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## **Q1 FY 2008**

**Revenues at Rs. 4,146 million**

**PAT better by 15% to Rs. 171 million**

**Cash profits up 18% to Rs. 301 million**

**EPS at Rs. 5.01, CEPS at Rs. 8.81**

**Mumbai, July 31, 2007:** PSL Limited (PSL), the largest HSAW pipe Company in India (High-grade large diameter Helical Submerged Arc Welded (HSAW)), announced its results for the first quarter ended 30 June 2007.

### **Order book position**

- Strong order book at Rs. 21,000 million as on 30 June 2007

### **Key Developments**

- Establishment of state-of-the-art 300,000 MT Two-Step pipe mill with its own coating facility is on schedule i.e. To be operational in Q1 FY2009
  - Project engineering department is engaged in design and fabrication of the U.S. unit – Signifying PSL's engineering strengths to be able to establish its mills with in-house technology and resources
  - Makes PSL one of the few companies in the world with the ability to design and build pipe manufacturing and coating equipment in-house
- Successful emerged as the lowest bidder for Indian Oil Corporation's first gas pipeline from Dadri to Panipat



- The order is worth Rs. 1,650 million for pipes of 30” diameter totalling 135 kms

**Commenting on the performance for Q1 FY2008, Mr. Ashok Punj, Managing Director, PSL Limited, said:**

*“We have made a good start to the year by bagging major orders in both the domestic and international markets resulting into a strong unexecuted order book as on 30 June 2007. Majority of these orders need to be executed over the next three quarters lending itself to a healthy growth for PSL in FY2008.*

*Additionally in India, prospective orders for oil, gas and water segments are rising steadily which we hope will progressively materialize into firm orders. And having already demonstrated our ability to win orders in the domestic market, we are attractively placed to secure a major share of the order flow in the country. With HSAW technology being widely accepted globally combined with a strong outlook for development of pipeline infrastructure in the country as well as internationally, we feel PSL is in one of the best placed companies to cater to this demand given our leadership position in manufacturing HSAW pipes.”*

**Q1 FY 2008 financial performance (compared with Q1 FY 2007)**

- Revenues up 10.1% to Rs. 4,145.6 million from Rs. 3,776.4 million
- PBIDT increases 16.5% to Rs. 450.6 million from Rs. 386.7 million
- PAT better 15.2% to Rs. 171.3 million from Rs. 148.7 million
- EPS improves to Rs. 5.01 from Rs. 4.65
- Cash EPS at Rs. 8.81 versus Rs. 7.19

**Note on quarterly results:**

The Company operates in a sector where the major revenues and profit are booked on completion of projects or on completion of specific milestones, which may lead to uneven revenue and profit reporting on a quarter to quarter basis. The performance of the Company is therefore best monitored on an annual basis and the health of the business can be determined more



from the order book position / order profile / sector developments, and the Company's ability and capacity to execute large orders.

**- ENDS -**

### **Attached: Details to announcement and results table**

### **About PSL Limited**

PSL Limited (PSL) is the largest manufacturer of high-grade large diameter Helical Submerged Arc Welded (HSAW) pipes in India. The Company manufactures and supplies pipes certified to API (American Petroleum Institute) standards for oil, gas and water transmission as well as structural and piling applications for both onshore and offshore sector.

PSL is one of the largest pipe manufacturers in India with 12 pipe mills at multiple and strategically coast based locations in Chennai, Kandla, Visakhapatnam and Daman along with the recently commissioned Sharjah unit. The annual pipe manufacturing capacity of the Company now stands at 1,175,000 MT per year.

Other business segments that PSL caters to, include pipes coating, induction pipe bending and sacrificial anode manufacturing. PSL has over the years successfully demonstrated its ability to simultaneously manage multiple assignments in a qualitatively and timely manner, both within and outside the country.

### **For further information please contact:**

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*Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. PSL Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*



## Details to announcement

### Financial Overview and Discussions

(All comparisons on a corresponding period basis)

(All rupee figures in Rs. million unless stated otherwise)

### Financial overview

#### Revenues

<b>Particulars</b>	<b>Rs.</b>
<b>Q1 2008</b>	<b>4,145.6</b>
Q1 2007	3,766.4
<i>Shift %</i>	<i>10.1</i>

In Q1 FY2008, the Company achieved healthy growth in revenues driven by execution of orders and was assisted by partial completion of a coating order. Pipe volumes were higher at 87,064 MT during the quarter as compared to 67,667 MT in the corresponding quarter.

PSL expects to achieve over 400,000 MT of pipe production in FY2008 based on its current order book position. Any new orders that the Company may win during the year may further augment the production numbers for the current year depending upon the schedule of implementation of new orders.

The Company's bid-order pipeline is robust. PSL has bid for pipeline projects in both domestic and international markets and expects a favourable order fructification ration going forward. This should help the Company achieve healthy growth numbers in the coming years.

### PBIDT

<b>Particulars</b>	<b>Rs.</b>
<b>Q1 2008</b>	<b>450.6</b>
Q1 2007	386.7
<i>Shift %</i>	16.5

PBIDT increased by 17% to Rs. 450 million in Q1 FY2008 as a result of operating margin improvement to 11.0% from 10.3% in Q1 FY2007. PSL intends to enhance margins in the range of 11% - 12% for the current financial year. Going forward, better capacity utilization should enable the Company improve its margin performance.

### Earnings overview

<b>Particulars</b>	<b>PBT</b>	<b>PAT</b>
<b>Q1 2008</b>	<b>226.3</b>	<b>171.3</b>
Q1 2007	188.7	148.7
<i>Shift %</i>	19.9	15.2

Depreciation during the quarter increased to Rs. 130 million from Rs. 106 million in Q1 FY2007. In Q1 FY2008, interest cost was steady at Rs. 94.3 million owing to repayments of long-term loans although working capital requirement during the quarter increased. As on 30 June 2007, PSL's long-term loan stood at Rs. 1,025 million.

<b>Particulars</b>	<b>EPS</b>	<b>CEPS</b>
<b>Q1 2008</b>	<b>5.01</b>	<b>8.81</b>
Q1 2007	4.65	7.19
<i>Shift %</i>	7.7	22.5

PSL posted healthy earnings per share numbers on an expanded capital base.



The Company raised Rs. 434 million after a QIP issue in March 2007 to primarily fund its overseas venture. At present, the Company does not have any further fund raising in the medium term as there are sufficient funds for planned capex requirements and it expects healthy generation of cash flows from operations over the next two years.

**- ENDS -**

**PSL LIMITED**

Regd. Office: Kachigam, Daman, U.T. of Daman & Diu -396210



**UNAUDITED FINANCIAL RESULTS FOR QUARTER ENDED 30TH JUNE 2007**

(Rs. in Crores)

SN	PARTICULARS	Quarter ended 30.6.2007 1	Quarter ended 30.6.2006 2	Year Ended 31.3.2007 (Audited) 3
1	Net Sales	410.13	374.46	1583.21
2	Other Income	4.43	2.18	25.08
3	Total Income	414.56	376.64	1608.29
4	Total Expenditure	369.50	337.97	1430.42
	(a) Increase/Decrease in Stock in Trade	-41.95	45.40	-77.34
	(b) Consumption of Raw Material	322.64	210.14	1055.58
	(C) Staff Cost	10.26	9.13	42.83
	(d) Other Expenditure including transport & Ocean Freight.	78.55	73.30	409.35
5	Interest	9.43	9.21	43.50
6	Depreciation	13.00	10.59	43.93
7	Extraordinary Item(Provision for bad debts)	0.00	0.00	4.24
8	<b>Profit before Tax incl. Fringe Benefit</b> (3-4-5-6-7)	<b>22.63</b>	<b>18.87</b>	<b>86.20</b>
9	Provisions for Taxation net of deferred tax	5.50	4.00	24.04
10	<b>Net Profit (8-9)</b>	<b>17.13</b>	<b>14.87</b>	<b>62.16</b>
11	Paid - Up equity share capital (Face Value Rs.10/- per share)	34.18	31.95	34.06
12	Reserves Excl. Revaluation reserves			302.13
13	EPS ( In Rs./Share)	5.01	4.65	19.26
14	Diluted EPS	3.96	3.77	15.02
15	Aggregate of Non - Promotors shareholding			
	Number of Shares	13661209	11448432	13545432
	Percentage of Shareholdig	39.81	35.66	39.61

**Notes**

- The above results were taken on record by the Board of Directors in its meeting held on 31st July,2007
- The Audited figures for the year ended 31st March, 2007 in column (3) are subject to consideration and adoption by the Shareholders in their forthcoming Annual General meeting scheduled to be held on Thursday, the 27th September, 2007.
- The Accounting Standard (AS 17) relating to "Segment Reporting" has been complied with. As the Gross income and Profit from the other segments are below the norms prescribed in AS-17, separate disclosure have not been made.
- During the quarter under review the company has received 27 investors complaints all of which were disposed off within the quarter itself.
- In accordance with the requirements of clause 41 of listing agreement with the Stock Exchanges, the financial results of the first quarter ended 30th June, 2007 were reviewed by the Audit Committee and they shall now be subjected to limited review by the Statutory Auditors of the Company.

By Order of the Board  
**For PSL LIMITED**  
sd/-

**(ASHOK PUNJ)**

**MANAGING DIRECTOR**

**Place: Mumbai**  
**Date: 31.07.2007**