production of API 5L X80 pipes, which reduce the requirement of steel tonnage consumed by around 15%, PSL has facilitated customers in reducing the cost of developing pipelines within India, and sustaining the environment by reducing consumption of Iron Ore.



PSL is confident that after the successful supply of 48" ODx17.5mm API 5L X-80 Steel pipes, manufactured for a vast stretch comprising 200 KMs of the Dahej Vijaypur Pipeline Up-gradation Project of GAIL (India) Ltd., the company will bag many more such orders in the near future.

Automatic Ultrasonic Testing Machine





Successful manufacture of these Pipes for the first time in India has once again proved that

“Perfection is PSL’s Motto”

“Excellence is our Creed”



API 5L X-80 Steel Pipes

Through this major development, PSL’s belief that it will continue to play an important role in shaping the India of tomorrow is once again reaffirmed.



PSL LIMITED

22nd ANNUAL REPORT 2009-10

CONTENTS

Corporate Information	2
PSL's Existence	3
The Growth Pattern	4
Key Financial Parameters	5
Notice	6
Directors' Report	11
Corporate Governance Report	16
Management Discussion and Analysis Report	23
Auditor Certificate on Corporate Governance	25
CEO/CFO Certification	26
STANDALONE STATEMENTS	
Auditors' Report	27
Balance Sheet	30
Profit & Loss Account	31
Schedules	32
Cash Flow Statement	46
Balance Sheet Abstract	47
Statement of Subsidiary Companies u/s 212 of the Companies Act,1956	48
CONSOLIDATED STATEMENTS	
Auditors' Report	51
Balance Sheet	52
Profit & Loss Account	53
Schedules	54
Cash Flow Statement	70
SUBSIDIARY COMPANIES STATEMENTS	
PSL Corrosion Control Services Limited's	
Directors' Report	73
Auditors' Report	76
Balance Sheet	78
Profit & Loss Account	79
Schedules	80
Balance Sheet Abstract	88
Pipeline Systems Limited's	
Auditors' Report	91
Consolidated Accounts	92
PSL USA INC's	
Independent Auditors' Report	99
Consolidated Accounts	100

BOARD OF DIRECTORS

Ashok Punj ----- Managing Director
Alok Punj
M. M. Mathur
G. S. Sauhta
R. K. Bahri
D. N. Sehgal
S. P. Bhatia
G. Gehani ---- Director & Company Secretary
C. K. Goel
N. C. Sharma
Prakash V. Apte
Ashok Sharma
Harry H. Shourie
Paresh J. Shah
Harsh Pateria

COMPANY SECRETARY & COMPLIANCE OFFICER

G. Gehani

CHIEF FINANCE OFFICER

K. Ramanathan

STATUTORY AUDITORS

Suresh C. Mathur & Co.

Chartered Accountants, New Delhi.

SHARE TRANSFER AGENTS

Karvy Computershare Private Limited

17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081

SUBSIDIARY COMPANIES IN INDIA

— **PSL Corrosion Control Services Limited**
 Survey No. 377/2, Zari Cause Way Road,
 Kachigam, Daman,
 Union Territory of Daman & Diu

— **Pipeline Systems Limited**
 C/o IFS, IFS Court, 28 Cybercity, Ebene, Mauritius

— **PSL USA INC**
 Corporation Trust Center, 1209, Orange Street,
 Wilmington, New Castle, 19801, Delaware, USA

— **PSL North America, LLC**
 Corporation Trust Center
 1209, Orange Street, Wilmington, Delaware

— **PSL FZE**
 P.O. Box No. 42131,
 Inner Harbour Plot No. HJ - 02
 Hamriyah Free Zone, Sharjah, U.A.E.

ABROAD

PRINCIPAL BANKERS

— ICICI Bank Limited
 — State Bank of India
 — Bank of Baroda
 — Standard Chartered Bank
 — Export Import Bank of India
 — IDBI Bank Limited
 — Axis Bank Limited
 — Syndicate Bank
 — Canara Bank
 — Indian Overseas Bank
 — Union Bank of India
 — ING Vysya Bank Limited
 — Yes Bank Limited
 — DBS Bank Limited
 — Deutsche Bank
 — Indian Bank
 — Kotak Mahindra Bank
 — Development Credit 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

LEGAL & SECRETARIAL OFFICE

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

MARKETING OFFICES

- In Western India

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

- In Northern India

- "PSL HOUSE"
B-96, Greater Kailash – I,
New Delhi - 110 048.

- In Southern India

- Meridian House, 8/2, Montieth Lane,
Egmore, Chennai - 600008.

PROJECTS OFFICE

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

PLANTS

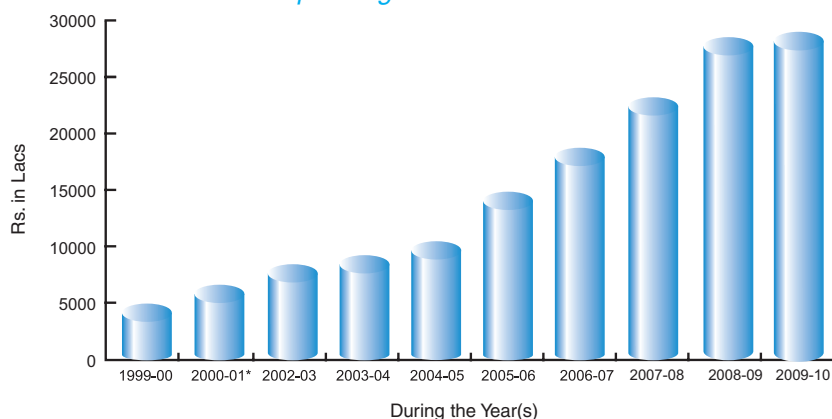
- Within Indian Boundaries

- Survey No. 35, 37, 41, 301/1 and 308/1 & 2,
Varsana & Nani Chirai, Anjar & Bhachau, **Kutch, Gujarat**
- Survey No. 38/1, 38/2, 39, 40 & 42
Varsana Anjar, **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
- Plot 2A, APIIC, Layout Phase-II,
Peddapuram - 533437, Kakinada
Distt. East Godavari, Andhra Pradesh
- Survey No.124, Khadat,
Pilwai, Towards Mahudi Road
Taluka - Mansa
Distt. Gandhinagar, Gujarat
- Khasra No. 46, 48, 73, 82.
Village - Gaduda, Tehsil - Phagi
Jaipur, Rajasthan

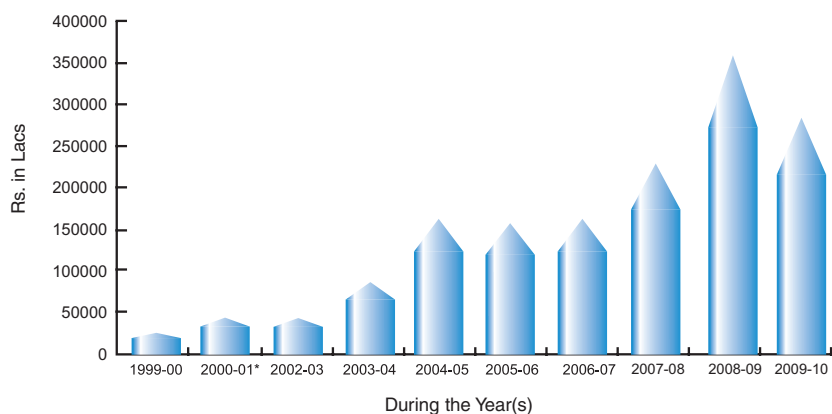
- Across the Seas

- 13092, Sea Plane Road, Bay St. Louis,
Mississippi 39520 **U.S.A.**
- Post Box 42131, Inner Harbour,
Plot No. HJ 02, Hamriyah Free Trade Zone,
Sharjah, UAE

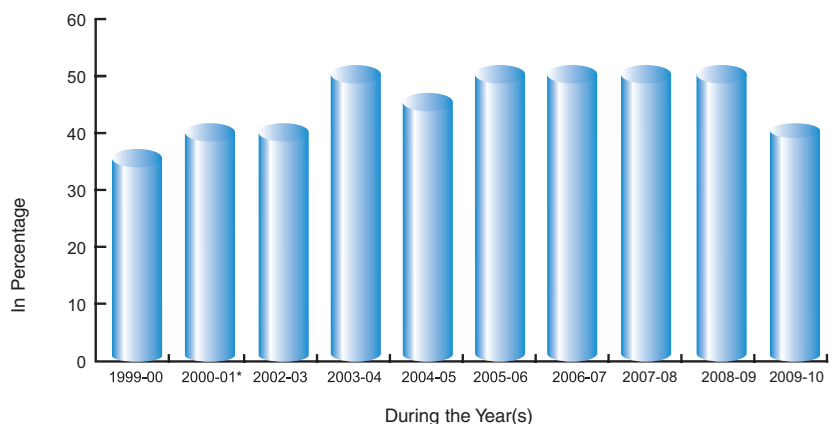
Operating Profit - 10 Years' Profile



Gradual Growth of Total Income



Consistent Dividend



Highlights 2009 - 10

Turnover

Rs. 2810.65 Crs.
(US \$ 622.65 Million)

Operating Profit

Rs. 292.63 Crs.
(US \$ 64.83 Million)

Gross Profit

Rs. 183.64 Crs.
(US \$ 40.68 Million)

Profit Before Tax

Rs. 117.29 Crs.
(US \$ 25.98 Million)

Profit After Tax

Rs. 88.29 Crs.
(US \$ 19.56 Million)

Total Assets

Rs. 2797.47 Crs.
(US \$ 619.73 Million)

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