PSL Towers,
615 Makhwana Road,
Marol, Andheri (E),
Mumbai – 400059

FY2007

Revenues at Rs. 16,083 million

PAT increases by 26% to Rs. 622 million

EPS at Rs. 19.46, CEPS at Rs. 32.87

Full year dividend at 50%

Mumbai, June 22, 2007: PSL Limited (PSL), the largest manufacturer of high-grade large diameter Helical Submerged Arc Welded (HSAW) pipes in India and a leader in pipe coating solutions, announced its results for the year and fourth quarter ended March 31, 2007.

Key developments

- Commissions 75,000 MT pipe mill located at Hamriyah Free Trade Zone in Sharjah, U.A.E
  - Enables PSL to have a significant footprint in the rapidly growing Middle East and North East African markets
  - The plant will supply pipes and provide coating services both for on-shore and off-shore pipelines
  - Plant at demand location will benefit from freight cost savings, resulting in better margins for PSL and lower costs for the customers
  - In addition to the 75,000 MT HSAW pipe capacity, the unit will have a three-layered polyethylene (3LPE) coating line, an internal liquid epoxy coating line, and a concrete weight-coating ability
- Receives formal Government approval for the establishment of an "Alternative Energy and Energy Ancillaries" Special Economic Zone (SEZ) at Pipavav Port, Gujarat

- It will be a 106 hectares SEZ, of which 70% of the land is already owned by the Company and free of any encumbrances
- First of its kind "Environmental Friendly" SEZ in the country

- Entered into a joint venture (JV) with the U.S. based A & L Group for setting-up state-of-the-art 300,000 MT Two-Step pipe mill with coating facility in the U.S.
  - The JV has secured 156 acres land from U.S. State of Mississippi for setting-up the facility at Port Bienville Industrial Park
  - The unit is expected to be commissioned by Early 2008
- Establishes state-of-the-art onshore and offshore pipe coating yard at Kakinada
  - This unit will assist the Company efficiently cater to the booming oil & gas sector in southern states

Order book at Rs. 22,000 million as on 31 May 2007

Recent key orders

Order	Value (Rs. million)	Details	Kms
Petronas –MITCO	1,538	Peninsular Gas Utilisation Project (Internal gas network pipeline)	78
GAIL	1,350	Dabhol – Panvel Pipeline (Phase II)	124
MAYTAS Infrastructure	1,652	Bharuch Jamnagar Pipeline project of GSPL	102
ESSAR Construction	1,568	Bharuch Jamnagar Pipeline project of GSPL	98
ONGC and Reliance Industries	1,750	Coating order for KD –D6 Field Development project	362
Bharat Oman Refinery	3,092	Bina Refinery (Vadinar Bina Pipeline Project)	599

Commenting on the performance for Q4 & FY2007, Mr. Ashok Punj, Managing Director, PSL Limited, said:

"It has been a very progressive year where we received many major orders and implemented plans that strengthen our global operations. It has always been our strategy to have our manufacturing facilities close to the location of consumption and we have carried the same hypothesis to international markets as we believe that provides solid benefits over the longer-term. We are now on stream with our Sharjah unit that will cater to the Middle East markets and are establishing our U.S. unit that will serve the country's growing replacement & new pipeline market.

Our order book as on 31 May 2007 stands at a record Rs. 22 billion and it is our continuous endeavor to augment this number going forward. We are in an ideal position to benefit from the strong demand witnessed in the domestic and international pipeline infrastructure market given our high level of capacity preparedness, strong competitive capabilities and the ability to execute orders in a timely manner."

FY2007 performance (compared with FY2006)

- Revenues up 3.3% to Rs. 16,082.9 million from Rs. 15,566.7 million
- PBIDT increase 17.0% to Rs. 1,778.7 million from Rs. 1,520.5 million
- PAT improves 26.4% to Rs. 621.6 million from Rs. 491.9 million
- EPS increases to Rs. 19.26 from Rs. 16.44
- Cash EPS at Rs. 32.87 as compared to Rs. 28.69

Q4 FY 2007 performance (compared with Q4 FY 2006)

- Revenues at Rs. 4,115.5 million from Rs. 4,748.3 million
- PBIDT better by 39.9% to Rs. 439.3 million from Rs. 314.1 million
- PAT at Rs. 129.5 million from Rs. 157.6 million
- EPS at Rs. 4.02 from Rs. 5.27
- Cash EPS at Rs. 7.45 as compared to Rs. 6.68

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.

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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 newly 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

Particulars	Rs.
FY2007	**16,082.9**
FY2006	15,566.7
Shift %	*3.3*
Q4 FY2007	**4,115.5**
Q4 FY2006	4,748.3
Shift %	*(13.3)*

Key orders executed in FY2007

Orders	Value (Rs. million)	Details	Status
GAIL	2,180	Dhabol – Panvel Pipeline	Executed
L&T/ECC	2,700	Water project in Rajasthan	Partially executed
GAIL	2,410	Dahej – Uran Pipeline Project (Phase I)	Executed
Reliance Port & Terminal	1,596	Reliance Jamnagar export refinery project	Partially executed
Kala Gas- Iran	822	High Pressure Gas Pipeline project	Partially executed

In FY2007, the Company registered a steady growth in revenues resultant to various orders being executed in a timely manner leading to improved pipe sales and augmented by a strong performance delivered by the coating division. Pipe sales for the year were at 232,745 MT while the coating division continued to deliver profitable growth. During the quarter, top-line

was stable at Rs. 4,115.5 million as revenues from some projects are still to be reflected.

The Company's unexecuted order book as on 31 May 2007 stands at Rs. 22,000 million and most of it is expected to be executed in FY2008 lending visibility to top line growth. In the coming quarters, PSL anticipates further order flow which should enable it maintain an even stronger growth bias.

Given the Company's capacity preparedness and its competitive abilities PSL has already demonstrated potential to regularly bag major domestic orders. It has also ramped up its marketing division to strengthen its prospects to win large international orders.

PBIDT

Particulars	Rs.
FY2007	**1,778.7**
FY2006	1,520.5
Shift %	*17.0*
Q4 FY2007	**439.3**
Q4 FY2006	314.1
Shift %	*39.9*

PSL's operating margins improved to 11.2% in FY2007 from 9.9% in FY2006 owing to better realisations and favourable steel prices. It continues to purse its policy to books/ procures its steel requirement at the time of bidding/ receiving orders to avoid volatility and thereby maintain high margin visibility.

A strengthening rupee scenario argues well for the Company as it imports most of its key raw material and will sell a major portion as finished products within India.

As a result of an excellent order book position, the Company is targeting a visibly improved capacity utilisation during FY2008. This should further assist the Company augment its margins going forward.

Earnings overview

Particulars	PBT	PAT
FY2007	**862.0**	**621.6**
FY2006	669.0	491.9
Shift %	*28.8*	*26.4*
Q4 FY2007	**179.6**	**129.5**
Q4 FY2006	214.7	157.6
Shift %	*(16.3)*	*(17.8)*

In FY2007, interest was at Rs. 435.0 million, lower by 10.4% from Rs. 485.3 million in FY2006 following the repayment of long-term loans. Depreciation in FY2007 increased by 29.7% to Rs. 439.3 million due to new capacities coming on stream. During the quarter, depreciation was significantly higher as compared to the corresponding quarter since in the first three quarters of FY2006 the Company had provided accelerated depreciation. This was subsequently adjusted in the fourth quarter resulting in a decline in depreciation charge in Q4 FY2006.

PAT during the year witnessed a healthy growth of 26.4% to Rs. 621.6 million.

Particulars	EPS	CEPS
FY2007	**19.26**	**32.87**
FY2006	16.44	28.69
Shift %	*17.2*	*14.5*
Q4 FY2007	**4.02**	**7.45**
Q4 FY2006	5.27	6.68
Shift %	*(23.7)*	*11.5*

The Company witnessed healthy EPS and CEPS numbers in FY2007 on an expanded capital base.

Outlook

PSL has secured a significant proportion of the Indian pipe market with orders from GAIL, GSPL, Bharat Oman Refinery, L&T, etc demonstrating its competitiveness to win orders again competition from both domestic and international companies. Given the Company's excellent record in securing domestic orders it should be the chief beneficiary of the significant investments lined up to develop the pipeline infrastructure in India.

Further, the U.S. market is witnessing a shift from LSAW to HSAW pipes and is rapidly emerging as a top consumer of HSAW pipes due to the thrust given to replace as well as place additional pipelines in the country. To take advantage of this shift, PSL has already taken concrete steps towards setting-up a 300,000 MT Two-Step state-of-the-art HSAW pipe mill in the U.S. This unit will enable the Company to efficiently and profitably cater to the buoyant U.S. market in the coming years.

PSL has an unexecuted order book of Rs. 22,000 million, most of which the Company anticipates to execute in the coming financial year. PSL has also participated in many new orders where its bids are still outstanding. Given the current order book position combined with the prospects of obtaining new orders during the year, the Company should be able to deliver a healthy growth in FY2008.

– ENDS –

PSL LIMITED

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

AUDITED FINANCIAL RESULTS FOR YEAR ENDED 31st MARCH, 2007

(Rs. in Crores)

Sr. No.	Particulars	9 months Ended 31.12.2006	3 months Ended 31.3.2007	3 months Ended 31.3.2006	Year Ended 31.3.2007 (Audited)	Year Ended 31.3.2006 (Audited)	Consolidated for yr. ended 31.3.2007 (Audited)	Consolidated for yr. ended 31.3.2006 (Audited)
1.	Net Sales	1181.93	401.28	468.78	1583.21	1539.06	1599.85	1556.07
2.	Other Income	14.80	10.27	6.05	25.08	17.61	27.44	19.27
3.	**Total Income**	**1196.73**	**411.55**	**474.83**	**1608.29**	**1556.67**	**1627.29**	**1575.34**
4.	**Total expenditure**	**1062.81**	**367.62**	**443.42**	**1430.42**	**1404.62**	**1444.29**	**1418.80**
	(a) Incr./Decr. in Stock in Trade	-51.51	-25.82	78.47	-77.34	-6.71	-77.28	-6.82
	(b) Consumption of raw material	822.86	232.72	259.34	1055.58	1055.52	1059.97	1060.78
	(c) Staff cost	28.51	14.32	7.14	42.83	31.84	44.94	34.17
	(d) Other expenditure incldg. Transport & Ocean freight	262.95	146.40	98.47	409.35	323.97	416.66	330.67
5.	Interest	32.87	10.63	5.70	43.50	48.53	43.51	48.53
6.	Depreciation	32.83	11.10	1.48	43.93	33.86	44.51	34.44
7.	Extraordinary item	0.00	4.24	2.76	4.24	2.76	4.24	2.76
8.	**Profit before tax (3-4-5-6-7)**	**68.22**	**17.96**	**21.47**	**86.20**	**66.90**	**90.74**	**70.81**
9.	Provision for taxation incldg. Deferred tax & Fringe Benefit Tax	19.02	5.01	5.71	24.04	17.71	25.52	18.92
10.	**Net profit (8-9)**	**49.20**	**12.96**	**15.76**	**62.16**	**49.19**	**65.22**	**51.89**
11.	Paid -up equity share capital	31.95	34.06	31.95	34.06	31.95	34.06	31.95
12.	Reserves excld. revaluation reserves	--	--	--	302.13	230.52	318.01	245.89
13.	EPS (in Rs./Share) (Basic)	15.33	4.04	5.27	19.26	16.44	20.24	17.35
14.	EPS (in Rs./Share) (Diluted)	11.89	3.13	4.24	15.02	13.22	15.79	13.95
15.	Agg. of Non-Promoters' Shareholding							
	- Number of shares	11448432	13545432	11448432	13545432	11448432	—	—
	- Percentage of shareholding	35.66%	39.61%	35.66%	39.61%	35.66%	—	—

NOTES :

1. The above results were taken on record by the Board of Directors in their meeting held on 22nd June, 2007.
2. The Board after approving the Annual Accounts for the Financial Year 2006-07 has recommended to company's shareholders payment of a final dividend of Rs. 2.50 per equity shares of Rs. 10/- each fully paid up, in addition to an Interim Dividend of Rs. 2.50 per share already paid to the members in February, 2007, thereby aggregating a total dividend of Rs. 5.00 per equity share.
3. 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 disclosures have not been made.
4. During the quarter ended 31st March 2007 the company has received 96 investors complaints all of which were disposed off within the quarter itself.
5. The provision for deferred tax has been made in accordance with the requirement of Accounting Standard (AS 22). Deferred tax liability for the period upto 31.03.2007 has been adjusted from General Reserve.
6. During the quarter under review the Subscribed Capital of the Company got enhanced from Rs.32.10 Crores to Rs. 34.20 Crores since pursuant to QIP Scheme, 20,97,000 Equity Shares were allotted to eligible QIB's at the rate of Rs. 207.35 per share.

By Order of the Board
For PSL LIMITED

Place : **Mumbai**
Date : **22.06.07**

(ASHOK PUNJ)
MANAGING DIRECTOR