

VISION IS IMMORTAL

BEST BEFORE THE BIGGEST.
IN AN AGE WHEN AN OBSESSION
TO OUTGROW OTHERS IS
PARAMOUNT, OUR FOUNDER
CHAIRMAN SHRI O. P. JINDAL SAW
THE VITAL NEED FOR FOCUSING ON
BEING THE BEST. A RARE VISIONARY,
HE MADE QUALITY THE DNA FOR
THE GROUP'S GROWTH.

TODAY, IN THE UNSEEN PRESENCE
OF ITS DOYEN, THE GROUP
CONTINUES ITS LEADERSHIP
JOURNEY, GUIDED AT EVERY STEP
BY HIS IMMORTAL VISION.



Shri O. P. Jindal
(1930-2005)

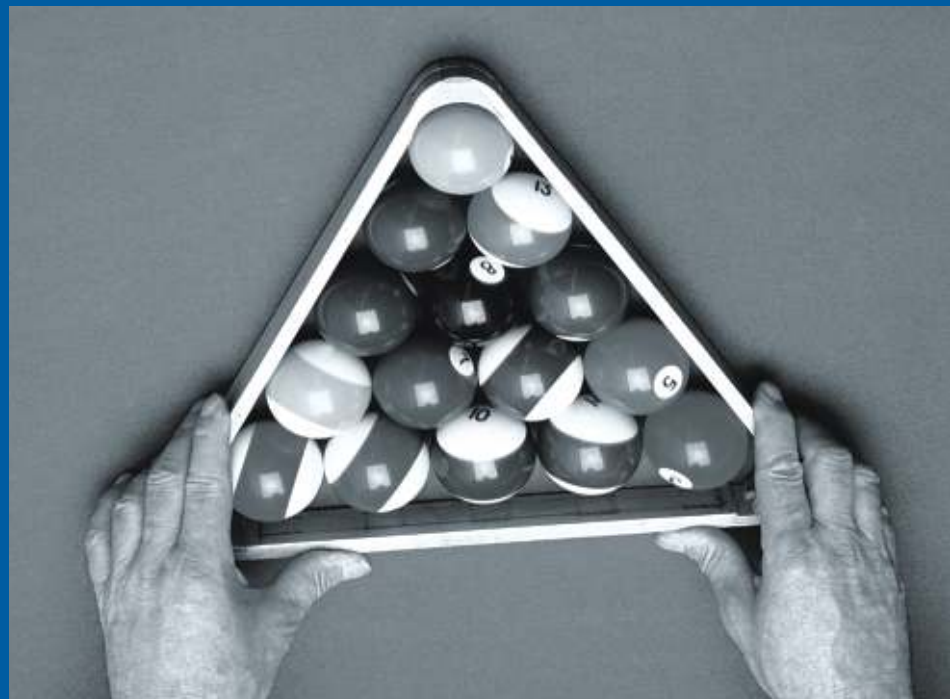
OPPORTUNITIES
IN THE PIPELINE -

SUPPORTING THE WATER,
HYDROCARBON AND
ENERGY SECTOR



THE DIVERSIFIED PRODUCT MIX

PLACING
JINDAL SAW LTD.
ON A
HIGH GROWTH
TRAJECTORY



EXPANDING REACH BY CAPTURING NEW MARKETS



JINDAL SAW LTD. CONTINUES
TO MAINTAIN THE MARKET
LEADER POSITION AS A TOTAL
PIPELINE SOLUTIONS PROVIDER
WITH ITS DISTINCT STRATEGIC
BUSINESS UNITS WORKING IN
TANDEM FOR OVER
TWO AND A HALF DECADES



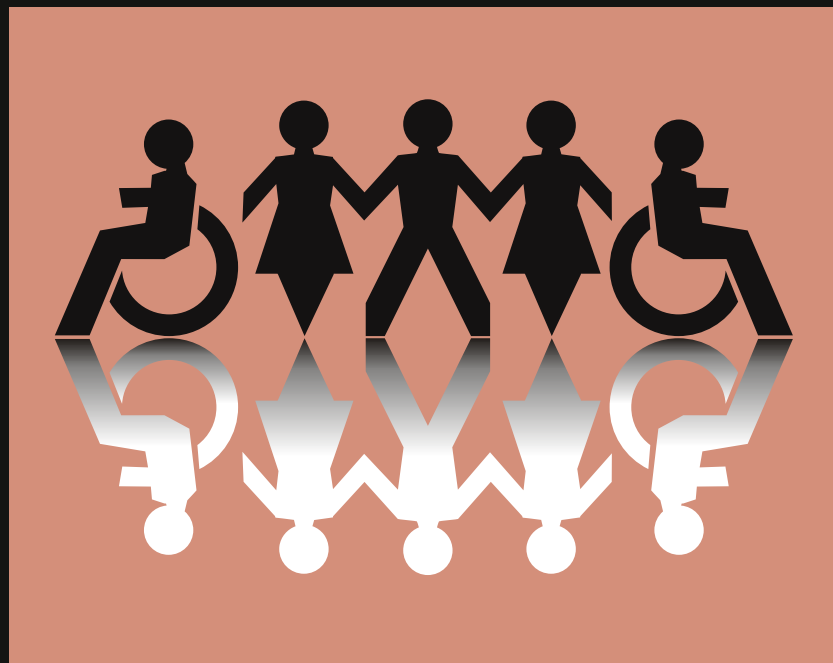
PROUDLY SUPPORTING SVAYAM – AN INITIATIVE OF S. J. CHARITABLE TRUST THAT PROVIDES WINGS TO PEOPLE WITH REDUCED MOBILITY

SVAYAM IS COMMITTED TOWARDS
MAKING INDIA ACCESSIBLE TO ALL.
TO THIS EFFECT IT HAS INITIATED A
HOST OF ACTIVITIES THAT IS SET TO
KICK OFF A CHAIN OF EVENTS THAT
WOULD MAKE INDIA ACCESSIBLE,
BARRIER FREE AND PROVIDE
UNIVERSAL ACCESS TO ALL.



WITH STEPPED UP ADVOCACY FOR UNIVERSAL ACCESS IN THE BUILT ENVIRONMENT, SVAYAM HAS BEEN INSTRUMENTAL IN INFLUENCING POLICY MAKERS TO INCORPORATE STEPS TO MEET THE RISING DEMANDS OF INCLUSIVITY FOR ALL

SVAYAM'S ACTIVE INITIATIVES IN PROVIDING BARRIER FREE UNIVERSAL ACCESS IN PUBLIC INFRASTRUCTURE HAD GOVERNMENT AGENCIES SEEK SVAYAM'S COOPERATION IN MAKING THE PUBLIC INFRASTRUCTURE ACCESSIBLE TO PEOPLE WITH REDUCED MOBILITY.



For more details please visit www.svayam.com

BANKERS

AXIS BANK LTD.
BANK OF BARODA
BANK OF INDIA
CALYON BANK
CANARA BANK
HDFC BANK LTD.
ICICI BANK LTD.
ING VYSYA BANK LTD.
KARNATAKA BANK LTD.
PUNJAB NATIONAL BANK
STANDARD CHARTERED BANK
STATE BANK OF INDIA
STATE BANK OF MYSORE
STATE BANK OF PATIALA
STATE BANK OF TRAVANCORE
SYNDICATE BANK
UNITED BANK OF INDIA

COMPANY SECRETARY

SUNIL JAIN

AUDITORS

STATUTORY AUDITORS

M/S N.C.AGGARWAL & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

INTERNAL AUDITORS

AXIS RISK CONSULTING SERVICES PVT. LTD.
HABITAT INDIA
C 3 QUTAB INSTITUTIONAL AREA, TOWER I,
NEW DELHI

ASP & CO. CHARTERED ACCOUNTANTS

SUITE-13 A, GOBIND MANSION, INDRA PLACE,
H-BLOCK, CONNAUGHT PLACE, NEW DELHI -110 001

ADDRESS

REGD. OFFICE

A1 UPSIDC INDUSTRIAL AREA,
NANDGAON ROAD , KOSI KALAN
DISTRICT MATHURA,
281403 (U.P.)

CORPORATE OFFICE

JINDAL CENTRE,
12 BHIKAIJI CAMA PLACE,
NEW DELHI - 110066

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VICE CHAIRMAN'S MESSAGE



A PIPELINE OF GROWTH

Dear Shareholders

There is never a dull moment in the business cycle nor any moment that passes by without having to making critical decisions that affect not merely the promoters but each one of us in this extended family of shareholders. Continuous substantial top line improvements have reiterated the fact that when vision combines with earnest venture success is inevitable.

We took note of and acted decisively on what our shareholders and stakeholders wanted us to do. We were able to enhance value for our shareholders, make inroads into global markets, strengthen our products, and leverage on our core capabilities and brand name to stay ahead. With a view to stay focused on the domestic front we divested our economic interest in US. Exports will continue to be our major thrust area.

Continuing to adapt, find alternative strategies, like cost cutting on the domestic front by way of debottlenecking, coming up with premium products of international class, renegotiating with overseas clients to maintain cost effectiveness Jindal Saw is confident of taking and maintaining its lead. We must remain nimble and focused and continue to build on our competitive strengths to produce quality products and grow earnings, exploring fresh ideas, breaking new grounds to give those who believe in us better value for money.

Today Jindal SAW is exploring business opportunities in the promising niche infrastructure sector like Water Management, Waste to Power generation and the logistics field like the Water borne Cargo shipment and Rail Infrastructure.

Steadfast adherence to fundamentals and ceaseless pursuance for higher capacities has ensured an enviable market leader position that Jindal SAW continues to enjoy globally. Helped by outstanding corporate performance the economy now inspires global confidence, which the organization has the requisite capacity to encash. Jindal SAW reiterates our commitment as promoters wherever required we will invest equity as per prevailing laws.

I would like to contribute Jindal SAW's run with success to the collective efforts of the employees who continue to excel at all levels. It is because of their unstinting support and exceptional talent that we have been able to maintain our competitive edge. My deep admiration also goes to our business associates, management and the clients for their strong support and contribution.

We enter the new financial year with renewed confidence, energized by our synergy and are raring to tap the new business opportunities in the face of changing market dynamics in the coming months.

Jindal SAW would like to express its continued support and appreciation for all the path breaking work undertaken by Svayam – an initiative of SJ charitable Trust to ensure inclusive accessibility for people with reduced mobility.

Achieving ever higher accountable performance we stand committed to exemplary responsibility towards our investors and recast the bars for others to benchmark, scale and in turn help the market surge forward.

Together we shall scale newer mileposts through skilled and triumphant navigation.

Jai Hind

CONTINUING TO LEAVE AN INDELIBLE MARK IN THE FIELD OF GLOBAL INFRASTRUCTURE DEVELOPMENT



COMPANY PROFILE

BACKGROUND

Jindal Saw Limited ("JSL" or "the Company"), a part of US\$ 10bn O.P Jindal Group, is the largest pipe manufacturing company in India. The company has diversified from a single product company to a multi-product company, manufacturing large diameter Submerged Arc Welded pipes, Spiral pipes and bends for energy transportation sector. Today JSL's product portfolio is diversified across end user segments like energy transportation, industrial application, and water and sewerage transportation. The company has integrated facilities at multiple locations in India. It is the only company in India that offers total pipe solutions

COMPANY'S OPERATIONS

JSL's operations are highly structured with three Strategic Business Units: Large Diameter Pipes i.e Submerged Arc Welded (SAW) pipes, Seamless Tubes & Pipes and Ductile Iron (DI) Pipes. Every SBU has its own dedicated sales and marketing targets and operations. Besides these, JSL also provides various value added products like pipe coatings, bends and connector castings to its clients.

Submerged Arc Welded (SAW) pipes

SAW pipes are primarily used in oil and gas transportation. When they are manufactured from plates they are known as Longitudinal SAW or LSAW, and are used in high pressure oil and gas transportation. When they are manufactured from hot rolled coil, they are known as Helical SAW or HSAW, and are used in low pressure oil and gas transportation. LSAW pipes are generally more expensive than HSAW pipes as the raw material, steel plates, is more expensive than hot rolled coils.

The company is in the business of making large diameter saw pipes (Lsaw and Hsaw) using the both the UOE and the JCO processes. Saw pipes are extensively used in the energy sector for cross-country transportation of oil and gas. Demand for Lsaw and Hsaw pipes is driven by oil & natural gas exploration and the transportation segment. Lsaw i.e. longitudinal submerged arc welded pipes, vary from 16" OD to 56" OD and up to 38mm thickness whereas Hsaw i.e. helical submerged arc welded pipes, vary from 20" to 108" OD and up to 18mm thick. The company has three facilities; one in Kosi Kalan (Uttar Pradesh) and two in Mundra (Gujarat). The combined name plate capacity of these facilities is 950,000 tonne. The company is expanding the capacity by adding one more L Saw plant in Mundra (Gujarat) for 200,000 tonne and two H Saw plants aggregating to 350,000 tonne in Mundra (Gujarat) and Bellary (Karnataka). All these new capacities are likely to commence operations in financial year 2007-08. The total combined capacity after expansions will become 1.50 million tonne.

JSL is the most experienced longitudinally line pipe manufacturer in South Asia after Japan. The company's

products have found wide acceptance in the markets of Middle East, Gulf, South East Asia and Africa, as it has a track record of manufacturing and supplying over 12,000 Kms of Line Pipes, out of which over 6,500 Kms of Line Pipes were exported to all major oil and gas sector companies.

Ductile Iron (DI) Pipes

Ductile pipes are primarily used in water and sewage transportation and are manufactured from pig iron. DI or Spun pipes market services the fastest growing water and waste transportation segment. The main buyers of these products are government bodies and state municipal corporations that require to install them for their various public water supply and sewage schemes. Fast growing & rising population in country has resulted an increase in demand for safe water. This in turn has increased the demand for transporting good quality water from potential sources to distant cities without contaminating it Hence the demand of DI Pipes.

The Integrated greenfield project of Ductile Iron pipe and pig iron unit is located at Samaghogha in Mundra, close to the Mundra and Kandla ports. This facility includes a coke oven battery plant (installed capacity: 200,000 ton/annum); a blast furnace (installed capacity: 250,000 ton/annum) and a DI facility (installed capacity: 200,000 ton/annum). The company has also set up a sinter plant at Samaghogha to enable usage of iron ore fines instead of lumps.

DI pipes manufactured by the company vary in diameter from 80mm-1,000mm, the standard length being 5.5 meters and 6 meters. The product conforms to both Indian Standard ISO 8329 and International Standard ISO 9001, which enables the company to cater to the Indian and global markets.

Seamless Tubes & Pipes

Seamless pipes are primarily used in oil and gas exploration, and also used in boilers and autos. In oil and gas drilling they are part of the Oil and Country Tubular Goods or OCTG. As part of OCTG, the quality required differs depending on the depth of the field being explored. Seamless pipes are manufactured from steel billets. Globally seamless pipe is a more consolidated industry.

This unit produces tubes & pipes from various grades of stainless steel, carbon steel and alloy steel. Hot finished carbon and alloy steel seamless tubes & pipes vary in diameter from 44.5mm-168.3mm, the wall thickness ranging from 3.5mm-168.3mm. The cold finished stainless steel seamless tubes & pipes vary in diameter from 6mm-73mm, the wall thickness ranging from 0.6mm-6.0mm. OCTG product casings vary in OD from 4.5" to 6.0" while OCTG pipes vary in diameter from 2.0" to 4.5".

With a nameplate capacity of 100,000 tonnes, Seamless pipes & tubes are made at Nashik in Maharashtra. Carbon, alloy and stainless steel seamless tubes, manufactured by the conical piercing process are extensively used in Oil

COMPANY PROFILE

refineries, Petrochemicals, Power, Heat transfer equipment, metallurgical and refrigeration sector, oil country tubular goods (OCTG), Boiler, automotive, instrumentation and general engineering applications. In view of the growing international demand, this SBU seeks to horizontally integrate the company's tubular product line into a full range of such products to cater overseas market.

Divestment of equity Stake in USA affiliates

The company, in November 2007, has divested its entire equity stakes in the USA affiliates. Major part of the funds of sales proceeds have been received by the company by December 2007. Company's Indian operations will pursue the marketing and sale of Hsaw pipes and Seamless Tubes in North American market.

Projects under Implementation

During 2006-07, the company has successfully completed/ commissioned Sinter Plant, de-bottlenecking of the DI pipe facility for increase in pipe production. Slag Granulation plant is also put to trial use. Following initiatives are under implementation:

- a) Waste heat recovery based Captive Power Plant of 15 MW to utilize coke oven gases at Mundra, Gujarat.
- b) Installation of PQF mill in Seamless plant at Nashik. This is being designed and supplied by SMS Germany. In addition, finishing facilities are being added in API grade tubes to match the additional output coming from the mill. The same will not only increase the seamless tubes manufacturing capacity from 1,00,000 MTPA to app. 2,50,000 MTPA but will also improve the efficiency in the operations.
- c) L Saw plant with a nameplate capacity of 200,000 tones at Mundra, Gujarat
- d) H Saw plant of 200,000 tonnes at Mundra, Gujarat and 150,000 tonnes at Bellary, Karnataka.

- e) Housing colony for staff at Mundra, Gujarat

By deploying various strategies and by enhancing the production capacity of L Saw, H Saw and Seamless divisions, the Company is expected to see its margins expanding, going forward.

Company' Strategy

As a part of consolidation and value enhancement, the company would remain as a focused and preferred "Total Pipe Solution" provider. However, the company would explore possibilities for making investment in new high growth infrastructure frontiers.

The company has vision to:

- a) Increase the production for all of its products
- b) Increase its presence in India as well as in global markets
- c) Retain and add more customers for all products
- d) Improve operating efficiencies, margins, profitability and shareholders wealth.

The company has consolidated itself by divesting its minority stake in USA affiliates. This would also enable the company to focus more on domestic facility and look for more profitable opportunities.

Quality Management

The Company continues to take quality improvement steps and strengthen the quality systems, process and procedures at all manufacturing locations. The Company was the first in the country to get the API and ISO certifications. Today, the Company has API, ISO 9001:2000, ISO 14001:2004, OHSAS 18001:1999 certifications. This also enables the Company to market its product globally.

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the 23rd Annual Report and Audited Statement of Accounts of the Company for the year ended 31st December, 2007 comprising of 15 months period from October 1, 2006 to December 31, 2007.

1. FINANCIAL RESULTS

PARTICULARS	Current Year Ended 31st Dec., 2007 (15 Months) (Rs in Lacs)	Previous Year Ended 30th Sept., 2006 (Rs in Lacs)
Gross Sales & Income from Operations	701,712.53	406,148.95
Profit before Interest and Depreciation	82,193.95	42,770.89
Less:		
- Interest	17,266.21	11,246.96
- Depreciation	7,217.28	5,190.13
Profit before tax	57,710.46	26,333.80
Provision for Tax	16,450.30	8,713.71
Extraordinary Income - Profit from sale of shares of US Subsidiary Company (Net of tax expenses of Rs 13,033 lacs)	46,378.01	-
Net profit after tax including Extra-ordinary Income	87,638.17	17,620.09
Net profit after tax excluding Extra-ordinary Income	41,260.16	17,620.09
Debt Redemption Reserve Written Bank	-	500.00
Add: Balance brought forward from previous Year	29,604.87	18,607.24
Total amount available for appropriation	117,243.04	36,727.33
Less : Appropriations :		
(a) Debt Redemption Reserve	937.50	937.50
(b) Transfer to General Reserve	70,000.00	2,500.00
(c) Interim Dividend on Preference shares paid	785.00	763.49
(d) Dividend Paid	-	50.00
(e) Corporate Tax on above	122.23	107.08
(f) Proposed dividend on Preference Shares	219.37	-
(g) Proposed dividend on Equity Shares	3,257.63	2,418.22
(h) Corporate Tax on dividends	590.92	346.17
Balance carried to Balance Sheet	41,330.39	29,604.87

2. REVIEW OF OPERATIONS

For the year ended December 31, 2007, gross turnover increased by 38% to Rs 701,712.53 lacs against Rs 406,148.95 lacs for 12 months accounting year ended September 30, 2006. The profit after tax also increased by 87 % to Rs 41,260.16 lacs from Rs 17,620.09 lacs in the above period. In 2006-07, pipe sale, in quantity terms, also increased by app.53%.

In order to increase focus on the Indian operations and to bring more financial discipline in the system, the Company, in November 2007, divested its entire equity stakes in the USA Subsidiary. Your Company realized gain of Rs.46,378.01 lacs (Net of tax of Rs 13,033 lacs) from such divestment. The funds so received are being utilized for creation / addition of manufacturing facilities in India and also for improvement of financials of the company.

3. DIVIDEND

This year, your Directors have recommended a dividend of Rupees 6.25 per equity share of Rs. 10/- (Previous year Rs.5/- per share) for the year ended 31st December, 2007 comprising of 15 months period from October 31, 2006 to December 31, 2007.

The Board's recommendation for a stable and steady dividend is linked to Company's long term requirements of funds for meeting the working capital needs, capital expenditures for its growth plans & modernization and to finance such plans by retaining the profits.

4. SHARE CAPITAL

During the year 24,12,542 equity shares of Rs. 10/- were allotted to the companies belonging to Promoter Group on conversion of warrants issued to them on preferential basis.

DIRECTORS' REPORT

During the year under review, 6250 FCCBs were converted into equity shares at initial conversion price of Rs. 675/- per equity share of Rs. 10/-. 84650 FCCBs were outstanding as on 31st December, 2007. If these outstanding FCCBs are converted, new 4950943 equity shares would be further allotted.

5. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

A separate report on Management Discussion and Analysis relating to business and economic environment surrounding your Company is enclosed as a part of the Annual Report. Another report provides information / status on the Corporate Governance.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed by the Board of Directors:-

- a. that in the preparation of the annual accounts for the financial year ended 31st December, 2007, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- c. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors had prepared the accounts for the financial year ended 31st December, 2007 on a 'going concern' basis.

7. DIRECTORS

Shri P.R. Jindal and Shri Devi Dayal retire by rotation and, being eligible, offer themselves for re-appointment.

The Board of Directors in their meeting held on 28th April, 2007 appointed Shri Indresh Batra as Additional Director of the Company and elevated to the post of Managing Director for a period of 5 years. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from one of its member expressing his intention to propose the candidature of Shri Indresh Batra to the office of the Directors of the Company.

The Board in its meeting held on 31st July, 2007 re-appointed Shri H. S. Chaudhary as Whole-time Director for a further period of 2 years from 1st February, 2007.

8. AUDITORS & THEIR REPORT

M/s N.C. Aggarwal & Co., Chartered Accountants, Auditors of the Company retire at the end of ensuing Annual General Meeting, and, being eligible, offer themselves for re-appointment.

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

9. COST AUDIT

Pursuant to Section 233 B of the Companies Act, 1956 and as per the order of the Central Government, the Company carries out audit of Cost Accounts relating to Steel Tubes and Pipes every year. The Board, subject to the approval of Central Government, has appointed Mr. S.N. Balasubramanian, Cost Accountant, to audit the Cost Accounts relating to manufacture of steel tubes and pipes for the year ended 31st December, 2007.

10. PUBLIC DEPOSITS

The Company had repaid the deposits matured during the year except unclaimed deposits aggregating Rs. 93.08 lakhs at the end of the year.

11. PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.

Information in accordance with the provision of Section 217(1)(e) of 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 are given in the statement annexed hereto.

12. SUBSIDIARY COMPANIES

The Company had 5 subsidiary companies as on 31st December, 2007. The members may refer to the Statement under Section 212 of the Companies Act, 1956 and the information on financial of subsidiaries appended to the above Statement in this Annual Report for the further information on these subsidiaries. The Ministry of Corporate Affairs vide its letter No. 47/34/2008-CL-III dated 18.2.2008 granted the approval to the Company for not attaching the Annual Reports of the subsidiary companies with the Annual Report of the Company for the financial year ended 31st December, 2007.

The members, if they desire, may write to Company Secretary at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi – 110 066 to obtain the copy of the Annual Report of the subsidiary companies.

DIRECTORS' REPORT

13. PERSONNEL

The industrial relations remained cordial throughout the year. As required by the provision of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in Annexure to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and the Accounts are being sent to all Members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at Jindal Centre, 12 Bhikaiji Cama Place, New Delhi -110066.

Place: New Delhi
Date: 26th February, 2008

14. ACKNOWLEDGMENT

Your Directors express their grateful appreciation to concerned Departments of Central / State Governments, Financial Institutions & Bankers, Customers and Vendors for their continued assistance and co-operation. The Directors also wish to place on record their deep sense of appreciation for the committed services of the employees at all levels. We are also grateful for the confidence and faith that you have reposed in the Company as its member.

For and on behalf of the Board

P. R. JINDAL
Vice Chairman

SMINU JINDAL
Managing Director

DIRECTORS' REPORT

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 1

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) New Energy efficient heat-treatment furnace has been installed in cold mill at a cost of Rs.4.50 Crores.
- ii) Timer switches have been installed in the lighting arrangements to reduce energy consumption
- iii) In Hot Mill blowers, instead of continuous running of two 110 KW Motors, two 55 kw motors have been placed and temperature based chillers would be on as and when required by the system.
- iv) New Rotary Hearth Furnace is under commissioning at a cost of Rs.14 crores this will reduce oil consumption from present 80 Liters per tones to 50 liters per tones.
- v) Installation of High efficient power distribution systems in captive power plant which will provide the flexibility to run DG sets only at peak loads resulting the same in optimum utilization of power.
- vi) Installation of Air Separation Unit through which nitrogen gas will replace compressed air, being used for all dust collection systems, resulting in the stoppage of usage of compressors.

- vii) Installation of Dry Gas Cleaning Plant in B/F section, to replace cooling towers, clarifiers, gearboxes and recirculating pumps, resulting in to low power consumption.
- viii) Implementation of procurement of higher efficiency motors.
- ix) Commissioning of Variable Drives process Fans.

(b) ADDITIONAL INVESTMENT AND PROPOSAL FOR REDUCTION OF CONSUMPTION OF ENERGY :

- i) Installation of capacitors banks in 11 KV GEB line for improving the power factor.
- ii) Energy Data monitoring for each section of plant by installation of Energy Meters in entire plant.
- iii) Implementation of procurement of higher efficiency Station transformers.

(c) IMPACT OF ABOVE MEASURES :

The impact of above measures taken will result in lower energy consumption per ton of production.

FORM " A "

Form for disclosure of particulars with respect to Conservation of Energy

POWER & FUEL CONSUMPTION

	2006 - 2007	2005-2006
(I) Electricity :		
Purchased Units	107,223,817	38,612,336
Total Amount (Rs.)	524,302,551.00	169,966,619
Rate Per Unit (Rs.)	4.89	4.40
(II) Own Generation Through D.G. Set		
Generated Units	82,398,361	70,968,759
Unit per Litre of Oil	3.26	3.35
Cost Per Unit (Rs.)	8.78	7.32
CONSUMPTION PER UNIT OF PRODUCTION		
Production : SAW Pipes, Seamless, Ductile Iron Pipes, Electricity for		
(i) Manufacturer of Iron & Steel Pipes/ Products Per MT	204.42	143.45

DIRECTORS' REPORT

FORM " B "

Form of disclosure of particulars with respect to technology Absorption for 2006-2007

1. Specific areas in which Research & Development carried out by the company.
Installation of Dry Gas Cleaning Plant in B/F section, to replace cooling towers, clarifiers, gearboxes and recirculating pumps, resulting in to low power consumption.
2. Benefits Derived
Saving in cost of power, environmental cleanliness.
3. Failure Plan of Action -
(a) Target has been set to improve the yield by 2%
(b) To install timer for plant and street lightings in upcoming colony.
4. Expenditure of R & D
Development & improvement of products is an inbuilt and ongoing activity within existing manufacturing facilities. Expenditure incurred on R&D during the year under report has not been specifically apportioned.

5. Foreign Exchange

	(Rs in Lacs)	
	2006 - 2007	2005-2006
(a) Earnings	230,724.91	96,369.51
(b) Outgo	261,124.85	101,830.09

For and on behalf of the Board

Place: New Delhi
Date: 26th February, 2008

P. R. JINDAL
Vice Chairman

SMINU JINDAL
Managing Director

MANAGEMENT DISCUSSIONS AND ANALYSIS

Booming economy to boost pipe demand

Globally, the role of infrastructure in economic development can hardly be over emphasized. Majority of the advanced economies in the world developed their infrastructure first. Closer home, the South-East Asian countries & China have done the same thing. Good infrastructure is not something that flows out of economic progress, but rather something that comes before it.

From roads and railways to ports and airports, and from power plants to hydrocarbon infrastructure, India lacks significantly in terms of infrastructure availability. The catching up, which has just begun, will go on for years to come and is set to drive India Inc's future growth. India is set to emerge as one of the world's largest economies. This is not achievable unless infrastructure improves, and the process has already begun evidenced through a sustained GDP growth of around 8 percent over last few years. However, increased economic activities have led to higher demand of energy resources.

Demand for steel pipes is expected to be higher in the medium term on account of increased exploration activities and thrust on setting up infrastructure to transport oil and gas. In India, rapid economic growth faces an urgent need to develop and improve water supply, which would also increase demand for SAW pipes. Depleting oil reserves have led to increased exploration efforts, resulting in more wells in the exploratory rig. Demand for seamless pipes is directly proportional to the increase in digging of wells which is also expected to remain high.

India is expected to see a spurt in construction of pipeline infrastructure as the country's spending on exploration and production (E&P) and gas related pipeline capex increases. It is expected that water and irrigation offer a very strong business opportunity in India, which will benefit Indian HSAW, ERW and DI pipe manufacturers, in addition to the opportunity from the energy sector.

Submerged Arc Welded Pipes

Natural gas is now seen as an emerging fuel - it has been the fastest growing source of energy over the last 25 years. The Energy Information Administration (EIA) forecasts natural gas to form 24% of total energy usage by 2030, with the share of oil falling to 34%. Increased use of natural gas would require building the infrastructure needed to transport the gas from the point of production/import to end users. This would mean construction of more large diameter pipelines, benefiting SAW pipe manufacturers. Also, the inter-regional gas trade is expected to be robust. According to EIA forecasts, the inter-regional gas trade will expand faster than output, and the main gas-consuming regions will become increasingly dependent on imports. Global supply of SAW pipes is likely to remain tight in coming couple of years. India is set to benefit from the supply demand imbalance.

As per CRU Analysis 2007 report (The Five-Year Outlook for API Pipe Steel), demand for line pipe products to remain

strong in the coming years due to strong demand in energy consumption. The report expects that the market will continue to grow going forward, reaching 24m tonnes in 2011, from 21m tonnes in 2007. Much of the growth in line pipe will come from growth in large diameter pipes. Given the increase in production and exploration of natural gas, pipelines above 20" in diameter will see an increasing share of the total line pipe market, as demand for LSAW and spiral welded pipes outstrips growth for small diameter pipes. The increasing number of pipeline projects constructed to transport natural gas will see increased growth for LSAW line pipe over spiral weld line pipe.

On a regional basis, Asia currently accounts for the majority of world line pipe consumption at around 30%, followed by North America at 11%, and Europe at 9%. However, looking forward, CRU 2007 report expects to see the Middle East and the CIS increasing their shares of world consumption. Report currently estimate that the Middle East accounts for approximately 13% of total world line pipe demand, and expect its share to increase to 15% by 2011. Likewise, it expects the CIS to increase its share of consumption from 13% in 2006 to around 15% in 2011.

As per CRU Report 2007, over the forecast period to 2011, investment in crude oil pipelines will remain a major component of overall pipeline construction, alongside the growing component of gas pipeline investment. Based on recent years' pipeline investment patterns, this suggests that a substantial share of line pipe consumption will be in the 20"-30" diameter range, for crude oil transportation. This would support demand for both LSAW and spiral-welded pipe and - below 25" - some ERW and seamless line pipe orders also. Overall, however, large-diameter pipe appears to offer the best volume prospects over the medium term. Of the four main competing types of line pipe, suppliers of plate-based LSAW pipe may be the best placed to take fullest advantage of current project demand trends.

Seamless Pipes

Increase in oil and gas usage is putting pressure on energy companies to search for newer reserves onshore and offshore. With oil prices sustaining long-term highs, increase in profits has also translated into higher capex budgets for exploration. A leading indicator of exploration is the rig count published by Baker Hughes, which shows rig counts at multi-year highs. A higher exploration activity does not translate into demand for SAW pipes but is expected to increase demand seamless pipes which are part of the Oil Country Tubular Goods (OCTG) segment. As per estimates of Tenaris, global consumption of OCTG (Oil Country Tubular Goods) is pegged at 11 million tonnes out of which seamless pipes constitute the major chunk of 70%.

On a regional basis, North America is currently the largest consumer of OCTG, accounting for an estimated 48% of total world consumption in 2006. After North America, the next largest consuming region is Asia, where consumption in 2006 is estimated at 18% of total world consumption. CRU Report

MANAGEMENT DISCUSSIONS AND ANALYSIS

2007 regional forecast does foresee some change, notably in North America, the Middle East and the CIS. Its forecast suggests that the proportion of global OCTG consumption accounted for by North America will fall from 48% in 2006 to 45% in 2011. Although it expects Europe's proportion of global consumption to remain relatively stable over the same period, the region is expected to see an absolute decline as oil production from the North Sea falls. The CRU report expect to see the share of world consumption of OCTG products to increase in the Middle East and the CIS by around 2% by 2011 as oil production from these regions increases, particularly in the Middle East.

Ductile Iron Pipes - for water a big domestic market opportunity

Water and irrigation is a potentially limitless opportunity in India. Low levels of water availability, dependence on rainfall for agriculture, urban growth throws up investment opportunities in this space. The government is also turning its focus on creation of urban and rural infrastructure (including water resources and sewage management), and has increased budgetary allocation for the same. In these efforts, international development finance institutions such as the World Bank and the Asian Development Bank are extending monetary support to the government. The World Bank plans a large increase in lending for water-related sectors (including water resources management, irrigation, hydro power, and water supply and sanitation), with aggregate lending for these sectors set to rise from US\$200 million to US\$800 million a year. The Indian government has also launched major schemes, such as accelerated irrigation benefit plan, and has outlined plans in urban development to take care of the water scarcity. Private participation in the water transportation segment has also provided a fillip to infrastructure spend. Various business models have emerged, which have made private sector participation viable. This includes the subsidy/concession model, wherein a private player is allowed to create and run the infrastructure with the shortfall being met by the government. A numbers of projects, which are viable without any concessions from the government, are witnessing private investments. Another model emerging is that for captive clients. This has generated a strong demand for DI pipes that are increasingly being used for water and sewage transportation.

Opportunities and Threats to the Sector/ Industry

Opportunities

Submerged Arc Welded Pipes (SAW Pipes)

Rising crude prices and the depletion of global crude reserves has lead to massive investments in creating oil & gas transportation infrastructure. This has stimulated a huge demand for submerged arc welded (SAW) pipes and seamless pipes, which are used in oil & gas exploration. USA, Middle East and the domestic market would be key volume drivers for Indian pipe manufacturers. The three geographies account for over 40% of the total global demand of SAW pipes. Indian pipe companies are expected to corner around

20% of total demand which is a big opportunity to the Indian pipe makers.

According to Simdex (May 2007 update) besides worldwide projects about 90 projects for 81736 kms are being planned in Asia. India is considered to have low penetration of the pipelines of about 15,000 km. According to an estimate by CRIS INFAC, project for 23,643 km of pipes lines have been planned till 2010. Such expansion in the pipe lines both by Public as well as private sector companies would generate sizable demand for the entire segment that comprises pipe manufacturing.

Seamless Pipes

Depleting oil reserves have led to increased exploration efforts, resulting in more exploratory wells. Demand for seamless pipes is directly proportional to the increase in digging of wells. Additional demand for about 35 million tonne of seamless pipes is expected to emerge in the next 5 years.

Water Pipes

Water resource management is another major area where huge demand is likely to kick in. Rapid economic growth in India has thrown up an urgent need to develop and improve water supply systems in urban areas. Water resources management has been one of the major focus areas of the government in the last few budgets.

Threats/ Risks to Industry

Following are major threats/ risks which may be faced by the Indian Pipe Industry:

- **Slowdown in energy capex :** A negative outlook on oil and gas prices could potentially slowdown the order flow for the SAW Pipe Industry. In the event of a global economic slowdown, energy prices would come down, possibly slowing down the capex programs. This is particularly relevant for the North American market, where energy capex is driven by the private sector, which is more sensitive to energy prices and more important the near-medium- term outlook. The spending in the Middle East, China and the CIS will be driven by national companies and therefore the capex programs are less sensitive to energy prices and their short-term outlook.
- **Raw material availability :** Given that plate prices have more than doubled in the last four years due to increased demand and a lack of significant capacity additions, a shortage of plates/ raw material could affect the industry.
- **Overcapacity resulting in pressure in Margins :** Further, Capacity expansion by players worldwide, or by new entrants, may put pressure on realizations.
- **Increased global Competition :** Global Competition especially in seamless and ductile iron (DI) pipes, though at an early stage, could pose problems for Indian pipe manufacturers in the medium to long term.

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- **Sharp increase in freight rates :** Freight costs are approximately 5-7% of the SAW pipes operating costs. A sharp increase in freight costs can affect the profitability if the charter agreements have not been entered to hedge the ocean freights.

OUTLOOK- Jindal Saw Limited

Your Company follows a multi-product approach to pipes - offering a full product portfolio of LSAW (longitudinal submerged arc welded), HSAW (helical submerged arc welded), seamless, DI pipes, anti-corrosion coatings, connector casings and Hot reduction Bends. Its product portfolio allows it to comfortably straddle between value-driven products (DI and seamless pipes, which are high-margin segments) and volume-driven ones (SAW pipe business).

Besides LSAW and HSAW, it is increasing its focus on the water infrastructure sector in India. Your company is currently one of the very few pipe manufacturers capable of offering a complete pipe solution to the water sector (ie, spiral pipes, ductile pipes and accessories). The DI pipe business gives your company an opportunity to take advantage of the strong domestic capital expenditure cycle seen in the water transportation segment in India. A combination of increasing government focus to build water infrastructure and rising support from multilateral agencies (such as the World Bank and the Asian Development Bank) is likely to result in a strong demand for the DI pipes. Your company is implementing capacity expansion in all the three key segments with expectation and targets for overall margin expansions.

Your company has firmly established itself as a creditable supplier in the international market. This is further reflected in the large and reputable client accreditations that the company has been able to garner in the past few years. The current order book stands exceeds US\$1bn which includes export orders of more than 65%.

In the domestic market, your company has bagged the prestigious and unique project from Cairn Energy India Pty. Ltd. (Cairn) involving supply of LSAW line pipes for worlds' longest underground pre-insulated heat traced pipeline. The order value exceeding USD 200 million is for supply of line pipes, Tracer Tube, Insulation and Bends for Barmer Salaya Pipe Line (BSPL) project of Cairn.

Your Company divested its economic interest in USA subsidiary in the financial year ended December 2007. The consideration allow your company to pursue its expansion and debottlenecking plans and making other investments to yield better margins/ returns in USA subsidiary.

Risk Factors - Jindal Saw Limited

The key risks are:

- Company's inability to win large orders from non-US regions. However, currently also your company has an order book in excess of USD one billion. Your company has secured orders of more than USD 450 million from December 2007- February 2008. Your company keeps participating in various tenders and also develops new customers and territories.
- Delay in ramp up capacity expansions in all the three segments. However this remains a general risk to the entire sector. In the past, your company has demonstrated timely execution of projects.
- A rapid decline in oil and gas prices would mean a slowdown in spending by energy companies and a reduction in the order flow. However, the diversified product portfolio of your company insulates it from these uncertainties.
- Increased competition in the seamless/ductile segments from other players. Your company believes that competition is healthy for the industry. Your company is investing in technology and quality improvement which enables it to get better productivity and profitability and allows to compete globally.

MANAGEMENT DISCUSSIONS AND ANALYSIS

FINANCIAL AND PRODUCT WISE PERFORMANCE

Your Company reports record performance with gross sale growing by 38% and profit after tax rising by 87% on pro-rata basis during the 15 months year ended Dec. 31, 2007. This demonstrates your company's focus in improvement in overall profitability.

The financial results for the period ended December 31, 2007 demonstrate the strength of your Company in the "Pipe Sector" it operates. A snap shot of the financial performance and sales mix is given below:

Accounting year ended (Rs in Lacs)

Particulars	31.12.2007 (15 Months)	30.09.2006 (12 months)	Change (%)
Gross Sales & Income from operations	701,712.53	406,148.95	38%
Profit before Interest and Depreciation	82,193.95	42,770.89	54%
- Finance Expenses	17,266.21	11,246.96	23%
- Depreciation	7,217.28	5,190.13	11%
Profit before Tax	57,710.46	26,333.80	75%
Provision for Tax	16,450.30	8,713.71	51%
Extraordinary Income - Profit from sale of shares of US Subsidiary Company (Net of tax expenses of Rs. 13033 Lacs)	46,378.01	-	
Net profit after tax including Extra-ordinary Income	87,638.17	17620.09	
Net operating profit after tax excluding Extra-ordinary Income	41,260.16	17620.09	87%

Major highlights are as under:

Company's Sales mix:

Product	Turnover (Rupees in lacs)		Growth (%) on Pro-rata basis
	2006-07 (15 months)	2005-06 (12 months)	
Iron & Steel Pipes	536,898.72	280,768.78	53%
Steel Plates/& Coils	94,606.37	78,440.76	(4%)
Pig Iron	19,733.87	17,111.87	(8%)
Others	19,266.82	10,989.61	40%

Iron & Steel pipes includes sale of L SAW pipes, H SAW Pipes, DI Pipes and Seamless Tubes. The above table also demonstrates the overall growth in terms of quantity and value.

Other Financial Matters:

a) Share Capital

The equity share capital of the Company increased from Rs 4836.47 lacs as at September 30, 2006 to Rs 5114.28 lac as at December 31, 2007 due to conversion of equity 24,12,542 share warrants to Promoters at Rs 483/- per equity share and also conversion of 6250 Foreign Currency Convertible Bonds (FFCB) in 3,65,543 equity shares.

b) Loan Funds

During the accounting year 2006-07, your company has not added any additional long term borrowing. However,

the Foreign Currency loan of USD 40 million raised in 2004-05 at an interest of USD 3 months Libor + 190 basis points was refinanced during the accounting year 2006-07 at an interest cost of USD 3 months Libor + 0.75 basis points.

During the accounting year 2005-06 your company had issued JPY 9,090,000,000 (0.75%) Foreign Currency Convertible Bonds (FCCB) aggregating to JPY 9090 Million (app. USD 80 million) at a YTM of 4% p.a.. As on December 31, 2007, 6250 bonds were converted in 3,65,543 equity shares of Rs 10/- each.

Internal Control and Their Adequacy

Your Company has adequate internal audit and control systems to ensure that all transactions are authorized, recorded and reported correctly. The internal control systems consist of regular operative performance evaluation and

MANAGEMENT DISCUSSIONS AND ANALYSIS

devising corrective measures thereof and comprehensive internal and external audits. The Company has created a panel of various reputed Chartered Accountant Firms and started taking their services for internal audit of its Strategic Business Units (SBUs) in order to strengthen the Internal Auditing systems. These firms independently evaluate the adequacy of internal controls and audit majority of the transactions in value terms. The direct reporting of the internal auditors to the Audit Committee of the Board ensures independence of the audit and compliance function.

Your Company has been accredited with various certifications including American Petroleum Institute (API), ISO 9001:2000, ISO 14001 and ISO 18001 in the field of quality control, environmental management and occupational health and safety system management. These certifications ensure due compliance to well-documented procedures and systems and continuous improvement thereon for their continuous validity.

Material Developments in Human resources/ Industrial Relations

Over the years the organization has put in place practices around Quality Sourcing, Performance Management and Capability Enhancement amongst others. Efforts are continuously being made to strengthen these practices to ingrain them with the organization ethos.

The Organization continues to regularly review people policies and implement need based revisions. The Performance Management Process continues to get focus in building meritocracy. Towards capability enhancement for the current and the future, the concept of Talent Enhancement Cell has been introduced, besides ongoing technical, functional and behavioral training. Job enlargement, rotations continue to improve employees' capabilities.

In building the organization, infusion of lateral talent continues apart from the strengthening the internal Career

Planning Process. Employee engagement and sustaining of an energized work environment remains a key focus. Recognition and rewards, work life balance through sports, cultural recreational avenues continue to build a sense of ownership.

Towards employee welfare & health, housing facilities have been augmented. Medical facilities & dispensary with doctors provide medical aid to all employees, besides regular health check ups/ camps. The Organization has empanelled itself with external hospitals/ nursing homes for specialist treatment. Employees' children education has been strengthened, with tie ups with local educational institutes and through managing of our schools at Units.

Jaishila – A bimonthly newsletter is a vehicle, with the intent to keep employees informed about unit performance, activities, areas of importance & challenges. Community development initiatives are a conscious effort at all Units. Medical camps and facilities, neighboring village infrastructure development and other initiatives have been taken as part of a social responsibility.

Cordial industrial relations prevailed with the co-operation and belief amongst all employees.

The management places on record the contribution of employees during the year and their wholehearted cooperation in achieving the higher operational targets.

Cautionary Statement

Some of the statements in this Management Discussions and Analysis, describing the projections, estimates and expectations may be forward looking statements within the meaning of the applicable laws and regulations. Actual results may differ substantially from those expressed or implied, important developments that could affect the Company's operations include a shift in the industry structure, significant changes in political and economic environment in India and globally, tax laws, import duties, litigations and labour relations.

CORPORATE GOVERNANCE REPORT 06-07

1. COMPANY'S PHILOSOPHY

The Company's Philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time

2. BOARD OF DIRECTORS

(i) COMPOSITION OF BOARD

The composition of Board of Directors is during the year ended December 31, 2007 is given below. Presently, there are 10 directors :-

Name of Director	Category of Director	No. of Directorships and Committee Memberships/Chairmanship in other companies		
		Directorship	Committee Membership	Committee Chairmanship
Smt. Savitri Devi Jindal <i>Chairperson</i>	Promoter - Non Executive	7	Nil	Nil
Shri P.R. Jindal <i>Vice-Chairman</i>	Promoter - Non Executive	14	Nil	1
Shri Indersh Batra <i>Managing Director*</i>	Promoter - Executive	11	Nil	Nil
Ms. Sminu Jindal <i>Managing Director</i>	Promoter - Executive	12	Nil	Nil
Shri A.J.A. Tauro	Independent - Non Executive	1	Nil	1
Shri Devi Dayal	Independent - Non Executive	1	1	Nil
Shri Kuldip Bhargava	Independent - Non Executive	1	1	Nil
Dr. S. K. Gupta	Independent - Non Executive	10	3	8
Dr. R. K. Agarwal	Independent - Non Executive	2	1	1
Shri H. S. Chaudhary <i>Whole-time Director</i>	Executive	Nil	Nil	Nil

* we.f. 28.4.2007

(ii) BOARD MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR

6 meetings of the Board of Directors were held during the year ended 31st December, 2007. These were held on 28.11.2006, 31.01.2007, 28.4.2007, 31.7.2007, 21.8.2007 and 27.10.2007. The attendance of each of the Directors including at last Annual General Meeting is as follows :-

Directors	No. of Board Meeting Attended	Attendance at the Last AGM
1. Smt. Savitri Devi Jindal	Nil	No
2. Shri P.R. Jindal	5	No
3. Shri Indresh Batra*	3	No
4. Ms. Sminu Jindal	4	No
5. Shri A.J.A. Tauro	5	No
6. Shri Devi Dayal	6	No
7. Dr. S. K. Gupta	3	No
8. Shri Kuldip Bhargava	6	Yes
9. Dr. Raj Kamal Agarwal	5	No
10. Shri H.S. Chaudhary	3	Yes

* w.e.f. 28.4.2007

(iii) DETAILS OF REMUNERATION PAID TO DIRECTORS

(a) Remuneration Paid to Non-Executive Directors

The Non-Executive Directors are paid sitting fees of Rs. 10,000/- for each meeting of the Board, Audit and Shareholders' Grievance Committee or other Committee(s) attended by them. During the year under review the Directors were paid the sitting fee as follows :-

S. No.	Name of Director	Sitting Fee (Rs.)
1.	Shri P.R. Jindal	1,30,000
2.	Shri A.J.A. Tauro	1,20,000
3.	Shri Devi Dayal	1,20,000
4.	Dr. S. K. Gupta	30,000
5.	Shri Kuldip Bhargava	1,40,000
6.	Dr. Raj Kamal Agarwal	1,40,000

CORPORATE GOVERNANCE REPORT 06-07

b) Remuneration Paid to Executive Directors

The remuneration paid to the Executive Directors during the year under review is as under :-

Name of Director	Position	Salary (Rs.)	Commission (Rs.)*
Shri Indresh Batra	Managing Director	48,14,450	36,45,000
Ms. Sminu Jindal	Managing Director	159,04,930	56,50,000
Shri H.S. Chaudhary	Whole-time Director	15,99,472	NIL

The terms of appointment of Managing Director are on contractual basis for a period of 5 years from the date of appointment. The notice period is 3 calendar months. Terms of appointment of Whole Time Director are contractual for a period of 2 years from the date of appointment. The Company has not issued any stock option.

* @ 1% on the net profits of the Company computed in the manner laid down under section 309(5) of the Companies Act, 1956, subject to a maximum of an amount equivalent to one year salary.

Audit Committee

(i) Terms of Reference

The role and terms of Audit Committee covers the area of Clause 49 of the listing agreement with stock exchanges and section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors of the Company. The minutes of the Audit Committee are taken note by the Board of Directors.

(ii) Composition

The Committee met 7 times during the year on 28.11.2006, 31.01.2007, 14.3.2007, 27.4.2007, 31.7.2007, 22.8.2007 and 26.10.2007. The attendance of the members in the meetings is as follows:-

Name of Member	Status	No. of Meeting Attended
1. Shri A.J.A. Tauro	Chairman	7
2. Shri Kuldip Bhargava	Member	7
3. Dr. Raj Kamal Agarwal	Member	7
4. Shri Devi Dayal	Member	6

Shri Sunil Jain, Company Secretary, is the Secretary of the Committee. Head of Finance & Accounts Department, Statutory Auditors, Cost Auditors and Internal Auditors attend the meetings of the Audit Committee. The Audit Committee deals with the various aspects of financial statements including quarterly, half yearly and annual results, adequacy of internal controls & internal audit functions, compliance with accountings standards and Company's financial & risk management policies, etc. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

Remuneration Committee

The Company has only three executive directors on the Board whose appointment and remuneration has been fixed by the Board and approved by the members. In view of this, no Remuneration Committee was constituted.

Shareholders/investors Grievance Committee

(i) Terms of Reference

To look at redressing of shareholders/investors complaints like transfer of shares, non-receipt of dividend warrants, etc.

(ii) Composition

The composition of Shareholders/Investor Grievance Committee is as under :-

Name of Member	Status
Shri P.R. Jindal	Chairman
Ms. Sminu Jindal	Member
Dr. Raj Kamal Agarwal	Member (w.e.f. 28.04.2007)
Shri A.J.A. Tauro	Member (upto 28.04.2007)

Mr. Sunil Jain, Company Secretary, is the compliance officer of the Company.

Two meetings of above Committee were held on 05.11.2007 and 15.12.2007.

The Board has delegated powers of approving transfer of shares to the executive directors of the Company to be ratified by the Board later in their meeting.

(iii) Shareholders' Complaint / Transfer of Shares

The details of shareholders' / investors' complaints received / disposed off during the year under review are as follows :-

No. of Shareholders' Complaints Received During The Year	No. of Complaints Not Solved	No. of Pending Complaints
11	NIL	NIL

General Body Meetings

(i) The details of annual general meetings held in last three years are as under:-

AGM	DAY	DATE	TIME	VENUE
20th	Tuesday	07.12.2004	11.30 a.m.	Regd. Office
21st	Thursday	29.12.2005	12.30 p.m.	Do
22nd	Friday	29.12.2006	1.00 p.m.	Do

(ii) No. of special resolutions passed during the last 3 AGM :-

AGM	No. of Special Resolution
20th	1
21st	NIL
22nd	NIL

CORPORATE GOVERNANCE REPORT

- (iii) No special resolution passed last year through postal ballot. At the ensuing annual general meeting, there is no resolution proposed to be passed through postal ballot.

DISCLOSURES

- (i) There were no materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Transactions with the selected parties have been disclosed in schedule No. 22 to the Accounts in the Annual Report.
- (ii) No penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. There were no instances of non-compliance by the Company.
- (iii) Though the Company has not adopted formal Whistle Blower Policy, the employees of the Company are accessible to the Sr. Management for any counseling or consultation and no personnel has been denied access to the Audit Committee.
- (iv) The Company has complied with the mandatory requirement of clause 49 of the listing agreement. The Company has not adopted non-mandatory requirement of the said clause during the year under review.

8. MEANS OF COMMUNICATION

- (i) **Quarterly Results** The quarterly results of the Company are submitted to the Stock Exchanges as well as published in the newspapers as per the requirement of clause 41 of the listing agreement. These results are also posted on EDIFAR site of SEBI and website of the Company.
- (ii) **Newspapers wherein results normally published** Business Standard / Rashtriya Sahara
- (iii) **Any website, where displayed** The results are displayed on the website of the Company, i.e., www.jindalsaw.com
- (iv) **Whether it also displays official news releases** No
- (v) **The presentation made to institutional investors or to the analyst** Nil

General Shareholder Information

- (i) **AGM: Date, time and venue**
 Date : 27th March, 2008
 Time : 12.30 p.m.
 Venue : A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura – 281 403
- (ii) **Financial Year**
 (a) First quarterly results : Before end of April, 2008
 (b) Second quarterly results : Before end of July, 2008
 (c) Third quarterly results : Before end of October, 2008
 (d) Audited yearly results for the year ended 31st December, 2008 : February/ March, 2009
 (e) Annual General Meeting for the year 31st December, 2008 : June, 2009

(iii) **Date of Book Closure:**

Tuesday, the 25th March, 2008 to Thursday, the 27th March, 2008 (Both days inclusive).

(iv) **Dividend Payment Date:**

Dividend on equity shares when sanctioned will be made payable on or after the 2nd April, 2008 to those shareholders whose names stand on the Company's Register of Members on 24.03.2008 to whom dividend warrants will be posted. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by the depositories for this purpose.

(v) **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on the following Stock Exchanges:-

- (i) Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
- (ii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051

The Global Depository Shares issued by the Company are listed on London and Luxembourg Stock Exchange (Euro MTF market). FCCBs are listed on Singapore. The debentures as well as preference shares issued by the Company on private placement basis are listed on Bombay Stock Exchange Ltd.

- Notes:
- (i) Listing fees have been paid to the Stock Exchanges for the year 2007-2008.
 - (ii) The application for delisting of equity shares made to the Stock Exchange at Kolkata on December 31, 2003 is pending.

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(vi) Stock Code:

Bombay Stock Exchange Limited (BSE)			National Stock Exchange of India Ltd. (NSE)		
Equity	Preference	Debenture	Equity	Preference	Debenture
500378	700116	(i) 7.75% - NCDs 934647 (ii) 9.75% - NCDs 934635	JINDALSAW	-	-

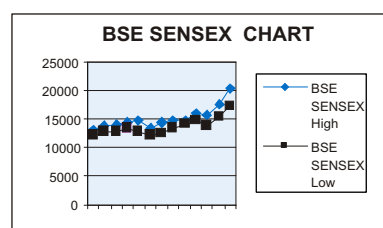
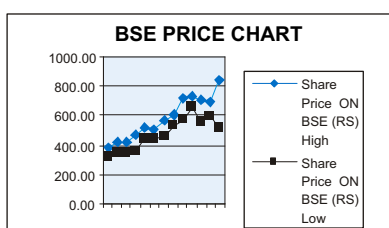
(vii) Market Price Data : High, Low during each month in last financial year :

The details of monthly highest and lowest closing quotations of the equity shares of the Company at Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited during financial year 2006-2007 are as under:

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Ltd. (NSE)	
	Highest Rate (Rs.)	Lowest Rate (Rs.)	Highest Rate (Rs.)	Lowest Rate (Rs.)
October, 2006	378.00	315.55	385.00	315.05
November, 2006	417.00	349.00	415.50	344.30
December, 2006	425.00	350.05	425.70	322.00
January, 2007	474.00	357.80	474.75	375.00
February, 2007	514.80	442.00	515.00	433.00
March, 2007	510.00	447.00	529.90	426.20
April, 2007	570.00	460.00	563.95	455.15
May, 2007	604.90	528.15	604.00	527.00
June, 2007	710.00	566.00	799.00	555.50
July, 2007	727.75	649.10	725.00	613.10
August, 2007	701.00	561.20	699.95	551.10
September, 2007	696.90	592.00	699.00	590.50
October, 2007	840.00	523.00	838.30	529.90
November, 2007	940.95	727.25	945.00	710.00
December, 2007	1107.00	855.00	1105.00	860.00

**(viii) Performance in comparison to broad based indices :
Market Price Data**

Share Price ON BSE (RS)			BSE SENSEX		
MONTH	High	Low	MONTH	High	Low
Oct-06	378.00	315.55	Oct-06	13075.85	12178.83
Nov-06	417.00	349.00	Nov-06	13799.08	12937.30
Dec-06	425.00	350.05	Dec-06	14035.30	12801.65
Jan-07	474.00	357.80	Jan-07	14325.92	13303.22
Feb-07	514.80	442.00	Feb-07	14723.88	12800.91
Mar-07	510.00	447.00	Mar-07	13386.95	12316.10
Apr-07	570.00	460.00	Apr-07	14383.72	12425.52
May-07	604.90	528.15	May-07	14576.37	13554.34
Jun-07	710.00	566.00	Jun-07	14683.36	13946.99
Jul-07	727.75	649.10	Jul-07	15868.85	14638.88
Aug-07	701.00	561.20	Aug-07	15542.40	13779.88
Sep-07	696.90	592.00	Sep-07	17361.47	15323.05
Oct-07	840.00	523.00	Oct-07	20238.17	17144.58
Nov-07	940.95	727.25	Nov-07	20204.21	18182.83
Dec-07	1107.00	855.00	Dec-07	20498.11	18886.40



CORPORATE GOVERNANCE REPORT 06-07

(ix) Registrar and Transfer Agents :

RCMC Share Registry (P) Ltd. 1515, B-106, Sector-2, Noida (U.P.) Phone: - 0120-4015880 Fax: - 0120-4015839
e-mail: - rcmc@theoffice.net.

The Share Transfer Requests as well as other correspondence relating to shares of the Company are also accepted our office at Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066.

(x) Share Transfer System :

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects. The Board has delegated powers of approving transfer of shares to the Executive Directors of the Company to be ratified by the Board later in their meeting.

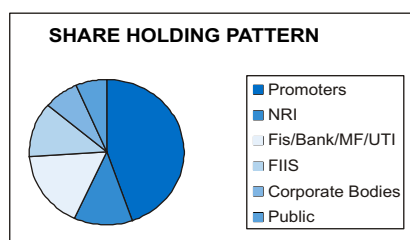
(xi) Distribution of Shareholding and Shareholding Pattern :

(a) The shareholding distribution of equity shares as of 31st December, 2007 is given below :-

Shareholding of Value of Rs.	Shareholders		Share Holdings		
	Number	% to total	Shares	Amount (Rs.)	% to total
UPTO 5000	16209	90.78	1748220	17482200.00	3.42
5001 TO 10000	843	4.72	644749	6447490.00	1.26
10001 TO 20000	376	2.11	561411	5614110.00	1.10
20001 TO 30000	113	0.63	286419	2864190.00	0.56
30001 TO 40000	57	0.32	205039	2050390.00	0.40
40001 TO 50000	28	0.16	134287	1342870.00	0.26
50001 TO 100000	64	0.36	485982	4859820.00	0.95
100001 and Above	165	0.92	47076436	470764360.00	92.05
** G Total	17855	100.00	51142543	511425430.00	100.00

b) Shareholding Pattern as on 31st December, 2007 :

Category	No. of Shares	% of Holding
Promoters	22811100	44.60
NRI	6303642	12.33
Fis/Bank/MF/UTI	8623818	16.86
FIIS	6353842	12.42
Corporate Bodies	3595699	7.03
Public	3454442	6.76
Total	51142543	100



Dematerialization of shares and liquidity :

Number of shares in physical and demat form as on 31st December 2007.

	No. of shares	Percentage
In Physical Form	24154324	47.23
In Demat Form	26988219	52.77
Total	51142543	100.00

(xii) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity :

84650, JPY 9,090,000,000 – 0.75% Foreign Currency Convertible Bonds convertible at any time on or after 12.07.2006 upto 24.06.2011 into newly issued equity shares of Rs.10/- each at an initial conversion price of Rs. 675/- per share were outstanding as on 31.12.2007. These outstanding bonds if converted, new 4950943 equity shares would be further allotted.

(xiii) Plant Locations :

The Plants of the Company are located at Kosi Kalan (Mathura, U.P.), Sinar (Nashik, Maharashtra) and Mundra (Kutch, Gujarat)

(xiv) Address for correspondence :

JINDAL SAW LTD.

Jindal Centre,
12, Bhikaiji Cama Place, New Delhi – 110 066
Telephone no. : 26188360-74
Fax no. : 26170691/41659575
E-mail : investors@jindalsaw.com

DECLARATION FOR CODE OF CONDUCT

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and Sr. Management Personnel have affirmed compliance of Code of Conduct for the year ended 31st December, 2007.

Sd/-

**Place : New Delhi
Date : 26th February, 2008**

**SMINU JINDAL
MANAGING DIRECTOR**

Auditors Report on Corporate Governance

To the Members of

JINDAL SAW LIMITED

We have examined the compliance of conditions of Corporate Governance Procedure implemented by JINDAL SAW LTD for the year ended on 31st December, 2007 as stipulated in Clause 49 of Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation there of adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investors' grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders / Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

N.C. Aggarwal

Partner

Place : New Delhi
Dated : 26th February 2008

For & on behalf of
N.C. AGGARWAL & CO.
Chartered Accountants

AUDITORS' REPORT

To

THE MEMBERS' OF JINDAL SAW LIMITED

We have audited the attached Balance Sheet of JINDAL SAW LIMITED as at 31st December, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :

- A) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto, a statement on the matters specified in paragraphs 4 and 5 of the said Order, so far as applicable to the Company.
- B) Further to our comments in Annexure referred to in 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, were necessary for the purposes of our audit;
 - (b) In our opinion, the Company has kept proper books of accounts as required by law so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
 - (d) In our opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- (e) Based on representation made by all the directors of the company to the Board and the information and explanations as made available to us by the company, none of the directors of the company is disqualified as on 31st December, 2007 from being appointed as director of the company as referred to in clause (g) of sub section (1) of section 274 of the companies act 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st December, 2007 and
 - ii) In the case of the Profit and Loss Account, of the Profit for the period ended on that date, and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

N.C. Aggarwal

Partner

M.No.005951

For & on behalf of

N.C. AGGARWAL & CO.

Chartered Accountants

Place : New Delhi
Dated : 26th Feb, 2008

AUDITORS' REPORT

ANNEXURE TO AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE FOR THE PERIOD ENDED 31.12.2007

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) A major portion of the fixed assets has been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies have been noticed on such verification.
- c) The Company has not disposed off substantial part of fixed assets during the period and the going concern status of the Company is not affected.
2. a) As explained to us, the management during the period has physically verified inventories. However, stocks in the possession and custody of third parties and stock in transit as at 31st December, 2007 have been verified by the Management with reference to confirmation or statement of account or correspondence of the third parties or subsequent receipt of goods. In our opinion, the frequency of verification is reasonable.
- b) According to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventories. The discrepancies noticed during physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
3. a) (i) The Company has given interest free demand loan to a wholly owned subsidiary companies and interest bearing demand loan to two other subsidiary companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the period in respect of said subsidiaries and the year-end balance of such loan is Rs.3286.31 lacs and Rs.27649.63 lacs respectively. The Company has not given any other loan to any Company or party covered under section 301 of the Companies Act, 1956.
- (ii) In our opinion and according to information and explanations given to us, the interest free/ interest bearing demand loans with relevant terms and conditions on which loan has been given are not, prima facie, prejudicial to the interest of the Company.
- (iii) In respect of the aforesaid loans, the amount are repayable on demand, and the question of irregularity on payment does not arise.
- (iv) The aforesaid loans are repayable on demand and therefore, the question of overdue amounts does not arise.
- b) As informed to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Thus Paragraph 4 (iii) (f) & (g) of the order, is not applicable.
4. In our opinion and according to information and explanations given to us, having regard 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 system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions with parties with whom transactions exceeding the value of Rupees five lacs have been entered into during the financial period are at prices, which are reasonable, having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

AUDITORS' REPORT

7. In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
8. We have broadly reviewed the accounts and records maintained by the Company in respect of manufacture of steel and steel products to which the said rules are made applicable pursuant to the order made by the Central Government for maintenance of cost records prescribed under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of such records with a view to determine whether these are accurate and complete.
9. a) According to the information and explanations given to us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Sales Tax, Income Tax, Custom duty, Investor education & Protection fund, Excise Duty, cess, Service Tax and Royalty. There are no arrears as at 31st December, 2007 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us, the dues in respect of sales tax, excise & custom that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below:

Name of the Statute	Amount (Rs in lacs)	Forum where dispute is pending
Sales Tax	626.31	Hon'ble High Court
Sales Tax	116.50	Joint Commissioner (Appeals)
Sales Tax	556.16	Trade Tax Tribunal
Custom Duty	11.29	Assistant Commissioner, Customs
Excise Duty	60.37	CESTAT
Excise Duty	10.46	Commissioner Excise & Customs

10. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and immediately preceding financial year.
11. According to the information and explanation given to us, the Company has not defaulted in repayment of dues to the financial institutions, banks and debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares,

debentures and other securities. Therefore, the provision of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

13. In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion, and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantee for loans taken by others from banks, or financial institutions are not prima facie, prejudicial to the interest of the company.
16. In our opinion, and according to information and explanation given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, in our opinion, there are no funds raised on short-term basis, which have been used for long-term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has created security for the debentures issued.
20. The Company has not raised any money through a public issue during the period.
21. During the course of our examination of the books and records of the Company, and according to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

N.C. Aggarwal

Partner

M.No. 005951

For & on behalf of

N.C. AGGARWAL & CO.

Chartered Accountants

Place : New Delhi
Dated : 26th Feb, 2008

FINANCIAL STATEMENTS

BALANCE SHEET

DESCRIPTION	SCHEDULE No.	As At Dec. 31, 2007 (Rs in Lacs)	As At Sept. 30, 2006 (Rs. in Lacs)
SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS			
Share Capital	1	15,114.28	14,836.47
Optionally Convertible Warrants		-	1,165.26
Reserves and Surplus	2	183,386.59	87,180.29
		198,500.87	103,182.02
Deferred Tax Liability (Net)	3	9,366.61	7,661.64
2. LOAN FUNDS			
Secured	4	59,036.65	71,962.83
Unsecured	5	56,901.86	66,032.55
		115,938.51	137,995.38
Total		323,805.99	248,839.04
APPLICATION OF FUNDS			
1. FIXED ASSETS :			
Gross Block	6	113,095.02	95,870.57
Less :Depreciation		31,903.79	24,359.60
Net Block		81,191.23	71,510.97
Capital Work in Progress		40,700.94	15,087.39
Pre-operative Expenses		609.07	1,576.49
		122,501.24	88,174.85
2. INVESTMENTS	7	22,697.17	9,647.20
3. CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	116,559.67	137,412.79
Sundry Debtors	9	109,365.26	75,262.92
Cash and Bank Balances	10	26,946.94	39,098.30
Loans and Advances	11	25,534.49	18,278.89
		278,406.36	270,052.90
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	12	85,899.48	110,048.30
Provisions	13	13,899.30	8,987.61
		99,798.78	119,035.91
NET CURRENT ASSETS		178,607.58	151,016.99
Total		323,805.99	248,839.04
NOTES TO THE ACCOUNTS	22		

As per our report of even date attached.

N. C. AGGARWAL
Partner
M. No. 005951

P. R. JINDAL
Vice Chairman

SMINU JINDAL
Managing Director

INDRESH BATRA
Managing Director

For & On behalf of
N. C. AGGARWAL & CO.
Chartered Accountants

SUNIL JAIN
Company Secretary

NARENDER MANTRI
Vice President (Finance)

Place : New Delhi
Dated :26th February, 2008

FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT

DESCRIPTION	SCHEDULE No.	15 Months ended Dec. 31, 2007 (Rs. in Lacs)		12 Months ended Sept. 30, 2006 (Rs. in Lacs)	
INCOME					
Sales and Operational Income	14	701,712.53		406,148.95	
Less : Excise Duty		22,937.13	678,775.40	20,582.38	385,566.57
Other Income	15		909.39		1,778.55
Increase/(Decrease) in Stock	16		(15,502.63)		31,158.93
			664,182.16		418,504.05
EXPENDITURE					
Cost of Material Consumed/Sold			425,319.55		271,318.23
Manufacturing Expenses	17		101,880.27		69,895.37
Payments to & Provisions for employees	18		13,036.13		8,163.15
Administrative & Other Expenses	19		10,699.38		3,559.12
Selling Expenses	20		31,052.88		22,797.29
Finance Expenses	21		17,266.21		11,246.96
Depreciation		7,643.42		5,607.75	
Less: Transfer to Revaluation Reserve		(426.14)	7,217.28	(417.62)	5,190.13
			606,471.70		392,170.25
Profit before Taxation & Extra ordinary Item			57,710.46		26,333.80
Profit on sale of entire shareholding of wholly owned subsidiary company			59,411.01		-
Profit including Extra ordinary Item but before Taxation			117,121.47		26,333.80
Provision for:					
- Current Income Tax (including Taxes on Extraordinary Income Rs 13,033.00 Lacs (previous year Rs. NIL)		24,511.17		7,044.97	
- Tax on income remittance of overseas branch		3,230.12			
- Fringe Benefit Tax		118.49		100.00	
- Deferred Tax		1,704.97		1,673.43	
- Prior Period Tax Adjustment		(96.69)		(118.19)	
- Wealth Tax		15.24	29,483.30	13.50	8,713.71
Profit After Taxation			87,638.17		17,620.09
Debenture Redemption Reserve Written Back			-		500.00
Profit Brought Forward			29,604.87		18,607.24
Disposable Profit			117,243.04		36,727.33
APPROPRIATIONS					
Interim Dividend paid on Preference shares			785.00		763.49
Corporate Tax on above			122.23		107.08
Proposed Dividend :					
- on Equity Shares			3,257.63		2,418.22
- on Preference Shares			219.37		-
Dividend Paid			-		50.00
Corporate Tax on Dividend			590.92		346.17
General Reserve			70,000.00		2,500.00
Debenture Redemption Reserve			937.50		937.50
Balance Carried to Balance Sheet			41,330.39		29,604.87
			117,243.04		36,727.33
Earning per share (on Face value of Rs 10/- each)					
Basic (Excluding Extraordinary Income)			82.36		34.67
Diluted (Excluding Extraordinary Income)			74.76		33.20
Basic (Including Extraordinary Income)			177.63		34.67
Diluted (Including Extraordinary Income)			161.23		33.20

NOTES TO THE ACCOUNTS

22

As per our report of even date attached.

N. C. AGGARWAL
Partner
M. No. 005951

P. R. JINDAL
Vice Chairman

SMINU JINDAL
Managing Director

INDRESH BATRA
Managing Director

For & On behalf of

N. C. AGGARWAL & CO.
Chartered Accountants

Place : New Delhi

Dated :26th February, 2008

SUNIL JAIN
Company Secretary

NARENDER MANTRI
Vice President (Finance)

FINANCIAL STATEMENTS

SCHEDULE

DESCRIPTION	As At Dec. 31, 2007 (Rs. in Lacs)	As At Sept. 30, 2006 (Rs. in Lacs)
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
(i) 10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00
(ii) 1,00,00,000 Redeemable Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	20,000.00	20,000.00
ISSUED AND SUBSCRIBED		
(i) 5,11,43,193 (Previous year 4,83,65,108) Equity Shares of Rs. 10/- each	5,114.32	4,836.51
(ii) 1,00,00,000 7.85% Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	15,114.32	14,836.51
PAID UP		
(i) 5,11,42,393 (Previous year 4,83,64,308) Equity Shares of Rs. 10/- each Add: Forfeited Capital 800 Equity Shares of Rs. 10/- each (partly paid up Rs. 5 each)	5,114.24 0.04 5,114.28	4,836.43 0.04 4,836.47
(ii) 1,00,00,000 7.85% Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	15,114.28	14,836.47

Notes:

1. OF THE ABOVE EQUITY SHARES
 - (a) 20,08,000 & 6613936 were allotted pursuant to contract & Schemes of Amalgamation respectively without payment being received in cash
 - (b) 2,57,96,172 were allotted as bonus shares by capitalising Reserves and Share Premium.
 - (c) 650 have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.
2. DURING THE YEAR
 - a) 24,12,542 equity shares were allotted to holders of Equity Share warrants at Rs. 483/- per equity share.
 - b) 3,65,543 equity shares were allotted to the holders of 6250 FCCB of JPY 100000/- each upon exercising the option of conversion at a base conversion price of Rs. 675/- per equity share with a fixed rate of exchange on conversion of JPY 2.533 = Rs. 1.00 after adjustments as per terms & conditions of issue of Bonds.
3. Options on Un-issued Share Capital
Foreign currency convertible bond holders holding bonds for aggregate amount of JPY 8,465,000,000 can convert the same upto 24.06.2011 into equity shares of Rs. 10/- each at a base conversion price of Rs. 675/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re.1.00 after adjustments as per terms & conditions of issue of Bonds.
4. Preference shares are redeemable in three yearly installments in the ratio of 30:30:40 at the end of fifth, sixth and seventh year from the date of allotment i.e. 22.09.2005 These also carry put / call option at the end of 5th Year from the date of allotment.

FINANCIAL STATEMENTS

	As At Sept. 30, 2006 (Rs. in Lacs)	Additions/ created during the year	Deductions	As At Dec. 31, 2007 (Rs. in Lacs)
SCHEDULE "2"				
RESERVES AND SURPLUS				
(i) Capital Reserve	9.50	—	—	9.50
(ii) Capital Redemption Reserve	1,500.00	—	—	1500.00
(iii) General Reserve	20,905.32	70000.00	—	90,905.32
(iv) Debenture Redemption Reserve	2,812.50	937.50	—	3,750.00
(v) Securities Premium Account	30,653.42	13969.42	—	44,622.84
(vi) Revaluation Reserve	1,694.68	—	426.14	1,268.54
(vii) Profit and Loss Account	29,604.87	87,638.17	75,912.65	41,330.39
Total	<u>87,180.29</u>	<u>172,545.09</u>	<u>76,338.79</u>	<u>183,386.59</u>
Previous year	<u>70,035.00</u>	<u>25,796.48</u>	<u>8,651.19</u>	<u>87,180.29</u>

SCHEDULE "3"

DEFERRED TAX LIABILITY

A. Deferred Tax Liability

Difference between book and tax depreciation

Total Deferred Tax Liability

B. Deferred Tax Assets

1. Disallowance under Income Tax Act

Total Deferred Tax Assets

Deferred Tax Liability (Net) (A-B)

	As At Dec. 31, 2007 (Rs. in Lacs)	At As Sept. 30, 2006 (Rs. in Lacs)
	<u>10,112.70</u>	7,763.62
	<u>10,112.70</u>	<u>7,763.62</u>
	<u>746.09</u>	101.98
	<u>746.09</u>	101.98
	<u>9,366.61</u>	<u>7,661.64</u>
SCHEDULE "4"		
SECURED LOANS		
A. Redeemable Non-Convertible Debentures	12,500.00	15,000.00
B. Term Loan		
(i) From Banks	17,440.18	21,785.17
(ii) From Financial institutions		400.00
C. Working Capital Loans	26,950.65	30,084.89
D. External Commercial Borrowings	2,145.82	4,692.77
	<u>59,036.65</u>	<u>71,962.83</u>

Note:

- A. 1. Debentures referred to in A above are secured by pari-passu charge by way of English mortgage on the Company's specific immovable properties located in the State of Gujarat and by way of equitable mortgage of Company's other immovable properties and hypothecation of moveable Fixed Assets in favour of Debenture Trustees.
2. Debentures referred to the A above are privately placed and consist of:
 - (i) 9.75% Debenture of Rs. 100/- each aggregating to Rs. 5000.00 Lacs are redeemable in two equal Annual instalments on 30th September, 2008 and 30th September, 2009.
 - (ii) 7.75% Debenture of Rs. 10,00,000/- each aggregating to Rs. 7500.00 Lacs are redeemable in three equal Annual instalments commencing from 26.03.2008.
 - (iii) Debentures referred to in (ii) above are also secured by personal guarantee of directors.
- B. 1. Term Loans from Banks include Loans of Rs. 129.21 Lacs (Previous Year Rs. 93.94 Lacs) for purchase of vehicles and secured by way of hypothecation of vehicles.
2. Term Loans from Banks include loans of Rs. 16753.74 Lacs (Previous Year Rs. 21091.41 Lacs) which are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, subject to charges created in favour of Company's bankers for securing Working Capital Facilities.

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3. Term Loans from Banks/Financial Institutions include loans of Rs.11432.34 Lacs (Previous Year Rs. 14437.50 Lacs) for which Director(s) personal Guarantee has been provided.
 4. Term Loans from Banks include a House Property loan of Rs. 557.23 Lacs (Previous Year Rs. 599.82 Lacs) which is secured by way of exclusive charge on the Company's House Property situated in Delhi.
- C. Working Capital Loans are secured/to be secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and to be secured by second charge in respect of other moveable and immoveable properties of the Company.
- D. External Commercial Borrowings are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, except those charged in favour of Company's bankers for securing Working Capital Facilities. These are also guaranteed by Director(s).

SCHEDULE "5" UNSECURED LOANS

- (i) Fixed Deposits
- (ii) Deferred Sales Tax Loan
- (iii) Unsecured Loans from Banks
- (iv) External Commercial Borrowing
- (v) Foreign Currency Convertible Bonds

	As At Dec. 31, 2007 (Rs. in Lacs)	As At Sept. 30, 2006 (Rs. in Lacs)
	3,290.25	4,004.48
	6,635.23	5,326.69
	1,125.72	2,875.92
	16,058.70	18,376.00
	29,791.96	35,449.46
	56,901.86	66,032.55

Note:

- (i) Deferred Sales Tax loan and Unsecured Loan from Banks are guaranteed by one of the Directors.
- (ii) Unsecured loans from Banks includes amount of Rs. 1125.72 Lacs (Previous Year Rs. 1750.92 Lacs) payable within one year.
- (iii) External Commercial Borrowings are repayable on 29th September, 2010.
- (iv) The Foreign Currency Convertible Bonds (FCCB) are convertible at any time up to the close of business on 24th June, 2011 by holders of the Bonds into newly issued equity shares of Rs. 10 each of the company at the option of the Bondholder, at a base conversion price of Rs. 675 per share with a fixed rate of exchange on conversion of ₹ 2.533 = Re. 1.00 after adjustments as per terms & conditions of issue of Bonds. Unless previously converted redeemed or repurchased and cancelled, the bonds will mature on 1st July, 2011 at 117.928% of their principal amount.

SCHEDULE "6" FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.10.06	Additions	Deduction/ Adjustments	As At 31.12.07	UPTO 30.09.06	During the Year	Deduction/ Adjustments	UPTO 31.12.07	As At 31.12.07	As At 30.09.06
	(Rs. in Lacs)									
Tangible Assets:										
Land										
- Free hold	1,137.52	34.18	-	1,171.70	-	-	-	-	1,171.70	1,137.52
- Lease hold	394.17	-	-	394.17	85.24	8.08	-	93.32	300.85	308.93
Buildings	11,131.93	2,674.05	12.17	13,793.81	1,654.74	372.08	7.34	2,019.48	11,774.33	9,477.19
Plant & Machinery	81,889.53	14,182.06	202.59	95,869.00	22,206.54	7,081.22	90.28	29,197.48	66,671.52	59,682.99
Vehicles	709.79	387.71	30.06	1,067.44	255.93	114.45	9.97	360.41	707.03	453.86
Furniture & Fixtures	596.63	184.93	3.15	778.41	155.62	69.54	(1.71)	226.87	551.54	441.01
Intangible Assets										
Computer Software	11.00	9.49	-	20.49	1.53	4.70	-	6.23	14.26	9.47
TOTAL	95,870.57	17,472.42	247.97	113,095.02	24,359.60	7,650.07*	105.88	31,903.79	81,191.23	71,510.97
Previous Year	83,089.32	13,802.41	1,021.16	95,870.57	19,187.72	5,607.75	435.87	24,359.60	71,510.97	-

* Including depreciation capitalised Rs. 6.65 Lacs (Previous Year Nil)

NOTE

"A) Gross Block includes the following amount on account of revaluation made on 31.03.1996 of Pipe Division at A-1, UPSIDC Indl. Area, Kosi Kalan at Net current Residual Replacement Value.

1) Land

Freehold 7.38

Leasehold 143.59

(ii) Building 548.34

(iii) Plant & Machinery 3,916.96

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SCHEDULE "7"

INVESTMENTS

Description	As At Dec. 31, 2007			As At Sept. 30, 2006		
	No. of Shares / Debentures	Face Value	Amount (Rs in Lacs)	No. of Shares/ Debentures	Face Value	Amount (Rs in Lacs)
LONG TERM – NON TRADE (AT COST)						
A. Investment in Equity Shares of Subsidiary Companies						
Unquoted						
(a) Hexa Securities & Finance Co.Ltd.	25500000	10/-	2550.00	25,500,000	10/-	2,550.00
(b) IUP Jindal Metals & Alloys Ltd.	7300000	10/-	4131.80	7,300,000	10/-	4,131.80
(c) Jindal Enterprises LLC (USA)	-	-	-	1,000	\$1000	361.92
(d) Highgate Consulatants Ltd.*	1	\$1	-	-	-	-
			6681.80			7,043.72
B. Investment in Equity Shares Quoted						
(a) Nalwa Sons Investments Ltd.	141994	10/-	221.87	141,994	10/-	221.87
(b) Jindal Stainless Ltd.	2615375	2/-	595.47	2,615,375	2/-	595.47
(c) Jindal Steel & Power Ltd.	697434	5/-	544.90	697,434	5/-	544.90
(d) JSW Steel Ltd.	378221	10/-	106.01	378,221	10/-	106.01
(e) Shalimar paints Ltd.	300000	10/-	180.00	300,000	10/-	180.00
(f) Jindal South West Holdings Ltd.	94555	10/-	63.07	94,555	10/-	63.07
			1711.32			1,711.32
Unquoted						
(a) Rohit Tower Building Ltd.	2400	100/-	2.40	2,400	100/-	2.40
(b) Sona Bheel Tea Ltd.	86025	10/-	5.90	86,025	10/-	5.90
(c) Saw Pipes U.S.A. Inc	-	-	-	1,935,000	\$1	609.51
(d) Jindal Overseas Pte.Ltd. (Singapore)	153000	\$1	31.40	153,000	\$1	31.40
			39.70			649.21
C. Securities of Govt./ Govt. Undertaking Quoted						
(a) 11.30 % GOI 2010	70000	100/-	82.13	70,000	100/-	82.13
(b) 11.50% ICICI Bank Ltd.	14000	1000/-	160.72	140,000	100/-	160.72
			242.85			242.85
Unquoted						
(a) National Savings Certificates			0.10	-	-	0.10
			0.10			0.10
D. Share Application Money Subsidiary Company						
(a) Highgate Consultants Ltd.	1	\$2000000	817.80			-
			817.80			-
			9493.57			9647.20
SHORT TERM CURRENT – TRADE (AT COST)						
A. Mutual Funds						
a) Birla Cash Plus - Instl Premium - Growth			1,000.00			-
b) DSP Merrill Lynch Cash Plus- Institutional Growth			2,000.00			-
c) Fidelity Cash Fund - Super Inst GR			1,000.00			-
d) HDFC Liquid Fund Premium Plan - Growth			1,000.00			-
e) ICICI Prudential Liquid Plan SI Growth			2,000.00			-
f) LICMF Liquid Fund - Growth Plan			2,000.00			-
g) Principal Cash Management Fund Liquid Option Instl Prem. Plan - Growth			1,000.00			-
h) Reliance Liquidity Fund - Growth Option			1,000.00			-
i) Fixed Income Interval Fund - Monthly Interval Plan - II - Growth Plan			1,203.60			-
j) JM High Liquidity SI Plan - Growth (94)			1,000.00			-
			13,203.60			
Total			22,697.17			9,647.20
Aggregate market value of quoted investments			124,841.47			17,271.73
Aggregate value of quoted investments			1,954.17			1,954.17
Aggregate value of unquoted investment			20,743.00			7,693.03

* Cost of 1 Share in INR is Rs. 40.68 only.

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Notes : The Company has purchased and sold the following Current Investments in Mutual Funds during the year

	No. of Units Purchased / Sold	Amount of Purchase (Rs. in Lacs)
1. ING Liquid Fund - Growth Option	32383218	3,780.00
2. Reliance Liquidity Fund - Growth Option	218233960	25,700.00
3. Principal Cash Management Fund Liquid Option Instl. Prem. Plan - Growth	114584185	14,105.28
4. Lotus India Liquid Fund - Institutional Plus Growth	23225782	2,500.00
5. Fidelity Cash Fund - Super Inst - Gr	46416205	5,000.00
6. Fidelity Liquid Plus - Super Inst Gr	49468960	5,001.11
7. AIG India Liquid Fund Super Institutional Growth	247428	2,500.00
8. DWS Insta Cash Plus Fund Super Institutional - Growth Plan	30085686	3,500.00
9. HDFC Cash Management Fund - Savings Plan - Growth	34788437	5,700.00
10. HDFC Cash Management Fund - Savings Plus Plan - Wholesale - Growth	29313393	5,001.10
11. UTI Liquid Cash Plan Institutional - Growth Option	193786	2,500.00
12. UTI - Liquid Plus Fund Institutional Plan (Growth Option)	114546	1,200.00
13. Templeton Floating Rate Income Fund Short Term Plan Institutional Option - Growth	25749066	3,000.00
14. SBI Premier Liquid Fund - Institutional Growth	73075517	9,200.00
15. Sundram BNP Paribas Money Fund Institutional - Appm	9539527	1,000.00
16. TATA Liquid Super High Inv. Fund - Appreciation	255817	3,710.00
17. TATA Floater Fund - Growth	18533440	2,150.49
18. TATA Treasury Managership Growth	151535	1,560.36
19. ABN Amro Money Plus Institutional Growth	62583334	6,300.00
20. ICICI Prudential Institutional Liquid Plan - Super Institutional Growth	38055119	4,400.00
21. Kotak Floater Short Term - Growth	7736824	1,000.00
22. JP Morgan India Liquid Fund - Growth Plan	9886405	1,000.00
23. HSBC Cash Fund - Institutional Plus Growth	4036979	500.00
24. Birla Cash Plus - Instl. Prem. Growth	7991433	1,000.00
25. Standard Chartered Liquidity Manager - Plus Growth	35527	400.00
26. DBS Chola Short Term Floating Rate - Cum.	8504631	1,000.00
27. DSP Merillynch Cash Plus - Institutional Growth	506960	5,100.00
28. LICMF Liquid Fund - Growth Plan	4977451	713.00

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SCHEDULE "8"
INVENTORIES

(As taken valued and certified by the management)

	As At Dec. 31, 2007 (Rs. in Lacs)	As At Sept. 30, 2006 (Rs. in Lacs)
(i) Stores and Spares	5,690.99	4,185.85
(ii) Loose Tools	122.76	51.56
(iii) Finished goods	12,196.50	42,771.06
(iv) Work in Progress	30,084.68	14,755.77
(v) Raw Material*	66,110.84	73,037.67
(vi) Scrap	2,353.90	2,610.88
	116,559.67	137,412.79

* Includes Raw Material in Transit of Rs. 28,052.19 Lacs (Previous Year Rs. 10536.96 Lacs)

SCHEDULE "9"
SUNDRY DEBTORS

(i) Exceeding six months			
- Considered good		11,847.94	17,043.26
- Considered doubtful	2,100.60	-	-
Less : Provision for doubtful	<u>(2,100.60)</u>	-	-
(ii) Others - Considered good		97,517.32	58,219.66
		109,365.26	75,262.92

SCHEDULE "10"
CASH AND BANK BALANCES

(i) Cash on hand		12.32	13.92
(ii) Balance with Scheduled banks			
- Current Accounts		560.03	1,157.56
- Fixed Deposit Account*		26,374.59	37,926.82
		26,946.94	39,098.30

* This includes balance of unutilized money out of FCCB issue Rs. 26270.23 Lacs (Previous Year Rs. 34,669.28 Lacs)

SCHEDULE "11"
LOANS AND ADVANCES
(Unsecured, Considered good)

(i) Advances recoverable in cash or in kind or for value to be received		7,154.69	7,440.31
(ii) Earnest money and Security deposits		3,392.96	2,319.56
(iii) Balance with Customs and Port Authorities etc.		1,686.57	1,191.39
(iv) Inter Corporate Loans		3,756.11	944.33
(v) Loan to Subsidiary Company		3,286.31	4,246.24
(vi) Interest accrued on investments		5.85	7.92
(vii) Prepaid Expenses		326.96	500.17
(viii) Export Benefits/ Govt. Grants Receivable		5,925.04	1,628.97
		25,534.49	18,278.89

SCHEDULE "12"
CURRENT LIABILITIES

(i) Acceptances		43,922.54	34,508.44
(ii) Sundry Creditors		22,179.42	61,799.39
(iii) Advance from Customers		4,695.09	415.23
(iv) Interest Accrued but not due		1,983.99	1,054.71
(v) Other Liabilities		11,986.70	12,146.69
(vi) Unpaid Dividend*		154.42	123.84
(vii) Due to Subsidiary		977.32	-
		85,899.48	110,048.30

* There is no amount due & Outstanding to be credited to Investor's Education and Protection Fund under section 205C of the Companies Act, 1956.

SCHEDULE "13"
PROVISIONS:

(I) For Taxation (Net of Prepaid Taxes)		9,478.70	5,908.73
(ii) For Proposed Dividend & Corporate tax thereon		4,067.91	2,757.38
(iii) Others		352.69	321.50
		13,899.30	8,987.61

FINANCIAL STATEMENTS

SCHEDULE "14"
SALES AND OPERATIONAL INCOME

- (i) Sales
- (ii) Conversion Charges
- (iii) Govt. Incentive / Grants

SCHEDULE "15"
OTHER INCOME

- (i) Dividend on Long Term investment
- (ii) Profit on Sale of Current Investments
- (iii) Profit / (Loss) on Sales of Fixed Assets (Net)
- (iv) Miscellaneous Receipts
- (v) Previous Years' Adjustments (Net)

SCHEDULE "16"
INCREASE / (DECREASE) IN STOCK
OPENING STOCK

- Finished Goods
- Work-in-progress
- Scrap

CLOSING STOCK

- Finished Goods
- Work-in-progress
- Scrap

Increase/(Decrease) in Stock

SCHEDULE "17"
MANUFACTURING EXPENSES

- (i) Stores and Spares
- (ii) Power and Fuel
- (iii) Outsourcing
- (iv) Other Manufacturing expenses
- (v) Repair and Maintenance:
 - Plant and Machinery
 - Others

SCHEDULE "18"
PERSONNEL

- Salary, Wages and other Benefits
- Contribution to Provident and other Funds
- Workmen and Staff Welfare

	15 Months ended Dec. 31, 2007 (Rs. in Lacs)	12 Months ended Sept. 30, 2006 (Rs. in Lacs)
	670,505.70	387,311.02
	11,907.63	10,561.80
	19,299.20	8,276.13
	701,712.53	406,148.95
	240.12	187.22
	200.01	1.21
	10.73	711.60
	457.38	878.52
	1.15	-
	909.39	1,778.55
	42,771.06	19,844.01
	14,755.77	7,488.46
	2,610.88	1,646.31
	60,137.71	28,978.78
	12,196.50	42,771.06
	30,084.68	14,755.77
	2,353.90	2,610.88
	44,635.08	60,137.71
	(15,502.63)	31,158.93
	12,623.89	7,756.73
	11,967.79	7,398.36
	70,689.03	50,310.87
	4,688.50	3,233.66
	1,748.02	926.84
	163.04	268.91
	101,880.27	69,895.37
	11,659.02	7,321.82
	651.54	401.58
	725.57	439.75
	13,036.13	8,163.15

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SCHEDULE "19"
ADMINISTRATIVE AND OTHER EXPENSES:

	15 Months ended Dec. 31, 2007 (Rs. in Lacs)	12 Months ended Sept. 30, 2006 (Rs. in Lacs)
Rent	282.70	153.33
Rates & Taxes	1,210.27	363.65
Insurance	306.83	308.21
Postage, Telegram & Telephone	305.47	292.32
Traveling & Conveyance	1,206.70	770.31
Legal & Professional	1,013.08	262.67
Vehicle upkeep & Maintenance	259.61	196.66
Director's Meeting Fees	6.80	3.70
Donations	211.73	151.62
Miscellaneous Expenses	1,553.93	1,009.00
Auditor's Remuneration	22.36	18.58
Cost Auditor's Remuneration	2.30	1.50
Liquidated Damages / Bad Debts	2,217.00	22.10
Provision for Doubtful Debts	2,100.60	-
Previous Year Adjustment (Net)	-	5.47
	10,699.38	3,559.12

SCHEDULE "20"
SELLING EXPENSES

Commission on Sales	2,607.86	2,524.23
Advertisement	96.16	52.56
Forwarding charges *	27,072.61	18,883.52
Other Selling Expenses	1,276.25	1,336.98
	31,052.88	22,797.29

*Net of recoveries Rs. 8,229.68 Lacs (Previous Year Rs. 2,303.25 Lacs)

SCHEDULE "21"
FINANCE EXPENSES

Interest on Fixed Deposits	490.16	378.02
Interest on Debentures	1,985.07	2,360.55
Interest on Term Loans	3,626.99	4,423.67
Interest on Bank Borrowings	8,675.58	4,649.45
Bank and Finance charges	3,543.79	2,280.24
Interest to Others	1,150.10	408.51
	19,471.69	14,500.44
Less : Interest Received:		
(i) Interest on Bonds and Debentures (TDS Rs. 6.80 Lacs, Previous Year Rs. 33.02 Lacs)	30.00	147.17
(ii) Other Interest on Loans, Advances and Deposit (TDS Rs. 484.30 Lacs, Previous Year Rs. 174.83 Lacs)	2,137.26	779.10
Foreign Exchange Fluctuation / Gain from Derivative Transactions (Net)	38.22	2,327.21
	2,205.48	3,253.48
	17,266.21	11,246.96

FINANCIAL STATEMENTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS SCHEDULE '22'

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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. All income & expenditure items having a material bearing on the financial statement are recognized on accrual basis, except in respect of insurance claims, Liquidated damages, and derivative transactions, where the exact quantum cannot be ascertained.

B) 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.
- c) Revenue in respect of Service/ Works Contracts is recognized based on the Work performed and invoiced as per the terms of specific Contracts.
- d) Revenue in respect of sale of goods is recognized either on delivery or on transfer of significant risk and rewards of ownership of the goods.
- e) Incentives on exports and other Government Grants are recognized in books after due consideration of certainty of utilization/receipt of such incentive / grant.

C) FIXED ASSETS

a) VALUATION OF FIXED ASSETS

- i) Tangible Fixed Assets are stated at cost of acquisition inclusive of all incidental expenses related thereto except Land, Building and Plant & Machinery in respect of Pipe Division, at A-1 U.P.S.I.D.C. Kosi Kalan, Mathura (U.P.) which have been stated at revalued amount as a result of their revaluation.
- ii) Intangible fixed assets such as software which is not an integral part of related hardware, is classified on an intangible asset and is being amortized over a period of 5 years.

b) DEPRECIATION

- i) Depreciation on all Fixed Assets of the Company is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956, as amended up to date.
- ii) Depreciation on revalued fixed assets is also computed on Straight Line Method at the rates specified in Schedule XIV of the Companies Act, 1956, and additional depreciation on account of revaluation is adjusted to Revaluation Reserve Account.

C) EXPENDITURE DURING CONSTRUCTION PERIOD

All expenditure which is not directly attributable to a project during construction period in respect of new project(s) including interest on borrowed loans are carried to pre-operative expenditure till the completion of the project. All direct, incidental and ancillary expenditure incurred during the construction period are included under capital work-in-progress till the completion of the project. On completion of the project, capital work in progress along with preoperative expenses are carried to respective fixed assets

D) VALUATION OF INVENTORIES

Inventories are valued at the lower of cost and net realizable value except scrap, which is valued at net realizable value. The cost is computed on Weighted Average Basis. Finished goods and work in progress includes cost of conversion and other overheads incurred in bringing the inventories to their present location and condition.

(E) INVESTMENTS

Long-term investments are stated at cost which inter-alia includes brokerage, commission, stamp duty etc. When there is a decline in their value except temporary decline, the carrying amount is reduced on an individual investment basis and decline is charged to the Profit and Loss account. Appropriate adjustment is made in carrying cost of investment in case of subsequent rise in value of investments.

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F) FOREIGN EXCHANGE TRANSACTIONS

Foreign currency transactions during the year are recorded at the rate of exchange prevailing at the date of transaction. Current assets, loans other than for financing fixed assets and current liabilities in foreign currency, outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains /losses are recognized in the profit and loss account of the year except (a) in cases where they are covered by specific forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains /losses recognized in Profit and Loss Account over the life of the contract (b) in cases where loans have been taken for acquisition of fixed assets from outside India, the same is adjusted in the cost of assets.

In the case of foreign branches , being non-integral foreign operations, revenue items are converted at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange Gain arising on conversion is recognized in the exchange fluctuation reserves and in case of loss, the same is charged to profit and loss account.

Gain or loss on reinstatement on the forward exchange transaction or on cancellation of forward exchange contracts, if any, is reflected in the profit and loss account or capitalized as the case may be.

Derivative transactions are considered as off-balance sheet items and cash flows arising there from are recognized in the books of account as and when the settlements take place in accordance with the terms of the respective contracts over the tenor thereof.

G) CONTINGENT LIABILITIES

Contingent liabilities are not provided for in the accounts but are separately disclosed by way of a note.

H) RETIREMENT BENEFITS

- i) Gratuity: The amount paid to the Life Insurance Corporation of India under the Group Gratuity Scheme, which is sufficient to cover the liability on accrual basis, is charged to the Profit and Loss Account.
- ii) Leave Salaries:- Provision is made for unutilized leaves due to employees on accrual basis.

I) MISCELLANEOUS EXPENDITURE

- i) Preliminary & Shares and Convertible Bonds issue expenses are adjusted from Share Premium Reserves.
- ii) Deferred Revenue Expenses are amortized over a period of five years except in the case of leased assets where the same are amortized over the lease period.

J) TAXATION

- i) Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws.
- ii) Deferred tax is accounted at the current rate of tax to the extent of temporary timing differences that originate in one period and are capable of reversal in one or more subsequent periods.

2. CONTINGENT LIABILITIES

	As at 31.12.07 (Rs. in Lacs)	As at 30.09.06 (Rs. in Lacs)
a) Counter Guarantee given to Company's bankers for Guarantee given by them on behalf of the Company	40,885.92	30,921.59
b) Letter of Credit Outstanding (Net of Liabilities provided in the books)	59,468.31	69,660.28
c) Disputed Excise duty and Custom Duty	82.12	14.14
d) Disputed Sales Tax	1,298.97	1,052.85
e) Guarantees given to Bank for credit facilities to Jindal Enterprises LLC (Wholly Owned Subsidiary Abroad).	-	1,929.48
f) Corporate Guarantees for availing various export based incentives .	8,170.07	5,699.77
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	34,171.77	7,672.69

FINANCIAL STATEMENTS

4. (a) Based on the information available with the Company, the Sundry Creditors in Schedule "12" includes (a)Rs.112.01 lacs (Previous year Rs.53.83 Lacs) to Small Scale Industrial Undertakings (b) Rs.22067.41 lacs (Previous Year Rs.61745.56 lacs) to other creditors. There is no amount outstanding to SSI suppliers which is due for more than 30 days beyond the credit period. The amount outstanding to SSI suppliers as on 31st December 2007 is with in the credit period and names are as follows:
- Parikh Industries, Ameya Dyechem Pvt. Ltd., Hi Tech Engineer, Automech Industries Pvt. Ltd., Shakti Engineering Works, Pioneer Industrial Equipments, Clartech Industries, Jain Metal Foundry, Mec Shot Blasting Equipments Pvt. Ltd., V V Go Engineering Works, Sealand Diesel Pvt. Ltd., EIE Instruments Pvt. Ltd., Innovate Engineers, Airtech Engineers, Bhagwati Filters Pvt. Ltd., Plazma Technologies Pvt. Ltd., Shiv Packing Industries, Oceanic Enviro (I) Pvt. Ltd., Gatrad Engineering Corp., Electro Magnatic Industries, Eastwest Engineering & Electronics Pvt. Ltd., B.B. Engineering Works, Sheetal Polymers, Boxer India, Kheraj Electricals Industries Ltd., Kisaan Steels Pvt. Ltd., Nalwa Engg. Co. Ltd., Paavanam Offset, Porwal Tar Products Pvt. Ltd., Ambica Engg.Co., Bharat Chains & Lifting Tackles, Bright Industries, G.R.R. Industries, Logic Control Pvt. Ltd., Oil Seal Mfg. Pvt. Ltd., Parakh Rubber & Plastics, Precisions Industries, V R Coating Pvt. Ltd., Everest Transmission, Fabco Universal Co., Falcon Cable Pvt. Ltd., Flexibles (India), Jindal System Pvt. Ltd., Kanwal Ind Corp., Shakti Brushes & Electrical Syndicate, Speedage Engineers (I) Pvt. Ltd., Super Industrial Works.
- b) The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
5. (a) The Company has unquoted investments of Rs. 6681.80 Lacs (Previous Year Rs.7043.72Lacs) in Subsidiary Companies, which have accumulated losses as per the latest available Balance Sheet and certain other unquoted investment where the fair value (amount unascertained) is lower than the cost, considering the long term strategic investments and future prospects, such diminution, in the opinion of the management, has been considered to be of temporary nature and hence no provision for the same is considered necessary.
- (b) An amount of Rs. 3286.31 Lacs (Previous Year Rs. 4246.24Lacs) is outstanding from Subsidiary companies, which have accumulated losses. Having regard to the long- term involvement & future prospects, no provision is considered necessary towards these outstanding.
- 6 Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, which is not likely to be material, will be adjusted at the time of confirmation.
7. The Stores and Spares consumed and Salaries & Wages incurred for repairs and maintenance of Plant and Machinery and Shed and Building have not been allocated to the respective repairs and maintenance accounts.
8. 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.
9. Capital work in progress includes Advance against capital goods of Rs. 12995.14 lacs.
10. The amount of foreign exchange fluctuation amounting to Rs. 2241.07 lacs (Credit) (Previous Year Rs. 569.87 lacs-(Debit)) is included under the relevant heads of expenditure and income.
11. The amount of foreign exchange fluctuation capitalized towards Fixed Assets is Rs. 619.82 lacs (Credit) (Previous Year Rs.519.86 Lacs (Credit)).
12. Profit for the year includes Prior Period Adjustment Rs 21.57Lacs (Debit) and Rs 22.72 Lacs (Credit) (Previous Year -5.78 lacs (Debit)Rs 0.31 lacs (Credit)).
13. Profit or Loss on sale of raw material, stores and spares is not ascertained or shown separately and sale proceeds have been credited to the respective consumption accounts.
14. Profit on sale of Fixed Assets (Net) shown in Other Income is net of loss of Rs. 10.12 lacs (Previous Year Rs.Nil). The same also includes profit on sale of Fixed Assets to Subsidiary Company Rs3.82 lacs (Previous Year Rs.834.21 lacs)
15. During the year, all investments in Jindal Enterprises LLC, a subsidiary of the Company has been sold and profit on sale has been shown as Extraordinary Income.
16. Related Party Transactions

FINANCIAL STATEMENTS

A. List of Related Parties & Relationship (As identified by the Management)

a) Parties where control exists

SUBSIDIARY COMPANIES

1. Hexa Securities & Finance Co. Ltd
2. Jindal Enterprises LLC. (Up to 4th November,2007)
3. IUP Jindal Metal & Alloys Ltd.
4. Highgate Consultants Ltd.
5. Jindal Saw USA, LLC (Indirect Subsidiaries Co.)
6. S.V.Trading Co. Ltd. (Indirect Subsidiaries Co.)

b) Associate Enterprises

1. Jindal United Steel Corporation (till 4th November, 2007)

c) Key Management Personnel

- | | |
|---------------------|---|
| 1. Sminu Jindal | Managing Director |
| 2. Indresh Batra | Managing Director (w.e.f. 28.04.2007) |
| 3. H.S. Chaudhary | Whole Time Director |
| 4. Shyam Agarwal | Jt. Mg. Director - IPU (w.e.f 01.04.2007) |
| 5. H.S. Bedi | Director - Technical - Large Dia Pipe Division(upto 11.10.2006) |
| 6. O.P.Sharma | Director - Marketing - Large Dia Pipe Division |
| 7. Sunil Trehan | Director - Spun Pipe Division (upto 20.07.2007) |
| 8. V.S. Konnur | President & CEO - Seamless Tube Division |
| 9. S.K. Nevatia | President - Spun Pipe Division (w.e.f.06.08.2007) |
| 10. K.Chandrayya | Director (Works) - Spun Pipe Division |
| 11. Vikram Puri | Vice President - Corporate Human Resources |
| 12. Vinay Gupta | Vice President - Finance |
| 13. Narender Mantri | Vice President - Finance |

FINANCIAL STATEMENTS

B. Transactions

(Rs. in Lacs)

Description	Subsidiaries	Associate	Key Management Personnel	Total
Sale of Fixed Assets	13.72 965.98	-	-	13.72 965.98
Sale of Material/ Services	208.24 104.44	14.76 55.32	-	223.00 159.76
Interest Paid	-	-	5.90 3.81	5.90 3.81
Interest Received	1,014.26 -	-	-	1,014.26 -
Toll Charges (Paid)	11,255.67 2,434.33	43,016.55 34,823.28	-	54,272.22 37,257.61
Toll Charges (Received)	- 294.71	-	-	- 294.71
Rent (Paid)	-	58.21 53.98	-	58.21 53.98
Remuneration Paid	-	-	552.80 228.84	552.80 228.84
Reimbursement Received	- 16.18	-	-	- 16.18
Investment during the year				-
Share Capital	\$ 1 -	-	-	\$1 -
Share Application Money	817.80 -	-	-	817.80 -
Loan given during the year	26,998.43 3,484.74	-	-	26,998.43 3,484.74
Loan Received Back during the year	27,958.36 -	-	-	27,958.36 -
Outstanding Balance as on 31.12.2007				
Receivable for services/material	161.13 14.81	-	-	161.13 2,343.22
Creditors	- 955.29	2,328.41 13.42	-	- 968.71
Investments	7,499.60 7,043.72	-	-	7,499.60 7,043.72
Loans & Advances (Given)	3,286.31 4,249.33	-	-	3,286.31 4,258.76
Financial Guarantees provided	-	-	9.43	-
Amount Payble	1,929.48 977.32 -	-	-	1,929.48 977.32 -

Note : Unbold figures pertain to previous year.
1 \$ Investment @ Rs.40.68/\$

FINANCIAL STATEMENTS

17 The company has only one business segment ' Iron & Steel Products ' as primary Segment. The Secondary Segment is Geographical, the Information of which is given hereunder:-

Particulars	Within INDIA (Rs. in Lacs)	Outside INDIA (Rs. in Lacs)	Total (Rs. in Lacs)
1 Gross Revenue	203,095.39 162,121.34	498,617.14 244,027.61	701,712.53 406,148.95
Less: Excise Duty	22,937.13 20,582.38	- -	22,937.13 20,582.38
Net Revenue	180,158.26 141,538.96	498,617.14 244,027.61	678,775.40 385,566.57
2 Segment Assets*	391,295.63 259,108.11	9,611.95 97,424.96	400,907.58 356,533.07
3 Capital Expenditure	41,789.70 19,849.97	- -	41,789.70 19,849.97

* The Company's manufacturing facilities are located in India.

Note:

- Unbold figures pertain to previous year.
- Segments have been indentified in line with AS on Segment Reporting (AS-17) taking into account the organisational structure and nature of product and differential risk and return of these segments

18 Disclosure as per amendment to clause 32 of the Listing Agreement.

Detail of Inter Corporate Loans:

Description

Name of the Company	Amount outstanding as on 31.12.2007 (Rs. in Lacs)	Maximum balance outstanding during the year (Rs. in Lacs)
(a) Loans to Subsidiaries		
(i) Hexa Securities & Finance Co. Ltd	1,694.63 800.74	5,523.63 4,308.99
(ii) Jindal Enterprise LLC	- 3,445.50	19,926.00 5,174.65
(iii) IUP Jindal Metal & Alloys Ltd.	1,591.68 -	2,200.00 -
(b) Loans & Advances Where There is no Repayment Schedule:		
(i) Stainless Investments Ltd.	545.50 944.33	944.33 954.55
(ii) Goswamis Credit and Investments Ltd	835.91 -	1,476.90 -
(iii) Renuka Financials Services Ltd	952.07 -	1,145.92 -
(iv) Manjula Finances Ltd	1,422.63 -	1,422.63 -

Note:

- Unbold figures pertain to previous year

FINANCIAL STATEMENTS

19.	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
(a) Auditor's Remuneration		
1. Statutory Auditors		
i. Audit Fees	11.24	8.42
ii. Tax Audit Fees	1.68	1.68
iii. Taxation Matters	-	2.12
iv. Certification/others	5.60	4.26
v. Out of pocket Expenses	3.84	2.10
Total	22.36	18.58
2. Cost Auditors		
i. Audit Fees	2.05	1.50
ii. Out of Pocket Expenses	.25	-
	2.30	1.50
(b) Directors' Remuneration		
i. Salary including allowances etc.	167.05	39.35
ii. Commission	92.95	24.60
iii. Contribution to P.F. etc.	15.46	3.64
iv. Perquisites (as per Income Tax Rules)	40.68	8.49
Total	316.14	76.08

20. Detail of Pre operative expenses Pending allocation on completion of the Mundra & Nasik, Coke & IPU project is as under:

Detail of Pre-operative Expenses	Current Period ended 31.12.2007 (Rs. In lacs)	Previous year ended 30.09.2006 (Rs. In lacs)
Raw material Consumption	8.02	-
Power & Fuel	16.46	185.32
Store & Spares	0.71	-
Repair to Plant and Machinery	0.97	-
Salary, Wages & Other Benefits	103.81	66.68
Contribution to PF & other funds	5.56	4.90
Workman & Staff Welfare	8.62	3.98
Rent, rates and taxes	1.28	0.32
Insurance Expenses	0.54	2.49
Travelling and Conveyance	30.61	58.85
Interest and bank charges **	-	1,189.48
Miscellaneous Expenses	124.23	40.47
Depreciation	6.65	-
	307.46	1,552.49
Less : Sales value of goods produced during trial period	5.72	-
Closing Stock	19.78	-
Interest received *	483.36	-
	(201.40)	1,552.49
Add : Preoperative expenses brought forward	1,576.49	162.30
	1,375.09	1,714.79
Less : Capitalised during the year	766.02	138.30
Preoperative Expenses Carried Over	609.07	1,576.49

* Net of Interest paid Rs. 628.38 Lacs (Previous Year Rs. Nil)

** Net of Interest received Rs. Nil (Previous Year Rs. 644.02 Lacs)

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	Current Period ended 31.12.2007 (Rs. In lacs)	Previous year ended 30.09.2006 (Rs. In lacs)
21. Computation of Net Profit under section 349 read with section 198 of the Companies Act, 1956.		
Profit before Tax	57,710.46	26,333.80
Add :		
Managerial Remuneration	316.14	76.08
Provision for Bad and Doubtful debts	2,100.60	-
Director Sitting Fees	6.80	3.70
Net Profit for the year	60,134.00	26,413.58
Commission @ 2 % to Whole Time Directors	1,202.68	264.14
Maximum Commission payable restricted to 100 % of salary as approved by shareholders	92.95	24.60
Commission payable	92.95	24.60
22. Earning per share (EPS) computed in accordance with Accounting Standard 20 'Earning Per Share"		
Basic and Diluted		
Profit before tax and excluding Extra ordinary Item	57,710.46	26,333.80
Less: Tax on ordinary activites	16,450.30	8,713.71
Profit after tax and excluding extra ordinary item	41,260.16	17,620.09
Less: Preference dividend including tax thereon	1,163.88	870.57
Profit attributable to Equity Shareholders excluding extra ordinary income (A)	40,096.28	16,749.52
Extraordinary Items		
Extraordinary Income	59,411.01	-
Less: Tax on Extraordinary income	(13,033.00)	-
Profit attributable to Equity Shareholders including extra ordinary income (B)	86,474.29	16,749.52
Weighted Average No of Shares issued for Basic EPS (C)	48,681,694	48,316,363
Weighted Average No of Shares issued for Diluted EPS (D)	53,632,637	50,453,247
Earning per share (On face value of Rs. 10/ each)		
Excluding extra ordinary income		
Basic = A/C	82.36	34.67
Diluted = A/D	74.76	33.20
Including extra ordinary income		
Basic = B/C	177.63	34.67
Diluted = B/D	161.23	33.20

FINANCIAL STATEMENTS

23. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 3 & 4 OF PART II OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956.
A) INSTALLED CAPACITY AND PRODUCTION

Description	Unit	Installed capacity per Annum		Production	
		Current Period ended 31/12/07	Previous year ended 30/9/06	Current Period ended 31/12/07	Previous year ended 30/9/06
(a) Iron & Steel Pipes	MT	1,400,000	1,400,000	994,776	644,101
(b) Anti-Corrosion Coating on Pipes	Sq.Mtr	10,000,000	10,000,000	3,680,863	3,089,977
(c) Cold Rolled Strips (Thinner Gauge)	MT	-	-	-	1,753
(d) Steel Plates	MT	-	-	228,600	223,006
(e) Pig Iron	MT	200,000	200,000	97,655	100,521
(f) Beveling and End Finishing	MT	40,000	40,000	-	-
(g) Chemfering	MT	50,000	50,000	-	-

NOTES

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

	Unit	Current Period ended 31/12/07	Previous year ended 30/9/06
i) Steel Pipes	MT	600	198
ii) Cold Rolled Strips: Thinner Gauge	MT	-	1,593
2. The above production includes goods manufactured by third parties.			
i) Steel Pipes	MT	236,747	147,063
ii) Steel Plates	MT	228,600	223,006

3. Above Production includes production before start of Commercial production..

4. The above production of Anti Corrosion of Pipes includes the coating done for Steel Pipes Division

5. 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.

6. Installed capacity is as certified by the management.

B) RAW MATERIAL CONSUMPTION / SOLD

Description	Unit	Current Period ended 31.12.07		Previous year ended 30.09.06	
		Qty	Amount (Rs. in lacs)	Qty	Amount (Rs. in lacs)
Steel Plates/Coils	MT	483,078	191,883.67	267,254	87,050.09
Steel Slabs*	MT	565,649	138,678.79	503,988	119,280.19
Round Billets	MT	102,326	26,789.67	56,056	14,158.73
Coating Material**			11,348.05	-	9,595.64
Coal/ Coke/fines	MT	342,670	22,138.39	329,139	13,212.37
Iron ore/fines	MT	492,262	18,057.87	399,002	12,286.53
Value of DTA sale Entitlement & advance license utilised		-	-	-	2,122.63
Others		-	14,216.18	-	9,874.05
Net Consumption			423,112.62		267,580.23
TRADING GOODS PURCHASE					
Steel Plates and pipes	MT	-	-	4,523	3,241.74
Others	MT		2,206.93	-	496.26
Total			425,319.55		271,318.23

* Net of 139429 MT Slabs valuing Rs. 36572.33 Lacs to the acquirer at the time of sale of shares.

** Quantity of consumption of coating material has not been given since their unit of measurement are different.

FINANCIAL STATEMENTS

C) QUANTITATIVE INFORMATION OF FINISHED GOODS STOCKS

Description	Unit	Opening Stock As on 01.10.2005		Closing Stock As on 30.09.2006 and Opening Stock As on 01.10.2006		Closing Stock As on 31.12.2007	
		Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)
Finished Goods:							
Iron & Steel Pipes	MT	24779	10,703.06	73451	31,882.09	28961	10,490.96
Steel plates	MT	25465	7,819.66	30436	9,912.80	-	-
Pig Iron	MT	8396	1,102.35	5611	870.18	8990	1,585.85
Others	MT	-	218.94	-	105.99	-	119.69
			<u>19,844.01</u>		<u>42,771.06</u>		<u>12,196.50</u>

D) SALES

Description	Unit	Current Period ended 31.12.07		Previous year ended 30.09.06	
		Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)
Manufactured goods					
Iron & Steel Pipes	MT	1,0386,66	536,898.72	599,754	280,768.78
Steel Plates / Coils	MT	259,037	94,606.37	218,035	78,440.76
Pig Iron	MT	94,276	19,733.87	103,306	17,111.87
Scrap			16,434.86	-	10,116.00
Others			2,831.88	-	873.61
			<u>670,505.70</u>		<u>387,311.02</u>

E) C.I.F.Value of Imports

Description	Current Period ended 31. 12.07 Amount (Rs. In Lacs)	Previous year ended 30.09.06 Amount (Rs. In Lacs)
Raw Material	236,844.37	94,313.06
Stores & Spares	2,612.72	1,007.04
Capital Goods	5,405.71	3,156.09

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

	Current Period ended 31.12.07		Previous year ended 30.09.06	
	% age	(Rs. in lacs)	%age	(Rs. in lacs)
a) Raw Material*				
Imported	49.08	207,677.34	42.83	113,696.30
Indigenous	50.92	215,435.29	57.17	151,761.30
	<u>100.00</u>	<u>423,112.63</u>	<u>100.00</u>	<u>265,457.60</u>
exclude DTA entitlement utilised Rs NIL (Previous Year Rs.2122.63 Lacs)				
b) Stores & Spares				
Imported	9.12	1,150.86	8.76	679.21
Indigenous	90.88	11,473.03	91.24	7,077.52
	<u>100.00</u>	<u>12,623.89</u>	<u>100.00</u>	<u>7,756.73</u>

* excluding figure of purchase for resale Rs. 2206.92 Lacs (Previous Year Rs. 3738.00 Lacs)

FINANCIAL STATEMENTS

	Current Period ended 31.12.2007 (Rs. In lacs)	Previous year ended 30.09.2006 (Rs. In lacs)
G) EXPENDITURE IN FOREIGN EXCHANGE		
i) Travelling	67.70	91.53
ii) Interest & Bank Charges	1,091.25	1,402.90
iii) Commission on Sale	1,188.33	1,747.42
iv) Fees and subscription	7.96	5.05
v) Legal & Professional	306.27	100.12
vi) Advertisement	41.70	3.06
vii) Carriage Outward	13,220.21	4,495.36
viii) Reimbursement of Overseas Branch	260,118.20	137,457.63
ix) Others	338.63	3.83
H) EARNING IN FOREIGN EXCHANGE		
(i) F.O.B. Value of Exports	230,463.71	95,967.45
(ii) Interest	261.20	402.06
(iii) Revenue from Overseas Branch	264,427.29	148,254.85
I) REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:		
a) Financial year to which dividend relates	2005-06	2004-05
b) No. of NRI shares holders	12	12
c) No. of shares held	9733600	9733600
d) Net amount of dividend remitted -net of Tax (Rs. in Lacs)	486.68	389.34

24. Previous years figures have been regrouped/re-arranged wherever necessary and practical. Current period figures of Profit and Loss Account are not comparable with previous year as the current period figures are for Fifteen months.

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

As per our report of even date attached.

N. C. AGGARWAL

Partner

M. No. 005951

For & On behalf of

N. C. AGGARWAL & CO.

Chartered Accountants

P. R. JINDAL

Vice Chairman

SMINU JINDAL

Managing Director

INDRESH BATRA

Managing Director

SUNIL JAIN

Company Secretary

NARENDER MANTRI

Vice President (Finance)

Place : New Delhi

Dated : 26th February, 2008

Balance Sheet Abstract and Companies Business Profile Pursuant to Part IV of Schedule VI to the Companies Act, 1956

I	Registration no	23979	State Code 20	Balance Sheet	31.12.2007
II	Capital raised during the year (Rs. in thousands)				
	Public issue	Nil			
	Bonus Issue	Nil			
	Rights Issue	Nil			
	Private placement	2778.10			
III	Position of mobilisation and deployment of funds(Rs. in thousands)				
	Total liabilities	3,23,80,599	Total assets		3,23,80,599
	Sources of Funds:				
	Paid up Capital	15,11,428	Reserves and Surplus		1,83,38,659
	Deferred Tax Liability	9,36,661	Un-secured loans		56,90,186
	Secured loan	59,03,665			
	Application of funds:				
	Net fixed assets	1,22,50,124	Investments		22,69,717
	Net current assets	1,78,60,758			
IV	Performance of the company (Rs. in thousands)				
	Gross Turnover	7,01,71,253	Total expenditure		6,06,47,170
	Net Turnover	6,78,77,540			
	Profit before tax	57,71,046	Profit after tax		87,63,817
	Earning per share (on Face value of Rs 10/- each)				
	Excluding Extraordinary Income				
	Basic	82.36			
	Diluted	74.76			
	Including Extraordinary Income				
	Basic	177.63			
	Diluted	161.23			
	Dividend rate	62.50%			
V	Generic name of three principal products of the Company				
	Product description				Item Code No
	i) Steel Pipe				7304.90 / 7305.90
	ii) Cold Rolled Strips				7219.20 / 7220.20

FINANCIAL STATEMENTS

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST DECEMBER, 2007

(Rs. in Lacs)

PARTICULARS	For the Period Ended 31.12.07	For the Period Ended 30.09.06
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY	57,710.46	26,333.80
Adjustments for		
Add/(Less)		
Depreciation	7,217.28	5,190.13
Effect of Unralised Foreign Exchange Fluctuation	(124.05)	3.39
Other income(Dividend)	(240.12)	(187.22)
Interest Paid	15,889.68	12,220.20
(Profit)/Loss on sale of fixed assets	(10.73)	(711.60)
Provision for Doubtful Debts	2,100.60	-
(Profit)/Loss on sale of Investment	(200.01)	(1.21)
Interest Received	(2,167.26)	(1,884.91)
Operating Profit before Working Capital Changes	<u>22,465.39</u>	<u>14,628.78</u>
Adjustments for:-	<u>80,175.85</u>	<u>40,962.58</u>
Inventories	20,853.12	(44,787.88)
Sundry debtors	(36,034.99)	(41,917.19)
Other current assets	(5,542.97)	1,545.70
Current liabilities	(25,066.03)	63,809.17
Cash Generated from Operations	<u>(45,790.87)</u>	<u>(21,350.20)</u>
Extraordinary Items		
Sale of Shares of Subsidiary Company	59,772.93	-
Tax Paid	(24,208.36)	(2,476.59)
Net Cash From Operating Activities	<u>69,949.55</u>	<u>17,135.79</u>
B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES		
(Increase)/Decrease in Investment	(13,411.89)	(24.72)
Capital expenditure	(41,789.70)	(19,849.97)
Sale proceeds of fixed assets	152.82	1,296.89
Loan to Subsidiary	959.93	(3,382.25)
Inter Corporate Loan	(2,811.77)	(53.91)
Interest Received	2,455.06	2,718.34
Proceeds from sale of current Investments(Net of Purchases)	200.01	1.21
Dividend Received	377.28	65.13
Net Cash Inflow/(Outflow)from Investing Activities	<u>(53,868.26)</u>	<u>(19,229.28)</u>
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
Dividend paid including Tax	(3,634.04)	(3,076.49)
Interest paid	(15,446.13)	(13,477.40)
Proceeds from Eq. Share Cap. Including Securities Premium	13,081.97	4,363.89
Proceeds from Optionally Convertible Warrant	-	1,165.26
Share Issue Expenses	-	(611.11)
Working Capital loans from banks	(3,134.24)	18,852.32
Increase/(Decrease) in secured loan	(10,005.49)	(4,302.78)
Increase/(Decrease) in FCCBs	(5,621.53)	35,886.30
Increase/(Decrease) in fixed deposits	(714.23)	(31.45)
Increase/(Decrease) in unsecured loan	(2,758.96)	(12,662.66)
Net Cash Inflow/(Outflow) used in Financing Activities	<u>(28,232.65)</u>	<u>26,105.88</u>
Net Changes in Cash & Cash Equivalent	<u>(12,151.36)</u>	<u>24,012.39</u>
Cash and cash equivalent as at 01.10-2006 (opening balance)	<u>39,098.30</u>	<u>15,085.91</u>
Cash and cash equivalent as at 31.12.2007 (Closing Balance)	<u>26,946.94</u>	<u>39,098.30</u>

NOTE:

1. Increase in secured and unsecured loans are shown net of repayments.
2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the year.
3. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached.

N. C. AGGARWAL

Partner

M. No.005951

For & On behalf of

N. C. AGGARWAL & CO.

Chartered Accountants

Place : New Delhi

Dated :26th February, 2008

P. R. JINDAL

Vice Chairman

SMINU JINDAL

Managing Director

INDRESH BATRA

Managing Director

SUNIL JAIN

Company Secretary

NARENDER MANTRI

Vice President (Finance)

FINANCIAL STATEMENTS

Details of Subsidiary Companies

Rs. in Lacs					
Name of the Subsidiary Company	Hexa Securities & Finance Co. Ltd.	IUP Jindal Metals & Alloys Ltd.	Highgate Consultants Ltd.	SV Trading Ltd	Jindal Saw USA LLC
1 Capital including Share Application Money	2550	1000	788.00 USD 2,000,001	768.30 USD 1,950,001	394 USD 1,000,000
2 Reserve Net of Accumulated Losses	(1937.86)	2502.49	NIL	43372.10 USD 110081460	20.45 USD 51908
3 Total Assets	8734.2	11396.45	788 USD 2,000,001	44140.40 USD 112,031,461	5142.45 USD 13051908
4 Total Liabilities	8734.2	11396.45	788 USD 2,000,001	44140.40 USD 112,031,461	5142.45 USD 13051908
5 Investments	5730.79	NIL	768.30 USD 1,950,001	394 USD 1,000,000	NIL NIL
6 Turnover / Total Income	400.12	7809.1	NIL NIL	43372.55 USD 110,082,616	20.45 USD 51908
7 Profit Before Taxation	271.31	(2410.81)	(1.97) (USD 4996)	43372.10 USD 110,081,460	20.45 USD 51908
8 Provision for Taxation	2.25	(815.44)	NIL	NIL	NIL
9 Profit After Taxation	269.06	(1595.37)	(1.97) (USD 4996)	43372.10 USD 110,081,460	20.45 USD 51908
10 Proposed Dividend	NIL	NIL	NIL	NIL	NIL

Note :

- Exchange Rate as on 31.12.2007 - 1 US \$ = 39.40
- Figures in bracket represent losses.

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF JINDAL SAW LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JINDAL SAW LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of Jindal Saw Limited ("the Company") and its subsidiaries as at 31st December, 2007 the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the period then ended.

1. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with generally accepted audit standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of a subsidiary whose financial statements reflect total assets (net) of Rs.6686.11 lacs and total revenues of Rs.4.13 lacs and net cash outflows of Rs 40.70 lacs. These financial statements has been audited by other auditor whose report has been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the other auditor.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Jindal Saw Ltd., and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiaries, we are of the opinion that consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st December, 2007:
- b) In case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the period ended on that date; and
- c) In the case of the Consolidated Cash Flow statement, of the consolidated cash flows of the Company and its subsidiaries for the period ended on that date.

For & on behalf of
N.C. Aggarwal & Co.
Chartered Accountants

N.C. Aggarwal
Partner
M.No. 005951

Place: New Delhi
Date: 26th February, 2008

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

DESCRIPTION	SCHEDULE No.	As At Dec. 31, 2007 (Rs. in lacs)	As At Sep. 30, 2006 (Rs. in lacs)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	15,114.28	14,836.47
Optionally Convertible Warrants		-	1,165.26
Reserves and Surplus	2	222,381.98	80,311.40
		237,496.26	96,313.13
MINORITY INTEREST			
Deferred Tax Liability (Net)	3	8,257.87	7,631.31
LOAN FUNDS			
Secured Loans	4	63,273.11	86,785.24
Unsecured Loans	5	61,281.21	75,387.27
		124,554.32	162,172.51
Total		371,254.12	267,627.55
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	6	123,365.87	110,491.16
Less : Depreciation		32,462.23	24,991.31
Net Block		90,903.64	85,499.85
Capital Work in Progress		42,197.49	15,462.75
Pre-operative Expenses		697.76	1,576.49
		133,798.89	102,539.09
INVESTMENTS			
	7	20,928.37	8,356.28
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	118,427.44	139,667.44
Sundry Debtors	9	112,273.86	76,082.02
Cash and Bank Balances	10	65,864.17	39,215.91
Loans and Advances	11	24,256.13	24,799.46
		320,821.60	279,764.83
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	12	90,432.21	114,077.69
Provisions	13	13,862.53	8,954.96
		104,294.74	123,032.65
NET CURRENT ASSETS		216,526.86	156,732.18
Total		371,254.12	267,627.55
NOTES TO THE ACCOUNTS	22		

As per our report of even date attached.

N. C. AGGARWAL

Partner

M. No. 005951

For & On behalf of

N. C. AGGARWAL & CO.

Chartered Accountants

Place : New Delhi

Dated : 26th February, 2008

P. R. JINDAL

Vice Chairman

SMINU JINDAL

Managing Director

SUNIL JAIN

Company Secretary

INDRESH BATRA

Managing Director

NARENDER MANTRI

Vice President (Finance)

FINANCIAL STATEMENTS

06-07

CONSOLIDATED PROFIT AND LOSS ACCOUNT

DESCRIPTION	SCHEDULE No.	15 Months ended Dec. 31, 2007 (Rs. in Lacs)		12 Months ended Sept. 30, 2006 (Rs. in Lacs)
INCOME				
Sales and Operational Income	14	728,049.11		408,061.14
Less: Excise Duty		26,478.65	701,570.46	20,746.96
Other Income	15		45,167.74	2,812.70
Increase/ (Decrease) in Stock	16		(15,946.56)	31,744.44
			730,791.64	421,871.32
EXPENDITURE				
Raw Material Consumed/Sold			445,287.81	272,823.40
Manufacturing Expenses	17		104,258.61	70,510.19
Payments to and Provisions for Employees	18		13,754.42	8,382.36
Selling Expenses	19		31,074.38	22,845.95
Finance Expenses	20		19,337.24	12,901.75
Administrative & Other Expenses	21		11,173.84	3,842.56
Provision for Non Performing Assets			5.86	-
Depreciation		8,156.40		5,788.31
Less :Transfer to Revaluation Reserve		426.14	7,730.26	417.62
			632,622.42	396,676.90
Profit before Taxation and Extra-ordinary Item			98,169.22	25,194.42
Profit on sale of entire Shareholding of wholly owned Subsidiary Company			63,181.44	-
Profit including Extra-ordinary Item but before Taxation			161,350.66	25,194.42
Provision for				
- Current Income Tax		24,513.42		7,044.97
- Tax on Income Remittance of overseas branch		3,230.12		-
- Deferred Tax Liability		626.56		1,643.10
- Fringe Benefit Tax		124.49		102.40
- Prior Periods' Tax Adjustment		(96.69)		(118.19)
- Wealth Tax		15.24	28,413.14	13.50
Profit After Taxation			132,937.52	16,508.64
Add: Losses attributable to Minority Interest			564.93	17.60
Net Profit			133,502.45	16,526.24
Profit Brought Forward			23,921.83	14,260.47
Debenture Redemption Reserve Written Back			-	500.00
Translation Exchange Difference (Net)			-	(227.92)
Disposable Profit			157,424.28	31,058.79
APPROPRIATIONS				
Interim Dividend paid on Preference shares			785.00	763.49
Corporate Tax on Above			122.23	107.08
Proposed Dividend :				
- on Equity Shares			3,257.63	2,418.22
- on Preference Shares			219.37	-
Corporate Tax on Proposed Dividends			590.92	346.17
Dividend Paid			-	50.00
General Reserve			70,000.00	2,500.00
Debenture Redemption Reserve			937.50	937.50
Statutory Reserve			53.81	14.50
Balance Carried to Balance Sheet			81,457.82	23,921.83
			157,424.28	31,058.79
Earning per share (on Face value of Rs 10/- each)				
Basic (Excluding Extraordinary Income)			167.67	32.37
Diluted (Excluding Extraordinary Income)			152.19	31.00
Basic (Including Extraordinary Income)			270.68	32.37
Diluted (Including Extraordinary Income)			245.70	31.00

NOTES TO THE ACCOUNTS

22

As per our report of even date attached.

N. C. AGGARWAL
Partner
M. No. 005951

P. R. JINDAL
Vice Chairman

SMINU JINDAL
Managing Director

INDRESH BATRA
Managing Director

For & On behalf of

N. C. AGGARWAL & CO.
Chartered Accountants
Place : New Delhi
Dated :26th February, 2008

SUNIL JAIN
Company Secretary

NARENDER MANTRI
Vice President (Finance)

FINANCIAL STATEMENTS

JINDAL SAW LIMITED

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION	As at Dec. 31, 2007 (Rs. in Lacs)	As at Sept. 30, 2006 (Rs. in Lacs)
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
(i) 10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00
(ii) 1,00,00,000 Redeemable Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	20,000.00	20,000.00
ISSUED AND SUBSCRIBED		
(i) 5,11,43,193 (Previous Year 4,83,65,108) Equity Shares of Rs. 10/- each	5,114.32	4,836.51
(ii) 1,00,00,000 7.85% Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	15,114.32	14,836.51
PAID UP		
(i) 5,11,42,393 (Previous Year 4,83,64,308) Equity Shares of Rs. 10/- each Add : Forfeited Capital 800 Equity Shares of Rs. 10/- each (partly paid up Rs. 5 each)	5,114.24 0.04	4,836.43 0.04
	5,114.28	4,836.47
(ii) 1,00,00,000 7.85% Redeemable Non Convertible Cumulative Preference Shares of Rs. 100/- each	10,000.00	10,000.00
	15,114.28	14,836.47

NOTES:

1. OF THE ABOVE EQUITY SHARES
 - a) 20,08,000 & 66,13,936 were allotted pursuant to contract & schemes of Amalgamation respectively without payment being received in cash.
 - b) 2,57,96,172 were allotted as bonus shares by capitalising Reserves and Share Premium
 - c) 650 have been held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.
 - d) 800 (partly paid up Rs.5/-) have been forfeited.
2. DURING THE YEAR
 - a) 24,12,542 equity shares were allotted to holders of Equity Share warrants at Rs.483/- per equity share
 - b) 3,65,543/- equity shares were allotted to the holders of 6250 FCCB of JPY 100000/- each upon exercising the option of conversion at a base price of Rs.675/- per equity share with a fixed rate of exchange on conversion of JPY 2.533 = Rs. 1.00 after adjustment of term and conditions of issue of bonds.
3. Options on Un-issued Share Capital Foreign Currency Convertible Bond holders holding bonds for aggregate amount of JPY 8,465,000,000 can convert the same upto 24.06.2011 into equity shares of Rs.10/- each at a base conversion price of Rs.675/- per equity share with a fixed rate of exchange on conversion of JPY 2.533=Re. 1.00 after adjustment of term and conditions of issue of bonds.
4. Preference shares are redeemable in three yearly installments in the ratio of 30:30:40 at the end of fifth, sixth and seventh year from the date of allotment i.e.22.09.2005.These also carry put / call option at the end of 5th Year from the date of allotment.

FINANCIAL STATEMENTS

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SCHEDULE "2"

RESERVES AND SURPLUS	As At Sept. 30, 2006 (Rs. in Lacs)	Additions/ created during the year	Deductions	As At Dec 31, 2007 (Rs. in Lacs)
(i) Capital Reserve	9.50	—	—	9.50
(ii) Capital Redemption Reserve	1,500.00	—	—	1,500.00
(iii) General Reserve	19,663.06	70,000.00	—	89,663.06
(iv) Debenture Redemption Reserve	2,812.50	937.50	—	3,750.00
(v) Securities Premium Account	30,653.42	13,969.42	—	44,622.84
(vi) Statutory Reserve	56.41	53.81	—	110.22
(vi) Revaluation Reserve	1,694.68	—	426.14	1,268.54
(vii) Profit and Loss Account	23,921.83	133,502.45	75,966.46	81,457.82
Total	<u>80,311.40</u>	<u>218,463.18</u>	<u>76,392.60</u>	<u>222,381.98</u>
Previous year	64,511.18	24,451.41	8,651.19	80,311.40

DESCRIPTION

SCHEDULE "3"

DEFERRED TAX LIABILITY

A. Deferred Tax Liability

Difference between book and tax depreciation

Total Deferred Tax Liability

B. Deferred Tax Assets

i) Disallowance under Income Tax Act

ii) Provision for Doubtful Debts

iii) Brought forward Losses

Total Deferred Tax Assets

Deferred Tax Liability (Net) A-B

DESCRIPTION	As at Dec. 31, 2007 (Rs. in Lacs)	As at Sept. 30, 2006 (Rs. in Lacs)
	10,560.52	7,733.29
	10,560.52	7,733.29
	191.95	101.98
	624.63	-
	1,486.07	-
	2,302.65	101.98
	8,257.87	7,631.31
	12,500.00	15,000.00
	19,279.62	35,441.20
	—	400.00
	29,347.67	31,251.27
	2,145.82	4,692.77
	63,273.11	86,785.24

SCHEDULE "4"

SECURED LOANS

A. Redeemable Non-Convertible Debentures

B. Term Loan

(i) From Banks

(ii) From Financial institutions

C. Working Capital Loans from Banks

D. External Commercial Borrowing

NOTES

- Debentures referred to in A above are secured by pari-passu charge by way of English mortgage on the company's specific immovable properties located in the State of Gujarat and by way of equitable mortgage of Company's other immovable properties and hypothecation of moveable Fixed Assets in favour of Debenture Trustees.
- Debentures referred to the A above are privately placed and consist of:
 - 9.75% Debenture of Rs.100/- each aggregating to Rs. 5000.00 Lacs are redeemable in two equal Annual instalments on 30th September 2008 and 30th September 2009.
 - 7.75% Debenture of Rs.10,00,000/- each aggregating to Rs.7500.00 Lacs are redeemable in three equal Annual instalments commencing from 26.03.2008.
 - Debentures referred to in (ii) above are also secured by personal guarantee of directors.
- Term Loans from Banks include Loans of Rs.143.65 lacs (Previous year Rs. 93.94 lacs)for purchase of vehicles and secured by way of hypothecation of vehicles.
- Term Loans from Banks include loans of Rs. 16753.74 Lacs (Previous Year Rs. 34747.44 Lacs) which are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, subject to charges created in favour of Company's bankers for securing Working Capital Facilities. Term Loan of Rs.1825 Lacs is secured by first charge on fixed assets of the company and second charge on current assets of the company.
- Term Loans from Banks/Financial Institutions include loans of Rs. 11432.34 Lacs (Previous Year Rs. 14437.50 Lacs) for which Director(s) personal Guarantee has been provided
- Term Loans from Banks include a House Property loan of Rs.557.23 lacs (Previous year 599.82 lacs) which is secured by way of exclusive charge on the Company's House Property situated in Delhi.

FINANCIAL STATEMENTS

06-07

5. Term Loans from Financial Institutions & others include a loan of Rs. NIL (Previous Years Rs.400.00 Lacs), which is secured by way of charge subservient to 1st & 2nd charge holders on entire movable and immovable properties of the Company.
- C. Working Capital Loans are secured/to be secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debts and to be secured by second charge in respect of other moveable and immovable properties of the Company.
- D. External Commercial Borrowings are secured by way of mortgage of Company's immovable properties and hypothecation of moveable assets (save and except book debts) both present and future, except those charged in favour of Company's bankers for securing Working Capital Facilities. These are also guaranteed by Director(s).

SCHEDULE "5" UNSECURED LOANS

DESCRIPTION	As At Dec. 31, 2007 (Rs. in Lacs)	As At Sept. 30, 2006 (Rs. in Lacs)
(i) Fixed Deposits	3,290.25	4,004.48
(ii) Deferred Sales Tax loan	6,635.23	5,326.69
(iii) Unsecured Loans from Banks	1,125.72	2,875.92
(iv) Foreign Currency Convertible Bonds	29,791.96	35,449.46
(v) External Commercial Borrowing	16,058.70	18,376.00
(vi) Intercorporate Loans	4,379.35	9,354.72
	61,281.21	75,387.27

Notes:

- (i) Deferred Sales Tax loan and Unsecured Loan from Banks are guaranteed by one of the Directors
- (ii) Unsecured loans from Banks/ Commercial Paper includes amount of Rs. 1125.72 lacs (Previous Year Rs. 1750.92 Lacs) payable within one year
- (iii) External Commercial Borrowings are repayable on 29th September 2010.
- (iv) The Foreign Currency Convertible Bonds (FCCB) are convertible at any time on or after 12 July 2006 and up to the close of business on 24 June 2011 by holders of the Bonds into newly issued equity shares of Rs. 10 each of the company at the option of the Bondholder, at a base conversion price of Rs. 675 per share with a fixed rate of exchange on conversion of ₹2.533 = Rs. 1.00 after adjustments as per terms & conditions of issue of Bonds. Unless previously converted redeemed or repurchased and cancelled, the bonds will mature on 1 July 2011 at 117.928% of their principal amount.

SCHEDULE "6" FIXED ASSETS

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As At 01.10.06	Additions	Deduction/ Adjustments	As At 31.12.07	Up to 30.09.06	During theYear	Deduction/ Adjustments	Up to 31.12.07	As At 31.12.07	As At 30.09.06
Tangible Assets:										
Land										
- Free hold	1,284.16	3,848.92	-	5,133.08	-	-	-	-	5,133.08	1,284.16
- Lease hold	394.17	-	-	394.17	85.24	8.08	-	93.32	300.85	308.93
Buildings	13,146.87	3,145.62	909.82	15,382.67	1,665.27	439.55	12.19	2,092.63	13,290.04	11,481.60
Plant & Machinery	94,336.77	14,580.52	8,410.94	100,506.35	22,827.65	7,513.78	671.68	29,669.75	70,836.60	71,509.12
Vehicles	709.79	422.03	30.06	1,101.76	255.94	117.98	9.97	363.95	737.81	453.85
Furniture & Fixtures	597.76	222.10	3.15	816.71	155.64	71.87	(1.71)	229.22	587.49	442.12
Intangible Assets										
Computer Software	21.64	9.49	-	31.13	1.57	11.79	-	13.36	17.77	20.07
TOTAL	110,491.16	22,228.68	9,353.97	123,365.87	24,991.31	8,163.05	692.13	32,462.23	90,903.64	85,499.85
Previous Year	86,334.47	25,241.75	1,085.06	110,491.16	19,804.00	5,788.31	601.00	24,991.31	85,499.85	

NOTE

- A) Gross Block includes the following amount on account of revaluation made on 31.03.1996 of Pipe Division at A-1, UPSIDC Indl. Area, Kosi Kalan at Net current Residual Replacement Value.
- i) Land
Freehold 7.38
Leasehold 143.59
- (ii) Building 548.34
(iii) Plant & Machinery 3,916.96
- B) Depreciation during the year include Depreciation Capitalized during Pre-Operative Stage amounting to Rs.6.65 Lacs (Rs.NIL)

FINANCIAL STATEMENTS

DESCRIPTION	As at Dec. 31, 2007 (Rs. in Lacs)	As at Sept. 30, 2006 (Rs. in Lacs)
SCHEDULE "7"		
INVESTMENTS		
(i) Quoted Shares	7,394.12	7,376.12
(ii) Unquoted Shares	39.70	667.21
(iii) Share Application Money (Unquoted Shares)	48.00	70.00
(iv) Govt & Trust Securities	242.95	242.95
(v) Mutual Funds	13,203.60	—
Total	<u>20,928.37</u>	<u>8,356.28</u>
Aggregate Market Value of Quoted Investments	<u>176,613.17</u>	<u>35,768.87</u>
SCHEDULE "8"		
INVENTORIES		
(As taken valued and certified by the management)		
(i) Stores and Spares	5,525.57	4,399.94
(ii) Loose Tools	122.76	51.57
(iii) Finished goods	12,696.39	43,122.64
(iv) Work in Progress	29,563.44	16,319.10
(v) Raw Material*	66,285.57	73,139.99
(vi) Scrap	4,233.71	2,634.20
	<u>118,427.44</u>	<u>139,667.44</u>
* Includes Raw Material in Transit of Rs.28,052.19 Lacs (Previous Year Rs. 10,536.96 Lacs)		
SCHEDULE "9"		
SUNDRY DEBTORS		
(Unsecured , Considered good)		
i) Exceeding six months		
- Considered good	12,078.91	17,047.66
- Considered doubtful	2,287.21	15.27
Less : Provision for doubtful	<u>(2,287.21)</u>	<u>(15.27)</u>
ii) Others	100,194.95	59,034.36
	<u>112,273.86</u>	<u>76,082.02</u>
SCHEDULE "10"		
CASH AND BANK BALANCES		
i) Cash on hand	12.77	14.18
ii) Bank Balance with Scheduled Banks		
- In Current Accounts	39,077.88	1,253.44
- In Fixed Deposit Account*	26,414.07	37,948.29
iii] Bank Balance With Unscheduled Banks		
- In Current Accounts		
(Amegy Bank, U.S.A.)	359.45	-
(Maximum Balance during the year Rs. 3309.99 Lac , Previous year Rs. NIL)		
	<u>65,864.17</u>	<u>39,215.91</u>

* This includes balance of unutilized money out of FCCB issue of Rs. 26,270.23 Lacs (Previous Years Rs. 34,669.28 Lacs)

FINANCIAL STATEMENTS

DESCRIPTION	As at Dec. 31, 2007 (Rs. in Lacs)	As at Sept. 30, 2006 (Rs. in Lacs)
SCHEDULE "11"		
LOANS AND ADVANCES		
i) Advances recoverable in cash or in kind or for value to be received Considered Good Less: Provision for Non Performing assets	8,396.64 (5.86)	7,579.02 -
	8,390.78	7,579.02
ii) Earnest money and Security deposits	3,392.96	2,319.56
iii) Balance with Excise, Customs and Port Authorities etc.	1,686.61	1,743.62
iv) Inter Corporate Loans	4,527.93	10,277.77
v) Interest Accrued on Investments	5.85	103.39
vi) Prepaid Expenses	326.96	1,147.13
vii) Export Benefits/Govt. Grants Receivables	5,925.04	1,628.97
	24,256.13	24,799.46
SCHEDULE "12"		
CURRENT LIABILITIES		
i) Sundry Creditors	26,173.53	64,786.73
ii) Acceptances	43,922.54	34,508.44
iii) Advance from Customers	4,750.38	553.52
iv) Interest Accrued but not due	2,000.37	1,698.81
v) Other Liabilities	13,430.97	12,406.35
vi) Unpaid Dividend*	154.42	123.84
	90,432.21	114,077.69
* There is no amount due & outstanding to be credited to Investor's Education and Protection fund u/s 205 C of the Co. Act, 1956.		
SCHEDULE "13"		
PROVISIONS		
i) For Taxation (Net of Prepaid Taxes)	9,421.16	5,862.60
ii) For Proposed Dividend & Corporate tax thereon	4,067.92	2,757.38
iii) Others	373.45	334.98
	13,862.53	8,954.96

DESCRIPTION	15 months ended Dec. 31, 2007 (Rs. in lacs)	12 months ended Sep. 30, 2006 (Rs. in lacs)
SCHEDULE "14"		
SALES AND OPERATIONAL INCOME		
i) Sales	696,828.96	388,676.93
ii) Job Charges	11,898.81	11,104.77
iii) Export / Deemed Export Benefits / Govt. Grants	19,321.34	8,279.44
	728,049.11	408,061.14

FINANCIAL STATEMENTS

DESCRIPTION	15 months ended Dec. 31, 2007 (Rs. in lacs)	12 months ended Sep. 30, 2006 (Rs. in lacs)
SCHEDULE "15"		
OTHER INCOME		
i) Dividend on Long Term investment	616.61	458.09
ii) Profit on Sales of Investments	44,044.00	-
iii) Profit on Sales of Fixed Assets (Net)	6.91	-
iv) Previous Year's Adjustments (Net)	12.91	106.55
v) Miscellaneous Receipts	487.31	878.52
vi) Foreign Exchange Fluctuation(Net)	-	1,369.54
	45,167.74	2,812.70
SCHEDULE "16"		
INCREASE / (DECREASE) IN STOCK		
OPENING STOCK		
Finished Goods	43,122.64	19,844.01
Work-in-progress	16,319.10	7,488.46
Scrap	2,634.20	1,646.31
	62,075.94	28,978.78
Add: Stock Transfer During during Trial Run Period		1,352.72
	62,075.94	30,331.50
CLOSING STOCK		
Finished Goods	12,772.35	43,122.64
Work-in-progress	30,941.71	16,319.10
Scrap	2,415.32	2,634.20
	46,129.38	62,075.94
Increase/(Decrease) in Stock	(15,946.56)	31,744.44
SCHEDULE "17"		
MANUFACTURING EXPENSES		
i) Stores and Spares	13,114.53	7,866.71
ii) Power and Fuel	13,424.66	7,425.57
iii) Outsourcing	70,689.03	50,377.15
iv) Other Manufacturing expenses	5,097.56	3,630.14
v) Repair and Maintenance:		
- Plant and Machinery	1,769.79	940.80
- Building & Others	163.04	269.82
	104,258.61	70,510.19
SCHEDULE "18"		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
i) Salary, Wages and other Benefits	12,364.96	7,526.43
ii) Contribution to Provident and other funds	702.76	403.53
iii) Workmen and Staff Welfare	686.70	452.40
	13,754.42	8,382.36

FINANCIAL STATEMENTS

DESCRIPTION	15 months ended Dec. 31, 2007 (Rs. in lacs)	12 months ended Sep. 30, 2006 (Rs. in lacs)
SCHEDULE "19"		
SELLING EXPENSES		
i) Commission on Sales	2,607.86	2,524.23
ii) Advertisement	154.65	54.10
iii) Forwarding charges *	27,093.23	18,927.16
iv) Other Selling Expenses	1,218.64	1,340.46
	31,074.38	22,845.95
* Net of recoveries of Rs. 8229.68 Lacs (Prev. Year 2303.25 Lacs)		
SCHEDULE "20"		
FINANCE EXPENSES		
i) Interest on Fixed Deposits	490.16	378.02
ii) Interest on Debentures	1,985.07	2,360.55
iii) Interest on Term Loans	3,974.50	4,443.92
iv) Interest on Bank Borrowings	9,081.08	5,133.78
v) Bank and Finance charges	3,627.88	2,286.51
vi) Interest to Others	1,912.25	776.05
vii) Foreign Exchange Fluctuation / Gain from Derivative transactions (Net)	767.63	-
	21,838.57	15,378.83
Less: Interest Received:		
i) Foreign Exchange Fluctuation / Gain from Derivative transactions (Net)	-	958.64
ii) Interest on Bonds and Debentures (TDS Rs. 6.80 Lacs, Previous Year Rs.33.02 Lacs)	30.00	147.17
iii) Other Interest on Loans, Advances and Deposit (TDS Rs. 484.30 Lacs, Previous Year Rs. 174.83 Lacs)	2,471.33	1,371.27
	2,501.33	2,477.08
	19,337.24	12,901.75
SCHEDULE "21"		
ADMINISTRATIVE AND OTHER EXPENSES:		
i) Rent	285.41	155.64
ii) Rates & Taxes	1,212.21	364.33
iii) Insurance	341.46	317.83
iv) Postage, Telegrams & Telephones	332.49	292.98
v) Traveling & Conveyance	1,253.21	795.26
vi) Legal & Professional	1,030.65	285.95
vii) Vehicle upkeep & Maintenance	269.54	197.07
viii) Director's Meeting Fees	6.80	3.70
ix) Donations	211.73	151.62
x) Miscellaneous Expenses	1,695.48	1,048.98
xi) Liquidated Damages	2,149.75	6.58
xii) Auditor's Remuneration	28.35	22.03
xiii) Cost Auditor's Remuneration	2.30	1.50
xiv) Preliminary / Deferred Revenue Expenses W/off	-	7.84
xv) Bad Debts	67.25	15.52
xvi) Provision for Bad and doubtful Debts	2,287.21	-
xvii) Loss on Sale of Fixed Assets(Net)	-	132.32
xviii) Loss on Sale of Investments(Net)	-	43.41
	11,173.84	3,842.56

FINANCIAL STATEMENTS

SCHEDULE – “22”

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY; FIVE SUBSIDIARIES (INCLUDING TWO INDIRECT SUBSIDIARY)

1. Principles of consolidation

The consolidated financial statements relate to Jindal Saw Limited (The Company) and its subsidiaries. The consolidated financial statements have been prepared on the following basis:-

- a) The financial statements of the subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transaction resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 – ‘Consolidated Financial Statements’ issued by the Institute of Chartered Accountants of India.
- b) In the case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the exchange fluctuation reserves and in case of loss the same is charged to profit and loss account.
- c) All subsidiaries of the Company are subsidiaries since inception of their business activities. Hence there is no capital reserve or goodwill arising on consolidation.
- d) For the purpose of Consolidation, Accounting Policies of the holding company have been adopted for all the entities.
- e) The subsidiary companies considered in the consolidated financial statements are:-

Name of the Company	Country of Incorporation	% Shareholding / Voting Power	Date of Financial Statements
Subsidiaries Company			
Hexa Securities & Finance Company Ltd., (HSFCL)	India	100%	30-Sep-07
IUP Jindal Metals & Alloys Ltd. (IUP Jindal) ***	India	73%	31-Dec-07
Highgate Consultants Limited (Highgate)	British Virgin Island	100%	31-Dec-07
SV Trading Limited (SVT)	Nevis	100%	31-Dec-07*
Jindal Saw USA LLC (JSULLC)	USA	100%	31-Dec-07**

* Wholly owned subsidiary of Highgate Consultants Limited

** Wholly owned subsidiary of S.V.Trading Limited

*** Consolidated based on profit and loss account for the twenty one months period from 1.04.06 to 31.12.07 as the last financials were consolidated upto 31.03.2006

2. Contingent Liabilities

Description	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	41,067.73	31,101.98
b) Letter of Credit Outstanding (Net of Liabilities provided in the books)	59,588.31	65,780.28
c) Disputed Excise duty and Custom Duty	82.12	14.14
d) Disputed Sales Tax	1,298.97	1,052.85
e) Corporate guarantee for availing various export based incentives.	8,545.85	6,300.95
3 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).	34,173.65	24,003.69
4 Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any, which are not likely to be material, will be adjusted at the time of confirmation.		
5 The Stores and Spares consumed and Salaries & Wages incurred for repairs and maintenance of Plant and Machinery and shed and Building have not been allocated to the respective repairs and maintenance accounts.		
6 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.		
7 Capital work in progress includes Advance against capital goods of Rs.12985.52 lacs and inventories of capital nature.		
8 Profit for the year includes Prior Period Adjustment Rs.21.57 Lacs (Debit) and Rs.34.48 Lacs (Credit) (Previous Year – 5.78 lacs (Debit)Rs 0.31 lacs(Credit).		

FINANCIAL STATEMENTS

- 9 Profit or Loss on sale of raw material, stores and spares is not ascertained or shown separately and sale proceeds have been credited to the respective consumption accounts.
- 10 Profit on sale of entire shareholding of Wholly Owned Subsidiary Company (Jindal Enterprises LLC) includes Rs 3770.43 lacs on account of its accumulated losses.
11. Earning Per Share (EPS) Basic and Diluted computed in accordance with Accounting Standard 20 "Earning per Share"

Basic and Dilluted	Current Period ended 31.12.2007 (Rs in Lacs)	Previous Year ended 30.09.2006 (Rs in Lacs)
Profit before tax and excluding Extra ordinary Item	98,169.22	25,194.42
Less: Tax on ordinary activites	15,380.14	8,685.78
Profit after tax and excluding extra ordinary item	82,789.08	16,508.64
Less: Preference dividend including tax thereon	1,163.88	870.57
Profit attributable to Equity Shareholders excluding extra ordinary income (A)	81,625.20	15,638.07
Extraordinary Items		
Extraordinary Income	63,181.44	-
Less: Tax on Extraordinary income	13,033.00	-
Profit attributable to Equity Shareholders including extra ordinary income (B)	131,773.64	15,638.07
Weighted Average No of Shares issued for Basic EPS (C)	48,681,694	48,316,363
Weighted Average No of Shares issued for Diluted EPS (D)	53,632,637	50,453,247
Earning per share (On face value of Rs. 10/ each)		
Excluding extra ordinary income		
Basic = A/C	167.67	32.37
Diluted = A/D	152.19	31.00
Including extra ordinary income		
Basic = B/C	270.68	32.37
Diluted = B/D	245.70	31.00

12. Details of Pre-operative Expenses pending allocation on completion of the projects is as under :

Detail of Pre-operative Expenses	Current Period ended 31.12.2007 (Rs in Lacs)	Previous Year ended 30.09.2006 (Rs in Lacs)
Raw material	8.02	2,401.82
Power & Fuel	16.46	185.32
Store & Spares	9.88	282.91
Repairs to plant and machinery	0.97	-
Salary, Wages & Other Benefits	134.09	162.72
Contribution to PF & other funds	5.56	4.90
Workman & Staff Welfare	8.62	3.98
Rent, rates and taxes	3.45	0.32
Traveling & Conveyance	40.32	67.90
Insurance Expenses	0.94	4.90
Interest and Bank Charges *	-	1,208.57
Miscellaneous Expenses	161.18	36.96
Depreciation	6.65	-
	396.14	4,360.30
Less:		
Sale value of Goods produced during Trial Period	5.72	1,210.60
Interest received **	483.35	-
Closing Stock	19.78	1,352.72
	(112.71)	1,796.98
Add: Preoperative expenses brought forward	1,576.49	317.39
	1,463.78	2,114.37
Less; Capitalised during the year	766.02	537.88
Preoperative Expenses Carried Over	697.76	1,576.49

** Net of Interest Paid Rs. 628.38 Lacs (Previous Year-Rs. Nil)

* Net of Interest Received Rs. Nil (Previous Year Rs. 644.02 Lacs)

FINANCIAL STATEMENTS

13. Related Parties Transactions

A List of Related Parties & Relationship (As identified by the Management)

a) Associate Enterprises

1 Jindal United Steel Corporation- (till 4th November,2007)

b) Key Management Personnel

1. Sminu Jindal	Managing Director
2. Indresh Batra	Managing Director (w.e.f.28.04.2007)
3. H.S. Chaudhary	Whole Time Director
4. Shyam Agarwal	Jt. Mg. Director - IPU (w.e.f.01.04.2007)
5. H.S. Bedi	Director - Technical - Large Dia Pipe Division(upto 11.10.2006)
6. O.P. Sharma	Director - Marketing - Large Dia Pipe Division
7. Sunil Trehan	Director - Spun Pipe Division (upto 20.07.2007)
8. V.S. Konnur	President & CEO - Seamless Tube Division
9. S.K. Nevatia	President - Spun Pipe Division (w.e.f. 06.08.2007)
10. K. Chandrayya	Director (Works) - Spun Pipe Division
11. Vikram Puri	Vice President - Corporate Human Resources
12. Vinay Gupta	Vice President - Finance
13. Narender Mantri	Vice President - Finance
14. Mukesh Kumar	Whole Time Director (IUP Jindal)
15. Harvinder Chugh	Company Secretary & Financial Controller (IUP Jindal)
16. C.B. Roy	Sr. General Manager- Works (IUP Jindal)
17. J. Sayal	General Manager (IUP Jindal)

B Transactions Description	Associate	Key Management Personnel	(Rs. In Lacs) Total
Sale of material	14.76	-	14.76
	55.32	-	55.32
Interest Paid	-	5.90	5.90
	-	3.81	3.81
Interest Received	-	-	-
	524.11	-	524.11
Toll Charges	43,016.55	-	43,016.55
	34,283.28	-	34,283.28
Rent	-	-	-
	53.98	-	53.98
Remuneration Paid	-	595.74	595.74
	-	228.84	228.84
Outstanding Balance as on 31.12.2007			
For services / material receivable	-	-	-
	2,342.94	-	2,342.94
Creditors	-	-	-
	562.26	-	562.26
Loans & Advances Given	-	-	-
	8,251.86	9.43	8,261.29
Loans and advances taken (Including interest accrued	-	-	-
	548.84	-	548.84

Note: UNBOLD FIGURES PERTAINS FOR PREVIOUS YEAR

FINANCIAL STATEMENTS

14 Segment Information:

A) PRIMARY BUSINESS SEGMENT

(Rs. In Lacs)

Particulars	Iron and steel products	Investment	Unallocable	Total
1 Segment Revenue				
-External Turnover	728,049.11	-	-	728,049.11
	408,061.14	-	-	408,061.14
Less: Excise Duty	26,478.65	-	-	26,478.65
	20,746.96	-	-	20,746.96
Net Turnover	701,570.46	-	-	701,570.46
	387,314.18	-	-	387,314.18
2 Segment Result Before Interest, Extra ordinary items and Taxes	74,813.38	45,017.48	(2,324.40)	117,506.46
	38,240.26	225.51	(369.59)	38,096.18
Less: Interest Expenses(Net)	-	(570.19)	(18,767.05)	(19,337.24)
	-	(153.03)	(12,748.73)	(12,901.75)
Profit before Extra Ordinary Items and Taxes	74,813.38	44,447.29	(21,091.45)	98,169.22
	38,240.26	72.48	(13,118.32)	25,194.42
Extra Ordinary Items	-	-	63,181.44	63,181.44
Profit before Taxes and after extraordinary items	74,813.38	44,447.29	42,089.99	161,350.66
	38,240.26	72.48	(13,118.32)	25,194.42
Current Tax including fringe benefit tax	-	-	27,771.34	27,771.34
	-	-	7,029.18	7,029.18
Provision / (Withdrawn) of Deferred Tax	-	-	626.56	626.56
	-	-	1,643.10	1,643.10
Wealth	-	-	15.24	15.24
	-	-	13.50	13.50
Net Profit after Tax	74,813.39	44,447.29	13,676.85	132,937.52
	38,240.26	72.48	(21,804.10)	16,508.64
3 Other Information				
Segment Assets	374,899.90	45,689.16	39,762.24	460,351.30
	327,011.68	6,259.79	53,090.57	386,362.04
Segment Liabilities	87,101.78	17.50	7,754.30	94,873.58
	113,209.76	16.51	3,943.77	117,170.04
Capital Expenditure	46,823.64	-	932.18	47,755.82
	27,160.25	-	1,345.32	28,505.57
Depreciation	7,698.98	-	31.28	7,730.26
	5,252.27	-	118.42	5,370.69
Non Cash Expenses other than depreciation	2,287.21	-	-	2,287.21
	15.52	-	-	15.52

FINANCIAL STATEMENTS

B) SECONDARY BUSINESS SEGMENT (Rs. In Lacs)

Particulars	Within India	Outside India	Total
1 Gross Revenue	229,260.18	498,788.93	728,049.11
	163,424.27	244,636.87	408,061.14
Less: Excise Duty	26,478.65	-	26,478.65
	20,746.96	-	20,746.96
Net Revenue	202,781.53	498,788.93	701,570.46
	142,677.31	244,636.87	387,314.18
2 Segment Assets*	405,890.18	54,461.12	460,351.30
	269,722.46	116,639.58	386,362.04
3 Segment Liabilities	79,351.79	15,521.79	94,873.58
	62,848.73	54,321.32	117,170.05
4 Capital Expenditure*	42,304.17	5,451.62	47,755.79
	22,580.81	5,924.76	28,505.57

* The Company's operating facilities are located in India

NOTE:

- Unbold Figures pertain to previous year.
- Segments have been identified in line with AS on Segment Reporting (AS-17) taking into account the organisational structure, nature of product and differential risk and returns of these segments.

	As at 31.12.2007	As at 30.09.2006
3 Total Unallocable Assets exclude Investments	16,016.07	2,603.48
4 Total Unallocable Liabilities exclude Secured Loans	63,273.11	86,785.24
Unsecured Loans	61,281.21	75,387.27
Deferred Tax Liability	8,257.87	7,631.31

15. a) Auditor's Remuneration

	Current Year (Rs in lacs)	Previous Year (Rs in lacs)
Statutory Auditors		
i. Audit Fees	14.39	10.62
ii. Tax Audit Fees	1.93	1.68
iii. Taxation Matters	-	3.37
iv. Certification / Others	6.29	4.26
v. Out of pocket Expenses	5.74	2.10
Total	28.35	22.03
Cost Auditors		
i. Audit Fees	2.05	1.50
ii. Out of Pocket	0.25	-
Total	2.30	1.50

b) Directors' Remuneration

i. Salary including allowances etc.	175.46	39.35
ii. Commission	92.95	24.60
iii. Contribution to P.F. etc.	15.96	3.64
iv. Perquisites (as per Income Tax Rules)	40.68	8.49
Total	325.05	76.08

16. Figures pertaining to the subsidiary companies have been reclassified / regrouped wherever necessary to bring them in line with the Parent Company's financial statement. Previous years figures have been regrouped / rearranged wherever considered necessary. Current Period figures of Profit & Loss Account are not comparable with previous year as the current period figures are for fifteen months.

As per our report of even date attached.

N. C. AGGARWAL
Partner
M.No.005951
For & On behalf of
N. C. AGGARWAL & CO.
Chartered Accountants
Place : New Delhi
Dated :26th February, 2008

P. R. JINDAL
Vice Chairman

SMINU JINDAL
Managing Director

INDRESH BATRA
Managing Director

SUNIL JAIN
Company Secretary

NARENDER MANTRI
Vice President (Finance)

FINANCIAL STATEMENTS

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST DECEMBER, 2007

(Rs. in Lacs)

PARTICULARS	For the Period Ended 31.12.07	For the Period Ended 30.09.06
A. CASH INFLOW(OUTFLOW) FROM THE OPERATING ACTIVITIES		
Net Profit Before Tax and Extra-ordinary Activity	98,169.22	25,194.42
Adjustments for		
Add/(Less)		
Depreciation	7,730.26	5,370.69
Effect of Unrealised Foreign Exchange Fluctuation	(124.05)	3.39
Other income(Dividend)	(240.12)	(458.09)
Interest Paid	18,210.69	13,092.32
(Profit)/Loss on sale of fixed assets	(6.91)	132.32
(Profit)/Loss on sale of Investment	(44,044.00)	43.41
Provision for Doubtful Debts	2,287.21	-
Provision for Non Performing Assets	5.86	-
Misc. Expenses written off	-	7.84
Foreign Exchange Fluctuation	-	(227.92)
Interest Received	(2,447.69)	(2,433.58)
Operating Profit Before Working Capital Changes	<u>79,540.47</u>	<u>40,724.80</u>
Adjustments for:-		
Inventories	21,240.00	(47,042.53)
Sundry debtors	(38,311.10)	(42,735.36)
Other current assets	(5,351.60)	171.01
Current liabilities	(23,927.69)	67,300.69
Cash Generated From Operations	<u>33,190.08</u>	<u>18,418.61</u>
Extraordinary Items		
Sale of Shares of Subsidiary Company	63,543.36	
Tax Paid	(24,228.02)	(2,525.12)
Net Cash from Operating Activities	<u>72,505.42</u>	<u>15,893.49</u>
B. CASH INFLOW/(OUTFLOW)FROM INVESTMENT ACTIVITIES		
(Increase)/Decrease in Investment	(12,934.01)	1,848.35
Capital expenditure	(47,755.81)	(28,505.57)
Sale proceeds of fixed assets	8,668.74	351.74
Loan & Advances	5,749.84	1,641.78
Proceeds from sale of current Investments(Net of Purchases)	44,044.00	(43.41)
Interest Received	2,735.49	3,171.54
Dividend Received	377.28	336.00
Net Cash Inflow/(Outflow)from Investing Activities	<u>885.53</u>	<u>(21,199.57)</u>
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
Dividend paid including Tax	(3,634.03)	(3,076.49)
Interest paid	(18,394.86)	(14,457.31)
Proceeds from Eq. Share Cap. Including Securities Premium	13,081.96	4,340.59
Share Issue Expenses	-	(611.11)
Proceeds from Optionally Convertible Warrant	-	1,165.26
Working Capital loans from banks	(1,903.60)	20,018.70
Increase/(Decrease) in secured loan	(21,822.06)	(463.33)
Increase/(Decrease) in FCCBs	(5,621.54)	35,886.30
Increase/(Decrease) in fixed deposits	(714.23)	(31.45)
Increase/(Decrease) in unsecured loan	(7,734.33)	(13,513.76)
Net Cash Inflow/(Outflow) Used In Financing Activities	<u>(46,742.69)</u>	<u>29,257.40</u>
Net Changes In Cash & Cash Equivalent	<u>26,648.26</u>	<u>23,951.32</u>
Cash and cash equivalent as at 01.10.2006 (Opening Balance)	<u>39,215.91</u>	<u>15,264.59</u>
Cash and cash equivalent as at 31.12.2007 (Closing Balance)	<u>65,864.17</u>	<u>39,215.91</u>

NOTE:

1. Increase in secured and unsecured loans are shown net of repayments.
2. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the year.
3. Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached.

N. C. AGGARWAL

Partner
M. No.005951

For & On behalf of

N. C. AGGARWAL & CO.

Chartered Accountants

Place : New Delhi

Dated :26th February, 2008

P. R. JINDAL

Vice Chairman

SMINU JINDAL

Managing Director

SUNIL JAIN

Company Secretary

INDRESH BATRA

Managing Director

NARENDER MANTRI

Vice President (Finance)

