

**8<sup>TH</sup>  
ANNUAL  
REPORT  
1991-92**

ABRIDGED FOR THE YEAR ENDED 30.6.1992

**SAW Pipes Ltd** 



# SAW Pipes Ltd.

## **Board of Directors**

Shri P.R. Jindal  
Chairman & Managing Director  
Shri T.M. Sen  
Shri B.B. Arora  
(Nominee Director-IFCI)  
Shri Dilip Bhargava  
(NRI Director)  
Shri Kuldip Bhargava  
(Alternate Director to  
Shri Dilip Bhargava)  
Shri Ratan Jindal  
Dr. N.S. Datar  
Shri Subhash Goel  
Shri Purshottam Lal  
Shri P.K. Jain  
Shri H.S. Choudhary  
Whole time Director

## **Principal Executives**

Shri Onkar Nath Gupta  
Financial Controller & Secretary  
Shri H. S. Bedi  
General Manager (Works)  
Shri S. Misra  
General Manager  
(Marketing & Co-ordination)  
Shri A.K. Mahendru  
General Manager (Sales)

## **Bankers**

State Bank of Patiala, New Delhi  
Canara Bank, Janpath, New Delhi

## **Auditors**

M/s. Ajaya Associates  
Chartered Accountants

## **Registered Office**

28, Najafgarh Road,  
New Delhi-110015

## **Works**

(i) Pipes Division  
A-1, UPSIDC Industrial Area,  
Nand Gaon Road,  
Kosi Kalan-281 403  
Dist. Mathura (U.P.)

(ii) Foils Division  
28 & 37, Najafgarh Road,  
New Delhi-110 015.

## NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Company will be held on Wednesday the 30th December, 1992 at 11.00 A.M. at the Auditorium of N.C. Jindal Public School, Road No. 73, Punjabi Bagh (West), New Delhi-110026 to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the audited Balance Sheet of the Company as at 30th June, 1992 and Profit & Loss Account of the year ended on that date and the report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri T. M. Sen who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Subhash Chandra, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

To consider and if thought fit to pass the following resolutions with or without modification, as Ordinary Resolutions:

6. "RESOLVED THAT pursuant to Section 257 and other applicable provisions of the Companies Act, 1956, Shri Ratan Jindal be and is hereby appointed as Director of the Company liable to retire by rotation".
  7. "RESOLVED THAT in accordance with the provisions of Section 372 and all other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government as may be required, the Board of Directors of the Company be and is hereby authorised to acquire, from time to time, by way of subscription, purchase or otherwise, shares/debentures of any body/ bodies corporate (existing or which may be promoted whether under the same management or not, upto a limit of Rs. 20 crores notwithstanding that such investment or investments together with the existing investments of the Company in all other bodies corporate, may be in excess of all or any of the limits/percentages prescribed or as may be prescribed from time to time by the Central Government, under the provisions of Section 372(2) of the Companies Act, 1956 and the provisions thereto.
- "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to determine the actual sum or sums to be so invested and to decide all or any other matters arising out of or incidental to the investments as aforesaid and take all other necessary actions and do all acts and things as may be necessary to give effect to the above resolution."

REGISTERED OFFICE  
28, Najafgarh Road,  
New Delhi-110015  
Dated 30th November, 1992

By Order of the Board  
for SAW Pipes Limited  
Onkar Nath Gupta  
Secretary & Financial Controller

## NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote, instead of himself/ herself and a proxy need not be a member.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16th December, 1992 to 30th December, 1992 (both days are inclusive).
3. Members are requested to bring their copy of the Annual Report at the time of the Meeting.
4. Dividend, if declared, will be paid to those members whose names appear on the register of members on 30th December, 1992.
5. Dividend, if declared, will not be subject to deduction of tax at source in the case of the resident individual if the amount of such dividend does not exceed Rs. 2500/-.
6. No deduction of tax at source will be made from the dividend (not covered above), if a member furnishes the declaration in the requisite form for non-deduction of tax, at the registered office of the Company on or before 30th December, 1992.
7. Members are requested to notify immediately any change in their address to the Company.
8. In view of amendment to the Income Tax Rules, the Company is required to furnish the Permanent Account Number (PAN) in the Tax Deduction Certificate relating to Dividend on shares/interest and in the Return to be filed with the Income Tax Department. Members are therefore, requested to furnish their Permanent Account Number (PAN) or General Index Register Number (GIR Number) and the Income Tax Ward/Range/District (GIR Number) and the Income Tax Ward/Range/District i.e. Assessment Office (AO) where assessed/assessable.
9. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No. 6 to 7 of the Notice is given below.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

**ITEM No. 6** The Board in its meeting held on 28.8.1992 has appointed Shri Ratan Jindal as an Additional Director of the Company pursuant to provisions of Article 104 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. According to the provisions of the said article and the section as above, he will hold office only upto the date of Annual General Meeting. As required under Section 257 of the Companies Act, 1956, the Company has received a notice from a member alongwith a deposit of Rs. 500/- signifying his intention to propose Shri Ratan Jindal as a candidate for the office of the Director liable to retire by rotation.

Shri Ratan Jindal is a Joint Managing Director of Jindal Strips Limited and was also a Director of the Company in the past. He has wide-experience in steel industry and the Company would be benefited by his presence on the Board.

Your Directors commend passing of the resolution at sl. no. 6. None of the Directors except Shri Ratan Jindal himself and Shri P.R. Jindal, as relative, is concerned or interested in this resolution.

**ITEM No. 7 :** The Company is proposing to invest in the Equity Shares of Abhinandan Investments Limited and M/s Saw Pipes USA Inc., which is likely to be in excess of the limits prescribed in provisions to section 372(2).

The Company may be approached by any other domestic or international Company for establishing joint ventures. It may become necessary for the Company to make investments in other bodies corporate with which the Company may be associated in future. It will also be advantageous if the Company invests in Shares/Debentures of other bodies corporate.

In accordance with the provisions of Section 372 of the Companies Act, 1956, the Company cannot make any investment in Shares/ Debentures of any other body/bodies corporate in excess of the percentages prescribed in provisions to Sub-Section (2) of the Section 372, unless the investment is sanctioned by a resolution of the shareholders in General Meeting and also approved by the Central Government and Term Lending Institutions wherever required. The resolution set out at Item No. 7 of the notice would enable the Board of Directors to invest its funds in Shares/Debentures of other bodies corporate as and when it deems fit.

The Directors recommend the resolution for your approval. None of the Directors of the Company, except to the extent of their shareholding and Shri Dilip Bhargava, who is also a Director of SAWPipes USA Inc., is, in any way, presently concerned or interested in the said Resolution.

REGISTERED OFFICE  
28, Najafgarh Road,  
New Delhi-110015  
Dated 30th November, 1992

By Order of the Board  
for SAW Pipes Limited  
Onkar Nath Gupta  
Secretary & Financial Controller

## NOTICE

Members hereby informed that the retiring auditors M/s. Ajaya Associates, Chartered Accountants, New Delhi, have shown unwillingness to be reappointed as auditors of the Company for the ensuing year ended 30th June, 1993. A member of the Company has given notice proposing the name of M/s. N.C. Agarwal & Co., Chartered Accountants, Hisar for appointment as auditors of the Company for the ensuing year ended 30th June, 1993.

ONKAR NATH GUPTA  
Secretary

Place : New Delhi  
Date : 30.11.1992

## DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Eighth Annual Report with Accounts of the Company for the year ended 30th June, 1992.

### FINANCIAL RESULTS :

The Financial Results of the operations of the year are given below:

	1991-92 (Rs. in thousands)	1990-91 (Rs. in thousands)
Sales & other Income	41,87,03.77	22,81,82.45
(Decrease)/Increase in stocks	(785.49)	(337.74)
	<u>41,79,18.28</u>	<u>22,78,44.71</u>
Less : Consumption of Raw Materials & Manufacturing Exp.	30,32,88.99	15,19,52.28
Gross Profit	11,46,29.29	7,58,92.43
Less : Administrative and other Exp.	2,84,79.79	2,29,87.25
Profit/Loss before interest and depreciation	8,61,49.50	5,29,05.18
Less : Interest and other Financial Expenses	3,80,71.16	3,02,78.91
Depreciation	71,47.03	67,91.05
	<u>4,52,18.19</u>	<u>3,70,69.96</u>
Net Profit for the year	4,09,31.31	1,58,35.22
Profit/(-) Loss : Brought Forward	31,05.55	(-) 1,27,29.67
Disposable Profits	4,40,36.86	31,05.55
<b>Appropriations :</b>		
Proposed Dividend	1,19,56.40	
Balance carried to Balance Sheet	3,20,80.46	31,05.55
	<u>4,40,36.86</u>	<u>31,05.55</u>

The Directors are pleased to state that the working of the Company has improved. During the year the Company manufactured 15492 MT of Pipes and 4206 MT of Cold Rolled Steel Strips. It may be noted that increase in production resulted in higher turn-over by 83.58% and net profit by 158.48%.

### DIVIDEND :

The Directors have pleasure in recommending a dividend of Rs. 1.5 per equity share of Rs. 10/- each (subject to deduction of tax at source) for the year ended 30th June, 1992.

### AMALGAMATION :

The Scheme of the Company for Amalgamation of Swastik Udyog Limited manufacturer of Cold Rolled Strips of thicker gauge, with the Company is under consideration of the Hon'ble High Courts of Delhi at New Delhi and Punjab & Haryana at Chandigarh. The Scheme when approved shall be effective from 01.04.1992.

### DIVERSIFICATION AND FUTURE OUTLOOK :

The Company is putting up a new project for manufacture of Seamless Tubes at Sinner Industrial Area, Nasik Road, State of Maharashtra, which is a notified growth centre and is entitled to various fiscal benefits. The Directors are confident that after aforesaid diversification and proposed Amalgamation of Swastik

Udyog Limited which has already expanded its capacity from 15000 MT to 50000 MT of Cold Rolled Strips, the Company's profitability in future will further improve.

### PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provision of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure-1) hereto forming part of the Report.

### PARTICULARS OF THE EMPLOYEES

The information required under Section 217(2A) of the companies Act, 1956 are set out in the statement annexed (Annexure-2) hereto which forms part of this report.

### PUBLIC DEPOSITS

Deposits from 4 depositors aggregating Rs. 19,000/- were over due and unclaimed at the end of the year.

### INSURANCE

All the properties and insurable interest of the Company including buildings, plants machinery and stocks, wherever necessary and to the extent required have been adequately insured.

### AUDITORS REPORT

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

### AUDITORS

M/s. Ajaya Associates, Chartered Accountants, auditors of the Company retires at the ensuing Annual General Meeting. The retiring auditors have shown unwillingness to be reappointed for the ensuing year ended 30th June, 1993. A member of the Company has given notice proposing the name of M/s. N.C. Agarwal & Co., Chartered Accountants, Hisar, for appointment as auditors of the Company for the ensuing year ended 30th June, 1993.

### DIRECTORS

Shri T.M. Sen and Shri Subhash Chandra retire by rotation and are eligible for re-appointment. Shri Ratan Jindal was co-opted as a Director of the Company on 28.8.1992 pursuant to section 260 of the Companies Act, 1956. His term expires at the ensuing Annual General Meeting and he is eligible for the appointment. As required under section 257 of the Companies Act, 1956, the Company has received notice in writing from a member signifying his intention to propose the candidature of Shri Ratan Jindal for appointment as Director.

### ACKNOWLEDGMENTS

The Directors are grateful to all concerned department of the Central/State Governments, Financial Institutions and Company's Bankers for their timely help and co-operation. The Directors also wish to place on record their appreciation of the contribution made by the employees at all levels to the efficient operation of the Company.

Dated : 30th November, 1992.

REGD. OFFICE :  
28, Najafgarh Road,  
New Delhi-110 015.

For and on behalf of the Board  
P.R. JINDAL  
Chairman & Managing Director

**ANNEXURE TO DIRECTOR'S REPORT**  
PARTICULARS REQUIRED UNDER THE COMPANIES  
(DISCLOSURES OF PARTICULARS IN THE REPORT OF  
THE BOARD OF DIRECTORS) RULES, 1988.

- (A) **CONSERVATION OF ENERGY**  
a) **Energy Conservation Measures taken :**  
(i) Installation of capacitors in 'O' Press, Expanders of 200 KVA capacity to improve the power factor.  
(ii) Installation of 2000 KVA capacity D.G. Set. To maintain the desired level of productivity.  
(iii) Monitoring of the consumption of electricity per ton of pipe produced in Forming, Welding, Expanders and Hydro testing sections and also for the Coils rolled.  
(iv) Switching off the high power consuming drives during idle period.  
b) **Additional Investment and proposals for reduction of Consumption of Energy:**  
(i) Propose to install additional capacitors to improve the power factor.  
(ii) Extension of production bay by 10 columns to reduce cross flow of pipes and thus reducing the consumption of power.  
(iii) Installation of additional EOT Crade in the welding bay to restrict the longitudinal drive of the crane and thus reducing the consumption of power.  
c) **Impact of above Measures :**  
The impact of above measures taken will result in lower energy consumed per tonne of production.  
d) **Total energy consumption and energy consumption per unit production.**

**FORM "A"**

Form for disclosure of particulars with respect to conservation of energy :

I. POWER AND FUEL CONSUMPTION	1991-92	1990-91
i) <b>Electricity</b>		
Purchased units	40,24,952	38,64,144
Total amount (Rs.)	95,84,817	63,29,554
Rate per unit	2.38	1.64
ii) Own Generation through D.G. Set		
Generator units	10,38,470	4,57,686
Unit per litre of Oil	2.98	3.20
Cost per unit	1.74	1.60

**(B) CONSUMPTION PER UNIT OF PRODUCTION :**

**Production :** Submerged Arc Welding Pipes  
And Re-Rolled Stainless  
Steel Strips.

Electricity for		
(i) manufacture of Steel Pipes per tonne	156.75	233
(ii) re-rolling of Stainless Steel Strips per tonne	626	525

The consumption of electricity per tonne for re-rolling has increased on account of low utilisation of capacity of the plant.

**FORM B**

Form of disclosure of particulars with respect of Technology Absorption 1991-92.

- Specific Areas in which Research & Development Carried out by the company :**
  - Installation of voltage Stabilizers 200 KVA - 4 Nos. for ID & OD Welding.
  - Laboratory for testing (NACE Quality) pipes was duly approved by EIL.
  - Additional testing facilities such as Vickers Hardness Tester, Plate Ultrasonic Testing Machine, Intermediate Ultrasonic Testing machine, MPI machine upto 6000 Amps. were installed and commissioned.
  - Additional MIG Welding Machine procured, installed and commissioned for augmenting the tack welding production.
- Benefits Derived :**
  - With the installation of above additional equipments it was possible to qualify API X-60 Grade pipes ment for Sour Gas Application (NACE Quality).
  - With the installation of additional Mig Welding it was possible to produce higher rates of production and take up longer campaigns to meet the committed deliveries.
- Future Plan of Action :**
  - Installation of additional EOT Crane to improve the mill handling facilities in the production bay, to extend the production bay by 10 columns to generate more space for improving the productivity.
- Expenditure of R&D** (Amount in Rs.)
 

a) Capital	NIL
b) Reccuring	1,94,881/-
c) Total	1,94,881/-
d) Total R&D expenditure as a percentage of Total turnover	0.06%
- Foreign Exchange earnings & outgo :**
  - Foreign Exchange Earnings (Deemed export supplies) 9,13,73,308/-
  - Foreign Exchange Outgo 11,30,70,491/-

Place : New Delhi  
Dated : 30th November, 1992.

For and on behalf of the Board  
P.R. JINDAL  
Chairman & Managing Director

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTOR'S REPORT FOR THE PERIOD FROM 1ST JULY 1991 TO 30TH JUNE 1992 IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956.

A) Persons Employed throughout the Financial Period who were in receipt of remuneration for the period which in aggregate was not less than Rs. 1,44,000/- per annum

S. No.	Name	Designation/ Nature of duties	Age	Gross Remuneration (Rs.)	Qualfn.	Experience (years)	Date of Commence- ment of Employment	Last employment held before joining the Company Name the Employer & Designation
1	2	3	4	5	6	7	8	9
1.	Mr. P.R. Jindal	Chairman & Managing Director	42	1,69,413/-	B.A.	22	07.05.1986	Swastik Foils Ltd. Managing Director

NOTES :

1. Shri P.R. Jindal is a relative of Shri Ratan Jindal, Director.
2. The employment of Mr. P.R. Jindal is governed by the terms approved by the Central Government.
3. The appointment is contractual and is not terminable by notice.
4. Remuneration includes Salary, Contribution to Provident Fund, House Rent Allowance and taxable value of perquisites.
5. Information about qualification and last employment is based on particulars furnished by the employees concerned.

NEW DELHI  
DATED :30.11.92

FOR AND ON BEHALF OF THE BOARD  
P.R. JINDAL  
CHAIRMAN & MANAGING DIRECTOR

## REPORT OF THE AUDITOR'S TO THE MEMBER'S OF SAW Pipes Limited

We have audited the attached Balance Sheet of **SAW Pipes Limited** as at June 30, 1992 and the Profit and Loss Account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of The Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the annexure referred to in paragraph (1) above :
  - (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) Proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
  - (c) The Balance Sheet and Profit and Loss Account referred to in this report are in agreement with the books of account.
  - (d) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by The Companies Act, 1956, in the manner so required and subject to note no. A (ii) to accounts regarding foreign exchange liability for Rs. 37,54,449 which will be accounted on payment basis, note no. A (iii) regarding nonprovision for amortisation of premium on leasehold land for Rs. 4,81,043 and note no. A (iv) regarding title to Land Building note no. B (ii) regarding non-provision of doubtful advances Rs. 47,97,257/- give a true and fair view--
    - (i) In case of the Balance Sheet of the State of Affairs of the Company as at June, 30, 1992 and
    - (ii) In the case of Profit and Loss Account of the profit of the Company for the year ended on that date.

for AJAYA ASSOCIATES  
CHARTERED ACCOUNTANTS  
SUNIL AGARWAL  
PARTNER

PLACE : NEW DELHI

DATED : 30.11.92

Annexure referred to in Paragraph 1 of the Auditor's Report of even date to the Member's of SAW Pipes Limited on the Accounts for the year ended June 30, 1992.

1. The Company has maintained proper records which show full particulars including quantitative details and situations of its Fixed Assets. A major portion of the assets has been physically verified by the management during the year and no serious discrepancies have been noticed on such verification. In our opinion, the coverage of verification needs to be increased.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, stores and spare parts and raw material have been physically verified by the Management at reasonable intervals.
4. In our opinion and according to the information and explanation given to us the procedures for physical verification of stocks followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
6. In our opinion the valuation of stocks is fair & proper and in accordance with normally accepted accounting principles and is on the same basis as in the previous year.
7. The Company has not taken any loan secured or unsecured from companies, firms or other parties listed in The Register maintained under Section 301 of The Companies Act, 1956, or from Companies under the same management within the meaning of section 370(1-B) of The Companies Act, 1956.
8. The Company has not granted any loans secured or unsecured from companies, firms or other parties listed in The Register maintained under Section 301 of The Companies Act, 1956, or to the companies under the same management within the meaning of Section 370(1-B) of The Companies Act, 1956.
9. In respect of loans and advances in the nature of loans given by the Company where stipulations have been made regarding repayment of loan, the parties are repaying the amount as stipulated and have also been regular in the payment of interest where applicable.
10. In our opinion and according to the information and explanation given to us there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of stores, raw materials including components, plant & machinery equipment and other assets and for sale of goods.

11. As far as we can ascertain and according to the information and explanation given to us there were no transaction of purchase of goods and materials and sale of goods, materials and services made in pursuance of contracts or arrangements falling under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party.
12. The Company has regular procedure for determination of unserviceable or damaged stores and raw materials in a systematic manner. There have been no major items written off during the year.
13. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 58A of The Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
14. In our opinion reasonable records have been maintained by the Company for recording of sales and disposal of scrap. The Company has no by-product.
15. Internal audit is being conducted by firms of Chartered Accountants. In our opinion the same is adequate and commensurate with the size and nature of the Company's business.
16. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of pipe manufacturing activity of Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, we have not however, made a detailed examination of the same with a view determine whether they are accurate and complete.
17. According to the records of the Company, Provident Fund and Employee' State Insurance dues have been regularly deposited during the year.
18. According to the information and explanation given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, custom duties and excise duty which have remained outstanding as at June 30, 1992, for a period of more than six months from the date they become payable.
19. According to the information and explanation given to us and the records of the Company examined by us, no personal expenses have been charged to revenue account.
20. The Company is not a sick industrial company within the meaning of clause (0) of Sub-Section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

FOR AJAYA ASSOCIATES  
CHARTERED ACCOUNTANTS  
SUNIL AGARWAL  
PARTNER

PLACE : NEW DELHI  
DATED : 30.11.92

## AUDITOR'S REPORT TO THE MEMBERS OF SAW PIPES LIMITED

We have examined the Abridged Balance Sheet of SAW Pipes Limited as at 30.6.92 and the Abridged Profit & Loss Account for the year ended on that date together with the notes thereon. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on accounts of the Company for the year ended 30.6.92 prepared in accordance with Schedule VI of the Companies Act, 1956 and covered by our report of even date to the members of the Company.

for AJAYA ASSOCIATES  
Chartered Accountants

(SUNIL AGARWAL)  
Partner

Place : New Delhi  
Date : 30.11.1992

# SAW Pipes Ltd.

## ABRIDGED BALANCE SHEET AS AT JUNE 30, 1992

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>I. SOURCES OF FUNDS</b>		
1. <b>Share Capital</b>	7,97,07.36	7,97,02.86
2. <b>Reserves &amp; Surplus</b>	8,50.00	8,50.00
i) Capital Reserve (Central Subsidy)	13,13.20	13,13.20
ii) General Reserve	1,38,40.00	1,38,40.00
iii) Investment Allowance Reserve		
iv) Investment Allowance Reserve Utilised A/c	32,67.00	32,67.00
v) Profit & Loss Account	3,20,80.00	31,05.55
3. <b>Loan Funds</b>		
a) Project Finance Loan	6,97,85.00	7,60,37.00
b) Foreign Currency Loan	18,70.34	21,04.12
c) Interest Accrued & Due on above loans	1,43,68.35	85,39.56
d) Cash Credits	3,84,95.90	4,91,03.08
e) Unsecured Loans	2,91,12.22	1,26,80.52
	<u>28,46,89.83</u>	<u>25,05,42.89</u>
<b>II. APPLICATION OF FUNDS</b>		
1. <b>Fixed Assets</b>		
Gross Block	14,86,23.44	14,17,98.08
Less : Depreciation	3,38,59.10	2,67,30.23
Net Block	<u>11,47,64.34</u>	<u>11,50,67.85</u>
Capital work in progress (including material at site, with contractor and capital advances)	67,38.48	12,43.79
	<u>12,15,02.82</u>	<u>11,63,11.64</u>
2. <b>INVESTMENTS</b>		
a) Quoted	3,30,90.57	1,26,78.06
b) Unquoted	2,83.89	2,83.89
	<u>3,33,74.46</u>	<u>1,29,61.95</u>
3. <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
a) Inventories	14,46,22.97	5,45,74.56
b) Sundry Debtors	7,65,25.39	6,84,59.88
c) Cash & Bank Balances	33,63.81	5,17.89
d) Loans & Advances	3,85,88.86	4,28,54.20
	<u>26,31,01.03</u>	<u>16,64,06.53</u>
Less : Current Liabilities & Provisions		
a) Liabilities	12,10,80.06	4,52,18.27
b) Provisions	1,35,80.67	16,24.27
	<u>13,46,60.73</u>	<u>4,68,42.54</u>
<b>NET CURRENT ASSETS</b>	<u>12,84,40.30</u>	<u>11,95,63.99</u>
4. <b>Miscellaneous Expenditure</b> (to the extent not written off or adjusted)	13,72.25	17,05.31
5. <b>Profit &amp; Loss Account</b>	--	--
	<u>28,46,89.83</u>	<u>25,05,42.89</u>

As per our report of even date attached.  
For **AJAYA ASSOCIATES**  
Chartered Accountants

**SUNIL AGARWAL**  
Partner

**O.N. GUPTA**  
Financial Controller  
& Secretary

**P.R. JINDAL**  
Chairman &  
Managing Director

**T.M. Sen**  
**B.B. Arora**  
**Purshottam Lal**  
**Ratan Jindal**  
**P.K. Jain**  
Directors

Place : NEW DELHI  
Date : 30th November, 1992

**ABRIDGED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1992**

		Year Ended June 30, 1992 (Rs. in thousands)		Year Ended June 30, 1991 (Rs. in thousands)
<b>INCOME</b>				
Sales		35,57,72.20		16,32,13.20
Conversion Charges		3,98,22.20		4,91,40.16
Interest		45,68.01		16,05.57
Other Income		1,79,12.20		1,23,10.79
Trading Sales		47.59		18,37.94
Increase/(Decrease) in Stock		(7,85.49)		(3,37.74)
Dividend		5,81.57		74.79
		<b>41,79,18.28</b>		<b>22,78,44.71</b>
<b>EXPENDITURE</b>				
Purchase for Resales		40.19		18,77.80
Raw Material Consumed				
1) Opening Stock	2,42,98.94		1,87,31.50	
2) Purchases	31,47,61.44		12,29,57.50	
	<b>33,90,60.38</b>		<b>14,16,89.00</b>	
Less : Closing Stock	10,51,70.88	23,38,89.50	2,42,98.94	11,73,90.06
Manufacturing Expenses		3,90,29.85		2,62,93.38
Excise Duty		3,03,29.45		63,91.04
Employee's Remuneration & Benefits		95,20.52		68,98.53
Managerial Remuneration		2,16.65		1,84.31
Selling Expenses		40,78.51		89,72.93
Finance Expenses		3,80,71.16		3,02,78.91
Administration & Other Expenses		1,46,07.75		68,78.45
Auditor's Remuneration		56.36		53.03
Depreciation		71,47.03		67,91.05
		<b>37,69,86.97</b>		<b>21,20,09.49</b>
Profit/(Loss)		4,09,31.31		1,58,35.22
Balance brought forward		31,05.55		(1,27,29.67)
		<b>4,40,36.86</b>		<b>31,05.55</b>
Disposal Profit				
Appropriations :				
Proposed Dividend (Subject to deduction of tax)		1,19,56.40		--
Balance Carried to Balance Sheet		3,20,80.46		31,05.55
		<b>4,40,36.86</b>		<b>31,05.55</b>

As per our report of even date attached.  
For **AJAYA ASSOCIATES**  
Chartered Accountants

**SUNIL AGARWAL**  
Partner

**O.N. GUPTA**  
Financial Controller  
& Secretary

**P.R. JINDAL**  
Chairman &  
Managing Director

**T.M. Sen**  
**B.B. Arora**  
**Purshottam Lal**  
**Ratan Jindal**  
**P.K. Jain**  
Directors

Place : NEW DELHI  
Date : 30th November, 1992



## NOTES TO THE ABRIDGED BALANCE SHEET AND ABRIDGED PROFIT & LOSS ACCOUNT

### I. SIGNIFICANT ACCOUNTING POLICIES :

#### a) GENERAL

The accounts are prepared in accordance with accounting principles generally accepted in India. The company follows accrual method of accounting.

#### b) REVENUE RECOGNITION

i. In the line with the guidelines issued by the Reserve Bank of India, interest and other dues are not taken credit for in respect of debts which are considered doubtful.

ii. Dividend on investments is accounted for on receipt basis.

#### c) INVESTMENTS

i. Valuation : Investment are shown in the Balance Sheet at cost. The market value is higher than the cost of investments.

ii. Loss on sale of investments has been debited to the Revenue Account.

#### d) FIXED ASSETS

i. Fixed assets are shown at cost less accumulated depreciation.

ii. Depreciation on all fixed assets is provide on straight line method basis at the rates prescribed in schedule xiv to the Companies Act, 1956.

iii. Depreciation in case of foils division has been computed at triple shift basis.

iv. Depreciation is provide for full year irrespective of the date of purchase/sale of asset.

#### e) INVENTORY

i. Raw Material, consumable tools and stores & spares are valued at cost. Cost includes the purchase price, freight inward and incidental expenses and is net of credit under MODVAT SCHEME.

ii. Finished goods are valued at cost or net realisable value whichever is lower.

iii. Work-in-progress is valued at estimated cost or net realisable value whichever is lower.

iv. Scraps are valued at consigned price or net realisable value whichever is lower.

v. Job work in progress is valued at cost.

#### f) EVENTS OCCURING AFTER BALANCE SHEET DATE

Events occurring after Balance Sheet date have been considered in the preparation of financial statements.

- A. (i) The proposal for amalgamation of Swastik Udyog Limited, Hissar with the company is pending for approval of Hon'ble High Court of Delhi at New Delhi. The Scheme of Amalgamation is to be effective from 1st April, 1992. The figures of the Swastik Udyog

Limited has not been incorporated in the accounts made by the company as at 30.6.92. As and when the Scheme of Amalgamation is approved by the Hon'ble High Court, the Balance Sheet and Profit & Loss and other statements are liable to be revised and put up for approval of the shareholders.

(ii) Foreign Currency Loan from IFCI has been converted into Rupees at Exchange Rates prevailing at the time of withdrawal. No adjustment has been made for increase in liability estimated at Rs. 37,54,449/- (Previous year Rs. 18,63,636/-) as at June 30, 1992 consequent upon the change in exchange rates between the dates of withdrawal and June, 30, 1992, the difference in exchange will be accounted when the loan instalments are paid.

(iii) No provision has been made for the amortisation of premium on lease hold land over the lease-hold period accumulating to Rs. 4,81,043/- (Previous year Rs. 4,13,443/-).

(iv) Title of land and building at 28 & 37 Najafgarh Road, New Delhi are not registered in the name of the Company since clearance under Urban Land (Celling and Regulation) Act, has not yet been obtained.

### B. (i) CONTINGENT LIABILITIES :

a) Estimated amount of contracts remaining to be executed on capital account (Net of advances) Rs. NIL provided for (Previous year Rs. 4,75,298/-).

b) In respect of Bank Guarantee Rs. 23,70,70,198/- (Previous year Rs. 13,79,54,239/-).

c) In respect of outstanding letter of credit Rs. 21,36,84,485/- (Previous year Rs. 4,78,23,970/-).

d) Balance Technical know-how fees Rs. 51,40,077/- (Previous year Rs. 35,32,945/-).

e) Claims made by customers for liquidated damages- amount unascertained.

f) In respect of customs duty for Steel Plates lying in bonded warehouse = Rs. NIL (Previous year : Rs. 1,19,00,000/-).

(ii) No provision for gratuity has been made in respect of the employees of the company as the same is funded through Life Insurance Corporation Group Gratuity Scheme.

(iii) An amount of Rs. 47,97,257/- (Previous year Rs. 47,97,257/-) is due to recovered on account of difference in price of Joint Plant Committee and concessional price under deemed export from Steel Authority of India Ltd. (SAIL). SAIL has since refuted the claim. This amount is considered doubtful of recovery. However, no provision has been created for the same as the company is contemplating legal action against SAIL.

# SAW Pipes Ltd.

(i) Particulars of sales of each class of good dealt with by the Company :

Class of Goods	Unit of Measurement	Current Year		Previous Year	
		Qty.	Value	Qty.	Value
Submerged Arc Welded Steel Pipes	Metric Tonnes	12914.688	31,58,20,595/-	6154.232	13,30,30,901/-
Re-rolled Strips	Metric Tonnes	549.266	3,99,51,613/-	478.636	3,01,82,298/-

(ii) Previous year figures have been regrouped/rearranged, wherever necessary and practicable to make them comparable with current year figure.

As per our report of even date attached.

For **AJAYA ASSOCIATES**

Chartered Accountants

**SUNIL AGARWAL**

Partner

**O.N. GUPTA**

Financial Controller  
& Secretary

**P.R. JINDAL**

Chairman &  
Managing Director

**T.M. Sen**

**B.B. Arora**

**Purshottam Lal**

**Ratan Jindal**

**P.K. Jain**

Directors

Place : NEW DELHI

Date : 30th November, 1992

# SAW Pipes Ltd.

Registered Office : 28, Najafgarh Road, New Delhi-110 015.

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of being a Member/of \_\_\_\_\_  
the above-named Company hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ or  
failing him \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ as my/our proxy to attend  
and vote for me/us on my/our behalf at the Annual General Meeting of the  
Company to be held on Wednesday, 30th Dec. 1992 at the Auditorium of N.C.  
Jindal Public School, Road No. 73, Punjabi Bagh West, New Delhi-110026  
and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_  
Signature \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

30 P.  
Revenue  
Stamp

- N.B.
- (1) The proxy need not be a member.
  - (2) The proxy form duly signed and stamped should reach the Company's Office at least 48 hours before the time of the meeting i.e. before 11a.m. on 28th December, 1992.

## ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE ENTRANCE.

I/We hereby record my/our presence at the 8th Annual General Meeting of the Company at the Auditorium of N.C. Jindal Public School, Road No. 73, Punjabi Bagh West, New Delhi-110026 on Wednesday, 30th Dec., 1992.

Name of the Shareholder \_\_\_\_\_  
Ledger Folio No. \_\_\_\_\_  
Name of Proxy/Representative, if any \_\_\_\_\_  
Signature of the Shareholders/Proxy/  
Representative \_\_\_\_\_

NOTE : Shareholders/Proxy Holders are requested to bring their Attendance Slips with them and to hand over at the gate of the Meeting Hall after affixing their signature.

SAW Pipes Ltd. 



**SAW Pipes Ltd.**  
28, Najafgarh Road,  
New Delhi-110015

**UPC**  
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