



**FIFTH
ANNUAL
REPORT
1988-89**



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 Dillip Bhargava
(NRI Director)
Shri Kuldip Bhargava
*(Alternate Director to
Shri Dillip Bhargava)*
Dr. N.S. Datar
Shri Subhash Goel
Shri Purshottam Lal
Shri H.S. Choudhary
Whole Time Director
Shri P.K. Jain
Whole Time Director

Principal Executives

Shri V.R. Krishnaswamy
Advisor
Shri Onkar Nath Gupta
Financial Controller & Secretary
Shri H.S. Bedi
General Manager (Works)

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-110 015

Works (i) Pipe Division :

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

(ii) Swastik Foils Division : 28 & 37, Najafgarh Road,
New Delhi-110015.



SAW Pipes Ltd.

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the Fifth Annual Report with the Accounts of the Company. The Accounting period of the Company has been changed from the period ending 31st May to 31st March to fall in line with amendment in the Income-tax Act for uniform accounting period. Accordingly the results are for a period of 10 months ending 31st March, 1989.

MERGER OF SWASTIK FOILS LIMITED

Swastik Foils Limited, a closely-held profit making Company has been amalgamated with your Company after necessary approvals from the Hon'ble Delhi High Court at New Delhi. The merger has been made effective from 1-1-1989 and the working results shown in the accounts are consolidated with effect from that day. In accordance with the scheme of amalgamation four Equity shares of Rs. 10/- each of your Company will be allotted for one Equity Share of Swastik Foils limited. The necessary application for the consent of Controller of Capital Issues for issue of Capital of Rs. 1,97,09,360/- divided into 19,70,936 Equity Shares of Rs. 10/- each has been made and the shares will be allotted to the equity shareholders of Swastik Foils Limited, in the above proportion after the consent of Controller of Capital Issues is received by the Company.

FINANCIAL RESULTS

The financial results of the operations of the period are given below :

| | 1988-89 (10 months) (Rs. in thousands) | 1987-88 (12 months) (Rs. in thousands) |
|--|--|--|
| Sale & other Income | 1,19,850.06 | 43,314.05 |
| Decrease/increase in stocks | -4,604.51 | +13,312.75 |
| Job work in progress | 75.11 | — |
| | <u>1,15,320.66</u> | <u>55,627.81</u> |
| Less: Consumption of Raw Material & Manu- facturing Expenses | <u>81,233.41</u> | 48,481.59 |
| Gross Profit | <u>34,087.25</u> | 7,146.22 |
| Less: Administrative and Other Expenses | <u>12,431.66</u> | 8,505.97 |
| Profit/Net Loss before Interest and Depreciation | <u>21,655.59</u> | 1,359.75 |
| Less/Add: Interest & Other Financial Expenses | 16501.31 <u>4683.46</u> | 14381.34 5404.04 |
| Depreciation | <u>21,184.77</u> | 19,785.38 |
| Net Profit/Net Loss for the year | <u>(+)470.82</u> | (-)21,145.13 |
| Amount transferred to Investment—Allowance Reserve | 295.00 | — |
| | <u>175.82</u> | — |
| Loss: Brought Forward | <u>(-)42,050.47</u> | (-)20,905.34 |
| Balance Loss carried forward | <u>(-)41,874.65</u> | 42,050.47 |

In view of the brought forward losses, it is not possible to pay any dividend.



SAW Pipes Ltd.

AMENDMENT OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY'87 AND 31ST MAY' 1988

The Company is entitled to investment allowance to the extent of Rs. 206.34 lakhs on the additions to the Plant & Machinery made during the year ended 31-5-1987. According to the Central Government circular, in a case where the total income before allowance of the development rebate, is a loss, there was no legal obligation to create any statutory reserve in that year as no development rebate would actually be allowed in that year. The same view was applicable for investment allowance also. Accordingly a note was given in the accounts that "investment allowance reserve will be created in the year of assessable profit." According to the Supreme Court decision dated 28-3-1989 in the case of Shri Subhalaxmi Mills Limited the Development Rebate Reserve should be created in the year of addition or first put into use of machinery, irrespective of the result of the Profit & Loss Account disclosed in the books. Directors felt it prudent, since that ratio may be applicable to Investment Allowance also, to rectify the accounts, as it is permitted in view of the Department of Company Affairs, Ministry of Industry, Government of India letter dated 19-8-1987 addressed to the Institute of Chartered Accountants of India. The Board of Directors in their meeting held on 14.6.1989 considered and approved the Statement of Revision creating the investment allowance reserve to the extent of Rs. 155 lakhs and authenticated the same. This resulted in the revision of Profit & Loss Account for the year ended 31-5-1987 and consequent revision in the Balance Sheet as at 31-5-1987 and 31-5-1988. The revised statement had been signed by the Directors and the Auditors of the Company. The necessary resolution for the approval of the members of the Company has been included in the agenda of the Annual General Meeting.

OPERATIONS

Operations during the year have shown substantial improvement in as much as the sales of the Company have increased from Rs. 423 lakhs to Rs. 1198 lakhs, an increase of 283.21%. The working of the Company has shown a positive profit of Rs. 4.71 lacs. The company has thus improved its working in the period under review as compared to the previous year.

FUTURE OUTLOOK

The Company received a prestigious order of Rs. 11.24 crores from ONGC for 30" Dia and 1" Wall thickness pipes. Nearly 80% quantity has already been supplied during the current year. Besides ONGC, the Company has received repeat orders from Hindustan Shipyard Limited and as on date the Company has received orders to the extent of Rs. 21.61 crores, out of which supplies to the extent of Rs. 10.75 crores has already been made up to 31st August, 1989. The Company has thus pending orders of Rs. 10.86 crores in hand and further expects to receive orders of Rs. 10 crores during the remaining period for the year ended 31.3.1990. The Company's Swastik Foils Division is also expected to make substantial profits during the current year. It is hoped that the Company may be able to wipe out its actual losses during the current year.



SAW Pipes Ltd.

PUBLIC DEPOSITS

Deosits from 8 depositors totalling Rs. 33,000/- were due and unclaimed at year-end.

POWER SUPPLY

The power supply situation in the State of U.P. is not very satisfactory. With the installation of the generating sets, the Company is able to meet the shortage in power supply to ensure that the production does not suffer want of power.

AUDITORS REPORT

The Auditors have referred to certain matters in their report. Relevant notes in the accounts are self-explanatory.

DIRECTORS

Shri. A.C. Ahuja, Nominee Director of Industrial Finance Corporation of India has ceased to be a Director from 7th August, 1989 and in his place Shri B.B. Arora has been nominated as Director of the Company. The Company places on record the valuable services rendered by Shri. A.C. Ahuja as a Director of the Company. Shri. T.M. Sen and Dilip Bhargawa retire by rotation and are eligible for re-appointment.

AUDITORS

M/s. Ajaya Associates, Chartered Accountants, auditors of the Company retires at the ensuing Annual General Meeting and are eligible for re-appointment.

PARTICULARS OF THE EMPLOYEES

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

ACKNOWLEDGEMENTS

The Directors are grateful to all concerned departments 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 operations of the Company.

For and on behalf of the Board

P.R. JINDAL
Chairman & Managing Director

Dated : 18.9.1989

Registered Office :
28, Najafgarh Road,
New Delhi : 110015



SAW Pipes Ltd.

**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 March 31, 1989 and the Profit and Loss Account for the period 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. 10,24,645/- which will be accounted on payment basis, note No. A(iv) regarding nonprovision for amortisation of premium on leasehold land for Rs. 2,78,243 and note No. A(v) regarding title to Land and Building, give a true and fair view—
 - (i) in case of the Balance Sheet of the State of Affairs of the Company as at March 31, 1989 and
 - (ii) in the case of Profit and Loss Account of the profit of the Company for the period ended on that date.

for AJAYA ASSOCIATES
CHARTERED ACCOUNTANTS

(AJAYA JAIN)
PARTNER

PLACE : NEW DELHI

DATED : 18.9.89



SAW Pipes Ltd.

Annexure referred to in Paragraph I of the Auditor's Report of even date to the Member's of SAW Pipes Limited on the Accounts for the period ended March 31, 1989.

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 to 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.



SAW Pipes Ltd.

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 a firm of Chartered Accountants. In our opinion the same is adequate and commensurate with the size and nature of the Company's business.
16. Maintenance of cost records has been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the product of the Company. We have been informed that the said records are under preparation.
17. According to the records of the Company, Provident Fund and Employees' 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 31st March, 1989 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.

PLACE : NEW DLEHI
Dated : 18.9.1989

FOR AJAYA ASSOCIATES
CHARTERED ACCOUNTANTS
AJAYA JAIN
PARTNER

STATEMENT OF REVISION

Statement of Revision of Profit & Loss A/c for the year ended 31st May, 1987 & Balance Sheet as at 31/5/1987.

(Rs. in Thousand)

PROFIT & LOSS ACCOUNT :

| | |
|---|-----------------|
| In Expenditure, below Depreciation add — | |
| Transfer to Investment Allowance Reserve | 15,500.00 |
| The total will be | <u>24918.43</u> |
| Loss for the year carried forward will be | 20,905.34 |

BALANCE SHEET :

In the head "Sources of Fund" below
Share Capital, add

INVESTMENT ALLOWANCE RESERVE :

| | |
|-------------------------------------|--------------------|
| Transfer from Profit & Loss Account | 15,500.00 |
| TOTAL Fund will be | <u>1,52,289.79</u> |

Under the Main heading "Application of Funds"
— at the end —

| | |
|--|--------------------|
| Profit & Loss Account the figure will read | <u>20,905.34</u> |
| | <u>1,52,289.79</u> |

In notes forming part of accounts, Note B(vi) will be deleted.

Note : During the year ended 31st May, 1987 additions to Plant & Machinery of Rs. 8,40,30,393/- included Machinery of Rs. 8,25,35,490/- on which company will be entitled to Investment Allowance. In order to get the Allowance, the Reserve, according to Shri Shubhlaxmi Mills case decided by the Supreme Court on 28.3.1989 should be created in the year of addition irrespective of the result of the Profit & Loss Account disclosed by the books. Accordingly, the Profit & Loss Account for the year ended 31.5.1987 and the Balance Sheet as on that date have been revised by creating the necessary reserve.

ONKAR NATH GUPTA
Financial Controller
& Secretary

P.R. JINDAL
Chairman &
Managing Director

**PURSHOTTAM LAL
KULDIP BHARGAVA**
Directors

Certified that the above represents the amendments to the Accounts, as stated above.

For **AJAYA ASSOCIATES**
Chartered Accountants

AJAYA JAIN
Partner
Place : New Delhi
Dated : 14.6.89



SAW Pipes Ltd.

STATEMENT OF REVISION

Statement of Revision of the Balance Sheet as at 31st May, 1988

(Rs. In Thousand)

In the Main Heading, Sources of Funds
below share capital add :

INVESTMENT ALLOWANCE RESERVE :

As per last Balance Sheet

15,500.00

Total of funds will be

1,72,776.57

In the Main Heading 'Application of Funds'
at the end.

Profit and Loss Account the figure will read
In notes forming part of Accounts,
Note B(iv) will be deleted.

42,050.47

ONKAR NATH GUPTA
Financial Controller
& Secretary

P.R. JINDAL
Chairman &
Managing Director

PURSHOTTAM LAL
KULDIP BHARGAVA
Directors

Certified that the above represents the amendments to the Accounts, as stated
above.

For **AJAYA ASSOCIATES**
Chartered Accountants

AJAYA JAIN
Partner
Place : New Delhi
Dated : 14.6.89



SAW Pipes Ltd.

BALANCE SHEET AS AT MARCH 31ST, 1989

| | Schedule No. | As at March 31, 1989 (Rs. in thousands) | As at May 31, 1988 (Rs. in thousands) |
|---|-----------------|---|---|
| SOURCES OF FUNDS | | | |
| Share Capital | 1 | 79,632.86 | 59,788.00 |
| Reserves and Surplus | 2 | 18,420.20 | 15,500.00 |
| LOAN FUNDS | | | |
| Secured | 3 | 1,09,342.50 | 95,385.31 |
| Unsecured | 4 | 8,625.15 | 2,103.26 |
| APPLICATION OF FUNDS | | | |
| | | <u>2,16,020.71</u> | <u>1,72,776.57</u> |
| FIXED ASSETS : | | | |
| Gross Block | 5 | 1,32,095.62 | 1,22,050.12 |
| Less : Depreciation | | 12,220.84 | 7,605.66 |
| Net Block | | 1,19,874.78 | 1,14,444.46 |
| Capital work in Progress (including material site, with contractors and capital advances) | | 1,129.22 | 643.65 |
| | | <u>1,21,004.00</u> | <u>1,15,088.11</u> |
| INVESTMENTS | | | |
| | 6 | 1119.39 | — |
| CURRENT ASSETS, LOANS & ADVANCES | | | |
| | 7 | | |
| Inventories | | 42,191.25 | 19,825.06 |
| Sundry Debtors | | 33,333.23 | 1,896.51 |
| Cash & Bank Balances | | 3,389.39 | 3,802.18 |
| Loans and Advances | | 21,180.88 | 2,956.70 |
| | | <u>1,00,094.75</u> | <u>28,480.45</u> |
| LESS: CURRENT LIABILITIES & PROVISIONS | | | |
| | 8 | | |
| Current Liabilities | | 49,962.38 | 15,546.95 |
| Provisions | | 481.13 | — |
| | | <u>50,443.51</u> | <u>15,546.95</u> |
| NET CURRENT ASSETS | | | |
| | | 49,651.24 | 12,933.50 |
| MISCELLANEOUS EXPENDITURE | | | |
| (to the extent not written off or adjusted) | 9 | 2,371.43 | 2,704.49 |
| Profit & Loss Account | | 41,874.65 | 42,050.47 |
| TOTAL | | <u>2,16,020.71</u> | <u>1,72,776.57</u> |

NOTES TO THE ACCOUNTS

As per report of even date attached

For AJAYA ASSOCIATES
Chartered Accountants

O.N. GUPTA
Financial Controller
& Secretary

P.R. JINDAL
Chairman &
Managing Director

PURSHOTTAM LAL
T.M. SEN
B.B. ARORA
Directors

AJAYA JAIN

Partner
New Delhi
Dated : 18.9.1989



SAW Pipes Ltd.

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 1989

| | Schedule No. | Period ended March 31, 1989 (Rs. in thousands) | Year ended May 31, 1988 (Rs. in thousands) |
|--|-----------------|--|--|
| INCOME | | | |
| Sales & Other Income | 10 | 1,19,850.06 | 42,315.05 |
| Increase/(Decrease in stock) | 11 | (4,604.51) | 13,312.76 |
| Job work in progress | | 75.11 | — |
| | | <u>1,15,320.66</u> | <u>55,627.81</u> |
| EXPENDITURE | | | |
| Raw Material Consumed | 12 | 72,379.33 | 44,038.07 |
| Manufacturing Expenses | 13 | 8,854.08 | 4,443.52 |
| Employees Remuneration & Benefits | 14 | 3,146.50 | 3,330.91 |
| Selling expenses | 15 | 5,096.81 | 1,408.41 |
| Finance expenses | 16 | 16,501.31 | 14,381.34 |
| Administrative and other expenses | 17 | 4,188.35 | 3,766.65 |
| Depreciation (Refer Note A (vi)) | | 4,683.46 | 5,404.04 |
| | | <u>1,14,849.84</u> | <u>76,772.94</u> |
| Profit (Loss) | | 470.82 | (21,145.13) |
| Transferred to investment allowance reserve | | (295.00) | — |
| Loss brought forward | | (42,050.47) | 20,905.34 |
| Balance loss carried forward | | <u>(41,874.65)</u> | <u>42,050.47</u> |
| NOTES TO THE ACCOUNTS | 18 | | |
| As per our report of even date attached | | | |

For AJAYA ASSOCIATES
Chartered Accountants

O.N. GUPTA
Financial Controller
& Secretary

P.R. JINDAL
Chairman &
Managing Director

PURSHOTTAM LAL
T.M. SEN
B.B. ARORA
Directors

AJAYA JAIN
Partner
New Delhi
Dated : 18.9.1989



SAW Pipes Ltd.

SCHEDULE '1'

| | As at March 31, 1989 (Rs. in thousands) | | As at May 31, 1988 (Rs. in thousands) | |
|--|---|------------------|---|------------------|
| SHARE CAPITAL | | | | |
| AUTHORISED : | | | | |
| i) 75,00,000 (Previous year 75,00,000) equity shares of Rs. 10/- each | | 75,000.00 | | 75,000.00 |
| ii) 50,000 (Previous year 50,000) 15% Redeemable Cumulative preference shares of Rs. 100/- each | | 5,000.00 | | 5,000.00 |
| | | <u>80,000.00</u> | | <u>80,000.00</u> |
| ISSUED & SUBSCRIBED : | | | | |
| 60,00,000 (Previous year 60,00,000) Equity shares of Rs. 10/- each | | 60,000.00 | | 60,000.00 |
| PAID UP | | | | |
| a. 60,00,000 (previous year 39,92,000) equity shares of Rs. 10/- each fully paid up | | 60,000.00 | | 39,920.00 |
| Less : Calls-in-arrears (Previous year Rs. 2,12,000) other than directors | | 76.50 | 59,923.50 | 212.00 |
| (Of the above 20,08,000 equity shares (Previous year NIL) are allotted as fully paid up pursuant to contract without payment being received in cash) | | | | |
| b. Shares pending allotment for consideration other than cash : | | | | 20,080.00 |
| (i) From non-resident Co-promotor | | | | |
| (ii) As per scheme of Amalgamation (refer note A(i)) | | 19,709.36 | 19,709.36 | — |
| | | <u>79,632.86</u> | | <u>59,788.00</u> |

SCHEDULE '2'

| | As at March 31, 1989 (Rs. in thousands) | | As at May 31, 1988 (Rs. in thousands) | |
|--|---|------------------|---|------------------|
| RESERVES & SURPLUS : | | | | |
| i) General Reserve | | | | |
| As per last Balance Sheet | | — | | — |
| Add : Additions during the year (Refer note No. A (i)) | | 1,313.20 | | — |
| ii) Investment Allowance Reserve | | | | |
| As per last Balance sheet | | 15,500.00 | | 15,500.00 |
| Add : Additions during the year | | 295.00 | | — |
| Less : Transferred to investment allowance reserve utilised account | | (1,955.00) | 13,840.00 | — |
| | | <u>13,840.00</u> | | <u>15,500.00</u> |



SAW Pipes Ltd.

iii) Investment allowance Reserve Utilised account

As per last balance sheet

Add : Additions during the year

| | | | |
|----------|-----------|---|-----------|
| 3,267.00 | 3,267.00 | - | - |
| | 18,420.20 | | 15,500.00 |

SCHEDULE '3'

| | As at March 31, 1989 (Rs. in thousands) | As at May 31, 1988 (Rs. in thousands) |
|--|---|---|
|--|---|---|

LOAN FUNDS

SECURED LOANS :

- | | | |
|--|-----------|-----------|
| (i) From Industrial Finance Corporation of India under Project Finance Participation Scheme with Industrial Development Bank of India & Industrial Credit & Investment Corporation of India | 77,600.00 | 77,600.00 |
| (ii) Foreign Currency loan from Industrial Finance Corpn. of India | 2,337.90 | 2,337.90 |
| (iii) Bridge Loan from Industrial Finance Corpn. of India against Central Investment Subsidy Scheme | 850.00 | - |
| (a) Rupee Term loan from IFCI under Project Finance Participation Scheme along with IDBI and ICICI, Foreign Currency Loan and Bridge loan against Central Investment Subsidy Scheme from IFCI of pipes division are received by way of Hypothecation of all company's Movable Properties of pipes division (save and except book debts) including movable machinery, spares, tools & accessories, present and future, subject to prior charge in favour of company's Bankers on inventories, book debts and other specified movable properties for working capital borrowings. | | |
| (b) Rupee Term Loan from IFCI under Project Finance Participation Scheme along with IDBI and ICICI and Foreign Currency Loan from IFCI for pipes division are guaranteed by Jindal Strips Limited, Delhi Road, Hissar. | | |
| (c) Bridge Loan against Central Investment Subsidy Scheme from IFCI for pipes division is guaranteed by Managing Director. | | |
| (d) Loans from Finance Institutions except Bridge Loan are additionally secured by deposit of title deeds in respect of immovable properties of pipes division. | | |
| (iv) Cash Credits from Banks : | | |



SAW Pipes Ltd.

| | | |
|--|--------------------|------------------|
| (a) Canara Bank | 20,946.92 | 15,447.41 |
| (b) New Bank of India | 7,476.88 | |
| Cash credit from Canara Bank is secured by way of Hypothecation of imported/indigenous raw materials like steel plates, electrodes and fluxes, work-in-progress, consumable stores and spares and finished goods stored and to be stored at factory premises of pipes division. The loan is guaranteed by two Directors including Managing Director. | | |
| Cash Credit from New Bank of India is secured by hypothecation of stocks of raw materials of stainless steel, other ferrous and non-ferrous alloys of all types of stores such as refractories of all kinds ferro alloys, fuel oil, oils and lubricants, all minerals and moulds and rolls, stock-in-progress and finished goods of Swastik Foils division. This is further collaterally secured by hypothecation of machinery of Swastik Foils division and is guaranteed by Managing Director. | | |
| (v) Other Loans and Advances | 130.80 | |
| Secured by co-acceptance of bills of foils division by New Bank of India against hypothecation of generator set and grinding machine under IDBI bills rediscounting scheme (Repayable within one year Rs. 82,519) | | |
| | <u>1,09,342.50</u> | <u>95,385.31</u> |

SCHEDULE '4'

| | As at March 31, 1989 (Rs. in thousands) | As at May 31, 1988 (Rs. in thousands) |
|--|---|---|
| UNSECURED LOANS : | | |
| (i) Fixed Deposits | 1,218.50 | — |
| (ii) Interest accrued and due on (i) above | 2.59 | — |
| (iii) Deposit from Agents | 2,800.00 | — |
| (iv) Inter-Corporate Loans | 3,531.26 | 2,103.26 |
| (v) Other Loans and Advances | 1,072.80 | — |
| | <u>8,625.15</u> | <u>2,103.26</u> |



SAW Pipes Ltd.

SCHEDULE '5'

| FIXED ASSETS | GROSS BLOCK | | Deductions | DEPRECIATION | | (Rs. in thousand) NET BLOCK | |
|---|--------------------|-----------|------------|------------------|--|--------------------------------|------------------|
| | As at 31.5.1988 | Additions | | As at 31.3.89 | Total Depreciation up to 31.3.89 | As at 31.3.89 | As at 31.5.88 |
| Land | | | | | | | |
| Free Hold | 32.80 | 1,900.00 | — | 1,932.80 | — | 1,932.80 | 32.80 |
| Lease Hold (including site development expenses) | 5,373.04 | — | — | 5,373.04 | — | 5,373.04 | 5,373.04 |
| Building | 26,154.36 | 1,114.97 | — | 27,269.33 | 1,619.33 | 25,646.66 | 25,205.21 |
| Plant & Machinery | 86,126.86 | 5,640.46 | — | 91,767.32 | 9,157.42 | 82,609.90 | 80,776.03 |
| Dies & Patterns | 1,355.45 | — | — | 1,355.45 | 160.53 | 1,194.92 | 1,253.09 |
| Furniture fixtures and office equipments | 498.77 | 696.17 | — | 1,194.94 | 50.68 | 1,144.26 | 468.63 |
| Air Conditioners | 123.64 | 390.37 | — | 514.01 | 19.82 | 494.19 | 114.15 |
| Vehicle | 1,489.90 | 734.39 | 430.86 | 1,793.43 | 317.76 | 1,475.67 | 1,221.51 |
| Temporary construction | 895.30 | — | — | 895.30 | 895.30 | — | — |
| | 1,22,050.12 | 10,476.36 | 430.86 | 1,32,095.62 | 12,220.84 | 1,19,874.78 | 1,14,444.46 |
| Capital work in progress including material with contractor Rs. 24,960/- (Previous year Rs. 65,621/-) | | | | | | 1,129.22 | 643.65 |
| Previous year | 1,22,050.12 | 10,476.36 | 430.86 | 1,32,095.62 | 12,220.84 | 1,21,004.00 | 1,15,088.11 |
| | 1,15,611.02 | 6,661.99 | 222.89 | 1,22,050.12 | 7,605.66 | 1,15,088.11 | 1,17,337.14 |

(Refer note No. A (i))



SAW Pipes Ltd.

| | Period Ended March 31, 1989 (Rs. in thousands) | SCHEDULE '10' Year Ended May 31, 1988 (Rs. in thousands) |
|--|--|---|
| SALES & OTHER INCOME | | |
| Sales | 1,06,635.95 | 41,577.96 |
| OTHER INCOME | | |
| Income from conversion charges | 5,647.12 | — |
| Interest (including tax deducted at source Rs. NIL (Previous year Rs. 32236/-)) | 318.40 | 81.24 |
| Sale of scrap | 705.25 | 251.95 |
| Consultancy charges | 3,000.00 | — |
| Miscellaneous receipts | 3,543.34 | 403.90 |
| | <u>1,19,850.06</u> | <u>42,315.05</u> |

INCREASE/(DECREASE) IN STOCK

OPENING STOCK

| | |
|------------------|------------------|
| Finished goods | 12,437.79 |
| Work-in-progress | 6,821.69 |
| Scrap | 85.86 |
| | <u>19,345.34</u> |

CLOSING STOCK

| | |
|------------------|------------------|
| Finished goods | 3,819.24 |
| Work in progress | 10,822.48 |
| Scrap | 99.11 |
| | <u>14,740.83</u> |

Increase/(Decrease) in stock

| | Period Ended March 31, 1989 (Rs. in thousands) | SCHEDULE '11' Year Ended May 31, 1988 (Rs. in thousands) |
|--|--|---|
| | 19,345.34 | 2,496.42 |
| | <u>14,740.83</u> | <u>—</u> |
| | <u>(4,604.51)</u> | <u>2,496.42</u> |
| | | 10,633.17 |
| | | 5,176.01 |
| | | <u>15,809.18</u> |
| | | <u>13,312.76</u> |

RAW MATERIAL CONSUMED

Opening stock

Add : Purchases

Less : Closing stock

| | Period Ended March 31, 1989 (Rs. in thousands) | SCHEDULE '12' Year Ended May 31, 1988 (Rs. in thousands) |
|--|--|---|
| | 6,997.24 | 8,601.38 |
| | 84,300.22 | 37,298.22 |
| | <u>91,297.46</u> | <u>45,899.60</u> |
| | 18,918.13 | 1,861.53 |
| | <u>72,379.33</u> | <u>44,038.07</u> |



SAW Pipes Ltd.

MANUFACTURING EXPENSES

| | Period Ended March 31, 1989 (Rs. in thousands) | Year Ended May 31, 1988 (Rs. in thousands) |
|----------------------------|--|--|
| Direct wages | 531.37 | 251.28 |
| Stores & Spares | 4,395.66 | 2,321.24 |
| Power & Fuel | 2,959.11 | 999.37 |
| Water charges | 25.20 | 11.63 |
| Technician fees & expenses | 26.16 | 153.52 |
| | <u>7,937.50</u> | <u>3,737.04</u> |

REPAIR & MAINTENANCE

| | | |
|-------------------|-----------------|-----------------|
| Plant & Machinery | 304.91 | 366.90 |
| Building | — | 7.57 |
| Others | 611.67 | 631.97 |
| | <u>8,854.08</u> | <u>4,442.15</u> |

SCHEDULE '13'

EMPLOYEES REMUNERATION & BENEFITS :

| | Period Ended March 31, 1989 (Rs. in thousands) | Year Ended May 31, 1988 (Rs. in thousands) |
|--|--|--|
| Salary | 2,338.26 | 2,475.73 |
| Employees contribution to P.F., F.P.F., E.S.I. Linked insurance plan and administrative charges thereon. | 203.24 | 206.75 |
| Staff Welfare | 539.04 | 569.61 |
| Remuneration to Managing Director (Including P.F. contribution Rs. 5,035/- previous year Rs. 5,616) | 65.96 | 78.82 |
| | <u>3,146.50</u> | <u>3,330.91</u> |

SCHEDULE '14'

SELLING EXPENSES :

| | Period Ended March 31, 1989 (Rs. in thousands) | Year Ended May 31, 1988 (Rs. in thousands) |
|---|--|--|
| Commission on Sales | 841.64 | 44.57 |
| Sales Promotion | 172.64 | 198.49 |
| Advertisement | 10.05 | 72.72 |
| Rebate & Discounts | 23.84 | 140.63 |
| Packing expenses | 383.56 | 138.30 |
| Forwarding charges (net of recoveries Rs. 1,65,382/- (previous year Rs. 6,58,183/-) | 3,461.22 | 802.67 |
| Other Expenses | 203.86 | 11.03 |
| | <u>5096.81</u> | <u>1408.41</u> |

SCHEDULE '15'



SAW Pipes Ltd.

FINANCE EXPENSES :

| | Period Ended March 31, 1989 (Rs. in thousands) | Year Ended May 31, 1988 (Rs. in thousands) |
|---|--|--|
| Interest/commitment charges on Term Loans | 10,179.77 | 10,915.28 |
| Interest on Bank Borrowings | 4,645.49 | 1,420.87 |
| Bank and Finance charges | 851.84 | 861.21 |
| Interest to others | 824.21 | 1,183.98 |
| | <u>16,501.31</u> | <u>14,381.24</u> |

SCHEDULE '16'

ADMINISTRATIVE AND OTHER EXPENSES :

| | Period Ended March 31, 1989 (Rs. in thousands) | Year Ended May 31, 1988 (Rs. in thousands) |
|---------------------------------------|--|--|
| Rent, Rates & Taxes | 259.79 | 281.24 |
| Insurance | 360.59 | 247.94 |
| Repair & Maintenance | 63.43 | 6.66 |
| Postage, Telegrams and Telephones | 390.23 | 277.10 |
| Printing & Stationery | 185.40 | 179.51 |
| Travelling & Conveyance | 648.97 | 642.81 |
| Directors Travelling | 29.05 | 173.03 |
| Legal and Professional Expenses | 174.93 | 45.91 |
| Vehicle upkeep & Maintenance | 518.10 | 578.75 |
| Directors' Meeting Fees | 5.75 | 12.25 |
| Miscellaneous Expenses | 1,106.03 | 783.49 |
| Electricity Expenses | 17.17 | 5.40 |
| Loss on sale of fixed assets | — | 39.10 |
| Liquidated damages | 56.10 | 136.53 |
| Auditor's Remuneration | 39.75 | 23.87 |
| Preliminary Expenses written off | 260.69 | 260.69 |
| Deferred Revenue Expenses written off | 72.37 | 72.37 |
| | <u>4,188.35</u> | <u>3,766.65</u> |

SCHEDULE '17'



SAW Pipes Ltd.

NOTES TO THE ACCOUNTS FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

- A (i) As per Order dated 3rd, August/11th September 1989 of the Hon'ble High court, erstwhile Swastik Foils Ltd. stands amalgamated with the Company from January 1, 1989. In terms of the Hon'ble High Court order 4 (Four) Equity Shares of Rs. 10/- each of the Company are to be issued to shareholders of erstwhile Swastik Foils Ltd. for each equity share of Rs. 10/- each held in Swastik Foils Ltd. in consideration for transfer of all assets and liabilities of Swastik Foils Ltd. to the company on receipt of permission from Controller of capital issues. 19,70,936 Equity shares of Rs. 10/- each which are to be issued in accordance with scheme of Amalgamation are shown under Share capital pending allotment. The said assets and liabilities have been taken over by the Company with effect from January 1, 1989 at book value. Addition to fixed assets includes Rs. 82,87,674/- being book value of fixed assets of erstwhile Swastik Foils Limited. The difference between net value of assets and liabilities and shares pending allotment is shown as General Reserves Rs. 13,13,200/- and Rs. 13,12,000/- as investment allowance utilised reserve. As per the scheme of amalgamation the business of erstwhile Swastik Foils Ltd. is deemed to have been carried on by the Company with effect from January 1, 1989. The authorised capital of the company stands increased to Rs. 10 crore subsequently.
- (ii) In terms of Rupee Term Loan Agreement Financial Institutions have an option to convert a sum not exceeding Rs. 55,80,000 (Previous year Rs. 55,80,000/-) of the original loan amount into fully paid up equity shares of the Company at par, such option is to be exercised between 01.01.1990 and 31.12.1992.
- (iii) Foreign currency loan from IFCI has been converted into Rupee at Exchange rates prevailing at the time of withdrawal. No adjustment has been made for increase in liability estimated at Rs. 10,24,645/- (Previous year Rs. 7,21,668/-) as at March 31, 1989, consequent upon the change in exchange rates between the dates of withdrawal and 31st March, 1989, the difference in exchange will be accounted when the loan instalments are paid.
- (iv) No provision has been made for the amortisation of premium on lease-hold land over the lease hold period accumulating to Rs. 2,78,243/- (Previous year Rs. 2,10,644/-)
- (v) Title of land and building of transferor company at 28 & 37 Najafgarh Road, New Delhi are not registered in the name of the Company since clearance under Urban Land (Ceiling and Regulation) Act, has not yet been obtained.
- (vi) Depreciation has been calculated prorata on straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation in case of Foils division has been computed at triple shift basis.
- (vii) The company does not have any sole selling agent within the definition of section 294 of the Companies Act, 1956.
- B. (i) CONTINGENT LIABILITIES :**
- a) Estimated amount of contracts remaining to be executed on capital account (Net of advances) Rs. 4,90,500/- not provided for (previous year Rs. 22,50,000/-)
- b) In respect of Bank Guarantees Rs. 10,72,19,269/- (Previous year Rs. 1,71,68,209/-)
- c) In respect of outstanding letters of credit Rs. 2,23,51,527/- (Previous year Rs. 80,66,662/-)
- d) Balance Technical know-how Rs. 26,00,100/- (Previous year Rs. 23,35,305/-)



SAW Pipes Ltd.

- (ii) No provision for gratuity has been made in respect of pipes divisions as no employee has yet completed the qualifying period of service for entitlement of the benefit. Gratuity in respect of employees of transferor company is funded through Life Insurance Corporation Group Gratuity Scheme.
- (iii) No provision for taxation has been made in the absence of assessable profits.
- (iv) Subsidy under the Central Investment Subsidy Scheme for centrally notified backward areas will be accounted for as and when received.

(C) (i) PARTICULARS OF CAPACITY AND PRODUCTION :

| | CLASS OF GOODS | UNIT OF MEASUREMENT | LICENCED CAPACITY | | INSTALLED CAPACITY* | | PRODUCTION | |
|----------------------------|---------------------------------|---------------------|-------------------|---------------|---------------------|---------------|--|---------------|
| | | | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| (a) Pipes Division | Submerged Arc Welded Steel pipe | Metric Tonnes | 75,000 | 75,000 | 75,000 | 75,000 | 7268.375 | 4719.224 |
| (b) Swastik Foils Division | Re-rolled strips | Metric Tonnes | N.A. | N.A. | Not yet assessed | — | 1580.514 (including Job work done/in-progress for outsiders 1396.883) | — |

* As certified by the management and relied on by the auditors being a technical matter.

(ii) PARTICULARS OF OPENING STOCK, CLOSING STOCK AND SALES for each class of goods dealt with by the Company

| CLASS OF GOODS | UNIT OF MEASUREMENT | OPENING STOCK | | | | CLOSING STOCK | | | |
|---------------------------------------|---------------------|-------------------|---------------------|--------------------|---------------------|-------------------|---------------------|--------------------|---------------------------|
| | | CURRENT YEAR QTY. | PREVIOUS YEAR Value | PREVIOUS YEAR QTY. | PREVIOUS YEAR Value | CURRENT YEAR QTY. | PREVIOUS YEAR Value | PREVIOUS YEAR QTY. | PREVIOUS YEAR VALUE (RS.) |
| (a) Sub-merged Arc Welded Steel pipes | Metric tonnes | 961.350 | 10633166 | NIL | NIL | 317.870 | 3270518 | 961.350 | 10633166 |
| (b) Re-rolled strips | Metric tonnes | 39.332 | 1852972 | NIL | NIL | 12.274 | 548720 | NIL | NIL |
| | | SALE | | | | | | | |
| (a) Sub-merged Arc Welded steel pipes | " | 7911.360 | 96627403 | 3757.874 | 41577963 | | | | |
| (b) Re-rolled strips | " | 200.901 | 10008548 | — | — | | | | |

(iii) PARTICULARS OF RAW MATERIALS AND COMPONENTS CONSUMED FOR PRODUCTION.

| ITEM | UNIT OF MEASURE | CURRENT YEAR | | PREVIOUS YEAR | |
|---------------------|-----------------|--------------|-------------|---------------|-------------|
| | | QTY. | VALUE (Rs.) | QTY. | VALUE (Rs.) |
| Steel Plates | Metric tonnes | 7592.254 | 6,23,27,173 | 5035.143 | 430,25,270 |
| Flux and electrodes | Metric tonnes | 78,434 | 20,76,632 | 41,465 | 10,12,800 |
| Steel strips | " | 201,085 | 79,75,523 | — | — |
| | | 7,23,79,328* | | 440,38,070* | |

* including cost of raw-material consumed in work-in-progress and finished goods.

(iv) Value of imported and indigenous raw material, components and spare parts consumed and percentage of each to the total consumption.

A. Consumption of raw material, components, and spares parts for production :

| | CURRENT YEAR | | PREVIOUS YEAR | |
|-------------------------------|--------------|-------------|---------------|-------------|
| | Percentage | Value (Rs.) | Percentage | Value (Rs.) |
| a. Raw Material | | | | |
| Imported | 2.54 | 18,37,566 | 6.57 | 29,71,642 |
| Indigenous | 97.46 | 7,05,41,762 | 93.25 | 4,10,66,428 |
| | 100.00 | 7,23,79,328 | 100.00 | 4,40,38,070 |
| b. Stores and Spares : | | | | |
| Imported | 0.07 | 3,135 | Nil | Nil |
| Indigenous | 99.93 | 43,92,533 | 100.00 | 23,21,245 |
| | 100.00 | 43,95,668 | 100.00 | 23,21,245 |



SAW Pipes Ltd.

B. Consumption of Raw Material, components and spare parts for capital items:

| | CURRENT YEAR | | PREVIOUS YEAR | |
|-------------------|--------------|-------------|---------------|-------------|
| | PERCENTAGE | VALUE (Rs.) | PERCENTAGE | VALUE (Rs.) |
| Stores and spares | | | | |
| Indigenous | NIL | NIL | 100.00 | 813,829 |

(v) CIF value of Imports during the Financial year :

| | CURRENT YEAR | PREVIOUS YEAR |
|-------------------|---------------|---------------|
| Raw Material | Rs. 85,15,414 | Rs. 2,18,449 |
| Stores and spares | Rs. 1,37,627 | — |

(vi) Expenditure in Foreign currency during the Financial year :

| | CURRENT YEAR (Rs.) | PREVIOUS YEAR (Rs.) |
|---|-----------------------|------------------------|
| a. Technical services fees (net of taxes) | NIL | 66,403 |
| b. Travelling expenses | NIL | 76,870 |
| c. Other expenditure | NIL | 781 |

(vii) Earnings in Foreign Exchange Rs. NIL (Previous year Rs. NIL)

(viii) Break-up of expenditure on employees who are in receipt of remuneration amount in the aggregate to Rs. 72,000/ p.a. (previous year Rs. 72,000/-) or more if employed for the full year and Rs. 6000/- p.m. (previous year Rs. 6000/-) or more, if employed for part of the year :

| | EMPLOYED FOR FULL YEAR | | EMPLOYED FOR PART OF THE YEAR | |
|--------------------------------|------------------------|---------------|-------------------------------|---------------|
| | Current year | Previous year | Current year | Previous year |
| Number of employees | 2 | 3 | 3 | 1 |
| Salaries | 138,430 | 230,542 | 80,285 | 72,250 |
| Contribution to Provident Fund | 11,343 | 17,650 | 6,289 | 2,880 |

(ix) Payment to Managing Director during the Financial year :

| | Current year | Previous year |
|---|--------------|---------------|
| a. Salaries | 60,930 | 73,200 |
| b. Company's contribution to Provident Fund | 5,035 | 5,616 |

(x) As no commission to Directors is paid/payable for the year on amount of inadequacy of profits, the computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been given. Payment to Managing Director is minimum remuneration as approved by the Central Government.

| | Current year | Previous year |
|-----------------------------|--------------|---------------|
| (xi) Auditor's Remuneration | 25,000 | 15,000 |
| a. Audit fee | | |
| b. In other capacity : | | |
| i) certification | 1,650 | 1,980 |
| ii) Tax Audit fees | 10,000 | 6,000 |
| c. Out of pocket expenses | 3,104 | 891 |

(xii) Outstanding dues/Receivables are subject to confirmation.

(xiii) Previous year figures have been re-grouped/re-arranged, whenever necessary. These are not strictly comparable because of (a) shorter period covered and (b) Comparative figures to transferor company for previous year are not shown in view of amalgamation w.e.f. January 1, 1989.

(xiv) Schedule 1-18 are annexed to and form integral part of the Balance Sheet.
Signatures to Schedule 1-18.

As per our report to even date attached.

For AJAYA ASSOCIATES
Chartered Accountant

AJAYA JAIN
Partner

O.N. GUPTA
Financial Controller
& Secretary

P.R. JINDAL
Chairman & Managing
Director

PURSHOTTAM LAL
T.M. SEN
B.B. ARORA
Directors

New Delhi
Dated : 18.9.1989

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT FOR THE PERIOD FROM 1ST JUNE, 1988 TO 31ST MARCH, 1989 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. 72,000/- per annum.

| S. No. | Name | Designation/ Nature of Duties | Age | Gross Remun- eration Rs | Qualifi- cation | Experience (Years) | Date of Commen- cement of Employment | Last Employment held before joining the Company Name of the Employer- Designation |
|--------|--------------------------|-------------------------------------|-----|----------------------------------|--------------------|-----------------------|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1. | Mr. P.R. Jindal | Chairman & Managing Director | 39 | 69,385 | B.A. | 19 | 07.05.1986 | Swastik Foils Limited Managing Director |
| 2. | Mr. V.R. Krishnaswamy | Advisor | 60 | 83808 | M.A. | 38 | 01.12.1985 | Steel Authority of India, Joint Director of Purchases |

B) Employed for a part of the Financial Period at a rate which in aggregate was not less than Rs. 6000/- per month.

| | | | | | | | | |
|----|--------------------|--|----|-------|--------------|----|------------|---|
| 1. | Mr. A.N. Sehgal | Vice President Pipeline Division | 59 | 24886 | B.E. | 35 | 15.09.1987 | HBJ-Pipeline- Consultant |
| 2. | Mr. N. Naik | Dy. General Manager | 49 | 40700 | B.E. (Mech.) | 26 | 24.06.1986 | Vesveswaraya Iron & Steel Ltd., Bhadravati- Manager- Purchases |
| 3. | Mr. H.S. Bedi | General Manager (Works) | 43 | 20988 | Metallurgy | 24 | 03.01.1989 | BST Limited Works Manager |

NOTES

1. None of the above employers is relative of any Directors.
2. The employment of Mr. P.R. Jindal is governed by the terms approved by the Central Government.
3. The appointments are non-contractual and terminable by notice on either side except in case of Managing Director.
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.

FOR AND ON BEHALF OF THE BOARD

NEW DELHI
DATED : 18.9.1989

P.R. JINDAL
CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT FOR THE PERIOD FROM 1ST JUNE, 1988 TO 31ST MARCH, 1989 IN TERMS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956

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| S. No. | Name | Designation/ Nature of Duties | Age | Gross Remun- eration Rs | Qualifi- cation | Experience (Years) | Date of Commen- cement of Employment | Last Employment held before joining the Company Name of the Employer- Designation |
|--------|--------------------------|-------------------------------------|-----|----------------------------------|--------------------|-----------------------|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| 1. | Mr. P.R. Jindal | Chairman & Managing Director | 39 | 69,385 | B.A. | 19 | 07.05.1986 | Swastik Foils Limited Managing Director |
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B) Employed for a part of the Financial Period at a rate which in aggregate was not less than Rs. 6000/- per month.

| | | | | | | | | |
|----|--------------------|--|----|-------|--------------|----|------------|---|
| 1. | Mr. A.N. Sehgal | Vice President Pipeline Division | 59 | 24886 | B.E. | 35 | 15.09.1987 | HBJ-Pipeline- Consultant |
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FOR AND ON BEHALF OF THE BOARD

NEW DELHI
DATED : 18.9.1989

P.R. JINDAL
CHAIRMAN & MANAGING DIRECTOR

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