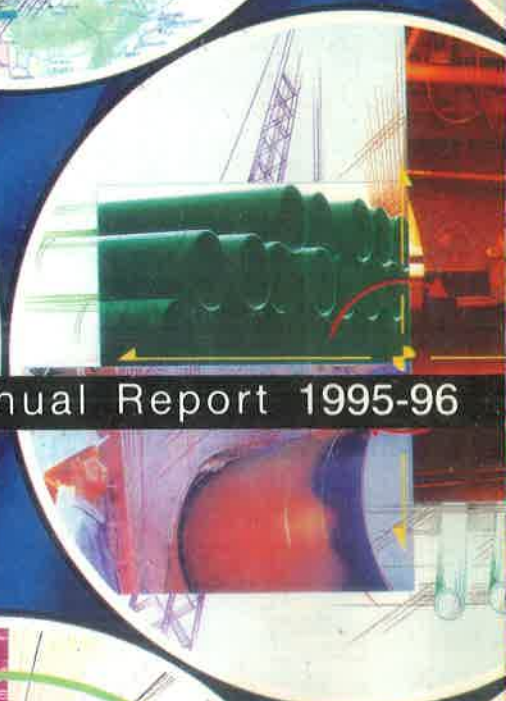
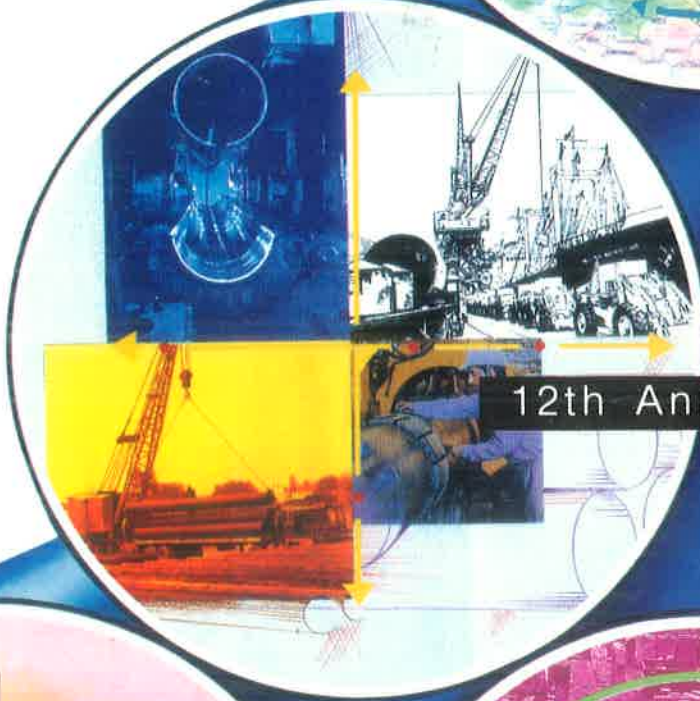




SAW PIPES LIMITED



12th Annual Report 1995-96





BOARD OF DIRECTORS

P.R. Jindal	Chairman & Managing Director
Sajjan Jindal	
Ratan Jindal	
T.M. Sen	
B.R. Mittal	Nominee of IFCI
Dilip Bhargava	NRI Director
Kuldip Bhargava	Alternate Director to Dilip Bhargava
A.J.A. Tauro	
Subhash Chandra	
Purshottam Lal	
P.K. Jain	
H.S. Chaudhary	Whole Time Director

PRINCIPAL EXECUTIVES

Sminu Jindal	Chief Executive (Swastik Foil Works)
Rajiv Garg	Chief Executive Officer (Nashik works)
V.C. Rawal	President (Nashik Works)
H.S. Bedi	Senior Vice President (Kosi Kalan Works)
Onkar Nath Gupta	Vice President & Company Secretary
Gian Bansal	Vice President (Finance)
O.P. Sharma	General Manager (Marketing)

BANKERS

State Bank of Patiala
Canara Bank
Standard Chartered Bank
Banque Nationale De Paris
State Bank of India
ANZ Grindlays Bank
The Hongkong & Shanghai Banking
Corporation Limited
Bank of Nova Scotia

AUDITORS

M/s N.C. Aggarwal & Co.,
Chartered Accountants, New Delhi

REGISTERED OFFICE

28 Najafgarh Road
New Delhi 110 015

WORKS

Pipe Division	Kosi Kalan, Distt. Mathura (U.P.)
Seamless Tubes Division	Sinnar Industrial Area Nashik (Maharashtra)
Spiral Pipes Division	Sinnar Industrial Area Nashik (Maharashtra)
Foil Division	28 & 37 Najafgarh Road New Delhi - 110 015

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DIRECTORS' REPORT

The Directors of your Company have pleasure in presenting the 12th Annual Report and Audited Statement of Accounts of the Company for the year ended 30th June, 1996.

FINANCIAL RESULTS

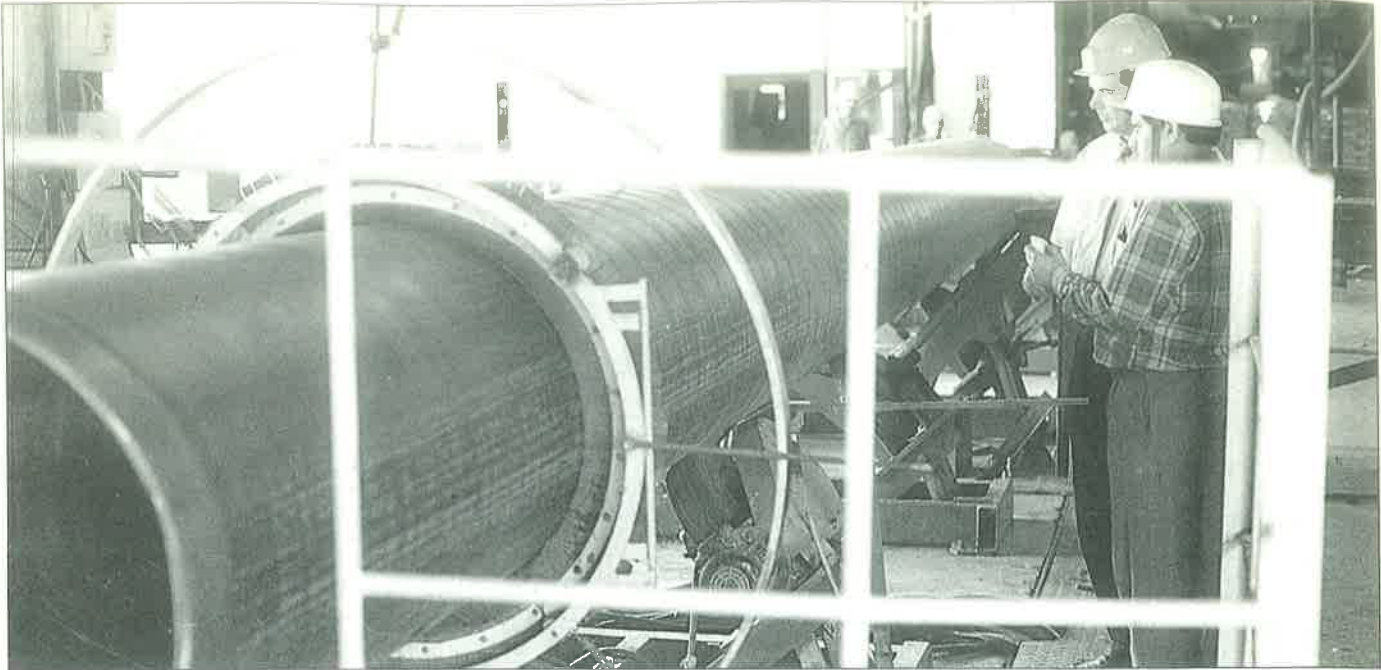
	Current Year 1995-96 (Rs. in Lacs)	Previous Year 1994-95 (Rs. in Lacs)
Sales & Other Income	51,228.90	35,803.00
Less :		
Raw Materials & Manufacturing Expenses	37,399.96	26,772.00
Gross Profit	13,828.94	9031.00
Less :		
Selling & Administrative Expense	3,327.14	1,375.37
Profit Before Interest & Depreciation	10,501.80	7,655.63
Less :		
Interest & Other Financial Expenses	4,255.29	1,608.75
Depreciation	1,050.59	
Less : Transfer to		
Revaluation Reserve	49.98	1,000.61
		630.21
Net Profit before Tax	5,245.90	5,416.67
Less : Provision for Tax	541.00	1.00
Net Profit after Tax	4,704.90	5,415.67
Profit Brought Forward	1,204.43	504.82
Previous year's Loss Written back	--	88.80
Provision for Dividend Written back	0.03	1.06
Previous year's Taxation Adjustment	--	(4.92)
Disposable Profits	5,909.36	6,005.43
Appropriations :		
Proposed Dividend	1,169.43	801.00
General Reserve	4,000.00	4,000.00
Balance Carried to Balance Sheet	739.93	1,204.43
	5,909.36	6,005.43

The Company's business performance has improved substantially as is reflected in the increase in Company's turnover from Rs. 34,798 lacs to Rs. 50,140 lacs showing a growth of 44% over the year 1995. Profit after tax during the year is lower at Rs. 4,705 lacs as compared to Rs. 5,416 lacs during the preceding year mainly because of higher interest expenses due to term loans for funding Nashik Plant where activity level was quite low being first year of operations and provision for tax.

CURRENT YEAR'S WORKING

PIPES DIVISION

During the year under review your Company completed prestigious GAIL's order for HBJ Upgradation Project. Total production during the year was 132871 MTs. Your Company also bagged three export orders worth Rs. 175 crores approximately during the year proving its global competitiveness outside India as well. One of these export orders were partially executed during the year.



FOILS DIVISION

Your Company Cold Rolled 3149 MTs of Steel Strips as own production and 321 MTs on job work basis during the year under review.

UDYOG DIVISION

This division has been sold off on 1st February, 1996 during the year as approved by Shareholders in the Extra Ordinary General Meeting held on 30th March, 1995.

NASHIK DIVISION

As reported last year construction of plant to manufacture Spiral Welded Pipes at Nashik having a capacity of 1,00,000 tonnes has been completed during the year. This plant has produced 1,301 MTs of pipes during the year being in production for part of the year only and has orders of Rs. 30 crores in hand.

Production of Seamless Tubes plant has stabilized during the year and production has been 349 MTs as against 184 MTs during the last year.

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, 1996, if approved by the Shareholders at the ensuing Annual General Meeting.

FUTURE OUTLOOK

Your Company's orderbook position is quite comfortable as on date. Pipe Division of the Company has orders worth Rs. 340 crores in hand including export orders worth Rs. 135 crores as well as orders from Hindustan Petroleum Corporation Limited for Pipeline from Vizag to Vijayawada and Bharat Petroleum Corporation Limited for Pipeline from Mumbai to Manmad. Outlook for Seamless Pipe plant as well as Spiral Welded Pipe plant at Nashik is also encouraging and being first full year of production shall improve significantly.

REVALUATION OF FIXED ASSETS

As on 31st March, 1996, the Fixed Assets of Pipe Division of Kosi Kalan Plant were revalued to reflect their current replacement value in the Balance Sheet.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

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

PERSONNEL

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

PUBLIC DEPOSITS

Deposits from 2 depositors aggregating Rs. 9,000/- 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., Chartered Accountants, Auditors of the Company retire at the end of ensuing Annual General Meeting and are eligible for re-appointment .

M/s Kokil Sanghavi & Shah, Chartered Accountants, Auditors of the Nashik Plant retire at the end of ensuing Annual General Meeting and are eligible for re-appointment .

SUBSIDIARY COMPANY

The Company has one subsidiary company viz. Hexa Securities & Finance Company Ltd. . The Annual Accounts of Hexa Securities & Finance Company Ltd. alongwith a statement pursuant to Section 212(1)(e) of the Companies Act, 1956 is attached with this report.

DIRECTORS

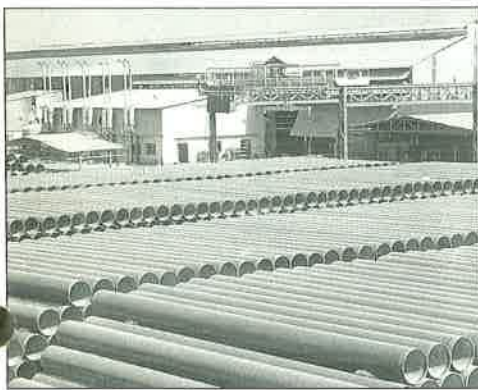
Dr. N.S. Datar has resigned from the office of the Director of Company. The Directors place on record their appreciation for services rendered by Dr. Datar during his tenure as Director of the Company.

The Board of Directors co-opted Shri A.J.A. Tauro as Director of the Company w.e.f. 9th August, 1996. He ceases to be Director of the Company at the end of ensuing Annual General Meeting. The Company has received notice under the provisions of Section 257 of the Companies Act, 1956 proposing Mr. Tauro's candidature for the office of Director of the Company.

Shri Sajjan Jindal and Shri Purshottam Lal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT

The Board of Directors are grateful to concerned Departments of 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.



Place : New Delhi
Dated : 16th October, 1996

For and on behalf of the Board

P.R. Jindal
Chairman & Managing Director



ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE I

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

CONSERVATION OF ENERGY

(a) Energy Conservation measures taken :

- (i) Energy conservation devices have been installed and the equipments are maintained properly to reduce energy consumption;
- (ii) The new systems are being devised to reduce electric power, fuel and water consumption. Industrial lighting in the Plant area has been optimised.

(b) Additional Investment and proposals for reduction of consumption of energy :

- (i) By relocating/modifying the available equipments, energy conservation measures are being implemented and major investments have not been made for equipment so far.
- (ii) Propose to introduce solar powered lights along with road within the plant.

(c) Impact of above Measures :

The impact of above measures taken will result in lower energy consumption 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	1995-96	1994-95
(i) Electricity		
Purchased Units	1,45,78,022	97,07,446
Total Amount (Rs.)	5,14,27,276	3,05,26,383
Rate per unit (Rs.)	3.53	3.14
(ii) Own Generation through D.G. Set :		
Generator Units	1,00,53,198	54,51,534
Unit per litre of oil	2.84	2.91
Cost per unit (Rs.)	2.88	2.51

2. CONSUMPTION PER UNIT OF PRODUCTION :

Production : Submerged Arc Welded Pipes and Re-rolled Stainless Steels Strips, Electricity for:

(i) Manufacture of Steel Pipes per tonne	73.14	61.90
(ii) Re-rolling of Stainless Steel Strips per tonne	708.74	709
(iii) Steel Seamless Tubes and Spiral Pipes per tonne.	3,825.71	1,454

FORM "B"

Form of disclosure of particulars with respect to Technology Absorption for 1995-96

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

R & D was carried in product development, process development, energy conservation, environment protection, cost reduction and automation.

2. Benefits Derived

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

3. Future Plan of Action

- (a) Reduction in Process Losses
- (b) Development of New Products
- (c) Installation of ground conveyors to improve the mill handling and safety in the Production Bays and improving the productivity.
- (d) Installation of more diesel generating sets for standby power generation thus ensuring steady production.

4. Expenditure on R & D

Development and improvement of products is an inbuilt and ongoing activity within existing manufacturing facilities. Expenditure on R & D is not separately allocated and identified.

5. Foreign Exchange Earnings & Outgo

- (a) Foreign Exchange Earnings
 - (i) FOB value of Exports Rs. 2,818.40 lacs
 - (ii) Domestic sale of goods against Foreign Currency payments Rs. 35,242.49 lacs
- (b) Foreign Exchange Outgo Rs. 22,409.90 lacs

Place : New Delhi
Date : 16th October, 1996

For and on behalf of the Board

P.R. Jindal
Chairman & Managing Director



ANNEXURE II

PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 ANNEXED TO AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 1996.

A) Employed throughout the year under review and in receipt of remuneration aggregating to not less than Rs. 3,00,000 per annum.

Sl. No.	Name	Designation	Remuneration (Rs.)	Qualification	Experience (Years)	Age (Years)	Date of Commencement of Employment	Last Employment
1.	P.R. Jindal	Chairman & Managing Director	9,52,995/-	B.A.	26	46	07.05.86	Swastik Foils Ltd. Managing Director
2.	Rajiv Garg	Chief Executive Officer (Nashik Works)	4,51,800/-	M.Sc.(H) CCL (New York)	17	41	01.05.92	Credit Capital Finance Ltd.- Director - North India
3.	H.S. Bedi	Sr.Vice President (Kosi Kalan Works)	4,02,983/-	B.E. (Metallurgy)	31	50	03.01.89	B S T Ltd. Works Manager
4.	Gian Bansal	Vice President (Finance)	3,50,658/-	B.Sc. F.C.A.	16	39	01.01.94	Dabur India Ltd. Sr.Manager - (Finance)

B) Employed for part of the year and were in receipt of remuneration aggregating to not less than Rs. 25,000 per month.

1.	V.C. Rawal	President (Nashik Works)	1,08,798/-	B.E. (Elec.) PGDBM (XLRI)	31	56	01.04.96	Nirma Limited- President
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NOTES :

1. Shri P.R. Jindal is a relative of Shri Ratan Jindal & Shri Sajjan Jindal, Directors.
2. The appointment of Shri P.R. Jindal is contractual and is not terminable by notice.
3. Remuneration includes Salary, Commission, Contribution to Provident Fund, House Rent Allowance and taxable value of perquisites.

Place : New Delhi
Dated : 16th October, 1996

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, 1996 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 explanations, which to the best of our knowledge and belief, are necessary for the purpose of our audit.
 - (b) The report on accounts of Swastik Udyog Hisar 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 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 non-provision for amortisation of premium on leasehold land for Rs. 13.72 lacs - (Including 0.45 lacs on account of Revaluation Reserve) and Note No. 4 regarding title to land & building and Note No. 12 regarding non-provision for income tax for three months period from 01.04.96 to 30.06.96 and Note No. 13 regarding valuation of closing stock of finished goods in respect of SAW Pipe Division at selling price resulting in increase in profit for the year by Rs. 1591.79 lacs 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, 1996.
 - (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

G.K.AGGARWAL
Partner

Place : New Delhi
Dated : 16th October, 1996.



ANNEXURE TO THE AUDITORS' REPORT

Referred to in 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 Nashik Division the record for which is not yet made. We have been informed that no serious/ material discrepancy has been noticed by the management on such verification.
- 2) Fixed Assets namely free hold land, lease hold land, buildings and plant and machinery of pipe division of the company have been revalued at their net current residual replacement values on the basis of revaluation made by approved valuers. The differences arising on account of revaluation have been separately disclosed in the Balance Sheet.
- 3) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spares parts and raw materials.
- 4) In our opinion and according to information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the 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 operations of the company and the same have been properly dealt with in the books of account.
- 6) On the basis of our examination of stock records, the valuation of stock 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 except the valuation of closing stock of finished goods in respect of pipe division as stated in Note No. 12 of Schedule 22.
- 7) In our opinion the rates 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 u/s 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 u/s 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 loan, secured or unsecured to any firm or other parties listed in the register maintained under section 301 of 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 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 machineries, equipments and other assets and for the sale of goods.
- 11) According to the information given to us, there is no transaction of purchase of goods, materials and sale of goods, materials and services, made in pursuance or contracts of arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating 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 directives issued by the Reserve Bank of India and the provisions of section 58A of Companies Act, 1956 and the rules framed there under with regards to the deposits accepted from the public.
- 14) 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.
- 15) 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.
- 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, etc. were outstanding as at the last day of the financial year concerned for a 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 (O) 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 receipts, 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

G.K.AGGARWAL
Partner

Place : New Delhi
Dated : 16th October, 1996.



BALANCE SHEET
AS AT JUNE 30, 1996

	Schedule No.	As at June 30, 1996 (Rs. in lacs)	As at June 30, 1995 (Rs. in lacs)
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	3,898.15	3,898.15
Reserves and Surplus	2	19,346.89	11,234.35
		<u>23,245.04</u>	<u>15,132.50</u>
2. Loan Funds			
Secured	3	19,396.46	7,261.27
Unsecured	4	4,897.33	14,022.93
		<u>24,293.79</u>	<u>21,284.20</u>
Total		<u>47,538.83</u>	<u>36,416.70</u>
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	5	25,748.92	19,492.43
Less : Depreciation		<u>1,896.66</u>	<u>1,353.14</u>
Net Block		23,852.26	18,139.29
Capital Work in Progress		621.74	2,171.73
Pre-operative Expenses		-	201.74
		<u>24,474.00</u>	<u>20,512.76</u>
	6	5,504.50	6,750.01
2. Investments			
3. Current Assets, Loans and Advances			
Inventories	7	11,110.54	13,434.03
Sundry Debtors	8	10,250.73	8,864.37
Cash and Bank Balances	9	202.76	159.30
Loans and Advances	10	5,375.22	7,726.04
		<u>26,939.25</u>	<u>30,183.74</u>
Less : Current Liabilities & Provisions			
Current Liabilities	11	7,948.85	20,272.87
Provisions	12	1,777.50	847.00
		<u>9,726.35</u>	<u>21,119.87</u>
NET CURRENT ASSETS		<u>17,212.90</u>	<u>9,063.87</u>
4. Miscellaneous Expenditure			
(To the extent not written off or adjusted)	13	347.43	90.06
Total		<u>47,538.83</u>	<u>36,416.70</u>
NOTES TO THE ACCOUNTS	22		

As per our report of even date attached
For **N.C. AGGARWAL & CO.**
Chartered Accountants

G.K. Aggarwal
Partner

Place : New Delhi
Dated : 16th October, 1996

P.R. Jindal
Chairman & Managing Director

O.N. Gupta
Vice President & Company Secretary

Gian Bansal
Vice President (Finance)

B.R. Mittal

Purshottam Lal

A.J.A. Tauro

Kuldip Bhargava

P.K. Jain
Directors



PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30th JUNE, 1996

	Schedule No.	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
INCOME			
Sales & Operational Income	14	50,140.39	34,797.59
Other Income	15	1,088.51	1,005.41
Increase/(Decrease) in Stock	16	2,733.38	3,684.65
		<u>53,962.28</u>	<u>39,487.65</u>
EXPENDITURE			
Raw Material Consumed		33,214.82	23,138.24
Excise Duty		4,701.09	1,979.86
Purchase for Re-Sale		156.21	3,963.37
Manufacturing Expenses	17	2,061.22	1,375.18
Personnel Expenses	18	644.58	379.34
Selling Expenses	19	2,033.40	322.24
Finance Expenses	20	4,255.29	1,608.75
Administrative & Other Expenses	21	649.16	673.79
Depreciation		1,050.59	630.21
Less : Transfer to Revaluation Reserve		<u>49.98</u>	<u>-</u>
		<u>48,716.38</u>	<u>34,070.98</u>
Profit before Taxation		5,245.90	5,416.67
Less : Provision for Taxation		541.00	1.00
Profit After Taxation		4,704.90	5,415.67
Profit Brought Forward		1,204.43	504.82
Previous Year's Taxation Adjustment		-	(4.92)
Previous Year's Loss Written Back		-	88.80
Provision For Dividend Written Back		0.03	1.06
Disposable Profit		<u>5,909.36</u>	<u>6,005.43</u>
APPROPRIATIONS			
Proposed Dividend		1,169.43	801.00
General Reserve		4,000.00	4,000.00
Balance Carried to Balance Sheet		739.93	1,204.43
		<u>5,909.36</u>	<u>6,005.43</u>

NOTES TO THE ACCOUNTS

22

As per our report of even date attached
For **N.C. AGGARWAL & CO.**
Chartered Accountants

G.K. Aggarwal
Partner

Place : New Delhi
Dated : 16th October, 1996

P.R. Jindal
Chairman & Managing Director

O.N. Gupta
Vice President & Company Secretary

Gian Bansal
Vice President (Finance)

B.R. Mittal
Purshottam Lal

A.J.A. Tauro
Kuldip Bhargava

P.K. Jain
Directors



Description	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
-------------	---	---

SCHEDULE "1"

SHARE CAPITAL

Authorised :

(i) 7,45,00,000 Equity Shares of Rs. 10/- Each	7,450.00	7,450.00
(ii) 50,000 15% Redeemable Cumulative preference shares of Rs. 100/- each	50.00	50.00
	<u>7,500.00</u>	<u>7,500.00</u>

Issued and subscribed :

3,89,81,808 Equity Shares of Rs. 10/- each	3,898.19	3,898.19
--	----------	----------

Paid up

3,85,21,958 (previous year 3,85,20,258) equity shares of Rs. 10/- each	3,852.20	3,852.03
Bonus Shares Held in Abeyance	45.91	46.16
	<u>3,898.11</u>	<u>3,898.19</u>

Less : Calls-in-Arrear	-	0.04
	<u>3,898.11</u>	<u>3,898.15</u>

Add: Forfeited Capital

	0.04	-
	<u>3,898.15</u>	<u>3,898.15</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 Share 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 and Haryana and Delhi.
- 2,57,97,872 Equity Shares are allotted as fully paid-up bonus shares by capitalising General Reserve of Rs.630.70 lacs and Share Premium of Rs.1949.09 lacs.
- 4,59,050 (Previous Year 4,61,550) Bonus shares of Rs.10/- each have been held in abeyance and not allotted as a result of necessary approval from attachment orders by Govt.authorities,lost share certificates and other disputes.
- 800 Shares of Rs. 10/- (Partly Paid Rs. 5/-) have been forfeited during the year.

Description	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
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SCHEDULE "2"

RESERVES AND SURPLUS

(i) Capital Reserve As per Last Account	9.50	9.50
(ii) General Reserve As per last Account	9,288.94	5,288.94
Add: Transferred during the year	4,000.00	4,000.00
Add : Transfer from Investment Allowance Reserve (Utilised) Account	155.00	-
	<u>13,443.94</u>	<u>9,288.94</u>
(iii) Investment Allowance Reserve (Utilised) As per Last Account	172.57	172.57
Less : Transfer to General Reserve	155.00	-
	<u>17.57</u>	<u>172.57</u>
(iv) Share Premium Account As per last Account	558.91	2,508.00
Less : Capitalised During the Year	-	1,949.09
	<u>558.91</u>	<u>558.91</u>



Description	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
(v) Revaluation Reserve		
Revaluation made during the year	4,627.02	-
Less : Amount written off during the year	49.98	-
	<u>4,577.04</u>	<u>-</u>
(vi) Profit and Loss Account	739.93	1,204.43
Total	<u>19,346.89</u>	<u>11,234.35</u>

SCHEDULE "3"

SECURED LOANS

A. Term Loan

(i) Industrial Finance Corpn. of India Ltd.	950.00	1,000.00
(ii) Industrial Credit & Investment Corpn. of India Ltd.	9,000.00	3,000.00
(iii) SCICI Ltd.	4,975.00	-
(iv) Hongkong & Shanghai Banking Corpn. Ltd.	300.00	2,000.00

B. Working capital Loan from Banks

3,729.24 896.52

C. Deferred Sales Tax

364.75 364.75

D. Interest Accrued and due on Working Capital Loan

77.47 -

19,396.46 7,261.27

NOTES

- A. (i&iv) Secured by way of first specific charge in respect of Plant and Machinery of Seamless Tubes Project at Nashik.
- (ii & iii) Secured by way of pari-passu charge of whole of the movable properties of the company situated at Kosi-Kalan, Distt. Mathura (U.P.) and A-59/60 MIDC Industrial Area, Sinnar, Nashik, Maharashtra or elsewhere including the Company's movable plant and machinery, machinery spares, tools and accessories and other movables (both present and future).
- B&D. 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 286793 Equity Shares of Jindal Strips Limited and 376859 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. Besides above 168075 Equity Shares of Jindal Iron & Steel Company Ltd. held by other companies have been pledged to Bank as collateral security.
- C. Secured by way of specific charge in respect of whole of the immovable properties of Bevelling and End Finishing Unit situated at Kosi Kalan, Distt. Mathura (U.P.)

Description	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
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SCHEDULE "4"

UNSECURED LOANS

(i) Fixed Deposits	13.81	24.47
(ii) Deposits from Agents	-	12.00
(iii) Inter-Corporate Loans	3,118.24	13,000.96
(Including Loan from Subsidiary Company Rs.10.37 Lacs, Previous Year Nil)		
(iv) Deferred Sales Tax	1,765.28	985.50
	<u>4,897.33</u>	<u>14,022.93</u>



SCHEDULE "5"

FIXED ASSETS

(Rs. in Lacs)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.7.95	Additions	Deductions	Total	Upto 30.6.95	During the year	Adjustment	Upto 30.6.96	W.D.V. As at 30.6.96	W.D.V. As at 30.6.95
Freehold Land	80.15	7.38	2.35	85.18	-	-	-	-	85.18	80.15
Leasehold Land (Including site development expenses)	258.29	143.59	-	401.88	-	-	-	-	401.88	258.29
Buildings	2,468.60	955.16	132.11	3,291.65	151.93	82.20	14.47	219.66	3,071.99	2,316.67
Plant & Machinery	16,499.98	6,953.64	1,749.28	21,704.34	1,166.83	952.41	490.89	1,628.35	20,075.99	15,333.15
Furniture & Fixtures	80.86	34.04	-	114.90	11.29	5.61	-	16.90	98.00	69.57
Vehicles	104.55	51.36	4.94	150.97	23.09	10.45	1.79	31.75	119.22	81.46
Total	19,492.43	8,145.17	1,888.68	25,748.92	1,353.14	1,050.67*	507.15	1,896.66	23,852.26	18,139.29
Previous Year	10551.37	8961.61	20.55	19492.43	782.27	648.57	77.70	1353.14	18139.29	9769.10

* Includes depreciation of Rs. 0.08 lacs relating to previous year debited to previous year adjustment Account.

Note: Additions during the year include the following amount on account of revaluation as on 31st March, 1996 of Saw Pipe Division at A-I Kosi Kalan at net current residual replacement value :-

(i) Freehold Land	7.38	iii) Building	548.34
(ii) Leasehold Land	143.59	iv) Plant and Machinery	3,927.71

SCHEDULE "6"

INVESTMENTS, AT COST (LONG TERM)

Description	As at 30th June, 1996			As at 30th June, 1995		
	No. of Shares/ Debentures	Face Value	Amount (Rs. in Lacs)	No. of shares/ Debentures	Face Value	Amount (Rs. in Lacs)
A. Investment in Equity Shares of Subsidiary Companies-Unquoted						
Hexa Securities and Finance Co. Ltd.	2,55,00,000	10/-	2,550.00	2,54,99,995	10/-	2,550.00
B. Investment in Equity shares Other than Trade Quoted						
(a) Jindal Strips Ltd.	2,86,793	10/-	335.24	4,73,727	10/-	553.75
(b) Jindal Iron & Steel Co. Ltd.	3,77,528	10/-	169.08	3,77,528	10/-	169.08
(c) Shalimar Paints Ltd.	3,00,000	10/-	180.00	3,00,000	10/-	180.00
(d) Jindal Ferro Alloys Ltd.	13,00,000	10/-	1,027.00	26,00,000	10/-	2,054.00
(e) Jindal Vijay Nagar Steel Ltd.	1,00,01,400	10/-	500.08	1,00,01,400	10/-	500.08
Unquoted						
(a) Bharat Foils Ltd.	46,000	10/-	2.84	46,000	10/-	2.84
(b) Rohit Tower Building Ltd.	2,400	100/-	2.40	2,400	100/-	2.40
(c) Sona Bheel Tea Ltd.	86,025	10/-	5.90	86,025	10/-	5.90
(d) Saw Pipes U.S.A Inc.	19,35,000	1\$	609.51	19,35,000	1\$	609.51
(e) Jindal Overseas Pte.Ltd.Singapore	1,53,000	1s\$	31.40	1,53,000	1s\$	31.40
C. Govt. and Trust Securities						
(a) Units of Unit Trust of India	6,000	10/-	0.90	6,000		0.90
(b) National Savings Certificates	-	-	0.15	-	-	0.15
D. Investment in Non-Convertible Debentures Quoted						
Shalimar Paints Ltd.	3,00,000	30/-	90.00	3,00,000	30/-	90.00
			5,504.50			6,750.01
Aggregate market value of Quoted Investments			2,050.00			7,618.60
Aggregate book value of Quoted Investments			2,301.40			3,546.91
Aggregate book value of Unquoted Investment			3,203.10			3,203.10



Description	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
SCHEDULE "7"		
INVENTORIES		
(i) Stores and Spares	802.27	492.66
(ii) Loose Tools	23.25	22.94
(iii) Finished Goods	6,176.98	3,752.87
(iv) Semi-finished Goods	812.60	512.38
(v) Raw Material	1,135.25	2,879.57
(vi) Raw Material in Transit	2,133.37	5,755.84
(vii) Scrap	26.82	17.77
	<u>11,110.54</u>	<u>13,434.03</u>
SCHEDULE "8"		
SUNDRY DEBTORS		
(Unsecured considered good)		
A) TRADE		
(i) Exceeding six months	4,027.36	66.49
(ii) Others	4,359.85	8,797.88
	<u>1,863.52</u>	-
B) OTHERS (SUBSIDIARY)	<u>10,250.73</u>	<u>8,864.37</u>
SCHEDULE "9"		
CASH AND BANK BALANCES		
(i) Cash\Cheques in hand	29.59	19.69
(ii) With Scheduled Banks		
Current Accounts	110.03	136.61
Fixed Deposits	50.60	3.00
Margin Money	12.54	-
	<u>202.76</u>	<u>159.30</u>
SCHEDULE "10"		
LOANS AND ADVANCES		
(i) Advances recoverable in cash or in kind or for value to be received, Considered Good	1,202.27	2,435.18
(ii) Earnest money and Security deposits	481.99	353.35
(iii) Deposit with IDBI u/s 32AB of Income Tax Act, 1961	0.60	0.60
(iv) Advance Taxation	420.41	282.28
(v) Balance with Central Excise	2.20	9.52
(vi) Inter Corporate Loans	2,688.95	1,689.29
(vii) Prepaid Expenses	566.99	312.26
(viii) Refund of Terminal Excise Duty	11.81	2,643.56
	<u>5,375.22</u>	<u>7,726.04</u>
SCHEDULE "11"		
CURRENT LIABILITIES		
(i) Sundry Creditors	4,417.23	15,231.10
(ii) Advances from Customers	2,399.87	3076.97
(iii) Interest Accrued but not due	422.10	
(iv) Other Liabilities	620.84	
(v) Bank Overdraft	4.58	23.73
(vi) Unpaid Dividend	14.05	7.13
(vii) Sales Tax Payable	70.18	249.90
	<u>7,948.85</u>	<u>20,272.87</u>



Description	As at June 30, 1996 (Rs. in Lacs)	As at June 30, 1995 (Rs. in Lacs)
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SCHEDULE "12"

PROVISIONS

For Taxation	587.00	46.00
For Dividend	1,169.43	801.00
Others	21.07	-
	<u>1,777.50</u>	<u>847.00</u>

SCHEDULE "13"

MISCELLANEOUS EXPENDITURE

(to the extent not written off)

(i) Preliminary Expenses	14.85	16.93
(ii) Shares Issue Expenses	58.77	26.85
(iii) Deferred Revenue Expenses	238.01	6.07
(iv) Technical Knowhow	35.80	40.21
	<u>347.43</u>	<u>90.06</u>

Description	Year ended June 30, 1996 (Rs. in Lacs)	Year ended June 30, 1995 (Rs. in Lacs)
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SCHEDULE "14"

SALES AND OPERATIONAL INCOME

(i) Sales	50,105.60	33,926.04
(ii) Conversion Charges	34.79	303.27
(iii) Refund of Terminal Excise Duty	-	568.28
	<u>50,140.39</u>	<u>34,797.59</u>

SCHEDULE "15"

OTHER INCOME

Interest on Debentures (including TDS Rs.3.35 lacs Previous Year Rs.3.34 lacs)	13.55	13.50
Other Interest(TDS Rs.3.47 lacs Previous Year Rs.71.17 lacs)	15.10	595.77
Dividend (including TDS of Rs.15.55 lacs Previous year Rs. 8.31 lacs)	63.15	44.92
Misc. Receipts	74.59	35.76
Profit on sale of Fixed Assets	25.94	20.70
Profit on Sale of Long Term Investments	618.01	129.00
Prior Period Adjustments	-	153.26
Lease Rent	29.16	12.50
Foreign Exchange Fluctuation	99.01	-
Consultancy Charges	150.00	-
	<u>1,088.51</u>	<u>1,005.41</u>

SCHEDULE "16"

INCREASE / (DECREASE) IN STOCK

OPENING STOCK

Finished Goods	3,752.87	492.60
Work-in-progress	512.38	102.79
Scrap	17.77	2.98
	<u>4,283.02</u>	<u>598.37</u>

CLOSING STOCK

Finished Goods	6,176.98	3,752.87
Work-in-progress	812.60	512.38
Scrap	26.82	17.77
	<u>7,016.40</u>	<u>4,283.02</u>
Increase in Stock	<u>2,733.38</u>	<u>3,684.65</u>



Description	Year ended June 30, 1996 (Rs. in Lacs)	Year ended June 30, 1995 (Rs. in Lacs)
SCHEDULE "17"		
MANUFACTURING EXPENSES		
Stores and Spares	825.12	773.29
Power and Fuel	807.32	442.77
Other Manufacturing expenses	130.60	76.71
Repair and Maintenance		
Plant and Machinery	275.99	55.38
Building	4.54	12.03
Lease Rent	17.65	15.00
	<u>2,061.22</u>	<u>1,375.18</u>
SCHEDULE "18"		
PERSONNEL EXPENSES		
Salary, Wages and other benefits	448.00	266.09
Contribution to Provident and other funds	26.03	16.58
Workmen and Staff Welfare	170.55	96.67
	<u>644.58</u>	<u>379.34</u>
SCHEDULE "19"		
SELLING EXPENSES		
Commission on Sales	1,309.88	20.45
Royalty	101.34	33.79
Advertisement	39.50	20.71
Rebate and Discounts	27.55	29.64
Warranty Claims	52.38	120.22
Forwarding Charges	454.28	66.64
Other Selling Expenses	48.47	30.79
	<u>2,033.40</u>	<u>322.24</u>
SCHEDULE "20"		
FINANCE EXPENSES		
Interest on Fixed Deposits	2.58	6.63
Interest on Term Loans	2,188.26	224.84
Interest on Bank Borrowings	546.17	117.55
Bank and Finance Charges	554.99	468.38
Interest to others	963.29	791.35
	<u>4,255.29</u>	<u>1,608.75</u>
SCHEDULE "21"		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates & Taxes	15.18	6.87
Insurance	110.42	105.49
Postage, Telegrams & Telephones	80.46	54.12
Travelling & Conveyance	150.83	83.54
Vehicle upkeep & Maintenance	55.04	34.11
Director's Meeting Fees	0.53	0.60
Miscellaneous Expenses	154.10	152.65
Liquidated Damages	11.49	164.95
Auditor's Remuneration	2.80	1.55
Difference in Foreign Exchange	-	5.35
Preliminary/Deferred Revenue Expenses Written off	6.52	6.52
Bad Debts written off	10.67	50.00
Loss on sale of Fixed Assets	26.45	-
Previous year's Adjustment	15.22	-
Wealth Tax paid	0.40	-
Technical Knowhow Fees Written off	9.05	8.04
	<u>649.16</u>	<u>673.79</u>



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS.

SCHEDULE "22"

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.

(a) Income

- (i) Insurance Claim.
- (ii) Export Incentives, if any.
- (iii) Dividend on Investments.

(b) Expenditure

- (i) 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

Building and Plant & Machinery in respect of Pipes Division, at A-1 U.P.S.I.D.C Kosi Kalan, Mathura (U.P.) are stated at revalued amount as a result of their revaluation. Other fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto.

(b) Depreciation

- (i) 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.
- (ii) Depreciation of revalued fixed assets is computed on the assessed residual life of the respective assets and excess over depreciation required to be provided under Schedule XIV of the Companies Act, 1956, has been transferred to Revaluation Reserve Account.

(c) Expenditure during Construction Period

- (i) 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.
- (ii) 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. However, w.e.f. 01.07.95 the finished goods in respect of Pipe Division of which release notes have been obtained from inspection agencies /customers are valued at selling price.
- (c) Work in progress is valued at estimated cost.
- (d) Scrap is valued at net realisable value.

G) INVESTMENTS

- (a) All Long Term investments are stated at cost which inter-alia includes brokerage, commission, stamp duty etc.
- (b) The loss on sale of Non Convertible Portion of Partly Convertible Debentures is added to the cost of Convertible Portion of Debentures where the intention is to retain the Convertible Portion of Debentures.

H) FOREIGN EXCHANGE TRANSACTIONS

- (a) Foreign Currency Transactions during the year are recorded at the rate of exchange prevailing at the date of transaction.
- (b) All exchange differences are dealt with in the Profit & Loss Account except those relating to acquisition of fixed assets which are adjusted in the cost of assets.
- (c) In case of forward exchange contract, the liabilities, assets are recorded at year end exchange rates and the difference between the contract rate and the rate at the date of transaction is recognized over the life of the contract. Gain or Loss on restatement of the forward exchange transactions or on cancellation of forward exchange contracts, if any, is reflected in the Profit and Loss Account, except such exchange difference on transactions relating to acquisitions of fixed assets, which are capitalised.

I) CONTINGENT LIABILITIES

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

J) RETIREMENT BENEFITS

- (a) 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.
- (b) Leave encashment is determined on the basis of accumulated leaves to the credit of employees as at the year end.

K) SALE OF RAW MATERIALS / STORES

Value of sale of raw material 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 ascertained.

2. CONTINGENT LIABILITIES

	Current Year (Rs in lacs)	Previous Year (Rs in lacs)
(a) Counter Guarantee given to Company's bankers for Guarantee given by them on behalf of the Company	12,693.99	12,840.93
(b) Letter of Credit outstanding	3,406.06	22,674.77
(c) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	543.01	106.35
(d) Claims against the Company not acknowledged as debt (being under dispute)	35.23	35.31
(e) Surety bond furnished to Sales Tax Authorities against a demand raised by them for Jindal Strips Ltd.	-	725.60
(f) Guarantee given on behalf of Jindal Vijay Nagar Steel Ltd.	783.10	83.73
(g) Disputed electricity demand from DESU for which stay has been granted by Hon'ble High Court.	4.11	72.88
(h) Demand for excise duty	1,218.56	769.80
(i) Uncalled liability for partly paid-up Shares	500.00	500.00
(j) Demand for Income Tax	314.59	-
(k) Future liability of lease rent for unexpired period	74.25	-

3. No provision has been made for the amortisation of premium on lease-hold land over the lease-hold period accumulating to Rs. 13.72 lacs including Rupees 0.45 lacs on account of Revaluation Reserve (Previous Year Rs.10.58 lacs).
4. 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.
5. Assets of Swastik Udyog Cold Rolled Division which were leased, has since been sold to Jindal Strips Ltd. w.e.f. 01.02.96.
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 30.06.96 amounting to Rs. 882.80 lacs 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. All investment held by the Company has been shown as 'Long Term Investments', since in the opinion of the management the same is held for long term. Any fall in the market value of 'Long Term Investments' has not been provided for since in the opinion of the Management such fall is temporary in nature.
9. The confirmation in respect of Sundry Debtors, Creditors and other advances and reconciliation in respect of some of the bank balances are subject to confirmation and verification, if any. The effect of the same, if any, will be adjusted at the time of confirmation/ reconciliation.

10. The Stores and Spares consumed and Salaries & 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.
11. In the opinion of the Board, the realisable value of Current Assets, Loans & Advances, in the ordinary course of business, would not be less than the amount at which they are stated.
12. The Income-tax liability of the Company for the assessment Year 1996-97 has been determined on the basis of the profit of the Company for the period of 12 months i.e. from 1.04.95 to 31.3.96 and accordingly provision is made for Income-tax during the current year. However, the Company has made no provision for the period from 01.04.96 to 30.06.1996.
13. During the year the Company has valued closing stock of finished goods, in respect of Pipe Division of which 'Release Notes' have been obtained from inspection agencies/customers, at selling price. Had this not been done the Profit of the Company would have been lower by Rs. 1591.79 lacs.
14. The amount of exchange difference on the foreign exchange transactions entered into during the year has not been disclosed and determined as required by the Accounting Standard 11 issued by the Institute of Chartered Accountants of India. The same has been included under the relevant heads of income/expenditure. However this has no impact on the Profits of the Company.

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
15. Auditors' Remuneration		
(i) Audit Fee	1.58	0.93
(ii) Tax Audit Fee	0.24	0.19
(iii) Certification work	0.14	0.05
(iv) Out of pocket Expenses	0.84	0.38
	<u>2.80</u>	<u>1.55</u>
16. Directors' Remuneration		
(i) Salaries	5.21	4.77
(ii) Bonus	0.37	-
(iii) Contribution to P.F. etc.	0.52	0.48
(iv) Perks	0.27	0.03
(v) Commission	4.09	3.60
	<u>10.36</u>	<u>8.88</u>

17. During the year the Spiral Pipes Division of the company has commenced commercial production of Spiral Welded Pipes. The commercial production of Spiral Pipes started on 20th September, 1995. Upto the date of commercial production the following expenditure has been capitalised :

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Material Consumed for trial run	-	32.09
Excise Duty	-	5.16
Electricity & Water	4.49	37.72
Salary & Wages incl. P.F. & Welfare	2.81	58.84
Other Manufacturing Expenses	0.01	5.38
Selling Expense	0.02	1.91
Depreciation	-	18.36
Interest	107.85	1,371.05
Administration & Miscellaneous exp.	3.95	100.35
	<u>119.14</u>	<u>1,630.86</u>
Add : Pre-operative Exp. brought forward	201.74	62.20
	<u>320.88</u>	<u>1,693.06</u>
Less : Income	-	-
Trial run Sales	-	39.57
Interest & other income	-	11.25
	<u>320.88</u>	<u>1,642.24</u>
Less : Capitalised During the Year	<u>320.88</u>	<u>1,440.50</u>
Pre-operative Expenses carried over	-	201.74



The Above expenditure has been capitalised to the following fixed assets :

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
1. Plant & Machinery	272.20	1,029.27
2. Electrical Installation	25.92	309.03
3. Factory Building	22.76	86.66
4. Office Building	-	15.55
	320.88	1,440.50

18. 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.

Net Profit as per Profit & Loss Account (before tax)	5,245.90	5,416.67
Add : Directors Remuneration	10.36	8.89
Depreciation	1,000.61	630.21
	6,256.87	6,055.77
Deduct : Depreciation as per Section 350 of the Company Act, 1956.	2,488.25	2,124.22
Net Profit	3,768.62	3,931.55
Commission @ 1%	37.69	39.32
Maximum commission payable in terms of agreement 100% of salary	4.09	3.60

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

A) Particulars in respect of licensed and installed capacities and actual production.

Description	Unit	Installed Capacity		Production	
		Current Year	Previous Year	Current Year	Previous Year
a) Saw Pipes Division					
(i) Submerged Arc Welded Steel Pipes	MT	1,50,000	1,50,000	113991	60,149*
(ii) Bevelling & End Finishing	MT	40,000	40,000	-	3,455
Coating	sq. mtr.	40,00,000	40,00,000	-	35,438
(iii) Chamfering	MT	50,000	50,000	18880	30,349
b) Swastik Foils Cold Rolled Division					
Cold Rolled Strips (Thinner Gauge)	MT	6,000	6,000	3,470	3,524
c) Swastik Udyog Cold Rolled Division					
Cold Rolled Strips (Thicker Gauge)	MT	-	50,000	-	4,471
d) Seamless Tube Division					
Carbon Steel Seamless Tubes	MT	35,000	35,000	349	184
e) Spiral Pipes Division					
Spiral Pipes	MT	1,00,000	-	1301	-

* Includes free replacement of 576 MT given to GAIL.

NOTES

1. The above production of Bevelling, End Finishing & Coating Division does not include job work done for Pipe Division and Chamfering Division as follows :-

	Current Year	Previous Year
Submerged Arc Welded Pipes		
Pipe Division	14,95,092 sq. mtrs.	1,71,524 sq. mtrs.
Chamfering Division	1,99,482 sq. mtrs.	2,31,131 sq. mtrs.
	16,94,574 sq. mtrs.	4,02,655 sq. mtrs.

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

	Unit	Current Year	Previous Year
Cold Rolled Strips			
Thinner Gauge	MT	321	205
Thicker Gauge	MT	-	4,455

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

4. Installed capacity is as certified by the Management.



B) RAW MATERIAL CONSUMPTION

Description	Unit	Current Year		Previous Year	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
a) Manufacturing					
Steel Plates	MT	1,16,255	22,172.70	61,277	10,330.70
Semi Finished Pipes	MT	17,763	5,072.73	35,000	9,440.99
Flux and Electrodes	MT	805	379.51	505	244.24
Cold Rolled Strips	MT	3,309	2,130.10	3,511	1,973.76
Hot Rolled Strips	MT	-	-	16	4.22
Coating Material	MT	6,078	3,014.15	2,167	1,057.87
H.R. Coils	MT	1,620	222.41	-	-
M.S. Round, Hallows, Billets etc.	MT	1,387	223.22	219	86.46
			33,214.82		23,138.24
b) Trading					
Steel Rolled Products	MT	149	64.46	7,013	3,942.52
Others			91.75		20.80
			156.21		3,963.37

C) QUANTITATIVE INFORMATION OF FISNISHED GOODS STOCKS

Description	Unit	Opening Stock As on 1.7.94		Closing Stock As on 30.06.95 And opening Stock As on 01.07.95		Closing Stock As on 30.06.96	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
a) Manufacturing							
Submerged Arc Welded Steel Pipes	MT	2104	378.52	14,641	3,513.57	18,203	5,888.14
Spiral Pipes		-	-	-	-	2	0.39
Cold Rolled Strips Thinner Gauge	MT	179	101.25	253	207.09	387	288.45
Cold Rolled Strips Thicker Gauge	MT	29	12.83	-	-	-	-
			492.60		3,720.66		6,176.98
b) Trading							
Steel Rolled Products		-	-	41	32.21	-	-
			492.60		3,752.87		6,176.98

D) SALES

Description	Unit	Current Year		Previous Year	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
a) Manufactured Goods					
(i) Submerged Arc Welded Steel					
Pipes Pipe Division	MT	1,06,796	38,734.02	51,256*	14,050.15
Bevelling & Coating Division	MT	-	-	3,455	1,236.22
Chamfering Division	MT	22,513	8,046.52	26,705	9,497.95
(ii) Colled Rolled Strips (Thinner Gauge)	MT	3,015	2,516.70	3245	2,446.05
(iii) Colled Rolled Strips (Thicker Gauge)	MT	-	-	44	23.96
(iv) Carbon steel Seamless Tubes	MT	349	154.75	184	130.32
(v) Spiral Pipes	MT	1,299	300.01	-	-
(vi) Scrap	MT	664	87.75	591	70.14
			49,839.75		27,454.79



Description	Unit	Current Year		Previous Year	
		Qty.	(Rs. in Lacs)	Qty.	(Rs. in Lacs)
b) Traded Goods					
Steel Rolled Products	MT	190	174.10	6972	6,421.25
Others			91.75		50.00
			<u>265.85</u>		<u>6,471.25</u>
c) Other Operational Income					
			34.79		871.55
Grand Total (a+b+c)			<u>50,140.39</u>		<u>34,797.59</u>

* Includes free replacement of 576 MT given to GAIL.

E) C.I.F Value of Imports

	Current Year (Rs. in Lacs)	Previous year (Rs. in Lacs)
Raw Materials	21,707.42	22,918.80
Stores and Spares	122.25	104.35
Capital Goods	189.22	2,337.21

BREAK UP OF THE CONSUMPTION OF RAW MATERIALS AND STORES AND SPARES INTO IMPORTED AND INDIGENEOUS

	Current Year		Previous Year	
	%age	(Rs. in Lacs)	%age	(Rs. in Lacs)
(a) Raw Material				
Imported	91.48	30,385.08	90.21	20,872.24
Indigeneous	8.52	2,829.74	9.79	2,266.00
	<u>100.00</u>	<u>33,214.82</u>	<u>100.00</u>	<u>23,138.24</u>
(b) Stores and Spares				
Imported	2.30	19.01	8.80	68.02
Indigeneous	97.70	806.11	91.20	705.27
	<u>100.00</u>	<u>825.12</u>	<u>100.00</u>	<u>773.29</u>

G) EXPENDITURE IN FOREIGN EXCHANGE

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
(a) Travelling	40.90	37.72
(b) Interest and Bank Charges	14.40	17.55
(c) Royalty & Technical Expenses	207.11	82.04
(d) Euro Issue Expenses	23.47	-
(e) Others	5.79	8.45

H) EARNING IN FOREIGN EXCHANGE

(a) F.O.B. Value of Exports	2,818.40	-
(b) Insurance Claim	--	15.53
(c) Domestic Sale of Goods against Foreign Currency	35,242.49	16,228.25

I) REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND

(a) Financial year to which dividend relates	1994-95	1993-94
(b) No of NRI shares holders	202	196
(c) No. of shares held	8,017,950	4,003,550
(d) Net amount of dividend remitted (Net of Tax)	Rs. 99.34 Lacs.	76.63 Lacs

20. BALANCE SHEET ABSTRACT AND COMPANY'S BUSINESS PROFILE PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I. Registration No. 19275	State Code 55	Balance Sheet	30.06.96
II. Capital raised during the year (amount in Rs. thousand)			
Public Issue		Nil	
Bonus Issue		Nil	
Right Issue		Nil	
Private Placement		Nil	
III. Position of mobilisation and deployment of funds (Amt. in Rs. thousand)			
Total Liabilities	47,53,883	Total Assets	47,53,883
Sources of Funds			
Paid-up Capital	3,89,815	Reserves & Surplus	19,34,689
Secured Loans	19,39,646	Unsecured Loans	4,89,733
Application of Funds			
Net Fixed Assets	24,47,400	Investments	5,50,450
Net Current Assets	17,21,290	Misc. Expenditure	34,743
IV. Performance of Company (Amt. in Rs. thousand)			
Turnover	50,14,039	Total Expenditure	48,71,638
Profit before Tax	5,24,590	Profit After Tax	4,70,490
Earning Per Share	12.07	Dividend rate	30%
V. Generic name of Principal products of the Company.			
Item Code No.	: 730511		
Product Description	: Longitudinally Submerged Arc Welded Pipes.		
Item Code No.	: 730690		
Product Description	: Seamless Tubes/Pipes.		
Item Code No.	: 7201202		
Product Description	: Cold Rolled Strips.		
Item Code No.	: 730690		
Product Description	: Spiral Pipes		

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

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

As per our report of even date attached
 For **N.C. AGGARWAL & CO.**
 Chartered Accountants

G.K. Aggarwal
 Partner

Place : New Delhi
 Dated : 16th October, 1996

P.R. Jindal
 Chairman & Managing Director

O.N. Gupta
 Vice President & Company Secretary

Gian Bansal
 Vice President (Finance)

B.R. Mittal
Purshottam Lal
A.J.A. Tauro
Kuldip Bhargava
P.K. Jain
 Directors

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE, 1996



	(Rs. in lacs)	
	Current Year	Previous Year
A) Cash flow from Operating Activities :		
Net Profit before tax and extraordinary items	5,245.90	5,416.67
Adjustments for :		
Add/(Less) :		
Depreciation (includes Rs.0.08 lacs debited to previous year adjustment.)	1,000.69	630.21
Misc. Expenditure written off during the year	15.57	14.56
Other Income	(859.81)	(783.19)
Interest paid	3,700.30	1,140.37
Provision for Leave Encashment	21.07	-
Previous year loss written back	-	88.80
Operating profit before Working Capital Changes	<u>3,877.82</u>	<u>1,090.75</u>
Adjustments for :		
Inventories	2,323.49	(11,934.95)
Sundry Debtors	(1,386.36)	(4,260.90)
Other Current Assets	3,502.56	(1,849.81)
Current Liabilities	(12,753.05)	16,800.30
Working Capital Loan from Bank	2,832.72	327.52
Cash Generated from Operations	<u>(5,480.64)</u>	<u>(917.84)</u>
Interest paid	3,308.58	2,511.42
Income tax advance	138.13	132.56
Cash Flow before extraordinary items	<u>196.37</u>	<u>2,945.60</u>
Extraordinary Items :		
Loss on Sale of Fixed Assets	26.45	-
Previous year tax adjustment	-	(4.92)
Profit on sale of Fixed Assets	(25.94)	(20.70)
Consultancy Charges	150.00	-
Net Cash from Operating Activities	<u>150.51</u>	<u>(25.62)</u>
B) Cash Inflow/(outflow) from Investment Activities :		
(Increase)/Decrease in Investment	1,863.52	(5,529.98)
Capital Expenditure	(1,658.57)	(9,012.86)
Sale Proceeds of Fixed assets	1,381.02	37.53
Loans & Advances	(999.66)	(1,689.29)
Misc. Expenditure	(272.94)	(71.35)
Interest received	21.76	604.81
Dividend received	56.09	33.56
Net Cash used in Investment Activities	<u>391.22</u>	<u>(15,627.58)</u>



(Rs. in lacs)

	Current Year	Previous Year
C) Cash Flow from Financing Activities :		
Dividend paid	(794.04)	(463.17)
Increase in Secured Loan	9,225.00	3,355.13
Repayment of Fixed Deposit	(10.66)	(23.97)
Increase/(Decrease) in Unsecured Loan	(9,114.94)	9,821.46
Net Cash used in Financing Activities	(694.64)	12,689.45
NET CHANGES IN CASH & CASH EQUIVALENT	43.46	(18.15)
Cash and Cash Equivalent as at 1.7.95(opening balance)	159.30	177.45
Cash and Cash Equivalent as at 30.6.96(closing balance)	202.76	159.30

For and on behalf of the Board

O.N. Gupta
Vice President & Company Secretary

P.R. Jindal
Chairman & Managing Director

Gian Bansal
Vice President (Finance)

P.K. Jain
Director

Place : New Delhi
Dated : 16th October, 1996

AUDITORS' REPORT

We have verified the attached Cash Flow Statement of Saw Pipes Ltd., derived from the audited financial statements and the books and records maintained by the Company for the years ended 30th June 1996 and 30th June, 1995 and found the same in agreement therewith.

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

Place : New Delhi
Dated : 16th October, 1996.

G.K. AGGARWAL
Partner



**STATEMENT UNDER SECTION 212 OF THE
COMPANIES ACT, 1956**

- (a) Subsidiary Company : Hexa Securities & Finance Co. Ltd.
- (b) Holding Company's interest : Holder of 25,500,000 Equity Shares of Rs. 10/- each out of the Subscribed Capital of 25,500,000 Equity Shares of Rs. 10/- each
- (c) Financial Year of the Company ended on : 30th June, 1996
- (d) Net aggregate amount of Subsidiary Company's Profit (Loss) not dealt within the Company's Account
- (i) For the Subsidiary Company's financial year ended 30th June, 1996 : Profit Rs. 30,909
- (ii) For the Subsidiary Company's previous financial periods, since it became the holding Company's subsidiary : Loss Rs. 3,325,052
- (e) Net aggregate amount of the Subsidiary Company's Profit/Loss dealt within the Company's account.
- (i) For the Subsidiary Company's financial period ended 30th June, 1996 : NIL
- (ii) For the Subsidiary Company's previous financial period since it became the holding Company's subsidiary : NIL
- (f) As the financial year of the above Subsidiary Company coincides with the financial year of the holding Company, Section 212(5) of the Companies Act, 1956 is not applicable

O.N. Gupta
Vice President &
Company Secretary

Gian Bansal
Vice President (Finance)

P.R. Jindal
Chairman &
Managing Director

B.R. Mittal
Purshottam Lal
A.J.A. Tauro
Kuldip Bhargava
P.K. Jain
Directors

Place : New Delhi
Dated : 16th October, 1996

DIRECTORS' REPORT

Your Directors are pleased to present the 2nd Annual Report together with the Audited Statement of Accounts for the year ended 30th June, 1996.

1. PERFORMANCE

During the year under report Company has undertaken the business of investing in shares and providing intercorporate loan, after expenses the Company has earned a net profit of Rs. 30,909/- after adjusting previous year's loss of Rs. 3,325,052/- the balance of loss carried to balance sheet is Rs. 3,294,143/-

2. DIVIDEND

No dividend is recommended for the current year.

3. SHARE CAPITAL

Upon acquisition of entire paid-up Share Capital of the Company by SAW Pipes Ltd., Company had become the wholly owned subsidiary company .

4. DEPOSITS

In terms of NBFC (RBI) Directions 1977, there were no overdue and unclaimed deposits at the close of the year 30th June, 1996.

5. AUDITORS' REPORT

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

6. AUDITORS

M/s N.C. Aggarwal & Co., auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

7. DIRECTORS

Sh. Sandip Sharma and Sh. Arvind Kiran Agarwal, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment

8. OTHER INFORMATION

The report to be mentioned here as required under Section 217(1)(e) regarding conservation of energy, technology, absorption, foreign exchange earnings and outgo is not applicable as it is an Investment Company and there is no foreign exchange transaction during the year. The information required under section 217(2A) of the Companies Act, 1956 relating to particulars of employees is also not applicable.

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

Dated : 16th October, 1996

By the order of the Board
For **Hexa Securities & Finance Company Ltd.**

Sandip Sharma
Director

Arvind Kiran Aggarwal
Director

AUDITORS' REPORT

To
THE MEMBERS
HEXA SECURITIES & FINANCE COMPANY LIMITED

We have audited the attached Balance Sheet of Hexa Securities & Finance Company Ltd., as at 30th June, 1996 together with annexed Profit and Loss Account for the year ended on the date and report that :-

1. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of these books.
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
4. In our opinion and to the best of our information and according to explanations given to us, the said statement of accounts read with the notes thereon appearing in schedule 'E' gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - (a) In the case of Balance Sheet, of the state of affairs of the company as at 30th June, 1996.
 - (b) In the case of Profit & Loss Account the Profit of the Company for the year ended on that date.
5. As required by the Manufacturing & Other Companies (Auditors Report) Order 1988 under Section 227 (4A) of the Companies Act, 1956, as per the information & explanations given to us during the course of our audit, we report on the matters specified in the paragraph 4(A) of the said Order as far as applicable to the Company as under :-
 - (i) The Shares, Debentures and Bonds in hand were physically verified by the management at the end of the year, which is considered to be at a reasonable period. No discrepancy between physical balance and book balance was noticed. The valuation of Shares, Debentures and Bonds is fair and in accordance with normally accepted accounting principles.
 - (ii) The Company has not taken any loan secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 and 370 (1B) of the Companies Act, 1956.
 - (iii) The Company has given interest bearing loans to its holding Company SAW Pipes Ltd.. The rate of interest and other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company. The Company has not given any other loan.
 - (iv) In our opinion there are adequate internal control procedures, commensurate with the size of the Company and nature of its business with regard to the purchase and sale of Shares, Bonds, Debentures and other assets.
 - (v) In our opinion the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 58-A of the Companies Act, 1956, and the rules framed thereunder as applicable to the Company with regard to deposits accepted the Company.
 - (vi) As regards to internal audit system, it is commensurate with the size of the Company.
 - (vii) The Company is not covered under the Provident Fund Act.
 - (viii) No undisputed amount payable in respect of income tax, custom duty and excise duty were outstanding as at 30th June, 1996 for a period of more than six months.
 - (ix) No personal expenses has been charged to revenue account.
 - (x) The Company has not granted any loans and advanced on the basis of security by way of pledge of shares, debentures and other similar securities.
 - (xi) As regards investments, the Company has maintained proper records of transaction and contract of Shares, Securities, Debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Bonds etc. are held by the Company in its own name except shares, Bonds and Debentures lodged for transfer.

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

G.K.AGGARWAL
Partner

Place : New Delhi
Dated : 16th October, 1996.

BALANCE SHEET
AS AT 30TH JUNE, 1996

Description	Schedule	As at 30.06.1996 (Rs.)	As at 30.06.1995 (Rs.)
SOURCES OF FUND			
Share Holder's Fund			
Share Capital	A	<u>255,000,000</u>	<u>255,000,000</u>
TOTAL		<u>255,000,000</u>	<u>255,000,000</u>
APPLICATION OF FUNDS			
Investments	B	436,351,612	250,000,000
A) Current Assets and			
Loans & Advances	C	1,079,277	969,073
B) Current Liabilities & Provisions	D	186,359,445	7,840
Net Current Assets (A-B)		(185,280,168)	961,233
Miscellaneous Expenses (To the extent not written off)			
A) Preliminary Expenses		634,413	713,715
B) Profit & Loss Account		3,294,143	3,325,052
TOTAL		<u>255,000,000</u>	<u>255,000,000</u>
Notes to Accounts	E		

As per our report of even date attached

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

Sandip Sharma
Arvind Kiran Aggarwal
Directors

Place : New Delhi
Dated : 16th October, 1996

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 1996

Description	Schedule	Year ended 30.06.1996 (Rs.)	Year Ended 30.06.1995 (Rs.)
INCOME			
Interest (Tax deducted at source Rs. 21,062)		<u>134,207</u>	<u>0</u>
EXPENDITURE			
Salary		17,103	2,340
Printing & Stationery		-	750
Registration & Filing Fee		600	960
Bank Charges		65	583
Interest on Intercompany loan		-	3,235,607
Other Expenses		50	-
Preliminary Expenses written off		79,302	79,302
Conveyance		178	510
Auditors' Remuneration		6,000	5,000
Total Expenditure		<u>103,298</u>	<u>3,325,052</u>
Profit (Loss) before tax		30,909	(3,325,052)
Less provision for taxation		-	-
Profit (Loss) after tax		30,909	(3,325,052)
Less previous year loss brought forward		(3,325,052)	-
Profit (Loss) carried to balance sheet		<u>(3,294,143)</u>	<u>(3,325,052)</u>
Notes to Accounts	E		

As per our report of even date attached

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

G.K. Aggarwal
Partner

Sandip Sharma
Arvind Kiran Aggarwal

Directors

Place : New Delhi
Dated : 16th October, 1996

SCHEDULE FORMING PART OF THE BALANCE SHEET

Description	As at 30.06.1996 (Rs.)	As at 30.06.1995 (Rs.)
-------------	------------------------------	------------------------------

SCHEDULE A - SHARE CAPITAL**AUTHORISED**

26,000,000 (Previous Year 26,000,000) Equity Shares of Rs. 10/- each	260,000,000	260,000,000
Issued Subscribed & Paid Up 25,500,000 (Previous Year 25,500,000) Equity shares of Rs. 10/- each fully paid up	255,000,000	255,000,000
	255,000,000	255,000,000

SCHEDULE B**LONG TERM INVESTMENT IN SHARES (QUOTED)**

S.No.	Particulars	Face Value	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
1.	Jindal Vijaynagar Steel Limited (Rs.5/- Paid up)	10	50,000,000	250,000,000	50,000,000	250,000,000
2.	Jindal Ferro Alloys Limited	10	1,300,000	145,600,000		
3.	Jindal Strips Limited	10	186,934	40,751,612		
	TOTAL			436,351,612		250,000,000
	Aggregate Market Value of Quoted Investment			286,817,235		370,000,000
	Aggregate Book Value of Quoted Investments			436,351,612		250,000,000

SCHEDULE C**CURRENT ASSETS LOAN & ADVANCES****CURRENT ASSETS**

Cash and Stamp in Hand	5,632	230
Balance with Nationalised Banks	15,988	968,843
Tax Deducted at Source	21,062	

LOAN & ADVANCES

Intercorporate Loan	1,036,595	
	1,079,277	969,073

SCHEDULE D**CURRENT LIABILITIES & PROVISIONS**

Sundry Creditors	186,352,112	500
Salary Payable	1,333	2,340
Audit Fee Payable	6,000	5,000
	186,359,445	7,840

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 30TH JUNE 1996**SCHEDULE E****NOTES TO ACCOUNTS****1. ACCOUNTING POLICIES****A) GENERAL**

Accounting Policies not specifically referred to are in consonance with generally accepted accounting principles.

B) BASIS OF ACCOUNTING

All income and expenditure have been accounted for on accrual basis except Dividend on Investments which is accounted for on receipt basis.

C) INVESTMENTS

Long Term Investment has been stated at cost.

D) PRELIMINARY EXPENSES

Preliminary expenses are written off in ten equal annual instalments.

2. CONTINGENT LIABILITIES**30th June, 1996****30th June, 1995**

Uncalled liability for shares partly paid-up

Rs. 250,000,000

Rs. 250,000,000

3. The Company was incorporated on 23.11.94 with Registrar of Companies, Delhi & Haryana and upon acquisition of entire paid-up share capital of the company by SAW Pipes Limited, the company became Deemed Public Company u/s 43 A of the Companies Act, 1956.

4. As there is no income liable to Income Tax in Financial Year 1995-96 relevant Assessment year 1996-97, no provision for taxation has been made.

5. All investments held by the Company has been shown as long term investment in the opinion of the management the same is held for long term purposes. Any fall in the Market Value of long term investment has not been provided since in the opinion of management such fall is temporary in nature.

6. Schedule 'A' to 'E' are annexed to and form an integral part of the Balance Sheet and Profit and Loss Account.

7. Additional information Pursuant to Part IV of Schedule VI to the Companies Act, 1956**I. Registration Details**

Registration No.	62930
State Code No.	55
Balance Sheet Date	30th June, 1996

II. Capital Raised During the Year**(Rs. in Thousands)**

Public Issue (Issue Through the prospectus)	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement (Firm Allotment to Holding Company SAW Pipes Limited)	Nil

III. Position of Mobilisation and Deployment of funds

Total Liabilities	255,000
Total Assets	255,000

IV. Source of Fund

Paid-up Capital	255,000
Reserve & Surplus	-
Secured Loans	-
Unsecured Loans	-

V. Application of Funds

Net Fixed Assets	4,36,352
Investment	Nil
Net Current Assets	(185,280)
Misc. Expenditure	634
Accumulated Losses	3,284

VI. Performance of Company

Turnover/Income	134
Total Expenditure	103
Profit/(Loss)/Before Tax	31
Profit/(Loss)/After Tax	31
Earning Per Share in Rs.	-
Dividend Rate %	-

VII. Generic Name of Principal Product of Company

(As per Monetary Terms)

Item Code No.	N.A.
Product description	N.A.

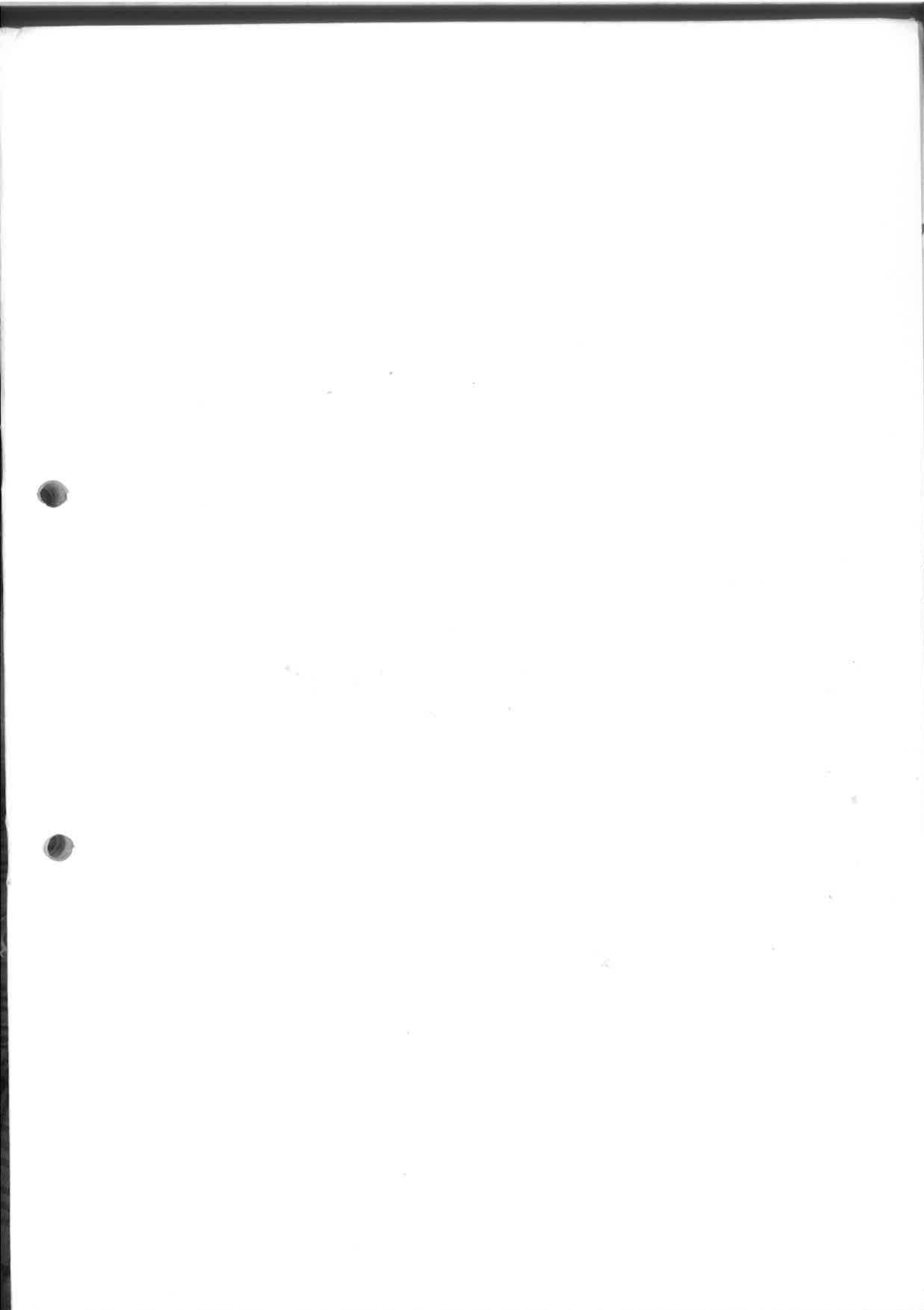
For **N.C. AGGARWAL & CO**
Chartered Accountants

G.K. Aggarwal
Partner

SIGNATURE TO SCHEDULE 'A' TO 'E'

Sandip Sharma
Arvind Kiran Aggarwal
Directors

Place : New Delhi
Dated : 16th October, 1996





JINDAL

REGISTERED OFFICE

28 Najafgarh Road, New Delhi 110015, INDIA.

Tel. : 91-11-5111838-43 (6 Lines). Fax : 91-11-5463677, 5454318, 5446011. Telex : 031-61796 JSL IN.

KOSI KALAN WORKS

A-1 UPSIDC Industrial Area, Nandgaon Road, Kosi Kalan, Distt. Mathura 281403 (U.P.) INDIA.

Tel. : 91-5662-32001-4, 32426, 52223. Fax : 91-5662-32577.

NASHIK WORKS

A 59-60, M.I.D.C. Malegaon, Sinnar 422103, Distt. Nashik, Maharashtra, INDIA.

Tel. : 91-2535-20965, 20966. Fax : 91-2535-20967.

MUMBAI OFFICES

Jindal Mansion, 5A, G.Deshmukh Marg, Mumbai 400026, Maharashtra, INDIA.

Tel. : 91-22-4924470-74, 4963000. Fax : 91-22-4961400.

208 Arun Chambers, Tardeo Road, Mumbai 400034, Maharashtra, INDIA.

Tel. : 91-22-4946845, 4936057. Fax : 91-22-4940746.