



10TH ANNUAL REPORT

SAW PIPES LIMITED

1993 - 1994



**BOARD OF DIRECTORS**

SHRI P.R. JINDAL, Chairman & Managing Director
SHRI SAJJAN JINDAL
SHRI RATAN JINDAL
SHRI T.M. SEN
SHRI N.K. BAKSI, Nominee Director-IFCI
SHRI DILIP BHARGAVA, NRI Director
SHRI KULDIP BHARGAVA, (Alternate Director to Shri Dilip Bhargava)
DR. N.S. DATAR
SHRI SUBHASH CANDRA
SHRI PURSHOTTAM LAL
SHRI P.K. JAIN
SHRI H.S. CHAUDHARY, Whole Time Director
SHRI M.K. GOEL, Whole Time Director

PRINCIPAL EXECUTIVES

SHRI R.K. SARAF, President
SHRI RAJIV GARG, Chief Executive Officer
SHRI V.A. SATHGURUNATH, Vice President (Nasik Works)
SHRI ONKAR NATH GUPTA, Company Secretary
SHRI H.S. BEDI, Vice President (Kosi Kalan Works)
SHRI S. MISRA, General Manager (Marketing & Co-ordination)
SHRI A.K. MAHENDRU, Vice President (Commercial)

BANKERS

STATE BANK OF PATIALA, NEW DELHI
CANARA BANK, NEW DELHI
STANDARD CHARTERED BANK, NEW DELHI
BANQUE NATIONAL DE PARIS, NEW DELHI

AUDITORS

M/s N.C. AGGARWAL & CO., Chartered Accountants

REGISTERED OFFICE

28 Najafgarh Road,
New Delhi-110015

WORKS

(i) PIPES DIVISION :
A-1, UPSIDC Industrial Area
Nand Gaon Road, Kosi Kalan
Distt. Mathura (U.P.)
(ii) SEAMLESS TUBES DIVISION :
Sinner Industrial Area
Nasik (Maharashtra)
(iii) FOILS DIVISION :
28 & 37 Najafgarh Road,
New Delhi-110 015
(iv) SWASTIK UDYOG DIVISION :
Delhi Road
Hisar (Haryana)


DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 10th Annual Report with the Audited Statement of Accounts of the Company for the year ended 30th June, 1994.

FINANCIAL RESULTS

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

	1993-94 (Rs. in crores)	1992-93 (Rs. in crores)
Net Sales & other Income	293.96	169.88
<i>Less</i> : Raw Material & Manufacturing Expenses	<u>223.48</u>	<u>125.19</u>
Gross Profit	70.48	44.69
<i>Less</i> : Selling and Administrative Expenses	11.07	13.54
Profit before interest and Depreciation	59.41	31.15
<i>Less</i> : Interest and other Financial Expenses	9.26	9.48
Depreciation	<u>3.00</u>	<u>1.56</u>
	12.26	11.04
Net Profit before Tax	47.15	20.11
<i>Less</i> : Provision for tax	-	.45
Net Profit after tax	47.15	19.66
<i>Profit</i> : Brought Forward	2.09	3.21
Tax Provision Written Back	<u>.16</u>	<u>-</u>
Disposable Profits	<u>49.40</u>	<u>22.87</u>
Appropriations :		
Proposed Dividend	4.35	3.78
General Reserve	40.00	17.00
Balance carried to Balance Sheet	5.05	2.09
	<u>49.40</u>	<u>22.87</u>

A substantial improvement in the Company's business performance reflected increase in total turnover from Rs. 169.88 crores to Rs. 293.96 crores showing a growth of 73.04% over the year ending 1993. This was mainly because of two orders from Oil and Natural Gas Commission; one for API5L Grade X-60 NACE pipes of 33.650 metric tonnes which added Rs. 32.34 crores to the turnover and another order for the same grade of 63.907 metric tonnes which was partly executed and will be completed in the year 1995. This order contributed Rs. 125.00 crores to the total turnover for the year 1994. The profit after tax increased to Rs. 47.15 crores as compared to Rs. 19.66 crores during the preceding year, recording an increase of 139.83%.

Foils Division

Your Company produced 3550 M.T. of Cold Rolled Strips.

Udyog Division

Your Company produced 5821 M.T. of Cold Rolled Strips.

BONUS ISSUE

During the year under review, your Company made a Bonus Issue in the ratio of 1:2 as approved by shareholders in its Extraordinary General Meeting held on 20th January, 1994.

Another issue of Bonus Shares in the ratio of 1:1 has been approved by shareholders in its Extraordinary General Meeting Held on 23rd September, 1994.

DIVIDEND

Your Directors have pleasure in recommending a dividend of Rs. 3/- per equity share of Rs. 10/- each subject to deduction of tax for the year ended 30th June, 1994, if approved by the shareholders at the ensuing Annual General Meeting.

FUTURE OUTLOOK

Your Company is very much optimistic for better achievements in its operations in the ensuing year. Your company has received an order of 22,278 MT's from Indian Oil Corporation Limited valuing Rs. 52.94 crore in 1994-95 and

further, your Company is hopeful for getting an order of Gas Authority of India for its HBJ upgradation project for 1.52 lacs MT of Poly Ethelene coated Pipes of nearly Rs. 540 crores.

Your Company is also diversifying into seamless tubes of stainless, ball bearing and other alloy steel. The plant, at Nasik which is 180 km from Bombay, will manufacture both hot and cold finished tubes.

NEW PROJECTS

To meet the growing demand of Submerged Arc Welded Pipes of Oil and Gas sector of the economy your company is :

- i) Expanding and Modernising its existing Submerged Arc Welded Pipes Plant at Kosi-Kalan from 75,000 MT's p.a to 250,000 MT's p.a. as well as setting up a plant for PE coating of bare pipes. Setting up of PE coating plant is the step towards forward integration to make the Company more competitive in the market. The same facility will be used for HBJ project of Gas Authority of India.
- ii) Seamless Tube Project with annual capacity of 45,000 MT's at Nasik is already under implementation. Its Cold Finishing Section was completed in March '1994 and Hot Finishing Section is expected to be completed in December '1994.
- iii) Your company is establishing a project of Large Diameter Submerged Arc Welded Pipe with annual capacity of 100,000 MT's at Nasik to add to its existing capacity of Saw Pipes at Kosi-Kalan.

To finance the above projects, your Company is making an issue of its shares by international offering through Global Depository Receipt Mechanism of US \$ 70 millions.

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) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure-1)

PERSONNEL

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

PUBLIC DEPOSITS

Deposits from 6 depositors aggregating Rs.26000/- were overdue and unclaimed at the end of the year.

INSURANCE

All the properties and insurable interest of the Company including buildings, plant, 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 N.C. Aggarwal & Co., auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

DIRECTORS

Mr. P.K. Jain and Mr. Subhash Chandra retires by rotation and are eligible for re-appointment. Mr. Sajjan Jindal was appointed as an additional Director of the Company in the meeting of the Board of Directors held on 26.11.93 pursuant to Provisions of Articles 104 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956. According to the provisions of the said Article and the section as above, he will hold office only upto the date of Annual General Meeting. As required under section 257 of the Companies Act, 1956, the Company has received notice from a member alongwith a deposit of Rs.500/- signifying his intention to propose Mr. Sajjan Jindal as a candidate for the office of the Director liable to retire by rotation.

ACKNOWLEDGEMENTS

The Directors are grateful to 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 operation of the Company

Dated : 23.09.1994
Regd. Office
28 Najafgarh Road,
New Delhi-110 015.

For and on behalf of the Board

P.R. JINDAL
Chairman & Managing Director



ANNEXURE TO DIRECTORS 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) Installed an additional EOT Crane in the Plate Section of the Forming bay thus restricting the longitudinal drive of the Crane and reducing the consumption of energy.
- ii) Installed permanent tubelights along the boundary of the plant premises, which resulted in reduced consumption of energy.
- iii) Installed additional conveyor system from "O" press to MIG WELDING section to avoid excessive use of EOT crane resulting in reduced consumption of energy.
- 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 automatic light switches for plant premises boundary and road lights.
- ii) Propose to install additional power capacitors for EXPANDER and HYDRO TESTER motors.

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 :

1. POWER AND FUEL CONSUMPTION :	1993-94	1992-93
i) Electricity		
Purchased Units	70,35,898	53,71,062
Total Amount (Rs.)	1,84,19,428	1,56,74,904
Rate per unit	2.62	2.92
ii) Own Generation through D.G. Set :		
Generator Units	36,99,711	28,51,204
Unit per litre of oil	2.65	2.20
Cost per unit	2.62	2.58

(B) CONSUMPTION PER UNIT OF PRODUCTION :

Production : Submerged Arc Welded Pipes and Re-rolled Stainless Steel Strips. Electricity for :

i) Manufacture of steel Pipes per tonne	54.48	81.04
ii) Re-rolling of Stainless steel strips per tonne	534	367
iii) Carbon Steel Seamless Pipes per tonne	510	

FORM "B"

Form of disclosure of particulars with respect of Technology Absorption for 1993-94

1. Specific areas in which Research and Development Carried out by the Company :

- a) Installation of CCTV system on EXPANDER No. 1 & 2 resulting in improvement of quality of pipes produced.
- b) Installed one more ID & OD welding section resulting in increase of production capacity of the plant.
- c) Installed new hydraulic crimping press in the forming section.
- d) Installed one four channel ultrasonic machine and one manual ultrasonic machine in the quality department.
- e) Installed HP-9000 E-25 computer machine in the computer section to widen the scope of computer system.
- f) Installed CPT compressor of 1000 CFM capacity.

2. Benefit Derived:

With the installation of above additional equipments it was possible to achieve consistency in production and quality of finished product.

3. Future plan of Action :

- a) Installation of one more set of X-RAY equipment of 300 KV capacity.
- b) Installation of EPABX system with a capacity of 8 + 100 lines for plant and colony.
- c) Installation of one more DG set of 750 KVA capacity.
- d) Efforts for improving the existing processes and products by laying emphasis on R & D will continue to be made.

4. Expenditure of R & D :

Development and improvement of products is an in-built on-going activity within existing manufacturing facilities. Expenditure on R & D is not separately allocated and identified.

5. Foreign Exchange Earnings and Outgo.

- | | | |
|------------------------------|--------------------|--|
| a) Foreign Exchange Earnings | | |
| - Physical Export | Rs. 1.59 crores. | |
| - Deemed Export | Rs. 222.95 crores. | |
| b) Foreign Exchange Outgo | Rs. 178.38 crores. | |

nil

255.06

For and on behalf of the Board

Place : New Delhi
Dated : 23.09.1994

P. R. JINDAL
Chairman & Managing Director

ANNEXTURE TO DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTOR'S REPORT FOR THE PERIOD FROM 1ST JULY, 1993 TO 30TH JUNE, 1994 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	Remuneration	Qualifications	Experience (Years)	Age	Date of commencement of Employment	Last Employment
1	Sh. P.R. Jindal	Chairman & Managing Director	1,95,345/-	B.A	24	44	07.05.86	Swastic Foils Ltd Managing Director
2	Sh. R.K. Saraf	President	2,11,884/-	B.Sc., B.E. (Mechanical)	34	59	14.04.93	B.H.E.L Director
3	Sh. A.K. Mahendru	Vice-President (Commercial)	1,73,275/-	B. Tech., FIE MIIM, MIMA	28	49	01.05.86	Steel Authority of India Regional Manager
4	Sh. H.S. Bedi	Vice-President (Works)	1,94,893/-	B.E (Metallurgy)	29	48	03.01.89	B.S.T Ltd. Works Manager
5	Sh. Sudesh Jain	Manager-EDP	1,63,920/-	B.E.	14	40	01.03.90	Hero Honda Motors Ltd Manager - EDP
6	Sh. Rajiv Garg	Chief Executive Officer	2,20,850/-	M.Sc. (H) CCL (New York)	17	39	01.05.92	Credit Capital Finance Ltd. Director - North India
7	Sh. V.A. Satgurnath	Vice - President	2,02,876/-	B. Tech (H) PGD (Prod. Mgt.) M.B.A, FIE	34	55	26.04.93	B.H.E.L Sr. Dy. General Manager
8	Sh. S.N. Singh	General Manager (Technical)	1,55,462/-	B.Sc (Engg) Metallurgy	20	43	23.01.93	Bhushan Steel Strips Ltd G.M. (Works)
B) Persons employed for the part of the year and were in receipt of remuneration aggregating to not less than Rs. 12000/- per month.								
1.	Sh. Gian Bansal	Dy. General Manager (Finance)	72,020/-	B.Sc. F.C.A	14	37	01.01.94	Dabur India Ltd Sr. Manager (Finance)

NOTES :

1. Sh. P.R. Jindal is a relative of Sh. Ratan Jindal & Sh. Sajjan Jindal, Directors.
2. The appointment of Sh. P.R. Jindal is contractual and is not terminable by notice.
3. Remuneration includes Salary, Contribution to Provident Fund, House Rent Allowance and taxable value of perquisites.
4. Information about qualification and last employment is based on particulars furnished by the employee concerned.

PLACE : NEW DELHI
DATED : 23.09.1994

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

AUDITORS REPORT

To
The Members of
SAW PIPES LIMITED

We have audited the attached Balance Sheet as at 30th June, 1994 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and we REPORT that :

- A) 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 enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- B) Further to our comments in the annexure referred to paragraph (A) above, we also REPORT that :-
- a) We have obtained all the information and explanation, which to the best of our knowledge and belief, are necessary for the purposes of our AUDIT.
 - b) The REPORT on accounts of the Swastik Udyog Hissar Division and Seamless Tubes Nasik Division audited by the Branch Auditors, were received and properly dealt with by us while preparing our REPORT.
 - c) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches not visited by us.
 - d) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts and :
 - e) In our opinion and to the best of our information and according to the explanation required by the Companies Act, 1956 in the manner so required and subject to note No. 3 regarding change in Method of Accounting for Refund of Terminal Excise Duty resulting in higher profit by Rs.20.75 Crores and note No. 4 regarding non provision for ammortisation of premium on leasehold land for Rs.0.06 Crores and note No. 5 regarding title to land and building and note No. 9 regarding non-provision for Income Tax for three months period from 01.4.94 to 30.6.94 read together with other notes give a true and fair view.
- i) In the case of Balance Sheet of the state of affairs of the Company as at 30th June, 1994.
 - ii) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date.

For N.C. AGGARWAL & CO.
Chartered Accountants

Place : New Delhi
Dated : 23rd, September, 1994.

(G. K. AGGARWAL)
Partner

ANNEXURE TO AUDITOR'S REPORT

Referred to Paragraph (A) in the REPORT of even date.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets and also the same have been physically verified by the management at reasonable intervals, during the year, except fixed assets at Nasik Division the record for which is not yet completed. We have been informed that no serious materials discrepancy has been noticed by the management on such verification.
- 2) None of the Fixed Assets of the Company have been revaluated during the year.
- 3) Physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.
- 4) In our opinion and according to information and explanation given to us, the procedures of Physical verification of stocks followed by the Management are reasonable and adequate in relation to size of the Company and the nature of the 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 within the books of account.
- 6) On the basis of our examination of stock records, the valuation of stocks is considered fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- 7) In our opinion, the rate of interest and other terms and conditions, of unsecured loans taken by the company from companies, firms or other parties listed in the register maintained under Section 301 of the Companies



Act, 1956, are prima facie not prejudicial to the interest of the Company. There is no Company under the same management as defined Under Section 370 (1B) of the Companies Act, 1956.

- 8) In our opinion, the rates of interest and other terms and conditions of unsecured loans granted by the Company during the year to companies listed in the register maintained under Section 301 of the Companies Act, 1956 are prima facie not prejudicial to the interest of the Company. The Company has not granted any other loans, secured or unsecured to any firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or companies under the same management as defined under Section 370 (1B) of the Companies Act, 1956.
- 9) Loans and advances in the nature of loans have been given to employees and other parties who are repaying the principal amount as stipulated and are also regular in payment of interest where applicable.
- 10) In our opinion and according to the information and explanations given to us, having regards to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures, commensurate with the size of the company and the nature of business, for the purchase of stores, raw materials, including components, plant and machinery equipment and other assets and for the sale of goods.
- 11) According to the information given to us, there are no transactions of purchase of goods materials and sale of goods, materials and services, made in pursuance of contracts or arrangements required to be entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregate during the year to Rs.50,000/- (Rupees Fifty Thousand only) or more in respect of each party.
- 12) The Company has regular procedure for determination of unserviceable or damaged stores and raw materials. 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 directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.
- 14) In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable scrap. We are informed by the Management that there is no by-product arising out of the manufacturing process of the company.
- 15) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business. Follow up action for the same needs to be improved.
- 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 the Company. However, we have been informed by the company that the Company is in process of maintaining the Cost Records.
- 17) According to the records of the Company, Provident Fund dues and Employees State Insurance dues have, in general, been regularly deposited with the appropriate authorities.
- 18) As explained to us, no undisputed amounts payable in respect of Income Tax, Customs Duty, Excise Duty and Sales Tax were outstanding except show cause demand for Excise Duty amounting to Rs.3.75 Crores which is being contested by the Company as illegal as at the last day of the financial year concerned, for period of more than six months.
- 19) According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- 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.
- 21) As explained to us by the management, the service activities of the company were insignificant as compared to total volume and as such no separate records were maintained for recording receipt, issues and consumption of raw materials and stores and allocation of manhours, materials and labour of the relative jobs as the same was not considered necessary and economical by the Management.
- 22) In connection with the Company's trading activities, we are informed that there are no damaged goods.

For N.C. AGGARWAL & CO.
Chartered Accountants

Place : New Delhi
Dated : 23rd September, 1994.

(G. K. AGGARWAL)
Partner

10th Annual Report

BALANCE SHEET AS AT 30TH JUNE, 1994

DESCRIPTION	Schedule No.	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS :			
Share Capital	1	19.49	12.61
Reserves and Surplus	2	84.84	23.11
		<u>104.33</u>	<u>35.72</u>
2. LOAN FUNDS			
Secured	3	35.79	13.31
Unsecured	4	42.25	7.11
		<u>78.04</u>	<u>20.42</u>
Total		<u>182.37</u>	<u>56.14</u>
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS			
Gross Block	5	105.51	28.76
Less : Depreciation		7.82	4.84
Net Block		97.69	23.92
Capital work in progress		9.45	9.44
Pre-Operative Expenses		0.62	1.30
		<u>107.76</u>	<u>34.66</u>
2. INVESTMENTS			
	6	10.91	6.64
3. CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	14.99	13.59
Sundry Debtors	8	46.03	7.78
Cash and Bank Balances	9	1.78	5.73
Loans and Advances	10	40.39	15.60
		<u>103.19</u>	<u>42.70</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	35.02	23.58
Provisions	12	4.80	4.40
		<u>39.82</u>	<u>27.98</u>
NET CURRENT ASSETS			
		63.37	14.72
4. MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	13	0.33	0.12
Total		<u>182.37</u>	<u>56.14</u>
NOTES TO THE ACCOUNTS			
(As per our report of even date attached)	22		

For **N.C. AGGARWAL & CO.**
Chartered Accountants
G. K. AGGARWAL
Partner

O.N. GUPTA
Secretary

P. R. JINDAL
Chairman & Managing Director

T.M. SEN
PURSHOTTAM LAL
N.K. BAKSI
KULDIP BHARGAVA
P.K. JAIN
Director

Place : New Delhi
Date : 23rd September, 1994


**PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 30TH JUNE, 1994**

DESCRIPTION	Schedule No.	Year ended June 30, 1994 (Rs. in Crores)	Year ended June 30, 1993 (Rs. in Crores)
INCOME			
Sales & Operational income	14	288.56	164.27
Other Income	15	2.75	4.46
Increase/(Decrease) in Stock	16	2.65	1.15
		<u>293.96</u>	<u>169.88</u>
EXPENDITURE			
Raw Material Consumed		187.17	99.38
Excise Duty		25.66	16.89
Purchase for Re-Sale			0.03
Manufacturing Expenses	17	10.65	8.89
Personnel	18	2.84	2.49
Selling Expenses	19	3.66	7.94
Finance Expenses	20	9.26	9.48
Administrative & Other Expenses	21	4.57	3.11
Depreciation		3.00	1.56
		<u>246.81</u>	<u>149.77</u>
Profit before Taxation		47.15	20.11
Less : Provision for Taxation		--	0.45
		<u>47.15</u>	<u>19.66</u>
Profit (Loss) Brought Forward		2.09	3.21
Previous year's Taxation Adjustment		0.16	--
		<u>49.40</u>	<u>22.87</u>
DISPOSABLE PROFITS			
Proposed Dividend (Subject to Deduction of Tax)		4.35	3.78
General Reserve		40.00	17.00
Balance carried to Balance Sheet		5.05	2.09
		<u>49.40</u>	<u>22.87</u>

NOTES TO THE ACCOUNTS

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(As per our report of even date attached)

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

O.N. GUPTA
Secretary

P. R. JINDAL
Chairman & Managing Director

T.M. SEN
PURSHOTTAM LAL
N.K. BAKSI
KULDIP BHARGAVA
P.K. JAIN
Directors

G. K. AGGARWAL
Partner

Place : New Delhi
Date : 23rd September, 1994

SCHEDULE "1"

DESCRIPTION	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
SHARE CAPITAL AUTHORISED		
i) 2,95,00,000 (Previous year 1,45,00,000 Equity Shares of Rs. 10/- each	29.50	14.50
ii) 50,000 (Previous year 50,000) 15% Redeemable Cumulative preference shares of Rs. 100/- each	0.50	0.50
	<u>30.00</u>	<u>15.00</u>
ISSUED AND SUBSCRIBED :		
1,94,90,904 (Previous Year 79,70,936) Equity Shares of Rs. 10/- each	19.49	7.97
PAID-UP		
1,93,74,254 (Previous year 79,70,936) Equity Shares of Rs. 10/- each	19.37	7.97
Less : Calls-in-arrears	0.00	0.00
	<u>19.37</u>	<u>7.97</u>
Add : - Shares pending allotment as per Scheme of Amalgamation	--	4.64
Bonus Shares Held in Abeyance	0.12	--
	<u>19.49</u>	<u>12.61</u>

OF THE ABOVE

- 20,08,000 Equity Shares are allotted as Fully Paid-up pursuant to contract without payment being received in cash.
- 19,70,936 Equity Shares are allotted as Fully Paid-up to the shareholders of Swastik Foils Ltd. as per Scheme of Amalgamation Order dated 3rd August/11th September, 1989 of the Hon'ble High Court of Delhi.
- 46,43,000 Equity shares are allotted as fully paid up to the shares holders of Swastik Udyog Ltd. As per Scheme of amalgamation order dated. 17.8.93 and 27.8.93 of the Hon'ble High Courts of Punjab, Haryana & Delhi.
- 63,06,968 Equity Shares allotted as fully - paid up Bonus Shares by Capitalising General Reserve of Rs.6.31 Crores.
- 1,16,650 Bonus shares of Rs.10/- each have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.


SCHEDULE "2"

DESCRIPTION	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
RESERVES AND SURPLUS		
(i) Capital Reserve (Central Subsidy)		
As per Last Balance Sheet	0.10	0.09
Add : Transfer from Swastik Udyog Division	-	0.01
	<u>0.10</u>	<u>0.10</u>
(ii) General Reserve		
As per last Balance Sheet	19.20	0.13
Add Transfer During The Year	40.00	17.00
Add : Transferred from Swastik Udyog Division	-	2.07
Less : Capitalised During the year for Issue of Bonus	6.31	-
	<u>52.89</u>	<u>19.20</u>
(iii) Investment Allowance Reserve		
As per Last Balance Sheet	-	1.38
Less : Transfer to investment Allowance Reserve (utilised) A/C	-	1.38
	<u>-</u>	<u>0.00</u>
(iv) Investment allowance Reserve (Utilised) A/c		
As per Last Balance Sheet	1.72	0.33
Add : Transfer from investment Allowance Reserve	-	1.38
Add : Transfer from Swastik Udyog Division	-	0.01
	<u>1.72</u>	<u>1.72</u>
(v) Share Premium Account	<u>25.08</u>	-
(vi) Profit and Loss Account	<u>5.05</u>	<u>2.09</u>
	<u>84.84</u>	<u>23.11</u>

SCHEDULE "3"

DESCRIPTION	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
SECURED LOANS :		
A. TERM LOAN :		
(i) From Industrial Finance Corporation of India under Project Finance participation Scheme with Industrial Development Bank of India & Industrial Credit & Investment Corporation of India	--	3.60
(ii) Foreign Currency Loan from Industrial Finance Corp. of India	--	0.14
(iii) Interest accrued and due	--	--
(iv) Punjab & National Bank	0.10	1.00
(v) Bridge Loan		
From IDBI	--	3.00
From ICICI	--	3.00
(vi) Industrial Finance Corporation of India Ltd.	10.00	--
(vii) Short term loan from Industrial Credit & Investment Corporation of India Ltd. (repayable within one year)	20.00	--
B. DEFERRED PAYMENTS CREDIT	--	0.01
C. WORKING CAPITAL LOAN FROM BANKS	5.69	2.56
TOTAL	<u>35.79</u>	<u>13.31</u>

NOTES :-

- A. (i & ii) Secured having first charge by deposit of title deeds in respect of immovable properties and hypothecation of plant & machinery, spares, tools, accessories etc. of Pipe Division and second charge on Current Assets of the Company. The same is also guaranteed by Jindal Strips Ltd., Hisar.
- (iv & v) Secured/to be secured ranking pari-passu with all institutions by way of first charge on Company's immovable properties and Fixed Assets of Hisar Division both present and future and guaranteed by Directors and their relatives.
- (vi) Secured by way of first specific charge in respect of plant and Machinery of Seamless Tube Project at Nasik.
- (vii) Secured ranking Pari-Passu with others loans of institutions by way of first charge on hypothecation of Company's fixed assets both present and future and second charge on Current Assets of the Company and guaranteed by a Director.
- B. Secured by Hypothecation of specific plant and equipments at Hisar Division and balance standing in margin money account with the bank.
- C. Secured having first charge by hypothecation of finished goods, raw-material, work-in-progress stores and spares, book debts and second charge in respect of other movable and immovable assets of the Company. The loan is also guaranteed by Directors including Managing Director and also by a Company in which a Director of the Company is a Director. Further 286198 Equity Shares of Jindal Strips Limited and 149955 Equity Shares of Jindal Iron & Steel Co. Ltd. have been pledged to bank as collateral security for working Capital Limits as well as non-fund based limits like Bank Guarantees and Letter of Credits.

SCHEDULE "4"

DESCRIPTION	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
UNSECURED LOANS :		
(i) Fixed Deposits	0.48	0.37
(ii) Deposit from Agents	0.32	0.32
(iii) Inter-Corporate Loans	27.24	0.36
(iv) Deferred Sales Tax	9.21	6.06
(v) Interest accrued and due on above	--	--
(vi) Short Term Loan from Unit Trust of India (Repayable within One year)	5.00	--
	<u>42.25</u>	<u>7.11</u>

SCHEDULE "6"

INVESTMENTS
(At Cost)
DESCRIPTION

DESCRIPTION	As at June 30, 1994 (Rs. in Crores)			As at June 30, 1993 (Rs. in Crores)		
	No. of Shares/ Debentures	Face Value	Amount (Rs. in Crores)	No. of Shares/ Debentures	Face Value	Amount (Rs. in Crores)
A. Investment in Equity Shares other than Trade						
Quoted						
a) Jindal Strips Ltd.	473727	10/-	5.54	473727	10/-	5.54
b) Jindal Iron & Steel Co. Ltd.	187455	10/-	0.55	187455	10/-	0.55
c) Shalimar Paints Ltd.	300000	10/-	1.80			
Unquoted						
a) Bharat Foils Ltd.	46000	10/-	0.03	46000	10/-	0.03
b) Rohit Tower Building Ltd.	2400	100/-	0.02	2400	100/-	0.02
c) Sona Bheel Tea Ltd.	86025	10/-	0.06	86025	10/-	0.06
d) Saw Pipes U.S.A. Inc.	405000	1 \$	1.28			
B. Govt. and Trust Securities						
a) Magnums of SBI Mutual Fund						
b) Units of Unit Trust of India	5000	10/-	0.01	2000	100/-	0.02
c) National Saving Certificates				5000	10/-	0.01
C. Investment in Fully Convertible Debentures :						
a) Jindal Iron & Steel Co. Ltd. (Rs. 20/- Paidup)	205724	60/-	0.41			
D. Investment in Non Convertible Debentures - Quoted						
a) Shalimar Paints Ltd.	300000	30/-	0.90			
E. Application Money						
a) 205724 Fully Convertible Debentures of Jindal Iron & Steel Co. Ltd.						0.41
b) Jindal Overseas pte. Ltd., Singapore	100000	1 \$	0.31			
			<u>10.91</u>			<u>6.64</u>

Notes :

Market value of Quoted Investments Rs. 29.17 Crores (Previous year Rs.10.55 Crores)
* Figures Less than fifty thousand.

SCHEDULE "7"

DESCRIPTION

INVENTORIES

As taken valued and certified by management

DESCRIPTION	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
i) Stores & Spares (at cost)	4.06	6.22
ii) Loose tools (at cost)	0.14	0.03
iii) Finished goods (at lower of estimated cost or net realisable value)	4.92	2.41
iv) Raw Material (at cost)	4.43	4.01
v) Raw Material in transit	0.38	
vi) Work in progress (at estimated cost)	1.03	0.90
vii) Scrap (at net realisable value)	0.03	0.02
	<u>14.99</u>	<u>13.59</u>



DESCRIPTION	SCHEDULE "8"	
	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
SUNDRY DEBTORS : (Unsecured considered good)		
i) Exceeding six months	3.69	4.03
ii) Others	42.34	3.75
	<u>46.03</u>	<u>7.78</u>

DESCRIPTION	SCHEDULE "9"	
	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
CASH AND BANK BALANCES :		
i) Cash in hand/Cheques in hand	0.05	0.08
ii) With scheduled banks		
- Current Accounts	0.70	1.80
- Fixed Deposits	1.03	3.85
(Pledged with Bank as Margin for letter of Credit/Bank Guarantees)		
	<u>1.78</u>	<u>5.73</u>

DESCRIPTION	SCHEDULE "10"	
	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
LOANS AND ADVANCES : (Unsecured, Considered good unless otherwise stated)		
i) Advances recoverable in Cash or in kind for value to be received.		
- Considered Good	15.68	13.54
- Terminal Excise Duty Receivable	20.75	
ii) Earnest money and security deposits	1.11	0.51
iii) Prepaid expenses	0.86	0.58
iv) Deposit with Industrial Development Bank of India U/s 32AB of Income Tax Act, 1961	0.01	0.01
v) Advance Taxation	1.50	0.83
vi) Balance With Central Excise	0.48	0.13
	<u>40.39</u>	<u>15.60</u>

SCHEDULE "11"

DESCRIPTION CURRENT LIABILITIES & PROVISIONS	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
A. CURRENT LIABILITIES :		
i) Sundry Creditors	24.52	20.57
ii) Advances from customers	0.05	0.59
iii) Interest accrued but not due	0.06	0.35
iv) Other liabilities	10.00	1.74
v) Bank overdraft	0.02	0.00
vi) Unpaid Dividend	0.37	0.33
vii) Sales Tax Payable		
	<u>35.02</u>	<u>23.58</u>

SCHEDULE "12"

	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
B. PROVISIONS :		
For Taxation	0.45	0.62
For Dividend	4.35	3.78
	<u>4.80</u>	<u>4.40</u>

SCHEDULE "13"

MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	As at June 30, 1994 (Rs. in Crores)	As at June 30, 1993 (Rs. in Crores)
i) Preliminary expenses	0.05	0.02
ii) Shares Issue expenses	0.20	0.07
iii) Deferred Revenue Expenditure	0.08	0.03
	<u>0.33</u>	<u>0.12</u>


SCHEDULE "14"

DESCRIPTION	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
SALES AND OPERATIONAL INCOME :		
i) Sales	262.13	143.16
ii) Income From conversion charges	5.66	8.43
iii) Refund of Terminal Excise Duty	20.77	12.68
	<u>288.56</u>	<u>164.27</u>

SCHEDULE "15"

DESCRIPTION	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
OTHER INCOME		
Interest (including TDS of Rs. 0.22 Crores Previous year Rs. 0.10 Crores)	1.19	0.83
Dividend (including TDS of Rs. 0.05 Crores Previous year Rs. 0.04 Crores)	0.22	0.17
Misc. Receipts	1.26	3.09
Profit on sale of Fixed Assets	0.08	0.37
	<u>2.75</u>	<u>4.46</u>

SCHEDULE "16"

DESCRIPTION	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
INCREASE / (DECREASE) IN STOCK		
OPENING STOCK :		
Finished Goods	2.41	1.05
Work-in-progress	0.90	1.10
Scrap	0.02	0.03
	<u>3.33</u>	<u>2.18</u>
CLOSING STOCK :		
Finished Goods	4.92	2.41
Work-in-progress	1.03	0.90
Scrap	0.03	0.02
	<u>5.98</u>	<u>3.33</u>
Increase/(Decrease) in Stock	<u>2.65</u>	<u>1.15</u>

SCHEDULE "17"

DESCRIPTION	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
MANUFACTURING EXPENSES :		
Stores and Spares	6.37	5.25
Power and Fuel	2.99	2.16
Water charges	0.01	0.02
Other Manufacturing expenses	0.25	0.10
Repair and Maintenance :		
- Plant and Machinery	0.66	0.51
- Building	0.13	0.23
Technician expenses	0.06	0.46
Lease Rent	0.18	0.16
	<u>10.65</u>	<u>8.89</u>

SCHEDULE "18"

	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
PERSONNEL		
Salary, Wages and Other benefits	2.03	1.84
Contribution to Provident and other funds	0.14	0.13
Workmen and Staff Welfare	0.67	0.52
	<u>2.84</u>	<u>2.49</u>

SCHEDULE "19"

	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
SELLING EXPENSES		
Commission on Sales	2.57	7.35
Sales Promotion	0.14	0.09
Advertisement	0.22	0.06
Rebate and Discounts	0.02	0.09
Packing expenses	0.08	0.04
Forwarding charges (net of recoveries)	0.51	0.31
Other selling exp.	0.12	0.00
	<u>3.66</u>	<u>7.94</u>


SCHEDULE "20"

DESCRIPTION	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
FINANCE EXPENSES :		
Interest/commitment charges on Term Loans	1.14	2.86
Interest on Bank Borrowings	0.97	0.68
Bank and Finance charges	2.33	2.01
Interest to others	4.79	3.87
Interest on fixed deposits	0.03	0.06
	<u>9.26</u>	<u>9.48</u>

SCHEDULE "21"

DESCRIPTION	Year Ended June 30, 1994 (Rs. in Crores)	Year Ended June 30, 1993 (Rs. in Crores)
ADMINISTRATIVE AND OTHER EXPENSES :		
Rent, Rates & Taxes	0.06	0.04
Insurance	0.55	0.33
Repair & Maintenance (others)	0.33	0.12
Postage, Telegrams & Telephones	0.36	0.22
Printing & Stationary	0.16	0.11
Travelling & Conveyance	0.59	0.56
Director's Travelling	0.23	0.20
Legal and Professional Expenses	0.06	0.06
Vehicle upkeep & Maintenance	0.23	0.19
Director's Meeting Fees	0.01	-
Miscellaneous Expenses	0.66	0.47
Liquidated damages	0.69	0.27
Auditor's Remuneration	0.01	0.01
Preliminary Expenses/Deferred Revenue Expenses written off	0.04	0.04
Bad debts	0.19	0.48
Prev. Years Adjustments	0.40	0.01
	<u>4.57</u>	<u>3.11</u>

SCHEDULE "22"

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
FORMING PART OF ACCOUNTS**

1. SIGNIFICANT ACCOUNTING POLICIES**A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :-**

- a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

B) BASIS OF ACCOUNTING :-

All income and expenditure items having a material bearing on the financial statements are recognised on accrual basis, except the following items which are accounted for on cash basis, as it is not possible to ascertain with reasonable accuracy the quantum thereof.

INCOME :

- a) Insurance Claim.
- b) Export incentives, if any.
- c) Dividend on investments.

EXPENDITURE :

- a) Liquidated Damages.

C) EXCISE DUTY :

Excise duty on finished goods lying in factory is accounted for on removal of finished goods.

D) SALES :

- a) The Sales are inclusive of Excise Duty but net of Sales Tax.
- b) Material returned/rejected are accounted for in the year of return/rejection.

E) FIXED ASSETS :**a) VALUATION OF FIXED ASSETS :-**

Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto.

b) DEPRECIATION :-

Depreciation on all Fixed Assets of the Company is provided on the straight line method at the rates specified in Schedule XIV to the Companies Act, 1956 as amended upto date.

c) EXPENDITURE DURING CONSTRUCTION PERIOD :-

All expenditure during construction period in respect of new project including interest on borrowed loans are carried to pre-operative expenditure pending allocation on the completion of the project.

All expenditure incurred during the construction period direct, incidental and ancillary are included under capital work-in-progress and the same are related to respective Fixed Assets on completion of project.

F) VALUATION OF INVENTORIES :

- a) Raw material, Loose Tools, Stores and Spares are valued at cost. Cost includes the purchase price, freight inward and incidental expenses and is net of credit under Modvat Scheme.
- b) Finished goods are valued at cost or net realisable value whichever is lower.
- c) Work in progress is valued at estimated cost.
- d) Scrap is valued at net realisable value.

G) INVESTMENTS :

All investments are stated at cost which inter-alia includes brokerage, commission, stamp duty. The loss on sale of Non Convertible Portion of Partly Convertible Debentures is also added to cost of Convertible Portion of Debentures.

H) FOREIGN EXCHANGE TRANSACTIONS :

Unexpired foreign exchange commitments of revenue nature are provided at rate contracted under forward foreign exchange cover where available or in the absence of the same translated at applicable exchange rate and have been dealt in the Company's Profit & Loss Account.



I) CONTINGENT LIABILITIES :

Contingent liability not provided for in the accounts are separately disclosed.

J) EVENTS OCCURRING AFTER BALANCE SHEET DATE :

Events occurring after balance sheet date have been considered in the preparation of financial statements.

K) RETIREMENT BENEFITS :

Liabilities in respect of gratuity to the employees are covered under the group gratuity scheme with the Life Insurance Corporation of India. The annual premium is debited to Profit & Loss Account.

L) SALE OF RAW MATERIALS AND STORES :

Value of the sale of raw-materials and stores is reduced from the consumption of the respective raw materials and stores as the cost of raw materials and stores sold could not be readily ascertainable.

2. CONTINGENT LIABILITIES:

	Current Year (Rs. in Crores)	Previous Year (Rs. in Crores)
a) Counter Guarantee given to company's bankers for guarantee given by them on behalf of the company	47.32	36.59
b) Letter of Credit outstanding	1.43	71.52
c) Estimated amount of contract remaining to be executed on capital account and not provided for (Net of Advances)	18.09	11.54
d) Disputed Income-tax Liability preferred in appeal	--	0.27
e) Disputed demand for Electricity for which stay has been granted by Hon'ble High Court of Delhi	2.33	1.30
f) Demand for Excise Duty	3.75	--
g) Claims against the Company not acknowledged as debt (being under dispute)	0.05	0.06
h) Uncalled Liability for partly paid-up Fully Convertible Debentures	0.82	0.73

3. The Company has changed the Method of Accounting in respect of Refund of Terminal Excise Duty on Deemed Export from cash basis to Accrual basis. Had the same basis as hiterto followed by the Company being adopted, the profit for the year would have been lower by Rs.20.75 Crores.

4. No provision has been made for the amortisation of premium on lease-hold land over the lease-hold period accumulating to Rs.0.06 Crores (Previous year Rs. 0.05 Crores)

5. 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.

6. The Company does not have any sole selling agent within the meaning of Section 294 of the Companies Act, 1956. The commission shown in the Profit and Loss Account is the commission paid to other agents/dealers.

7. In accordance with accounting policy followed by the company the estimated liability as on 30.6.94 amounting to Rs.0.78 Crores for Excise Duty in respect of finished goods lying in factory has not been provided for in the accounts and hence not included in the valuation of inventories. However, the said liability if accounted for would have no impact on profit of the Company.

8. Depreciation has been provided in accordance with the revised rates pursuant to amendment to Schedule XIV of Companies Act, 1956 during the year, as a result, the depreciation for the year is lower by Rs.0.16 Crores.

9. The ultimate Income-tax Liability of the Company for the Assessment Year 1994-95 has been determined on the basis of the profit of the Company for the period of 12 months i.e. from 01.4.93 to 31.3.94 and accordingly provision is made for Income-tax during the current year. However, the Company does not foresee any liability on account of Income-tax for the period from 01.4.94 to 30.6.94 in view of the various benefits, deductions and allowances available under the Income Tax Act, 1961 for the Company's new projects and expansion programmes of the existing units.

10. AUDITORS REMUNERATION

	Current Year Rs. in Crores	Previous Year Rs. in Crores
A) Payment to Auditors :		
i) Audit Fees	0.01	0.01
ii) Tax Audit Fee	*	*
iii) Certification Work	*	*
iv) Out of Pocket Exp.	*	*
	<u>0.01</u>	<u>0.01</u>

* Figures less than Fifty Thousand.

B) Payment to Directors including Managing Director		
i) Salaries	0.03	0.03
ii) Contribution to P.F. etc.	*	*
iii) Perks of Furnitures	*	*
iv) Commission	0.01	0.01
	<u>0.04</u>	<u>0.03</u>

* Figures less than Fifty Thousand.

The contribution to gratuity is funded through Group Gratuity Scheme covered under L.I.C. as the same is not ascertainable separately.

11. The confirmation in respect of some of the Sundry Debtors, Creditors and other advances and reconciliation in respect of some of the bank balances are subject to confirmation and certification, if any.
12. The Stores and Spares consumed and Salaries and Wages incurred for repairs and maintenances of Plant and Machinery and shed and Building have not been allocated to the respective repairs and maintenance accounts.
13. The following expenses incurred in respect of Jindal Seamless Division Nasik Project upto the date of Capitalisation has been allocated to Fixed Assets in proportion to their respective cost as on that date.

Description
Amount

	(Rs. in Crores)
Carriage Inward	0.01
Electricity & Water	0.04
Salary wages inclusive P.F. & Welfare	0.42
Travelling & Conveyance	0.16
Postage, Telegram & Telephone	0.05
Printing & Stationary	0.03
Vehicle Upkeep & Maintenance	0.05
Depreciation	0.01
Consultancy Fee	0.30
Interest	2.80
Rent rates and Taxes	0.03
Advertisement & Publicity	0.03
Misc. Exp.	0.07
	<u>4.00</u>
Less : Capitalised during the year	3.38
Pre-operative Expenses carried over	<u>0.62</u>



14. STATEMENT SHOWING COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 349 READ WITH SECTION 198 OF THE COMPANIES ACT, 1956 FOR THE PURPOSE OF COMMISSION PAYABLE TO MANAGING DIRECTOR.

	Amount (Rs. in Crores)
Net Profit as per Profit & Loss Account (before tax)	47.15
Add : Directors Remuneration	0.04
Depreciation	3.00
	50.19
Deduct : Depreciation as per Section 350 of the Companies Act, 1956	7.97
Capital Profit on Sale of Fixed Assets	0.07
Net Profit	42.15
Commission @ 1%	0.42
Maximum commission payable in terms of Central Govt. Approval - 50% of Salary.	0.01

15. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3 & 4 OF PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956.

A) DESCRIPTION	UNIT	INSTALLED CAPACITY		PRODUCTION	
		Current Year	Previous Year	Current Year	Previous Year
i) SAW PIPES DIVISION :					
a) Submerged Arc Welded Steel Pipes	MT	75,000	75,000	72,963	47,353
b) Bevelling and End Finishing of Saw Pipes	MT	40,000	- -	31,655	- -
ii) SWASTIK FOILS COLLED ROLLED DIVISION:					
Cold Rolled Strips (Thinner Gauge)	MT	60,000	60,000	5,821	3,599
iii) SWASTIK UDYOG COLLED ROLLED DIVISION :					
Cold Rolled Strips (Thicker gauge)	MT	50,000	50,000	3,550	8,334
iv) SEAMLESS PIPE DIVISION - NASIK					
Carbon Steel Seamless Tubes	MT	35,000	- -	56	- -

Note : 1. The above production includes goods manufactured for outside parties on Job-work basis as follows :-

	Unit	CURRENT YEAR Amount	PREVIOUS YEAR Amount
i) Submerged Arc Welded Steel Pipes	MT	- -	1099
ii) Cold Rolled Strips			
- Thicker gauge		3067	6683
- Thinner gauge		5355	3298

2. Licenced capacity is so far not applicable in view of the Company's Production having been delicensed.
3. Installed Capacity is as certified by the Management.

B) RAW MATERIAL CONSUMPTION	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		Qty.	(Rs. In Crores)	Qty.	(Rs. In Crores)
Steel Plates	MT	74063	111.03	47646	89.90
Semi Finished Pipes	MT	31711	68.17	- -	- -
Flux and Electrodes	MT	637	2.86	368	1.86
Hot Rolled Strips	MT	474	1.86	1679	5.81
Cold Rolled Strips	MT	577	3.11	318	1.81
MS Round, Hollows, Tubes etc.	MT	60	0.14	- -	- -
			187.17		99.38

C) QUANTITATIVE INFORMATION OF STOCKS :

DESCRIPTION	OPENING STOCK AS ON 01.7.1992			CLOSING STOCK AS ON 30.6.1993 AND OPENING STOCK AS ON 1.7.1993		CLOSING STOCK AS ON 30.6.1994	
	Unit	Qty.	Amount (Rs. in Crores)	Qty.	Amount (Rs. in Crores)	Qty.	Amount (Rs. in Crores)
FINISHED GOODS :							
Submerged Arc Welded Steel Pipes	MT	134	0.25	886	1.74	2104	3.78
Cold Rolled Strips (Thinner Gauge)	MT	86	0.50	54	0.39	179	1.01
Cold Rolled Strips (Thicker Gauge)	MT	75	0.30	61	0.28	29	0.13
			<u>1.05</u>		<u>2.41</u>		<u>4.92</u>

D) a) SALES:

	Unit	Qty.	CURRENT YEAR		PREVIOUS YEAR	
			Amount (Rs. in Crores)	Amount (Rs. in Crores)	Qty.	Amount (Rs. in Crores)
Submerged Arc Welded Steel Pipes:						
- Pipe Division	MT	71745	177.27	45502	132.60	
- Bevelling Division	MT	31655	78.83	--	--	
Cold Rolled Strips (Thinner Gauge)	MT	358	2.66	333	2.59	
Cold Rolled Strips (Thicker Gauge)	MT	498	2.60	1665	7.11	
Carbon Steel Seamless Tubes	MT	56	0.22	--	--	
Scrap	MT	795	0.55	1301	0.86	
			<u>262.13</u>		<u>143.16</u>	
b) OTHER OPERATIONAL INCOME			<u>26.43</u>		<u>21.11</u>	
			<u>288.56</u>		<u>164.27</u>	

E) C.I.F. VALUE OF IMPORTS :

	CURRENT YEAR (Rs. in Crores)	PREVIOUS YEAR (Rs. in Crores)
Raw Material	160.63	70.87
Stores and Spares	0.29	0.13
Capital Goods	16.80	0.11


F) BREAK-UP OF CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES INTO IMPORTED AND INDIGENOUS:

	%	CURRENT YEAR (Rs. in Crores)	%	PREVIOUS YEAR (Rs. in Crores)
a) Raw Material				
Imported	96.22	180.10	88.35	87.80
Indigenous	3.78	7.07	11.65	11.58
	<u>100.00</u>	<u>187.17</u>	<u>100.00</u>	<u>99.38</u>
b) Stores & Spares				
Imported	4.77	0.29	4.77	0.25
Indigenous	95.23	6.08	95.23	5.00
	<u>100.00</u>	<u>6.37</u>	<u>100.00</u>	<u>5.25</u>

G) EXPENDITURE IN FOREIGN EXCHANGE :

i) Travelling	0.27	0.38
ii) Interest/Bank Charges	0.34	0.51
iii) Design and Drawing	--	1.13
iv) Others	0.05	0.02

H) EARNING IN FOREIGN EXCHANGE :

F.O.B. Value of Export	1.59	--
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J) REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND :

a) The financial year to which dividend relates	1992-93	1991-92
b) No. of NRI Shareholders	196	211
c) No. of Shares held	2333100	2095200
d) Net amount of dividend remitted (Net of Tax)	0.53	0.24

16. Previous years figures have been re-grouped/re-arranged, wherever considered necessary and practicable.

17. Schedule 1 to 22 are annexed to and form integral part of Balance Sheet and Profit & Loss Account.

As per our report of even date annexed hereto:

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

O.N. GUPTA
Secretary

P. R. JINDAL
Chairman & Managing Director

T.M SEN
PURSHOTTAM LAL
N.K. BAKSI
KULDIP BHARGAVA
P.K. JAIN
Directors

G. K. AGGARWAL
Partner

Place : New Delhi
Date : 23rd September, 1994