

Annual Report 2009 - 10

Believing in Sustainable Growth



**JINDAL SAW LTD.**  
TOTAL PIPE SOLUTIONS

## >> Growth in our veins

Year after year, the growth trajectory continues to rise. Today, Jindal SAW is a part of the ever growing O.P. Jindal \$12 billion conglomerate.





Shri O. P. Jindal  
(1930-2005)

## Vision is immortal

### **Best before the biggest.**

In an age when an obsession to outgrow others is paramount, our founder chairman Shri O. P. Jindal saw the vital need for focusing on being the best. A rare visionary, he made quality the DNA for the group's growth.

Today, in the unseen presence of its doyen, the group continues its leadership journey, guided at every step by his immortal vision.

Reaching out towards  
strengthening Global Infrastructure

Key players in global infrastructure  
development in the field of  
Oil & Gas, Water and Waste water.



## Global Reach

Jindal SAW is a multi-product,  
multi-location company.

Proximity to ports and easy connectivity  
create a distinct locational advantage.

Manufacturing facilities at  
strategic locations across  
India give Jindal SAW an immense  
competitive advantage.

All this is made possible  
through acquiring the latest  
technology by way  
of international  
tie-ups/collaborations.

In-house research and  
consistent investment in  
Human Resource  
Development gives  
Jindal Saw an edge  
over others.



## Bonds of Trust & Confidence

Jindal SAW continues to enjoy the confidence and trust of all stakeholders, be it employees, associates, shareholders and the society at large.



Transporting oil & gas and water...



...transforming lives

Jindal SAW's vision of sustainable development has helped in creating livable cities which in turn touch and transform the lives of people across the globe.

The pipes produced by Jindal SAW are:

- energy efficient
- reduce dependence on fossil fuels
- help conserve natural resources like water

At Jindal SAW we believe in creating 'clean-green' habitats.

## Delivering beyond expectations

Jindal SAW has proved time and again, its inherent ability and capability to take on technologically demanding projects and accomplish execution by employing international best practices.





## Deep rooted foundation for continuous growth

Jindal SAW is a part of the ever growing \$12 billion O.P. Jindal Group. With an experience exceeding more than a quarter of a century, Jindal SAW was a pioneer when it brought Submerged Arch Welded technology to India. Keeping up with its tradition, Jindal SAW, today, is diversifying and leaving footprints in other areas like infrastructure, transportation and fabrication.



## Partnering with the environment for a brighter future

The wholly owned subsidiary of Jindal SAW, JITF is geared up to service all opportunities thrown up due to the rapid urbanisation of India.

JITF owns and operates businesses in three core sectors of the Indian economy.

- **Water, Waste Water and Solid Waste Management**
- **Domestic Transport & Logistics**
- **Transportation Equipment Fabrication**

Offering significant growth opportunities, JITF is developing five business verticals within the identified segments.





## JITF Aquasource - Nurturing Resources

JITF Aquasource is focused on turnkey development, ownership, and management of facilities in water, wastewater and water reuse markets as the principal investor and operator.



## JITF Ecopolis - Nurturing Energy

JITF Ecopolis is primarily focused on solving municipal solid waste management problems. JITF Ecopolis is implementing India's first and largest 'waste to energy' facility in Delhi. It is also in the advanced stages of getting such concessions in multiple integrated municipal solid waste management facilities across India.





## JITF Vector Nurturing Reliability

JITF Vector began operations in 2007. It is currently operating a fleet of eight vessels, including five containers that are transporting freight & cargo along the Indian coast and inland waterways.

## JITF Transrail Limited Nurturing Technology

JITF Transrail is into building and operating ports and terminals as well as inland container freight stations. It thereby provides end-to-end, efficient, multimodal, reliable logistics solutions for urban India.





## JITF Rail Infrastructure Limited Nurturing Technology


JITF Rail Infrastructure is in the advanced stages of commissioning the most modern freight car plant with a capacity to produce 3000 wagons per year. It would usher in a new chapter of light weight stainless steel wagons for the growing freight needs of the country.




## JITF Shipyards Limited Nurturing Progress

JITF Shipyards currently owns and operates a shipyard in Kolkata which primarily makes Inland water vessels. It also has plans to develop an integrated maritime technology park at Dahej.





# Giving a voice to people with reduced mobility



Jindal SAW proudly supports Svayam – An initiative of S. J. Charitable Trust, as part of its CSR.

Svayam continues to dedicate its efforts towards making life more comfortable for people with reduced mobility.



Svayam, in association with the Government of Delhi and Ministry of Tourism, Government of India, is the key driving force behind bringing TRANSED 2012 to India. Svayam's association with TRANSED began during its participation in the conference that was held in Montreal in 2007. Since then, Svayam has been working incessantly towards bringing TRANSED to India while continuing to work actively in making public infrastructure accessible to all.

Jindal SAW lauds Svayam's efforts to address challenges associated with improving mobility and transportation needs for the elderly and disabled.



# Svayam's poster entry titled 'Accessible Road Transportation System'

was adjudged the Best Poster at TRANSED 2010, Hong Kong, under the theme 'Design guidelines, case studies, manuals, best practices'.



The poster was based on Svayam's work on overcoming the ground challenges in accessible transportation system in Delhi and was hailed by the International Community of Researchers and Practitioners in mobility & accessible transportation at the TRANSED 2010, Hongkong as a best practice while designing accessible bus stops.

Svayam - Taking this voice to international shores and ensuring that it be heard, and headed.

**ACCESSIBLE ROAD TRANSPORT SYSTEM**  
Team Svayam, New Delhi, India  
editor@svayam.com

### Issues

- Absence of Immediate Connectivity
- High Curbs
- Lack of Curbs Cuts
- Obstructing Blindness

- New Accessible Bus Stops were inaccessible due to absence of immediate connectivity to the road and by lanes.
- Lack of continuity of Pedestrian Walkways.
- Street Infrastructure blocking walkways.

### Solutions

- Onsite meetings with senior officials.
- Sensitization workshops for the executing agencies.
- Svayam suggested a Bus Stop design.
- Design also provides continuity of Pedestrian walkways.

Onsite Meetings

Design Specifications provided by Svayam

Accessible Bus Stop Design provided by Svayam

### Results

- Delhi Transport Corporation incorporated the design in the standard Bus Stops.
- The design forms the basis of all future tendering process.
- Existing Bus Stops being retrofitted as per the new design.
- It incorporated Curbs Cuts to facilitate access from the road.
- Other features like handrails, tactile warning blocks, seating and space for wheelchairs, alignment of street furniture were also incorporated.

Curb Ramp Constructed in Retrofitted Stage

Retrofitted Design

### Discussions

The Delhi Transport Corporation undertook the building of the Bus Stops on the Build Operate Transfer (BOT) System wherein they invited bids for the same from reputed organizations. The design for the Bus Stops was finalized by RITES (Rail India Technical and Economic Services) - A government of India Enterprise, an ISO 9001 company. A total of 1400 Bus Stops have been slated for re-building at a cost of Rs. 2,000,000 (Two million rupees) (41,059.33 USD) per stop. The contract has already been signed by the Delhi Transport Corporation. Currently two hundred fifty Bus Stops have already been built.

The initial design of the Bus Stop, however failed to provide access from the road bed due to the absence of curb ramps. Thus, these so called accessible Bus Stops became isolated islands of accessibility without really benefitting the end user. This was highlighted by Svayam in meetings with the senior officials of Delhi Transport Corporation.

### Conclusion

The design suggested by Svayam today forms a part of the tendering process for the upcoming Bus Stops. The existing Bus Stops are being made accessible through slope ramps on either side. The new Bus Stops incorporating the design provided are user friendly and accessible to all.

**Svayam**  
DIGNITY FOR PEOPLE WITH REDUCED MOBILITY

## Directors

Smt. Savitri Devi Jindal  
Sh. P. R. Jindal  
Sh. Indresh Batra  
Ms. Sminu Jindal  
Sh. A. J. A. Tauro  
Sh. Devi Dayal  
Dr. S. K. Gupta  
Sh. Kuldeep Bhargava  
Dr. Raj Kamal Agarwal  
Sh. H. S. Chaudhary

Chairperson  
Vice Chairman  
Managing Director  
Managing Director  
Director  
Director  
Director  
Director  
Director  
Whole Time Director

## Company Secretary

Sh. Sunil Jain

## Bankers

State Bank of Patiala  
State Bank of India  
Punjab National Bank  
Canara Bank  
Axis Bank Ltd.  
Calyon Bank  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
Ing Vysya Bank Ltd.  
Karnataka Bank Ltd.  
Standard Chartered Bank  
State Bank of Mysore  
State Bank of Travancore  
Syndicate Bank  
United Bank of India

## Statutory Auditors

M/s N. C. Aggarwal & Co.  
Chartered Accountants

## Internal Auditors

M/s Singhi & Co.  
Chartered Accountants

## Regd. Office

A1, UPSIDC Industrial Area,  
Nandgaon Road, Kosi Kalan  
District Mathura, 281403 (U.P.)

## Corporate Office

Jindal Centre,  
12, Bhikaji Cama Place,  
New Delhi - 110066





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# A Pipeline of Growth >>



## Vice Chairman's Message

### Dear Shareholders,

Jindal SAW envisioned a road map of things to come way back when it started operations more than a quarter of a century ago. Today it has set a phenomenal impression in the global market of pipes for transportation of oil, gas & water.

Jindal SAW's financial strength, product leadership, and global reach uniquely position it as a company not only built to last but to lead. Meeting every challenge head on and providing distinguishing service to all its clients and allied communities set Jindal SAW apart from others. This is in fact reflected through customer satisfaction, growing operations worldwide and a consistent financial performance.

Being a reliable and credible provider of products and services while improving our execution ability at every level, meeting tight deadlines has further reiterated the market leader position with Jindal SAW supplying SAW pipes for the world's longest continuously heated thermal insulated line pipe which has been hailed as a technological marvel.

The recent global meltdown has seen a weakness in demand for SAW pipes, seamless pipes and tubes. However, with the event of downside in the energy sector, company's diverse product portfolio offers flexibility in terms of target industry and application. Together we have been able to help our clients in every way we can and show leadership in the industry. Committed Management and a dedicated team have been able to deliver consistently improving top line year after year.

Manifesting newer ideas and approaches to business with innovation, perseverance and attention to the need of the present industry, which is constantly evolving, Jindal SAW has been able to redraw the financial boundaries lending a positive note to the overall performance. It has furthered our endeavor to create differentiators that act as benchmarks for others to emulate. Our reach to service clients spread across the globe has expanded manifold.

Together, we are proud of creating an organization recognized as a benchmark of excellence. I would like to take this opportunity to share some of the major initiatives that are under implementation.

The company is setting up Ductile Iron Pipe facilities in India (2,00,000 MTPA) and in UAE (3,00,000 MTPA) which are expected to commence operations in the next 12-15 months period. The total capital outlay is expected to be approximately Rs. 6,500 million.

Besides these initiatives in the pipe business, Jindal ITF Ltd. the wholly owned subsidiary of Jindal SAW is focussing on specific sectors of infrastructure like urban infrastructure and logistics infrastructure.

Focussing on the need for social consciousness, Jindal SAW proudly supports Svayam, an initiative of S.J. Charitable Trust and lauds its efforts for making public infrastructure accessible for people with reduced mobility.

Despite the difficult conditions cast by the downturn of the global economy Jindal SAW enters the new financial year with renewed energy to beat the odds. Ruled by optimistic anticipation of business opportunities thrown open by new challenges and elevated excitement, we are prepared to explore newer business avenues while skilfully managing the day to day business.

Jai Hind!

P.R.Jindal



Total Pipe Solutions >>  
and beyond



# Company Profile

Jindal SAW Limited., part of the USD \$ 12 billion O.P. Jindal Group, started operation in the year 1984. The Company manufactures large diameter submerged arc welded pipes, spiral pipes and bends for energy transportation sector. It is India's first Company to manufacture submerged arc welded pipes for oil & gas sector. It produces LSAW Pipes, HSAW Pipes, Ductile Iron Pipes and Seamless Pipes for hydrocarbon and water sector requirements. Its product portfolio is diversified across end-user segments, such as energy transportation, industrial application, water and sewage transportation. The products manufactured find application in exploration of oil and gas, transportation of fluids, water infrastructure projects, boilers and heat exchangers, automotive and bearing industry. Besides these, the Company also provides various value added products like pipe coatings, bends and connector castings to its clients. The business operations of the Company are highly structured with three strategic business units: Large Diameter Pipes (LSAW and HSAW), Seamless Tubes, and DI (Ductile Iron) Pipes. The state-of-the-art manufacturing facilities of the company are located at four places in India, Kosi Kalan in UP, Mundra in Gujarat, Nasik in Maharashtra and Bellary in Karnataka. The Company, through its 100% subsidiary Jindal ITF Limited, also has presence in the infrastructure segment in water, waste water and solid waste management, domestic transportation and logistics and transportation equipment fabrication.

## Submerged Arc Welded (SAW) Pipes

SAW pipes are primarily used in oil and gas transportation. When manufactured from plates they are known as Longitudinal SAW or LSAW. LSAW pipes are used in high pressure oil and gas transportation. When manufactured from hot rolled coil they are known as Helical SAW or HSAW. HSAW pipes are used in low pressure oil, gas transportation and water transportation. LSAW pipes are generally more expensive than HSAW pipes as the raw material i.e. API grade steel plates, is more expensive than hot rolled coils. The Company manufactures LSAW pipe using both the UOE and the JCO processes.

SAW pipes are extensively used in the energy sector for cross-country transportation of oil and gas. Demand for LSAW and HSAW pipes is driven by oil, natural gas exploration and the water transportation segment. LSAW pipes vary from 16" OD to 56" OD and up to 38mm

thickness whereas HSAW pipes, vary from 20" to 108" OD and up to 18mm thick. The Company has LSAW and HSAW manufacturing facilities at three locations; Kosi Kalan (Uttar Pradesh), Mundra (Gujarat) and Bellary (Karnataka).

The Company is the most experienced longitudinally line pipe manufacturer in South Asia after Japan. The Company's products have found wide acceptance in markets of the Middle East, Gulf, South East Asia and Africa.

## Ductile Iron (DI) Pipes

Ductile Iron pipes are primarily used in water and sewage transportation. DI pipes market services the fastest growing water and waste water transportation segment. The main buyers of these products are government bodies and state municipal corporations that operate and maintain public water supply and sewerage systems. Fast growing & rising population in country has resulted an increase in demand for safe water. This in turn has increased the demand for transporting water from potential sources to distant cities, hence the demand of DI Pipes.

The integrated greenfield project of DI pipes is located at Samaghogha in Mundra (Gujarat), close to the Mundra and Kandla ports. This facility includes a coke oven battery, a mini blast furnace and a DI pipe facility. The Company also has a sinter plant, waste heat recovery based power plant of 15 MW and other utilities.

DI pipes manufactured by the Company vary in diameter from DN 80 mm-1,000 mm in the standard lengths 5.5 meters/ 6 meters. The product conforms to both Indian Standard IS 8329 and International Standard ISO 2531 and British Standard BS EN 545, which enables the Company to cater to the Indian and global markets.

The Company is undergoing an expansion of the DI pipe facility by additional 200,000 MTPA, at Mundra, Gujarat which shall be producing small diameter pipes for exports requirements. The Company is also planning to set up a 300,000 MTPA Ductile Iron Pipe facility in United Arab Emirates (UAE) for catering mainly to large diameter pipe requirements for GCC and North African countries. Both these plants are expected to commence operations in 2011-12.

## Company Profile

### Seamless Tubes & Pipes

Seamless tubes are manufactured through a metal forming process where in round steel billets are passed through a piercing mill in a hot condition after heating in a furnace. Subsequently they are further processed through various installations to achieve the desired dimensions and metallurgical properties.

As the name suggests these tubes are seamless in form, without any welding in the periphery, offering higher strength as compared to welded tubes. They find application in Oil and gas sector (popularly known as OCTG), boilers, mechanical components like hydraulic cylinders and automotive field. The size range is from 33.4 mm diameter to 177 mm in hot finished condition and in cold finished, it is from 19 mm to 145 mm diameter in various grades of carbon and alloy steels.

Company's Nashik plant was having a capacity of 100,000 MTPA in the beginning when the plant started and in the reporting period the rolling capacity of the same has been augmented to 250,000 MTPA through an expansion project. A state of the art Premium Quality Finishing (PQF) mill from SMS Germany has been added with other finishing units, for making qualitatively superior world class products to cater to the discerning customers in the west in addition to the growing domestic market. The present capability developed after the expansion will also help in producing higher end of the products thus resulting in increased returns. Further, the plant will now have improvement in yield and better finish with closer dimensional tolerances.

The Company is also setting up a drill tube finishing facility in US which would help it to add another value addition to Company's product portfolio. The Company would be able to supply finished drill tubes to API 5 DP and API spec 7, which will be used for drilling OCTG wells. This being a very sophisticated product, the Company is planning to finish in US and offer to the US market which is significantly bigger as compared to other markets.

### Projects under Implementation

Following major initiatives are under implementation:

- Ductile Iron Plant with additional waste heat recovery based power and coke oven. This expansion will provide additional 200,000 MTPA ductile pipes with wider range of sizes etc. The project is expected to commence operations in the year 2011-12
- Greenfield Ductile Iron pipe facility in United Arab Emirates through a joint venture company with majority stake with Jindal Saw Limited. The plant

shall have a capacity of 300,000 MTPA and the operations are expected to commence in the year 2011-12.

By deploying various strategies and by enhancing the production capacity of its products range, the Company is capable to provide high quality products to cater to the need of various segments/ users in domestic as well as global markets.

### Company Strategy

As a part of consolidation and value enhancement, the Company would remain as a focused and preferred 'Total Pipe Solution' provider. However, the Company would also keep exploring possibilities for working in new high growth infrastructure frontiers.

#### The Company has a vision to:

- Increase the production for all of its products
- Increase its presence in India as well as in global markets
- Retain and add more customers and markets for all products
- Improve operating efficiencies, margins, profitability and shareholders wealth.

Through a 100% subsidiary (Jindal SAW USA, LLC), the Company has set up a double jointing and coating facility in Houston, Texas, USA. The drill pipe facility for seamless pipes is also being set up under the same subsidiary. This will help the Company to have a presence in North American market.

### Quality Management

The Company continues to take quality improvement steps and strengthen the quality systems, process and procedures at all manufacturing locations. The Company was the first large dia pipeline manufacturer in the country to get the API and ISO certifications. Today, the Company has necessary certifications enabling it to market its product globally.



## Directors' Report

To

The Members,

Your Directors are pleased to present the 25th Annual Report and Audited Statement of Accounts of the Company for the period ended 31st March, 2010.

### I. FINANCIAL RESULTS

Particulars	Current Period Ended 31st March, 2010 (15 Months) Rs. in crores	Previous Year Ended 31st Dec., 2008 (12 Months) Rs. in crores
<b>Gross Sales &amp; Income from Operations</b>	<b>6,974.81</b>	5,161.06
Profit before Interest and Depreciation	1,283.36	710.81
Less:		
- Interest	184.18	175.84
- Depreciation	131.27	70.58
Profit before tax	967.91	464.39
Provision for Income Tax and Wealth Tax	244.74	122.06
Net Profit After tax	723.17	342.33
Debt Redemption Reserve Written Back	18.75	18.75
Foreign Exchange Translation Difference	0.07	(7.16)
Previous Year Adjustments	7.18	(9.38)
Surplus brought forward on amalgamation	3.49	-
Add: Balance brought forward from previous Year	218.17	413.30
Total amount available for appropriation	970.83	757.84
Less : Appropriations :		
(a) Transfer to General Reserve	700.00	500.00
(b) Interim Dividend on Preference shares paid	9.44	5.66
(c) Corporate Tax on above	1.61	0.96
(d) Proposed dividend on Preference Shares	0.34	2.19
(f) Proposed dividend on Equity Shares	34.53	26.06
(g) Corporate Tax on dividends	5.79	4.80
<b>Balance carried to Balance Sheet</b>	<b>219.12</b>	218.17

### 2. REVIEW OF OPERATIONS

Your Company reported net sales of Rs. 6,777 crores for the 15 months period ended 31st March 2010 as against Rs. 5,003 crores for the 12 months period ended 31st December, 2008 showing a pro-rata increase of 8.4%. However, operating margins (EBITDA) increased by 44.5% on pro-rata basis showing an all round increase in profitability at operating level. The profit after tax also increased to Rs. 723 crores as against Rs 342 crores in the similar period showing a pro-rata increase of app. 69%. The higher profitability could have been achieved due to efficient operations, controls on the overheads, optimization of financial resources and impact of the foreign exchange volatility.

#### New Projects :

During the reporting period, the Company has commenced operations with additional capacities added in the first six

months. With these additions production capacity of SAW Pipe division stands at 1840,000 MTPA & the rolling capacity in Seamless Division stands at 250,000 MTPA. The increase in capacity in Seamless Division has been done with technology from SMS Germany which is expected to yield better efficiency in times to come. Your Company has also installed a 7.5 MW (1.5 MW x 5 Mills) wind mill power project in Gujarat, in the month of March 2010 which is a step towards green energy, a requirement of present time.

#### Infrastructure Management and Allied Businesses

In 2008, Jindal SAW Ltd set-up its subsidiary, Jindal ITF Ltd., which owns and operates businesses in three segments of the Indian economy - Infrastructure, transportation and fabrication. identifiable as follows:-

\* Water, waste water and solid waste management

## Directors' Report

- \* Domestic transport and logistics
- \* Transportation equipment fabrication

Of the above businesses, only water management and domestic water transport businesses have begun operations. During the 15 months period ended March 31, 2010, Jindal ITF had revenues of Rs 236 crores.

A brief of all the projects is given below:

### WATER INFRASTRUCTURE

**Jindal Water Infrastructure Limited (JWIL)** provides "total water solutions" for potable water, desalination, moving water inland, and waste water management. The over arching focus area for this SPV will be the fast developing water concession market in India. The target customers for JWIL are Municipal/Urban Local Bodies, Industrial Clusters, SEZ/Builders, etc. JWIL is designing sustainable and innovative solutions to manage public utilities for government bodies in public & private partnership, businesses, industries and SEZs in water and waste water management, on EPC or turnkey models. JWIL is committed towards developing products and processes that are economically viable as well as socially and environmentally acceptable.

The Company is nearing completion of its raw water piping EPC project of Rs. 315 Crores. It is currently implementing a Rs. 20 Crores CETP in Sitarganj, Uttaranchal in a SPV along with an EPC for supplying water in Angul, Orrisa valuing approx. Rs. 240 Crores. In the current financial year, the Company has bagged two STP projects in Bhavnagar, and Rajkot alongwith a water supply project in Naya Raipur, Chattisgarh. It has also been pre qualified for multiple projects both in Municipal as well as in industrial sectors.

### WATER TRANSPORTATION

**Jindal Waterways Ltd. (JWL)** is focusing on logistics and domestic cargo movement. The strategy is to build a waterborne transportation backbone for initiating domestic cargo moving business. The company started its operation in FY 2007-08 and has the largest fleet in the country. It has already acquired 7 ships and 1 barge primarily for domestic inter-modal terminal operations. JWL is operating its ships between select terminals and ports having adequate cargo potential. The vessels are being used for container and bulk cargo movement along the east and west coasts. The barge is being utilized for transportation of dry cargo, etc. on the Ganges and Brahmaputra river and other inland waterways besides Bangladesh.

### URBAN INFRASTRUCTURE - WASTE TO POWER PROJECT

**Jindal Urban Infrastructure Limited (JUIL)** is implementing a Municipal Solid Waste to Power Project in Delhi. The project is housed under a SPV named Timarpur Okhla Waste Management Company Private Ltd. (TOWMCL), which has a 25 years concession for generating and selling power. The project will have a capacity of 20 MW to generate power from MSW supplied by NDMC and

MCD to the plant. The project is currently under implementation and is slated to commence operations by second quarter of 2011. This is the first project of such scale in the country and once implemented, it will remove the waste management problems of the Capital significantly.

### WAGON MANUFACTURING

**Jindal Rail Infrastructure Ltd.** is aimed at fabrication for transportation sector. In view of the tremendous growth being witnessed in the industrial sphere, and despite the slowdown in the global economic activities, the Indian Growth story remaining intact, the volume of cargo is bound to exceed the presently available infrastructure. Railways are the largest supporter of cargo transportation. The requirement of wagons is envisaged to increase manifold, both by Indian Railways as well as by Private operators. The Company is currently setting up a wagon manufacturing facility at Karjan in Gujarat, with an installed capacity of 3000 wagons p.a. and with an estimated project cost of Rs. 150 Crores. The total land required for the project i.e. approx 200 bighas, has already been acquired. The project is currently under implementation and will commence operations by December '2010.

### 3. DIVIDEND

The Board has, subject to the approval of Members at the ensuing Annual General Meeting, recommended a dividend of Rupee 1.25 per equity share of Rs. 2/- for the period ended 31st March, 2010 (Previous year Rs. 5.00 per equity share of Rs. 10/-).

The Board's recommendation for a stable and steady dividend is linked to Company's long term requirements of funds for meeting the working capital needs, capital expenditures for its growth plans & modernization and to finance such plans by retaining back the profits.

Together with the corporate tax on dividend, the total outflow on account of equity dividend is Rs. 40.26 crores.

### 4. CONVERSION OF FCCBs

6790 FCCBs of JPY 1,00,000 each aggregating to JPY 6790 million were outstanding as on 31st March, 2010. These are convertible till 24th June, 2011 at the option of bondholders.

After the close of Financial Year on 31st March, 2010, the Company has allotted 2612036 equity shares of Rs. 2/- each on conversion of 8932 FCCBs at a price of Rs. 135/- per equity share.

### 5. SUB-DIVISION OF FACE VALUE / ALLOTMENT OF EQUITY SHARES

With your approval, the face value of equity shares of Rs. 10/- each was sub-divided into equity shares of Rs. 2/- each w.e.f. 11th December, 2009.

The Company had allotted 2600897 equity shares of Rs. 10/- at a price of Rs. 819/- on conversion of equal number of Compulsorily Convertible Debentures which were allotted on preferential basis.

## Directors' Report

### 6. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

A separate report on Management Discussion and Analysis relating to business and economic environment surrounding your Company is enclosed as a part of the Annual Report. Another report provides information / status on the Corporate Governance.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed by the Board of Directors: -

- a. that in the preparation of the annual accounts for the financial year ended 31st March, 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review ;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the accounts for the financial period ended 31st March, 2010 on a 'going concern' basis.

### 8. DIRECTORS

Shri Kuldip Bhargava and Dr. Raj Kamal Agarwal retire by rotation and, being eligible, offer themselves for re-appointment.

### 9. AUDITORS & THEIR REPORT

M/s N. C. Aggarwal & Co., Chartered Accountants, Auditors of the Company retire at the end of ensuing Annual General Meeting, and, being eligible, offer themselves for re-appointment.

Auditors' remarks in their report read with the notes to accounts referred to by them are self-explanatory.

### 10. COST AUDIT

Pursuant to Section 233 B of the Companies Act, 1956 and as per the order of the Central Government, the Company carries out audit of Cost Accounts relating to Steel Tubes and Pipes every year. The Board, subject to the approval of Central Government, has appointed Mr. S.N. Balasubramanian, Cost Accountant, to audit the Cost Accounts relating to manufacture of steel tubes and

pipes for the period ended 31st March, 2010.

### 11. PUBLIC DEPOSITS

The Company had repaid the deposits matured during the year except unclaimed deposits aggregating Rs. 3.04 crores at the end of the year.

### 12. PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.

Information in accordance with the provision of Section 217(1)(e) of Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the statement annexed hereto.

### 13. SUBSIDIARY COMPANIES

The Company has total 18 direct and step down subsidiary companies as on 31st March, 2010. The members may refer to the Statement under Section 212 of the Companies Act, 1956 and the information on financial of subsidiaries appended to the above statement in this Annual Report for further information of these subsidiaries. The Ministry of Corporate Affairs vide its letter No. 47/397/2010-CL-III dated 18.5.2010 granted the approval to the Company for not attaching the Annual Reports of the subsidiary companies with the Annual Report of the Company for the financial period ended 31st March, 2010.

The members, if they desire, may write to the Company Secretary at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066 to obtain the copy of the Annual Report of the subsidiary companies.

### 14. PERSONNEL

The industrial relations remained cordial throughout the year. As required by the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in Annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all Members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066.

### 15. ACKNOWLEDGEMENT

Your Directors express their grateful appreciation to the concerned Departments of Central / State Governments, Financial Institutions & Bankers, Customers and Vendors for their continued assistance and co-operation. The Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels. We are also grateful for the confidence and faith that you have reposed in the Company as its member.

For and on behalf of the Board

Place : New Delhi  
Date : 19th July, 2010

SMINU JINDAL  
Managing Director

H.S. CHAUDHARY  
Wholtime Director

## Directors' Report

### ANNEXURE TO THE DIRECTORS' REPORT

#### ANNEXURE I

#### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

##### CONSERVATION OF ENERGY :

##### (a) ENERGY CONSERVATION MEASURES TAKEN:

1. Commissioning of Wind Power Machines of total capacity of 7.5 MW involving investment of Rs. 46 Crores at Khodaser Distt. Kutch Gujarat which is a natural source of power generation and help in reducing the Green House Gas (GHG) emissions.
2. Installation of AC drive panel to reduce the power consumption and replacement of all EOT cranes panel (Over head cranes) to reduce breakdown time.
3. Installation of VFD at Miller Press, C Press, Dust Blower & EOT Cranes.
4. Replacement of old PE extruder with CINCINATTI make Monos+ I 20, resulting in saving of 280Kw/Hr
5. Replaced 4 Nos heavy duty exhaust fan with self driven air ventilators with no energy consumption, saving of 20Kw/Hr
6. Installation of 2 Nos higher capacity pumps of 600 m3/hr in place of 4 Nos pumps of 275m3/hr in DISP cooling tower hot well, resulting in saving of 1000 kwh/day.
7. Replacement of Aluminum fan with FRP fan in SDPP cooling tower

8. Modification of pipe conveying system in Zinc coating station with plain gantry and kicker system
9. Use of producer gas in Quench and temper furnace to reduce the fuel cost and conserve oil.
10. Installation of sophisticated temperature controls to reduce the fuel consumption in the furnace.
11. Old capacitor have been replaced with new capacitor to improve power factor
12. Installation of one Hydraulic Power pack of 50 HP in place of 3 Nos 40 HP High Pressure Pump for hydro testing

##### (b) ADDITIONAL INVESTMENT AND PROPOSAL FOR REDUCTION OF CONSUMPTION OF ENERGY :

1. Installation of VFD with panel & accessories for hoist motor, HPP motor & Miller motors
2. Replacement of 400 copper ballasts with electronic ballasts
3. Installation of solar hot air system for flux oven

##### (c) IMPACT OF ABOVE MEASURES :

The continued focus on energy conservation measures has resulted in improvement in power factor & saving in energy consumption per ton of production.

#### FORM "A"

#### Form for disclosure of particulars with respect to Conservation of Energy

#### POWER & FUEL CONSUMPTION

	Current Period Ended 31st March, 2010 (15 months)	Previous Year Ended 31st Dec., 2008 (12 months)
<b>(I) Electricity :</b>		
Purchased Units (in crores)	14.20	11.48
Total Amount (Rs. in crores)	84.45	60.71
Rate Per Unit ( Rs. )	5.95	5.29
<b>(II) Own Generation</b>		
(a) Through (WHRPP) power plant/ Wind Power Plant		
Units (in crores)	9.34	2.14
Total Amount (Rs. in crores)	10.77	9.83
Rate per Unit (Rs.)	1.15	4.59
(b) Through D.G. Set		
Generated Units (in crores)	2.78	5.40
Unit per Liter of Oil	3.45	3.66
Cost Per Unit (Rs.)	9.07	7.88
<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
Production : SAW Pipes, Seamless, Ductile Iron Pipes		
Electricity for Manufacturer of Iron & Steel Pipes / Product (MT)	223.12	200.64

## Directors' Report

### FORM " B "

#### Form for disclosure of particulars with respect to technology Absorption for 2009-2010

1. Specific areas in which Research & Development carried out by the Company. The Company has embedded R&D activities into its manufacturing process which is continuous activity. The constant efforts are made to improve production, efficiency, maximizing revenue and minimizing expenditure and impact on environment. The benefits of ongoing continuous R&D as embedded in the manufacturing process are derived by achieving the desired results. Since, this is inbuilt and continuous process, no specific expenditure has been allocated under head "Expenditure on R&D"
2. Benefits Derived
3. Future Plan of Action
4. Expenditure of R & D
  
5. Technology absorption, adaptation and innovation
  - i. Efforts made, in brief, towards technological absorption, adaptation and innovation
    - a. The company commissioned the PQF Mill in Seamless plant at Nashik with technology & design supplied by SMS of Germany.
    - b. Waste Heat Recovery based power plant by using flue gases & exhaust from coke oven batteries
    - c. Installation of Steam Injection System
    - d. Introduction of Dual Fuel Burner
    - e. Installation of Air Separation Plant
    - f. Installation of zero skull system & sand reclamation plant
  - ii. Benefits derived as a result of the above efforts  
The above efforts will improve the operational efficiency, low fuel consumption, minimize wastage and contribute towards better environment.

#### 6. Foreign Exchange

	Current Period Ended 31st March, 2010 (15 months)	(Rs. in Crores) Previous Year Ended 31st Dec., 2008 (12 months)
(a) Earnings	2,595.38	2,352.32
(b) Used	2,706.08	2,981.27

## Management Discussions and Analysis

### Saw Pipes - Global scenario

Globally pipelines are the preferred mode of transportation for liquids and gases, thus one of the largest users of SAW pipes is the hydrocarbon sector. Demand for SAW pipes is dependent upon infrastructure spending in exploration, production and transportation of oil and gas. Shrinking oil reserves coupled with rising demand is expected to fuel huge investments in exploration and production (E&P) activities. High oil prices have resulted in natural gas increasingly emerging as the fuel of choice and hence major gas pipeline construction has been planned. Though capital expenditure cost in pipelines is higher as compared to road and rail, the logistics costs in the case of pipes works out to be much lower, which results in higher benefits for companies that prefer to opt for pipelines to transport its products.

While pipeline manufacturing business is cyclical in nature as the demand from its biggest consumer viz the oil and gas sector is highly correlated to the outlook on oil and gas prices. In 2009, demand for pipeline infrastructure was modest on the back of uncertainty over global economic growth, which prompted companies to delay or reduce their capital expenditure. Factors such as increasing demand for clean fuels like natural gas and search for new oil reserves coupled with replacement demand in developed markets is likely to result in strong demand for pipeline infrastructure

While there is good demand for pipeline infrastructure in MENA region and Asia, the US and European markets are still important markets for pipe manufacturers. Although the general opinion is that the worst may be over for the US and European economies, if these economies were to weaken again or revival of their economic growth were to be delayed, investments in pipeline infrastructure would be severely impacted. This could force pipe manufacturers in the US, Europe and Japan to focus on MENA and Asian regions, and consequently result in higher competition for Indian vendors. Major users of line pipes are regions such as the Middle East, Russia, the US and UK and Africa. Of these, the Middle East, Russia and the US together absorb more than half of the entire global production of welded steel pipes and tubes.

**Natural gas effect:** Increased usage of natural gas will ensure steady investments in gas pipeline infrastructure. Natural gas accounts for 68% of the world's pipelines. Despite the level of low investments in new pipeline infrastructure, construction of new gas pipelines will continue because most had started before the global economic slowdown had set in. The three major natural gas-consuming markets are North America, Europe and Asia-Pacific (mainly Far East Asian countries). In the USA, natural gas will dominate investments and construction work in transmission pipelines.

### Seamless Pipes

Seamless pipe demand is very highly correlated with crude oil prices, which, in turn, depend on the global economic outlook. Although there has been some increase in global drilling activities recently, the increase in activities remains very low but the recovery is expected to strengthen, with both activity levels and pricing improving.

### Domestic Pipe Industry

#### SAW Pipes

India is the sixth largest energy consumer in the world and is one of the world's fastest growing energy consumers. The energy consumption matrix in India is dominated by coal, followed by oil and natural gas. While this pattern contrasts with the World Energy Consumption Matrix, which is dominated by oil and natural gas, it is important to note that the consumption of oil and gas has been growing over the years in India, in comparison with coal.

India is expected to have a spurt in the construction of pipeline infrastructure because the country's domestic gas availability is poised to increase two-fold over the next four to five years. In addition, most of the exploratory blocks that have been offered under various rounds of the New Exploration Licensing Policy (NELP) will enter the drilling phase over the next few years.

According to the EIA, energy demand grew by 3.5% pa in 1999-2005, which is expected to increase to 3.7% pa during 2005-15 and to slow slightly to a 3.5% CAGR for 2015-30. By 2030, we expect India to be the third-largest energy consumer in the world, after China and the US (it currently ranks fourth). Also, India's energy demand is expected to surpass the energy demand of the entire OECD Pacific region (which currently equals 60%). (Macquarie Research Equities - Report 2009)

Worldwide, the percentage of global primary energy consumption of natural gas rose from 19% in 1980 to 24% in 2002. During the period between 2001 and 2025, natural gas demand is expected to see high growth in developing countries. The Indian natural gas market is relatively underdeveloped compared to other regions of the world. Production of natural gas, which was almost negligible at the time of independence, is at present at the level of around 87 million standard cubic meters per day (mmscmd). The main producers of natural gas are Oil & Natural Gas Corporation Ltd (ONGC), Oil India Ltd (OIL) and JVs of Tapti, Panna-Mukta and Ravva. Under the production sharing contracts, private parties like Reliance Industries Ltd (RIL) are also producing gas. According to Hydrocarbon Vision 2025, by 2024-2025, the share of natural gas in total primary energy consumption would increase to 20%. New explorations along with favourable policies of the

## Management Discussions and Analysis

government would increase the demand for gas transportation infrastructure.

### Ductile Iron Pipes

Water and irrigation is a potentially limitless opportunity in India. Low levels of water availability, dependence on rainfall for agriculture, urban growth throws up investment opportunities in this space. The government is also turning its focus on creation of urban and rural infrastructure (including water resources and sewage management), and has increased budgetary allocation for the same under JNNURM schemes, where the government had allocated funds of the order of Rs. 5000 Cr. In these efforts, international development finance institutions such as the World Bank and the Asian Development Bank are extending monetary support to the government. This has generated a strong demand for DI pipes that are increasingly being used for water and sewage transportation.

### Opportunities and Threats to the Sector/ Industry

#### Opportunities

##### SAW Pipes

The global economic meltdown, in last two years, has resulted in decreased demand for oil and petroleum products. This, in turn, has affected investments in oil and gas infrastructure, particularly the construction of new transmission pipelines. However, it is a widely held belief that with construction costs and other related costs likely to shoot up in the near future, investing in new pipeline infrastructure will best serve the interests of oil and gas companies once demand and prices of oil and gas reach higher levels. However, despite the slowdown in new pipeline infrastructure, construction of new gas pipelines are expected to continue as planning of the various pipelines started before the global economic slowdown had set in.

Further, demand for welded pipes for oil & gas transmission is expected to be driven more by structural factors, like long-term infrastructure requirements, a shift to cleaner fuels (gas), new oil & gas sources and geo-politics than short- to medium-term oil price fluctuations.

According to the global consultancy Simdex, 710 pipeline projects of ~326,000km are to be constructed in the next five years, with principal demand coming from Asia followed by North America. At an assumed rate of 200 tonnes of pipes per kilometer and an average price of US\$1, 200/tonne, it is estimated that the global demand for pipes could be as large as US\$78bn. The increased demand in Asia may be fuelled mainly by the growing economies of China and India.

#### Investment in water supply and sanitation infrastructure

The government of India has planned investments of more than Rs 1.4 Tn in infrastructure relating to water supply and sanitation in the Eleventh Five Year Plan. Yearly investment is

expected to grow at CAGR of about 20% during FY08-FY12. This investment will be carried out with participation from both public and private institutions. Jawaharlal Nehru National Urban Renewal Mission (JNNURM) has been set-up to drive the infrastructure improvement in urban India. Demand for DI pipes is directly dependent upon the infrastructure spending in water supply and sanitation. In addition to the above, there is huge demand for water pipelines to meet the requirement of raw water / make up water for various upcoming power plants in the country and normally the water source is at a reasonable distance from the power plant locations. Given the huge investment expected in this sector, it is expected that the demand for DI pipes will grow by at least 15% per annum from FY10-FY12.

### Threats/ Risks to Industry

Following are major threats/ risks which may be faced by the Indian Pipe Industry:

- \* **Slowdown in World economies:** Slowdown in economy may result in low investment in hydrocarbon sector. Limited amount of capital investment may result in low exploration and production activities and hence low demand for new pipeline. Recent global meltdown has seen delay in investment and projects in oil and gas sector, resulting into almost low demand for pipe.
- \* **Raw material prices and its availability:** The availability of steel and at the budgeted price is a key risk to pipe manufacturers. High volatility in the input prices and leading to volatility in steel plate/ coil prices could affect the profitability.
- \* **Overcapacity resulting in pressure in Margins:** Capacity expansion by players worldwide, or by new entrants leading to oversupply coupled with economic slowdown, may put pressure on realizations and margins. In a rising steel prices scenario, a large number of players or oversupply could increase the bargaining power of buyers and the manufacturers may not be able to pass on increased costs to the buyer. These factors could put pressure on margins.
- \* **Increased global Competition:** Global Competition especially in seamless and ductile iron (DI) pipes, though at an early stage, could pose problems for Indian pipe manufacturers in the medium to long term.
- \* **High volatility in freight rates:** Freight costs are approximately 5-7% of the SAW pipes operating costs. A high volatility in freight costs can affect the profitability of pipe producers, if the charter agreements have not been entered to hedge the ocean freights.
- \* **Credit availability:** The credit crunch or adverse liquidity

## Management Discussions and Analysis

situation can force the pipe buyers to default in payment for pipe supplies, delay or deferment in project execution etc.

- \* **Foreign exchange:** The Indian Pipe manufacturers are subject to foreign exchange risks due to high imports and exports. The company is also subject to the same.
- \* **Government regulation:** Any adverse change in Government of India regulation can affect the industry.

### Jindal SAW Limited - Business & Outlook

Jindal SAW carries out its business in two distinct undertakings including (a) Pipe manufacturing business undertaking and (b) Investment business undertaking. Both the activities are distinct and diverse in their business characteristic, growth trajectories, risk profiles and require entirely different approaches.

#### Pipe manufacturing business

Jindal Saw has diversified from a single product company to a multi-product company, manufacturing large diameter submerged arc welded pipes and spirally welded pipes and bends for the energy transportation sector; carbon, alloy and stainless steel seamless pipes and tubes manufactured by conical piercing process used for industrial applications; and DI pipes for water and sewage transportation. Besides these, the Company also provides various value added products like pipe coatings, bends and connector castings to its clients. The Company is also expanding its capacities in HSAW pipes and DI pipes segment, targeted towards domestic and export demand. This enables it to have relatively lower dependence on the oil and gas sector. Going forward, Jindal Saw plans to further leverage its presence in DI pipes through setting up a Greenfield project in United Arab Emirates for the middle-eastern and other regions. This will allow the Company to focus on the global markets for ductile iron pipe business as well.

Recent meltdown in globe has seen weakness in demand for SAW pipes. However, with event of downside in the energy sector, Company's product portfolio offers flexibility in terms of target industry and application. Company's HSAW segment caters to energy as well as water transportation sector mainly to domestic market. Indian energy and water transportation sector was among the least affected sector during recession period. Ductile iron pipe finds application for transportation of water and sewage system, which did not lose its momentum, rather propelled its expansion plan.

Seamless pipe however was affected by slowdown in oil and gas CAPEX as well as downturn in auto sector. Company's seamless pipe division meets demand from auto, power and oil and gas segment. Auto and Power contributes 35-40% of revenue from seamless division of the Company.

Overall Company's product portfolio is diversified to auto, power, water and sewage, and oil & gas segments which mutually balances the upturns and downturns in any of these segments.

#### Investment Business Undertaking

The Company is also engaged in investment business by way of making investments in shares and other securities as well as other financing activities of group companies and strategic investments in new ventures. These activities are carried out directly and / or through its NBFC subsidiary.

#### Jindal ITF - targeting India's infrastructure needs

Through its wholly owned subsidiary, Jindal ITF Ltd, the Company has ventured into businesses like water and waste water management, urban waste management, coastal and inland water transport, and rail wagon manufacturing. Of these businesses, water/waste water management and coastal/inland water transport have started generating revenue. While these businesses may not generate significant business in near term, most of them are in the infrastructure segment, which has huge long term potential considering the expected growth of Indian economy.

#### Risk Factors - Jindal SAW Limited

##### The key risks are:

- \* Economic slowdown may affect the order book position of the Company in the interim period. This may have an effect on the lower capacity utilization, sales and profitability of the Company. However, the Company's diversified product portfolio allows it to mitigate this risk to a larger extent.
- \* Increased competition in all the segments from other players. However, the Company believes that competition is healthy for the industry and to mitigate this risk it remains committed for its sustained efforts for optimization of resources, cost control and expanding the markets.
- \* Company's ability to meet the financial requirements. The Company has improved its debt/equity position and also has sufficient cash in hand to meet the ongoing capital expenditures as well as to insulate it from uncertainties. Company has sufficient bank facilities in place to meet sudden requirements.
- \* Company's exposure in Foreign exchange may have an effect on the financials of the Company. The Company is currently exposed to certain foreign exchange derivative transaction with a negative mark to market position. The Company is proactively managing the position on regular basis and now follows a policy to meet its requirements.

## Management Discussions and Analysis

### FINANCIAL AND PRODUCT WISE PERFORMANCE

The highlight of the operations for 2008 and 2009-10 are as under:

Particulars	Accounting period ended (Rs in Cr.)		Change (%) On Pro-rata Basis
	31.03.2010 (15 Months)	31.12.2008 (12 Months)	
Gross Sales & Income from operations	6,974.81	5,161.06	8%
Profit before Interest and Depreciation	1,283.36	710.81	44%
- Finance Expenses	184.18	175.84	(16%)
- Depreciation	131.27	70.58	49%
Profit before Tax	967.91	464.39	67%
Provision for Tax	244.74	122.06	60%
Net profit after tax	723.17	342.33	69%

Major highlights are as under:

Company's Sales mix:

Product	Turnover (Rupees in Cr.)		Growth (%) On Pro-rata Basis
	2010 (15 months)	2008 (12 months)	
Iron & Steel Pipes	6,509.95	4,722.80	10.3%
Steel Plates/& Coils	0.26	22.94	(99.1%)
Pig Iron	14.63	63.96	(81.7%)
Others (including scrap)	173.37	180.03	(23%)

Iron & Steel pipes includes sale of L SAW pipes, H SAW Pipes, DI Pipes and Seamless Tubes. The company continued to remain focused on the value added production and thus the production of Pig Iron is further reduced to negligible level in 2009-10.

**Other Financial Matters:**

**During the period:**

- 13004485 equity shares were allotted to the holders of 2600897- 9.5% Unsecured Compulsorily convertible Debentures (CCD's) of Rs 819/- each (each CCD convertible into five equity shares)
- Company has not taken any additional long term loan. The value of the balance amount of FCCB and ECB has changed due to the fluctuation in the respective foreign currencies.
- The liquidity position of the company remained comfortable. Interest on borrowing were lower in this year as well
- The earnings ratios have improved. The EBITDA improved to app. 18.5% as compared to app. 14% in the previous

year.

- Net worth of the Company increased to Rs. 3,641 Crores as at March 31, 2010 as against Rs. 2,351 Crores as at December 31, 2008
- Net fixed assets (including capital work in progress) as at March 31, 2010 increased to Rs. 2133 Crores as against Rs 1,886 Crores as at December 31, 2008

#### Internal Control and Their Adequacy

The Company has reasonable system of internal control, pre defined authority levels and the management routinely tests the powers, checks, policies & procedures and mechanism to supervise. The Company has adequate internal audit systems to ensure that all transactions are authorized, recorded and reported correctly. Moreover, the Company continuously upgrades these systems in the line with the world class accounting practices

The internal control systems consist of regular operative performance evaluation and devising corrective measures



## Management Discussions and Analysis

thereof and comprehensive internal and external audits. During the year, the Company used services of Singhi & Co., Chartered Accountant to independently evaluate adequacy of internal controls and conducts transactions as well as management audit. The direct reporting of the internal auditors to the Audit Committee of the Board ensures Independence of the audit and compliance function.

The Audit Committee also reviews the adequacy of internal controls, systems and the compliance thereof. Further the annual financial statement of the Company are reviewed and recommended by the Audit Committee for the consideration and the approval of the Board of Directors. The Committee also reviewed the internal controls system, significant accounting policy, major accounting entries, etc. during the year.

The Company's assets are adequately insured against the loss of fire and other risk, which considered & perceived necessary by the Management from time to time.

### **Material Developments in Human resources/ Industrial Relations**

Processes and Practices initiated & embedded in the system continue to be reviewed and strengthened. Negotiating the tough global economic meltdown, the organization reiterated its focus on encouraging investments in people through merit oriented pay revisions and differential pay reviews. Rewards & recognition coupled with retention of contributing and key skills / employees remained the edifice of the organization philosophy.

Focus on developing talent pool and employee capability was achieved through lateral hiring, increased emphasize on learning & skill up gradation via in-house & external training, job rotations, multi skilling and inter unit developments in green & brown field projects. Critical skills identification & ramp up planning continues at the operating level. Cultivating talent factored in the need for future skills resulting out of changes in technology or processes.

Continuous review of Policies / Practices with the view to making them contemporary & uniform in application is an ongoing process. Steps continue to be regularly initiated to improve processes at Unit levels for better control & productivity.

To improve quality of work life, medical, housing, welfare, recreational, education facilities have been reviewed and upgraded. Where required, expertise is being collaborated in improving the quality of education at our Schools.

CSR development activities continue to be a focus on the belief that benefits percolate to the society in which we habitat and co-exist.

Cordial industrial relations prevailed across the Company. The Management places on record the contribution of employees during the year and their unstinted & wholehearted involvement in raising the bar and achieving continuous improved targets and productivity.

## Corporate Governance Report

### (1) COMPANY'S PHILOSOPHY

The Company's Philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

### (2) BOARD OF DIRECTORS

#### (i) COMPOSITION OF BOARD

The composition of Board of Directors during the period ended March 31, 2010, the details of their directorships, chairmanships/ memberships of the Committees, the attendance record at Board Meetings/ AGM, details of remuneration paid to Directors and other details are given below:

Name of Director	Category of Director	No. of Directorships and Committee Memberships/Chairmanship in other companies		
		Directorship	Committee Membership	Committee Chairmanship
Smt. Savitri Devi Jindal Chairperson	Promoter - Non Executive	8	NIL	NIL
Shri P.R. Jindal Vice-Chairman	Promoter - Non Executive	14	NIL	NIL
Shri Indresh Batra Managing Director	Promoter - Executive	11	NIL	NIL
Ms. Sminu Jindal Managing Director	Promoter - Executive	12	NIL	NIL
Shri A.J.A. Tauro	Independent - Non Executive	NIL	NIL	NIL
Shri Devi Dayal	Independent - Non Executive	2	NIL	NIL
Dr. S.K.Gupta	Independent - Non Executive	7	7	2
Shri Kuldip Bhargava	Independent - Non Executive	2	1	NIL
Dr. R. K. Agarwal	Independent - Non Executive	1	NIL	NIL
Shri H. S. Chaudhary Whole-time Director	Executive	NIL	NIL	NIL

Smt. Savitri Devi Jindal, Shri P.R. Jindal, Shri Indresh Batra and Ms. Sminu Jindal are related to each other in terms of definition of "relative" given under the Companies Act, 1956. None of the other Directors is related to each other.

#### (ii) BOARD MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR

The Board of Directors met 7 times during the period ended 31st March, 2010. These meetings of the Board of Directors were held on 28.2.2009, 30.3.2009, 30.4.2009, 21.5.2009, 27.7.2009, 15.10.2009 and 14.1.2010. The attendance of each of the Directors including at last Annual General Meeting is as follows :-

Directors	No. of Board Meetings Attended	Attendance At The Last AGM
Smt Savtri Devi Jindal	Nil	No
Shri P.R. Jindal	4	No
Shri Indresh Batra	3	No
Ms. Sminu Jindal	5	No
Shri A.J.A.Tauro	5	No
Shri Devi Dayal	5	No
Dr. S.K.Gupta	5	No
Shri Kuldip Bhargava	5	Yes
Dr. Raj Kamal Agarwal	7	No
Shri H.S. Chaudhary	4	Yes

#### (iii) DETAILS OF REMUNERATION PAID TO DIRECTORS

##### (a) REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

The Non-Executive Directors were paid sitting fees of Rs. 20,000/- for each meeting of the Board, Audit and Shareholders' Grievance Committee or other Committee(s) attended by them. During the period under review the Non-Executive Directors were paid the sitting fee as follows:-

S.No.	Name Of Director	Sitting Fee (Rs.)
1	Shri P.R. Jindal	80000/-
2	Shri A.J.A.Tauro	180000/-
3	Shri Devi Dayal	180000/-
4	Dr. S K Gupta	100000/-
5	Shri Kuldip Bhargava	180000/-
6	Dr. Raj Kamal Agarwal	480000/-

## Corporate Governance Report

### (b) Shareholding of Non-Executive Directors in the Company as on 31st March, 2010 is as follows:

Name of Director	No. of equity shares of Rs 2/-each
Smt. Savitri Devi Jindal	1,03,800
Shri P.R. Jindal	98,700
Shri Kuldip Bhargava	8,000

### (c) REMUNERATION PAID TO EXECUTIVE DIRECTORS

The remuneration paid to the Executive Directors during the year under review is as under :-

Name of Director	Position	Salary (Rs.)	Commission (Rs.)*
Shri Indresh Batra	Managing Director	1,23,97,424	93,60,000
Ms. Sminu Jindal	Managing Director	1,87,00,939	94,50,000
Shri H.S. Chaudhary	Whole-time Director	28,81,449	NIL

The terms of appointment of Managing Director are on contractual basis for a period of 5 years from the date of appointment. Terms of appointment of Whole Time Director are contractual for a period of 2 years from the date of appointment. The Company has not issued any stock option.

\* @ 1% on the net profits of the Company computed in the manner laid down under section 309(5) of the Companies Act, 1956, subject to a maximum of an amount equivalent to one year basic salary.

### (3) AUDIT COMMITTEE

#### (i) TERMS OF REFERENCE

The role and terms of Audit Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Audit Committee are taken note by the Board of Directors.

#### (ii) COMPOSITION & MEETINGS

The Committee met 6 times during the period on 28.2.2009, 30.3.2009, 30.4.2009, 27.7.2009, 15.10.2009 and 14.1.2010. The attendance of the members in the meetings is as follows: -

Name of Member	Status	No. of Meetings Attended
Shri A.J.A.Tauro	Chairman	4
Shri Devi Dayal	Member	4
Shri Kuldip Bhargava	Member	4
Dr. Raj Kamal Agarwal	Member	6

Shri Sunil Jain, Company Secretary, is the Secretary of the Committee. Head of Finance & Accounts Department, Statutory Auditors, Cost Auditors and Internal Auditors attend the meetings of the Audit Committee. The Audit

Committee deals with the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls & internal audit functions, compliance with accounting standards and Company's financial & risk management policies, etc. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

### (4) REMUNERATION COMMITTEE

The Company has only three executive directors on the Board whose appointment and remuneration has been fixed by the Board and approved by the members. The non-Executive Directors are paid sitting fee @ Rs. 20000/- per meeting of the Board and its Committees. In view of this, no Remuneration Committee has been constituted.

### (5) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

#### (i) TERMS OF REFERENCE

To look at redressing of shareholders/investors complaints like transfer of shares, non-receipt of dividend warrants, allotment of securities/ shares on conversion of warrants/ bonds, etc.

#### (ii) COMPOSITION

The composition of Shareholders/Investor Grievance Committee is as under :-

Name of Member	Status
Shri P.R. Jindal	Chairman
Ms. Sminu Jindal	Member
Dr. Raj Kamal Agarwal	Member

Mr. Sunil Jain, Company Secretary, is the compliance officer of the Company.

This Committee met 11 times during the period ended 31st March, 2010 on 31.07.2009, 17.08.2009, 18.09.2009, 15.10.2009, 20.11.2009, 9.12.2009, 11.12.2009, 29.01.2010, 23.02.2010, 10.03.2010 and 31.3.2010.

The Board has also delegated power to approve transfer of shares to Executive Directors to be informed to the Board later in their meeting.

#### (iii) SHAREHOLDERS' COMPLAINT / TRANSFER OF SHARES

The details of shareholders' / investors' complaints received / disposed off during the year under review are as follows :-

No. of Shareholders' Complaints Received During The Period	No. of Complaints Not Solved	No. of Pending Complaints
22	NIL	NIL

## Corporate Governance Report

### (6) GENERAL BODY MEETINGS

- (i) The details of annual general meetings held in last three years at the Regd. Office at A-1, UPSIDC Industrial Area, Nandgoan Road, Kosi Kalan-281403, Distt. Mathura, UP and that of the special resolution(s) passed are as under: -

AGM	DAY	DATE	TIME	No. & subject matter of special resolutions
22nd	Friday	29.12.2006	1.00 p.m.	Nil
23rd	Thursday	27.03.2008	12.30 p.m.	One- relating to issue of securities on preferential basis.
24th	Saturday	20.6.2009	12.30 p.m.	Nil

- (ii) No special resolution passed last year through postal ballot. At the ensuing annual general meeting, there is no resolution proposed to be passed through postal ballot.

### (7) DISCLOSURES

- (i) There were no materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the selected parties have been disclosed in schedule No. 21 to the Accounts in the Annual Report.
- (ii) No penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. There were no instances of non-compliance by the Company.
- (iii) Though the Company has not adopted formal Whistle Blower Policy, the employees of the Company are accessible to the Sr. Management for any counseling or consultation and no personnel have been denied access to the Audit Committee.
- (iv) The Company has complied with the mandatory requirement of clause 49 of the listing agreement. The Company has not adopted non-mandatory requirement of the said clause during the period under review.

### (8) MEANS OF COMMUNICATION

- (i) Quarterly Results The quarterly results of the Company are submitted to the Stock Exchanges as well as published in the newspapers as per the requirement of clause 41 of the listing agreement. These results are also posted on website of the Company.

- (ii) Newspapers wherein results normally published English : Business Standard, Economic Times, Times of India, Financial Times, Mumbai Mirror, HT Mint  
Hindi : Navbharat Times, Dainik Jagran

- (iii) Any website, where displayed The results are displayed on the website of the Company, i.e., www.jindalsaw.com

- (iv) Whether it also displays official news releases No

- (v) The presentation made to institutional investors or to the analyst Nil

### (9) GENERAL SHAREHOLDER INFORMATION

- (i) AGM : Date, time and venue  
Date : 17th September, 2010  
Time : 1.00 p.m.  
Venue : A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura – 281 403

#### (ii) Financial year (1st April, 2010 to 31st March, 2011)

- (a) First quarterly results : Before end of July, 2010  
(b) Second quarterly results : Before end of October, 2010  
(c) Third quarterly results : Before end of January, 2011  
(d) Audited yearly results for the year ending 31st March, 2011 : September, 2011  
(e) Annual General Meeting for the year March, 2011 : September, 2011

#### (iii) Date of Book Closure :

14th September 2010 to 17th September, 2010 (Both days inclusive)

## Corporate Governance Report

**(iv) Dividend Payment Date :**

Dividend on equity shares when sanctioned will be made payable on or after the 17th September, 2010 to those shareholders whose names stand on the Company's Register of Members on 13th September, 2010 to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories at the end of business hours on 13th September, 2010.

**(v) Listing on Stock Exchanges :**

The Equity Shares of the Company are listed on the following Stock Exchanges: -

- (i) Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
  - (ii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051
- FCCBs are listed on Singapore. The preference shares issued by the Company on private placement basis are listed on Bombay Stock Exchange Ltd.

Notes:

- (i) Up to date listing fees have been paid to the Stock Exchanges.
- (ii) The application for delisting of equity shares made to the Stock Exchange at Kolkata on December 31, 2003 is pending.

**(vi) (a) Stock Code**

Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
Equity	Preference	Equity	Preference
500378	700116	JINDALSAW	-

**(b) ISIN:** INE324A01024 (equity shares)

**(vii) Market Price Data : High, Low during each month in last financial year :**

The details of monthly highest and lowest closing quotations of the equity shares of the Company at Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited during the period from 1st January, 2009 to 31st March, 2010 are as under:

Month	National Stock Exchange		Bombay Stock Exchange	
	Highest Rate (Rs.)	Lowest Rate (Rs.)	Highest Rate (Rs.)	Lowest Rate(Rs.)
<b>PRE-SUB-DIVISION</b>				
Jan/09	262.45	185.50	261.95	187.10
Feb/09	194.90	158.05	194.90	158.10
Mar/09	193.60	135.50	193.50	135.00
Apr/09	247.85	177.10	247.00	177.60
May/09	388.20	217.05	390.00	216.25
Jun/09	461.10	341.00	461.00	340.15
Jul/09	530.00	300.00	497.50	318.00
Aug/09	591.90	480.55	591.70	474.50
Sep/09	762.00	520.10	761.30	512.55
Oct/09	838.05	677.00	838.00	670.00
Nov/09	936.00	646.00	935.80	645.90
Dec/09	993.65	915.00	993.50	931.25
<b>POST SUB-DIVISION</b>				
Dec/09	195.55	173.80	196.90	172.45
Jan/10	213.40	166.05	213.50	165.00
Feb/10	208.65	174.30	209.00	174.00
Mar/10	224.80	195.20	224.80	195.00

Note: The face value of each of the equity shares of Rs.10/- each was subdivided to five equity shares of Rs.2/- each w.e.f. 11th December, 2009.

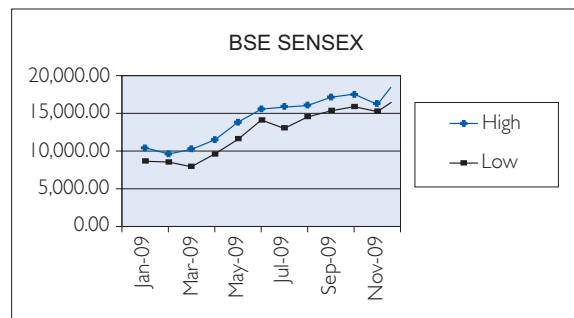
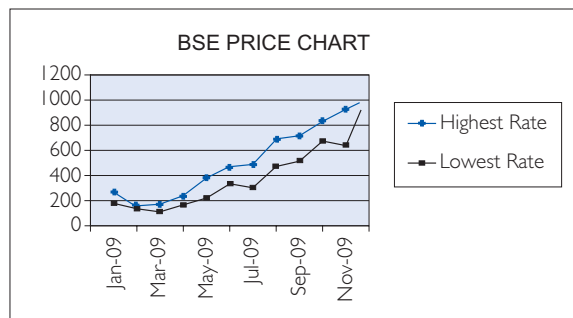
## Corporate Governance Report

(viii) Performance in comparison to broad based indices :

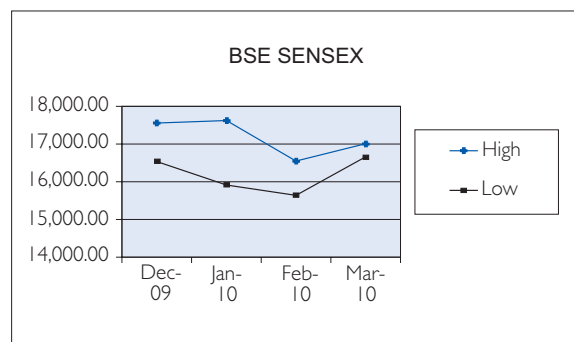
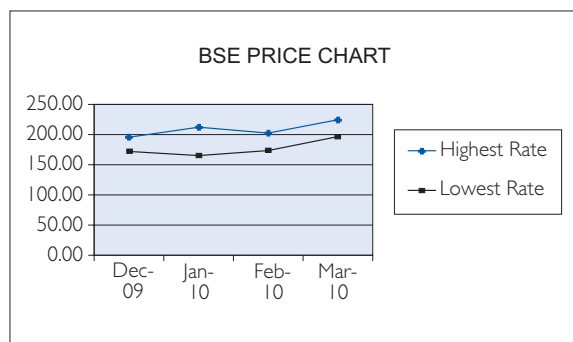
### MARKET PRICE DATA

Month	Bombay Stock Exchange		BSE SENSEX	
	Highest Rate (Rs.)	Lowest Rate (Rs.)	High	Low
<b>PRE-SUB-DIVISION</b>				
Jan/09	261.95	187.10	10,469.72	8631.60
Feb/09	194.90	158.10	9,724.87	8619.22
Mar/09	193.50	135.00	10,127.09	8047.17
Apr/09	247.00	177.60	11,492.10	9546.29
May/09	390.00	216.25	14,930.54	11621.30
Jun/09	461.00	340.15	15,600.30	14016.95
Jul/09	497.50	318.00	15,732.81	13219.99
Aug/09	591.70	474.50	16,002.46	14684.45
Sep/09	761.30	512.55	17,142.52	15356.72
Oct/09	838.00	670.00	17,493.17	15805.20
Nov/09	935.80	645.90	17,290.48	15330.56
Dec/09	993.50	931.25	17361.27	16577.78
<b>POST SUB-DIVISION</b>				
Dec/09	196.90	172.45	17,530.94	16577.78
Jan/10	213.50	165.00	17,790.33	15982.08
Feb/10	209.00	174.00	16,669.25	15651.99
Mar/10	224.80	195.00	17,793.01	16438.45

### PRE SUB-DIVISION



### POST SUB-DIVISION



## Corporate Governance Report

**(ix) Registrar and Transfer Agents :**

RCMC Share Registry (P) Ltd.  
1515, B-106, Sector-2, Noida (U.P.)  
Phone: - 0120-4015880  
Fax: - 0120-4015839  
e-mail: - rcmc@theoffice.net.

The Share Transfer Requests as well as other correspondence relating to shares of the Company are also accepted at our corporate office at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066.

**(x) Share Transfer System :**

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Committee of Directors meets regularly to approve the transfer of shares and to oversee other issues relating to shareholders.

**(xi) Distribution of Shareholding and Shareholding Pattern :**

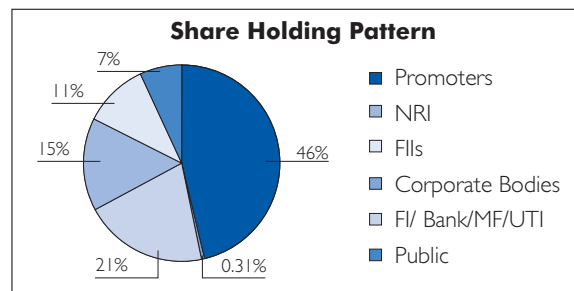
(a) The shareholding distribution of equity shares as on 31st March, 2010 is given below :-

**Distribution of Holdings**

Shareholding of Value of Rs.	Shareholders		Share holding		
	Number	% to total	Share	Amount	% to total
UP TO 5000	32,435	95.50	1,07,40,499	2,14,80,998	3.93
5001 TO 10000	818	2.41	31,24,607	62,49,214	1.14
10001 TO 20000	342	1.01	25,41,937	50,83,874	0.93
20001 TO 30000	83	0.24	10,65,163	21,30,326	0.39
30001 TO 40000	45	0.13	8,05,062	16,10,124	0.29
40001 TO 50000	21	0.06	4,97,061	9,94,122	0.18
50001 TO 100000	63	0.19	22,89,803	45,79,606	0.84
100001 and Above	157	0.46	25,25,51,353	50,51,02,706	92.30
<b>** G Total</b>	<b>33,964</b>	<b>100</b>	<b>27,36,15,485</b>	<b>54,72,30,970</b>	<b>100.00</b>

(b) Shareholding Pattern as on 31st March,2010:

Category	No. of Shares	% of Holding
Promoters	12,70,58,485	46.44
NRI	8,43,679	0.31
FIs	5,61,06,776	20.51
Corporate Bodies	4,11,86,430	15.05
FI/Bank/MF/ UTI	2,95,18,841	10.79
Public	1,89,01,274	6.91
<b>Total</b>	<b>27,36,15,485</b>	<b>100.00</b>



## Corporate Governance Report

### Dematerialization of shares and liquidity :

Number of shares in physical and demat form as on 31st March, 2010 are as follows:

	No. of shares	Percentage
In Physical Form	8,84,15,133	32.31
In Demat Form	18,52,00,352	67.69
<b>Total</b>	<b>27,36,15,485</b>	<b>100.00</b>

### (xii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity :

Out of total JPY 9,09,00,00,000 - 0.75% Foreign Currency Convertible Bonds (Bonds) 67900 Bonds for aggregate value of JPY 6,79,00,00,000 convertible at any time up to 24.06.2011 into newly issued equity shares of Rs. 2/- each at an initial conversion price of Rs. 135/- per share at the option of Bondholders were outstanding as on 31st March, 2010. These outstanding Bonds if converted 1,98,56,413 new equity shares of Rs. 2/- each would be further allotted.

Note: Consequent upon the subdivision of face value of equity share of Rs. 10/- into equity share of Rs. 2/-, the initial conversion price of Rs. 675/- per equity share has been adjusted to Rs. 135/- per share.

### (xiii) Plant Locations :

The Plants of the Company are located at Kosi Kalan (Mathura, U.P.), Sinar (Nashik, Maharashtra), Mundra (Kutch, Gujarat) & Bellary (Karnataka).

### (xiv) Address for correspondence :

Jindal Saw Ltd.  
Jindal Centre,  
12, Bhikaji Cama Place,  
New Delhi - 110 066  
Telephone no. : 26188360-74  
Fax no. : 26170691/41659575  
E-mail : investors@jindalsaw.com

### DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Sr. Management Personnel have affirmed compliance of Code of Conduct as adopted by the Board for the year ended 31st March, 2010.

Place : New Delhi  
Date : 19th July, 2010

Sd/-  
**SMINU JINDAL**  
Managing Director

## Auditors' Certificate on Corporate Governance

To the Members of

### JINDAL SAW LIMITED

We have examined the compliance of conditions of Corporate Governance Procedure implemented by JINDAL SAW LIMITED for the Period ended 31st March, 2010 as stipulated in clause 49 of Listing Agreement of the said company with the Stock Exchange of India.

The compliance of the Corporate governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation there of adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the condition of the Corporate Governance as stipulated in clause 49 of the above-mention Listing Agreement.

We further state that such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**N.C. Aggarwal**

Partner

M.No. 005951

For & on behalf of

**N.C. AGGARWAL & CO.**

Chartered Accountants

FR. No. 003273N

Place : New Delhi

Dated : 19th July, 2010

## Auditors' Report

To

### THE MEMBERS OF JINDAL SAW LIMITED

We have audited the attached Balance Sheet of JINDAL SAW LIMITED as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- A) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order, so far as applicable to the Company.
- B) Further to our comments in Annexure referred to in paragraph (A) above, we report that:
- we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of those books.
  - The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
  - In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this

report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

- Based on written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31st March, 2010 from being appointed as director of the company as referred to in clause (g) of sub section (1) of section 274 of the Companies Act 1956.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
  - In the case of the Profit and Loss Account, of the Profit for the period ended on that date, and
  - In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

**N.C. Aggarwal**  
Partner  
M.No. 005951

For & on behalf of  
**N.C. AGGARWAL & CO.**  
Chartered Accountants  
FR. No. 003273N

Place : New Delhi  
Dated : 19th July, 2010

## Auditors' Report

### ANNEXURE TO AUDITORS' REPORT

(REFERRED TO IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE FOR THE PERIOD ENDED 31st March,2010)

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) A major portion of the fixed assets, has been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
  - c) The Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) As explained to us, the management during the period has physically verified inventories at reasonable intervals and in respect of stores and spares, there is a perpetual inventory system and a substantial part of such stocks has been verified during the period. However, stocks in the possession and custody of third parties and stock in transit as at 31st March, 2010 have been verified by the Management with reference to confirmation or statement of account or correspondence of third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. a) (i) The Company has given interest bearing demand loan to two subsidiary companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved and period end balance during the period in respect of said subsidiaries is Rs. 44987.80 lacs and Rs. 42663.39 lacs respectively. The Company has not given any other loan to any Company or party covered under section 301 of the Companies Act, 1956.
  - (ii) In our opinion and according to information and explanations given to us, the interest bearing demand loans with relevant terms and conditions on which loan has been given are, prima facie, not prejudicial to the interest of the Company.
  - (iii) In respect of the aforesaid loans, the amount are repayable on demand, and hence, the question of irregularity on payment does not arise.
  - (iv) The aforesaid loans is repayable on demand and therefore, the question of overdue amounts does not arise.
- b) As informed to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Thus Paragraph 4 (iii) (f) & (g) of the order, is not applicable.
4. In our opinion and according to information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system of the Company.
5. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions with parties with whom transactions exceeding the value of Rupees five lacs have been entered into during the financial period are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits)

## Auditors' Report

Rules, 1975 with regard to the deposits accepted from the public.

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company in respect of manufacture of steel and steel products to which the said rules are made applicable pursuant to the order made by the Central Government for maintenance of cost records prescribed under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of such records with a view to determine whether these are accurate and complete.
9. a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Custom duty, Investor Education & Protection fund, Excise Duty, Cess, Service Tax and Royalty. There are no arrears as at 31st March, 2010 for a period of more than six months from the date they become payable.  
b) According to the information and explanation given to us, the dues in respect of sales tax, excise, Service tax, entry tax, income tax and custom duty that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of the Statute	Period to which the amount related	Forum where matter is pending	Amount (Rs. in lacs)
Sales Tax Under Gujrat Sales Tax Act.	2002-03	Hon'ble High Court of Gujrat, Ahmedabad	141.94
Sales Tax Under Central Sales Tax, Act	2005-06	Joint Commissioner (Appeals) Rajkot	39.31
Excise Duty Under The Central Excise Act,1944	2005-06	Commissioner, Rajkot	58.97
Excise Duty Under The Central Excise Act,1944	2007-08	Add. Commissioner, Central Excise Lucknow.	21.20

Service Tax Under Chapter V of the Finance Act,1994	2005-06 & 2006-07	CESTAT, New Delhi	1.95
Service Tax Under Chapter V of the Finance Act,1994	2003-04	Joint Commissioner Central Excise Rajkot	28.25
Entry Tax Under The Uttar Pradesh Tax on Entry of Goods,2008	2008-09 to 2009-10	Hon'ble High Court, Allahabad	496.60

10. The Company has no accumulated losses at the end of the financial period. The Company has not incurred any cash losses during the financial period covered by our audit and in the immediately preceding financial year.
11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the banks and debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provision of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments.  
Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks, or financial institutions are not prima facie, prejudicial to the interest of the company.
16. In our opinion, and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised, other than temporary deployment pending application.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investment.



**JINDAL SAW LTD.**

**09-10** annual  
report

## Auditors' Report

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18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has created security for the debentures issued. The debentures were, however, paid during the period.
20. The Company has not raised any money through a public issue during the period.
21. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**N.C. Aggarwal**  
Partner  
M.No. 005951

For & on behalf of  
**N.C. AGGARWAL & CO.**  
Chartered Accountants  
FR. No. 003273N

Place : New Delhi  
Dated : 19th July, 2010



# Financial Statements

## Balance Sheet As At 31st March, 2010

DESCRIPTION	SCHEDULE	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	15,472.34	15,212.25
Optionally Convertible Warrants		-	2,129.40
Reserves and Surplus	2	348,652.64	217,729.00
		<b>364,124.98</b>	<b>235,070.65</b>
Deferred Tax Liability (Net)		18,580.78	11,061.61
<b>LOAN FUNDS</b>			
Secured	3	8,918.90	72,058.30
Unsecured	4	64,786.98	91,598.28
		<b>73,705.88</b>	<b>163,656.58</b>
<b>Total</b>		<b>456,411.64</b>	<b>409,788.84</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS :</b>			
	5		
Gross Block		238,257.20	146,870.90
Less :Depreciation		51,602.86	38,343.92
<b>Net Block</b>		<b>186,654.34</b>	<b>108,526.98</b>
Capital Work in Progress		26,667.60	80,045.13
		<b>213,321.94</b>	<b>188,572.11</b>
<b>INVESTMENTS</b>	6	61,987.12	21,531.49
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Interest accrued on investments		-	5.85
Inventories	7	79,026.67	164,298.58
Sundry Debtors	8	79,406.11	118,860.54
Cash and Bank Balances	9	16,560.94	14,081.53
Loans and Advances	10	98,162.55	41,685.37
		<b>273,156.27</b>	<b>338,931.87</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current liabilities	11	83,285.22	131,345.28
Provisions	12	8,768.47	7,901.35
		<b>92,053.69</b>	<b>139,246.63</b>
<b>NET CURRENT ASSETS</b>		<b>181,102.58</b>	<b>199,685.24</b>
<b>Total</b>		<b>456,411.64</b>	<b>409,788.84</b>
Significant Accounting Policies and Notes to the Accounts	21		

As per our report of even date attached

For **N.C. AGGARWAL & CO.**  
Chartered Accountants

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.C. Aggarwal**  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED: 19th July, 2010

**SUNIL JAIN**  
Company Secretary

**N.K. AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)

## Profit And Loss Account For The Period Ended 31st March, 2010

DESCRIPTION	SCHEDULE	Period Ended 31st March, 2010 Rs. in lacs	Year Ended 31st Dec., 2008 Rs. in lacs
<b>INCOME</b>			
Sales and Operational Income	13	697,481.12	516,106.39
Less : Excise Duty		19,734.77	15,787.84
Other Income	14	1,759.51	1,006.57
Increase/(Decrease) in Stock	15	(22,071.90)	19,681.75
Excise Duty on Increase/(Decrease) in Stock		(494.47)	16.01
		656,939.49	521,022.88
<b>EXPENDITURE</b>			
Cost of Material Consumed/Sold		413,744.99	363,347.70
Manufacturing Expenses	16	49,361.18	38,527.74
Employees Remuneration and Benefits	17	20,906.68	13,237.34
Administrative & Other Expenses	18	9,689.39	4,646.77
Selling Expenses	19	34,900.97	30,182.20
Finance Expenses	20	18,418.49	17,584.08
Depreciation		13,495.52	7,466.61
Less: Transfer from Revaluation Reserve		368.57	408.56
		560,148.65	474,583.88
<b>Profit before Taxation</b>		96,790.84	46,439.00
Less: Provision for:			
- Current Income Tax		16,900.00	10,358.01
- Deferred Tax		7,519.17	1,695.00
- Wealth Tax		29.00	48.18
- Fringe Benefit Tax		25.85	105.15
<b>Profit after Taxation</b>		72,316.82	34,232.66
Debenture Redemption Reserve Written Back		1,875.00	1,875.00
Foreign Exchange Translation Difference		6.65	(715.45)
Previous years' Depreciation Written Back		118.23	50.91
Previous year Taxation Adjustment		600.41	(989.00)
Surplus Brought Forward on Amalgamation. (Refer note No.3)		348.85	-
Profit Brought Forward		21,817.12	41,330.39
<b>Amount available for Appropriation</b>		97,083.08	75,784.51
<b>APPROPRIATIONS:</b>			
Interim Dividend paid on Preference Shares		944.15	565.63
Corporate Dividend Tax on above		160.46	96.14
Proposed Dividend:			
on Equity shares		3,452.84	2,606.07
on Preference Shares		34.41	219.37
Corporate Dividend Tax		579.19	480.18
General Reserve		70,000.00	50,000.00
<b>Balance Carried to Balance Sheet</b>		21,912.03	21,817.12
		97,083.08	75,784.51
<b>Earning Per Share ( On Face Value of Rs. 2/- Each)</b>			
Basic		27.01	12.49
Diluted		25.12	12.16
<b>Significant Accounting Policies and Notes to the Accounts</b>	21		

As per our report of even date attached

For N.C. AGGARWAL & CO.  
Chartered AccountantsH.S. CHAUDHARY  
Wholetime DirectorSMINU JINDAL  
Managing DirectorN.C. Aggarwal  
PARTNER  
M.No. 005951SUNIL JAIN  
Company SecretaryN.K. AGGARWAL  
Vice President  
(Corp. Accounts & Taxation)PLACE : NEW DELHI  
DATED: 19th July, 2010

## Cash Flow Statement For The Period Ended 31st March 2010

PARTICULARS	Period Ended 31st March, 2010	Year Ended 31st Dec., 2008	
	Rs. in lacs	Rs. in lacs	
<b>A. CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITY</b>			
NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY	96,790.84		46,439.00
Adjustments for Add/(Less)			
Depreciation	13,126.95		7,058.05
Dividend Received	(0.01)		(52.50)
Interest Paid	19,296.78		16,359.17
(Profit)/Loss on sale of fixed assets	(9.88)		202.55
Provision for Doubtful Debts	989.30		-
Provision for Doubtful Debts Written Bank	(732.29)		(70.14)
Liquidated Damages/ Bad Debts	2,956.30		297.15
Profit on Sale of Long Term Investments	(553.48)		(374.71)
Provision no longer required	-		(126.73)
Foreign Currency Translation Reserve	6.65		(715.45)
Effect of Unrealised FE Fluctuation (Gain)/Loss	(1,885.74)		12,205.74
Interest Received	(4,277.25)	28,917.33	(2,171.47)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>125,708.17</b>		<b>79,050.66</b>
Adjustments for:-			
Inventories	85,271.91		(47,738.91)
Sundry debtors	35,478.15		(9,362.13)
Other current assets	(510.41)		(5,899.03)
Current liabilities	(47,998.28)	72,241.37	40,124.89
<b>CASH GENERATED FROM OPERATIONS</b>	<b>197,949.55</b>		<b>56,175.48</b>
Tax Paid	(16,902.72)		(17,521.78)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>181,046.83</b>		<b>38,653.70</b>
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>			
(Increase)/Decrease in Investment	(20,446.52)		15,289.02
(Increase)/Decrease in Investment in Subsidiaries	(19,334.50)		(13,748.63)
Capital expenditure	(39,144.38)		(57,045.89)
Sale proceeds of fixed assets	247.88		1,509.55
Loan to subsidiary	(10,361.46)		(8,528.07)
Inter Corporate Loan	(8,013.76)		(1,516.52)
Interest Received	4,283.10		2,850.53
Dividend Received	0.01		52.50
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(92,769.64)</b>		<b>(61,137.51)</b>
<b>C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>			
Dividend paid including Tax	(4,386.03)		(4,685.66)
Interest paid	(17,569.54)		(19,379.22)
Proceeds from Eq. Share Cap. Including Securities Premium	21,301.34		-
Proceeds from Optionally Convertible Warrant	-		2,129.40
Working Capital loans from banks	(48,544.92)		23,353.68
Increase/(Decrease) in secured loan	(14,594.48)		(10,332.03)
Increase/(Decrease) in Compulsory Convertible Debentures	(22,358.70)		22,358.70
Increase/(Decrease) in fixed deposits	803.78		(574.30)
Increase/(Decrease) in unsecured loan	355.43		(1,063.25)
<b>NET CASH INFLOW/(OUTFLOW) USED IN FINANCING ACTIVITIES</b>	<b>(84,993.12)</b>		<b>11,807.32</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENT</b>	<b>3,284.08</b>		<b>(10,676.49)</b>
Cash and cash equivalent as at 01.01.2009 (opening balance)	14,081.53		26,946.94
Exchange Difference on translation of Foreign Currency cash and cash equivalent	(821.87)		(2,188.92)
Cash and Cash equivalent pursuant to amalgamation (Ref Note No. 4)	17.20		-
<b>Cash and cash equivalent as at 31.03.2010 (Closing balance)</b>	<b>16,560.94</b>		<b>14,081.53</b>

NOTE: 1. Increase in secured and unsecured loans are shown net of repayments.  
2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the year.  
3. Previous period's figures have been regrouped wherever necessary.  
4. The effect of merger, refer Note No. 3 in notes to accounts, is cash netural.

As per our report of even date attached

For N.C. AGGARWAL & CO.  
Chartered Accountants

H.S. CHAUDHARY  
Wholetime Director

SMINU JINDAL  
Managing Director

N.C. Aggarwal  
PARTNER  
M.No. 005951

SUNIL JAIN  
Company Secretary

N.K. AGARWAL  
Vice President  
(Corp. Accounts & Taxation)

PLACE : NEW DELHI  
DATED: 19th July, 2010

## Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "I"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,00,00,000 Equity Shares of Rs. 2/- Each (Previous Year 10,00,00,000 Equity Shares of Rs. 10/- each)	10,000.00	10,000.00
1,00,00,000 Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>20,000.00</b>	<b>20,000.00</b>
<b>ISSUED AND SUBSCRIBED</b>		
27,36,18,735 Equity Shares of Rs. 2/- Each (Previous year 5,21,22,850 Equity Shares of Rs. 10/- Each)	5,472.37	5,212.29
1,00,00,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>15,472.37</b>	<b>15,212.29</b>
<b>PAID UP</b>		
27,36,14,735 Equity Shares of Rs. 2/- Each (Previous year 5,21,22,050 Equity Shares of Rs. 10/- Each)	5,472.30	5,212.21
Add: Forfeited Shares 4,000 Equity shares of Rs. 2/- Each (Partly Paid Up Re. 1 each) Previous year 800 Equity shares of Rs. 10/- Each (Partly Paid Up Rs. 5/- each)	0.04	0.04
	<b>5,472.34</b>	<b>5,212.25</b>
1,00,00,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>15,472.34</b>	<b>15,212.25</b>

**NOTES:**

With effect from 11th December, 2009 the face value of equity share of Rs. 10/- was sub-divided into equity shares of Rs. 2/- each. Accordingly, the number of equity shares have been increased five fold.

## 1. OF THE ABOVE EQUITY SHARES

- 1,00,40,000 & 3,30,69,680 were allotted pursuant to contract and schemes of Amalgamation respectively without payment being received in cash.
- 12,89,80,860 were allotted as bonus shares by capitalising Reserves and Securities Premium
- 3,250 shares have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.

2. During the year, 1,30,04,485 equity shares were allotted to the holders of 26,00,897- 9.5% Unsecured Compulsorily Convertible Debentures (CCDs) of Rs. 819/- each ( each CCD convertible into five equity share).

3. The holders of 26,00,000 Warrant (each warrant convertible into one equity share of Rs. 10 each at a price of Rs. 819/- each) did not exercise the option of conversion of warrant into equity shares. The advance money of Rs. 2,129.40 lacs stood forfeited and credited to capital reserve.

## 4. Options on Un-issued Share Capital

Foreign Currency Convertible Bond holders holding bonds for aggregate amount of JPY 6,79,00,00,000 can convert the same upto 24.06.2011 into equity shares of Rs.2/- each at conversion price of Rs. 135/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re.1.00 (after adjustment as per terms & conditions of issue of Bonds)

5. Preference shares are redeemable in three yearly installments in the ratio of 30:30:40 at the end of fifth, sixth and seventh year from the date of allotment i.e. 22.09.2005. These also carry put / call option at the end of 5th Year from the date of allotment.

## Financial Statements

	As At 31st Dec., 2008 Rs. in lacs	Additions during the period Rs. in lacs	Transfer/ Deductions Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "2"</b>				
<b>RESERVES AND SURPLUS</b>				
Capital Reserve	9.50	2,129.40 *	-	2,138.90
Capital Redemption Reserve	1,500.00	-	-	1,500.00
General Reserve	140,153.81	109,901.65 **	-	250,055.46
Debenture Redemption Reserve	1,875.00	-	1,875.00	-
Securities Premium Account	51,513.59	21,041.25	-	72,554.84
Revaluation Reserve	859.98	-	368.57	491.41
Profit and Loss Account	21,817.12	72,316.82	72,221.91	21,912.03
	<u>217,729.00</u>	<u>205,389.12</u>	<u>74,465.48</u>	<u>348,652.64</u>
Previous Year	183,386.59	91,123.41	56,781.00	217,729.00

\* Refer Note No.3 of Schedule I

\*\* Rs.70,000 lacs transfer from Profit and Loss Account and Rs.39,901.65 lacs transfer on amalgamation of the Highgate Consultants Limited with the Company.

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "3"</b>		
<b>SECURED LOANS</b>		
Debentures	-	7,500.00
Term Loan From Banks	7,159.49	13,462.49
Working Capital Loan from Banks	1,759.41	50,304.33
External Commercial Borrowings	-	791.48
	<u>8,918.90</u>	<u>72,058.30</u>

### NOTES

- A (1) Debentures referred above were secured by pari-passu charge by way of English mortgage on the company's specific immovable properties located in the State of Gujarat and by way of equitable mortgage on Company's other immovable and hypothecation of moveable Fixed Assets in favour of Debenture Trustees.
- (2) Debentures referred above were privately placed and consist of:
- 9.75% Debenture of Rs.100/- each aggregating to Rs.2500 Lacs were redeemed on 29th September 2009.
  - 7.75% Debenture of Rs.10,00,000/- each aggregating to Rs.5000 Lacs were redeemed in two equal annual installments on 24th March 2009 and 25th March 2010.
  - Debentures referred to in (ii) above were also secured by personal guarantee of directors.
- B. Term Loans from Banks include:
- Loans of Rs.26.36 lacs (Previous year Rs. 109.53 lacs )for purchase of vehicles and secured by way of hypothecation of vehicles.
  - Loans of Rs. 6667 lacs (Previous Year Rs. 12831.98 lacs) which are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future subject to charges created in favour of Company's bankers for securing Working Capital Facilities.
  - Loans of Rs.7133.13 lacs (Previous Year Rs. 10645.98 lacs) are secured against personal guarantees of directors
  - Housing loan of Rs.466.13 lacs (Previous year 520.98 lacs ) which is secured by way of exclusive charge on the Company's House Property situated in Delhi.
- C. Working Capital Loans are secured/to be secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and to be secured by second charge in respect of other moveable and immovable properties of the Company.
- D. External Commercial Borrowings were secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, except those charged in favour of Company's bankers for securing Working Capital Facilities. These were also guaranteed by Director(s).

## Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "4"</b>		
<b>UNSECURED LOANS</b>		
Fixed Deposits	3,519.73	2,715.95
Deferred Sales Tax Loans	7,180.03	6,697.70
Compulsory Convertible Debentures	-	22,358.70
External Commercial Borrowing	21,193.83	23,349.98
Foreign Currency Convertible Bonds	32,893.39	36,475.95
	<b>64,786.98</b>	<b>91,598.28</b>

**Note :**

- Deferred Sales Tax loans are guaranteed by one of the Director.
- External Commercial Borrowing are repayable on 29th September 2010.
- The Foreign Currency Convertible Bonds (FCCB) are convertible at any time upto the close of business on 24th June, 2011 by holders of the Bonds into newly issued equity shares of Rs. 2 each of the company at the option of the Bondholder, at a base conversion price of Rs.135 per share with a fixed rate of exchange on conversion of JPY 2.533 = Rs. 1.00 after adjustments as per terms & conditions of issue of bonds. Unless previously converted, redeemed or repurchased and cancelled, the bonds will mature on 1st July, 2011 at 117.928 % of their principal amount.
- Out of 27,30,000- 9.5% Compulsory Convertible Debentures(CCDs) of Rs. 819/- each, 26,00,897 CCDs were converted into equity shares and the balance excess money was refunded back to the applicant in accordance with the applicable regulations.

**Schedule "5"****Fixed Assets**

Rs. in lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01.01.09	Additions	Deduction/ Adjustments	As At 31.03.10	Upto 31.12.08	During The Year	Previous Year's Excess Depreciation Written Back	Deduction/ Adjustments	Upto 31.03.10	As At 31.03.10	As At 31.12.08
<b>Tangible Assets:</b>											
<b>LAND :</b>											
Free hold	3,057.51	169.59	-	3,227.10	-	-	-	-	-	3,227.10	3,057.51
Lease hold	394.17	56.39	-	450.56	99.78	8.18	-	-	107.96	342.60	294.39
Building	22,080.73	7,069.42	-	29,150.15	2,433.65	798.49	-	-	3,232.14	25,918.01	19,647.08
Plant & Machinery	1,19,066.78	84,039.75	250.03	2,02,856.50	35,106.66	12,439.30	118.10	76.65	47,351.21	1,55,505.29	83,960.12
Vehicles	1,226.39	258.83	107.00	1,378.22	402.13	145.83	0.13	43.53	504.30	873.92	824.26
Furniture & Fixture	1,018.65	137.87	1.32	1,155.20	291.02	97.95	-	0.17	388.80	766.40	727.63
<b>Intangible Assets:</b>											
Computer Software	26.67	12.80	-	39.47	10.68	7.77	-	-	18.45	21.02	15.99
<b>TOTAL</b>	<b>1,46,870.90</b>	<b>91,744.65</b>	<b>358.35</b>	<b>2,38,257.20</b>	<b>38,343.92</b>	<b>13,497.52 *</b>	<b>118.23</b>	<b>120.35</b>	<b>51,602.86</b>	<b>1,86,654.34</b>	<b>1,08,526.98</b>
<b>Previous Year</b>	1,13,095.02	36,469.11	2,693.23	1,46,870.90	31,903.79	7,472.17 *	50.91	981.13	38,343.92	1,08,526.98	

\*Including depreciation capitalised Rs. 2.00 lacs (Previous Year Rs.5.56 lacs)

**NOTE**

A) Gross Block includes the following amount on account of revaluation made on 31.03.1996 of Pipe Division at A-1, UPSIDC Indl. Area, Kosi Kalan at Net current Residual Replacement Value.

- Land
  - Freehold 7.38 lacs
  - Leasehold 143.59 lacs
- Building 548.34 lacs
- Plant & Machinery 3,916.96 lacs

B) Free hold Lands includes Rs.1,800 lacs, Conveyance Deed for which is yet to be excuted.

## Financial Statements

### SCHEDULE "6"

#### INVESTMENTS

DESCRIPTION	As At 31st March, 2010			As At 31st Dec., 2008		
	No. of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs	No. of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs
<b>LONG TERM - NON TRADE ( AT COST )</b>						
<b>Investment in Equity Shares of Subsidiary Companies</b>						
<b>Unquoted</b>						
Hexa Securities & Finance Co.Ltd.	25,500,000	10	2,550.00	25,500,000	10	2,550.00
IUP Jindal Metals & Alloys Ltd.	11,300,000	10	4,531.80	7,300,000	10	4,131.80
Jindal ITF Ltd.	78,981,646	10	23,684.63	41,759,600	10	12,518.02
Jindal Saw Holdings FZE	1,000	**	18.32			-
S.V.Trading Ltd	2	***	938.93			-
Highgate Consultants Ltd.			-	2	*	817.80
			<u>31,723.68</u>			<u>20,017.62</u>
<b>Investment in Equity Shares</b>						
<b>Quoted</b>						
JSW Steel Ltd.	1,362	10	0.38	1,362	10	0.38
Jindal South West Holdings Ltd.	334	10	0.23	334	10	0.23
			<u>0.61</u>			<u>0.61</u>
<b>Unquoted</b>						
Rohit Tower Building Ltd.	2,400	100	2.40	2,400	100	2.40
Sona Bheel Tea Ltd.	86,025	10	5.90	86,025	10	5.90
Jindal Overseas Pte.Ltd.(Singapore)	153,000	1\$	31.40	153,000	1\$	31.40
			<u>39.70</u>			<u>39.70</u>
<b>Government and Other Securities</b>						
<b>Quoted</b>						
11.30 % GOI 2010 Bonds	70,000	100	82.13	70,000	100	82.13
11.50 % Bond of ICICI Bank Ltd.	14,000	1000	160.72	14,000	1000	160.72
			<u>242.85</u>			<u>242.85</u>
<b>Unquoted</b>						
National Savings Certificates			0.10			0.10
			<u>0.10</u>			<u>0.10</u>
<b>Share Application Money Subsidiary Companies</b>						
Jindal ITF Ltd.			8928.00			1,230.61
Jindal Saw Holdings FZE			52.18			-
			<u>8,980.18</u>			<u>1,230.61</u>
			<u>40,987.12</u>			<u>21,531.49</u>

## Financial Statements

DESCRIPTION	As At 31st March, 2010			As At 31st Dec., 2008		
	No. of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs	No. of Shares / Bonds	Face Value Rs.	Amount Rs. in lacs
<b>SHORT TERM CURRENT-TRADE</b> ( At Lower of Cost or Fair Market Value )						
<b>Mutual Funds</b>						
HDFC Liquid Fund-Premium Plan-Growth			500.00			-
Reliance Liquid Fund Growth			1,000.00			-
Reliance Quarterly Interval Fund Series -II IP Growth			2,500.00			-
JM High Liquidity Fund SIP Growth			1,000.00			-
JP Morgan India Liquid Fund-Growth			5,000.00			-
Birla Sunlife ST Opportunities Fund-IP Growth			2,500.00			-
Canara Robeco Liquid Fund SIP - Growth			500.00			-
Taurus Liquid Fund Institutional Growth			1,500.00			-
Fortis Money Plus Institutional Growth			500.00			-
Kotak Liquid Ip Growth			500.00			-
Bharti Axa Liquid Fund Institutional- Growth			500.00			-
Baroda Pioneer Liquid Fund - Growth			500.00			-
TATA Liquid Fund-growth			500.00			-
Axis Liquid Fund Growth			500.00			-
L&T Liquid SIP Growth			1,000.00			-
SBI Magnum Instacash Fund Growth			500.00			-
Religare Liquid Fund SI - Growth			1,000.00			-
AIG India Liquid Fund SI - Growth			500.00			-
Shinsei Liquid Fund IP - Growth			500.00			-
			<u>21,000.00</u>			<u>-</u>
<b>Total</b>			<u>61,987.12</u>			<u>21,531.49</u>
Aggregate market value of quoted investments			239.10			247.02
Aggregate value of quoted investments			243.46			243.46
Aggregate value of unquoted investment			61,743.66			21,288.03

\* Face Value of 1 Share @ US\$ 1 & Face Value of 1 Share @ US\$ 2000000. (Refer Note No. 3 of Notes to accounts)

\*\* Face Value of 1 Share @ AED 150 each

\*\*\* By virtue of amalgamation of Highgate Consultant Limited investments transferred to the company.Face value of 1 share of USD 1 and face value of 1 share of USD 19,50,000

## Financial Statements

**NOTES:** The Company has purchased and sold the following Current Investments in Mutual Funds during the period.

S. No.	Particulars	No. of Units Purchased/sold	Amount of Purchase (Rs. in lacs)
1	LICMF Liquid Fund-Growth	1,070,146,496	178,344.00
2	LICMF Savings Plus Fund-Growth	656,732,919	94,891.77
3	Reliance Liquidity Fund - Growth Option	592,996,581	80,502.00
4	LICMF Income Plus Fund - Growth Option	463,701,574	56,869.95
5	Reliance Liquid Fund -Treasury Plan- Institutional Option -Growth Plan	201,299,658	44,260.00
6	Reliance Money Manager Fund - Institutional Growth Plan	2,799,314	34,687.20
7	JPMorgan India Liquid Fund - Growth Plan	248,573,613	29,115.00
8	HDFC Liquid Fund - Premium Plan - Growth	300,578,966	28,620.00
9	ICICI Prudential Institutional Liquid Plan-Super Institutional Growth	135,208,160	21,710.00
10	Birla Sun Life Cash Manager - Instl. Plan - Growth	142,307,881	21,370.00
11	Birla Sunlife Cash Plus - Instl. Prem. - Growth	125,177,846	17,900.00
12	JM High Liquidity Fund-SI Growth	115,263,947	16,430.00
13	KOTAK Liquid- IP Growth	81,161,619	14,980.00
14	JM Money Manager -Super Plus Growth	112,581,492	14,431.48
15	Religare Liquid Fund-Super Institutional Growth	114,117,207	14,180.00
16	TAURUS Liquid Fund Institutional - Growth Plan	87,395,291	13,100.00
17	HDFC Cash Mgt Savings Fund Plan - Growth	68,584,022	12,900.00
18	TATA Liquid Fund-Growth	762,199	12,810.00
19	BARODA PIONEER Liquid -Inst.. Growth	118,230,054	12,350.00
20	Principal Cash Mgt. Fund Liquid Option-Insti Premium Plan -Growth	84,084,806	11,865.00
21	Bharti Axa Liquid Fund Institutional - Growth Plan	1,036,971	11,300.00
22	BARODA PIONEER Treasury Advantage fund -Inst. Growth	102,982,425	10,601.10
23	IDFC Cash Fund- SIP C-Growth	95,003,893	10,575.00
24	Axis Liquid Fund - Growth	1,035,847	10,450.00
25	KOTAK Flexi Debt Scheme- IP Growth	89,012,230	9,981.10
26	JPMorgan India Treasury Fund - Growth Plan	81,663,011	9,700.97
27	TAURUS Ultra Short Term Bond Fund SIP Growth	65,842,784	9,450.88
28	Religare Ultra Short Term Fund- Institutional Growth	74,339,585	9,301.00
29	Canara Robeco Liquid Super Instt Growth Fund	84,039,480	9,300.00
30	SHINSEI Liquid Fund-Growth	895,336	9,170.00
31	UTI Mney Market Fund-Inst.Growth Plan	833,477	8,450.00
32	DWS Insta Cash Plus Fund Super Institutional - Growth Plan	70,532,570	8,350.00
33	SHINSHEI Treasury Advantage Fund-Growth	804,571	8,170.91
34	IDFC MMF-TP-Plan C -Growth	74,342,752	8,075.88
35	Templeton Treasury Management Account SI -Growth	559,623	7,500.00
36	TATA Treasury Manager Fund-SHIP Growth	701,700	7,272.57
37	AIG India Liquid Fund SI Growth	622,555	7,240.00
38	HDFC Liquid Fund - Premium Plus Plan - Growth	38,439,501	7,000.00
39	SBI - Magnum Insta Cash Fund Liquid Floater Plan	45,924,225	7,000.00
40	AIG India Liquid Plus Fund SI Growth	52,539,646	6,150.57
41	Axis Treasury Advantage Fund - Institutional Growth	609,646	6,150.57
42	Principal Floating Rate Fund - Insti Premium Plan -Growth	37,426,245	5,400.53

## Financial Statements

S. No.	Particulars	No. of Units Purchased/sold	Amount of Purchase (Rs. in lacs)
43	Canara Robeco Treasury Advantage Super Instt Growth Fund	37,674,899	5,200.57
44	FORTIS Money Plus Institutional Growth	34,092,303	4,700.39
45	Reliance Liquid Fund -Medium Term- Retail Plan - Growth Plan	22,168,403	4,200.48
46	FORTIS Overnight Institutional Plus -Growth	37,416,990	4,200.00
47	Sundaram BNP Paribas Money Fund SI Growth	22,058,265	4,200.00
48	UTI Liquid Cash Plan-IP Growth	280,759	4,000.00
49	HDFC Floating Rate Income Fund ST Plan WS Growth	24,703,428	3,820.42
50	ICICI Prudential Flexible Income Plan-Premium Growth	2,057,209	3,500.39
51	DSP Black Rock Cash Manager Fund- IP Growth	300,995	3,500.00
52	TATA Floater Fund- SHIP Growth	25,316,760	3,440.36
53	Bharti Axa Treasury Advantage Fund - Growth Plan	311,176	3,420.31
54	FORTIS Overnight Institutional Growth	24,617,049	3,370.00
55	DBS Chola Liquid Super Institutional Growth	25,237,484	3,130.00
56	Fidelity Cash Fund SI Growth	22,187,089	2,700.00
57	Reliance Quarterly Interval Fund -Series II IP - Growth Plan	20,024,444	2,500.27
58	Birla Sunlife ST Opportunitis Fund - Instl. Prem. - Growth	24,046,595	2,500.24
59	DSP Black Rock Floating Rate Fund- IP Growth	189,830	2,500.22
60	L & T Liquid Super Institutional Plan-Growth	19,829,977	2,500.00
61	Sundaram BNP Paribas Ultra Short Term Fund SI Growth	17,938,741	2,200.22
62	ICICI Prudential Institutional Liquid Plan-Super Institutional Growth 1565	1,642,095	2,200.00
63	HDFC Cash Management Fund -Treasury Advantage WS Plan-Growth	10,523,675	2,100.24
64	Birla Sunlife Savings Fund - Instl. Prem. - Growth	11,544,406	2,000.20
65	SBI - Magnum Insta Cash Fund Liquid -Cash option	8,844,775	1,800.00
66	SBI Premier Liquid Fund - Super Institutional- Growth	11,453,457	1,615.00
67	L&T F I - S T F - I P - Growth	10,183,746	1,500.17
68	Templeton Floating Rate Income Fund Short Term Plan Institutional Option- Growth	11,745,760	1,500.10
69	UTI Money Market Fund -Growth Plan	5,164,247	1,280.00
70	DWS Insta Ultra Short Term Fund Institutional - Growth Plan	11,164,535	1,200.15
71	ICICI Prudential Ultra Short Term Plan Premium Plus Growth	11,132,390	1,140.12
72	UTI Treasury Advantage Fund -Growth	81,457	1,000.15
73	ING Treasury Management-Growth	5,358,942	1,000.00
74	ING Liquid Fund -Growth	6,343,512	870.00
75	SBI - Ultra Short Term Fund IP Growth	6,732,494	800.08
76	ING Liquid Fund- Institutional SI Growth	5,308,178	700.00
77	Sahara Liquid Fund - Variable Pricing - Growth Option (LFVG)	39,204	630.00
78	DBS Chola - S T F - I P - Growth	3,456,875	500.06
79	SBI - Ultra Short Term Fund IP Daily Dividend	5,003,923	500.05
80	Fidelity Ultra Short Term Debt IP Growth	4,377,019	500.05
81	Fidelity Ultra Short Term Debt Super IP Growth	1,683,649	200.02
82	Peerless Liquid Fund -IP Growth	1,000,000	100.00

Besides above Mutual Fund outstanding as at 31st March 2010 were also purchased during the year.

## Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "7"</b>		
<b>INVENTORIES</b> (Taken, valued and certified by the management )		
Stores and Spares	7,782.02	6,115.02
Loose Tools	206.39	208.46
Finished goods	28,562.14	24,780.33
Work in Process	12,832.60	35,212.56
Raw Material*	28,793.33	93,658.27
Scrap	850.19	4,323.94
	<u>79,026.67</u>	<u>164,298.58</u>
* Includes Raw Material in Transit of Rs. 6316.31 lacs (Previous Year Rs. 13066.85 lacs)		
<b>SCHEDULE "8"</b>		
<b>SUNDRY DEBTORS</b> (Unsecured, considered good)		
Exceeding six months		
- Considered Good	21,319.90	13,198.06
- Considered Doubtful	2,287.47	2,030.46
Others		
- Considered good	58,086.21	105,662.48
	<u>81,693.58</u>	<u>120,891.00</u>
Less Provision for Doubtful debts	<u>(2,287.47)</u>	<u>(2,030.46)</u>
	<u>79,406.11</u>	<u>118,860.54</u>
<b>SCHEDULE "9"</b>		
<b>CASH AND BANK BALANCES</b>		
Cash in hand	14.94	15.68
Balance with Scheduled banks		
- Current Accounts	3,866.36	1,191.61
- Fixed Deposit Account*	12,679.64	12,874.24
	<u>16,560.94</u>	<u>14,081.53</u>
* This includes balance of unutilized money out of FCCB issue Rs.10970.95 lacs (Previous Year 11645.42 lacs)		
<b>SCHEDULE "10"</b>		
<b>LOANS AND ADVANCES</b> (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	15,995.61	17,659.08
Earnest money and Security deposits	3,890.32	3,470.37
Loan to Subsidiaries	59,740.71	11,814.38
Inter Corporate Loans	13,286.39	5,272.63
Balance with Customs, Central Excise Authorities ,etc.	599.71	412.51
Export Benefits/Govt. Grants Receivable	4,649.81	3,056.40
	<u>98,162.55</u>	<u>41,685.37</u>

## Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "I1"</b>		
<b>CURRENT LIABILITIES</b>		
Acceptances	38,994.07	84,358.36
Sundry Creditors		
- To micro and small Enterprises	-	-
- To others	23,724.23	26,905.82
Advance from Customers	5,526.28	14,012.50
Interest Accrued but not due	4,804.02	2,550.46
Other Liabilities	9,860.03	1,795.18
Unclaimed Dividend *	222.64	198.44
Due to Subsidiary	153.95	1,524.52
	<b>83,285.22</b>	<b>131,345.28</b>
* There is no amount due & outstanding to be credited to Investor's Education and Protection fund u/s 205 C of the Companies Act, 1956.		
<b>SCHEDULE "I2"</b>		
<b>PROVISIONS</b>		
Taxation ( Net of Prepaid Taxes)	2,908.98	3,457.26
Proposed Dividend	3,487.25	2,825.44
Corporate Dividend Tax	579.19	480.18
Leave encashment	1,274.70	829.78
Gratuity	518.35	308.69
	<b>8,768.47</b>	<b>7,901.35</b>

## Financial Statements

DESCRIPTION	Period Ended 31st March, 2010 Rs. in lacs	Year Ended 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "13"</b>		
<b>SALES AND OPERATIONAL INCOME</b>		
Sales	669,821.54	498,973.29
Conversion Charges	13,366.97	4,296.66
Govt. Incentive / Grants	14,292.61	12,836.44
	<u>697,481.12</u>	<u>516,106.39</u>
<b>SCHEDULE "14"</b>		
<b>OTHER INCOME</b>		
Dividend on Long Term investments	0.01	52.50
Profit on Sale of Current Investments	553.48	374.71
Provision no longer required written back	-	126.73
Miscellaneous Receipts	1,216.21	434.08
Previous Year's Adjustment (Net)	(10.19)	18.55
	<u>1,759.51</u>	<u>1,006.57</u>
<b>SCHEDULE "15"</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods	24,780.33	12,196.50
Work-in-progress	35,212.56	30,084.68
Scrap	4,323.94	2,353.90
	<u>64,316.83</u>	<u>44,635.08</u>
<b>CLOSING STOCK</b>		
Finished Goods	28,562.14	24,780.33
Work-in-progress	12,832.60	35,212.56
Scrap	850.19	4,323.94
	<u>42,244.93</u>	<u>64,316.83</u>
Increase/(Decrease) in Stock	<u>(22,071.90)</u>	<u>19,681.75</u>

## Financial Statements

DESCRIPTION	Period Ended 31st March, 2010 Rs. in lacs	Year Ended 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "16"</b>		
<b>MANUFACTURING EXPENSES</b>		
Stores and Spares	16,037.55	13,548.79
Power and Fuel	18,270.00	13,275.14
Outsourcing	7,219.78	6,973.91
Other Manufacturing expenses	4,721.62	3,120.55
Repair and Maintenance:		
- Plant and Machinery	2,832.49	1,441.26
- Factory Building	279.74	168.09
	<b>49,361.18</b>	<b>38,527.74</b>
<b>SCHEDULE "17"</b>		
<b>EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary, Wages and other Benefits	18,329.39	11,842.57
Contribution to Provident and other funds	1,487.17	703.67
Workmen and Staff Welfare	1,090.12	691.10
	<b>20,906.68</b>	<b>13,237.34</b>
<b>SCHEDULE "18"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	204.22	97.76
Rates and Taxes	39.90	348.21
Insurance	357.79	259.90
Postage, Telegrams & Telephones	301.15	233.54
Travelling & Conveyance	1,339.16	905.28
Legal & Professional Fee & Expenses	1,293.44	688.56
Vehicle upkeep & Maintenance	271.84	243.52
Director's Meeting Fees	12.00	4.90
Charity and Donations	61.85	86.95
Miscellaneous Expenses	2,563.68	1,319.23
Auditor's Remuneration	35.06	23.84
Cost Auditor's Remuneration	5.87	5.52
Provision for doubtful debts	989.30	-
Provision for doubtful debts written back	(732.29)	(70.14)
Liquidated damages/Bad Debts	2,956.30	297.15
(Profit) on Sales of Fixed Assets	(19.11)	-
Loss on Sales of Fixed Assets	9.23	202.55
	<b>9,689.39</b>	<b>4,646.77</b>

## Financial Statements

DESCRIPTION	Period Ended 31st March, 2010 Rs. in lacs	Year Ended 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "19"</b>		
<b>SELLING EXPENSES</b>		
Commission on Sales	8,338.90	6,231.86
Advertisement	158.73	79.30
Forwarding Charges*	23,498.49	22,320.88
Other Selling Expenses	2,904.85	1,550.16
	<b>34,900.97</b>	<b>30,182.20</b>
*Net of recoveries Rs.2945.68 lacs ( Previous Year Rs.10,558.30 lacs)		
<b>SCHEDULE "20"</b>		
<b>FINANCE EXPENSES</b>		
Interest on Fixed Deposits	339.21	311.92
Interest on Debentures	2,744.38	2,467.47
Interest on Term Loans	1,360.61	1,614.14
Interest on Bank Borrowings	1,208.35	1,417.85
Bank and Finance charges	3,398.96	3,396.38
Interest to Others	1,862.94	1,185.99
Foreign Exchange Fluctuation / Loss/(Gain) from Derivative Transactions (Net)	11,781.29	9,361.80
	<b>22,695.74</b>	<b>19,755.55</b>
Less: Interest Received:		
Interest on Bonds and Debentures (TDS Rs.2.04 lacs, Previous Year Rs.3.32 lacs)	30.01	24.01
Other Interest on Loans, Advances and Deposits (TDS Rs. 413.33 lacs, Previous Year Rs. 420.78 lacs)	4,247.24	2,147.46
	<b>4,277.25</b>	<b>2,171.47</b>
	<b>18,418.49</b>	<b>17,584.08</b>

## Financial Statements

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

#### SCHEDULE '21'

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis, except in respect of insurance claims, Liquidated damages, and derivative transactions, where the exact quantum can not be ascertained.

##### 2) SALES

- a) The Sales are inclusive of Excise Duty but net of Sales Tax.
- b) Materials returned/rejected are accounted for in the year of return /rejection.
- c) Revenue in respect of Service/ Works Contracts is recognized based on the Work performed and invoiced as per the terms of specific Contracts.
- d) Revenue in respect of sale of goods is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods.
- e) Incentives on exports and other Government Grants are recognized in Books after due consideration of certainty of utilization/receipt of such incentive / grant.

##### 3) FIXED ASSETS

###### a) VALUATION OF FIXED ASSETS

- i) Tangible Fixed Assets are stated at cost of acquisition (net of Cenvat/ Value Added Tax credit) inclusive of all incidental expenses related thereto except Land, Building and Plant & Machinery in respect of Pipe Division, at Kosi Kalan, Mathura which have been stated at revalued amount as a result of their revaluation.
- ii) Software which is not an integral part of related hardware is classified as an intangible asset and is stated at cost.

###### b) DEPRECIATION & AMORTIZATION

- i) Depreciation on Fixed Assets is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended up to date.
- ii) Depreciation on revalued fixed assets is computed on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956, as amended up to date and additional depreciation on account of revaluation is adjusted to Revaluation Reserve Account.
- iii) Leasehold assets are amortized over the lease period.
- iv) Intangible fixed assets are amortized over a period of 5 years.

###### c) EXPENDITURE DURING CONSTRUCTION PERIOD FOR NEW PROJECTS /EXPANSION cum MODERNIZATION PROJECTS

Expenditures which are directly attributable to identified assets and incurred during the construction period are included under capital work-in-progress, till the completion of the project. Expenditures which are not directly attributable to an identified asset forming part of a project, including interest on borrowed funds, are carried to pre-operative expenses, till the completion of the project. On completion of the project, capital work in progress along with pre-operative expenses is carried to respective fixed assets.

**d) IMPAIRMENT OF ASSETS**

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Profit and Loss Account. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

**4) VALUATION OF INVENTORIES**

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost is computed on the weighted average basis.

**5) INVESTMENTS**

Long-term investments are stated at cost. When there is a decline other than temporary in their value, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit and Loss Account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments. Current investments are carried at lower of cost or Fair market value.

**6) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets and other borrowing costs are recognized as expense in the period in which these are incurred.

**7) FOREIGN EXCHANGE TRANSACTIONS**

Foreign currency transactions are recorded at the exchange rate prevailing at the date of transaction. Monetary foreign currency assets and liabilities are translated at the year end exchange rates. All exchange differences are dealt with in the Profit and Loss Account, except (i) to the extent that they are regarded as an adjustment to the interest cost and the resultant balance for new projects, till the date of capitalization, are carried to pre-operative expenses. In case of forward foreign exchange contracts, exchange difference are dealt within the Profit and Loss Account over the life of the contract, except as mentioned in (i) supra. Non monetary foreign currency items are carried at historic costs.

In the case of foreign branches, being non-integral foreign operations, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Exchange Gain arising on conversion is recognized in the exchange fluctuation reserves and in case of loss, the same is charged to Profit and Loss Account.

Gain or loss on reinstatement on the forward exchange transaction or on cancellation of forward exchange contracts, if any, is reflected in the Profit and Loss Account or capitalized till the date of installation of such fixed asset.

Derivative transactions are considered as Off-Balance Sheet items and cash flows arising there from are recognized in the Books of Account as and when the settlements take place in accordance with the terms of the respective contracts over the tenor thereof.

**8) CONTINGENT LIABILITIES**

Contingent liabilities are not provided for in the Accounts but are separately disclosed by way of a note.

**9) EMPLOYEE BENEFITS**

i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related services are rendered.

## Financial Statements

- ii) Contributions to Provident Fund, a defined contribution plan are made in accordance with the statute, and are recognized as an expense in the year in which the employees have rendered service.
- iii) The cost of providing leave encashment and gratuity, defined benefit plans are determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses are recognized as and when incurred.

### 10) MISCELLANEOUS EXPENDITURE

Preliminary & Shares and Convertible Bonds issue expenses are adjusted from Securities Premium Reserve.

### 11) TAXATION

- i) Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.
- ii) Deferred tax is computed at the current rate of tax to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

## B. NOTES TO THE ACCOUNTS

1. CONTINGENT LIABILITIES	As At 31st March, 10 Rs. in lacs	As At 31st Dec., 08 Rs. in lacs
a) Guarantees issued by the Company's bankers on behalf of the Company	70,188.92	62,988.74
b) Letter of Credit Outstanding	49,397.52	72,318.96
c) Corporate guarantees/ undertaking issued to lenders of subsidiary companies	2,685.11	-
d) Disputed Excise duty, Custom Duty and service tax	122.87	87.22
e) Income tax demands against which company has preferred appeal	885.12	-
f) Disputed Sales Tax	627.37	674.12
g) Liability in respect of Corporate Guarantee/Duty Saved for availing various export based incentive schemes.	8,616.65	29,023.68
2. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	9,326.79	11,267.10
3. In terms of the Scheme of Amalgamation under section 391 and 394 of the Companies Act, 1956 (the Scheme) and as per the Order of Hon'ble High Court of Judicature at Allahabad dated 13th July, 2009 which was filed with the Registrar of Companies on 12th August, 2009, Highgate Consultants Limited (Transferor Company) stands amalgamated with the Company (Transferee Company) w.e.f. 12th August, 2009, the Appointed date.		
a) The Transferor Company was a wholly owned subsidiary of the Transferees Company and was engaged in the business of finance and investment.		
b) In terms of the above Scheme, all of the assets, liabilities and obligations of the Transferor Company have been transferred and vested in the Transferee Company at their respective value as appearing the books of the Transferor Company.		
c) The amalgamation as per the above Scheme stands accounted for under the 'Pooling of Interest Method' as per AS 14.		

## Financial Statements

- d) In terms of the Scheme,
- (i) Transferor Company being wholly owned subsidiary of the Transferee Company, no further shares of Transferee Company were issued and the share capital of Transferor Company has been cancelled.
  - (ii) An amount equal to the balance lying in the 'Profit and Loss Account' as appearing in the Balance Sheet of Transferor Company has been taken over by Transferee Company and aggregated with the balance in its profit and loss account.
  - (iii) The excess of the aggregate value of assets reduced by the aggregate value of liabilities, balance in profit and loss account of Transferor Company over the value of the inter-se loans and investments cancelled consequent upon the amalgamation has been credited to the General Reserve Account of the Transferee Company
4. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
  5. The Company's significant leasing arrangements are in respect of operating leases for premises-residential and offices. These leasing arrangements are cancellable. The aggregate lease rentals payables are charged as rent.
  6. The Company has unquoted investments of Rs. 30,766.43 lacs (Previous Year Rs. 19,199.82 lacs) in Subsidiary Companies, which have accumulated losses as per the latest available Balance Sheet and certain other unquoted investment where the fair value (amount unascertained) is lower than the cost, considering the long term strategic investments and future prospects, such diminution, in the opinion of the management, has been considered to be of temporary nature and hence no provision for the same is considered necessary.
  7. An amount of Rs. 21,992.61 lacs (Previous Year Rs. 11,814.38 lacs) is outstanding from Subsidiary companies, which have accumulated losses. Having regard to the long- term involvement & future prospects, no provision is considered necessary towards these outstanding.
  8. Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, which is not likely to be material, will be adjusted at the time of confirmation.
  9. The company has provided sponsor's undertakings to lenders of the projects being sponsored by its wholly owned subsidiary namely Jindal ITF Limited. Major terms of the undertakings envisage investment of equity, retention of major equity in subsidiary company, supporting the projects for shortfall in debt servicing and in the eventuality of any cost overrun.
  10. The Stores and Spares consumed and Salaries & Wages incurred for repairs and maintenance of Plant and Machinery, Shed and Building have not been allocated to the respective repairs and maintenance accounts.
  11. In the opinion of the Management, the realizable value of Current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.
  12. Capital work in progress includes Advance against capital goods of Rs. 2,196.49 lacs (Previous Year Rs. 1,836.65 lacs).
  13. The amount of foreign exchange fluctuation amounting to Rs. 4830.94 lacs (Credit) (Previous Year Rs. 19,424.74 lacs-Debit) is included under the relevant heads of expenditure and income.
  14. During the year, the amount of foreign exchange fluctuation capitalized towards Fixed Assets is Rs. 779.26 lacs -Credit (Previous Year Rs. 13,056.40 lacs- Debit)
  15. Profit for the year includes Prior Period Adjustment Rs 10.30 lacs (Debit) and Rs 0.11 lacs (Credit) (Previous Year - Rs. 0.64 lacs (Debit) and Rs 19.19 lacs (Credit).
  16. Profit or Loss on sale of Raw Materials, Stores and Spares is not ascertained or shown separately and sale proceeds have been credited to the respective consumption accounts.
  17. Sundry Debtors include Rs. 136.25 lacs (Previous Year Rs.108.08 lacs) due to Private Company in which director of the company is a director.

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18. Charity and Donations includes Rs. 2.00 lacs (Previous year Nil) to Bhartiya Janta Party & Rs. 0.50 lacs (Previous year Nil) to Indian National Congress, both of Gujrat State Unit as contribution to political parties.

19. Financial and Derivative Instruments

a) Nominal amounts of derivative contracts entered into by the company and outstanding as at 31st March, 2010 for hedging Currency and interest rate related risks:

Sr. No.	Particulars	As at 31st March, 2010 (Rs in lacs)	As at 31st Dec., 2008 (Rs in lacs)
1	Interest rate swaps	6,771.00	7,278.00
2	Currency Swap	18,056.00	19,408.00
3	Options	1,90,970.00	2,90,513.50
4	Forward Contracts	65,873.86	1,18,146.00

b) Foreign Currency exposures that has not been hedged by derivative instrument or otherwise are as under:

Sr. No.	Particulars	As at 31st March, 2010 (Rs in lacs)	As at 31st Dec., 2008 (Rs in lacs)
1.	Receivables/ inflow	-	22,908.00
2.	Payable/ Outflow	23,604.76	-

The Company has outstanding foreign currency related derivative contracts in form of swap/options etc. for hedging its business related exposure which are not speculative in nature. The contracts have long dated tenor with multiple contingent/ uncertain events. As such, ascertainment of fair value of these contracts is not feasible, however banks estimate the mark to market (MTM) of all outstanding contracts at app. USD 90 million ( previous year app. USD 109 million). The Company intends to adopt AS30 in due course and pending adoption of AS 30, the MTM is neither charged to Profit and Loss Account nor considered in the Balance Sheet. However, the gain /loss is being accounted for on settlement.

## 20. Related Party Transactions

### List of Related Parties & Relationship

#### a) Subsidiaries

##### i) Direct Subsidiaries:-

S.No	Name of the Company
1	Hexa Securities & Finance Co. Ltd
2	Jindal ITF Ltd.
3	IUP Jindal Metals & Alloys Ltd.
4	S.V. Trading Co. Ltd.
5	Jindal Saw Holdings FZE (w.e.f. 19th Oct 2009)
6	Highgate Consultants Limited ( merged with Jindal Saw w.e.f. 12th August 2009)

##### ii) Indirect Subsidiaries (Control Exist)

S.No	Name of the Company
1	Jindal Saw USA, LLC
2	Jindal Saw Middle East FZC (w.e.f. 19th Oct 2009)

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3	Jindal Intellicom Private Limited
4	Jindal Water Infrastructure Limited
5	Jindal Urban Infrastructure Ltd.
6	Jindal Shipyards Ltd.
7	Jindal Rail Infrastructure Ltd.
8	Jindal Waterways Ltd.
9	Jindal Infralogistics Ltd.
10	Jindal Water Infra (Naya Raipur ) Ltd. (w.e.f. 29th Sep 2009)
11	Jindal ESIPL CETP (Sitaganj) Ltd.
12	Timarpur-okhla Waste Management Co. Pvt. Ltd.
13	Jindal Saw Gulf LLC (w.e.f. 19th Oct 2009)
14	ICMS Inc. (upto 3rd March 2009)

### b) Key Management Personnel

1	Ms. Sminu Jindal	Managing Director
2	Mr. Indresh Batra	Managing Director
3	Mr. H S Chaudhary	Whole Time Director
4	Mr. O P Sharma	Chief Operating Officer (Large Dia. Pipe- SBU)
5	Mr. K Chandrayya	Director (Works- IPU)
6	Mr. V S Konnur	Director (Seamless Business)

### c) Relative of Key Management Personnel

Mr. P.R. Jindal

E. Transactions	Description	Subsidiaries		Key Management Personnel and their relatives		Rs. in lacs
		Current Period	Previous Year	Current Period	Previous Year	
<b>A. Transactions</b>						
<b>1 Sale of Material/ Services</b>						
	Jindal Water Infrastructure Ltd.	6,061.97	6,410.15	-	-	
	Jindal Saw USA LLC	34.17	115.04	-	-	
<b>2 Purchase of Consumables</b>						
	IUP Jindal Metals and Alloys Ltd	-	2.40	-	-	
	Jindal Saw USA LLC	8.36	-	-	-	
<b>3 Purchase of Capital Items</b>						
	Jindal Saw USA LLC	76.66	-	-	-	
	IUP Jindal Metals and Alloys Ltd	4.54	10.08	-	-	
<b>4 Interest Paid</b>						
	Ms. Sminu Jindal	-	-	-	5.60	
<b>5 Interest Received</b>						
	SV Trading	142.55	-	-	-	
	IUP Jindal Metals and Alloys Ltd	684.54	436.53	-	-	
<b>6 Share Capital</b>						
	Jindal ITF Ltd.	11,166.61	12,513.09	-	-	
	Jindal Saw Holding FZE	18.32	-	-	-	
	IUP Jindal Metals and Alloys Ltd	400.00	-	-	-	

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Description	Subsidiaries		Key Management Personnel and their relatives	
	Current Period	Previous Year	Current Period	Previous Year
Rs. in lacs				
<b>7 Share Application Money</b>				
Jindal ITF Ltd.	8,644.39	1,230.60	-	-
Jindal Saw Holding FZE	52.18	-	-	-
<b>8 Share Application Money Recd Back</b>				
Jindal ITF Ltd.	947.00	-	-	-
<b>9 Investment Transferred</b>				
Hexa Securities & Finance Co.Ltd.	-	1,710.72	-	-
<b>10 Rent Paid</b>				
Mr.P.R. Jindal	-	-	10.50	6.30
<b>11 Job-Work charges (Paid)</b>				
Jindal Saw USA LLC	-	3,568.24	-	-
<b>12 Loan given during the year</b>				
Hexa Securities & Finance Co.Ltd.	12,005.22	14,932.77	-	-
IUP Jindal Metals and Alloys Ltd.	2.96	2,654.00	-	-
<b>13 Loan Received Back during the year</b>				
Hexa Securities & Finance Co.Ltd.	2,159.00	9,396.31	-	-
IUP Jindal Metals and Alloys Ltd	400.00	-	-	-
<b>14 Remuneration Paid</b>				
Ms. Sminu Jindal	-	-	281.51	191.30
Mr. Indresh Batra	-	-	217.57	144.18
Others	-	-	180.92	116.37
<b>15 Rent Received</b>				
Mr.P.R. Jindal	-	-	7.50	4.50
Jindal Intellicom Pvt. Ltd.	52.91	39.63	-	-
<b>16 Expenses incurred by the Company</b>				
Jindal Water Infrastructure Ltd.	17.05	-	-	-
IUP Jindal Metals and Alloys Ltd.	0.41	-	-	-
Jindal Saw USA LLC	10.80	-	-	-
Jindal Intellicom Pvt. Ltd.	119.50	-	-	-
<b>17 Expenses incurred on behalf of the Company</b>				
Jindal Water Infrastructure Ltd.	0.70	-	-	-
IUP Jindal Metals and Alloys Ltd.	6.42	-	-	-
Jindal Saw USA LLC	56.66	-	-	-
Jindal Intellicom Pvt. Ltd.	8.61	-	-	-
<b>B. Outstanding Balance as on 31.03.2010</b>				
<b>1 Loans &amp; Advances given</b>				
Hexa Securities & Finance Co.Ltd.	17,077.32	7,231.10	-	-
SV Trading	37,748.10	-	-	-
IUP Jindal Metals and Alloys Ltd	4,915.29	4,583.29	-	-
<b>2 Investment Outstanding</b>				
Hexa Securities & Finance Co.Ltd.	2,550.00	2,550.00	-	-
IUP Jindal Metals & Alloys Ltd.	4,531.80	4,131.80	-	-
Jindal ITF Ltd.	32,612.63	13,748.63	-	-
Others	1,009.43	817.80	-	-
<b>3 Receivables</b>				
Jindal Water Infrastructure Ltd.	7,894.76	5,526.49	-	-
IUP Jindal Metals & Alloys Ltd.	-	127.80	-	-
Jindal Saw USA LLC	55.25	307.44	-	-
Jindal Intellicom Pvt. Ltd.	136.25	108.08	-	-
<b>4 Payables</b>				
Jindal Saw USA LLC	149.33	1,522.56	-	-
Jindal Intellicom Pvt. Ltd.	4.62	1.96	-	-

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	Period ended 31st March, 2010 Rs. in lacs	Year ended 31st Dec., 2008 Rs. in lacs
<b>21 DEFERRED TAX LIABILITY</b>		
<b>A. Deferred Tax Liability</b>		
Difference between book and tax depreciation	21,493.89	11,671.69
<b>Total Deferred Tax Liability</b>	<b>21,493.89</b>	<b>11,671.69</b>
<b>B. Deferred Tax Assets</b>		
Disallowance under Income Tax Act	2,913.11	610.08
<b>Total Deferred Tax Assets</b>	<b>2,913.11</b>	<b>610.08</b>
<b>Deferred Tax Liability (Net) (A-B)</b>	<b>18,580.78</b>	<b>11,061.61</b>
<b>22 EMPLOYEE BENEFITS</b>		
<b>i) Defined Contribution Plan</b>		
Company's contribution to Provident Fund	898.13	594.26
Company's contribution to ESI	107.08	1.18
Company's contribution to Superannuation Fund	6.73	4.33
<b>ii) Defined Benefits Plan</b>		
<b>a) Actuarial Assumptions for Gratuity (Funded) and Leave Encashment (Unfunded)</b>		
Attrition Rate	10.00%	10.00%
Imputed Rate of Interest	8.50%	7.00%
Future salary increase	10.50%	7.00%
Expected return on plan assets	9.25%	9.25%
Mortality rate	LIC (1994-96) Ultimate Mortality Table	LIC (1994-96) Ultimate Mortality Table
Remaining Working Life	27.40 Years	27.98 Years
The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
<b>b) Reconciliation of present value of obligation Period ended</b>		
<b>Gratuity (Funded)</b>		
Present value of obligation at the beginning of the year	803.82	704.03
Current Service Cost	306.42	162.26
Interest Cost	82.96	48.29
Actuarial (gain)/ loss	255.81	(82.39)
Benefits paid	(46.11)	(28.37)
Present value of obligation at the end of the year	1,402.90	803.82
<b>Leave Encashment (Unfunded)</b>		
Present value of obligation at the beginning of the year	660.24	598.64
Current Service Cost	656.00	398.74
Interest Cost	63.40	38.74
Actuarial (gain)/ loss	(249.95)	(285.40)
Benefits paid	(127.07)	(90.48)
Present value of obligation at the end of the year	1,002.62	660.24

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	Period ended 31st March, 2010 Rs. in lacs	Year ended 31st Dec., 2008 Rs. in lacs
<b>c) Reconciliation of fair value of plan assets</b>		
<b>Gratuity (Funded)</b>		
Fair value of plan assets at the beginning of the year	495.12	309.43
Expected return on plan assets	75.29	35.59
Actuarial gain/ (loss)	2.13	(0.60)
Actual return on plan assets	77.42	34.99
Contributions	358.11	179.08
Benefits paid	(46.11)	(28.37)
Present value of obligation at the end of the IVP	1,402.90	803.82
Funded Status	(518.35)	(308.69)
Assets distributed on settlement	-	-
Fair value of plan assets at end of the year	884.54	495.12
<b>d). Net (Asset)/Liability recognised in the Balance Sheet as at year end</b>		
<b>Gratuity (Funded)</b>		
Present value of obligation at the end of the year	1,402.90	803.82
Fair value of plan assets at end of the year	884.54	495.12
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	518.35	308.69
<b>Leave Encashment (Unfunded)</b>		
Present value of obligation at the end of the year	1,002.62	660.24
Fair value of plan assets at end of the year	N.A.	N.A.
Net present value of unfunded obligation recognised as	1002.62*	660.24*
* Does not include short terms leave liability Rs.272.08 Lacs ( Previous Year Rs.169.54 Lacs )		
<b>e) Composition of plan assets as a percentage of total plan assets</b>		
<b>Gratuity (Funded)</b>		
Insurer Managed Fund	884.54	495.12
Percentage	100%	100%
<b>f) Expenses recognised in the Profit and Loss Account Period ended</b>		
<b>Gratuity (Funded)</b>		
Current Service Cost	306.42	162.26
Interest Cost	82.96	48.29
Expected return on plan assets	(75.29)	(35.59)
Actuarial (gain)/loss recognised in the period	253.68	(81.79)
Past Service Cost	-	-
Total expenses recognised in the Profit and Loss Account for the year	567.77	93.17
Actual return on plan assets	77.42	34.99
<b>Leave Encashment (Unfunded)</b>		
Current Service Cost	656.00	398.74
Interest Cost	63.40	38.74
Expected return on plan assets	-	-
Actuarial (gain)/loss recognised in the period	(249.95)	(285.40)
Past Service Cost	-	-
Total expenses recognised in the Profit and Loss Account for	469.45	152.08
Actual return on plan assets	-	-

## Financial Statements

### 23 Segment Reporting

#### (i) Information about Business Segment

The company has only one business segment ' Iron & Steel Products ' as primary Segment

#### (ii) Secondary Segment (Geographical Segment)

The Secondary Segment is Geographical, the Information of which is given hereunder:-

Particulars	Within India Rs. in lacs	Outside India Rs. in lacs	Total Rs. in lacs
1 Gross Revenue	<b>429,239.31</b> 233,385.02	<b>268,241.81</b> 282,721.37	<b>697,481.12</b> 516,106.39
Less: Excise Duty	<b>19,734.77</b> 15,787.84	- -	<b>19,734.77</b> 15,787.84
Net Revenue	<b>409,504.54</b> 217,597.18	<b>268,241.81</b> 282,721.37	<b>677,746.35</b> 500,318.55
2 Segment Assets*	<b>486,410.03</b> 525,186.79	<b>68.18</b> 2,317.19	<b>486,478.21</b> 527,503.98
3 Capital Expenditure	<b>39,144.38</b> 59,234.81	- -	<b>39,144.38</b> 59,234.81

\* The Company's manufacturing facilities are located in India.

#### Note:

- Unbold figures pertain to previous year.
- Segment have been indentified inline with AS on Segment Reporting ( AS-17) taking into account the organisational structure and nature of product and differential risk and return of these segments

### 24 Disclosure as per amendment to clause 32 of the Listing Agreement.

Detail of Inter Corporate Loans:

Name of the Company	Amount outstanding as on 31st March, 2010 Rs. in lacs	Maximum balance outstanding during the period Rs. in lacs
<b>(a) Loans to Subsidiaries</b>		
(i) Hexa Securities & Finance Co. Ltd. *	<b>17,077.32</b> 7,231.10	<b>18,535.32</b> 15,745.10
(ii) IUP Jindal Metals & Alloys Ltd.	<b>4,915.29</b> 4,583.28	<b>4,915.29</b> 4,804.24
(iii) S.V. Trading Ltd.	<b>37,748.10</b> -	<b>40,072.51</b> -
<b>(b) Loans &amp; Advances where there is no Repayment Schedule:</b>		
(i) Stainless Investments Ltd.	<b>541.25</b> 624.93	<b>680.88</b> 747.72
(ii) Goswami Credits and Investments Ltd	<b>1,855.26</b> 1,571.05	<b>1,867.44</b> 1,706.38
(iii) Renuka Finicals Services Ltd	<b>692.45</b> 692.41	<b>754.10</b> 952.07
(iv) Manjula Finances Ltd	<b>2,209.16</b> 1,898.59	<b>2,223.70</b> 2,062.19
(v) Nalwa Investments Ltd.	<b>500.65</b> 472.13	<b>503.96</b> 544.17
(vi) Mansarovar Investment Ltd.	- 13.53	<b>16.48</b> 103.00
(vii) Satellite Developers Pvt. Ltd.	<b>7,487.62</b> -	<b>7,526.66</b> -

**Note:** Unbold figures pertain to previous year

\* No interest charged

## Financial Statements

	Period ended 31st March, 2010 Rs. in lacs	Year ended 31st Dec., 2008 Rs. in lacs
<b>25 (a) Auditors' Remuneration</b>		
1. Statutory Auditors		
i. Audit Fee	19.53	13.90
ii. Tax Audit Fee	5.19	2.21
iii. Certification/others	4.35	5.57
iv. Out of pocket Expenses	5.99	2.16
<b>Total</b>	<b>35.06</b>	<b>23.84</b>
2. Cost Auditors		
i. Audit Fee	3.37	5.17
ii. Others	1.77	-
iii. Out of pocket Expenses	0.73	0.35
<b>Total</b>	<b>5.87</b>	<b>5.52</b>
<b>(b) Directors' Remuneration</b>		
i. Salary including allowances etc.	250.28	164.77
ii. Commission	188.10	125.10
iii. Contribution to P.F. and Other Funds	24.46	16.18
iv. Perquisites ( as per Income Tax Rules)	65.06	44.82
<b>Total</b>	<b>527.90</b>	<b>350.87</b>
<b>26. Capital Work in progress includes following Pre operative expenses Pending allocation.</b>		
<b>Detail of Pre-operative Expenses</b>		
Raw material Consumption	22.81	-
Power & Fuel	195.73	320.79
Store & Spares	1.03	128.85
Repair to Plant and machinery	8.44	9.14
Salary, Wages & Other Benefits	120.04	266.77
Contribution to PF & other funds	6.02	2.04
Workman & Staff Welfare	10.57	20.37
Rent	12.42	12.10
Insurance Expenses	14.55	93.94
Travelling and Conveyance	71.16	46.13
Interest Paid *	1,381.84	2,907.46
Bank Charges	5.50	90.26
Foreign Exchange Fluctuation	(779.26)	13,056.40
Miscellaneous Expenses	160.30	245.14
Depreciation	2.00	5.56
	<b>1,233.15</b>	<b>17,204.96</b>
Less: Sales value of goods produced during trial period	11.24	103.61
	<b>1,221.91</b>	<b>17,101.35</b>
Add: Expenditure upto Previous Year	15,160.22	609.07
	<b>16,382.13</b>	<b>17,710.42</b>
Less; Capitalised during the year	15,511.42	2,550.20
Balance Carried Forward	<b>870.71</b>	<b>15,160.22</b>

\* Net of Interest received Rs. 209.95 Lacs (Previous Year Rs.679.06 Lacs)

## Financial Statements

	Period ended 31st March, 2010 Rs. in lacs	Year ended 31st Dec., 2008 Rs. in lacs
<b>27. COMPUTATION OF NET PROFIT UNDER SECTION 349 READ WITH SECTION 198 OF THE COMPANIES ACT, 1956.</b>		
Profit before Tax	96,790.84	46,439.00
Add :		
Managerial Remuneration	527.90	350.87
Provision for Doubtful debts	257.01	(70.14)
Director Sitting Fees	12.00	4.90
Net Profit for the year	<b>97,587.75</b>	<b>46,724.63</b>
Commission @ 2 % to Managing Directors	1,951.76	934.49
Maximum Commission payable restricted to 100 % of salary as approved by shareholders	188.10	125.10
Commission Payable	188.10	125.10
<b>28. Earning per share (EPS) :</b>		
<b>Basic and Diluted</b>		
Profit before tax	96,790.84	46,439.00
Less: Tax on ordinary activities	24,474.02	12,206.34
Less: Adjustments for tax & depreciation of earlier years	(718.64)	938.09
Profit after tax	<b>73,035.46</b>	<b>33,294.57</b>
Less: Preference dividend including tax thereon	1,144.74	918.41
Profit attributable to Equity Shareholders - Basic (A)	<b>71,890.72</b>	<b>32,376.16</b>
Interest on CCD/FCCB (Net of Taxes)	1,934.21	555.83
Profit attributable to Equity Shareholders - Diluted (B)	<b>73,824.93</b>	<b>32,931.99</b>
Weighted Average No of Shares issued for Basic EPS (C)	<b>266,183,601</b>	<b>259,197,550</b>
Weighted Average No of Shares issued for Diluted EPS (D)	<b>293,840,046</b>	<b>270,753,305</b>
<b>Earning per share (on face value of Rs. 2/- each)</b>		
Basic = A/C	27.01	12.49
Diluted = B/D	25.12	12.16

## Financial Statements

## 29. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3 &amp; 4 OF PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956.

## A) INSTALLED CAPACITY AND PRODUCTION

Description	Unit	Installed capacity per Annum		Production	
		Period ended 31st March, 2010	Year ended 31st Dec., 2008	Period ended 31st March, 2010	Year ended 31st Dec., 2008
(a) Iron & Steel Pipes	MT	2,260,000	1,690,000	1,056,884	784,553
(b) Anti-Corrosion Coating on Pipes	Sq.Mtr	10,000,000	10,000,000	4,437,401	3,133,867
(c) Pig Iron	MT	200,000	200,000	1,251	22,665

## NOTES:

1. The above production also includes goods manufactured for outside parties on job work basis as follows:

		Period ended 31st March, 2010	Year ended 31st Dec., 2008
i) Steel Pipes	MT	1,869	-

2. The above production includes goods manufactured by third parties.

		Period ended 31st March, 2010	Year ended 31st Dec., 2008
i) Steel Pipes	MT	-	9,716

3. Above Production includes production before start of Commercial production.

4. The above production of Anti Corrosion coating of Pipes includes the coating done for Steel Pipes Division.

5. Licensed capacity is not applicable in view of the Company's products having been delicensed as per the Liberalised Licensing Policy announced by the Govt. of India.

6. Installed capacity is as certified by the management.

7. The above production does not includes production of Captive Power of 9,33,78,670 Units. (Previous year 2,04,62,203 units), installed capacity 19,71,00,000 KWH (Previous year 13,14,00,000 KWH)

8. Production of Pig Iron includes 1495MT used for captive purposes for further processing.

## B) RAW MATERIAL CONSUMPTION / SOLD

	Unit	Period ended 31st March, 2010		Year ended 31st Dec., 2008	
		Qty	Amount Rs. in lacs	Qty	Amount Rs. in lacs
Steel Plates/Coils	MT	574,868	258,133.78	475,631	235,331.77
Steel Pipes	MT	13,417	4,627.78	4,392	1,529.31
Round Billets	MT	137,107	42,989.16	82,020.33	29,940.89
Coating Material*			26,769.82		18,421.46
Coal/ Coke/fines	MT	317,588	41,536.65	271,143	35,422.33
Iron ore/fines	MT	438,033	19,574.84	346,465	17,239.98
Others			16,166.65		17,934.73
<b>Net Consumption</b>			<b>409,798.68</b>		<b>355,820.47</b>
<b>TRADING GOODS PURCHASE</b>					
Steel Plates and pipes	MT	102	30.61	5,944	1,921.13
Others			3,915.70		5,606.10
			<b>3,946.31</b>		<b>7,527.23</b>
<b>Total</b>			<b>413,744.99</b>		<b>363,347.70</b>

\*Quantity of consumption of coating material has not been given since their unit of measurement are different.

## Financial Statements

### C) QUANTITATIVE INFORMATION OF FINISHED GOODS STOCKS

	Opening Stock as at 01st Jan., 2008		Closing Stock 31st Dec., 2008 and Opening Stock as at 01st Jan., 2009		Closing Stock as at 31st March, 2010	
	Qty (MT)	Amount Rs.in lacs	Qty (MT)	Amount Rs.in lacs	Qty (MT)	Amount Rs.in lacs
<b>Finished Goods:</b>						
Iron & Steel Pipes	28961	10,490.96	35099	22,094.47	77351	27,793.41
Pig Iron	8990	1,585.85	9222	2,285.80	2125	428.57
Others	-	119.69	-	400.06	-	340.16
		<u>12,196.50</u>		<u>24,780.33</u>		<u>28,562.14</u>

### D) SALES

	Period ended 31st March, 2010		Year ended 31st Dec., 2008		
	Qty (MT)	Amount Rs. in lacs	Qty (MT)	Amount Rs. in lacs	
<b>Manufactured goods</b>					
Iron & Steel Pipes	MT	1,012,762	650,995.23	778,415	472,279.96
Steel Plates / Coils	MT	102	26.48	5,944	2,294.00
Pig Iron	MT	6,853	1,463.17	22,432	6,395.85
Scrap			14,791.89		10,546.46
Others			2,544.77		7,457.02
			<u>669,821.54</u>		<u>498,973.29</u>
<b>Sales includes the following goods used captive consumption</b>					
Iron & Steel Pipes		644.27	320.94		
Others			339.12		
			<u>660.06</u>		

### E) C.I.F. Value of Imports

	Period ended 31st March, 2010	Year ended 31st Dec., 2008
	Rs. in lacs	Rs. in lacs
Raw Materials	237,839.18	238,233.37
Stores & Spares	2,550.56	2,839.07
Capital Goods	9,735.09	33,142.68

### F) BREAK UP OF THE CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES INTO IMPORTED AND INDIGENOUS

	Period ended 31st March, 2010		Year ended 31st Dec., 2008	
	% age	Rs. in lacs	% age	Rs. in lacs
a) Raw Material*				
Imported	69.80	286,024.83	71.05	252,802.41
Indigenous	30.20	123,773.85	28.95	103,018.06
	<u>100.00</u>	<u>409,798.68</u>	<u>100.00</u>	<u>355,820.47</u>
b) Stores & Spares				
Imported	26.44	4,239.76	23.19	3,141.29
Indigenous	73.56	11,797.79	76.81	10,407.50
	<u>100.00</u>	<u>16,037.55</u>	<u>100.00</u>	<u>13,548.79</u>

\* excluding figure of purchase for resale Rs.3946.31 Lacs ( Previous Year Rs. 7527.23 Lacs)

## Financial Statements

	Period ended 31st March, 2010 Rs. in lacs	Year ended 31st Dec., 2008 Rs. in lacs
<b>G) EXPENDITURE IN FOREIGN EXCHANGE</b>		
Travelling	138.37	65.94
Interest & Bank Charges	3,065.48	3,025.55
Commission on Sale	6,645.73	3,723.55
Fees and subscription	21.34	31.46
Legal & Professional	395.85	180.94
Sales Promotion	106.64	-
Carriage Outward	9,516.96	16,062.81
Reimbursement of Overseas Branch	1,290.30	20,608.99
Others	104.58	213.30
<b>H) EARNING IN FOREIGN EXCHANGE</b>		
F.O.B. Value of Exports	259,160.66	234,557.55
Interest	377.03	674.50
Revenue from Overseas Branch	352.24	27,966.37
<b>I) REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:</b>		
a) Financial year to which dividend relates	2008	2006-07
b) No. of NRI shares holders	44	11
c) No. of shares held	9758350	9726100
d) Net amount of dividend remitted -net of Tax (Rs. in Lacs)	487.92	607.88

30. Current Period figures which are for the period of 15th month from 1st January 2009 to 31st March 2010 and previous year figures which are for 12 months from 1st January 2008 to 31st December 2008 have been regrouped/re-arranged, wherever considered necessary and practical. Current year figures of Profit and Loss Account are not comparable with previous year as the Current period figures are for fifteen months.

31. Schedule 1 to 21 are annexed and form integral part of Balance Sheet and Profit and Loss Account.

As per our report of even date attached

For **N.C. AGGARWAL & CO.**  
Chartered Accountants

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.C. Aggarwal**  
PARTNER  
M.No. 005951

**SUNIL JAIN**  
Company Secretary

**N.K. AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)

PLACE : NEW DELHI  
DATED: 19th July, 2010

**Balance Sheet Abstract and Companies Business Profile Pursuant to Part IV of Schedule VI to the Companies Act, 1956**

**I Registration Details**

Registration No	23979	State Code 20	Balance Sheet Date 31.03.2010
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**II Capital Raised During the Year (Rs. in thousands)**

Public Issue	Nil
Bonus Issue	Nil
Rights Issue	Nil
Private Placements	26,009

**III Position of mobilisation and deployment of funds (Rs. in thousands)**

Total Liabilities	45,641,164	Total Assets	45,641,164
Sources of Funds:			
Paid up Capital	1,547,234	Reserves and Surplus	34,865,264
Defered Tax Liability	1,858,078	Unsecured Loans	6,478,698
Secured Loans	891,890		
Application of Funds:			
Net Fixed Assets	21,332,194	Investments	6,198,712
Net Current Assets	18,110,258		

**IV Performance of the Company (Rs. in thousands)**

Gross Turnover	69,748,112	Total Expenditure	56,014,865
Net Turnover	67,774,635		
Profit before Tax	9,679,084	Profit After Tax	7,231,682
Earning per share (on Face Value of Rs.2/- each)			
Basic	27.01		
Diluted	25.12		
Dividend Rate	62.50%		

**V Generic Name of three principal products of the Company**

Product Description	Item Code No
I) Steel Pipe	7304.90/7305.90

Statement Pursuant to exemption under Section 212(8) of Companies Act, 1956 relating to Subsidiary Companies

Rs in lacs

S.No	Name of the Subsidiary Company	Capital including Share Application Money	Reserve (Net of Accumulated Losses)	Total Assets	Total Liabilities (Outside)	Investment included in Total Assets (other than in Subsidiaries)	Turnover/ Total Income	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Hexa Securities & Finance Company Limited	2,550.00	(565.26)	2,036.27	18,377.96	7,441.52	1,333.19	663.87	108.00	555.87	NIL
2	IUP Jindal Metals and Alloys Ltd.	1,400.00	1,058.39	11,013.26	8,554.87	-	9,439.72	(598.76)	(186.93)	(411.83)	NIL
3	S.V. Trading Limited	880.23	15,268.77	53,898.02	37,749.02	-	1,346.07	832.27	-	832.27	NIL
4	Jindal Saw USA, LLC	1,950.001	33,825.360	119,401,906	83,626,545	-	2,981,978	1,843,743	-	1,843,743	NIL
5	Jindal ITF Limited	1,000,000	(5,705,343)	26,878,618	31,583,961	-	9,192,410	(687,106)	-	(687,106)	NIL
6	Jindal Intelcom Pvt. Ltd.	1,682,624	15,706.86	32,553.93	20.82	-	-	(41.22)	-	(41.22)	NIL
7	Jindal Water Infrastructure Ltd.	1,091.00	890.30	3,098.79	1,117.49	1.50	4,407.69	562.58	68.92	493.66	NIL
8	Jindal Urban Infrastructure Ltd.	332.40	1,582.75	12,762.13	10,846.98	1,854.89	13,265.06	672.06	228.05	444.02	NIL
9	Jindal Shipyards Limited	1,280.33	677.22	1,957.73	0.18	32.08	6.98	0.46	-	0.46	NIL
10	Jindal Rail Infrastructure Limited	1,565.00	1,096.21	4,131.25	1,470.04	560.19	5.95	(9.60)	0.03	(9.63)	NIL
11	Jindal Waterways Limited	1,079.03	1,293.46	5,399.95	3,027.46	1,040.03	-	-	-	-	NIL
12	Jindal Infralogistics Limited	11,731.33	3,258.62	42,717.29	27,727.34	-	6,118.96	(9,559.18)	(3,139.64)	(6,419.54)	NIL
13	Jindal ESIP CETP (Sitargan) Limited	5.00	(0.94)	4.21	0.15	4.18	0.18	(0.14)	-	(0.14)	NIL
14	Timarpur- Okhla Waste Management Company Pvt. Ltd.	1,64.70	132.74	822.58	525.13	0.25	-	(1.86)	(0.28)	(1.58)	NIL
15	Jindal Saw Holding FZE	1,860.50	1.82	4,628.97	2,766.65	350.50	7.96	(40.43)	(17.51)	(22.92)	NIL
16	Jindal Saw Middle East FZC	67.05	(1.82)	65.32	0.09	-	-	(1.82)	-	(1.82)	NIL
17	Jindal Saw Gulf LLC	549,420	(14,940)	535,230	750	-	-	(14,940)	-	(14,940)	NIL
18	Jindal Water Infra (Naya Raipur) Limited	109.12	-	109.21	0.09	-	-	-	-	-	NIL
		894,057	-	894,807	750	-	-	-	-	-	NIL
		56.72	-	56.84	0.12	-	-	-	-	-	NIL
		464,728	-	465,728	1,000	-	-	-	-	-	NIL
		19.00	(0.27)	24.41	5.68	-	-	-	-	-	NIL

Note: 1. Exchange Rates as on 31.03.2010- 1 US \$ = 45.14  
 2. Exchange Rates as on 31.03.2010- 1 AED = 12.2045  
 3. Figures in brackets represents losses.



Consolidated  
Financial  
Statements

## Auditors' Report On Consolidated Financial Statements

### AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF JINDAL SAW LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL SAW LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of Jindal Saw Limited ('the Company') and its subsidiaries (Collectively referred as the 'Jindal Saw Group') as at 31st March, 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the period then ended.

1. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with generally accepted audit standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of subsidiaries Jindal Saw USA LLC (JSULLC), Hexa Securities & Finance Company Limited (HSFCL), Jindal Intellicom Private Limited, whose financial statements reflect total assets (net) of Rs. 33624.78 Lacs and total revenues of Rs. 10045.69 Lacs and net cash inflows of Rs 267.60 Lacs. These financial statements have been audited by respective auditors whose reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries are based solely on the reports of the respective auditors.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jindal Saw Limited, and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries included in the consolidated financial statements read together with Notes on Accounts of Consolidated Financial Statements, we are of the opinion that consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Jindal Saw Group as at 31st March, 2010.
- b) In case of the Consolidated Profit and Loss Account, of the profit of the Jindal Saw Group for the period ended on that date.
- c) In the case of the Consolidated Cash Flow statement, of the consolidated cash flows of the Jindal Saw Group for the period ended on that date.

For & on behalf of  
**N.C. AGGARWAL & CO.**  
Chartered Accountants  
FR No. 003273N

**N.C. Aggarwal**  
Partner  
M.No. 005951

Place : New Delhi  
Dated : 19th July, 2010

## Consolidated Balance Sheet As At 31st March 2010

DESCRIPTION	SCHEDULE	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	1	15,472.34	15,212.25
Optionally Convertible Warrants		-	2,129.40
Reserves and Surplus	2	353,232.61	265,541.23
		<b>368,704.95</b>	<b>282,882.88</b>
<b>MINORITY INTEREST</b>			
Deferred Tax Liability (Net) (Refer Note no. 21 of Schedule 21)		667.71	957.99
		12,715.55	8,406.38
<b>LOAN FUNDS</b>			
Secured Loans	3	41,912.65	88,612.96
Unsecured Loans	4	66,153.32	93,796.28
		<b>108,065.97</b>	<b>182,409.24</b>
<b>Total</b>		<b>490,154.18</b>	<b>474,656.49</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS :</b>			
Gross Block	5	294,792.16	186,626.80
Less :Depreciation		57,145.76	41,212.25
<b>Net Block</b>		<b>237,646.40</b>	<b>145,414.55</b>
Capital Work in Progress		36,682.25	81,918.48
		<b>274,328.65</b>	<b>227,333.03</b>
<b>INVESTMENTS</b>	6	<b>32,568.41</b>	7,910.36
<b>GOODWILL ON CONSOLIDATION</b>		2,420.75	-
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Inventories	7	80,708.07	165,338.27
Sundry Debtors	8	84,410.80	126,445.60
Cash and Bank Balances	9	59,915.28	56,638.08
Loans and Advances	10	56,843.85	36,720.85
		<b>281,878.00</b>	<b>385,142.80</b>
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>			
Current liabilities	11	91,838.91	137,579.28
Provisions	12	9,202.72	8,150.42
		<b>101,041.63</b>	<b>145,729.70</b>
<b>NET CURRENT ASSETS</b>		<b>180,836.37</b>	<b>239,413.10</b>
<b>Total</b>		<b>490,154.18</b>	<b>474,656.49</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	21		

As per our report of even date attached

For **N.C. AGGARWAL & CO.**  
Chartered Accountants

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.C. Aggarwal**  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED: 19th July, 2010

**SUNIL JAIN**  
Company Secretary

**N.K. AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)

## Consolidated Profit And Loss Account For The Period Ended 31st March, 2010

DESCRIPTION	SCHEDULE	Period Ended 31st March, 2010 Rs. in lacs		Year Ended 31st Dec., 2008 Rs. in lacs	
<b>INCOME</b>					
Sales and Operational Income	13	731459.81		552,826.12	
Less: Excise Duty		20433.31	711,026.50	17242.49	535,583.63
Other Income	14		2,258.28		1,227.87
Increase/(Decrease) in Stock	15		(21,875.20)		18,648.91
Excise Duty on (Increase) / decrease in stock			(489.99)		89.61
			<u>690,919.59</u>		<u>555,550.02</u>
<b>EXPENDITURE</b>					
Cost of Material Consumed/Sold			422,369.66		381,453.64
Manufacturing Expenses	16		64,335.44		49,157.59
Employees Remuneration and Benefits	17		28,028.91		15,991.70
Administrative & Other Expenses	18		13,312.83		6,482.46
Selling Expenses	19		35,270.69		30,334.32
Finance Expenses	20		22,313.95		19,789.68
Provision towards estimated loss on project activity to be undertaken in future years			-		170.00
Depreciation		16,223.17		8,812.43	
Less: Transfer to Revaluation Reserve		368.56	15,854.61	408.56	8,403.87
			<u>601,486.09</u>		<u>511,783.26</u>
<b>Profit before Taxation</b>			<u>89,433.50</u>		<u>43,766.76</u>
<b>Provision for</b>					
- Current Income Tax		17,164.27		10,701.23	
- Deferred Tax Liability		4,309.17		262.19	
- Wealth Tax		29.44		48.28	
- Fringe Benefit Tax		31.76	21,534.64	120.92	11,132.62
<b>Profit After Taxation</b>			<u>67,898.86</u>		<u>32,634.14</u>
Minority Interest in (Profit)/Loss			74.14		279.90
Debenture Redemption Reserve Written Back			1,875.00		1,875.00
Previous years' Depreciation Written Back			118.23		50.91
Previous years' Taxation Adjustments			600.41		(989.00)
Profit Brought Forward			23,566.93		81,457.82
Adjustment of Misc. Expenditure by subsidiary			-		(7.20)
<b>Disposable Profit</b>			<u>94,133.57</u>		<u>115,301.57</u>
<b>APPROPRIATIONS</b>					
Interim Dividend paid on Preference shares			944.15		565.63
Corporate Tax on Above			160.46		96.14
Proposed Dividend :					
- on Equity Shares			3,452.84		2,606.07
- on Preference Shares			34.41		219.37
Corporate Tax on Proposed Dividends			579.19		480.18
General Reserve			71,237.72		50,000.00
Transferred to Goodwill/Capital Reserve			(4,924.70)		37,603.90
Statutory Reserve			111.17		163.35
Balance Carried to Balance Sheet			22,538.33		23,566.93
			<u>94,133.57</u>		<u>115,301.57</u>
<b>Earning per share (on face value of Rs. 2/ each)</b>					
Basic			25.35		11.87
Diluted			23.62		11.57
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS	21				

As per our report of even date attached

For N.C. AGGARWAL & CO.  
Chartered AccountantsH.S. CHAUDHARY  
Wholetime DirectorSMINU JINDAL  
Managing DirectorN.C. Aggarwal  
PARTNER  
M.No. 005951SUNIL JAIN  
Company SecretaryN.K. AGARWAL  
Vice President  
(Corp. Accounts & Taxation)PLACE : NEW DELHI  
DATED: 19th July, 2010

## Consolidated Cash Flow Statement For The Period Ended 31st March, 2010

PARTICULARS	Period Ended 31st March, 2010	Year Ended 31st Dec., 2008	
	Rs. in lacs	Rs. in lacs	
A. CASH INFLOW/(OUTFLOW) FROM THE OPERATING ACTIVITIES			
NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY	89,433.50		43,766.76
Adjustments for:			
Add/(Less)			
Depreciation	15,854.61		8,403.87
Dividend Received	(57.21)		(65.89)
Interest Paid	10,334.22		8,532.47
(Profit)/Loss on sale of fixed assets	(8.09)		202.70
Adjustment of Misc. Expenditure by subsidiary	-		(20.00)
Provision for Doubtful Debts	1,026.94		207.99
Provision for Doubtful Debts Written Bank	(825.33)		(70.14)
Liquidated Damages/ Bad Debts	3,055.41		297.15
Profit on Sale of Investments	(550.29)		(374.71)
Provision towards estimated loss on project activity to be undertaken in future years	-		170.00
Unrecoverable Advances Written off	616.83		-
Provision no longer required	(345.87)		(188.49)
Effect of Foreign Currency Translation Reserve	(1,052.04)		9,482.56
Effect of Unrealised Foreign Exchange (Gain)/Loss	(1,879.91)		12,206.55
Interest Received	(3,478.33)	22,690.94	(1,728.68)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	112,124.44		80,822.14
Adjustments for:-			
Inventories	84,630.20		(46,841.13)
Sundry debtors	38,029.89		(9,707.70)
Other current assets	(2,772.18)		(10,488.26)
Current liabilities	(45,444.19)	74,443.72	35,801.73
CASH GENERATED FROM OPERATIONS	186,568.16		49,586.78
Tax Paid	(17,091.17)		(17,802.43)
NET CASH FROM OPERATING ACTIVITIES	169,476.99		31,784.34
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES			
(Increase)/Decrease in Investment	(24,107.76)		7,834.44
Capital expenditure	(64,081.54)		(65,769.88)
Sale proceeds of fixed assets	209.81		1,588.23
Loan & Advances	(21,248.23)		(744.70)
Interest Received	4,277.87		2,399.72
Dividend Received	57.21		65.89
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(104,892.64)		(54,626.30)
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES			
Dividend paid including Tax	(4,386.03)		(4,685.66)
Interest paid	(8,648.29)		(11,568.44)
Proceeds from Eq. Share Cap. Including Securities Premium	21,301.34		-
Proceeds from Optionally Convertible Warrants	-		2,129.40
Working Capital loans from banks	(48,830.91)		22,148.33
Increase/(Decrease) in secured loan	2,145.58		(17,456.42)
Increase/(Decrease) in Compulsory Convertible Debentures	(22,358.70)		22,358.70
Increase/(Decrease) in fixed deposits	803.78		(574.30)
Increase/(Decrease) in unsecured loan	(476.23)		2,962.29
NET CASH INFLOW/(OUTFLOW) USED IN FINANCING ACTIVITIES	(60,449.46)		15,313.90
NET CHANGES IN CASH & CASH EQUIVALENT	4,134.89		(7,528.05)
Cash and cash equivalent as at 01.01.2009 (opening balance)	56,638.08		65,864.17
Exchange difference on translation of Foreign Currency cash and cash equivalent	(857.69)		(2,188.92)
Cash and Cash Equivalent of New subsidiaries on the date of becoming Subsidiaries	-		490.88
Cash and cash equivalent as at 31.03.2010 (Closing balance)	59,915.28		56,638.08

NOTE: 1. Increase in secured and unsecured loans are shown net of repayments.  
2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the period.  
3. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached

For **N.C. AGGARWAL & CO.**  
Chartered Accountants

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.C. Aggarwal**  
PARTNER  
M.No. 005951

**SUNIL JAIN**  
Company Secretary

**N.K. AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)

PLACE : NEW DELHI  
DATED: 19th July, 2010

## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "I"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,00,00,000 Equity Shares of Rs. 2/- Each (Previous Year 10,00,00,000 Equity Shares of Rs. 10/- each)	10,000.00	10,000.00
1,00,00,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>20,000.00</b>	<b>20,000.00</b>
<b>ISSUED AND SUBSCRIBED</b>		
27,36,18,735 Equity Shares of Rs. 2/- Each (Previous year 5,21,22,850 Equity Shares of Rs. 10/- Each)	5,472.37	5,212.29
1,00,00,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	<b>15,472.37</b>	<b>15,212.29</b>
<b>PAID UP</b>		
27,36,14,735 Equity Shares of Rs. 2/- Each (Previous year 5,21,22,050 Equity Shares of Rs. 10/- Each)	5,472.30	5,212.21
Add: Forfeited Shares		
4,000 Equity shares of Rs. 2/- Each (Partly Paid Up Rs.1 each) Previous year 800 Equity shares of Rs. 10/- Each (Partly Paid Up Rs. 5 each)	0.04	0.04
	<b>5,472.34</b>	<b>5,212.25</b>
1,00,00,000 7.85 % Redeemable Non convertible Cumulative Preference Shares of Rs. 100/- each	10,000	10,000
	<b>15,472.34</b>	<b>15,212.25</b>

**NOTES:**

With effect from 11th December, 2009 the face value of equity share of Rs. 10/- was sub-divided into equity shares of Rs. 2/- each. Accordingly, the number of equity shares have been increased five fold.

**1. OF THE ABOVE EQUITY SHARES**

- 1,00,40,000 & 3,30,69,680 were allotted pursuant to contract and schemes of Amalgamation respectively without payment being received in cash.
- 12,89,80,860 were allotted as bonus shares by capitalising Reserves and Securities Premium.
- 3250 shares have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.

2. During the year, 1,30,04,485 equity shares were allotted to the holders of 26,00,897- 9.5% Unsecured Compulsorily Convertible Debentures (CCDs) of Rs. 819/- each (each CCD convertible into five equity share).

3. The holders of 26,00,000 Warrant (each warrant convertible into one equity share of Rs. 10 each at a price of Rs. 819/- each) did not exercise the option of conversion of warrant into equity shares. The advance money of Rs. 2,129.40 lacs stood forfeited and credited to capital reserve.

**4. Options on Un-issued Share Capital**

Foreign Currency Convertible Bond holders holding bonds for aggregate amount of JPY 6,79,00,00,000 can convert the same upto 24.06.2011 into equity shares of Rs. 2/- each at conversion price of Rs.135/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re.1.00 (after adjustment as per terms & conditions of issue of Bonds)

5. Preference shares are redeemable in three yearly installments in the ratio of 30:30:40 at the end of fifth, sixth and seventh year from the date of allotment i.e. 22.09.2005. These also carry put / call option at the end of 5th Year from the date of allotment.

## Consolidated Financial Statements

	As At 31st Dec., 2008 Rs. in lacs	Additions during the period Rs. in lacs	Transfer/ Deductions Rs. in lacs	As At 31st March, 2010 Rs. in lacs
<b>SCHEDULE "2"</b>				
<b>RESERVES AND SURPLUS</b>				
Capital Reserve	9.50	2,129.40 *	-	2,138.90
Capital Reserve on Consolidation	38,735.49	-	38,735.49	-
Capital Redemption Reserve	1,500.00	-	-	1,500.00
General Reserve	1,38,916.09	1,11,139.37 **	-	2,50,055.46
Debenture Redemption Reserve	1,875.00	-	1,875.00	-
Securities Premium Account	51,513.59	21,041.25	-	72,554.84
Statutory Reserve	273.57	111.17	-	384.74
Revaluation Reserve	859.97	-	368.56	491.41
Foreign Currency Translation Reserve	8,291.09	-	4,722.16	3,568.93
Profit and Loss Account	23,566.93	69,966.23	70,994.83	22,538.33
<b>Total</b>	<b>2,65,541.23</b>	<b>2,04,387.42</b>	<b>1,16,696.04</b>	<b>3,53,232.61</b>
Previous year	2,22,381.98	1,38,920.63	95,761.38	2,65,541.23

\* Refer Note No. 3 of Schedule I.

\*\* Rs. 71,237.72 lacs transfer from Profit and Loss Account and Rs. 39,901.65 lacs transfer on amalgamation of Highgate Consultants Limited with the Company.

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "3"</b>		
<b>SECURED LOANS</b>		
Debentures	-	7,500.00
Term Loan		
From Banks	36,299.32	28,680.31
From Financial institutions	262.30	142.63
Working Capital Loans from Banks	2,665.09	51,496.00
External Commercial Borrowing	2,685.11	791.48
Interest accrued and due	0.83	2.54
	<b>41,912.65</b>	<b>88,612.96</b>

### NOTES

- A (i) Debentures referred to in 'A' above were secured by pari-passu charge by way of English mortgage on the company's specific immovable properties located in the State of Gujarat and by way of equitable mortgage of Company's other immovable properties and hypothecation of moveable Fixed Assets in favour of Debenture Trustees.
- (ii) Debentures referred above are privately placed and consist of:
- (a) 9.75% Debenture of Rs. 100/- each aggregating to Rs. 2,500 lacs were redeemed on 29th September 2009.
- (b) 7.75% Debenture of Rs. 10,00,000/- each aggregating to Rs. 5,000 lacs were redeemed in two equal annual instalments on 24th March 2009 and 25th March 2010.
- (c) Debentures referred to in (b) above were also secured by personal guarantee of directors.
- B. Term Loans from Banks and Financial Institutions include:
- (i) Loans of Rs. 53.24 lacs (Previous year Rs. 159.96 lacs) for purchase of vehicles and secured by way of hypothecation of vehicles.
- (ii) Loans of Rs. 10,166.61 lacs (Previous Year Rs. 14,326.42 lacs) which are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, subject to charges created / to be created in favour of Company's bankers for securing Working Capital Facilities.
- (iii) Loans of Rs. 7,133.13 lacs (Previous Year Rs. 10,125 lacs) are secured against personal guarantees of directors.
- (iv) Housing loan of Rs. 466.13 lacs (Previous year 520.98 lacs) which is secured by way of exclusive charge on the Company's House Property situated in Delhi.
- (v) Loan of Rs. 25,875.64 lacs (Previous Year 13,815.58 lacs) are secured by way of hypothecation of Ships and Barge.
- C. Working Capital Loans are secured/to be secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and to be secured by second charge in respect of other moveable and immovable properties of the Company.
- D. External Commercial Borrowings are secured by pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, except those charged in favour of Company's bankers for securing Working Capital Facilities. These are also guaranteed by Director(s).

## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "4"</b>		
<b>UNSECURED LOANS</b>		
Fixed Deposits	3,519.73	2,715.95
Deferred Sales Tax loans	7,180.03	6,697.70
Compulsory Convertible Debentures	-	22,358.70
External Commercial Borrowing	21,193.83	23,349.98
Foreign Currency Convertible Bonds	32,893.39	36,475.95
Intercorporate Loans	-	8.00
Zero Coupon Optionally Convertible Bonds	1,300.00	1,300.00
0% Unsecured Convertible Bonds of Rs. 10/- each	-	890.00
Interest accrued and due	66.34	-
	<b>66,153.32</b>	<b>93,796.28</b>

**Note :**

- Deferred Sales Tax loans are guaranteed by one of the Director.
- External Commercial Borrowing are repayable on 29th September 2010.
- The Foreign Currency Convertible Bonds (FCCB) are convertible at any time upto the close of business on 24th June, 2011 by holders of the Bonds into newly issued equity shares of Rs. 2 each of the company at the option of the Bondholder, at a base conversion price of Rs. 135 per share with a fixed rate of exchange on conversion of JPY 2.533 = Rs. 1.00 after adjustments as per terms & conditions of issue of bonds. Unless previously converted, redeemed or repurchased and cancelled, the bonds will mature on 1st July, 2011 at 117.928 % of their principal amount.
- Out of 27,30,000- 9.5% Compulsory Convertible Debentures (CCDs) of Rs. 819/- each, 26,00,897 CCDs were converted into equity shares and the balance excess money was refunded back to the applicant in accordance with the applicable regulations.
- Zero Coupon 13,00,000 Optionally Convertible Bonds ( Bonds ) of Rs. 100 each aggregating to Rs. 1300 Lacs issued on 01.10.2005 have an option to convert each bond into one equity share of Rs. 10/- each of the company (Hexa Securities & Finance Co. Limited) at the rate of Rs. 80/- per share any time upto the period of 10 years the date of allotment.

**SCHEDULE "5"****FIXED ASSETS**

Rs. in lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As At 01.01.09	Additions	Deduction/ Adjustments	As At 31.03.10	Upto 31.12.08	During The Year	Previous Year Excess Depreciation Written Back	Deduction/ Adjustments	Upto 31.03.10	As At 31.03.10	As At 31.12.08
<b>Tangible Assets:</b>											
Land											
Free hold	6,636.80	828.59	-	7,465.39	-	-	-	-	-	7,465.39	6,636.80
Lease hold	776.84	78.81	-	855.65	99.78	8.19	-	-	107.97	747.68	677.06
Lease Hold Improvements	7.87	-	-	7.87	1.97	5.90	-	-	7.87	-	5.90
Buildings	28,202.12	6,848.63	-	35,050.75	2,785.10	1,096.43	-	20.95	3,860.58	31,190.17	25,417.02
Plant & Machinery	131,130.03	85,794.70	258.81	216,665.92	36,952.20	13,352.99	118.10	107.71	50,079.38	166,586.54	94,177.83
Vehicles	1,382.92	374.52	113.44	1,644.00	426.83	166.65	0.13	44.25	549.10	1,094.90	956.09
Furniture & Fixtures	1,209.31	152.61	3.29	1,358.63	327.24	114.62	-	0.91	440.95	917.68	882.07
Vessels	16,796.15	14,404.42	-	31,200.57	583.54	1,448.52	-	-	2,032.06	29,168.51	16,212.61
Barge	447.45	0.15	-	447.60	14.27	18.04	-	-	32.31	415.29	433.18
<b>Intangible Assets</b>											
Computer Software	37.31	58.47	-	95.78	21.32	14.22	-	-	35.54	60.24	15.99
<b>TOTAL</b>	<b>186,626.80</b>	<b>108,540.90</b>	<b>375.54</b>	<b>294,792.16</b>	<b>41,212.25</b>	<b>16,225.56</b>	<b>118.23</b>	<b>173.82</b>	<b>57,145.76</b>	<b>237,646.40</b>	<b>145,414.55</b>
Previous Year	123,365.87	65,068.92	1,807.99	186,626.80	32,462.23	9,742.41	50.91	941.48	41,212.25	145,414.55	

**NOTES:**

- Gross Block includes the following amount on account of revaluation made on 31.03.1996 of Pipe Division at A-1, UPSIDC Indl. Area, Kosi Kalan at Net current Residual Replacement Value.
  - Land
    - Freehold 7.38 lacs
    - Leasehold 143.59 lacs
  - Building 548.34 lacs
  - Plant & Machinery 3,916.96 lacs
- Depreciation during the year includes Depreciation Capitalized during Pre-operative Stage amounting to Rs. 2.39 lacs (Previous year Rs. 5.56 lacs)
- Freehold Land includes Rs. 1800 Lacs, Conveyance Deed for which is yet to be executed.

## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "6"</b>		
<b>INVESTMENTS</b>		
Quoted Shares	7,394.12	7,394.12
Unquoted Shares	41.20	41.20
Share Application Money (Unquoted Shares)	1,048.00	165.65
Govt & Trust Securities	243.20	242.95
Mutual Funds	23,841.89	66.44
Total	<u>32,568.41</u>	<u>7,910.36</u>
Aggregagte Market Value of Quoted Investments	<u>314,713.36</u>	<u>69,096.27</u>
<b>SCHEDULE "7"</b>		
<b>INVENTORIES</b>		
(Taken, valued and certified by the management )		
Stores and Spares	8,400.46	6,395.45
Loose Tools	206.39	208.46
Finished goods	28,701.16	24,971.03
Work in Progress	13,327.30	35,462.08
Raw Material*	28,903.60	93,759.69
Scrap	874.63	4,345.18
Fuel oils - Vessels	279.12	172.43
Project work in Progress	15.41	23.95
	<u>80,708.07</u>	<u>165,338.27</u>
* Includes Raw Material in Transit of Rs. 6316.31 lacs (Previous Year Rs. 13,066.85 lacs)		
<b>SCHEDULE "8"</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
Exceeding six months		
Considered good	21,485.52	13,368.60
Considered doubtful	2,538.87	2,335.08
- Less: provision for doubtful debts	<u>(2,538.87)</u>	<u>(2,335.08)</u>
Others		
Considered good	62,925.28	113,077.00
Considered doubtful	-	38.51
- Less: provision for doubtful debts	-	<u>(38.51)</u>
	<u>84,410.80</u>	<u>126,445.60</u>

## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "9"</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on hand	29.76	28.11
Bank Balance With Scheduled banks		
- In Current Accounts	7,372.97	1,652.67
- In Fixed Deposit Account*	52,315.25	54,715.56
- Margin Money	197.30	155.00
Bank Balance With Unscheduled banks		
- In Current Accounts	-	86.74
( Amegy Bank, USA: Maximum Balance outstanding during the year Rs. 2,786.98 lacs (Previous Year-Rs. 120.14 lacs)		
	<b>59,915.28</b>	<b>56,638.08</b>
* This includes balance of unutilized money out of FCCB issue Rs.10,970.95 lacs(Previous Year Rs.11,645.42 lacs)		
<b>SCHEDULE "10"</b>		
<b>LOANS AND ADVANCES</b> ( Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	21,080.77	20,999.15
Earnest money and Security deposits	4,179.42	3,786.05
Balance with Excise, Customs and Port Authorities etc.	600.50	486.95
Inter Corporate Loans	26,259.55	7,518.96
Interest Accrued on Loans and Advances	73.80	873.34
Export Benefits/Govt. Grants Receivables	4,649.81	3,056.40
	<b>56,843.85</b>	<b>36,720.85</b>
<b>SCHEDULE "11"</b>		
<b>CURRENT LIABILITIES</b>		
Acceptances	38,994.07	84,358.36
Sundry Creditors		
- to micro and small enterprises	5.05	6.69
- to others	28,765.29	31,893.02
Advance from Customers	7,017.85	14,628.25
Interest Accrued but not due	4,804.12	2,551.14
Other Liabilities	12,029.89	3,773.38
Unclaimed Dividend*	222.64	198.44
Provision towards estimated loss on project activity to be undertaken in future years	-	170.00
	<b>91,838.91</b>	<b>137,579.28</b>

\* There is no amount due & outstanding to be credited to Investor's Education and Protection fund u/s 205 C of the Companies Act, 1956.

## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "12"</b>		
<b>PROVISIONS</b>		
Taxation (Net of Prepaid Taxes)	3,077.80	3,543.91
Proposed Dividend	3,487.25	2,825.44
Corporate tax thereon	579.19	480.18
Leave Encashment	1,430.36	932.03
Gratuity	628.12	368.86
	<b>9,202.72</b>	<b>8,150.42</b>
	<b>Period Ended 31st March ,2010 (Rs. in lacs)</b>	<b>Year Ended 31st Dec. 2008 (Rs. in lacs)</b>
<b>SCHEDULE "13"</b>		
<b>SALES AND OPERATIONAL INCOME</b>		
Sales	687,717.89	524,661.60
Conversion Charges	17,953.92	7,471.57
Govt. Incentive/ Grant	14,294.32	12,837.41
Interest Income (TDS Rs. 74.69 lacs, Previous year - Rs. 11.20 lacs)	2,057.65	1,748.87
Dividend on Long Term Investments	392.64	628.37
Cargo Freight Charges	6,073.87	3,698.39
Time Charter Charges	-	790.39
Erection & Commissioning	2,969.52	989.52
	<b>731,459.81</b>	<b>552,826.12</b>
<b>SCHEDULE "14"</b>		
<b>OTHER INCOME</b>		
Dividend on Long Term investments	0.01	52.50
Dividend on Current Investments	57.20	13.39
Profit on Sales of Current Investments	553.48	374.71
Previous Year's Adjustments (Net)	-	28.48
Miscellaneous Receipts	1,301.72	570.30
Provision No Longer Required written back	345.87	188.49
	<b>2,258.28</b>	<b>1,227.87</b>
<b>SCHEDULE "15"</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods	24,971.03	12,772.35
Work-in-progress	35,462.08	30,941.71
Scrap	4,345.18	2,415.32
	<b>64,778.29</b>	<b>46,129.38</b>
<b>CLOSING STOCK</b>		
Finished Goods	28,701.16	24,971.03
Work-in-progress	13,327.30	35,462.08
Scrap	874.63	4,345.18
	<b>42,903.09</b>	<b>64,778.29</b>
Increase/(Decrease) in Stock	<b>(21,875.20)</b>	<b>18,648.91</b>

## Consolidated Financial Statements

DESCRIPTION	As At 31st March, 2010 Rs. in lacs	As At 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "16"</b>		
<b>MANUFACTURING AND OPERATIONAL EXPENSES</b>		
Stores and Spares	17,225.95	15,543.26
Power and Fuel	22,215.95	16,381.45
Outsourcing	7,220.11	3,407.56
Tele-communication Link / Process Expenses	390.97	172.29
Sub-Contract Expenses - Project	2,840.25	1,390.52
Ship Management Charges	787.78	1,120.35
Vessel and Containers Related Port Charges	2,497.20	1,294.92
Hiring Charges including containers	453.04	212.10
Other Manufacturing expenses	5,494.11	7,257.21
Repair and Maintenance:		
- Plant and Machinery	4,911.02	2,205.73
- Building & Others	299.06	172.20
	<b>64,335.44</b>	<b>49,157.59</b>
<b>SCHEDULE "17"</b>		
<b>EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salary, Wages and other Benefits	25,098.21	14,313.12
Contribution to Provident and other funds	1,618.09	765.35
Workmen and Staff Welfare	1,312.61	913.23
	<b>28,028.91</b>	<b>15,991.70</b>
<b>SCHEDULE "18"</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	242.38	101.64
Rates & Taxes	352.32	525.44
Insurance	692.61	369.35
Postage, Telegrams & Telephones	420.69	303.69
Travelling & Conveyance	1,516.10	1,104.43
Legal & Professional Fee & Expenses	2,106.68	886.18
Vehicle upkeep & Maintenance	302.65	270.65
Director's Meeting Fees	12.10	4.90
Charity and Donations	202.54	87.78
Miscellaneous Expenses	3,424.45	2,154.31
Liquidated Damages / Bad Debts	3,055.41	297.15
Urecoverable Advances Written off	616.83	-
Auditor's Remuneration	47.62	30.87
Cost Auditor's Remuneration	5.87	5.52
Previous Year's Adjustment (Net)	117.87	-
Provision for Doubtful Debts	1,026.94	207.99
Provision for Doubtful Debts written back	(825.33)	(70.14)
Loss on Sale of Fixed Assets	11.08	202.70
(Profit) on Sale of Fixed Assets	(19.17)	-
Loss on Sale of long term Investments	3.19	-
	<b>13,312.83</b>	<b>6,482.46</b>

## Consolidated Financial Statements

DESCRIPTION	Period Ended 31st March, 2010 Rs. in lacs	Year Ended 31st Dec., 2008 Rs. in lacs
<b>SCHEDULE "19"</b>		
<b>SELLING EXPENSES</b>		
Commission	8,557.13	6,343.42
Advertisement	159.21	79.54
Forwarding charges *	23,508.05	22,351.46
Other Selling Expenses	3,046.30	1,559.90
	<b>35,270.69</b>	<b>30,334.32</b>
* Net of recoveries of Rs.2945.68 Lacs (Prev. Year 10558.30 Lacs)		
<b>SCHEDULE "20"</b>		
<b>FINANCE EXPENSES</b>		
Interest on Fixed Deposits	339.21	311.92
Interest on Debentures	2,744.38	2,467.47
Interest on Term Loans	4,025.50	2,620.58
Interest on Bank Borrowings	1,323.05	1,664.13
Bank and Finance charges	3,700.20	3,560.99
Interest to Others	1,902.08	1,468.37
Foreign Exchange Fluctuation/ Loss / (Gain) from Derivative transactions (Net)	11,757.86	9,448.91
	<b>25,792.28</b>	<b>21,542.37</b>
Less: Interest Received		
Interest on Bonds and Debentures (TDS Rs. 2.04 lacs (Previous Year Rs. 3.32 lacs))	30.01	24.01
Other Interest on Loans, Advances and Deposit (TDS Rs. 417.04 lacs (Previous Year Rs.416.71 lacs))	3,448.32	1,728.68
	<b>3,478.33</b>	<b>1,752.69</b>
	<b>22,313.95</b>	<b>19,789.68</b>

## Consolidated Financial Statements

### SCHEDULE – “21”

#### SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY; EIGHTEEN SUBSIDIARIES (INCLUDING THIRTEEN INDIRECT SUBSIDIARIES AS ON 31ST MARCH, 2010)

##### I. Principles of consolidation

The consolidated financial statements relate to Jindal Saw Limited (“the Company”) and its subsidiary companies (Collectively referred as the ‘Jindal Saw Group’). The consolidated financial statements have been prepared on the following basis:-

- The financial statements of the subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – ‘Consolidated Financial Statements’ notified by The Companies (Accounting Standards) Rules, 2006.
- In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any gain on exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve and in case of loss the same is charged to Profit and Loss Appropriation Account and carried to accumulated balance of Profit / (Loss).
- The difference between the cost of investment in the subsidiaries and the Company’s share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statement as Goodwill or Capital Reserve as the case may be.
- Minority Interest in the net assets of the consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and the equity of the company’s shareholders.

Minority interest in the net assets of the consolidated subsidiaries consists of :

- The amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
  - The minorities’ share of movement in the equity since the date the parent subsidiary relationship came into existence.
- Minority Interest in the net profit for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the Jindal Saw Group.
  - As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the companies separate financial statements.
  - The subsidiary companies considered in the consolidated financial statements are:-

Name of the Company	Country of Incorporation	% Shareholding / Voting Power		Date of Financial Statements
		31st March, 10	31st Dec., 08	
<b>Subsidiaries Company (Directly)</b>				
Hexa Securities & Finance Company Ltd.	India	100.00%	100.00%	31-Mar-10
Jindal ITF Ltd.	India	99.99%	99.99%	31-Mar-10
IUP Jindal Metals & Alloys Ltd.	India	80.71%	73.00%	31-Mar-10
Highgate Consultants Ltd. ( Upto 12th August, 2009 )	British Virgin Island	-	100.00%	31-Mar-10
Jindal Saw Holdings FZE	UAE	100.00%	-	31-Mar-10 ***
S.V.Trading Ltd. ( From 13th August , 2009)	Nevis	100.00%	-	31-Mar-10 ****
<b>Subsidiaries Company ( Indirectly )</b>				
S.V.Trading Ltd. ( Upto 12th August, 2009) ( Subsidiary Company of Highgate Consultants Ltd. )	Nevis	-	100.00%	31-Mar-10 ****
Jindal Saw USA LLC ( Subsidiary Company of S V Trading Ltd.)	USA	100.00%	100.00%	31-Mar-10

## Consolidated Financial Statements

Name of the Company	Country of Incorporation	% Shareholding / Voting Power		Date of Financial Statements
		31st March, 10	31st Dec., 08	
Jindal Intellicom Pvt. Ltd. ( Subsidiary Company of Jindal ITF Ltd.)	India	98.78%	88.10%	31-Mar-10
Jindal Water Infrastructure Ltd ( Subsidiary Company of Jindal ITF Ltd.)	India	99.98%	99.93%	31-Mar-10
Jindal Urban Infrastructure Ltd. ( Subsidiary Company of Jindal ITF Ltd.)	India	99.99%	99.99%	31-Mar-10
Jindal Shipyards Ltd. ( Subsidiary Company of Jindal ITF Ltd.)	India	99.99%	99.99%	31-Mar-10
Jindal Rail Infrastructure Ltd. ( Subsidiary Company of Jindal ITF Ltd.)	India	99.99%	99.98%	31-Mar-10
Jindal Waterways Ltd. ( Subsidiary Company of Jindal ITF Ltd.)	India	99.99%	99.99%	31-Mar-10
Jindal Infralogistics Ltd. ( Subsidiary Company of Jindal ITF Ltd.)	India	98.60%	98.60%	31-Mar-10
ICMS Inc. ( Subsidiary Company of Jindal Intellicom Ltd.)	Mauritius	-	75.00%	- *
Jindal ESIPL CETP (Sitarganj) Ltd. ( Subsidiary Company of Jindal Water Infrastructure Ltd.)	India	51.00%	51.00%	31-Mar-10
Timarpur-Okhla Waste Management Co. Pvt. Ltd. ( Subsidiary Company of Jindal Urban Infrastructure Ltd.)	India	100.00%	100.00%	31-Mar-10
Jindal Water Infra ( Nayarapur ) Limited ( Subsidiary Company of Jindal Water Infrastructure Ltd.)	India	80.00%	-	31-Mar-10 **
Jindal Saw Middle East FZC ( Subsidiary Company of Jindal Saw Holdings FZE )	UAE	75.00%	-	31-Mar-10 ***
Jindal Saw Gulf LLC ( Subsidiary Company of Jindal Saw Middle East FZC )	UAE	100.00%	-	31-Mar-10 ***

\* No operations was carried during the year and entire shareholding was sold.

\*\* Subsidiary w.e.f 29th September, 2009

\*\*\* Subsidiary w.e.f 19th October, 2009

\*\*\*\* Becomes direct subsidiary after merger of Highgate Consultants Limited with the Company

### 2. Other Significant Accounting Policies

Since certain subsidiaries are in the same line of business which function in a different regulatory environment, certain policies such as in respect of depreciation etc. differ. The notes on accounts and accounting policies followed by the subsidiaries and holding company are disclosed in their respective financial statements. These are set out under " Significant Accounting Policies" in the stand alone financial statements of the Company. Further to those policies, the accounting policy adopted by subsidiaries are as follows:

Contract revenue in respect of erection and commissioning is recognized by adding the aggregate cost and proportionate margin using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost. Estimated loss on project activity to be undertaken in future years is provided for.

## Consolidated Financial Statements

## 3. Contingent Liabilities

Description	Current Period ended on 31st March, 2010 (Rs. in lacs)	Previous Year ended on 31st Dec., 2008 (Rs. in lacs)	
a) Guarantees issued by the Company's bankers on behalf of the Company	80,320.07	66,534.36	
b) Letter of Credit Outstanding (Net of Liabilities provided in the books)	49,517.52	72,438.96	
c) Corporate Gurantee/ undertaking issued to lender of subsidiary companies.	2,685.11	-	
d) Disputed Excise Duty, Custom Duty and Service Tax	122.87	87.22	
e) Disputed Sales Tax	627.37	674.12	
f) Demand on account of Kolkatta Municipal Tax	-	3.01	
g) Liability in respect of corporate guarantee / duty saved for availing various export based incentive schemes	9,267.09	29,563.53	
h) Claim against company not acknowledged as debt	62.53	-	
i) Income Tax Demand against which company has preferred appeal	885.12	-	
4 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	19,544.93	11,268.98	
5 Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, which are not likely to be material, will be adjusted at the time of confirmation.			
6 Advances recoverable shown under Loan and Advances include Service tax refund claims amounting to Rs. 97.62 lacs which have been rejected by the Service tax authorities against which the Company has filed an appeal with Service tax appellate authority.			
7 In the opinion of the Board, the realisable value of Current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.			
8 Capital work in progress includes Advance against capital goods of Rs.3,894.91 lacs (Previous Period Rs. 2,732.22 lacs) and inventories of capital nature. It also includes Pre-operative expenses amounting to Rs. 2,836.08 lacs (Previous Period Rs.15,974.32 lacs).			
9 Profit for the period includes Prior Period Adjustment Rs. 117.98 lacs (Debit) and Rs. 0.11 lacs (Credit) (Previous Year - 0.64 lacs (Debit) and Rs 29.12 lacs (Credit).			
10 The amount of Foreign Exchange Fluctuation amounting to Rs. 4,818.23 lacs Credit (Previous Year Rs. 19,452.73 lacs-Debit) is included under the relevant heads of Expenditure and Income.			
11 During the period, the amount of Foreign exchange fluctuation capitalised towards Fixed Assets is Rs. 745.35 lacs-Credit (Previous Year Rs. 13,056.40 lacs-Debit).			
12 Charity and Donations includes Rs. 2 lacs (Previous Year- Nil) to Bhartiya Janta Party and Rs. 0.50 lacs (Previous Year- Nil) to Indian National Congress, Both of Gujarat State units as contribution to political parties.			
13 Financial and Derivative Instruments			
a) Nominal amounts of derivative contracts entered into by the company and outstanding as at 31st March, 2010 for hedging Currency and interest rate related risks:			
<b>Sr. No</b>	<b>Particulars</b>	<b>As at 31st March, 2010 (Rs. In lacs)</b>	<b>As at 31st Dec., 2008 (Rs. In lacs)</b>
1	Interst rate Swaps	6,771.00	7,278.00
2	Currency Swaps	18,056.00	19,408.00
3	Options	1,90,970.00	2,90,513.50
4	Forward Contracts	6,8558.97	1,18,146.00

## Consolidated Financial Statements

b) Foreign Currency exposures that has not been hedged by derivative instrument or otherwise are as under:

Sr. No	Particulars	As at 31st March, 2010 (Rs. In lacs)	As at 31st December, 2008 (Rs. In lacs)
1	Receivables/Inflows	-	22,908.00
2	Payable/Outflow	23,604.76	-

- 14 The Company has outstanding foreign currency related derivative contracts in form of swap/options etc. for hedging its business related exposure which are not speculative in nature. The contracts have long dated tenure with multiple contingent/uncertain events. As such, ascertainment of fair value of these contracts are not feasible, however banks estimate the mark to market (MTM) of all outstanding contracts at approx. USD 90 Million (Previous year approx. USD 109 Million). The Company intends to adopt AS 30 in due course and pending adoption of AS 30, the MTM is neither charged to Profit and Loss Account nor consider in the Balance Sheet. However, the gain/loss is being accounted for on settlement.
- 15 The Company's significant leasing arrangements are in respect of operating leases for premises-residential and offices. These leasing arrangements are cancellable. The aggregate lease rentals payables are charged as rent.
- 16 Profit or Loss on sale of raw material, stores and spares is not ascertained or shown separately and sale proceeds have been credited to the respective consumption accounts.
- 17 Goodwill on Consolidation is net of Capital Reserve of Rs. 8,676.71 lacs (Previous year Capital Reserve is net of goodwill of Rs. 5,407.30 lacs ).
- 18 Earning Per Share (EPS) Basic and Diluted computed in accordance with Accounting Standard 20 "Earning per Share"

Description	Current Period ended on 31st March, 2010 15 Months (Rs. in lacs)	Previous Year ended on 31st Dec., 2008 12 Months (Rs. in lacs)
<b>Basic and Diluted</b>		
Profit before tax	89,433.51	43,766.76
Less: Tax on ordinary activities	21,534.64	11,132.62
Less: Adjustments for tax & depreciation of earlier years	(718.64)	938.09
Profit after tax	68,617.51	31,696.05
Less: Preference dividend including tax thereon	1,144.74	918.41
Profit attributable to Equity Shareholders - Basic (A)	67,472.77	30,777.64
Interest on CCD/FCCB (Net of Taxes)	1,934.21	553.83
Profit attributable to Equity Shareholders - Diluted (B)	69,406.98	31,331.47
Weighted Average No of Shares issued for Basic EPS (C)	266,183,601	259,197,550
Weighted Average No of Shares issued for Diluted EPS (D)	293,840,046	270,753,305
<b>Earning per share in Rs. (on face value of Rs. 2/each)</b>		
Basic = A/C	25.35	11.87
Diluted = B/D	23.62	11.57

## Consolidated Financial Statements

19 Details of Pre-operative Expenses pending allocation on completion of the projects is as under :

Detail of Pre-operative Expenses	Current Period ended on 31st March, 2010 15 Months (Rs. in lacs)	Previous Year ended on 31st Dec., 2008 12 Months (Rs. in lacs)
Raw materials	22.81	-
Power & Fuel	200.06	320.79
Store & Spares	1.03	128.85
Repairs to plant and machinery	28.60	9.14
Salary, Wages & Other Benefits	189.24	266.77
Contribution to PF & other funds	6.02	2.04
Workman & Staff Welfare	10.57	20.37
Rent	19.07	13.57
Rates and taxes	11.93	-
Travelling & Conveyance	91.16	52.06
Insurance Expenses	14.55	93.94
Consultancy charges	256.69	104.19
Auditors Remuneration	0.36	0.06
Interest Paid *	1,513.98	3,148.28
Bank Charges	389.31	90.26
Miscellaneous Expenses	309.27	259.66
Depreciation	2.39	5.56
Foreign Exchange Fluctuation	(745.35)	13,056.40
	<b>2,321.69</b>	<b>17,571.94</b>
Less:		
Sale value of goods produced during trial period	11.24	103.61
Dividend Received	7.39	0.14
	<b>2,303.06</b>	<b>17,468.19</b>
Add: Preoperative expenses brought forward	15,974.32	697.76
Add: Preoperative expenses of Subsidiaries brought forward at the time of Acquisition.	-	688.08
	<b>18,277.38</b>	<b>18,854.03</b>
Less: Capitalized during the year	15,441.30	2,879.71
Preoperative Expenses Carried Over	<b>2,836.08</b>	<b>15,974.32</b>

\* Net of Interest Received Rs. 209.96 lacs (Previous Year-Rs. 679.06 lacs)

## 20 Related Parties Transactions

### A List of Related Parties & Relationship (As required by AS - 18)

#### a) Associates

- 1 Eldeco Sidcul Industrial Park Limited Associate of Jindal ESIPL CETP (Sitarganj) Ltd.

#### b) Key Management Personnel

- 1 Ms. Sminu Jindal Managing Director - Jindal Saw Limited and IUP Jindal Metals & Alloys Limited
- 2 Mr. Indresh Batra Managing Director- Jindal Saw Limited and Director - IUP Jindal Metals & Alloys Limited
- 3 Mr. H.S. Chaudhary Whole Time Director- Jindal Saw Limited
- 4 Mr. O.P.Sharma Chief Operating Officer (Large Dia. Pipe- SBU)
- 5 Mr. V.S.Konnur Director (Seamless Business)

## Consolidated Financial Statements

6	Mr. K. Chandrayya	Director (Works) IPU
7	Mr. A. Murugiah	Director - Jindal ESIPL CETP (Sitarganj) Ltd.
8	Mr. Amit Bajpai	Director - Jindal ESIPL CETP (Sitarganj) Ltd.
9	Mr. Rajesh Bajjal	Director - Jindal ESIPL CETP (Sitarganj) Ltd.
10	Mr. Mukesh Kumar	Whole Time Director - IUP Jindal Metals & Alloys Limited (Upto 21st January, 2009)
11	Mr. Vivek Goyal	Whole Time Director - IUP Jindal Metals & Alloys Limited (From 22nd January, 2009)
12	Mr. P.D. Agarwal	Executive Director - IUP Jindal Metals & Alloys Limited
13	Mr. Sanjiv Garg	Director - Jindal Intellicom Pvt. Ltd.
<b>c) Relative of Key Management Personnel</b>		
1	Mr. P.R. Jindal	Father of Ms. Sminu Jindal
2	Ms. Leena Garg	Wife of Mr. Sanjiv Garg
3	Ms. Gayatri Garg	Daughter of Mr. Sanjiv Garg

### B Transactions

Rs. in lacs

Description	Associates		Key Management Personnel and their relatives		Total	
	Current Period Ended 31.03.10 15 Months	Previous Year Ended 31.12.08 12 Months	Current Period Ended 31.03.10 15 Months	Previous Year Ended 31.12.08 12 Months	Current Period Ended 31.03.10 15 Months	Previous Year Ended 31.12.08 12 Months
a) Transactions	-	-	-	-	-	-
Share Application Money Received						
- Eldeco Sidcul Industrial Limited	-	100	-	-	-	100
Interest Paid						
- Ms. Sminu Jindal	-	-	-	5.60	-	5.60
Rent Paid						
- Mr. P.R. Jindal	-	-	10.50	6.30	10.50	6.30
Rent Received						
- Mr. P.R. Jindal	-	-	7.50	4.50	7.50	4.50
Remuneration Paid						
- Ms. Sminu Jindal	-	-	281.51	191.30	281.51	191.30
- Mr. Indresh Batra	-	-	217.57	144.18	217.57	144.18
- Others	-	-	245.03	154.46	245.03	154.46
b) Outstanding Balance as on 31.03.2010						
Creditors						
- Eldeco Sidcul Industrial Limited	-	3.59	-	-	-	3.59
- Mr. Sanjeev Garg	-	-	16.51	5.82	16.51	5.82
- Others	-	-	0.64	-	0.64	-

### 21 DEFERRED TAX LIABILITY

Description	Current Period ended on 31st March, 2010 15 Months (Rs. in lacs)	Previous Year ended on 31st Dec., 2008 12 Months (Rs. in lacs)
<b>A. Deferred Tax Liability</b>		
Difference between book and tax depreciation	21,252.55	12,410.30
Total Deferred Tax Liability	21,252.55	12,410.30
<b>B. Deferred Tax Assets</b>		
i) Disallowance under Income Tax Act	5.68	752.94
ii) Brought forward Losses	8,531.32	3,250.98
<b>Total Deferred Tax Assets</b>	8,537.00	4,003.92
Deferred Tax Liability (Net) (A-B)	12,715.55	8,406.38

## Consolidated Financial Statements

## 22 Segment Information:

## A) PRIMARY BUSINESS SEGMENT

Rs. in lacs

Particulars	Iron and steel products	Investment	Others	Unallocable	Eliminations	Total
<b>1 Segment Revenue</b>						
External Turnover	705,387.91	2,450.28	23,621.62	-	-	731,459.81
	524,909.82	2,377.24	25,539.06	-	-	552,826.12
Less: Excise Duty	20,433.31	-	-	-	-	20,433.31
	17,242.49	-	-	-	-	17,242.49
Net Turnover	684,954.60	2,450.28	23,621.62	-	-	711,026.50
	507,667.33	2,377.24	25,539.06	-	-	535,583.63
Inter Segment Sales	6,070.33	632.97	-	-	(6,703.30)	-
	6,216.15	525.65	-	-	(6,741.80)	-
Total Revenue	691,024.93	3,083.25	23,621.62	-	(6,703.30)	711,026.50
	513,883.48	2,902.89	25,539.06	-	(6,741.80)	535,583.63
<b>2 Segment Result before interest, extra ordinary items and Taxes</b>						
	119,752.31	2,377.17	(5,575.35)	(4,285.88)	(520.80)	111,747.45
	63,852.58	2,855.31	(708.56)	(2,064.10)	(378.79)	63,556.44
Less: Interest Expenses(Net)						22,313.95
						19,789.68
Profit before Taxes						89,433.50
						43,766.76
Current Tax including fringe benefit tax						17,196.03
						10,822.15
Provision / (Withdrawn) of Deferred Tax						4,309.17
						262.19
Wealth Tax						29.44
						48.28
Net Profit after Tax						67,898.86
						32,634.14
<b>3 Other Information</b>						
Segment Assets	407,687.11	74,260.72	65,438.60	198,580.42	(157,191.75)	588,775.10
	496,672.41	80,272.37	35,510.11	48,509.08	(41,046.61)	619,917.36
Segment Liabilities	67,557.70	1.52	15,462.77	28,095.35	(10,075.71)	101,041.63
	129,482.13	43.45	8,960.60	13,456.32	(6,212.80)	145,729.70
Capital Expenditure	41,358.86	-	22,722.68	-	-	64,081.54
	63,379.99	-	4,578.81	-	-	67,958.80
Depreciation	14,130.20	-	1,724.41	-	-	15,854.61
	7,558.71	-	647.03	198.13	-	8,403.87
Non Cash Expenses other than depreciation	3,257.02	616.83	-	-	-	3,873.85
	376.22	29.45	199.33	-	-	605.00

## Consolidated Financial Statements

B) SECONDARY BUSINESS SEGMENT		(Rs. In lacs)		
Particulars	Within India	Outside India	Total	
1 External Revenue	458,065.94	273,393.87	731,459.81	
	265,481.85	287,344.27	552,826.12	
Less: Excise Duty	20,433.31	-	20,433.31	
	17,242.49	-	17,242.49	
Net Turnover	437,632.63	273,393.87	711,026.50	
	248,239.36	287,344.27	535,583.63	
2 Segment Assets*	522,675.89	66,099.21	588,775.10	
	562,885.73	57,031.63	619,917.36	
3 Segment Liabilities	99,880.63	1,161.00	101,041.63	
	137,850.30	7,879.40	145,729.70	
4 Capital Expenditure*	61,930.60	2,150.94	64,081.54	
	63,750.97	4,207.83	67,958.80	

\* The Company's operating facilities are located in India

NOTE:

- Unbold Figures pertain to previous period.
- Segments have been identified in line with AS on Segment Reporting (AS-17) taking into account the organisational structure, nature of product and differential risk and returns of these segments.

23

a) Auditor's Remuneration

Description	Current Period 15 Months Ended 31.03.10 (Rs. in lacs)	Previous Year 12 Months Ended 31.12.08 (Rs. in lacs)
1. Statutory Auditors		
i. Audit Fees *	27.94	19.90
ii. Tax Audit Fees	7.17	2.46
iii. Taxation Matters	0.73	-
iv. Certification/ Others	5.47	6.15
v. Out of pocket Expenses	6.67	2.42
<b>Total</b>	<b>47.98</b>	<b>30.93</b>
* Includes Rs. 0.36 lacs (Previous year 0.06 lacs ) in Pre-Operative expenses.		
2. Cost Auditors		
i. Audit Fees	3.37	5.17
ii. Others	1.77	0.35
iii. Out of pocket Expenses	0.73	-
<b>Total</b>	<b>5.87</b>	<b>5.52</b>
b) Directors' Remuneration		
i. Salary including allowances etc.	310.51	194.37
ii. Commission	188.10	125.10
iii. Contribution to P.F. etc.	24.71	16.55
iv. Perquisites (as per Income Tax Rules)	65.06	49.34
<b>Total</b>	<b>588.38</b>	<b>385.36</b>

## Consolidated Financial Statements

**24** Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statement. Previous period figures have been regrouped / rearranged wherever considered necessary. Current period figures of Profit & Loss Account are not comparable with Previous Year as the Current Period figures are for fifteen months.

As per our report of even date attached

For **N.C. AGGARWAL & CO.**  
Chartered Accountants

**H.S. CHAUDHARY**  
Wholetime Director

**SMINU JINDAL**  
Managing Director

**N.C. Aggarwal**  
PARTNER  
M.No. 005951  
PLACE : NEW DELHI  
DATED: 19th July, 2010

**SUNIL JAIN**  
Company Secretary

**N.K. AGARWAL**  
Vice President  
(Corp. Accounts & Taxation)



**JINDAL SAW LTD.**

## Notice

**NOTICE** is hereby given that the 25th Annual General Meeting of the Members of Jindal Saw Ltd. will be held at Registered Office at A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.) - 281 403 on Friday, the 17th day of September, 2010 at 1.00 p.m. to transact the following businesses:-

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the period ended 31st March, 2010 and the Reports of Directors and Auditors.
2. To declare a dividend.
3. To appoint a Director in place of Shri Kuldip Bhargava, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Dr. Raj Kamal Agarwal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s N. C. Aggarwal & Co., Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

Regd. Office :  
A-1, UPSIDC Indl. Area  
Nandgaon Road, Kosi Kalan  
Distt. Mathura (U.P.)-281 403

Place : New Delhi  
Dated : 19th July, 2010

By order of the Board  
for JINDAL SAW LTD.  
SUNIL JAIN  
COMPANY SECRETARY

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID & EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ABOVE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 14th September, 2010 to 17th September, 2010 (both days inclusive).
3. The Dividend, if approved, will be paid to those shareholders whose names appear : (a) as Beneficial Owners as at the end of the business hours on 13th September, 2010 as per the list to be furnished by NSDL and CDSL in respect of shares held in the Electronic Form; and (b) as Members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 13th September, 2010.
4. The Members are requested to notify promptly any change in their address to the Company.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year ended 30th June, 2003 which has remaining unpaid for a period of 7 years will be transferred to the Investor Education and Protection Fund established by the Central Government on or before 28th December, 2010. Shareholders who have not encashed the dividend warrants so far for the financial year ended on 30th June, 2003 are requested to make their claim to the Company at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066 before 18th December, 2010. It may also be noted that once the unclaimed dividend is transferred to the fund as above, no claim shall lie in respect thereof.
6. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders.
7. The information required under Clause 49 of the Listing Agreement relating to Corporate Governance with respect to those Directors retiring by rotation and seeking reappointment is given hereunder.

## Notice

8. Members are requested to note that pursuant to directions given by SEBI/Stock Exchanges, the Company has appointed M/s RCMC Share Registry (P) Ltd., B-106, Sector -2, Noida as Registrar and Transfer Agent to look after the work related to shares held in physical as well as demat mode.

Regd. Office :  
A-1, UPSIDC Indl. Area  
Nandgaon Road, Kosi Kalan  
Distt. Mathura (U.P.)-281 403

Place : New Delhi  
Dated : 19th July, 2010

By order of the Board  
for JINDAL SAW LTD.  
SUNIL JAIN  
COMPANY SECRETARY

Details of Directors seeking reappointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Name of Director	Shri Kuldip Bhargava	Dr. Raj Kamal Agarwal
Date of Birth	22.04.1953	07.07.1952
Date of Appointment	22.11.2001	30.01.2006
Qualification	Industrialist	Medical Practitioner
Expertise in Specific Functional Area	Shri Kuldip Bhargava, aged 57 years, is an Industrialist. He has more than 35 years of experience in managing industries like Steel Rolling, Casting, Fabrication, Tubes making etc. He is a Director on the Board of BPM Industries Ltd.	Dr. Agarwal is a senior consultant critical care and pain medicine and incharge of ICU - Kolmet Hospital, New Delhi. He has been on the Board of several public and private limited companies for a long time and has a considerable experience in corporate affairs.
Directorship in other Indian Public Limited Companies as on 31.03.2010	1. Orbit Corporation Ltd. 2. Satellite Developers Ltd.	1. Virtue Drilling PTE Ltd.
Chairman / Membership of Committees in other Indian Public Limited Companies as on 31.3.2010 * (C=Chairman ; M=Member)	Audit Committee : 1. Orbit Corporation Ltd. (M)	Nil
No. of equity shares held	8000	Nil









**JINDAL SAW LTD.**  
TOTAL PIPE SOLUTIONS

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Website: [www.jindalsaw.com](http://www.jindalsaw.com)