

PSL LIMITED



**27th Annual Report
(2014-15)**

BOARD OF DIRECTORS

Shri Ashok Punj
Managing Director

Shri Alok Punj
Non-Executive Director

Shri Harry H. Shourie
Independent Director

Shri R. K. Bahri
Whole-time Director

Mrs. Manjula N. Bhatia
Non-Executive Director

Shri Harsh Pateria
Independent Director

Shri S. P. Bhatia
Whole-time Director

Shri N. C. Sharma
Independent Director

Shri Sandip Sharma
Nominee Director

Shri C. K. Goel
Whole-time Director

Shri Ashok Sharma
Independent Director

SHARE TRANSFER AGENTS

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

STATUTORY AUDITORS

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

PRINCIPAL BANKERS

ICICI Bank Limited, Indian Overseas Bank, State Bank of India, Union Bank of India, Bank of Baroda, ING Vysya Bank Limited, Punjab National Bank (International) Ltd., Yes Bank Limited, Bank of India, DBS Bank Limited, Standard Chartered Bank, Deutsche Bank, Export Import Bank of India, Indian Bank, IDBI Bank Limited, Kotak Mahindra Bank, Axis Bank Limited, Development Credit Bank, Syndicate Bank, Abu Dhabi Commercial Bank, Oriental Bank of Commerce, Bank of Bahrain & Kuwait, Canara Bank, Federal Bank Limited

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COMPANY'S EXISTENCE		COMPANY'S PLANTS	
Registered Office	Kachigam, Daman, Union Territory of Daman & Diu 396210	Within Indian Boundaries	Survey No. 35, 37,41, 301/1, and 308/1 & 2 Varsana & Nani Chirai, Anjar & Bhachau, Kutch, Gujarat
Corporate Office	PSL Towers, 615, Makwana Road, Marol, Andheri (E), Mumbai-400059		Survey No. 38/1, 38/2, 39, 40 & 42 Varsana, Anjar, Kutch, Gujarat
Legal & Secretarial Office	3rd Floor, Punj House, M-13A, Connaught Circus, New Delhi-110001		Plot No. 4 & 5, Sector-12/B, Kandla Road, Gandhidham, Kutch, Gujarat
Marketing Offices	PSL Towers, 615, Makwana Road, Marol, Andheri (E), Mumbai-400059		Kachigam, Daman Union Territory of Daman & Diu 396210
Projects Office	3rd Floor, Punj House M-13A, Connaught Circus, New Delhi-110001		No. 22, Vaiyavoor, Maduranthakam Taluka Kancheepuram Distt., Tamil Nadu
Subsidiary Companies in operation			Survey No. 207, Industrial Development Area, Gurrampalem, Pendurthi, Vishakhapatnam, Andhra Pradesh
Domestic	PSL Corrosion Control Services Ltd. Survey No. 377/2, Zari Cause Way Road, Kachigam, Daman-396210, Union Territory of Daman & Diu		Plot No. 2A, APIIC, Layout Phase-II, Peddapuram-533437, Kakinada Distt. East Godavari, Andhra Pradesh
	PSL Gas Distribution Pvt. Ltd. Punj House, M-13A, Connaught Circus, New Delhi-110001		Khasra No. 46,48,73,82 Village-Gaduda, Tehsil- Phagi, Jaipur, Rajasthan
	PSL Infrastructure & Ports Pvt. Ltd. 3rd Floor, Punj House, M-13A, Connaught Circus, New Delhi-110001	Across the Seas	Post Box No. 42131, Inner Harbour, Plot No. HJ-02, Hamriyah Free Trade Zone, Sharjah, UAE
International	Pipeline Systems Ltd. C/o IFS, IFS Court, 28 Cybercity, Ebene, Mauritius		
	PSL FZE P.O. Box No. 42131, Inner Harbour Plot No. HJ-02 Hamriyah Free Trade Zone, Sharjah, UAE		

KEY FINANCIAL PARAMETERS OF LAST 15 YEARS

(₹ in Lacs)

PARTICULARS	2014-15	2013-14*	2012-13**	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2000-01***
Total Income	15025.91	21821.32	249729.77	229099.4	266989.49	281065.51	354995.04	226176.61	168561.37	156338.22	167745.16	92942.05	42516.39	45371.54
Total Expenditure	40776.29	18381.55	260364.29	191124.22	230694.13	251802.24	326543.53	202855.41	151199.79	141409.34	157765.84	84505.77	36261.96	39665
Operating Profit/Loss	-25750.38	-3439.77	-10634.52	37975.18	36295.36	29263.27	28451.51	23321.2	17361.58	14928.9	9979.32	8436.28	6254.43	5706.54
Interest	4618.23	1815.88	29374.36	19594.32	14144.73	10898.71	10071.93	5785.56	4349.77	4852.93	3242.8	2947.22	2931.39	2104.6
Gross Profit/Loss	-30368.61	-5255.65	-40008.88	18380.86	22150.64	18364.55	18379.58	17535.64	13011.81	10075.97	6736.52	5489.06	3233.04	3601.93
Depreciation	17383.98	8945.07	19311.63	11414.88	11679.56	6634.81	5706.64	5119.6	4392.29	3385.96	2335.48	1638.86	1601.42	1125.67
Profit/Loss before Tax	-47752.59	-14200.72	-59320.51	6965.98	10471.07	11729.74	12672.93	12416.04	8619.52	6690.01	4401.04	3850.19	1721.6	2476.26
Taxation	NIL	1555.07	-205.04	1550	2900	2900	4080	3939	2404	1771	1200	1050	250	411.33
Profit/Loss after tax	-47752.59	-12645.65	-59525.55	5415.98	7571.07	8829.75	8592.93	8477.04	6215.52	4919.01	3201.04	2800.19	1471.62	2064.92
Dividend Rate	NIL	NIL	NIL	20%	40%	40%	50%	50%	50%	50%	45%	50%	40%	40%
Equity	9893.53	5329.68	5333.38	5333.38	5333.38	5333.2	4258.19	4258.13	3406.07	3195.45	2892.07	2892.02	2892.02	2892.02
Reserves	-26448.95	14632.49	27278.13	86089.7	83708.73	78509.37	58593.49	52298	30213.64	23051.5	13866.66	13861.2	13303.66	13144.16

* Financial data comprised of 18 months period.

** Financial data comprised of 6 months period.

*** Financial data comprised of 18 months period.

NOTICE

To,
The Members of
PSL LIMITED

Notice is hereby given that Twenty Seventh Annual General Meeting of the Company will be held on Wednesday, the 23rd day of September, 2015 at 9:30 A.M. at Hotel Cedade de Daman, Devka Beach, Nani Daman - 396210, in Union Territory of Daman & Diu, to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 31st March, 2015 including Audited Balance Sheet as at March 31, 2015 and the Audited statement of Profit and Loss for the period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri C.K.Goel (DIN :01372544), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Alok Punj (DIN:00058049), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 pursuant to section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, 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 2015-16 to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting"

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

SPECIAL BUSINESS

5. APPOINTMENT OF SMT. MANJULA N. BHATIA (DIN:07178575) AS "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 Smt. Manjula N. Bhatia, (DIN 07178575) who has been pursuant to Section 161 of the Companies Act, 2013, appointed as "Additional Director" by the Board of Directors of the Company with effect from 13th May, 2015 holding such office only upto this Annual General Meeting and in respect of whom the members have, under Section 160 of the Companies Act, 2013, sent notices to the Company proposing her candidature for the office of a Director, be and is hereby appointed as a Director, liable to retire by rotation, pursuant to applicable provisions of the Companies Act, 2013 and Article 87 Articles of Association of the Company."

6. TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2015-16

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

"RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force the appointment of Mr. V.V.Deodhar, Cost Accountant as Cost Auditor by the Board of Directors of the Company, to conduct the audit of the Cost Records of the Company for the Financial Year 2015-16, be and is ratified and be paid consolidated fees of Rs.4.00 Lacs."

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: 10th August, 2015

By Order of the Board of Directors of
PSL LIMITED

Sd/-
(Ashok Punj)
Managing Director

NOTES:

1. 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.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A single member holding more than ten percent of the total shares capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of matters covered under "Special Business" is annexed hereto.
4. 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 under Section 113 of the Companies Act, 2013 to attend and vote on their behalf at the Meeting. Such representative shall possess a valid identity proof to be produced at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 18th day of September, 2015 to Wednesday, the 23rd day of September, 2015 (both days inclusive) for the purpose of 27th Annual General Meeting.
6. Members seeking any information with regard to Accounts of the Company and proposed Resolutions are requested to send their queries in writing to the Company at its Registered Office, so as to reach at least Seven days before the date of the Meeting, to enable the company to furnish the required information at the Meeting.
7. For convenience of Members, an attendance slip is annexed to the proxy form. Members/Proxies are requested to affix their signatures at the space provided therein and thereafter hand over the attendance slip at the venue of the meeting. The Proxy of a Member should mark on the attendance slip as "Proxy".
8. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the Meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market, Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Karvy.
10. As required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges, the relevant details of Shri C.K.Goel and Shri Alok Punj Directors proposed to be reappointed are, annexed herewith.
11. Shareholders who have not encashed /received dividend/s declared and paid by the company for different financial years commencing from financial year 2007-08 to financial year 2011-12 may please approach the Company for payment of such unpaid dividend/s, failing which their unclaimed dividend/s shall be transferred to Investor Education Protection fund in accordance with provisions contained in Section 205C/125 of Companies Act, 1956/2013.
12. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computer Shares Private Limited on all the resolutions set forth in this Notice. The e-voting period commences on 19th September, 2015 (9:00 a.m. IST) and ends on 21st September, 2015 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 15th September, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. A separate communication is being sent to the Members to avail the e-voting facility.
13. The facility for voting through ballot/polling paper shall also be made available at the meeting and members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting. The member who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.pslimited.com and on the website of Karvy www.evoting.karvy.com within two days of passing of the resolutions at the 27th Annual General Meeting of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
15. To support the "Green Initiative" in Corporate Governance taken by Ministry of Corporate Affairs, to contribute toward the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with Karvy Computer shares Private Limited, if shares are held in physical mode or with the depository participant if the shares are held in electronic mode.

EXPLANATORY STATEMENT

(In Compliance of Section 102 of the Companies Act, 2013)

ITEM NO. 5 : APPOINTMENT OF SMT. MANJULA N. BHATIA (DIN:07178575) AS “DIRECTOR” OF THE COMPANY

The Board of Directors of the Company at its meeting held on 13th May, 2015 appointed Mrs. Manjula N. Bhatia as an Additional Director of the Company with effect from 13th May, 2015, pursuant to Section 161 of the Companies Act, 2013. Her said appointment shall remain in force till the conclusion of the ensuing Annual General Meeting.

The said appointment was made keeping in view the rich experience that Mrs. Bhatia has acquired in Finance and Administrative functions having worked for over four decade in various senior positions indifferent companies. The Board is of the view that her vast exposure in the said two functions for such a longtime would indeed help in acceleration of the decision making process in the company.

The Company has now received notices from member in accordance with provisions of Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Manjula N. Bhatia as Director on the Board of the Company. The prescribed amount required for the purpose has also been deposited with the Company.

Hence the Resolution at Item No.5. In order to enable the shareholders to know more about Mrs. Bhatia, her brief particulars are included in the table annexed to this notice.

Other than Mrs. Bhatia who may be deemed to be interested in the subject Resolution, no other Director Key Managerial Personnel of the Company or their relatives are in any way, Concerned or interested, financially or otherwise, in the resolution set out in Item no. 5 of the Notice.

ITEM NO. 6 : TO RATIFY THE PAYMENT OF REMUNERATION TO THE COST AUDITOR FOR THE FINANCIAL YEAR 2015-16

The Board on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. V. V. Deodhar, Cost Accountant, as cost Auditor to conduct the audit of the cost records for the financial year 2015-16.

In accordance with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No, 6 of the Notice for ratification of the remuneration proposed to be paid to the Cost Auditors for the Financial year 2015-16.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out in Item no. 6 of the Notice.

Hence, the Resolution contained in Item No. 6 for consideration and ratification of the shareholders.

Regd. Office: -
Kachigam, Daman
Union Territory of -
Daman & Diu - 396 210
CIN: L67120DD1987PLC002395
Dated: 10th August, 2015

By order of the Board of Directors of
PSL LIMITED

Sd/-
(Ashok Punj)
Managing Director

ADDITIONAL INFORMATION

(With Reference to items no.2, 3 of “Ordinary Business” and Item No.5 of “Special Business”)

Name of Director	Shri C.K. Goel
Date of Birth	16th November, 1957
Expertise in specific functional area	General Management & Production
Directorship held in other companies	Nil
Membership in committees of the Board	Nil
Brief Resume	Shri C.K. Goel born in 1957 has a post graduate diploma in Mechanical Engineering with specialization apart from a Diploma in Business Management, Refrigeration & Air Conditioning. He had joined PSL way back in 1978 and has now completed 33 years of working in responsible positions. Before taking over as In charge of an important production facility at Varsana in Gujarat, which includes the latest Two-Step Helical Spiral Pipe Mill, Shri Goel has handled and headed various project and operations in Company's different plants.

Name of Director	Shri Alok Punj
Date of Birth	29th May, 1950
Expertise in specific functional area	General Management
Directorship held in other companies	Eurocoustic Products Limited
	BHI Limited
	Sai Shakti Properties Private Limited
	PSL USA Inc.
	PSL North America LLC
Membership in Committees of the Board	PSL Limited (a) Committee of Directors
	(b) Audit Committee
	(c) Nomination and Remuneration Committee
	(d) Stakeholders Relationship Committee
	(e) Share Transfer Committee
	(f) Risk Management Committee
Brief Resume	Shri Alok Punj, who attended a Bachelor of Engineering Programme in Industrial Engineering at Illinois Institute of Technology, Chicago has over three decades of experience in senior positions in different Engineering Companies of the world and also has experience in International, Marketing and Projects, both in the Middle East and Far East. Having guided different companies as a Senior Management Personnel, the Company is now being benefited by his being there on Company's Board.

Name of Director	Mrs. Manjula N. Bhatia
Date of Birth	10th September, 1943
Expertise in specific functional area	Accounting, Finance and Administration
Directorship held in other companies	NIL
Membership in committees of the Board	NIL
Brief Resume	Mrs. Manjula Bhatia had immediately after completing her formal education started working in the Corporate world. Because of her hard work and dedication she kept on getting elevated to the senior positions on frequent intervals. Her rich experience in functions like accounting, banking, finance and administration in different companies that she worked with has enabled her to acquire adequate expertise over these functions. Hence she would be a useful asset in the Company's Board.

DIRECTORS' REPORT

To,
The Members of
PSL LIMITED

Your Directors present this Twenty Seventh Annual Report of the Company together with the Audited Statements of Accounts for the Financial Year 2014-15.

ACCOUNTING YEAR

Members may recall that Financial Year 2012-13 comprised of 18 months period commencing from 1st April, 2012 to 30th September, 2013. As a consequential effect of extension of the said Financial Year by a period of six months, the following Financial Year i.e. Financial Year 2013-14 comprised of only six months period i.e. 1st October, 2013 to 31st March, 2014. Members may note that the Financial Year 2014-15 under review however comprised of usual 12 months period commencing from 1st April, 2014 to 31st March, 2015.

RESTRUCTURING OF COMPANY'S DEBTS

Members may kindly recall that during the aforesaid extended Financial Year 2012-13, your company had suffered a serious blow in its operations due to various external and internal reasons most of which were beyond the control of your management. It is because of such adverse effect on company's operations that profitability had substantially fallen down, as a direct result of which even the cash flows were affected very adversely. Hence your company had no choice but to apply to Corporate Debt Restructuring Cell in March, 2013 for restructuring of your company's debt in accordance with a policy of Reserve Bank of India then in vogue.

Finally the restructuring scheme approved by the CDR Empowered Group as communicated to the company on 23rd September, 2013 started getting implemented by way of execution of a Master Restructuring Agreement (MRA) between the company and its various lenders on 19th November, 2013. Since post sanction of the said scheme most of the lenders of the company started adopting a conservative approach towards sanctioning of additional fund and non-fund based facilities to the company, profits of the company had to substantially fall as is evident from the table depicting the financial results hereunder:

FINANCIAL RESULTS

a) On Standalone Basis

The financial results during the year under review are summarized below:

(₹ in Crore)

Particulars	March 31, 2015 (Twelve Months)	March 31, 2014 (Six Months)
Gross Sales	151.18	199.37
Less: Excise Duty	4.86	7.0.
Net Sales	146.32	192.34
Other Income	3.94	25.87
Total Income	150.26	218.21
Profit/(Loss) Before Depreciation, Finance Cost, Exceptional items & Tax	(84.06)	(31.91)
Less: Depreciation and Finance Cost	221.74	110.10
Less: Exceptional items	171.72	Nil
Profit/(Loss) Before Taxation Provisions	(477.53)	(142.01)
Less: Deferred Taxation	Nil	15.55
Profit / (Loss) After Tax	(477.53)	(126.46)
Balance Carried to Balance Sheet	(477.53)	(126.46)

In view of the period of the two financial years above being different the data of current financial year is not comparable with last financial year straightway. As can be observed during the year under review the gross sales & total income have substantially fallen down, resulting into your company incurring a loss of Rs.477 Crores. Such situation is the direct after effect of what is stated in foregoing paragraphs.

b) On Consolidated Basis

The consolidated income from operations of the Company and its various subsidiaries excluding the two subsidiaries in USA for the year ended on March 31, 2015 got decreased from Rs. 807.04 Crores in the last financial year to Rs. 305.47 crores as a result of which the net loss of the Company got increased from Rs. 352.43 crores in the last financial year to Rs. 579.04 Crores in the financial year under review i.e. 2014-15.

DIVIDEND

Keeping in mind the losses registered by the Company during the year under review, your Directors have not recommended any dividend for the said year.

TRANSFER TO RESERVES

In view of absence of profits during the financial year under review your Directors were unable to transfer any amount to the General Reserve Account.

INCREASE OF PAID UP CAPITAL

Since an essential condition of the restructuring of company's debt was conversion of part of the debt of different lenders into equity, your company issued 45638441 equity shares of the face value of Rs.10/- per share to the lenders at a premium of Rs.16/- per share in accordance with a SEBI formula prescribed for this purpose. Such issuance of additional equity resulted into enhancement of paid up capital of the Company from its earlier level of Rs.5329.68 Lacs to 9893.53 Lacs.

In addition to the above, the process for allotment of 50619233 equity shares at the same total price of Rs.26/- per share to a Creditor and few promoters group entities has already been initiated and after completion of the said allotment process your company's paid up share capital would get further enhanced from Rs. 9893.53 lacs to Rs.14955.45 Lacs which will be well within the present Authorized Capital of Company of Rs.180 crores.

OPERATIONAL PERFORMANCE

As is evident from the financial results stated above, the Company's performance has been very adversely affected due to the financial crunch that the Company faced during the financial year 2012-13. Apart from the ripple effect of the aforesaid Company specific problem, your company also had to suffer due to certain issues which directly affected the pipeline industry in general. Delay in implementation of the country wide projects such as national gas grid and water distribution projects etc. added fuel to the fire as the demand for steel pipes (the manufacturing of which is core competence of your Company) got drastically reduced thereby straight away adversely affecting the business prospects in a big way.

REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTIONS (BIFR)

Your Company suffered substantial operational losses during the financial year 2012-13 as a result of which the Company's net worth was eroded, (since the accumulated losses exceeded the entire net worth). As a result of such erosion the relevant provisions of Sick Industrial Companies (Special Provision) Act, 1985 got triggered and therefore your Company, in order to comply with section 15 of the said Act, had to make reference to the Board for Industrial and Financial Reconstructions (BIFR) for determination of the measures which shall be adopted with respect to the Company. Such reference is currently being processed at the Delhi office of BIFR.

ACCOUNTS STATEMENTS OF SUBSIDIARY COMPANIES

Your Company has five wholly owned subsidiaries in addition to two stepdown subsidiaries and seven associate Companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 a statement containing salient features of Financial statements of the Company's subsidiaries (excluding the two subsidiaries in USA) in form AOC-1 is attached to the financial statements of the Company.

As During the financial year 2014-15 PSL USA Inc.-the Company's subsidiary in USA and its stepdown subsidiary namely PSL North America LLC filed voluntary petitions for relief under chapter XI of The United States Bankruptcy code State of Delaware USA since the said subsidiary Company suffered heavy losses in the last three years. Hence financial results of these two companies have not been included.

ASSOCIATION WITH JINDAL TUBULAR – A SUBSIDIARY COMPANY OF JINDAL SAW LIMITED

Consequent upon substantial reduction in the operations of the Company, most of the manufacturing facilities of the Company in different locations in the country were not getting optimally utilized. Moreover even the fixed expenses including the payroll expense of the manpower deployed at such locations were causing an additional drain on Companies financial position. In order to mitigate the effect of these two important factors, your company has executed an "Operation Maintenance and Management" contract with Jindal Tubular Limited (JTL) by way of which not only the valuable machinery installed at these locations would remain continuously functional but even certain fixed costs including the cost of man power at the said location would be recovered from the revenue generated by Jindal Tubular Limited due to the aforesaid contract.

DIRECTORATE

At the beginning of the Financial Year under review the strength of your company's Board of Directors was 14 Directors which included Six Whole Time Directors, One Non-executive Director, Five Independent Directors and Two Nominee Directors.

However during the year under review the Directorate got changed due to following reasons:

1. On 31st May, 2014 Shri M. M. Mathur, Whole Time Director ceased to be on the Board consequent upon resignation

submitted by him earlier.

2. On 15th July, 2014, Shri. G. Gehani, Whole Time Director & Company Secretary ceased to be on the Board consequent upon resignation submitted by him earlier..
3. On 15th November, 2014, Shri P. V. Apte, Independent Director left for his heavenly abode.
4. On 28th November, 2014, Smt. Geeta Poojary, Nominee Director resigned from the Board.

As a result of the aforesaid changes, at the end of the Financial Year 2014-15 your Board comprised of only Ten Directors including Four Whole Time Directors, One Non-executive Director, Four Independent Directors and One Nominee Director.

Woman Director

Members may note that in accordance with notifications issued by SEBI sometime back it is now compulsory for every listed company to have atleast one Woman Director on its Board. Since the earlier woman Director Mrs. Geeta Poojary (who also happened to be a nominee of EXIM Bank) had resigned some time back, your Board of Directors in its meeting held on 13th May, 2015 (which date is although after close of the Financial Year under review but is before the date of this report) appointed Mrs. Manjula Bhatia who has adequate exposure in finance, accounting and administrative functions as Non-executive Additional Director holding the said office till the conclusion of the ensuing Annual General Meeting. Since the company has received a notice under Section 149(1) of Companies Act, 2013 for her appointment as a Director, the Members would be requested to consider and if agreed to appoint her as a Director on company's Board liable to retire by rotation.

In view of what is stated above the aforesaid requirement of SEBI for a Woman Director on every listed Company's Board has been fully complied with. Now the total strength of your Directors is Eleven Directors with adequate mix of Whole Time Directors, Non- executive Directors, Independent Directors, Nominee Director and Woman Director. The number and ratio of the said Directors on Board is well in accordance with the prescribed norms of Companies Act and Listing Agreement for the purpose.

KEY MANAGERIAL PERSONNEL

A. Company Secretary

Consequent upon resignation of Shri G. Gehani effective 15th July, 2014 from the post of Whole Time Director and Company Secretary of the Company, your Board had appointed Mr. Shashi Ranjan as a Company Secretary of the Company with effect from 20th December, 2014.

However since Mr. Shashi Ranjan in order to join a Public Sector Company, had also submitted his resignation from the post of Company Secretary as a result of which he was relieved off his duties on 11th May, 2015.

B. Chief Financial Officer

Member may note that in accordance with the provisions contained in Companies Act, 2013 which became effective from 1st April, 2014, a CFO was required to be necessarily appointed Mr. V. Subramaniam, who was a qualified Chartered Accountant