



SAW PIPES LIMITED

'04

'84

total pipe solutions

Annual Report
2 0 0 3 - 2 0 0 4



journey never ends

For Saw Pipes, each success is a stepping-stone and the journey - a never-ending one. Our milestones speak for our enduring strength, tenacity and commitment. Saw Pipes has been scaling greater heights since its inception in 1984 and is boosted by each new achievement. We are going strong but then, we are not going to be satisfied that easily.

Contents



■ From the Chairman' s Desk	2
■ Company Profile	4
■ Director' s Report	6
■ Report on Corporate Governance	11
■ Management Discussion & Analysis	18
■ Auditor' s Report	20
■ Financials of the Company	24
■ Financials of the Subsidiary Companies	
■ Hexa Securities & Finance Co. Ltd.	49
■ Jindal Enterprises LLC	59
■ Consolidated Financials	70
■ Key Financial Indicators	87

Bankers: State Bank of Patiala
State Bank of India
Canara Bank
Standard Chartered Bank
ICICI Bank Limited

UTI Bank Limited
State Bank of Mysore
Calyon Bank Limited
Karnataka Bank
Punjab National Bank

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

Internal Auditors
RSM & Co.
Chartered Accountants,
New Delhi

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

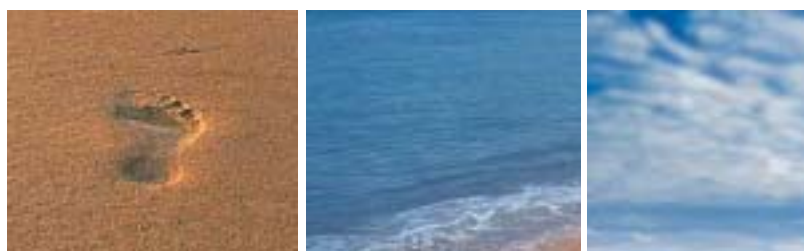
From the Chairman's Desk

Dear Shareholders,

Some journeys are continuous quest for excellence, to explore what human potential can achieve & how far one can traverse and travel. SPL is one such quest, which began 20 years ago. It has been a quest to reach out to the horizon in our field. We believe we have covered some distance but still have a long way to go.

We have strived to validate the faith reposed in us and are committed to better it by each passing day, with every step that we take and every decision we make. We have a vision to be **“The most preferred and reliable provider of value in all our businesses”** Saw pipes limited today, enjoys a market leadership in large diameter Submerged Arc Welded line pipes used for energy transportation. We are dedicated to maintain this position by consolidating and building further onto our quality, capacities and market reach.





Last 20 years has seen SPL advent from a single product company to multi- product company, servicing different industries like oil, gas, water and infrastructure development. It has been a conscious strategy to make SPL, a “Total Pipe Solutions” company, wherein we have tubes and pipes ranging from few mm to over 108 inches. Our products today range from SAW pipes, Spiral pipes and steel bends for energy transportation; Cast Iron & Ductile Iron Pipes (CIDI) for water & waste water transportation & Carbon, Alloy and Stainless steel seamless tubes for industrial applications.

The manufacturing facility at Nashik has stabilized in production during last year and we look forward to optimum capacity utilization and greater market penetration in the near future. The US branch office has also completed one year of operations and has performed well as per our plans and expectations.

The integrated pipe unit producing Cast Iron & Ductile Iron Spun Pipes at Mundra is under commissioning and would provide significant value proposition of converting basic raw material like coal and iron ore into high value ductile iron pipe. With hard work, right strategies and right people in place, SAW pipes should surely emerge as a leader in all business areas.

The investment scenario in the manufacturing industry looks promising and government policies are directed towards a stable economic environment. With these strategic diversifications, we plan to harness and build on the synergy emanating from our clientele, focused management and internationally acknowledged production and export network.

Today, as a “Total Pipe Solutions” company with strategic Operations & Marketing focus, our business model is very robust. All this is going to result in resilient business model promising a sustained growth for times to come. This can only be achieved by continuing support of all our stakeholders including Bankers, Financial Institutions, Government authorities and of course our employees. Their support and faith in us has made every minute of this glorious journey of 20 years a pleasurable one and we are confident that their trust will keep pushing our performance bar higher and higher.

Jai Hind!

Company Profile

SAW PIPES LIMITED

Winning starts with beginning

In every phenomenon the beginning always remains the most notable moment. Saw Pipes Limited began its glorious journey to success in the year 1984, when it became the first company in India to manufacture Submerged Arc Welded (SAW) Pipes using U-O-E technology.

As a part of the \$3 billion Jindal organization, the forerunners in Indigenous steel industry, SPL has established itself as a market leader and a global major in providing total pipe solutions to the industry. Our innovative and process driven business environment, backed by the state of the art manufacturing facilities in India and USA have helped us create a business with complete backward and forward integration, that promises immense growth. Today Saw Pipes Limited enjoys a market leadership in manufacturing large diameter Submerged Arc Welded line pipes used for energy transportation. Since its inception, SPL has pioneered and perfected the art of pipe making using U-O-E and J-C-O technology and has evolved into one of the most preferred and reliable providers of value in all of its businesses. With a wide product portfolio, dedicated work force, state of the art technology and enormous capacities, we continue to stride ahead with readiness and responsibility to rewrite our saga of success yet again.



Our work, a presentation of our Capabilities

At Saw Pipes Limited we feel that the greatest reward for doing anything, is the opportunity to do more. Providing our clients with the best of products that cover a wide range of applications has been a constant endeavor at SPL. Thus reinforcing our positioning of ' Total Pipe Solutions' company. One more step in this direction is our project for production of Ductile Iron (DI) & Cast Iron (CI) pipes for Water and Sewage transportation at Mundra.

Our expanded portfolio now includes

- Large diameter submerged arc welded pipes
- Carbon, alloy and stainless steel seamless pipes manufactured by conical piercing process
- Spiral pipes and steel bends for energy transportation sector
- Cast Iron & Ductile Iron Pipes (CIDI) for water and sewage transportation.

Besides these state of the art products, we also offer value added services like anti corrosion coatings, concrete weight coatings for offshore applications, long radius bends and connector casings for drilling operations and connecting the pipelines. We are the only company in India to have world-renowned NACE Lab to test the material used in manufacturing of pipes meant for sour gas/ crude transportation.

US Operations

Jindal United Steel mill rolls hot-rolled plate widths up to 160 inches (4.1m) and thickness up to four inches (102mm). We service shipyards, oilfield fabricators, heavy equipment producers, machinery makers, and many other end users and distributors who need high quality carbon plate. Using quality plate from Jindal United and other suppliers, the SAW Pipes USA mill produces DSAW pipe to service energy and petrochemical markets, including large diameter line pipe for onshore and offshore use, heavy-duty casing, and piling.

Strategically located in Baytown, Texas, just 30 miles outside Houston, The facilities are ideally suited to serve the needs of the global energy and petrochemicals industry and as affiliates of Saw Pipes Limited, the Texas Works plants benefit from the parent organization' s world-class engineering expertise and product know-how.

The Nucleus of Creation

Our State of the Art manufacturing plants are the hubs that produce quality and innovation combined together with products made, as per clients requirement and specifications. Located at Kosi Kalan (Uttar Pradesh), Mundra (Gujarat), Nashik (Maharashtra) and Baytown (Texas, USA) all our manufacturing plants specialize in their own areas of manufacturing and have dedicated coating plants.



‘ Achieving starts with believing ’ , a glance at our track record expresses the thought in just the right way;

Line pipes manufactured	:	8412 Km
X-70	:	1000 Km
Nace	:	934.82 Km
Anti corrosion coatings	:	10.73 Million Sq . Mtr
LR bends fabricated	:	2488 pieces
Connector casings	:	415.5 Km

Pleasure in job, puts perfection in work

Ambition is a powerful passion with team SPL. We believe that the best way to predict future is to invent it. The people behind the show remain focused & determined and stay committed to give their absolute best. The achievements of the company are results of the combined efforts of every individual at SPL and the belief that innovations followed by the right actions always result in the desired growth.

Setting our own standards

Quality is embedded in the grain of Saw Pipes Limited. Quality of thought, Quality of action, Quality of people and above all Quality of products and processes. The first pipe mill in the country to get API and ISO 9002 certification, Saw pipes is also the first pipe company to get an ISO 14001 certification for Environmental management system standards and ISO 18001 certification for occupational health & safety management system.

Every member at SPL strives to comply with the various international quality systems and guidelines. Quality assurance is in-built into each stage of production from raw material purchase to finished good handling. Each department meticulously adheres to the prescribed tests and inspections.

Over a period, the efforts of SPL have taken it to a position where it has been certified from various international agencies like API, ISO, and DNV. This never-ending passion for quality in all aspects of business has helped us craft and uphold marvelous relationships with our clients, spread across the globe.

Our clientele includes renowned names like Indian Oil Corporation, Gas Authority India Limited, Engineers India Limited, Bharat Petroleum, Hindustan Petroleum Corporation Limited in the domestic sectors and Egyptian Natural Gas Company, Bechtel Intec Consortium Shell, Saudi Arabian Oil Company, Enron and many more prestigious names in the international market. For us, business is not just making deals; business is having great products, great engineering, and providing tremendous service to the customers.

Corporate Social Responsibility

There is no joy in possession without sharing. Along with being a successful Business entity, Saw Pipes Limited has an active sense of social responsibility and is committed to be a good corporate citizen wherever it is engaged in business activities. Our Corporate Social Responsibility Programme voluntarily integrates social and environmental concerns into our operations.

To work in tandem with the environment without upsetting the ever-fragile eco-system is our philosophy. Strict environment management systems for air, water, and waste treatment in and around the plants ensure stringent procedures and international compliances. We give our workforce hazard free working environment and provide a higher standard of living by access to amenities like housing, transportation, medical facilities, schools, and other civic infrastructure.

As part of community service, we have adopted many villages surrounding the plants. Active volunteers from SPL undertake regular literacy drives; organize free health camps, mobile eye-care units and continuously strive to make these villages independent and progressive.

At Saw Pipes Limited high-quality products and services are inseparably bound with our obligation to society and environment. "Indeed adding value to all our businesses"



Directors' Report

To

The Members,

Your Directors are pleased to present the 20th Annual Report and Audited Statement of Accounts of the Company for the year ended 30th September, 2004.

1. FINANCIAL RESULTS

Particulars

	For the year 2003 - 04 (Rs. in lacs)	For the year 2002 - 03 (Rs. in lacs)
Gross Sales & Income from Operations	1,12,330.12	80,495.90
Profit before Interest and Depreciation	13,804.22	16,094.63
Less:		
- Interest	3,866.91	3,813.58
- Depreciation	2,188.33	1,842.47
Profit before tax	7,748.98	10,438.58
Provision for Income Tax and Wealth Tax	2,124.82	2,830.89
Net Profit after tax	5,624.16	7,607.69
Add: Balance brought forward from previous Year	9,435.07	4,994.72
Total amount available for appropriation	15,059.23	12,602.41
Less : Appropriations:		
(a) Debenture Redemption Reserve	187.50	275.00
(b) Capital Redemption Reserve	-	750.00
(c) Transfer to General Reserve	1,000.00	1,000.00
(d) Interim Dividend on Preference Shares paid	-	43.00
(e) Proposed Dividend:		
- on Equity Shares	974.48	974.48
(f) Corporate Tax on proposed dividend	127.35	124.86
Balance carried to Balance Sheet	12,769.90	9,435.07

2. REVIEW OF OPERATIONS

During the year, the Company has achieved a turnover of Rs. 1,12,330.12 lacs which marks a 39.55% increase over the last year's turnover. The increase in turnover is largely contributed by the revenue coming from US Branch operation which has been added to the Company during this year. The profit after tax of the Company for this year was Rs. 5,624.16 lacs, 26.07% decrease over the last year's profit of Rs. 7,607.69 Lacs. The reduction in profit is predominantly on account of increase in the prices of raw-material which is mainly steel. The performance on the financial charges has shown an improvement. For the year 2002-2003 the financial charges stood at 4.74% of the turnover. For this year the same stands at 3.44%. During the year, the operations at Nashik have stabilized and in the coming year we expect more benefits from the Seamless Operations and revenue from DI/CI Pipe Plant to accrue.

3. DIVIDEND

Your Directors have recommended a dividend of Rupees 2.50 per share of Rs. 10/- each (Previous year Rs.2.50 per share) for the year ended 30th September, 2004 on the Equity Shares of your Company.

4. ESTABLISHMENT OF DI/CI PIPE PLANT

In line of our objective of being a ' Total Pipe Solutions Company' your Company has set up a fully integrated Ductile Iron pipes and Cast Iron pipes manufacturing facility at Mundra. The facility has Blast Furnace capacity of 2.5 lacs t/year and a Ductile Iron and Cast Iron Spun Pipe Plant with a combined capacity of 2 lacs t/year. All the construction activities at the Unit is nearing completion, the pipe mill has been commissioned and trial production is on. The Blast Furnace is in the process of getting commissioned.





5. JOINT VENTURE WITH IUP

Your Company has entered into a Joint Venture Agreement with Imphy Ugine Precision, IUP, France, one of the divisions of Arcelor Group, for manufacturing of high precision metal to be used in electronics industry and other applications. The Joint Venture Company has been incorporated in the name and style of IUP Jindal Hexa Metals Ltd. The manufacturing equipments of Swastik Foils Division of your Company would be transferred to the Joint Venture. IUP is also transferring manufacturing equipments from their plants to the Joint Venture. Your Company would also make cash contribution to build the infrastructure for the facility. The Joint Venture would be 73% owned by your Company and the Jindal Group would have the management control. The Joint Venture would benefit from manufacturing capabilities of both the partners, the technology transfer from IUP and the management capabilities and marketing efforts of both the parties in India and abroad. Your Company would benefit from the shareholders value that would be created once the Joint Venture attains its full potential. For the proposed transfer of manufacturing equipments of the Swastik Foils and the cash contribution, the shareholders' consent is being obtained by way of Postal Ballot. A Notice of the same is being sent to the shareholders alongwith Explanatory Statement and Postal Ballot Form separately.

6. CHANGE OF NAME

To maintain its distinct identity, built on the brand equity and legacy earned so far and to distinguish itself from the generic Submerged Arc Welded pipes, your Company has decided to change its name to ' Jindal SAW Ltd.' The shareholders' approval for the change of name is being obtained.

7. 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.

8. 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 30th September, 2004, 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 30th September, 2004 on a ' going concern' basis.

9. DIRECTORS

Shri Moosa Raza, IAS (Retd) and Shri Kuldip Bhargava retire by rotation; and being eligible, offer themselves for reappointment. The Board in its meeting held on July 30, 2004 co-opted Shri Devi Dayal, IAS (Retd.) as Additional Director.

In terms of Facility Agreements entered into between ICICI Bank Ltd., and the Company, ICICI Bank Ltd., nominated Shri M.V. Satya Prasad, its Dy. General Manager, as its nominee on the Board in place of Shri M.K.Tandon. Accordingly, the Board in its meeting held on July 30, 2004 co-opted Shri M.V.Satya Prasad as Additional Director. The Board expresses its gratitude to Shri M.K.Tandon for the valuable contribution made by him in steering the affairs of the Company during his tenure as a Director.

The Company has received notices pursuant to Section 257 of the Companies Act, 1956 from its members

Directors' Report

expressing their intention to propose the candidature of Shri Devi Dayal and Shri M.V.Satya Prasad to the office of Directors of the Company. Accordingly, necessary resolutions for their appointment are included in the Notice convening ensuing Annual General Meeting.

10. 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.

11. 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 Company with the approval of Central Government has appointed Shri. S. N. Balasubramaniam, Cost Accountant, to audit the Cost Accounts relating to manufacture of steel tubes and pipes for the Financial Year ended 30th September, 2004.

12. LISTING

The Equity Shares of the Company are listed on National Stock Exchange of India, The Stock Exchange, Mumbai and The Calcutta Stock Exchange Association Ltd. Due to negligible/nil trading on the Stock Exchanges at Delhi and Kanpur, the Company made a voluntary delisting application to these Stock Exchanges and, consequently, the Equity Shares of the Company have been delisted from Stock Exchanges at Kanpur and Delhi w.e.f January 30, 2004 and March 31, 2004 respectively.

13. PUBLIC DEPOSITS

The Company had repaid the deposits matured during the year except unclaimed deposits aggregating Rs.15.13 lacs at the end of the year.

14. PARTICULARS REGARDING CONSERVATION OF ENERGY, ETC.

Information in accordance with the provisions 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.

15. SUBSIDIARY COMPANIES

The Annual accounts of the Subsidiaries, Hexa Securities & Finance Company Ltd. and Jindal Enterprises LLC along with statement pursuant to Section 212(1)(e) of the Companies Act, 1956 are attached with this Report.

16. PERSONNEL

The industrial relations remained cordial throughout the year. As required by the provisions 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 shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Registered Office of the Company.

17. ACKNOWLEDGEMENT

The Board of Directors is grateful to concerned Departments of Central/State Governments, Financial Institutions and Company's Bankers for their timely help and co-operation. The Directors also wish to place on record their appreciation for the contribution made by the employees at all levels to the efficient operations of the Company. We are deeply grateful for the confidence and faith that you have placed in the Company as its member.

For and on behalf of the Board

Place : New Delhi
Date : 28th October, 2004

P.R.Jindal
Chairman





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 :

1. Installed decentralized Air Compressor system at various location (Cold Mill, Hot Mill & API section) for effective utilization of Air compressor.
2. Air ventilation system' s main motor connected through AC drive, which results in reduction of power consumption. (For AM / PM)
3. FRP blades provided for Water Cooling Tower.
4. All the furnaces exhausts were provided with heat recovery system.
5. Proper monitoring/ maintenance of capacitor bank for power factor improvement
6. Use of CFL(Compact Florescent Lights) in Administrative Office has resulted in considerable saving of electricity.
7. Additional conveyor & rotator system has been installed at Mig Station in Welding Section to avoid use of EOT crane resulting in saving of electricity.
8. Automatic Water Sprinkler system has been installed on ' U' -Press thereby increasing the productivity & efficiency of ' U' Press.
9. Modification of Sub Arc Welding systems from AC-AC system to DC-AC system has resulted in saving of electrical energy.
10. Crimping press punch & die holders has been modified so that no strips has to be welded for holding the dies & punches. This has resulted in saving of change over time, welding electrodes & the electrical energy.
11. Installation of Intensifier at the Hydro tester instead of high power consuming high pressure pumps has resulted in the considerable saving of Energy.
12. Timer circuit was added for street lighting purpose for automatic switching , thereby reducing the energy consumption & use of manpower.
13. Six Nos AC drives were installed in place of DOL starters to reduce power consumption.
14. DG no 01 was overhauled to improve efficiency.
15. Fourth DG set was taken in line & synchronized to get uninterrupted power supply in Plant thereby reducing the tripping of DG sets.
16. DG sets relay co-ordination was done to eliminate false tripping of DG sets, thereby reducing the number of restart ID/ OD. Thus productivity & quality has improved with low levels of power consumption.
17. Automization of C press was done to improve its productivity & Quality.
18. Single-phase preventors were provided for all submersible pumps & water pumps.

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

1. Cooling Tower fan to be put on Temperature Monitoring System for reduction of power consumption.
2. Experimentation with additives, to improve fuel efficiency.
3. Introduction of water treatment chemicals in the close circuit system, to improve fuel efficiency of heat exchangers.
4. Restructuring of ETP system.
5. New Capacitor Banks to be provided on Edge Planner & ID/ OD Stations to improve the power factor which will result in saving of electricity.
6. Photoelectric sensors to be installed for plant & colony lights to save electrical energy.
7. To replace the 100 watt lamps with low wattage CFL Lamps in the residential colonies.

(c) IMPACT OF ABOVE MEASURES:

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



Directors' Report

FORM " A "

Form for disclosure of particulars with respect to Conservation of Energy POWER & FUEL CONSUMPTION

	2003 –2004	2002-2003
(I) Electricity :		
Purchased Units	1,46,51,727	1,05,65,893
Total Amount (Rs.)	6,31,35,092	4,58,10,171
Rate Per Unit (Rs.)	4.31	4.34
(II) Own Generation Through D.G. Set		
Generated Units	1,68,52,681	1,18,47,272
Units per Litre of Oil	3.44	2.95
Cost Per Unit (Rs.)	4.86	5.33

CONSUMPTION PER UNIT OF PRODUCTION

Production : Sub Merged Arc Welded Pipes and Re Rolled
Stainless Steel Strips, Electricity for

(i) Manufacture of Steel Pipes Per MT	91.35	70.92
(ii) Re Rolling of Stainless Steel Strips Per MT	436.70	502.86

FORM " B "

Form of disclosure of particulars with respect to technology absorption for 2003-2004

1. Specific areas in which Research & Development is being carried out
Shifted one of the furnaces on LPG instead of HSD/ LDO
Flooring of plant with Kota stone to avoid soil contamination from oil, grease etc.
2. Benefits Derived
It has resulted in general improvement of operational efficiencies.
3. Future Plan of Action -
 - (a) Target has been set to improve the yield by 2%
 - (b) To install timer for plant and street lightings.
 - (c) Possibility of running JCO Press by single motor of 200 HP (Present 2 motors of 200 HP each) to be explored for reducing power consumption.
4. Expenditure on 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

	2003 –2004 (Rs. in lacs)	2002 –2003 (Rs. in lacs)
(a) Earnings	28,467.01	17,752.25
(b) Outgo	42,424.59	33,633.20

For and on behalf of the Board

Place : New Delhi
Date : 28th October, 2004

P.R.Jindal
Chairman





(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 inter-actions 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

At present the strength of Board of Directors is 9 whose composition is given below: -

Name of Director	Status	No. Of Other Directorships and Committee Memberships/Chairmanship		
		Directorship	Committee Membership	Committee Chairmanships
Shri P.R. Jindal	Promoter –Non Executive	7	-	-
Ms. Sminu Jindal	Promoter - Executive	3	-	-
Shri Purshottam Lal	Independent –Non Executive	-	-	-
Shri A.J.A. Tauro	Independent –Non Executive	2	-	1
Shri Moosa Raza	Independent –Non Executive	7	-	6
Shri M.V. Satya Prasad*	Independent –Non Executive	1	-	-
Shri Devi Dayal	Independent -- Non Executive	1	-	-
Shri Kuldip Bhargava	Independent –Non Executive	3	-	-
Shri H. S. Chaudhary	Independent –Executive	-	-	-
Shri M.KTandon**	Independent –Non Executive	3	1	-

*Nominee of ICICI Bank Ltd. w.e.f. 30.07.2004

**Upto 15.07.2004.

(ii) BOARD MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR

5 meetings of the Board of Directors were held during the year ended 30th September, 2004. These were held on 31.10.2003, 29.11.2003, 25.01.2004, 29.04.2004 and 30.07.2004

DIRECTORS	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE AT THE LAST AGM
Shri P.R. Jindal	5	Yes
Ms. Sminu Jindal	2	No
Shri Purshottam Lal	4	No
Shri A.J.A. Tauro	5	Yes
Shri Moosa Raza	3	Yes
Shri M.V. Satya Prasad*	-	-
Shri Kuldip Bhargava	4	Yes
Shri H.S. Chaudhary	2	No
Shri Devi Dayal *	1	-
Shri M. K. Tandon **	4	Yes

* w.e.f. 30.07.2004. ** upto 15.07.2004

Report on Corporate Governance

(iii) DETAILS OF REMUNERATION PAID TO DIRECTORS

REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are paid sitting fees of Rs. 5,000/- (upto 31.10.2003, Rs.2,500/-) for each meeting of the Board, Audit and Shareholders' Grievance Committee and other Committee attended by them:

NAME OF DIRECTOR	SITTING FEES PAID (RS.)
Shri P. R. Jindal	1,05,000
Shri Purshottam Lal	1,27,500
Shri A.J.A. Tauro	45,000
Shri Moosa Raza	12,500
Shri Devi Dayal *	5,000
Shri Kuldip Bhargava	35,000
Shri M. K. Tandon **	35,000

* W.e.f. 30.07.2004.

** Upto 15.07.2004

REMUNERATION PAID TO EXECUTIVE DIRECTORS

NAME OF DIRECTOR	POSITION	SALARY (RS.)	COMMISSION (RS.) *
Ms. Sminu Jindal	Managing Director	19,15,849	12,20,000
Shri H.S. Chaudhary	Whole-time Director	8,64,403	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 6 calendar months. In the event of termination of appointment, the Managing Director will be entitled to receive compensation in accordance with the provisions of Section 318 of the Companies Act, 1956. The 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.

(3) 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 & MEETINGS

The committee met 5 times during the year on 31.10.2003, 29.11.2003, 28.01.2004, 29.04.2004 and 30.07.2004 The attendance of the members in the meetings is as follows: -

NAME OF MEMBER	STATUS	NO. OF MEETINGS ATTENDED
Shri A.J.A. Tauro	Chairman	5
Shri Purshottam Lal	Member	5
Shri Kuldip Bhargava	Member	4
Shri M K Tandon*	Member	4

*upto 15.07.2004





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 accounting standards and Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters.

(4) REMUNERATION COMMITTEE

The Company has only two Executive Directors on the Board whose appointment and remuneration has been fixed by the Board in terms of resolution passed by the Members. In view of this, no remuneration committee needs to be constituted.

(5) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

(i) TERMS OF REFERENCE

To look at redressing of shareholders/investors complaint like transfer of shares, non-receipt of dividend warrants, etc. As there were no serious and major grievances reported, no meeting of this Committee was held.

(ii) COMPOSITION

NAME OF MEMBER	STATUS
Shri P.R. Jindal	Chairman
Shri A.J.A. Tauro	Member
Shri Purshottam Lal	Member
Mrs. Sminu Jindal	Member

Shri. Sunil Jain, Company Secretary is the Compliance Officer of the Company.

The Board has delegated its 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

NO. OF SHAREHOLDER'S COMPLAINT RECEIVED DURING THE YEAR	NO. OF COMPLAINTS NOT SOLVED	NO. OF PENDING SHARE TRANSFERS
17	Nil	Nil

(6) GENERAL BODY MEETINGS

(a) The details of Annual General Meetings held in last three years are as under: -

AGM	DAY	DATE	TIME	VENUE
17th	Friday	21.12.2001	11.30 a.m.	Regd. Office
18th	Saturday	21.12.2002	11.30 a.m.	- Do -
19th	Saturday	29.11.2003	11.30 a.m.	- Do -

(b) Whether special resolutions were put through postal ballot last year?
No.

(c) Are Special Resolutions proposed to be put through postal ballot this year?

This year 2 resolutions are proposed to be passed by Postal Ballot pursuant to section 192 A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 as per details below:-

(i) An Ordinary Resolution under Section 293 (1) (a) of the Companies Act, 1956 for transferring of manufacturing equipments comprised in Swastik Foils Division for the Company to IUP Jindal Hexa Metals Ltd.,

(ii) A Special Resolution under Section 372A of the Companies Act, 1956 for investment by the Company in the share capital of IUP Jindal Hexa Metals Ltd.

Report on Corporate Governance

(7) DISCLOSURES

- a. **Disclosures on materially significant related party transaction 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.**

None of the transactions with any of the related parties were in conflict with the interest of the Company. Transactions with the selected parties have been disclosed in Schedule No. 23 to the Accounts in the Annual Report.

- b. **Details of non-compliance by the Company, 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.**

None.

(8) MEANS OF COMMUNICATION

- (i) Half-yearly report sent to each household of shareholder No
- (ii) Quarterly results which newspapers normally published Business Standard/ Amar Ujala (Hindi)
- (iii) Any web site, where displayed www.sawpipes.com
The results are displayed on it.
- (iv) Whether it also displays official News releases and presentations made to Institutional investors/ analysts No
- (v) Whether MD&A is a part of annual report Yes

(9) GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting to be held:

Date, time and venue

Date : 07.12.2004

Time : 11.30 A.M

Venue : A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura –281 403

(b) Financial Calendar 2004-2005:

- (i) First Quarterly Results : Before end of January, 2005
- (ii) Second Quarterly Results : Before end of April, 2005
- (iii) Third Quarterly Results : Before end of July, 2005
- (iv) Audited yearly result for the year : October/ November, 2005
ended 30th September, 2005
- (v) Annual General Meeting in the year 2005 : December, 2005

(c) Dates of Book Closure : December 3, 2004 to December 7, 2004 (Both days inclusive).

(d) Dividend payment date

Dividend on Equity Shares when sanctioned will be made payable on or after the 13th day of December, 2004 to those Shareholders whose names stand on the Company's Register of Members on the 2nd day of December, 2004 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.

(e) Listing on Stock Exchanges at:

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

- (i) The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai –400 001
- (ii) The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata –700 001
- (iii) The National Stock Exchange of India Ltd., Exchange Plaza, Bandra-Kurla Complex, Bandra (E) Mumbai –400 051

Notes: (i) Listing fees have been paid to the Stock Exchanges for the year 2004-2005.





- (ii) Due to nil/negligible trading of Equity Shares of the Company on the Stock Exchanges at Kanpur and New Delhi, the Company voluntarily got its Equity Shares delisted from these Stock Exchanges w.e.f 30.01.2004 and 31.03.2004 respectively. The Delisting Application made to the Stock Exchange at Kolkata is pending.

(f) Stock/ Company/ Security/ Common Code:

Equity Shares

The Stock Exchange, Mumbai	-	500378
The Calcutta Stock Exchange Association Ltd.	-	10029015
The National Stock Exchange of India Ltd.	-	SAWPIPES

(g) Market Price Data

The details of monthly highest and lowest quotations of the Equity Shares of the Company at the Stock Exchange, Mumbai during financial year 2003-2004 are as under:

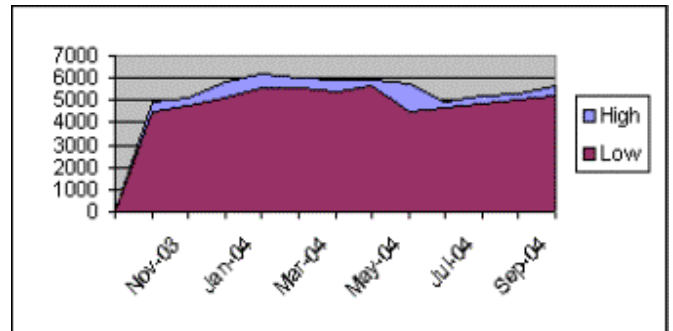
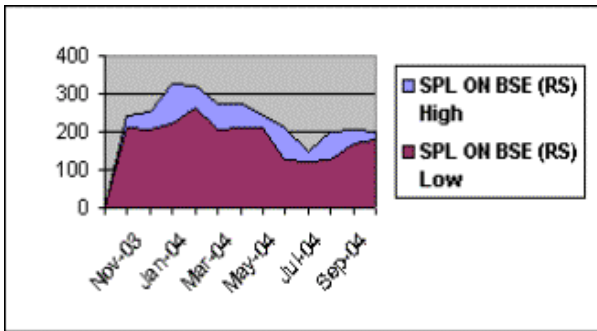
MONTH	HIGHEST RATE (RS.)	LOWEST RATE (RS.)
October, 2003	241.30	210.20
November, 2003	254.00	205.05
December, 2003	323.90	222.05
January, 2004	322.70	265.00
February, 2004	276.00	207.15
March, 2004	275.85	208.00
April, 2004	244.00	210.10
May, 2004	211.00	124.00
June, 2004	148.20	119.00
July, 2004	198.95	125.50
August, 2004	204.85	167.00
September, 2004	198.70	181.00

(h) Performance in comparison to broad based indices:

MARKET PRICE DATA

MONTH	SPL ON BSE (RS)		BSE SENSEX	
	High	Low	High	Low
Oct-03	241.30	210.20	4,930.53	4,455.08
Nov-03	254.00	205.05	5,097.84	4,771.23
Dec-03	323.90	222.05	5,838.96	5,131.54
Jan-04	322.70	265.00	6,194.11	5,593.74
Feb-04	276.00	207.15	6,035.80	5,567.12
Mar-04	275.85	208.00	5,935.19	5,365.40
Apr-04	244.00	210.10	5,925.58	5,655.09
May-04	211.00	124.00	5,757.30	4,505.16
Jun-04	148.20	119.00	4,963.75	4,644.00
Jul-04	198.95	125.50	5,170.32	4,843.77
Aug-04	204.85	167.00	5,252.78	5,033.69
Sep-04	198.00	181.00	5,616.87	5,198.72

Report on Corporate Governance



(i) Registrar and Transfer Agents

RCMC Share Registry (P) Ltd., 1515, (1st Floor), Bhisham Pitamah Marg, Kotla Mubarakpur, Near South Extn. New Delhi 110 003. Phone: - 24692346,24601017 Fax: - 24692345 e-mail: - rcmc@theoffice.net.

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

(j) 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. Managing Director/Whole-time Director of the Company have been authorised to approve transfers in addition to the Committee.

(k) Distribution of Shareholding

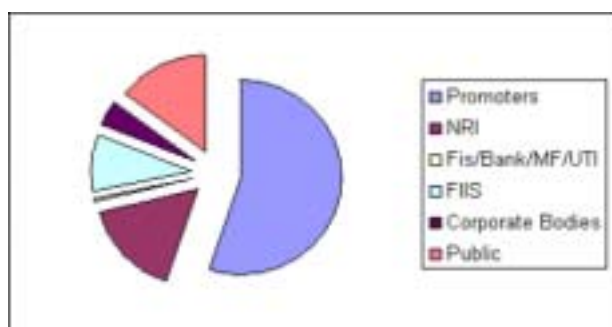
The shareholding distribution of Equity Shares as of 30th September, 2004 is given below: -

No. Of Shares	No. Of Shareholders	%	No. Of Shares	%
Upto 5000	21520	89.94	3100134	7.95
5001 TO 10000	1357	5.67	1065548	2.73
10001 TO 20000	557	2.33	842846	2.16
20001 TO 30000	170	0.71	432131	1.11
30001 TO 40000	68	0.28	241166	0.62
40001 TO 50000	45	0.19	213215	0.55
50001 TO 100000	90	0.38	650416	1.67
100001 AND ABOVE	120	0.50	32434002	83.21
TOTAL	23927	100.00	38979458	100.00

**(l) Shareholding Pattern as on 30th September, 2004
CATEGORIES OF SHAREHOLDERS (AS ON 30.09.2004)**

Category	No of shares	% Of Holding
Promoters	21466058	55.07
NRI	6213062	15.94
FIs/Bank/MF/UTI	291296	0.75
FIIS	3597056	9.23
Corporate Bodies	1698761	4.35
Public	5713225	14.66
Total	38979458	100.00





(m) Dematerialisation of equity shares

Number of shares in physical and demat form as on 30th September 2004.

	No. Of shares	Percentage of total shares
Physical segment	24317944	62.38
Demat segment	14661514	37.62
Total	38979458	100.00

(n) Outstanding GDRs

No GDRs issued.

(o) Plant (Locations)

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

(p) Address for correspondence

SAW Pipes Ltd. Jindal Centre, 12, Bhikaiji Cama Place, New Delhi –110 066

Telephone No. : 26188360-74

Fax No. : 26170691/51659575

Auditors' Report on Corporate Governance

**To the Members of
SAW PIPES LIMITED**

We have examined the compliance of conditions of Corporate Governance Procedure implemented by SAW PIPES LTD for the year ended on 30th September, 2004 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 thereof 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 a 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.

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

Place : New Delhi
Dated : 28th October, 2004

Management Discussion And Analysis

INDUSTRY OUTLOOK – OPPORTUNITIES & THREATS

SPL, in the last 12 months has augmented its capacity in the large diameter pipe segment, worked towards stabilizing the production at Seamless tubes unit in Nashik and set up a fully integrated Ductile Iron Spun Pipe plant at Mundra. The company's US branch attends to the US market. With the new structure, SPL would emerge as a strong organization having sharp focus on multiple industries. The large diameter pipe segment would cater to the transportation of oil and gas, whereas Seamless tubes would largely address the key infrastructure sectors like power, chemicals, oil and gas etc. The Ductile iron pipes would essentially address the segment for transportation of potable and waste water in the city/ town, infrastructure development.

With the positive change in the economic climate of the country, all the industries which we would be catering to, are showing an encouraging trend in the near future. The national pipeline grid, for large diameter pipes have moved a few steps in the direction of becoming a reality. Oil and gas reserves discovered around the country have also given rise to demand for greater large diameter pipes for transportation of oil and gas. It is now being recognized in India that large diameter pipes are a preferred mode of transport in the oil and gas sector. The other major usage of large diameter pipes are for transportation of water over long distances, which is also gaining momentum and the Government has renewed its focus on this sector and announced some fiscal incentives.

Of late, large amount of capital is being allocated and utilized for capital asset creation. A lot of these investments are going into the key infrastructure areas like cement, power & steel etc. Capacity expansion and growth in these manufacturing sectors are encouraging for the demand in seamless tubes segment, which has maintained a healthy growth in the past few years. The increase in the oil and gas drilling activity also boosts the demand for the drilling pipes and casing pipes.

Urban development and city infrastructure is one of the priority sectors for the Government and a lot of thrust is being put in this area. New cities and townships are being developed and at the same time, the infrastructure support system for the existing cities is being augmented to support the increasing urbanization in the country. One of the key areas of development for the cities and townships are the system for potable water distribution, as well as waste water & sewage disposal systems. All these developments give rise to increased demand for Ductile Iron Spun pipes.

INDUSTRY OUTLOOK – RISK & CONCERNS

During past 12 months, Steel prices, which is the main raw material for our large diameter pipe segment has risen significantly and consequently the margins from this segment of business has been under pressure. Raw material prices of other business segments namely Seamless tubes and Ductile Iron spun pipes, which are ore iron, coal & billets respectively are also on the rise, resulting in some concerns. The margins for SPL are sensitive to significant rise in the raw material prices but we believe that now the worst is behind us and the prices should stabilize or begin to ease out. We have tried to put effective hedging mechanism in place to guard us against such volatility in the prices. We have stabilized production at seamless tubes unit and expect to penetrate the market with high quality products during the year. The Ductile Iron spun pipe, integrated pipe unit is under commissioning and we expect to be in the market with our product before the end of this year.

OPERATIONAL & FINANCIAL REVIEW

During the year, we have executed some large export orders and some relatively small domestic orders in the large diameter pipe segment. In the seamless tube segment as well, we have been able to penetrate the market during the year with high quality product.

During the year, your Company has achieved a turnover of Rs.112,330.12 lacs which marks a 39.55 % increase over the last year's turnover. The increase in turnover is largely contributed by the revenue coming from US Branch operations, which has been added to the Company during this year. The profit after tax for the Company for the this year was Rs. 5,624.16 lacs, 26.07% decrease over the last year's profit of Rs. 7,607.69 lacs. The reduction in profits is predominantly on account of increase in the prices of raw material which is mainly steel. The performance on the financial charges has shown an improvement. For the year 2002-2003 the financial charges stood at 4.74% of the turnover. For this year the same stands at 3.44%. During the year, the operations at Nasik have stabilized and in the coming year we expect more benefits from the Seamless Operations and revenue from DI/CI Pipe Plant to accrue.





Particulars	Year ended 30th Sep 04 (Rs in lacs)	Year ended 30th Sep 03 (Rs in lacs)	%Change
Gross sales & Income from Operations	112,330.12	80,495.90	39.55
Profit before Interest & Depreciation	13,804.22	16,094.63	(14.23)
–Finance Exp.	3,866.91	3,813.58	1.40
–Depreciation	2,188.33	1,842.47	18.77
Profit before Tax	7,748.98	10,438.58	(25.77)
Provision for Tax	2,124.82	2,830.89	(24.94)
Net Profit after Tax	5,624.16	7,607.69	(26.07)

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded and protected against unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The internal control system is supplemented by an extensive programme of internal audits reviewed by the management, documented policies, guidelines and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing statements and maintaining accountability of assets. Company has efficient and effective system of data integration and integrity for its core business. During the year under review, to strengthen the internal control systems, the company had taken steps for introducing an integrated ERP system covering all the units and areas of operations. Different modules of ERP have been tested and are in the process of being rolled out in a phased manner. Company has an Audit Committee comprising of Non-executive Directors with Shri A.J.A. Tauro as the Chairman.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company' s estimates, projections, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the company' s operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, raw material prices, changes in the Government regulations, tax laws and other statutes, economic development within India and the countries within which the Company conducts business and incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of subsequent developments, information or events.

Auditors' Report

To,

THE MEMBERS' OF SAW PIPES LIMITED

We have audited the attached Balance Sheet of SAW PIPES LIMITED as at 30th September 2004 and also the Profit and Loss Account and the Cash Flow Statement for the year 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 have 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 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure here to, 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 the Annexure referred to Paragraph (A) above, we also report that: -
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose 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 such 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, 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 except to the extent stated in Note No.5(a) of notes to accounts; and
 - (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 are disqualified as on 30th September, 2004 from being appointed as Director of the company as referred to in Clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (f) *Attention is invited to the following note of Schedule 23:*
Note No.5(a) regarding non-provision for diminution in value of unquoted investments (amount unascertained)

Subject to above, the effect of which could not be determined, 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 Balance Sheet, of the State of affairs of the Company as at 30th September, 2004
- (ii) In the case of Profit and Loss Account, of Profit for the year ended on that date, and
- (iii) In the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.

Place : New Delhi
Dated: 28th October, 2004

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





ANNEXURE TO THE AUDITORS' REPORT

Referred in Paragraph (A) in our report of even date for the year ended 30.09.2004

- 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 of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2) a As explained to us, the Management during the year has physically verified inventories. However, stocks in the possession and custody of third parties and stock in transit as at 30th September, 2004 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 stocks 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 inventory. 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 The Company has not taken loan from any party covered in the register maintained under section 301 of the Companies Act, 1956. The Company has given interest free demand loan to a subsidiary company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of said subsidiary and the year-end balance of such loan is Rs. 1560.89 lacs and Rs. 963.89 lacs respectively. The Company has not given any other loan to any other party.
 - b In our opinion and according to information and explanations given to us, the interest free demand loan with relevant terms and conditions on which loan has been given are not, prima facie, prejudicial to the interest of the Company.
 - c In respect of the aforesaid loan, the amount (Principal as well as interest) is repayable on demand, and the question of irregularity on payment does not arise.
 - d The aforesaid loan is repayable on demand and therefore the question of overdue amounts does not arise.
- 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 procedures 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. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.



Auditors' Report

- 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 transactions made in pursuance of contract 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 Rs.5 lacs have been entered into during the financial year 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.
- 7) In our opinion, the Company has internal audit system commensurate with the size and 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, Excise duty, cess and royalty. There are no arrears as at 30th September, 2004 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, 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	1.84	Dy.Commissioner (A)

- 10) The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current 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 loan taken by others from banks, or financial institutions are not prima facie, prejudicial to the interest of the company.
- 16) In our opinion, 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. No long term funds have been used to finance short term assets except working capital.
- 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 by Public issue during the year. Accordingly paragraph 4 (xx) of the order is not applicable.
- 21) During the course of our examination of the books and records of the Company, and according to the information and explanation 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.

Place : New Delhi
Dated: 28th October, 2004

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



Balance Sheet Abstract

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	30.09.2004
II	Capital raised during the year		(Rs.in thousands)		
	Public issue		Nil		
	Bonus Issue		Nil		
	Rights Issue		Nil		
	Private placement		Nil		
III	Position of mobilisation and deployment of funds (Rs. In thousands)				
	Total liabilities	10,106,607	Total assets		10,106,607
	Sources of Funds:				
	Paid up Capital		389,797	Reserves and Surplus	3,608,825
	Deffered Tax Liability		465,777		
	Secured loan		4,415,825	Un-secured loans	1,226,383
	Application of funds:				
	Net fixed assets		5,743,650	Investments	560,094
	Net current assets		3,802,863	Misc.Expenditure	Nil
	Accumulated losses		Nil		
IV	Performance of the company (Rs.in thousands)				
	Gross Turnover		11,233,012	Total expenditure	10,808,619
	Net Turnover		10,820,517		
	Profit before tax		774,898	Profit after tax	562,416
	Earning per share (Rs)- Equity			14.43	
	Dividend rate		25%		
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	



CASH FLOW STATEMENT



SAW PIPES LIMITED

PARTICULARS

	For the year 2003 - 04 (Rs. in lacs)	For the year 2002 - 03 (Rs. in lacs)
A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY	7,748.98	10,438.58
Adjustments for:		
Add/ (Less)		
Depreciation	2,188.33	1,842.47
Misc. expenses written off during the year	1.62	12.52
Other income (Dividend)	(136.23)	(93.82)
Interest Paid	3,275.52	3,160.73
Loss on sale of fixed assets	92.71	17.42
Interest Received	(682.73)	(786.54)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,739.22	4,152.78
Adjustments for:-		
Inventories	(35,536.08)	(1,781.51)
Sundry debtors	(21,097.99)	(6,724.38)
Other current assets	(1,740.00)	112.37
Current liabilities	47,810.79	3,424.18
CASH GENERATED FROM OPERATIONS	1924.92	9,622.02
Tax Paid	(3,394.04)	(1,171.34)
NET CASH FROM OPERATING ACTIVITIES	(1,469.12)	8,450.68
B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES		
(Increase)/Decrease in Investment	(150.70)	1,018.94
Capital expenditure	(29,786.60)	(6,311.02)
Sale proceeds of fixed assets	59.38	14.31
Loan & Advances	119.33	818.43
Interest Received	1,025.75	508.09
Dividend Received	136.23	134.39
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(28,596.61)	(3,816.86)
C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		
Dividend paid	(1,084.20)	(675.45)
Interest paid	(3,203.16)	(3,266.46)
Working Capital loans from banks	3,626.14	(4,257.72)
Increase/(Decrease) in secured loan	23,852.41	2,511.86
Increase/(Decrease) in fixed deposits	1,596.82	1,050.15
Increase/(Decrease) in unsecured loan	6,228.63	(748.83)
Redemption of Preference Share	-	(750.00)
NET CASH INFLOW/(OUTFLOW) USED IN FINANCING ACTIVITIES	31,016.64	(6,136.45)
NET CHANGES IN CASH & CASH EQUIVALENT	950.91	(1,502.63)
Opening Cash and cash equivalent	2,432.18	3,934.81
Closing Cash and cash equivalent	3,383.09	2,432.18

As per our report of even date attached

G.K. AGGARWAL

Partner

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

Chartered Accountants

Place : New Delhi

Dated: 28th October, 2004

P.R. JINDAL
Chairman

SMINU JINDAL
Managing Director

PURSHOTTAM LAL
A.J.A. TAURO
MOOSA RAZA
DEVI DAYAL
KULDIP BHARGAVA
M.V. SATYA PRASAD

SUNIL JAIN
Company Secretary

NEERAJ KUMAR
Director (Finance) & CFO Directors

Annual Report 2003 - 2004

SECTION 212 REPORT

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary company

a) Subsidiary Company	Hexa Securities & Finance Co. Ltd.	Jindal Enterprises L.L.C	IUP Jindal Hexa Metals Ltd.
b) Holding Company' s interest	Holds 100% of 25,500,000 equity shares of Rs.10/- each	Holds 100% of 1000 equity shares of US \$1000 each	Holds 100% of 50,000 Equity Shares of Rs. 10/- each.
c) Financial Year of the Company ended on	30th September, 2004	30th June, 2004	Incorporated on 09.08.2004. First financial year will end on 31st March, 2005
d) Net aggregate amount of subsidiary Company' s Profit (Loss) not dealt within the Company' s Account			
(i) For the Subsidiary Company' s financial year ended 30th Sept, 2004	Profit Rs. 370.83 lacs	Loss US\$ 594376	N.A.
(ii) For the Subsidiary Company' s previous financial periods, since it became the holding Company' s Subsidiary	Loss Rs. 2,859.81 lacs	Loss US\$ 6439584	N.A.
(e) Net aggregate amount of the subsidiary Company' s Profit/Loss dealt within the Company' s account.			
(i) For the subsidiary Company' s financial period ended 30th Sept,2004	NIL	NIL	N.A.
(ii) For the subsidiary Company' s previous financial period since it became the holding Company' s subsidiary	NIL	NIL	N.A.
(f) Holding Company' s interest as at 30.09.2004 incorporating changes since close of financial year/period of Subsidiary Company in pursuance of Section 212(5) of the Companies Act, 1956.	NA	No change	N.A.

P.R. JINDAL
Chairman

SMINU JINDAL
Managing Director

PURSHOTTAM LAL
A.J.A. TAURO
MOOSA RAZA
DEVI DAYAL
KULDIP BHARGAVA
M.V. SATYA PRASAD

Place : New Delhi
Dated : 28th October, 2004

SUNIL JAIN
Company Secretary

NEERAJ KUMAR
Director (Finance) & CFO Directors



Director's Report

HEXA SECURITIES & FINANCE CO. LTD.



Your Directors are pleased to present the 10th Annual Report together with the Audited Statement of Accounts for the year ended 30th September, 2004.

1. FINANCIAL RESULTS & DIVIDEND

During the year under report, the Company has earned income amounting to Rs. 370.83 lacs. However, due to accumulated losses of earlier years, the Directors do not recommend any dividend.

2. AUDITOR'S REPORT

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

3. AUDITORS

M/s Amod Agrawal & Co. auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

4. DIRECTORS

Shri Raj Kamal Agarwal, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. During the year under review the Board co-opted Shri Ranjit Malik as Director of the Company. The Company has received a Notice U/S 257 of the Companies Act, 1956 from one of its Members signifying its intention to propose the candidature of Shri Ranjit Malik to the office of the Director of the Company.

During the year under review Shri Sandip Sharma resigned from the Directorship of the Company. The Board places on record of its appreciation for the services rendered by Shri Sandip Sharma during his tenure as Director of the Company.

5. 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 :-

- (a) that in the preparation of the annual accounts for the financial year ended 30th September, 2004 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 judgements 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 and 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 30th September, 2004 on a 'going concern' basis.

6. AUDIT COMMITTEE

Your Company has an Audit Committee comprising of the following Directors :

- (i) Shri Ranjit Malik, (ii) Shri Arvind Kiran Aggarwal and (iii) Shri Raj Kamal Agarwal

7. OTHER INFORMATION

There are no activities of the Company which required to be reported U/s 217(1)(e) of the Companies Act, 1956 regarding conservation of energy, technology absorption etc. The Company did not earn any foreign exchange nor spent during the year under review. There is no employee in the Company whose particulars are required to be disclosed U/s 217(2A) of the Companies Act, 1956.

By Order of the Board of Directors
For HEXA SECURITIES & FINANCE CO. LTD.
Raj Kamal Agarwal
Ranjit Malik
Director

Place : New Delhi
Date : 26th October, 2004

Auditors' Report

HEXA SECURITIES & FINANCE CO. LTD.

To,

The Members of Hexa Securities & Finance Co. Ltd.

We have audited the attached Balance Sheet of Hexa Securities & Finance Company Ltd. as at 30th September 2004 together with annexed Profit & Loss Account for the year ended as 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 have 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 (Auditors Report) Order 2003 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 a statement on the matters specified in paragraph 4 and 5 of the said order as far as applicable to the Company.
- (B) Further to our comments in the Annexure referred to Paragraph (A), we also report that :-
- a) We have obtained all the informations 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 it appears from, our examination of these books.
 - c) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts of the companies.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account 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 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 30th September, 2004 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 30th September, 2004, and
 - ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

Place: New Delhi.
Dated: 26th, October, 2004

AMOD AGRAWAL
Prop.
M.No. 90561
For and on behalf of
AMOD AGRAWAL & CO.
Chartered Accountants





ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (A) IN OUR REPORT OF EVEN DATE FOR THE YEAR ENDED 30.09.2004.

1. The company does not have any fixed assets and hence, the question of verification thereof does not arise
2. a) The Company has taken unsecured interest free loan from its holding company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of said holding company and the year end balance of such loan is Rs.1560.89 lacs and Rs.963.89 lacs respectively. The Company has not granted any loan covered in the register maintained under section 301 of the Companies Act, 1956.
b) In our opinion and according to information and explanations given to us, the interest free demand loan with relevant terms and conditions on which loan has been taken are not, prima facie, prejudicial to the interest of the Company.
c) In respect of the aforesaid loan, the amount (principal as well as interest) is repayable on demand, and the question of irregularity on payment does not arise.
d) The aforesaid loan is repayable on demand and therefore the question of overdue amounts does not arise.
3. In our opinion and according to information and explanations given to us, the internal control procedure with regard to purchase of investments is adequate and commensurate with the size of the company and the nature of its business. There was no purchase and sale of inventories.
4. a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
b) In our opinion and according to the information and explanations given to us, as there are no transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956, paragraph 4(v) (b) of the order is not applicable.
5. The Company being a "Non Banking Financial Company", section 58A of the Companies Act, 1956 is not applicable to the Company. During the year, the company did not accept any deposit from public falling under the purview of the Non Banking Financial Companies (Reserve Bank) directions, 1997 as also the Non Banking Financial Companies acceptance of public deposits (Reserve Bank) directions, 1998.
6. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
7. a) The company is regular in depositing with the appropriate authorities' undisputed statutory dues i.e. Income Tax etc. There is no arrears as at 30th September, 2004 for a period of more than six months from the date it become payable.
b) According to the information and explanations given to us, there is no statutory dues of Income Tax which have not been deposited on account of any dispute.
8. *The accumulated losses of the Company as at 30th September, 2004 is more than fifty per cent of its net worth.* The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.
9. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institutions/ Banks.
10. 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.
11. According to the information and explanations given to us, the company has not given guarantee for loan taken by others from financial institutions, the terms and conditions of which are prima facie, not prejudicial to the interest of the company.
12. The Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares and other investments and that timely entry have been made therein. All shares and other securities have been held by the Company in its own name.
13. 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 and vice versa.
14. 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.
15. The company has not issued any debentures. Accordingly paragraph 4(xix) of the order is not applicable.
16. The Company has not raised any money by Public issue during the year. Accordingly paragraph 4(xx) of the order is not applicable.
17. 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.

Place: New Delhi.
Dated: 26th, October, 2004

AMOD AGRAWAL
Prop.
M.No. 90561
For and on behalf of
AMOD AGRAWAL & CO.
Chartered Accountants

Balance Sheet

HEXA SECURITIES & FINANCE CO. LTD.

DESCRIPTION	SCHEDULE	As At 30.09.2004 (Rs.)	As At 30.09.2003 (Rs.)
SOURCES OF FUNDS			
Share Capital	A	255,000,000	255,000,000
Secured Loan	B	200,000,000	-
Loan from Holding Company		96,389,315	96,979,315
Inter-Corporate Loans		350,581,491	564,817,992
TOTAL		901,970,806	916,797,307
APPLICATION OF FUNDS			
Investments	C	611,166,612	594,666,612
Current Assets , Loans & Advances			
Sundry Debtors	D	-	2,916,330
Cash and Bank Balances	E	77,742	3,603,473
Loans and Advances	F	43,075,935	33,307,941
		43,153,677	39,827,744
Less : Current Liabilities & Provisions	G	1,247,155	3,737,290
Net Current Assets (A-B)		41,906,522	36,090,454
Miscellaneous Expenditure (To the extent not written off)			
Preliminary Expenses		-	59,476
Profit & Loss Account		248,897,672	285,980,765
TOTAL		901,970,806	916,797,307
Notes to the Accounts	H		

As per our Report of even date attached

Place: New Delhi.
Dated: 26th, October, 2004

Raj Kamal Agarwal
Ranjit Malik
Director

AMODAGRAWAL
Prop.
M.No. 90561
For and on behalf of
AMODAGRAWAL & CO.
Chartered Accountants





Profit and Loss Account

DESCRIPTION	SCHEDULE	For the Year 2003 - 04 (Rs.)	For the Year 2002 - 03 (Rs.)
I. INCOME			
Dividend Received		11,058,581	7,050,735
Profit/loss on sale of securities		30,765,242	14,560,759
Interest on loan		6,124,369	7,009,458
Interest 10 % OCD		2,966,667	-
Liability no longer required, written back		-	945,000
TOTAL (I)		50,914,859	29,565,952
II. EXPENDITURE			
Miscellaneous Expenses		1,668	1,068
Registration & Filing Fees		3,000	8,000
Legal & Professional Expenses		134,867	29,875
Bank Interest & Finance Charges		33,004	63,327
Interest on Inter-Corporate Loan		11,372,078	11,664,657
Preliminary Expenses Written Off		59,476	79,302
Audit Fee		12,673	12,420
TOTAL (II)		11,616,766	11,858,649
Profit / (Loss) Before Tax (I-II)		39,298,093	17,707,303
Less: Provision For Income Tax		2,215,000	1,362,000
Profit/(Loss) After Tax		37,083,093	16,345,303
Less: Previous Year's Loss Brought Forward		(285,980,765)	(302,326,068)
(Loss) Carried To Balance Sheet		(248,897,672)	(285,980,765)
Notes to the Accounts	H		

As per our Report of even date attached

Place: New Delhi.
Dated: 26th, October, 2004

Raj Kamal Agarwal
Ranjit Malik
Director

AMOD AGRAWAL
Prop.
M.No. 90561
For and on behalf of
AMOD AGRAWAL & CO.
Chartered Accountants

Schedule

HEXA SECURITIES & FINANCE CO. LTD.

DESCRIPTION	AS AT 30.09.2004 (Rs.)	AS AT 30.09.2003 (Rs.)
SCHEDULE - A		
- SHARE CAPITAL		
Authorised		
26,000,000 Equity Shares of Rs. 10/- each	260,000,000	260,000,000
Issued Subscribed & Paid Up		
25,500,000 Equity Shares of Rs. 10/- each fully paid up	255,000,000	255,000,000
SCHEDULE -B		
SECURED LOANS		
From Infrastructure Leasing & Financial Services Ltd.	200,000,000	-
(Secured against pledge of share of SAW Pipes Ltd, held by other companies)		

SCHEDULE -C

LONG TERM INVESTMENTS IN SHARES (AT COST) NON TRADE

PARTICULARS	FACE VALUE	AS AT 30.09.2004		AS AT 30.09.2003	
		NO. OF SHARES	AMOUNT (Rs.)	NO. OF SHARES	AMOUNT (Rs.)
Quoted					
Jindal Vijayanagar Steel Limited	10	33,259,400	332,594,000	33,259,400	332,594,000
Jindal Strips Limited	10	125,729	30,352,042	463,160	111,810,871
Jindal Stainless Ltd.,	2	2,315,800	81,458,829	-	-
Jindal Steel & Power Limited	5	617,548	74,540,741	308,774	74,540,741
Canara Bank	10	40,600	1,421,000	40,600	1,421,000
TOTAL			520,366,612		520,366,612
Unquoted					
Lord Krishna Bank	10	150,000	1,800,000	150,000	1,800,000
Application Money in Jindal Transworld Pvt.Ltd.			-		72,500,000
TOTAL			1,800,000		74,300,000
10% OCD Jindal Transworld Pvt Ltd.,	100	890,000	89,000,000		-
GRAND TOTAL			611,166,612		594,666,612
Aggregate Market Value of Quoted Investments			991,161,791		896,591,389
Aggregate Value of Quoted Investments			520,366,612		520,366,612

Notes

* Consequent to scheme of arrangement between Jindal Strips Ltd., and Jindal Stainless Ltd., equity shares of Jindal Strips Ltd., has been apportioned into the equity shares of Jindal Strips Ltd. & Jindal Stainless Ltd., in the ratio of 642:1723. Thereafter Jindal Stainless Ltd., has issued 642 Bonus shares. Jindal stainless shares were thereafter splitted into 5 shares of Rs 2/- each.

** Share of Jindal Steel & Power Ltd., were splitted into 2 shares of Rs. 5/- each.

SCHEDULE - D

SUNDRY DEBTORS

(Unsecured, considered good)

- i) Exceeding six months
- ii) Others

TOTAL

	-	-
	-	2,916,330
TOTAL	-	2,916,330





DESCRIPTION	As At 30.09.2004 (Rs.)	As At 30.09.2003 (Rs.)
SCHEDULE - E		
CASH AND BANK BALANCES		
Cash in Hand	16,513	699
Balance with Scheduled Banks in Current Account	61,229	3,602,774
TOTAL	77,742	3,603,473
SCHEDULE - F		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advance recoverable in cash or in kind or for value to be received	4,922,275	1,347,237
Inter Corporate Loans	38,153,660	31,960,704
TOTAL	43,075,935	33,307,941
SCHEDULE - G		
CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities	1,046,369	3,733,437
Intt. Accrued but not due	47,806	-
Provisions For Taxation (Net of Prepaid Taxes)	152,980	3,853
	<u>1,247,155</u>	<u>3,737,290</u>

SCHEDULE - H

NOTES TO ACCOUNTS

I. ACCOUNTING POLICIES

a) GENERAL

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

b) BASIS OF ACCOUNTING

All income and expenditure have been accounted for on accrual basis.

c) INVESTMENTS

Long Term Investments have been stated at cost.

d) PRELIMINARY EXPENSES

Preliminary expenses are written off in ten equal annual installments.

- All investments held by the Company has been shown as long term investment as in the opinion of the management the same is held for long term purposes. Any fall in the Market Value of long-term investment has not been provided since in the opinion of management such fall is temporary in nature.
- Schedules ' A' to ' H' are annexed to and form an integral part of the Balance Sheet and Profit and Loss Account.
- The Company has given an undertaking to Financial Institutions for loan taken by Jindal Vijayanagar Steel Limited (JVSL) not to dispose off the investment in JVSL till repayment of loan by JVSL.

Signatures to Schedule ' A' to ' H'

As per our Report of even date attached
AMOD AGRAWAL

Prop.

M.No. 90561

For and on behalf of
AMOD AGRAWAL & CO.

Chartered Accountants

Place: New Delhi.

Dated: 26th, October, 2004

Raj Kamal Agarwal

Ranjit Malik

Director

Schedule

HEXA SECURITIES & FINANCE CO. LTD.

Schedule to the Balance Sheet of a Non-Banking Financial Company (as required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998)

		(Rs. In lacs)	
Particulars			
Liabilities side :			
	Amount outstanding		Amount overdue
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :			
(a) Debentures : Secured	-		-
:Unsecured	-		-
(other than falling within the meaning of public deposits*)			
(b) Deferred Credits	-		-
(c) Term Loans	2,000.00		-
(d) Inter-corporate loans and borrowing (including loan from holding company)	4,469.70		-
(e) Commercial Paper	-		-
(f) Public Deposits*	-		-
(g) Other Loans (specify nature) - Short Term Advances	-		-
* Please see Note 1 below			
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :			
(a) In the form of Unsecured debentures	-		-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-		-
(c) Other public deposits	-		-
* Please see Note 1 below			
Assets side :			Amount outstanding
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :			
(a) Secured			-
(b) Unsecured			381.54
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities :			
(i) Lease assets including lease rentals under sundry debtors :			
(a) Financial lease			
(b) Operating lease			-
(ii) Stock on hire including hire charges under sundry debtors :			
(a) Assets on hire			-
(b) Repossessed Assets			-
(iii) Hypothecation loans counting towards EL/HP activities :			
(a) Loans where assets have been repossessed			-
(b) Loans other than (a) above			-
(5) Break-up of Investments (Net of Provisions)			
Current Investments :			
1. Quoted :			
(i) Shares : (a) Equity	-		
(b) Preference	-		
(ii) Debentures and Bonds	-		
(iii) Units of Mutual Funds	-		
(iv) Government Securities	-		
(v) Others (please specify)	-		
2. Unquoted :			
(i) Shares : (a) Equity	-		
(b) Preference	-		
(ii) Debentures and Bonds	-		
(iii) Units of Mutual Funds	-		
(iv) Government Securities	-		
(v) Others (please specify)	-		
Long Term Investments :			
1. Quoted :			
(i) Shares : (a) Equity	5,203.67		
(b) Preference	-		
(ii) Debentures and Bonds	-		
(iii) Units of Mutual Funds	-		
(iv) Government Securities	-		-
(v) Others (please specify)	-		-
2. Unquoted :			





2. Unquoted :		
(i) Shares : (a) Equity		18.00
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of Mutual Funds		-
(iv) Government Securities		-
(v) Others (please specify)-Optionally Convertible Debentures		890.00

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :
Please see Note 2 below

Category	Amount net of Provisions		
	Secured	Unsecured	Total
1. Related Parties **	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	381.54	381.54
Total			

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :

Please see Note 3 below

Category	Market Value/Break up of value or NAV	Book Value (Net of Provisions)	
1. Related Parties **			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	9,851.98	5,189.46	
(c) Other related parties	-	-	
2. Other than related parties	10,819.62	6,111.67	
Total			

** As per Accounting Standard of ICAI (Please see Note 3)

(8) Other Information

Particulars	Amount
(i) Gross Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	-
(ii) Net Non-Performing Assets	-
(a) Related parties	-
(b) Other than related parties	-
(iii) Assets acquired in satisfaction of debt	-

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

Place: New Delhi.
Dated: 26th, October, 2004

Raj Kamal Agarwal
Ranjit Malik
Director

AMOD AGRAWAL
Partner
For and on behalf of
AMOD AGRAWAL & CO.
Chartered Accountants

Balance Sheet Abstract

HEXA SECURITIES & FINANCE CO. LTD.

BALANCE SHEET ABSTRACT AND COMPANIES BUSINESS PROFILE PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

I	Registration no	62930	State Code No.	55
	Balance Sheet Date	30th Sept., 2004		
II	Capital raised during the year	(Rs. in Thousands)		
	Public issue	Nil		
	Bonus Issue	Nil		
	Rights Issue	Nil		
	Private placement	Nil		
III	Position of mobilisation and deployment of funds	(Rs. in Thousands)		
	Total liabilities	901,971	Total assets	901,971
	Sources of Funds:			
	Paid up Capital	255,000	Reserves and Surplus	-
	Secured loan	200,000	Un-secured loans	446,971
	Application of funds:			
	Net fixed assets	-	Investments	611,167
	Net current assets	41,906	Misc.Expenditure	-
	Accumulated losses	248,898		
IV	Performance of the company	(Rs.in Thousands)		
	Gross Turnover	50,915	Total expenditure	11,617
	Net Turnover	50,915		
	Profit before tax	39,298	Profit after tax	37,083
	Earning per share (Rs)- Equity	1.45		
	Dividend rate	NIL		
V	Generic Names of three principal products of the Company			
	Product description	NA	Item Code No	NA



Auditors' Report



Jindal Enterprises, LLC

d.b.a. Jindal Stainless Corporation

Baytown, Texas

We have audited the accompanying balance sheets of Jindal Enterprises, LLC. d. b.a Jindal Stainless Corporation as of June 30, 2004 and 2003, and the related statements of income, changes in members equity, and cash flows for the years then ended. 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 the United States. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jindal Enterprises, LLC., d.b.a. Jindal Stainless Corporation as of June 30, 2004 and 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Null-Lairson P.C. CPA's

September 21, 2004

Houston, Texas



Balance Sheet

Jindal Enterprises, LLC

	<u>2004</u>		<u>2003</u>	
	US \$	Rs. in lacs	US \$	Rs. in lacs
Assets				
Current				
Cash and cash equivalents	345,633	159.06	145,217	67.42
Accounts Receivable:				
Trade	35,324	16.26	235,253	109.22
Allowance for doubtful accounts	(33,127)	(15.25)	(33,127)	(15.38)
Receivables from and advances to related parties	220,524	101.49	58,388	27.11
Interest receivable from related companies	908,069	417.89	402,564	186.89
Other receivables	33,624	15.47	20,481	9.51
Inventories	-	-	9,802	4.55
Prepaid expenses and other	36,000	16.57	111,000	51.53
Total current assets	1,546,047	711.49	949,578	440.84
Property and equipment	6,903,351	3,176.92	6,902,479	3,204.48
Accumulated depreciation	(740,371)	(340.72)	(510,156)	(236.84)
Total property and equipment	6,162,980	2,836.20	6,392,323	2,967.64
Other Assets				
Notes receivable - U.S Denro Steels, Inc	18,765,184	8,635.74	20,865,184	9,686.66
Notes receivable from related company	1,300,000	598.26	1,300,000	603.53
Total other assets	20,065,184	9,234	22,165,184	10,290.19
Total assets	<u>27,774,211</u>	<u>12,781.69</u>	<u>29,507,085</u>	<u>13,698.66</u>
Liabilities and Member' s Equity				
Current Liabilities				
Accounts payable	1,710,904	787.36	1,846,668	857.32
Accrued liabilities and other accruals	3,714	1.71	159,919	74.24
Interest payable others	88,100	40.54	-	-
Interest payable to related party	947,738	436.15	706,975	328.21
Payables to and advances from related parties	1,214,075	558.72	414,075	192.23
Payables to U.S Denro Steels, Inc	983,560	452.63	754,937	350.48
Current portion of long-term debt	4,050,000	1,863.81	9,700,000	4,503.23
Total current liabilities	8,998,091	4,140.92	13,582,574	6,305.71
Long-term debt, net of current portions:				
Notes payable to financial institutions	15,350,000	7,064.07	12,600,000	5,849.55
Long term advances from U.S Denro Steels, Inc	2,164,095	995.92	2,164,095	1,004.68
Notes payable to related parties	7,295,985	3,357.61	6,600,000	3,064.05
Total long-term debt	24,810,080	11,417.60	21,364,095	9,918.28
Total liabilities	<u>33,808,171</u>	<u>15,558.52</u>	<u>34,946,669</u>	<u>16,223.99</u>
Member' s Equity				
Stated Capital	1,000,000	460.20	1,000,000	464.25
Retained Deficit	(7,033,960)	(3,237.03)	(6,439,584)	(2,989.58)
Total member's equity	(6,033,960)	(2,776.83)	(5,439,584)	(2,525.33)
Total liabilities and member's equity	<u>27,774,211</u>	<u>12,781.69</u>	<u>29,507,085</u>	<u>13,698.66</u>

See Notes to Financial Statements.



Statement of Income



	For the year 2004		For the year 2003	
	US \$	Rs. in lacs	US \$	Rs. in lacs
Net Sales	151,671	69.80	2,513,677	1,166.97
Cost of Sales	298,174	137.22	2,446,056	1,135.58
Gross Profit	(146,503)	(67.42)	67,621	31.39
Selling, General, and Administrative Expenses	788,981	363.09	248,896	115.55
Total Selling, General and Administrative Expenses	788,981	363.09	248,896	115.55
Operating Income	(935,484)	(430.51)	(181,275)	(84.16)
Other Income (Expenses):				
Interest income	1,094,537	503.71	1,105,975	513.45
Miscellaneous income	67,972	31.28	32,160	14.93
Interest expenses	(821,401)	(378.01)	(866,768)	(402.40)
Total Other Income (Expenses) / net	341,108	156.98	271,367	125.98
Net Income/(loss) before Equity interest in subsidiary	(594,376)	(273.53)	90,092	41.82
Income/ (loss) Before income Taxes	(594,376)	(273.53)	90,092	41.82
Income Tax expenses (Note 6)	-	-	-	-
Net Income/ (loss)	(594,376)	(273.53)	90,092	41.82

Statement of Changes in Member's Equity

For the Year Ended June 30, 2004 and 2003

	Member's stated Capital		Retained Earnings		Total Member's Equity	
	US \$	Rs. in lacs	US \$	Rs. in lacs	US \$	Rs. in lacs
Balance - June 30, 2002	1,000,000	460.20	(6,529,676)	(3,004.96)	(5,529,676)	(2,544.76)
Net Income / (Loss)			90,092	41.46	90,092	41.46
Balance - June 30, 2003	1,000,000	460.20	(6,439,584)	(2,963.50)	(5,439,584)	(2,503.30)
Net Income / (Loss)			(594,376)	(273.53)	(594,376)	(273.53)
Balance at June 30, 2004	1,000,000	460.20	(7,033,960)	(3,237.03)	(6,033,960)	(2,776.83)

See Notes to Financial Statements.

Statements of Cash Flow

Jindal Enterprises, LLC

	US \$	Rs. in lacs	US \$	Rs. in lacs
Cash Flows From Operating Activities:				
Net income	(594,376)	(273.53)	90,092	41.83
Adjustments to reconcile net income to net cash provided by operating activities:		2004		2003
Depreciation	230,215	105.94	226,790	105.29
Allowance for doubtful accounts		-	33,127	15.38
Changes in operating assets and liabilities:				
Accounts receivable:				
Trade	199,929	92.01	107,638	49.97
Related parties	(667,641)	(307.24)	(102,156)	(47.43)
Notes receivables		-	900,000	417.83
Inventories	9,802	4.51	967,747	449.28
Prepaid expenses and other	62,671	28.84	(67,764)	(31.46)
Increase in accounts payable	(135,764)	(62.48)	366,217	170.02
Increase in accrued liabilities	(156,205)	(71.89)	21,283	9.88
Increase in accounts payable to affiliate	1,965,371	904.47	(1,043,875)	(484.62)
Increase in deposits			(305,043)	(141.62)
Increase in interest payable	88,100	40.54	(12,500)	(5.80)
Net cash provided (used) by operating activities	<u>1,002,102</u>	<u>461.17</u>	<u>1,181,556</u>	<u>548.54</u>
Cash Flows From Investing Activities:				
Capital expenditures	<u>(1,686)</u>	<u>(0.78)</u>	<u>(105,810)</u>	<u>(49.12)</u>
Net cash used in investing activities	<u>(1,686)</u>	<u>(0.78)</u>	<u>(105,810)</u>	<u>(49.12)</u>
Cash Flows From Financing Activities:				
Net proceeds from loans from financial institutions		-	15,000,000	6,963.75
Proceeds from borrowings related parties		-	1,600,000	742.80
Payments on notes payable to financial institutions	(2,900,000)	(1,334.58)	(17,700,000)	(8,217.23)
Payments received on notes receivable	2,100,000	966.42		
Payments on advances / notes payable to related parties			(300,000)	(139.28)
Net cash used in investing activities	<u>(800,000)</u>	<u>(368.16)</u>	<u>(1,400,000)</u>	<u>(649.95)</u>
Net increase (decrease) in cash and cash equivalents	<u>200,416</u>	<u>92.23</u>	<u>(324,254)</u>	<u>(150.53)</u>
Cash and cash equivalents at beginning of year	<u>145,217</u>	<u>66.83</u>	<u>469,471</u>	<u>217.95</u>
Cash and cash equivalents at end of year	<u>345,633</u>	<u>159.06</u>	<u>145,217</u>	<u>67.42</u>
Supplemental Cash Flow information:				
Interest paid	<u>506,026</u>	<u>232.87</u>	<u>674,561</u>	<u>313.16</u>

See Notes to Financial Statements.





Note 1 - Organization

Organization and Operations

Jindal Enterprises, LLC., d.b.a. Jindal Stainless Corporation ("the Company") is a Texas Limited Liability Company which was organized in October 1997. The Company is a single member LLC which is 100 percent owned by SAW Pipes Limited of India. The Company as of June 30, 2004 and 2003 owned 49 percent, of U.S Denro Steels, Inc. d.b.a. Jindal United Steel Corporation (US Denro Steels, Inc.). The Company operates a stainless steel processing facility and U.S Denro Steels, Inc. operates a steel plate manufacturing facility located in Baytown, Texas. While the Company manufactures steel plate for use by various industries, a significant amount of sales of U.S. Denro Steels, Inc are made to an affiliated pipe mill located adjacent to the Company's facilities. The affiliated pipe mill owns 29 percent of US Denro Steels, Inc.

The Company engages in business activities which involve various risks, and the Company's future success is dependent upon a number of factors which include, among others, generating sufficient revenues, the market demand and price for the Company's products, the price of raw materials and obtaining the necessary funds. The Company is dependent upon support from its parent Company and related group Companies for continuing operations.

Note 2 - Summary of Significant Accounting Policies

The financial statements are prepared under accounting principals generally accepted in the United States of America. The following notes describe the significant accounting policies.

Investments Recorded on Equity Basis

US Denro Steels, Inc. d.b.a Jindal United Steel Corporation is recorded as an investment on the balance sheet. The percentage of income or loss increases or decreases the investment in U.S Denro Steels, Inc. investment account on the Company's books. No intercompany transactions have been eliminated in the financial statements.

The investment in U.S Denro Steels, Inc. has been reduced to zero on the balance sheet based on the Company's share of US Denro Steels, Inc's loss. However, due to the fact that the Jindal Enterprises LLC is not liable for the debts of US Denro Steels, Inc. the investment is not reduced below zero. When the equity interest in US Denro Steels, Inc. is positive, then the Company will again record the investment in US Denro Steels, Inc.

Revenue Recognition

Revenue is recognized generally when the product is shipped to the customer. The revenue from the sale of goods is recognized when the following has been satisfied:

1. the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;



Notes to Financial Statements

Jindal Enterprises, LLC

2. the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
3. the amount of revenue can be measured reliably;
4. it is probable that the economic benefits associated with the transaction will flow to the Company, and ;
5. the costs incurred, or to be incurred in respect of the transaction, can be measured reliably.

Property, equipment, and depreciation

Property and equipment are stated at cost. Except for machinery and equipment used in production, depreciation is calculated over the estimated useful lives of the assets using the straight- line method. The Company uses straight line depreciation method for machinery and equipment in manufacturing and processing operations and straight line for certain other manufacturing equipment. Expenditures for renewals and improvements are capitalized; repairs and maintenance are charged to expense as incurred.

The Company reviews property and equipment for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be fully recoverable. Based on periodic assessments of the realizability of its long-term assets and the analysis of undiscounted future cash flows for its long-term assets, no impairment of long-term asset needs to be recognized by the Company.

Federal Income Taxes

The Company has elected to be taxed as a Corporation under the federal tax laws. The Company records Income taxes pursuant to the liability method. Deferred tax assets and liabilities are recorded based upon differences between the financial statement and tax bases of assets and liabilities and the available tax carryforwards. A deferred tax valuation allowance is recorded to state deferred tax assets at the estimated net realizable value.

Allowance for Doubtful Accounts

Bad debts are provided by using the allowance method based upon historical experience and management's evaluation of outstanding accounts receivable at the balance sheet date for receivables that may not be fully collectible. Management's evaluation also includes potential non-payment due to product claims by customers.

Inventories

Inventories are valued at the lower of cost or market, with cost determined using the first-in, first out (FIFO) methods.

Advertising Costs

Advertising costs are expensed when incurred.

Fair Value of Financial Instruments

The Company considers the fair value of all financial instruments to not be materially different from their carrying values at June 30, 2004 and 2003, based on management's estimate of the Company's ability to borrow funds under terms and conditions similar to those applicable to the Company's existing debt.





Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially subject the Company to a concentration of credit risk consist principally of cash and accounts receivable. The Company maintains cash balances at financial institutions which may at times be in excess of federally insured levels. The Company has not incurred losses related to these balances to date. The company has concentrations of credit risk with respect to accounts receivable. Although the Company does not currently foresee credit risk associated with these receivables, repayment is dependent upon the financial stability of those entities.

Note 3 - Inventories

At June 30, 2004 and 2003, inventories consisted of the following :

	2004		2003	
	\$	Rs. in lacs	\$	Rs. in lacs
Stainless Steel Slab	-	-	-	-
Plates-finished goods Stainless Steel			9,802	4.55
Plates-work in progress				
Total Inventory			<u>9,802</u>	<u>4.55</u>

Note 4 - Property, Plant and Equipment

At June 30, 2004 and 2003, property, plant and equipment consisted of the following:

	Balance June, 30 2003		Additions	Adjustments Retirements		Balance June 30, 2004		Estimate Useful Lives (Years)	
	USDRs.in lacs	USD Rs.in lacs				USDRs. In lacs	USD Rs.in lacs		
Machinery and equipment	6,902,479	3,176.52	1,686	0.77	(814)	0.37	6,903,351	3,176.92	30
Total property and equipment	6,902,479	3,176.52		0.77	(814)	0.37	6,903,351	3,176.92	
Less Accumulated Depreciation	(510,156)	(234.78)	(230,215)	(105.94)	-	-	(740,371)	(340.72)	
Net Property and equipment	<u>6,392,323</u>	<u>2,941.74</u>	<u>(228,529)</u>	<u>(105.17)</u>	<u>(814)</u>	<u>0.37</u>	<u>(6,162,980)</u>	<u>(2,836.20)</u>	

Depreciation expense was \$230,215 (Rs. 105.94 lacs) and \$226,790 (Rs. 105.29 lacs) for the years ended June 30, 2004 and 2003, respectively.

Notes to Financial Statements

Jindal Enterprises, LLC

Note 5 - Debt

At June 30, 2004 and 2003 debt consisted of borrowings on a credit agreement facility from banks, debt owed to a related Company, and long term advances from U.S. Denro Steels, Inc.

The Company's debt is further described below.

Notes Payable to Bank

As of June 30, 2004, the Company had a \$6.8 million (Rs. 3,129.36 lacs) loan through Standard Chartered Bank of Bahrain. The Note was secured by the Company's equipment and guaranteed by SAW Pipes LTD, India. The Note had interest due quarterly at the LIBOR rate plus 0.25%. The \$6.8 million is being refinanced by the Company through a new loan and therefore is not considered long-term for financial statement presentation purposes (See Note 8)

As of June 30, 2004, the Company has a loan of \$12.6 million (Rs. 5,798.52 lacs) from the Bank of India. The loan carries interest at 2.0 percent over 3 month Libor with payments through June 30, 2007. The loan is secured by a secured interest in inventory and equipment and a guarantee from SAW Pipes Ltd., India.

The notes payable as of June 30, 2004 and 2003 consisted of the following:

	2004		2003	
	USD	Rs.in lacs	USD	Rs.in lacs
Note payable to Standard Chartered Bank	6,800,000	3,129.36	7,600,000	3528.30
Note payable to Bank of India	<u>12,600,000</u>	<u>5,798.52</u>	<u>14,700,000</u>	6824.48
Total Debt	19,400,000	8,927.88	22,300,000	10352.78
Less current portion	(4,050,000)	(1,863.81)	(9,700,000)	(4,503.23)
Long term debt, net of current portion	15,350,000	7,064.07	12,600,000	5,849.55

Notes Payable and Long-Term Advances due to Related Parties

The Company has borrowed \$7.30 million (Rs.3,357.61 lacs) from a related company. The note is currently classified as long term debt and does not have a due date. The Interest is being accumulated at 2.5 percent simple interest per annum. The interest payable on this loan was \$947,738 (Rs.436.15 lacs) and \$706,975 (Rs. 328 lacs) as of June 30, 2004 and 2003 respectively. As of June 30, 2004 and 2003, the Company has a long-term advance from US Denro Steels, Inc. of \$2,164,095 (Rs. 995.92 lacs).





The Notes Payable to Related Parties at June 30, 2004 and 2003 was comprised of the following:

	2004		2003	
	USD	Rs.in lacs	USD	Rs.in lacs
Notes payable to related parties:				
Notes payable to related party	6,600,000	3,037.32	6,600,000	3,064.05
Long term advance from related party	695,985	320.29	-	-
Long term advances from US Denro Steel Inc.	2,164,095	995.92	2,164,095	1,004.68
Total Debt	9,460,080	4,353.53	8,764,095	4,068.73
Less current portion	-	-	-	-
Long term debt, net of current portion	9,460,080	4,353.53	8,764,095	4,068.73

Long term advance to related party represents amounts the Company owes to a related party in India for guarantee fees, and bank charges paid by the related party on various loans. The \$695,985 (Rs.320.29 lacs) has been classified as a long term liability

Future Payments on Debt

Future payments for debt outstanding at June 30, 2004, are due as follows:

	Debt							
	Standard Chartered Bank		Bank of India		Others		Total	
	USD	Rs.in lacs	USD	Rs.in lacs	USD	Rs.in lacs	USD	Rs.in lacs
Fiscal year ending June 30, 2005	6,800,000	3,129.36	4,050,000	1,863.81			10,850,000	4,993.17
2006			4,350,000	2,001.87			4,350,000	2,001.87
2007			4,200,000	1,932.84			4,200,000	1,932.84
Thereafter					9,460,080	4,353.53	9,460,080	4,353.53
	6,800,000	3,129.36	12,600,000	5,798.52	9,460,080	4,353.53	28,860,080	13,281.41

Note 6 - Income Taxes:

The Company has elected to file as a Corporation for federal tax purposes. The Company's deferred tax liabilities, deferred tax assets and deferred tax asset valuation allowances at December 31, 2004 and 2003 is as follows

Notes to Financial Statements

Jindal Enterprises, LLC

	2004		2003	
	USD	Rs.in lacs	USD	Rs.in lacs
Deferred tax assets/benefits related to:				
Net operating loss carryforward	1,352,679	622.50	989,622	455.42
Book depreciation over Tax expense	36,530	16.81	-	-
Allowance for doubtful accounts	10,932	5.03	-	-
Interest not currently deductible	-	-	59,227	27.25
Total Deferred Tax assets/benefits	1,400,141	644.34	1,048,849	482.67
Deferred tax liability related to:				
Interest income related party	196,665	90.50	-	-
Accelerated depreciation on asset	-	-	17,400	8.08
Total Deferred tax liability	196,665	90.50	17,400	8.08
Less- Deferred tax valuation allowance	(1,203,476)	(553.84)	(1,031,449)	(474.59)
Net Deferred assets/benefits(liability)	-	-	-	-

For financial reporting purposes, the deferred tax valuation allowance was established to fully reserve the Company's net deferred tax assets due to its history of losses. No tax provisions were made for current taxes for the fiscal year ended June 30, 2004 and 2003.

At June 30, 2004, the Company had net operating loss carry forwards of approximately \$3.4 million (Rs. 1,564.68 lacs) for federal and state income tax purposes which expires on various dates through 2024. Current federal income tax regulations with respect to changes in ownership could limit the utilization of the Company's net operating loss carryforward. Utilization of the net operating loss carryforward is dependent upon the Company making taxable income in future years.

Note 7 - Related Party Transactions :

The Company has advances from US Denro Steels, Inc. of \$2,164,095 (Rs. 995.92 lacs) included in notes payable to related parties. The Company owes US Denro Steels, Inc. \$968,715 (Rs. 445.80 lacs) and \$702,917 (Rs. 326 lacs) for operating expenses and processing charges as of June 30, 2004 and 2003, respectively.





The Company has payables and advances from other related group Companies of \$1,214,075 (Rs. 558.72 lacs) and \$414,075 (Rs. 192 lacs) as of June 30, 2004 and 2003, respectively.

The Company for the years ended June 30, 2004 and 2003 had a long term advance of \$7.30 million (Rs. 3,357.61 lacs) from a related group Company. The interest accrued during the year ended June 30, 2004 on the loan amounts was \$240,763 (Rs. 110.80 lacs). Total interest due to this related Group Company was \$947,738 (Rs.436.15 lacs) and \$706,975 (Rs. 328 lacs) as of June 30, 2004 and 2003.

The Company has a notes receivable from US Denro Steels, Inc. for \$18,765,184 (Rs.8635.74 lacs) \$20,865,184 (Rs. 9,687 lacs) as of June 30, 2004 and 2003, respectively. During the year ending June 30, 2004, US Denro Steels, Inc. paid \$2.1 million (Rs. 966.42 lacs) of the loan amounts to Jindal Enterprises. The Company recorded interest income of \$ 1,032,009 (Rs. 474.93 lacs) and \$1,043,259 (Rs. 484 lacs) on the note receivable due from US Denro for the years ending June 30, 2004 and 2003, respectively. As of June 30, 2004 US Denro owed the Company \$908,069 (Rs. 417.89 lacs) in accrued interest.

The Company has a notes receivable, due June 30, 2007, from a related company for \$1.3 Million (Rs. 598.26 lacs) as the balance due in consideration for the sale of US Denro Steels, Inc. stock in prior years. Interest receivable of \$120,900 (Rs. 55.64 lacs) has been accrued on the note.

The Company also leases building space including utilities from US Denro Steels, Inc. Total rental expense was \$60,000 (Rs. 27.61 lacs)for the year ended June 30, 2003 and 2004.

Note 8 - Subsequent Events

In August 2004, the Company obtained a term loan from ICICI Bank UK Limited for \$10,000,000 (Rs. 4,602 lacs) \$6.8 million (Rs. 3,129.36 lacs) of the loan proceeds was used to pay the remaining balance on the Standard Chartered Bank note. The balance of the proceeds of the loan will be used for working capital. Under the terms of the agreement the first note payment of \$1.25 million (Rs. 575.25 lacs) would be due in February 2006 and payments of \$1.25 million due every six months until the note is paid in full. The interest rate is 125 basis points per annum over LIBOR.

Note: Indian Rupee equivalent of figures have been arrived at by applying the year end interbank exchange rates US\$ 1= Rs. 46.02 (Previous year US\$ 1= Rs. 46.425) and do not form part of the reports of Jindal Enterprises, LLC as made out in accordance with the Laws of the country of incorporation.



Auditors' Report

CONSOLIDATED FINANCIAL STATEMENTS

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

We have examined the attached Consolidated Balance Sheet of Saw Pipes Limited ("the Company") and it' s subsidiaries as at 30th September, 2004, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year 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 subsidiaries whose financial statements reflect total assets (net) of Rs. 18,194.77 lacs and total revenues of Rs. 520.80 lacs . These financial statements have been audited by other auditors whose reports have been furnished to us, except IUP Jindal Hexa Metals Ltd., which has been incorporated on 09.08.2004, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the respective auditors.
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 Saw Pipes Ltd., and its subsidiaries included in the consolidated financial statements.

4. *Attention is invited to the following notes of schedule :*

(i) *Note No. 4 regarding non-provision for diminution in value of unquoted investments (amount unascertained)*

Subject to above, 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 30th September, 2004;
- b) In case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year 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 year ended on that date

Place : New Delhi
Dated: 28th October, 2004

G.K. AGGARWAL
Partner
M.No. 86622
For & on behalf of
N.C. AGGARWAL & CO.
Chartered Accountants



Balance Sheet



DESCRIPTION	SCHEDULE No.	As At Sept. 30,2004 (Rs. in lacs)	As At Sept. 30,2003 (Rs. in lacs)
SOURCES OF FUND			
SHARE HOLDERS FUNDS			
Share Capital	1	3,897.97	3,897.97
Reserves and Surplus	2	30,345.55	26,124.95
		34,243.52	30,022.92
Deferred Tax Liability (Net)	3	4,657.77	4,409.02
LOAN FUNDS			
Secured	4	55,112.32	26,899.79
Unsecured	5	21,190.93	14,616.92
		76,303.25	41,516.71
		115,204.54	75,948.65
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	6	50,914.25	43,896.22
Less :Depreciation		15,731.14	13,164.75
Net Block		35,183.11	30,731.47
Capital Work in Progress		23,499.09	2,435.39
Pre-operative Expenses		1,672.48	26.78
		60,354.68	33,193.64
INVESTMENTS	7	8,620.20	8,484.99
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	8	45,182.44	9,650.85
Sundry Debtors	9	41,039.90	20,062.69
Cash and Bank Balances	10	3,446.84	2,534.77
Loans and Advances	11	20,932.59	20,072.86
		110,601.77	52,321.17
LESS: CURRENT LIABILITIES AND PROVISIONS			
Current liabilities	12	62,548.77	14,746.70
Provisions	13	1,823.34	3,306.66
		64,372.11	18,053.36
NET CURRENT ASSETS		46,229.66	34,267.81
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)	14	-	2.21
		115,204.54	75,948.65
NOTES TO THE ACCOUNTS			
	23		

As per our report of even date attached

G.K. AGGARWAL

Partner

M No. 86622

For & on behalf of

N.C. AGGARWAL & CO.

Chartered Accountants

Place : New Delhi

Dated : 28th October, 2004

P.R. JINDAL

Chairman

SUNIL JAIN

Company Secretary

SMINU JINDAL

Managing Director

NEERAJ KUMAR

Director (Finance) & CFO Directors

PURSHOTTAM LAL

A.J.A. TAURO

MOOSA RAZA

DEVI DAYAL

KULDIP BHARGAVA

M.V. SATYA PRASAD

Profit & Loss Account

CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION	SCHEDULE No.	For the year 2003 - 04 (Rs. in lacs)	For the year 2002 - 03 (Rs. in lacs)
INCOME			
Sales and Operational Income	15	112,688.46	81,667.94
Less: Excise Duty		4,124.95	11,196.41
Net Turnover		108,563.51	70,471.53
Other Income	16	735.38	492.47
Increase/(Decrease) in Stock	17	7,024.19	114.58
		116,323.08	71,078.58
EXPENDITURE			
Raw Material Consumed		76,009.40	40,053.48
Manufacturing Expenses	18	17,720.03	4,166.37
Payments to and Provisions for Employees	19	2,533.07	2,010.61
Selling Expenses	20	3,947.86	2,157.04
Finance Expenses	21	4,084.54	3,748.37
Administrative & Other Expenses	22	1,904.42	6,338.24
Depreciation		2,648.70	2,439.43
Less: Transfer to Revaluation Reserve		352.11	419.21
		2,296.59	2,020.22
		108,495.91	60,494.33
Profit before Taxation		7,827.17	10,584.25
Less : Provision for Income Tax			
- Current Tax		1,897.15	3,052.62
- Provision/ (Withdrawn) from Deferred Tax		248.75	(119.39)
-			
Prior period Tax Adjustment		(0.43)	90.72
Provision for Wealth Tax		1.50	2.00
Profit After Taxation		5,680.20	7,739.74
Profit Brought Forward		4,878.59	-
Translation Exchange Difference (net)		-	306.19
Disposable Profit		10,558.79	8,045.93
APPROPRIATIONS			
Interim Dividend on Preference Shares Paid		-	43.00
Proposed Dividend :			
- on Equity Shares		974.48	974.48
Corporate Tax on Proposed Dividends		127.35	124.86
General Reserve		1,000.00	1,000.00
Debenture Redemption Reserve		187.50	275.00
Capital Redemption Reserve		-	750.00
Balance Carried to Balance Sheet		8,269.46	4,878.59
		10,558.79	8,045.93
Basic and Diluted Earning per Share (In Rs.) of Rs. 10/- each		14.57	19.75
NOTES TO THE ACCOUNTS	23		

As per our report of even date attached

G.K. AGGARWAL
Partner
M No. 86622
For & on behalf of
N.C. AGGARWAL & CO.
Chartered Accountants
Place : New Delhi
Dated: 28th October, 2004

P.R. JINDAL
Chairman

SMINU JINDAL
Managing Director

PURSHOTTAM LAL
A.J.A. TAURO
MOOSA RAZA
DEVI DAYAL
KULDIP BHARGAVA
M.V. SATYA PRASAD

SUNIL JAIN
Company Secretary

NEERAJ KUMAR
Director (Finance) & CFO Directors



Schedule



DESCRIPTION	As at Sept. 30, 2004 (Rs. in lacs)	As at Sept.30, 2003 (Rs. in lacs)
SCHEDULE "1"		
SHARE CAPITAL		
AUTHORISED		
i) 5,00,00,000 Equity Shares of Rs. 10/- Each	5,000.00	5,000.00
ii) 25,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	2,500.00	2,500.00
	<u>7,500.00</u>	<u>7,500.00</u>
ISSUED AND SUBSCRIBED		
i) 3,89,80,108 Equity Shares of Rs. 10/- each	3,898.01	3,898.01
	<u>3,898.01</u>	<u>3,898.01</u>
PAID UP		
3,89,79,308 Equity Shares of Rs. 10/- each	3,897.93	3,897.93
Add: Forfeited Capital	0.04	0.04
(800 Shares of Rs.10/- partly paid up Rs.5 each at the time of forfeiture)	<u>3,897.97</u>	<u>3,897.97</u>

OF THE ABOVE

- 20,08,000 Equity Shares were allotted as Fully Paid-up pursuant to contract without payment being received in cash.
- 66,13,936 Equity Shares were allotted pursuant to the Scheme of Amalgamations without payment being received in cash.
- 2,57,96,172 Equity shares were allotted as fully paid-up bonus shares by capitalising General Reserves and Share Premium.
- 650 Bonus shares of Rs.10/- each are held in abeyance and not allotted as a result of attachment orders by Govt. authorities, lost share certificates and other disputes.

DESCRIPTION	As at Sept. 30th 2003 (Rs. in lacs)	Additions/created during the year	Deductions	As at Sept. 30th 2004 (Rs. in lacs)
SCHEDULE "2"				
RESERVES AND SURPLUS				
(i) Capital Reserve	9.50	-	-	9.50
(ii) Capital Redemption Reserve	1,500.00	-	-	1,500.00
(iii) General Reserve	14,913.06	1,000.00	-	15,913.06
(iv) Debenture Redemption Reserve	1,375.00	187.50	-	1,562.50
(v) Share Premium Account	558.91	-	-	558.91
(vi) Revaluation Reserve	2,889.89	-	357.77	2,532.12
(vii) Profit and loss Account	4,878.59	5,680.20	2,289.33	8,269.46
Total	26,124.95	6,867.70	2,647.10	30,345.55
Previous year	19,640.57	10,070.93	3,586.55	26,124.95

Schedule

CONSOLIDATED FINANCIAL STATEMENTS

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

2. Provision for Diminution in investment

3. Long Term Capital Loss

Total Deferred Tax Assets

Deferred Tax Liability (Net) (A-B)

4,779.67	4,678.92
4,779.67	4,678.92
11.84	159.84
54.18	54.18
55.88	55.88
121.90	269.90
4,657.77	4,409.02

SCHEDULE "4"

SECURED LOANS

A. Redeemable Non-Convertible Debentures

B. Term Loans

(i) From Banks

(ii) From Financial Institutions

C. Working Capital Loans from Banks

D. Deferred Sales Tax Loan

15,750.00	4,416.67
25,211.95	16,486.28
7,056.81	2,519.03
7,067.17	3,441.03
26.39	36.78
55,112.32	26,899.79

NOTES

- 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 States of Maharashtra and 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) 16% Debentures of Rs.100/- each aggregating to Rs. 500.00 lacs redeemable on 19.01.2005
- (ii) 15.5% Debentures of Rs.100/- each aggregating to Rs. 250.00 lacs redeemable in two equal Quarterly instalments commencing from 17.12.2004
- (iii) 9.75% Debenture of Rs.100/- each aggregating to Rs.7500.00 lacs are redeemable in three equal Annual instalments commencing from 01.10.2007
- (iv) 7.75% Debenture of Rs.10,00,000/- each aggregating to Rs.7500.00 lacs are redeemable in three equal Annual instalments commencing from 25.03.2008
- B. (i) Term Loans from Banks include Loans of Rs.140.52 lacs (Previous year Rs.96.54 lacs)for purchase of vehicles and secured by way of hypothecation of vehicles.
- (ii) Term Loans from Banks include loans of Rs.14,223.16 which are secured / to be 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.
- (iii) Term Loans from Banks include a loan of Rs.1900.00 lacs, which is secured/to be secured by way of subservient charge to 1st & 2nd charge holders on entire movable and immovable properties of the Company.
- (iv) Term Loans from Banks/Financial Institutions include loans of Rs.8954.07 lacs, secured against inventory and equipments of JELLC.
- (v) Term loans from Banks include loans of Rs. 12,893.25 lacs (Previous year 1718.63 lacs) for which Director(s) personal Guarantee has been provided.
- (vi) Term Loans from Financial Institutions & others include a House Property loan of Rs.692.00 lacs (Previous year NIL) which is to be secured by way of exclusive charge on the Company' s House Property situated in Delhi.
- (vii) Term Loans from Financial Institutions & others include loans of Rs.1864.81 lacs 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.
- (viii) Term loans from Financial Institutions include loans of Rs. 4,230.81 lacs (Previous year 1718.63 lacs) for which Director(s) personal Guarantee has been provided.
- (ix) Term Loans from Financial Insitutions & others include a loan of Rs.2500.00 lacs, which is secured/to be secured by way of subservient charge to 1st & 2nd charge holders on entire movable and immovable properties of the Company.
- (x) Term loan of Rs. 2000 lacs in HSFCL is secured against pledge of shares of SAW pipes Ltd, held by other companies.
- 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 second charge in respect of other moveable and immoveable properties of the Company.
- D. Deferred Sales Tax Loan is secured by way of second pari pasu charge on immovable assets and hypothecation of moveable assets at the Company' s Kosi Kalan Unit (in UP)

SCHEDULE "5"

UNSECURED LOANS

(i) Fixed Deposits	2,980.03	1,383.21
(ii) Deferred Sales Tax Loan	908.80	555.17
(iii) Unsecured Loans from Banks	8,375.00	2,500.00
(iv) Intercorporate Loans	8,927.10	10,178.54
	21,190.93	14,616.92





**SCHEDULE "6"
ASSETS**

**FIXED
[Rs. In Lacs]**

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.10.03	Additions	Deduction/ Adjustment	As at 30.09.04	Upto 01.10.03	During the Year	Deduction/ Adjustment	Upto 30.09.04	As at 30.09.04	As at 30.09.03
Land										
- Free Hold	287.49	147.52	-	435.01	-	-	-	-	435.01	287.49
- Lease Hold	394.17	-	-	394.17	46.33	25.99	-	72.32	321.85	347.84
Buildings	5,077.97	2,351.48	-	7,429.45	1,053.91	157.49	-	1,211.40	6,218.05	4,024.06
Plant & Machinery	37,401.44	4,311.89	183.42	41,529.91	11825.46	2,404.67	71.16	14,158.97	27,370.94	25,575.98
Vehicles	422.07	202.05	53.25	570.87	139.59	49.33	21.11	167.81	403.06	282.48
Furniture & Fixtures	313.08	245.53	3.77	554.84	99.46	22.25	1.07	120.64	434.20	213.62
TOTAL	43,896.22	7,258.47	240.44	50,914.25	13,164.75	2,659.73	93.34	15,731.14	35,183.11	30,731.47
Prev. Year	38,320.56	5,652.18	76.52	43,896.22	10,768.64	2,439.43	43.32	13,164.75	30,731.47	

NOTE -

- A) Gross Block includes the following amount on account of revaluation made on 31.3.1996 of Pipe Division at A-1, UPSIDC Indl. Area, Kosi Kalan at Net Current Residual Replacement Value.

	(Rs. In lacs)		(Rs. In lacs)
i) Freehold	7.38	iii) Building	548.34
ii) Leasehold	143.59	iv) Plant and Machinery	3,916.96

DESCRIPTION	As at 30.09.2004 (Rs. in lacs)	As at 30.09.03 (Rs. in lacs)
SCHEDULE "7"		
INVESTMENTS		
Quoted Shares	6,914.99	6,914.99
Unquoted Shares	667.21	1,392.21
Investment in Debentures/Bonds/Units-Quoted	890.00	137.64
Govt & Trust Securities	148.00	40.15
Total	8,620.20	8,484.99
Aggregate Market Value of Quoted Investments	17,773.33	14,355.36
SCHEDULE "8"		
INVENTORIES (As taken, valued and certified by the management)		
i) Stores and Spares	1,153.16	794.74
ii) Loose Tools	6.37	5.34
iii) Finished goods	4,527.97	1,719.90
iv) Work in Progress	5,080.46	1,138.01
v) Raw Materials*	34,081.79	5,933.83
vi) Scrap	332.69	59.03
	45,182.44	9,650.85

*Includes Raw Material in Transit of Rs. 7,296.58 lacs (Previous Year Rs. 2,410.74 lacs)

Schedule

CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION	As at 30.09.2004 (Rs. in lacs)	As at 30.09.03 (Rs. in lacs)
SCHEDULE "9"		
SUNDRY DEBTORS		
(Unsecured, considered good)		
i) Exceeding six months		
a) Considered good	8,070.65	4,221.37
b) Considered doubtful	i5.29 -	15.29 -
- Less provision for doubtful debts	(15.29) -	(15.29) -
ii) Others	32,969.25	15,841.32
	<u>41,039.90</u>	<u>20,062.69</u>
SCHEDULE "10"		
CASH AND BANK BALANCES		
i) Cash / Cheques in hand	25.99	8.44
ii) With Scheduled banks		
-Current Accounts	2,783.21	295.66
-Fixed Deposit Accounts	637.64	2,230.67
	<u>3,446.84</u>	<u>2,534.77</u>
SCHEDULE "11"		
LOANS AND ADVANCES		
(Unsecured, considered good)		
i) Advances recoverable in cash or in kind or for value to be received	7,593.79	7,102.41
ii) Earnest money and Security deposits	1,345.88	1,058.59
iii) Balance with Excise, Customs and Port Authorities etc.	0.39	90.22
iv) Inter Corporate Loans	11,044.41	11,472.23
v) Prepaid Expenses	948.12	349.41
	<u>20,932.59</u>	<u>20,072.86</u>
SCHEDULE "12"		
CURRENT LIABILITIES		
i) Sundry Creditors	58,201.30	11,599.93
ii) Advance from Customers	75.30	1,059.98
iii) Interest Accrued but not due	597.21	86.94
iv) Other Liabilities	3,589.91	1,969.94
v) Unpaid Dividend*	85.05	69.91
	<u>62,548.77</u>	<u>14,746.70</u>
*There is no amount due and outstanding to be credited to Investor' s Education and Protection Fund under Section 205 C of the Companies Act, 1956.		
SCHEDULE "13"		
PROVISIONS:		
For Taxation (Net of Prepaid Taxes)	605.55	2,122.03
For Proposed Dividend & Corporate Tax thereon	1,101.83	1,099.34
Others	115.96	85.29
	<u>1,823.34</u>	<u>3,306.66</u>





DESCRIPTION	AS at 30.09.2004 (Rs. in lacs.)	As at 30.09.2003 (Rs. in lacs.)
SCHEDULE "14"		
MISCELLANEOUS EXPENDITURE (to the extent not written off)		
i) Preliminary Expenses	-	0.64
ii) Deferred Revenue Expenses	-	1.57
	<u>-</u>	<u>2.21</u>
	For the Year 2003-04	For the Year 2002-03
SCHEDULE "15"		
SALES AND OPERATIONAL INCOME		
i) Sales	104,070.01	63,796.20
ii) Job Charges	5,710.26	11,377.40
iii) Export / Deemed Export Benefits / Govt. Grants	2,908.19	6,494.34
	<u>112,688.46</u>	<u>81,667.94</u>
SCHEDULE "16"		
OTHER INCOME		
Dividend on Long Term investments (TDS NIL Previous Year Rs 3.29)	246.82	164.33
Miscellaneous Receipts	8.84	-
Previous Year's Adjustments (Net)	355.60	248.72
Foreign Exchange Fluctuation(Net)	63.95	-
	<u>60.17</u>	<u>79.42</u>
	<u>735.38</u>	<u>492.47</u>
SCHEDULE "17"		
INCREASE / (DECREASE) IN STOCK		
OPENING STOCK		
Finished Goods	1,719.90	923.09
Work-in-progress	1,138.01	1,772.13
Scrap	59.03	71.16
	<u>2,916.94</u>	<u>2,766.38</u>
CLOSING STOCK		
Finished Goods	4,527.97	1,683.92*
Work-in-progress	5,080.47	1,138.01
Scrap	332.69	59.03
	<u>9,941.13</u>	<u>2,880.96</u>
Increase/(Decrease) in Stock	<u>7,024.19</u>	<u>114.58</u>
*Excludes value of production of Pre-operative period of Rs. 35.98 lacs		
SCHEDULE "18"		
MANUFACTURING EXPENSES		
Stores and Spares	1,408.60	1,127.51
Power and Fuel	1,834.27	1,120.00
Outsourcing	13,646.12	705.51
Other Manufacturing expenses	336.16	881.57
Repair and Maintenance:	-	-
-Plant and Machinery	295.19	253.77
-Building & Others	199.69	78.01
	<u>17,720.03</u>	<u>4,166.37</u>

Schedule

CONSOLIDATED FINANCIAL STATEMENTS

DESCRIPTION	For the year 2003 - 04 (Rs. in lacs)	For the year 2002 - 03 (Rs. in lacs)
SCHEDULE "19"		
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES		
Salaries, Wages and other Benefits	2,164.11	1,703.49
Contribution to Provident and other funds	154.02	107.23
Workmen and Staff Welfare	214.94	199.89
	<u>2,533.07</u>	<u>2,010.61</u>
SCHEDULE "20"		
SELLING EXPENSES		
Commission on Sales	92.71	206.96
Advertisement	46.01	42.26
Forwarding charges (net of recoveries of Rs. 817.35 lacs previous year 155.02 lacs)	2,929.79	1,645.69
Other Selling Expenses	879.35	262.13
	<u>3,947.86</u>	<u>2,157.04</u>
SCHEDULE "21"		
FINANCE EXPENSES		
Interest on Fixed Deposits	225.83	65.34
Interest on Debentures	759.56	758.56
Interest on Term Loans	1,637.33	1,349.45
Interest on Bank Borrowings	787.41	1,259.63
Bank and Finance charges	1,599.86	1,440.40
Interest to Others	351.60	252.56
	<u>5,361.59</u>	<u>5,125.94</u>
Less: Interest Received:		
Interest on Bonds and Debentures	53.09	27.36
Other Interest on Loans, Advances and Deposits	1,223.96	1,350.21
	<u>1,277.05</u>	<u>1,377.57</u>
	<u>4,084.54</u>	<u>3,748.37</u>
SCHEDULE "22"		
ADMINISTRATIVE AND OTHER EXPENSES:		
Rent, Rates & Taxes	84.57	89.78
Insurance	153.46	146.97
Postage, Telegrams & Telephones	129.69	105.58
Travelling & Conveyance	277.85	222.66
Vehicle upkeep & Maintenance	100.83	73.97
Director' s Meeting Fees	3.65	1.63
Donations	32.05	-
Miscellaneous Expenses	979.11	479.23
Auditor' s Remuneration	10.45	9.52
Preliminary / Deferred Revenue Expenses W/off	2.21	13.31
Bad Debts	37.84	5,118.79
Provisions for Doubtful Debts	-	15.60
Loss on Sale of Fixed Assets(Net)	92.71	17.42
Previous Year's Adjustment (Net)	-	43.78
	<u>1,904.42</u>	<u>6,338.24</u>



SCHEDULE –“23”

Notes to Consolidated Financial Statements of the Company and its Subsidiaries for the year ended 30th September 2004

NOTES ON ACCOUNTS

1. BASIS OF PREPARATION

- a) SAW Pipes Limited (SPL) has prepared consolidated financial statements by consolidating its accounts with those of its following subsidiaries in accordance with Accounting Standard-21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.

Name of the Company	Country of Incorporation	%Shareholding / Voting power	Date of Financial Statements
Hexa Securities & Finance Company Ltd. (HSFCL)	India	100%	September 30, 2004
Jindal Enterprises LLC (JELLC)	USA	100%	June 30, 2004
IUP Jindal Hexa Metals Ltd.	India	100%	Incorporated on 09.08.2004. First financial year will end on 31st March, 2005

- b) The Consolidated Financial Statements are prepared according to uniform accounting policies in accordance with the generally accepted accounting principles. The effects of inter-group company transactions and resulting unrealized profits are eliminated in consolidation
- c) Foreign Subsidiary' s Conversion –Revenue items have been consolidated at the average rate prevailing during the year. Fixed Assets have been translated at the rates prevailing on the dates of their acquisition/and depreciation provided accordingly. Other current assets and liabilities are converted at the rates prevailing at the end of the year. Exchange Gain/(Loss) arising on consolidation in respect of borrowings for fixed assets are adjusted to the cost of such fixed assets and other Exchange Gain/(Loss) are recognized in the profit and loss account.
- d) All the aforesaid companies became subsidiaries since inception of business activities and there were no increase or decrease in investments. Hence there is no capital reserve or goodwill.
- e) The Financial Statements of subsidiaries used in the consolidation are drawn up to the same reporting date as that of the company i. e. 30th September 2004 except Jindal Enterprises LLC, which has been accounted based on results of 12 months ended on 30 th June, 2004. The financial statements of IUP Jindal Hexa Metals Ltd., has been consolidated based on unaudited accounts, for the period ended 30 September, 2004, as the first financial year of the company closes on 31.3.2005.

2. CONTINGENT LIABILITIES

	Current Year (Rs in lacs)	Previous Year (Rs in lacs)
a) Counter Guarantee given to company' s bankers for Guarantee given by them, on behalf of the company.	23,934.87	15,282.97
b) Letter of Credit Outstanding (Net of Liabilities provided in the books)	42,902.07	7,997.26
c) Claims against the Company not acknowledged as debt (being under dispute)	1.84	101.82
d) Disputed Excise Duty	-	129.86
e) Liability in respect of Corporate Guarantee (for 100% EOU Unit at Mundra)	2,087.36	2,229.58
f) Bank Guarantee given to Custom Authority for export obligation for export under EPCG Scheme	399.73	399.73
3. Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances).	1,232.22	1,128.56

Schedule

CONSOLIDATED FINANCIAL STATEMENTS

4. The Company has certain 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.
5. 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.
6. One of the Company's unit is entitled to sell goods at concessional rate of excise duty based on FOB value of exports. For such sales unit is also eligible to procure duty free inputs. As per the Accounting Policy of the Company such DTA sale entitlement is being recognized as operational income in the year of accrual. It is thereafter considered as raw-material cost in the year of utilization of such entitlement. In line with this policy during the year, Company has recognized operational income and Raw Material Consumption of Rs.1,773.84 lacs and Rs. 766.64 lacs respectively (Previous year 4,950.20 lacs and 5,370.17 lacs respectively). The Net DTA Entitlement receivable of Rs. 587.24 lacs in included under the head "Advance recoverable in cash or kind or for value to be received" , (Previous Year - Net DTA Liability of Rs. 419.96 lacs was included under the head other Liabilities").
7. Custom duty entitlement of Rs. 23.85 lacs (Prev. Year Nil), in the case of Advance Licenses, is accounted for, on actual exports.
8. 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.
9. 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.
10. Capital work in progress includes Advance against capital goods and inventories of capital nature.
11. The amount of foreign exchange fluctuation amounting to Rs.1,017.71 lacs (Credit) (Previous Year Rs. 183.75 lacs –Credit) is included under the relevant heads of expenditure and income.
12. Profit for the year includes Prior Period Adjustment Rs 2.05 lacs (Debit) and Rs. 66.00 lacs (Credit) (Previous Year –90.46 lacs (Debit) Rs 46.68 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. In JELLC, US Denro Steels, Inc. d.b.a Jindal United Steel Corporation is recorded as an investment on the balance sheet. The percentage of income or loss increases or decreases the investment in U.S Denro Steels, Inc. investment account on the Company's books. No intercompany transactions have been eliminated in the financial statements. The investment in U.S Denro Steels, Inc. has been reduced to zero on the balance sheet based on the Company's share of US Denro Steels, Inc's loss. However, due to the fact that the Jindal Enterprises LLC is not liable for the debts of US Denro Steels, Inc. the investment is not reduced below zero. When the equity interest in US Denro Steels, Inc. is positive, then the Company will again record the investment in US Denro Steels, Inc.
15. In JELLC, the Company had a \$6.8 million (Rs. 3,138.54 lacs) loan through Standard Chartered Bank of Bahrain. The Note was secured by the Company's equipment and guaranteed by SAW Pipes Ltd. India. The Note had interest due quarterly at the LIBOR rate plus 0.25%. The 6.8 million loan, is being refinanced by the Company through a new loan and therefore is not considered long term for financial statement presentation purpose.
As on June 30,2004, the Company has a loan of \$12.6 million (Rs. 5,815.53 lacs) from the Bank of India. The loan carries interest at 2.0 percent over 3 month LIBOR with payments through June 30,2007. The loan is secured by interest in inventory and equipment and a guarantee from SAW pipes Ltd, India.
16. Per Share (EPS) Basic **and Diluted** computed in accordance with Accounting Standard 20 "Earning per Share"

Description	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Profit after tax	5,680.20	7739.74
Less: Preference dividend including tax thereon	-	43.00
Profit attributable to Equity Shareholders	5,680.20	7696.74
No of shares issued and Diluted for the period	38,979,308	38,979,308
Basic and Diluted EPS (in Rs.)	14.57	19.75





17. Related Parties Transactions

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

a) Joint Venture

Daelim E&C India Pvt. Ltd

b) Associates Enterprises

US Denro Steels, Inc.

Minerals & Metal FZE

St. James Investments Ltd.

c) Key Management Personnel

1	Sminu Jindal	Managing Director
2	H.S. Chaudhary	Whole Time Director
3	Indresh Batra	Vice Chairman, Jindal Enterprises LLC
4	Neeraj Kumar	Director - Finance & CFO
5	H.S. Bedi	Director - Technical
6	O.P.Sharma	President - Marketing
7	Tim Golin	President
8	Sunil Trehan	President - Spun Pipes

B. Transactions

Description	Associate	Key Management Personnel	(Rs. In lacs)
			Total
Purchase of material	65.62	-	65.62
	-	-	-
Interest Paid	110.73	2.70	113.43
	-	0.20	0.20
Interest Received	502.45	-	502.45
	519.87	-	519.87
Toll Charges	9,661.32	-	9,661.32
	-	-	-
Rent	82.79	-	82.79
	30.88	-	30.88
Reimbursement	1,599.28	-	1,599.28
	-	-	-
Remuneration Paid	-	144.96	144.96
	-	108.92	108.92
Outstanding Balance as on 30.09.2004			
Creditors for services/material	1,107.15	-	1,107.15
	345.99	-	345.99
Loans & Advances Taken	4,867.10	-	4,867.10
(including interest receivable)	4,206.36	-	4,206.36
Loans & Advances Given	10,224.98	4.29	10,229.27
	10,364.33	-	10,364.33
Others-Including interest payable	1,451.75	-	1,451.75
	324.01	0.87	324.88

Schedule

CONSOLIDATED FINANCIAL STATEMENTS

18. Segment Information:-

A) PRIMARY BUSINESS SEGMENT

	(Rs. In Lacs)				
Particulars	Steel plate & pipes	Investment	Others	Unallocable	Total
1 Segment Revenue					
- External Turnover	110,206.78	307.65	2,174.03	-	112,688.46
	79,705.66	-	1,962.28	-	81,667.94
Less: Excise Duty	4,124.95	-	-	-	4,124.95
	11,196.41	-	-	-	11,196.41
Net Turnover	106,081.83	307.65	2,174.03	-	108,563.51
	68,509.25	-	1,962.28	-	70,471.53
2 Segment Result Before Interest, Extra ordinary items and Taxes	12,272.13	415.79	303.18	(1,079.39)	11,911.71
	14,483.61	224.27	257.63	(632.89)	14,332.62
Less: Finance Expenses(Net)	-	22.81	-	4,061.73	4,084.54
	-	-	-	3,748.37	3,748.37
Profit before Extra Ordinary Items and Taxes	12,272.13	392.98	303.18	(5,141.12)	7,827.17
	14,483.61	224.27	257.63	(4,381.26)	10,584.25
Extra Ordinary Items	-	-	-	-	-
	-	-	-	-	-
Profit before Taxes	12,272.13	392.98	303.18	(5,141.12)	7,827.17
	14,483.61	224.27	257.63	(4,381.26)	10,584.25
Current Tax	-	-	-	1,896.72	1,896.72
	-	-	-	2,961.90	2,961.90
Provision/(Withdrawn) of Deffered Tax	-	-	-	248.75	248.75
	-	-	-	(119.39)	(119.39)
Wealth Tax	-	-	-	1.50	1.50
Net Profit after Tax	12,272.13	392.98	303.18	(7,288.09)	5,680.20
	14,483.61	224.27	257.63	(7,225.77)	7,739.74
3 Other Information					
Segment Assets	150,046.47	6,543.20	1,226.70	16,719.62	174,535.99
	74,062.30	6,344.95	758.06	10,296.17	91,461.48
Segment Liabilities	62,940.91	10.94	101.92	1,318.34	64,372.11
	14,121.20	37.33	65.85	3,828.98	18,053.36
Capital Expenditure	28,569.47	-	215.19	1,182.83	29,967.49
	6,420.42	-	58.78	(119.39)	6,359.81
Depreciation	2,203.72	-	58.24	34.63	2,296.59
	1,926.40	-	54.86	38.96	2,020.22
Non Cash Expenses other than depreciation	39.46	0.59	-	-	40.05
	5,092.45	0.79	6.13	13.50	5,112.87



B) SECONDARY BUSINESS SEGMENT

		(Rs. In Lacs)		
Particulars		With in India	Outside India	Total
1	Gross Revenue	31,605.55	81,082.91	112,688.46
		<i>61,945.76</i>	<i>19,722.18</i>	<i>81,667.94</i>
	Less: Excise Duty	4,124.95	-	4,124.95
		<i>11,196.41</i>	-	<i>11,196.41</i>
	Net Revenue	27,480.60	81,082.91	108,563.51
		<i>50,749.35</i>	<i>19,722.18</i>	<i>70,471.53</i>
2	Segment Assets*	135,073.85	39,462.14	174,535.99
		<i>78,020.07</i>	<i>13,441.41</i>	<i>91,461.48</i>
3	Segment Liabilities	39,951.58	24,420.53	64,372.11
		<i>16,785.38</i>	<i>1,267.98</i>	<i>18,053.36</i>
4	Capital Expenditure*	29,915.01	52.48	29,967.49
		<i>6,311.02</i>	<i>48.79</i>	<i>6,359.81</i>

* The Company' s operating facilities are located in India

NOTE:

1. Figures in italics are for Previous year.
2. 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. The primary operations of the Company relate to manufacture of Steel Pipes. Other Business segment comprises of mainly manufacture of Cold Rolled Strips.
3. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. The income and expenses, which not directly relatable to the business segment, are shown as unallocated corporate cost. Segment Assets and Liabilities that cannot be allocated between the segments are shown as unallocated corporate.
4. **Total Unallocable assets exclude :**
Investments 2,508.53
5. **Total Unallocable Laibilities exclude :**
Secured Loans 55,112.32
Unsecured Loans 21,190.93
Deffered Tax Laibiliaty 4,657.77

Schedule

CONSOLIDATED FINANCIAL STATEMENTS

- 19 Since certain subsidiaries are in the same line of business which function in a different regulatory environment, certain policies such as in respect of depreciation etc. differ. The notes on accounts and accounting policies followed by the subsidiaries and holding company are disclosed in their respective financial statements annexed in this annual report.
- 20 Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statement. Previous year figures are regrouped/rearranged wherever considered necessary.
21. Detail of Pre operative expenses Pending allocation on completion of the projects is as under:

Detail of Pre-operative Expenses	(Rs. In lacs)	(Rs. in lacs)
	2003 - 04	2002 - 03
Raw Material Consumption	-	53.36
Power & Fuel	2.01	23.20
Salary, Wages & Other Benefits	449.52	102.25
Contribution to Provident & other funds	17.60	4.43
Workman & Staff Welfare	36.66	4.02
Travelling & Conveyance	90.33	7.20
Rent	4.39	
Depreciation	11.03	
Interest and bank charges	1,008.56	50.04
Miscellaneous Expenses	184.19	7.27
Total	1,804.29	251.77
Less: Closing Stock of Finished good	-	35.98
	1,804.29	215.79
Add: Preoperative expenses brought forward	26.78	112.96
	1,831.07	328.75
Less; Capitalised during the year	158.59	301.97
Preoperative Expenses Carried Over	1,672.48	26.78



Key Financial Indicators



(Rs. In Lacs except as otherwise stated)

	2003-04 12 Months	2002-03 12 Months	2001-02 15 Months	2000-01 12 Months	1999-00 12 Months
INCOME STATEMENT					
Gross Sales & Other Income	112,931.44	80,699.08	75,731.18	40,373.76	31,338.10
Net Sales & Other Income	108,806.49	69,502.67	74,994.73	36,793.16	29,330.93
Operating Profit (PBIDT)	13,804.22	16,094.63	13,183.85	10,245.60	5,816.74
Profit After Tax (PAT)	5,624.16	7,607.69	4,233.73	2,934.91	1,182.09
Cash Profit	7,812.49	9,450.16	6,398.00	4,428.13	2,563.02
BALANCE SHEET					
Gross Block	47,668.46	40,696.69	35,122.49	34,132.92	30,698.68
Net Block	32,445.42	27,931.78	24,575.94	25,557.25	23,628.94
Share Capital					
Preference	-	-	750.00	1,500.00	1,500.00
Equity	3,897.97	3,897.97	3,897.97	3,897.97	3,897.97
Net Worth	39,986.22	35,820.04	30,511.38	32,506.99	30,248.79
Borrowings	56,422.08	21,118.08	22,562.62	23,886.11	24,311.75
SIGNIFICANT RATIOS					
Operating Profit to Net Sales	12.69	23.16	17.58	27.85	19.83
Debt Equity Ratio	1.41	0.59	0.74	0.73	0.80
Return on Capital Employed	12.02	18.62	18.82	13.83	8.43
Return on Net Worth	14.07	21.24	13.88	9.03	3.91
PER EQUITY SHARE (In Rs.)					
Book Value (Rs.)	102.58	91.90	76.35	79.54	73.60
EPS (Rs.)	14.43	19.41	10.32	6.91	2.44
Dividend Rate	25%	25%	15%	10%	10%

Board Of Directors

Mr. P.R. Jindal, Chairman

Ms. Sminu Jindal, MD



Mr. Moosa Raza



Mr. Devi Dayal



Mr. Kuldip Bhargava



Mr. H.S. Chaudhary



Mr. M.V. Satya Prasad



Mr. Purshottam Lal



Mr. A.J.A. Tauro

Key Executives



Neeraj Kumar
Director Finance & CFO



Vikram Puri
Vice President Corp. HR



H.S. Bedi
Director Technical



O.P. Sharma
President Marketing



Sunil Trehan
President Spun Pipes



SAW PIPES LIMITED



Mr. P.R. Jindal
Chairman

Ms. Sminu Jindal
Managing Director

Mr. Indresh Batra
Vice Chairman, U.S. Operations

Annual Report 2003-2004



SAW PIPES LIMITED

Jindal Centre, 12, Bhikaiji Cama Place, New Delhi - 110 066

Tel : + 91 11 26188360-74, fax : 91 11 26170691

Website : <http://www.sawpipes.com>