PSL LIMITED

25th ANNUAL REPORT 2012-2013

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CORPORATE INFORMATION

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 C. K. Goel
Whole-time Director

Shri G. Gehani
Whole-time Director &
Company Secretary

Shri Ashok Punj
Managing Director

Shri Sandip Sharma
Nominee Director

Shri Alok Punj
Non-Executive 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 Harsh Pateria
Independent Director

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

Statutory Auditors
(From 27/9/2012 to 19/3/2014)
Suresh C. Mathur & Co.
Chartered Accountants,
64, Regal Building, Connaught Place,
New Delhi-110001

Company Secretary & Compliance Officer
Shri G. Gehani

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
Abu Dhabi Commercial Bank
Bank of Bahrain & Kuwait
Federal Bank Limited

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** PSL Towers 615, Makwana Road, Marol, Andheri (E) Mumbai-400059	**Northern India** B-96, Greater Kailash Part-I New Delhi-110048	**Southern India** 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		
- Out of India	**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
- 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

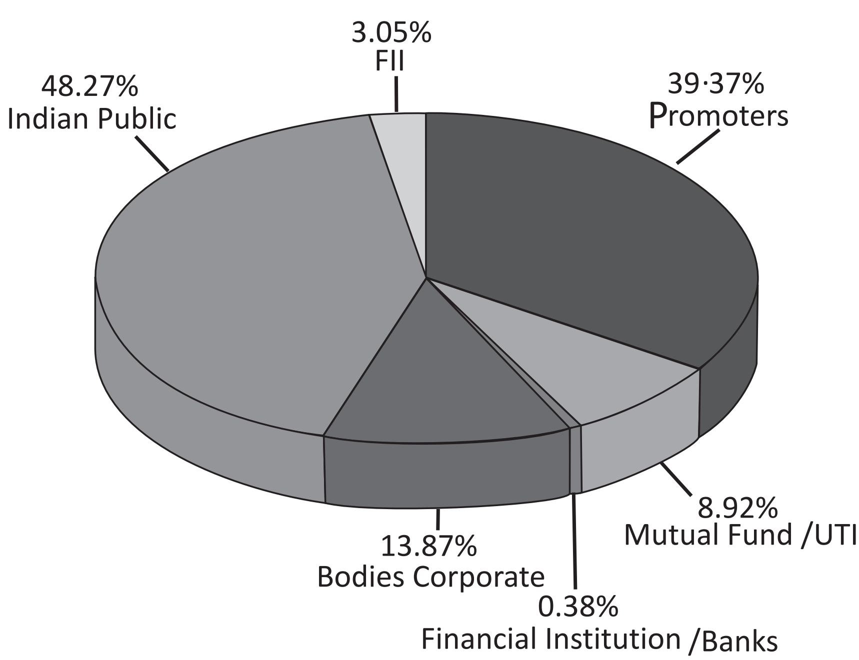
FINANCIAL SNAPSHOTS
LAST DECADE AT A GLANCE

(₹ in Lacs)

PARTICULARS	2012-13*	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Total Income	249729.77	229099.40	266989.49	281065.51	354995.04	226176.61	168561.37	156338.22	167745.16	92942.05
Total Expenditure	260364.29	191124.22	230694.13	251802.24	326543.53	202855.41	151199.79	141409.34	157765.84	84505.77
Operating Profit/ Loss	(10634.52)	37975.18	36295.36	29263.27	28451.51	23321.20	17361.58	14928.90	9979.32	8436.28
Interest	29374.36	19594.32	14144.73	10898.71	10071.93	5785.56	4349.77	4852.93	3242.80	2947.22
Gross Profit/Loss	(40008.88)	18380.86	22150.64	18364.55	18379.58	17535.64	13011.81	10075.97	6736.52	5489.06
Depreciation	19311.63	11414.88	11679.56	6634.81	5706.64	5119.60	4392.29	3385.96	2335.48	1638.86
Profit/Loss Before Tax	(59320.51)	6965.98	10471.07	11729.74	12672.93	12416.04	8619.52	6690.01	4401.04	3850.19
Taxation	(205.04)	1550.00	2900.00	2900.00	4080.00	3939.00	2404.00	1771.00	1200.00	1050.00
Profit/Loss After Tax	(59525.55)	5415.98	7571.07	8829.75	8592.93	8477.04	6215.52	4919.01	3201.04	2800.19
Dividend Rate	–	20%	40%	40%	50%	50%	50%	50%	45%	50%
Equity	5333.38	5333.38	5333.38	5333.20	4258.19	4258.13	3406.07	3195.45	2892.07	2892.02
Reserves	27278.13	86089.70	83708.73	78509.37	58593.49	52298.00	30213.64	23051.50	13866.66	13861.20

*Comprising of 18 months period.

SHAREHOLDING PIE CHART AS ON 30TH SEPTEMBER, 2013



NOTICE

To
The Members of
PSL LIMITED

Notice is hereby given that **Twenty Fifth Annual General Meeting** of the Company will be held on Wednesday, the 19th day of March, 2014 at 9:30 A.M. at Hotel Cidade De Daman, Nani Daman - 396210, in Union Territory of Daman & Diu, to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account of the Company for the extended Financial Year 2012-13 comprising of 18 months period ended on 30th September, 2013 & the Balance Sheet of the Company as at that date, together with the Report of Auditors & Directors thereon.

2. To appoint a Director in place of Shri G. Gehani, who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri Harsh Pateria, who retires by rotation and being eligible offers himself for re-appointment.

4. To appoint a Director in place of Shri M.M. Mathur, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint a Director in place of Shri Alok Punj, who retires by rotation and being eligible offers himself for re-appointment.

6. 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 2013-14 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

7. INCREASE IN AUTHORISED CAPITAL

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 94 and other applicable provisions of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from ₹ 100,00,00,000/- (Rupees One Hundred Crore Only) divided into 10,00,00,000 (Ten Crore) equity shares of ₹ 10/- (Rupees Ten) each to ₹ 180,00,00,000/- (Rupees One Hundred Eighty Crores only) divided into 18,00,00,000 (Eighteen Crore) equity shares of ₹ 10/- (Rupees Ten) each."

8. ALTERATION IN MEMORANDUM OF ASSOCIATION

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 provision of Section 16 of the Companies Act, 1956 the existing clause V of the Memorandum of Association of the Company relating to Share Capital be and is hereby altered by replacing in the said clause the figures and words:

"₹ 100,00,00,000 /- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore Only) equity shares of ₹ 10/- (Rupees Ten) each"

with the figures and words

"₹ 180,00,00,000/- (Rupees One Hundred Eighty Crore only) divided into 18,00,00,000 (Eighteen Crore Only) equity shares of ₹ 10/- (Rupees Ten) each".

9. ALTERATION IN ARTICLES OF ASSOCIATION

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

"RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and other applicable provisions of the said Act, 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

"₹ 100,00,00,000 /- (Rupees One Hundred Crore only) divided into 10,00,00,000 (Ten Crore Only) equity shares of ₹ 10/- (Rupees Ten) each"

with the figures and words

"₹ 180,00,00,000/- (Rupees One Hundred Eighty Crore only) divided into 18,00,00,000 (Eighteen Crore Only) equity shares of ₹ 10/- (Rupees Ten) each".

10. RATIFICATION OF APPOINTMENT OF MR. SANDIP SHARMA AS NOMINEE OF ICICI BANK LIMITED

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

"RESOLVED THAT the appointment of Mr. Sandip Sharma who was appointed as Nominee Director of the Company with effect from August 19, 2013 in compliance of a letter of the said date issued by ICICI Bank an important lender of the Company and in respect of whom the Company has also accorded its consent vide clause 6(25) of the Master Restructuring Agreement dated 27th June, 2013 executed by the Company with ICICI Bank Limited be and is hereby ratified and that he shall be treated as Independent Director and therefore entitled to such fees and other allowances as are applicable to other Independent Directors of the Company."

11. RE-APPOINTMENT OF SHRI ASHOK PUNJ AS "MANAGING DIRECTOR"

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of Central Government, if required, the consent of the Company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri Ashok Punj as Managing Director of the Company for a period of 3 (Three) years with retrospective effect i.e. from 1st October, 2013 to 30th September, 2016 on such remuneration and benefits & amenities to Shri Ashok Punj, Managing Director of the Company which is comprising of a Basic Salary of ₹ 5,75,000/- per month and other benefits and perquisites subject to the condition that the total value of perquisites shall not exceed 125% of his annual salary in any financial year."

"RESOLVED FURTHER THAT where in any financial year closing after 30th September 2013, the Company has no profits or its profits are inadequate, the Company do pay remuneration to Shri Ashok Punj as is permitted under Schedule XIII of the Companies Act, 1956, and/or as may be allowed under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the following perquisites which shall not be calculated in computation of the ceiling on remuneration specified above:

(a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961,

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

(c) Encashment of leave at the end of the tenure."

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

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and all other applicable statutory provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approval of Central Government, if required, the consent of the Company be and is hereby accorded and is deemed to have been so accorded to the re-appointment of Shri R.K.Bahri as Whole Time Director of the Company for a period of 3 (Three) years with effect from 1st April, 2014 to 31st March, 2017 on such remuneration and benefits & amenities to Shri R.K. Bahri, Whole Time Director of the Company, which is comprising of a Basic Salary of ₹ 5,75,000/- per month and other benefits and perquisites subject to the condition that the total value of perquisites shall not exceed 125% of his annual salary in any financial year."

"RESOLVED FURTHER THAT where in any financial year closing after 30th September 2013, the Company has no profits or its profits are inadequate, the Company do pay remuneration to Shri R.K. Bahri as is permitted under Schedule XIII of the Companies Act, 1956, and/or as may be allowed under Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the following perquisites which shall not be calculated in computation of the ceiling on remuneration specified above:

(a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under Income Tax Act, 1961,

(b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

(c) Encashment of leave at the end of the tenure."

13. REMUNERATION OF MR. ASHOK PUNJ, MANAGING DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of remuneration for the period 1.10.2013 to 30.09.2016

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹1,06,61,400/- (Rupees One Crore Six Lacs

Sixty One Thousand Four Hundred only) made by the Company to Mr. Ashok Punj, Managing Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act,1956 read with Schedule XIII of the Companies Act,1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. Ashok Punj be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT the approval of the Shareholders be and is hereby accorded to the payment of same remuneration as already approved by shareholders in their meeting held on 4th September, 2008 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the term from 01-10-2013 to 30-09-2016 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. Ashok Punj, Managing Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 30.09.2016,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and

ii. for payment of the aforesaid remuneration even when Company has inadequate profit or incur losses during the period 01.10.2013 to 30.09.2016

to Mr. Ashok Punj"

"RESOLVED FURTHER THAT Mr. G. Gehani, Director and Company Secretary of the Company be and is hereby authorized to :

1. Execute the necessary formal applications and other documents which may require such execution.
2. Submit any document including the aforesaid application to Ministry of Corporate Affairs.
3. Discuss and explain any issue pertaining to the subject with any official of the Ministry of Corporate Affairs.
4. Take formal approval letter from the Ministry of Corporate Affairs, Government of India.
5. Further delegate any of the aforesaid functions/responsibility to any other person."

14. REMUNERATION OF MR. M.M.MATHUR, WHOLE TIME DIRECTOR OF THE COMPANY FOR

(a) Waiver of excess remuneration paid during Financial Year 2012-13

(b) Approval for payment of already approved remuneration for the period 1.10.2013 to 31.10.2014

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

"RESOLVED THAT subject to necessary statutory approvals as may be applicable and in accordance with the recommendation of Remuneration Committee made on 8th January, 2014 which were duly ratified by the Board of Directors subsequently at their meeting held on 14th February 2014 the payment of excess remuneration of ₹ 1,17,84,355/- (Rupees One Core Seventeen Lacs Eighty Four Thousand Three Hundred Fifty Five only) made by the Company to Mr. M.M. Mathur, Whole Time Director of the Company, in excess of the maximum remuneration (in view of the Company incurring loss in extended Financial Year 2012-13) prescribed by the relevant provisions of the Companies Act,1956 read with Schedule XIII of the Companies Act,1956 as amended to date, be and is hereby confirmed, approved and ratified."

"RESOLVED FURTHER THAT all acts of the management in respect of the payment of remuneration to Mr. M.M. Mathur be and are hereby confirmed and ratified."

"RESOLVED FURTHER THAT that the approval of the Shareholders be and is hereby accorded to the payment of remuneration as already approved by shareholders in their meeting held on 21st July, 2009 also referred to the Explanatory Statement attached herewith although being in excess of the limits provided in 1(C) of Section II of Part II of Schedule XIII of the Companies Act, 1956, during the rest of his term that is from 01-10-2013 to 31-10-2014 subject to the necessary approval of the Central Government."

"RESOLVED FURTHER THAT since the above remuneration paid/to be paid to Mr. M.M. Mathur, Whole Time Director of the Company is/shall be in excess of the statutory maximum managerial remuneration:

i. that could have been paid to him, by the Company in Financial Year 2012-13 and

ii. that is proposed to be paid to him by the Company for the period 01.10.2013 to 31.10.2014,

the Company do make separate applications to Ministry of Corporate Affairs, Government of India:

i. to permit waiver of recovery of the aforesaid excess remuneration paid inspite of Company having incurred losses in extended Financial Year 2012-13 and