



*8<sup>th</sup> Annual Report 1991-1992*



**SAW Pipes Ltd.**

# SAW Pipes Ltd.

Arora

## 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 Kuldeep 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)

+ R. K. Saraf  
+ Rajwanshi

## 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.

## 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 (Decrease)/Increase in stocks	41,87,03.77 (785.49) 41,79,18.28	22,81,82.45 (337.74) 22,78,44.71
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	
<b>3,02,78.91</b>	<b>71,47.03</b>	<b>4,52,18.19</b>
Depreciation	3,70,69.96	
<b>67,91.05</b>	<b>4,09,31.31</b>	<b>1,58,35.22</b>
Net Profit for the year	<b>31,05.55</b>	<b>(-) 1,27,29.67</b>
Profit/(-) Loss : Brought Forward	<b>4,40,36.86</b>	<b>31,05.55</b>
Disposable Profits		
<b>Appropriations :</b>	<b>1,19,56.40</b>	<b>31,05.55</b>
Proposed Dividend	<b>3,20,80.46</b>	
Balance carried to Balance Sheet	<b>4,40,36.86</b>	<b>31,05.55</b>

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.

# SAW Pipes Ltd.

## **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.

## **ACKNOWLEDGEMENTS**

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
<b>i) 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
<b>ii) Own Generation through D.G. Set</b>		
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.

### 1. Specific Areas in which Research & Development Carried out by the company :

- a) Installation of voltage Stabilizers 200 KVA - 4 Nos. for ID & OD Welding.
- b) Laboratory for testing (NACE Quality) pipes was duly approved by EIL.
- c) 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.
- d) Additional MIG Welding Machine procured, installed and commissioned for augmenting the tack welding production.

### 2. Benefits Derived :

- a) With the installation of above additional equipments it was possible to qualify API X-60 Grade pipes ment for Sour Gas Application (NACE Quality).
- b) 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.

### 3. 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.

### 4. Expenditure of R&D

(Amount in Rs.)

- |                                                            |            |
|------------------------------------------------------------|------------|
| a) Capital                                                 | NIL        |
| b) Recurring                                               | 1,94,881/- |
| c) Total                                                   | 1,94,881/- |
| d) Total R&D expenditure as a percentage of Total turnover | 0.06%      |

### 5. Foreign Exchange earnings & outgo :

- |                                                          |                |
|----------------------------------------------------------|----------------|
| a) Foreign Exchange Earnings<br>(Deemed export supplies) | 9,13,73,308/-  |
| b) 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 & 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 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 failing 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.

PLACE : NEW DELHI  
DATED : 30.11.92

FOR AJAYA ASSOCIATES  
CHARTERED ACCOUNTANTS  
SUNIL AGARWAL  
PARTNER

# SAW Pipes Ltd.

## BALANCE SHEET AS AT JUNE 30, 1992

	Schedule No.	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>SOURCES OF FUNDS</b>			
Share Capital	1	7,97,07.36	7,97,02.86
Reserves and Surplus	2	5,13,50.66	2,23,75.75
<b>LOAN FUNDS</b>			
Secured	3	12,45,19.59	13,57,83.76
Unsecured	4	2,91,12.22	1,26,80.52
		<u>28,46,89.83</u>	<u>25,05,42.89</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	5	14,86,23.44	14,17,98.08
Less : Depreciation		3,38,59.10	2,67,30.23
Net Block		11,47,64.34	11,50,67.85
Capital work in progress (including material with contractors and capital advances)		67,38.48	12,43.79
		<u>12,15,02.82</u>	<u>11,63,11.64</u>
<b>INVESTMENTS</b>	6	3,33,74.46	1,29,61.95
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	7	14,46,22.97	5,45,74.56
Sundry Debtors		7,65,25.39	6,84,59.88
Cash & Bank Balances		33,63.81	5,17.89
Loans & Advances		3,85,88.86	4,28,54.20
		<u>26,31,01.03</u>	<u>16,64,06.53</u>
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	8	12,10,80.06	4,52,18.27
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>		12,84,40.30	11,95,63.99
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)	9	13,72.25	17,05.31
<b>TOTAL</b>		<u>28,46,89.83</u>	<u>25,05,42.89</u>

### NOTES TO THE ACCOUNTS

As per our report of even date attached

For **AJAYA ASSOCIATES**  
Chartered Accountants  
**SUNIL AGARWAL**  
Partner  
Place : New Delhi  
Date : 30.11.92

**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

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

	Schedule No.	Year Ended June 30, 1992 (Rs. in thousands)	Year Ended June 30, 1991 (Rs. in thousands)
<b>INCOME</b>			
Sales	10	35,57,72.20	16,32,13.20
other income		6,28,83.98	6,31,31.31
Trading Sales	11	47.59	18,37.94
Increase/(Decrease) in Stock		(7,85.49)	(3,37.74)
		<u>41,79,18.28</u>	<u>22,78,44.71</u>
<b>EXPENDITURE</b>			
Purchases for Resales	12	40.19	18,77.80
Raw Material Consumed	13	23,38,89.50	11,73,90.06
Manufacturing Expenses		3,90,29.85	2,62,93.38
Excise duty		3,03,29.45	63,91.04
Employees Remuneration & Benefits	14	97,37.17	70,82.84
Selling Expenses	15	40,78.51	89,72.93
Finance Expenses	16	3,80,71.16	3,02,78.91
Administrative & Other Expenses	17	1,46,64.11	69,31.48
Depreciation (Refer Note A (vi))		71,47.03	67,91.05
		<u>37,69,86.97</u>	<u>21,20,09.49</u>
Profit/(Loss)		4,09,31.31	1,58,35.22
Balance brought forward		31,05.55	(1,27,29.67)
Disposable Profit		<u>4,40,36.86</u>	<u>31,05.55</u>
<b>Appropriations :</b>			
Proposed dividend (Subject to Deduction of Tax)		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>

**NOTES TO THE ACCOUNTS**

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As per our report of even date attached

For **AJAYA ASSOCIATES**  
Chartered Accountants  
**SUNIL AGARWAL**  
Partner  
Place : New Delhi  
Date : 30.11.92

**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

50.977

**SCHEDULE "1"**

As At

As At  
June 30, 1992  
(Rs. in thousands)

June 30, 1991  
(Rs. in thousands)

**SHARE CAPITAL**

**AUTHORISED :**

i) 95,00,000 (Previous year 95,00,000) equity shares of Rs. 10/- each	9,50,00.00	9,50,00.00
ii) 50,000 (Previous year 50,000) 15% Redeemable Cumulative preference shares of Rs. 10/- each	50,00.00	50,00.00
	<u>10,00,00.00</u>	<u>10,00,00.00</u>

**ISSUED AND SUBSCRIBED :**

79,70,936 (Previous year 79,70,936) (Equity shares of Rs. 10/- each	7,97,09.36	7,97,09.36
---------------------------------------------------------------------	------------	------------

**PAID UP**

a. 79,70,936 (previous year 79,70,936 equity shares of Rs. 10/- each fully paid up	7,97,09.36	7,97,09.36
Less : Calls-in-arrears (previous year Rs. 6,500/- other than directors	<u>2.00</u>	<u>6.50</u> 7,97,02.86

(of the above 20,08,000 equity share (Previous Year 20,08,000) are allotted as fully paid up pursuant to contract without payment being received in cash and 19,70,936 equity shares are allotted as fully paid up to shareholders of M/s. Swastik Foils Limited as per Order dated 3rd August/11th September 1989 of the Hon'ble High Court of Delhi.

<u>7,97,07.36</u>	<u>7,97,02.86</u>
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**SCHEDULE ``2''**

		As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>RESERVED &amp; SURPLUS</b>			
i) Capital Reserve (Central Subsidy)		8,50.00	8,50.00
ii) General Reserve			
As per last Balance Sheet	13,13.20	13,13.20	
Add : Additions during the year	-	-	
		13,13.20	13,13.20
iii) Investment Allowance Reserve : As per last Balance Sheet	1,38,40.00	1,38,40.00	
Add : Additions during the year	-	-	
Less : Transferred to investment allowance reserve utilised account	-	1,38,40.00	1,38,40.00
iv) Investment allowance account			
As per last balance sheet	32,67.00	32,67.00	
Add : Additions during the year	-	-	32,67.00
v) Profit & Loss Account		3,20,80.46	31,05.55
		5,13,50.66	2,23,75.75

**SCHEDULE ``3''**

**LOAN FUNDS**

**SECURED LOANS :**

		As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
(i) From Industrial Finance Corporation of India under Project Finance Participation Scheme with Industrial Development Bank of India & Industrial Credit & Investment Corporation of India (Repayable within one year Rs. 1,46,13,000/-)		6,97,85.00	7,60,37.00
(ii) Foreign Currency Loan from Industrial Finance Corp. of India Repayable within one year Rs. 2,33,790/-)		18,70.34	21,04.12
(iii) Interest accrued and Due on above loans		1,43,68.35	85,39.56



**NOTES :**

- (a) Rupee Term Loan from IFCI under Project Finance Participation Scheme alongwith IDBI and ICICI, Foreign Currency Loan from IFCI of pipes division are secured 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 alongwith IDBI and ICICI and Foreign Currency Loan from IFCI for pipes division are guaranteed by Jindal Strips Limited, Delhi Road, Hisar.
- (c) Loans from Financial Institutions are additionally secured by deposit of title deeds in respect of immovable properties of pipes division.
- (iv) Cash Credit from banks :
  - (a) Canara Bank
  - (b) State Bank of Patiala

	1,30,21.43	1,52,39.17
	2,54,74.47	3,38,63.91

Cash Credit from Canara Bank & State Bank of Patiala in respect of pipes division is secured by way of Hypothecation of imported/ indig-enous 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 and sundry debtors of pipes division.

The loan is guaranteed by two Directors including Managing Director and also by a Company in which a Director of a company is a Director. Further 2,11,300 equity shares of Jindal Strips Ltd. and Jindal Iron & Steel Co. Ltd. 1,30,998 partly convertible debentures of Jindal Strips Ltd. and 93,855 fully convertible debentures of Jindal Iron & Steel Co. Ltd. held by the company has been pledged to the above banks as collateral security for working capital limits as well as non fund based limits like Bank Guarantees and Letter of Credits. Cash Credit from State Bank of Patiala in respect of Foils Division 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 and sundry debtors of Foils Division. The loan is guaranteed by two Directors including Managing Director and also by a company in which a Director of the company is a director.

<u>12,45,19.59</u>	<u>13,57,83.76</u>
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**SCHEDULE "4"**

**UNSECURED LOANS :**

- (i) Fixed Deposits
- (ii) Interest accrued and due on (i) above
- (iii) Deposit from Agents
- (iv) Inter-corporate Loans
- (v) Interest accrued and due on (iv)
- (vi) Deferred Sales Tax

As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
19,73.00	10,20.00
0.52	0.40
17,50.00	24,50.00
56,60.85	42,15.13
36.45	
1,96,91.40	49,94.99
<u>2,91,12.22</u>	<u>1,26,80.52</u>

*Reprints of Depd Sales Tax*  
 1997 - 50 Lacs  
 1998 - 147 Lacs

(98) → '99  
 608 → '99

# SAW Pipes Ltd.



## SCHEDULE "5"

FIXED ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.7.91	Additions	Deductions	As at 30.6.92	Upto 30.6.91	During the Year	Adjust- ment	Upto 30.6.92	As at 30.6.92	As at 30.6.91
<b>LAND</b>										
Freehold	19,32.80	14.00	--	19,46.80	--	--	--	--	19,46.80	19,32.80
Lease hold (Including site development expenses	53,73.04	--	--	53,73.04	--	--	--	--	53,73.04	53,73.04
Building	2,92,42.88	6,64.50	--	2,99,07.38	35,45.95	9,01.58	--	44,47.53	2,54,59.85	2,56,96.93
Plant & Machinery	10,01,81.02	48,37.26	1,26.61	10,48,91.67	2,13,97.35	58,89.87	18.16	2,72,69.06	7,76,22.61	7,87,83.67
Furniture & Fixtures and Office equipment	6,17.44	2,87.59	--	19,05.03	1,68.81	83.87	--	2,52.68	16,52.35	14,48.63
Air Conditioners	5,35.23	11,26.62	--	16,61.85	80.90	28.70	--	1,09.60	15,52.25	4,54.33
Vehicles	20,20.37	22.00	--	20,42.37	6,41.92	2,43.01	--	8,84.93	11,57.44	13,78.45
Temporary Construction	8,95.30	--	--	8,95.30	8,95.30	--	--	8,95.30	--	--
	14,17,98.08	69,51.97	1,26.61	14,86,23.44	2,67,30.23	71,47.03	18.16	3,38,59.10	11,47,64.34	11,50,67.85
<b>Capital work in progress including material with contractor</b>										
									67,38.48	12,43.79
	14,17,98.08	69,51.97	1,26.61	14,86,23.44	2,67,30.23	71,47.03	18.16	3,38,59.10	12,15,02.82	11,63,11.64
Previous year	13,99,53.92	19,72.23	1,28.07	14,17,98.08	1,99,53.95	67,91.05	14.77	2,67,30.23	11,63,11.64	12,20,13.65

**SCHEDULE ``6''**

**INVESTMENT (AT COST)  
OTHER THAN TRADE  
UNQUOTED**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
i) Bharat Foils Ltd. 23,000 Equity Shares of Rs. 10/- each fully paid up	2,83.89	2,83.89

**QUOTED**

i) S.B.I. Mutual Fund 2,000 Magnum of Rs. 100/- each	2,00.00	2,00.00
ii) Jindal Iron & Steel Co. Ltd. 56,100 equity shares of Rs. 10/- each fully paid up	5,61.00	5,61.00
iii) Unit Trust of India 5,000 units	74.50	74.50
iv) Jindal Strips Ltd. 1,55,200 equity shares of Rs. 10/- each fully paid up	1,57,19.76	-
v) Jindal Strips Ltd. 1,30,998 Partly Convertible Debentures of Rs. 360/- each, Rs. 120/- paid up	46,92.75	-
vi) Jindal Iron & Steel Co. Ltd. 93,855 fully convertible debenture of Rs. 50/- each fully paid up	3,33,74.46	1,29,61.95
	<u>3,33,74.46</u>	<u>1,29,61.95</u>

Market value of quoted investment Rs. 17,48,14,935/-

**SCHEDULE ``7''**

**CURRENT ASSETS, LOANS AND ADVANCES :**

**A. CURRENT ASSETS :**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
a. INVENTORIES (as taken, valued and certified by management)		
i) Stores & Spares (at cost)	1,18,55.38	92,27.48
ii) Consumable tools (at cost)	4,47.26	2,19.89
iii) Finished goods (at lower of estimated cost or net realisable value)	75,13.11	77,50.30
iv) Raw Material (at cost)	10,51,70.88	2,42,98.94
v) Raw Material in transit	48,00.13	-
vi) Work-in-progress (at lower of estimated cost or net realisable value)	1,10,50.65	1,07,61.93
vii) Scrap (at net realisable value)	2,59.37	10,96.39
viii) Jobwork-in-progress (at cost)	35,26.19	12,19.63
	<u>14,46,22.97</u>	<u>5,45,74.56</u>

# SAW Pipes Ltd.

SAW Pipes Ltd.

## B. SUNDRY DEBTORS : (Unsecured considered good)

i) Exceeding six months			1,99,52.20	
ii) Others	<u>2,12,69.32</u>	7,65,25.39	<u>4,85,07.68</u>	6,84,59.88
	<u>5,52,56.07</u>			

## C. CASH AND BANK BALANCES :

i) Cash in hand		1,94.91		1,72.04
ii) With scheduled banks : -- in current account		31,68.90		3,45.85
		<u>33,63.81</u>		<u>5,17.89</u>

## LOANS AND ADVANCES :

(Unsecured & Considered good)

i) Advances recoverable in cash or in kind for value to be received.				
Considered Good	3,04,13.00		1,86,48.32	
Considered Doubtful (Refer Note B (iii))	<u>47,97.26</u>		<u>47,97.26</u>	
ii) Earnest money and security deposits		3,52,10.26		2,34,45.58
iii) Prepaid expenses		14,12.18		1,62,79.97
iv) Deposit with Industrial Development Bank of India U/s 32AB of Income Tax Act, 1961		19,06.39		6,62.19
		60.03		24,66.46
		<u>3,85,88.86</u>		<u>4,28,54.20</u>

## SCHEDULE "8"

As At  
June 30, 1992  
(Rs. in thousands)

As At  
June 30, 1991  
(Rs. in thousands)

## CURRENT LIABILITIES & PROVISIONS

### A. CURRENT LIABILITIES :

i) Sundry Creditors		6,99,07.66		50,42.25
ii) Advances from customers		32,84.76		82,32.24
iii) Interest accrued but not due		68,64.08		81,19.94
iv) Other liabilities		<u>4,10,23.56</u>		<u>2,38,23.84</u>
		12,10,80.06		4,52,18.27

### B. PROVISIONS :

i) Taxation (relating to earlier years)				
Income Tax	61,73.47		61,73.47	
Wealth Tax	<u>25.00</u>		<u>25.00</u>	
	61,98.47		61,98.47	
Less : Tax Paid	<u>45,74.20</u>		<u>45,74.20</u>	
	16,24.27		16,24.27	
ii) Dividend	<u>1,19,56.40</u>	1,35,80.67		16,24.27
		<u>13,46,60.73</u>		<u>16,24.27</u>
				4,68,42.54

**SCHEDULE ``9''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)		
i) Preliminary expenses	66.17	79.40
Share Issue expenses	12,37.30	14,84.76
	<u>13,03.47</u>	<u>15,64.16</u>
Less : written off	2,60.69	2,60.69
	10,42.78	13,03.47
ii) Deferred Revenue expenditure	4,01.84	4,74.21
Less : written off	72.37	72.37
	3,29.47	4,01.84
	<u>13,72.25</u>	<u>17,05.31</u>

**SCHEDULE ``10''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>OTHER INCOME</b>		
Income from conversion charges	3,98,22.20	4,91,40.16
Interest (including TDS Rs. 3,58,189/- (Previous Year Rs. 3,43,742/-		
Sale of Scrap	45,68.01	16,05.57
Dividend (including TDS Rs. 1,38,231/- Previous year Rs. 10,865/-	78,52.78	91,39.66
Miscellaneous receipts	5,81.57	74.79
	1,00,59.42	31,71.13
	<u>6,28,83.98</u>	<u>6,31,31.31</u>

**SCHEDULE ``11''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>INCREASE/(DECREASE) IN STOCK</b>		
<b>OPENING STOCK</b>		
Finished Goods	77,50.30	45,26.09
Work-in-progress	1,07,61.93	1,54,01.82
Scrap	10,96.39	18.45
	1,96,08.62	1,99,46.36
<b>CLOSING STOCK</b>		
Finished Goods	75,13.11	77,50.30
Work-in-progress	1,10,50.65	1,07,61.93
Scrap	2,59.37	10,96.39
	1,88,23.13	1,96,08.62
Increase/(Decrease) in stock	(7,85.49)	(3,37.74)

**SCHEDULE ``12''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	2,42,98.94	1,87,31.50
Add : Purchases	31,47,61.44	12,29,57.50
	<hr/>	<hr/>
	33,90,60.38	14,16,89.00
Less : Closing stock	10,51,70.88	2,42,98.94
	<hr/>	<hr/>
	23,38,89.50	11,73,90.06

**SCHEDULE ``13''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>MANUFACTURING EXPENSES</b>		
Direct Wages	18,73.39	11,18.40
Stores & Spares	1,82,71.04	1,17,67.84
Power & Fuel	1,46,40.45	95,31.33
Water charges	2,69.18	1,47.80
Other Manufacturing expenses	1,17.60	15.00
	<hr/>	<hr/>
	3,51,71.66	2,25,80.37

**REPAIR & MAINTENANCE**

Plant & Machinery	26,80.41	24,65.54
Building	1,92.83	10,81.34
Others	9,84.95	1,66.13
	<hr/>	<hr/>
	3,90,29.85	2,62,93.38

**SCHEDULE ``14''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>EMPLOYEES REMUNERATION &amp; BENEFITS :</b>		
Salary	54,52.32	43,71.02
Employers contribution to P.F., F.P.F., E.S.I. linked insurance plan and administrative charges thereon.	5,76.63	5,27.96
Staff Welfare	34,91.57	19,99.55
Remuneration to Directors including Managing Director (including P.F. contribution Rs. 19,695/- previous year Rs. 16,755/-	2,16.65	1,84.31
	<hr/>	<hr/>
	97,37.17	70,82.84

**SCHEDULE ``15''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>SELLING EXPENSES</b>		
Sales Tax Paid	-	4,25.86
Commission on Sales	12,13.70	5,84.09
Sales Promotion	4,36.05	2,61.28
Advertisement	1,68.41	8.35
Rebate & Discounts	11,26.46	17.02
Packing expenses	7,57.25	7,17.53
Forwarding charges (net of recoveries Rs. 1,27,33,694/-) (previous year Rs. 21,16,260/-)	1,70.50	68,64.80
Other expenses	2,06.14	94.00
	40,78.51	89,72.93

**SCHEDULE ``16''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>FINANCE EXPENSES :</b>		
Interest/commitment charges on Term Loans	1,63,61.23	1,34,68.00
Interest on Bank Borrowings	1,15,91.71	1,38,69.32
Bank and Finance charges	71,61.98	14,90.93
Interest to others	29,56.24	14,50.66
	3,80,71.16	3,02,78.91

**SCHEDULE ``17''**

	As At June 30, 1992 (Rs. in thousands)	As At June 30, 1991 (Rs. in thousands)
<b>ADMINISTRATIVE AND OTHER EXPENSES :</b>		
Rent, Rates & Taxes	7,98.84	4,23.87
Insurance	21,70.48	6,27.86
Postage, Telegrams & Telephones	14,60.97	10,16.42
Printing & Stationary	7,50.78	3,95.30
Travelling & Conveyance	23,25.27	12,11.07
Director's Travelling	6,65.90	60.85
Legal & Professional Expenses	2,21.95	1,55.70
Vehicle upkeep & Maintenance	14,40.07	9,54.71
Director's Meeting Fees	17.50	12.75
Miscellaneous Expenses	23,33.97	16,18.14
Electricity Expenses	55.15	19.91
Liquidated damages	-	29.49
Income Tax Paid for earlier Years	2,03.64	19.32
Auditor's Remuneration	56.36	53.03
Preliminary Expenses written off	2,60.69	2,60.69
Deferred Revenue Expenses written off	72.37	72.37
Loss on sale of investments	18,30.17	-
	1,46,64.11	69,31.48

**NOTES TO THE ACCOUNTS FORMING PART OF THE  
BALANCE SHEET AND 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, consumble 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 OCCURRING AFTER BALANCE SHEET DATE**

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

## SAW Pipes Ltd.

- 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 30.06.1992. 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 Rupee at Exchange rates prevailing at the time of withdrawal. No adjustment has been made for increase in liability 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 30th June, 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 (Ceiling and Regulation) Act, has not yet been obtained.
- (v) Maximum Amount outstanding at any time during the year due from Directors Rs. NIL (Previous year Rs. 47,984/-).
- (vi) Depreciation has been calculated 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. NIL not provided for (previous year Rs. 4,75,298/-).
- b) In respect of Bank Guarantees Rs. 23,70,70,198/- (Previous year Rs. 13,79,54,239/-).
- c) In respect of outstanding letters of credit Rs. 21,36,84,485/- (Previous year Rs. 4,78,13,970/-).
- d) Balance Technical know-how 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 be 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.

## SALES

(a)	Submerged Arc Welded Steel pipes including pipes & connectors	Metric Tonnes	12914.688	31,58,20,595	6154.232	13,30,30,901
(b)	Re-rolled strips	Metric Tonnes	549.266	3,99,51,613	478.636	3,01,82,298

## (iii) PARTICULARS OF RAW MATERIAL AND COMPONENTS CONSUMED FOR PRODUCTION

ITEM	UNIT OF MEASUREMENT	CURRENT YEAR		PREVIOUS YEAR	
		QTY.	VALUE (Rs.)	QTY.	VALUE (Rs.)
Steel Plates	Metric Tonnes	13905.589	19,50,38,146	6731.677	8,76,53,635
Flux & Electrodes	Metric Tonnes	152.326	68,91,986	67.975	17,93,593
Steel Strips	Metric Tonnes	585.600	3,19,59,368	567.779	2,79,42,831
			<u>23,38,89,500</u>		<u>11,73,90,059</u>

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

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

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

	Percentage	CURRENT YEAR		PREVIOUS YEAR	
		Value (Rs.)	Percentage	Value (Rs.)	Percentage
a) Raw Material					
Imported	56.27	13,16,15,504	19.08	2,23,96,187	
Indigenous	43.73	10,22,73,996	80.92	9,49,93,872	
	<u>100.00</u>	<u>23,38,89,500</u>	<u>100.00</u>	<u>11,73,90,059</u>	
b. Stores and Spares					
Imported	5.69	10,40,122	5.77	6,78,473.00	
Indigenous	94.31	1,72,30,917	94.23	1,10,89,367.00	
	<u>100.00</u>	<u>1,82,71,039</u>	<u>100.00</u>	<u>1,17,67,840.00</u>	

### B. Consumption of raw-material, components, and spares parts for capital items :

	CURRENT YEAR		PREVIOUS YEAR	
	Percentage	Value (Rs.)	Percentage	Value (Rs.)
Stores and Spares				
Indigenous	NIL	NIL	NIL	NIL

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

	CURRENT YEAR	PREVIOUS YEAR
Raw Material	Rs. 11,13,81,932	Rs. 2,70,34,947
Stores & Spares	Rs. 5,37,425	Rs. 9,00,136

(vi) Expenditure in Foreign Currency during the Financial year : Rs. 11,51,134/- (Previous Year 76,092/-)

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

# SAW Pipes Ltd.

(viii) Break-up of expenditure on employees who are in receipt of remuneration amounting in the aggregate to Rs. 1,44,000/- p.a. (Previous year Rs. 1,44,000/-) of more if employed for the full year and Rs. 12,000/- p.m. (Previous year Rs. 12,000/-) 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	1	1		
Salaries	150903	96484	--	--
Contribution to Provident Fund	15090	9648	--	--

(xi) Payment to Directors including Managing Directors during the Financial year :

	CURRENT YEAR	PREVIOUS YEAR
a. Salaries	1,96,953	1,67,577
b. Company's contribution to Provident Fund	19,695	16,755

(x) As no commission to Directors is paid/payable for the year on account of profits, the computation of net profit in accordance with Section 349 of the Companies Act, 1956 has not been given.

(xi) Auditors Remuneration :

	CURRENT YEAR	PREVIOUS YEAR
a. Audit fee	Rs. 35000	Rs. 35000
b. In other capacity :		
i) For certification	Rs. 220	Rs. 2310
ii) Tax Audit fees	Rs. 10000	Rs. 10000
c. Out of pocket expenses	Rs. 11140	Rs. 5720

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

(xiii) Previous year figures have been re-grouped/re-arranged, wherever necessary and practicable to make them comparable with current year's figures.

(xiv) Schedule 1-18 are annexed to and form integral part of the Balance sheet and profit and loss account.

As per our report of even date attached

For **AJAYA ASSOCIATES**

Chartered Accountants

**SUNIL AGARWAL**

Partner

Place : New Delhi

Date : 30.11.92

**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

