PSL LIMITED

Seizing Opportunities - Beyond Boundaries

24th ANNUAL REPORT 2011-12

Views of new Pipe Mill / Off Line Welding Stations set up at PSL- Jaipur, presently engaged in the manufacture of API 5L X-70 grade pipes for IOCL

PSL LIMITED
24th ANNUAL REPORT 2011-12

CONTENTS

CORPORATE INFORMATION

Board of Directors

Shri Ashok Punj
Managing Director

Shri Alok Punj
Non-Executive Director

Shri M. M. Mathur
Whole-time Director

Shri R. K. Bahri
Whole-time Director

Shri D. N. Sehgal
Whole-time Director

Shri S. P. Bhatia
Whole-time Director

Shri G. Gehani
Whole-time Director &
Company Secretary

Shri C. K. Goel
Whole-time Director

Shri N. C. Sharma
Independent Director

Shri Prakash V. Apte
Independent Director

Shri Ashok Sharma
Independent Director

Shri Harry H. Shourie
Independent Director

Shri Paresh J. Shah
Independent Director

Shri Harsh Pateria
Independent Director

Share Transfer Agents

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

Statutory Auditors
(From 22/9/2011 to 27/9/2012)

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

Company Secretary & Compliance Officer

Shri G. Gehani

Chief Finance Officer

Shri K. Ramanathan

Principal Bankers

ICICI Bank limited
State Bank of India
Bank of Baroda
Punjab National Bank (International) Ltd.
Bank of India
Standard Chartered Bank
Export Import Bank of India
IDBI Bank Limited
Axis Bank Limited
Syndicate Bank
Oriental Bank of Commerce
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

COMPANY'S EXISTENCE

Registered Office

Kachigam, Daman,
Union Territory of Daman & Diu-396210

Corporate Office

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

Legal & Secretarial Office

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

Marketing Offices

Western India	Northern India	Southern India
PSL Towers 615, Makwana Road, Marol, Andheri (E) Mumbai-400059	1106, 11th Floor, The Pinnacle, The Claridges Office Complex, Shooting Range, Faridabad - 121 001	Meridian House, 8/2, Montieth Lane, Egmore, Chennai-600008

Projects Office

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

Subsidiary Companies - In India

PSL Corrosion Control Services Ltd.
Survey No. 377/2,
Zari Cause Way Road,
Kachigam, Daman-396210,
Union Territory of Daman & Diu

PSL Gas Distribution Pvt. Ltd.
Punj House, M-13A,
Connaught Circus,
New Delhi-110001

PSL Infrastructure & Ports Pvt. Ltd.
3rd Floor, Punj House, M-13A,
Connaught Circus,
New Delhi-110001

- Abroad

Pipeline Systems Ltd.
C/o IFS, IFS Court, 28 Cybercity,
Ebene, Mauritius

PSL USA INC.
Corporation Trust Centre
1209, Orange Street,
Wilmington, New Castle,
19801, Delaware, USA

PSL North America, LLC
Corporation Trust Centre
1209, Orange Street,
Wilmington, Delaware, USA

PSL FZE
P.O. Box No. 42131,
Inner Harbour Plot No. HJ-02
Hamriyah Free Trade Zone,
Sharjah, UAE

COMPANY'S 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.-8A, 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 Taluka
  Kancheepuram Distt.,
  Tamil Nadu
- Survey No. 207, Industrial Development Area,
  Gurrampalem, Pendurthi,
  Vishakhapatnam,
  Andhra Pradesh
- Plot No. 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, USA
- Post Box No. 42131, Inner Harbour,
  Plot No. HJ-02,
  Hamriyah Free Trade Zone,
  Sharjah, UAE

FINANCIAL SNAPSHOTS

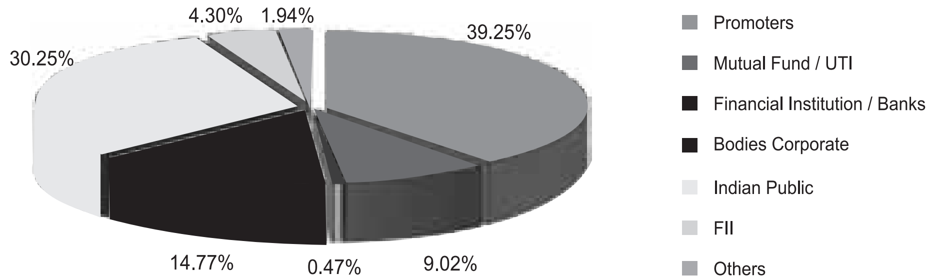
LAST DECADE AT A GLANCE

(₹ in Lacs)

PARTICULARS	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Total Income	229099.40	266989.49	281065.51	354995.04	226176.61	168561.37	156338.22	167745.16	92942.05	42516.39
Total Expenditure	191124.22	230694.13	251802.24	326543.53	202855.41	151199.79	141409.34	157765.84	84505.77	36261.96
Operating Profit	37975.18	36295.36	29263.27	28451.51	23321.20	17361.58	14928.90	9979.32	8436.28	6254.43
Interest	19594.32	14144.73	10898.71	10071.93	5785.56	4349.77	4852.93	3242.80	2947.22	2931.39
Gross Profit	18380.86	22150.64	18364.55	18379.58	17535.64	13011.81	10075.97	6736.52	5489.06	3323.04
Depreciation	11414.88	11679.56	6634.81	5706.64	5119.60	4392.29	3385.96	2335.48	1638.86	1601.42
Profit Before Tax	6965.98	10471.07	11729.74	12672.93	12416.04	8619.52	6690.01	4401.04	3850.19	1721.62
Taxation	1550.00	2900.00	2900.00	4080.00	3939.00	2404.00	1771.00	1200.00	1050.00	250.00
Profit After Tax	5415.98	7571.07	8829.75	8592.93	8477.04	6215.52	4919.01	3201.04	2800.19	1471.62
Dividend Rate	40%#	40%	40%	50%	50%	50%	50%	45%	50%	40%
Equity	5333.38	5333.38	5333.20	4258.19	4258.13	3406.07	3195.45	2892.07	2892.02	2892.02
Reserves	86089.70	83708.73	78509.37	58593.49	52298.00	30213.64	23051.50	13866.66	13861.20	13303.66

20% already paid as Interim Dividend in April, 2012 whereas balance 20% duly recommended by Board shall be paid after Shareholders' approval in forthcoming Annual General Meeting.

SHAREHOLDING PIE CHART AS ON 31ST MARCH, 2012



NOTICE

To
The Members of
PSL LIMITED

Notice is hereby given that **Twenty Fourth Annual General Meeting** of the Company will be held on Thursday, the 27th day of September, 2012 at 9:30 A.M. at Hotel Sea Rock Inn at Devka Beach, Nani Daman- 396210, in Union Territory of Daman & Diu, to transact the following businesses:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company for the year ended on 31st March, 2012 and Profit & Loss Account of the Company as at that date, together with the Report of Auditors & Directors thereon.

2. To declare Dividend on Equity Shares for the year ended on 31st March, 2012.

3. To appoint a Director in place of Shri Harry H. Shourie, 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 R.K. Bahri, who retires by rotation and being eligible, offers himself for re-appointment.

6. To appoint a Director in place of Shri S.P. Bhatia, who retires by rotation and being eligible, offers himself for re-appointment.

7. To appoint a Director in place of Shri C.K. Goel, who retires by rotation and being eligible, offers himself for re-appointment.

8. To appoint Statutory Auditors of the Company for holding the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in this connection to consider and if thought fit to pass with or without modification(s) the following Resolution as an **"Ordinary Resolution":-**

"RESOLVED THAT M/s. Suresh C. Mathur & Co., Chartered Accountants (Firm Registration No. 000891N) having their office at 64, Regal Building, Connaught Place, New Delhi - 110 001 be and are hereby appointed as Statutory Auditors of the Company for the Financial Year 2012-13 to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting."

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

SPECIAL BUSINESS

9. RE-APPOINTMENT OF SHRI D.N. SEHGAL AS "WHOLE-TIME DIRECTOR" OF THE COMPANY

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof, for the time being in force) approval of the members of the company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri D. N. Sehgal as Whole-Time Director of the Company for a period of 5 (five) years with effect from 17th January, 2012 on a remuneration and benefits & amenities presently paid/ payable/ enjoyed to/ by Shri D.N. Sehgal, the Whole-Time Director of the Company comprising of basic salary of ₹ 5,75,000 per month and other benefits & perquisites in accordance with the approval of the shareholders of the Company accorded by them in their 20th Annual General Meeting held on 4th September 2008."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also 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 pursuant to Schedule XIII or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

10. RE-APPOINTMENT OF SHRI G. GEHANI AS "WHOLE-TIME DIRECTOR" OF THE COMPANY

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof, for the time being in force)approval of members of the Company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri G. Gehani as Whole-Time Director of the Company for a period of 5 (five) years with effect from 31st July, 2012 on a remuneration and benefits & amenities presently paid/ payable/ enjoyed to/ by Shri G. Gehani, the Whole-Time Director of the Company Comprising of basic salary of ₹ 3,25,000 per month and other benefits &

perquisites in accordance with the approval of the shareholders of the Company accorded by them in their 23rd Annual General Meeting held on 22nd September 2011."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also deemed to include the Remuneration Committee thereof 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 pursuant to Schedule XIII or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, perquisites and benefits & amenities are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

11. APPROVAL FOR CONTINUATION OF SHRI R. K. BAHRI AS "WHOLE-TIME DIRECTOR" OF THE COMPANY INSPITE OF HIS ATTAINING THE AGE OF 70 YEARS

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

"RESOLVED THAT pursuant to clause (c)(ii) of Part I of Schedule XIII of the Companies Act, 1956 and other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification (s) or reenactment thereof, for the time being in force), approval be and is hereby accorded and is deemed to have been so accorded to Shri R. K Bahri continuing to act as Whole-Time Director of the Company in spite of his having attained the age of 70 years on 10th September, 2012 in accordance with the Resolution passed by the shareholders of the Company in their 21st Annual General Meeting held on 21st July, 2009 at the remuneration comprising of a basic salary of ₹ 5,75,000/- per month and other benefits and perquisites enjoyed/ being enjoyed by him pursuant to approval of the shareholders accorded by them in their 20th Annual General Meeting held on 4th September, 2008."

"RESOLVED FURTHER THAT the said specific approval be and is hereby accorded and is deemed to have been so accorded with effect from 10th September 2012 i.e. the day on which he attained the age of 70 years."

"RESOLVED FURTHER THAT unless and until there is a revision in his remuneration he shall continue to draw the aforesaid remuneration & avail the above said perquisites or any revised or re-fixed remuneration &/ or perquisites, benefits & amenities which may henceforth be approved by Board of Directors till his unexpired term of appointment i.e. till 31st March 2014 or any extension thereof which may hereafter be approved by the Shareholders."

12. APPOINTMENT OF SHRI KESHAV PUNJ AS "SENIOR EXECUTIVE" OF THE COMPANY

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

"RESOLVED THAT pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby accorded & is deemed to have been so accorded, for promoting Shri Keshav Punj son of Shri Ashok Punj, Managing Director of the Company from position of "Executive" to that of "Senior Executive" with effect from 1st August, 2012, on the terms and conditions, remuneration and perquisites as set out in the Explanatory Statement to this Notice."

13. ENHANCEMENT IN REMUNERATION OF SHRI ARJUN PUNJ, SENIOR EXECUTIVE OF THE COMPANY PURSUANT TO SECTION 314 OF COMPANIES ACT,1956

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

"RESOLVED THAT pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby given & is deemed to have been so given to Shri Arjun Punj, son of Shri Ashok Punj, Managing Director of the Company for holding and continuing to hold office or place of profit in the Company on the terms and conditions and at a monthly remuneration together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel allowance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits as mentioned in the Explanatory Statement and as applicable to other employees occupying a similar post(s) in the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration or the scale and/ or other perquisites provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Section 314 or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

14. ENHANCEMENT IN REMUNERATION OF SHRI RAGHAV PUNJ, SENIOR EXECUTIVE OF THE COMPANY PURSUANT TO SECTION 314 OF COMPANIES ACT,1956

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

"RESOLVED THAT pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby given & is deemed to have been so given to Shri Raghav Punj, son of Shri Alok Punj, Non-Executive Director of the Company for holding and continuing to hold office or place of profit in the Company, on the terms and conditions and at a monthly remuneration together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel allowance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits as mentioned in the Explanatory Statement and as applicable to other employees occupying a similar post(s) in the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board " which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration or the scale and/ or other perquisites provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Section 314 or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

15. ENHANCEMENT IN REMUNERATION OF SHRI KESHAV PUNJ, SENIOR EXECUTIVE OF THE COMPANY PURSUANT TO SECTION 314 OF COMPANIES ACT,1956

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

"RESOLVED THAT pursuant to provisions of Sub-Section (1) of Section 314 and other applicable provisions of the Companies Act, 1956, and subject to any other approval, if required, consent of the Company be & is hereby given & is deemed to have been so given to Shri Keshav Punj, son of Shri Ashok Punj, Managing Director of the Company for holding and continuing to hold office or place of profit in the Company on the terms and conditions and at a monthly remuneration together with the usual allowances and benefits, amenities and facilities including accommodation, medical facilities, leave travel allowance, personal accident insurance, superannuation fund, retiring gratuity and provident fund benefits as mentioned in the Explanatory Statement and as applicable to other employees occupying a similar post(s) in the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafte referred to as "the Board "which term shall also deemed to include the Remuneration Committee thereof constituted by the Board) be and is hereby authorised to revise and/or re-fix the said remuneration or the scale and/ or other perquisites provided that the so revised/ re-fixed remuneration and/ or perquisites etc. do not exceed the limits prescribed from time to time pursuant to Section 314 or any other provisions of Companies Act, 1956, and/or any Statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ re-fixation by the Board."

By Order of the Board of Directors of

PSL LIMITED

Sd/-

(G. GEHANI)

Director & Company Secretary

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210

Dated: 1st August, 2012

NOTES:

1. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of matters covered pursuant "Special Business" is annexed hereto
2. **A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend the meeting and vote on a poll, if any, instead of himself/herself and the proxy need not be a member of the Company. Proxy form duly filled must reach the registered office of the Company not less than forty-eight hours before the meeting. A blank proxy form is annexed to this notice.**
3. 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 to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 22nd day of September, 2012 to Thursday, the 27th day of September, 2012 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if any, declared at the meeting. The dividend on equity shares of the Company, if declared at the meeting will be paid to those members whose names appear as:-
   a. Beneficial Owners, as at the end of business hours on 21st day of September, 2012 as per lists to be furnished by NSDL and CDSL in respect of shares held in electronic form and ;
   b. Members in the Register of Members as on Thursday, the 27th day of September, 2012 after giving effect to valid transfer requests received before the close of business hours on 21st day of September, 2012.
5. The Final Dividend of ₹ 2.00 per share recommended by the Board of Directors of the Company in its meeting held on 29th May, 2012 is in addition to the Interim Dividend of ₹ 2.00 on each fully paid-up share declared and paid by the Board in April, 2012.
6. Since, the Balance Sheets of the seven Subsidiaries of the Company have not been attached to the Balance Sheet of the Company in terms of exemption granted by the Ministry of Corporate Affairs vide General Circular No. 2/2011 dated