

9th ANNUAL REPORT



SAW Pipes Ltd.

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JINDAL

SAW Pipes Ltd.



BOARD OF DIRECTORS

SHRI P.R. JINDAL, Chairman & Managing Director

SHRI RATAN JINDAL

SHRI T.M. SEN

SHRI N.K. BAKSI, Nominee Director-IFCI

SHRI DILIP BHARGAVA, NRI Director

SHRI KULDIP BHARGAVA, Alternate Director to
Shri Dilip Bhargava)

DR. N.S. DATAR

SHRI SUBHASH CHANDRA

SHRI PURSHOTTAM LAL

SHRI P.K. JAIN

SHRI H.S. CHAUDHARY, Whole Time Director

SHRI M.K. GOEL, Whole Time Director

PRINCIPAL EXECUTIVES

SHRI R.K. SARAF, President

SHRI V.A. SATHGURUNATH, Vice President

SHRI ONKARNATH GUPTA, Financial Controller & Secretary

SHRI RAJIV GARG, Chief Executive Officer

SHRI H.S. BEDI, General Manager (Works)

SHRI S. MISRA, General Manager (Marketing & Co-ordination)

SHRI A.K. MAHENDRU, General Manager (Sales)

BANKERS

STATE BANK OF PATIALA, NEW DELHI

CANARA BANK, NEW DELHI

STANDARD CHARTERED BANK, NEW DELHI

BANQUE NATIONAL DE PARIS, NEW DELHI

AUDITORS

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

REGISTERED OFFICE

28, Najafgarh Road,
New Delhi-110015

WORKS

(i) PIPES DIVISION :

A-1, UPSIDC Industrial Area
Nand Gaon Road, Kosi Kalan
Distt. Mathura (U.P.)

(ii) SEAMLESS TUBES DIVISION :

Sinner Industrial Area
Nasik (Maharashtra)

(iii) FOILS DIVISION :

28 & 37, Najafgarh Road,
New Delhi-110015

(iv) SWASTIK UDYOG DIVISION :

Delhi Road
Hissar (Haryana)



DIRECTOR'S REPORT

Your Directors have pleasure in presenting the 9th Annual Report with the Audited Statement of Accounts of the Company for the year ended 30th June, 1993.

FINANCIAL RESULTS :

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

	1992-93 (Rs. in lacs)	1991-92 (Rs. in lacs)
Net Sales & other Income	16987.96	4179.18
Less : Raw Materials & Manufacturing Expenses	12523.62	3023.04
Gross Profit	4464.34	1156.14
Less : Selling & Administrative Expenses	1348.65	294.65
Profit before interest and depreciation	3115.69	861.49
Less : Interest and other Financial Expenses	948.14	380.71
Depreciation	156.08	71.47
	1104.22	452.18
Net Profit before tax	2011.47	409.31
Less : Provision for tax	45.00	--
Net Profit after tax	1966.47	409.31
Profit : Brought Forward	320.81	31.06
Disposable Profits	2287.28	440.37
Appropriations :		
Proposed Dividend	378.42	119.56
General Reserve	1700.00	--
Balance carried to Balance Sheet	208.86	320.81
	2287.28	440.37

The Company has shown remarkable growth in the year under review. Turnover increased to Rs. 169.88 crores as against last year's turnover of Rs. 41.79 crores thus recording an increase of 406% over the preceding year. The profit after tax increased to Rs. 19.66 crores as compared to Rs. 4.09 crores during the preceding year, recording a 481% increase.

DIVIDEND :

Your Directors have pleasure in recommending a dividend of Rs. 3/- per Equity Share of Rs. 10/- each subject to deduction of tax for the year ended 30th June, 1993, if approved by the shareholders at the ensuing Annual General Meeting.

OPERATIONS :

A. Pipe Division :

Your Company operated at over 63% capacity as against 21% last year. Your Company continues to lay emphasis in achieving consistently high quality and ensuring good customer service in Oil & Gas Sector. The Company manufactured about 36000 M.T. of NACE quality pipes the event which occurred for the first time in India.

B. Foils Division :

Your Company produced 3599 MT of Cold Rolled Strips. With the amalgamation of Swastik Udyog Ltd. this division will do better on account of backward integration.

AMALGAMATION :

The Scheme for Amalgamation of Swastik Udyog Limited with the Company has been approved by the Hon'ble High Courts of Delhi at New Delhi and Punjab & Haryana at Chandigarh with effect from 01.4.92 and accordingly in the Annual accounts, the 15 months from 1.4.92 to 30.6.93 results of Swastik Udyog Ltd. have been included.

FUTURE OUTLOOK :

Your Company has established itself in the manufacture and supply of large diameter longitudinally Double Submerged Arc Welded Pipes to the Oil and Gas Sector. The product of the Company is an import substitute. The Government's growth oriented liberalised policies in the Oil and Gas Sector to make country self-sufficient and the imperative need to reduce import for conservation of foreign exchange and also on account of encouragement of private sector investments in Oil and Gas exploration, refineries and marketing, the Company sees a bright future.

The Company has secured an order from ONGC for ICP-Heera Project amounting to Rs. 157 crores against stiff international competition. The Company has also been awarded an order from IOCL for their Kandla-Bhatinda Pipeline Project. The Pipes Division has orders of more than Rs. 300 crores.

Your Company has participated in tender for 100,000 M.T. of line pipes for Natural Gas Parallel Pipeline Project in Thailand in which the package offered by your Company is lowest.

Other Units of the Company are also expected to improve their performance further in the current Financial Year.

To enable the Company to consolidate and widen its manufacturing activities globally, your Company alongwith Non Resident Indians has promoted SAW Pipes USA, Inc., a Company incorporated in Baytown, Texas USA. For this Joint Venture all the necessary permissions from Government Departments in India have been obtained and the plant has already commenced production.

NEW PROJECT

As mentioned in the last Annual Report, your Company commenced implementation of the Seamless Tubes Project at Nasik in the state of Maharashtra. Seamless Tubes is a high technology, high value added product and your Company has signed a technical collaboration agreement with Mannesman Demag AG of Germany. This is a state of art facility and will come up in two phases. The first phase will commence production by March, 1994 and the second by the end of the year 1994. Project implementation so far is as per schedule. As your Company is already an established supplier of SAW Pipes to Oil & Gas Sector, the product of Seamless Tube project will yield marketing synergies. Seamless Tubes of the Company in Stainless Steel, Ball Bearing Steel, alloy/carbon steel grades would substitute imports and also offer an excellent opportunity for export as there is a large worldwide demand for them. Funds required for the Project are being tied up and no constraint is envisaged in this regard.

PARTICULARS REGARDING CONSERVATION OF ENERGY ETC. :

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

PERSONNEL :

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

PUBLIC DEPOSITS :

Deposits from 3 depositors aggregating Rs. 14,000/- were over-due and unclaimed at the end of the year.

INSURANCE :

All the properties and insurable interest of the Company including buildings, plants, machinery and stocks, wherever necessary and to the extent required have been adequately insured.

AUDITORS REPORT :

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

AUDITORS :

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

DIRECTORS :

Dr. N.S. Datar & Shri Purshottam Lal retire by rotation and are eligible for re-appointment. The term of Shri H.S. Chaudhary. Whole Time Director of the Company is expiring on 1st November, 1993. The Board of Directors in their meeting held on 05.10.93 have reappointed Shri H.S. Chaudhary for a further period of 5 years with effect from 01.11.93. Shri M.K. Goel who was working as Whole Time Director in the erstwhile amalgamated Company Swastik Udyog Ltd. has also been appointed as Whole Time Director on our Board with effect from 05.10.93.

ACKNOWLEDGEMENTS :

The Directors are grateful to concerned departments of the Central/ State Governments, Financial Institutions and Company's Bankers for their timely help and co-operation. The Directors also wish to place on record their appreciation of the contribution made by the employees at all levels to the efficient operation of the Company.

Dated : 5.10.93
Regd. Office
28, Najafgarh Road,
New Delhi-110015.

For and on behalf of the Board

P.R. JINDAL
Chairman & Managing Director



ANNEXURE "1"

ANNEXURE TO DIRECTORS REPORT

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

(A) CONSERVATION OF ENERGY

a) Energy Conservation Measures taken :

- (i) Installed Additional Capacitors on each ID & OD welding transformers (Power Source) for further improvement of power factor.
- (ii) Extended the Production bay by 10 columns thereby reducing cross flows of pipes for reduction in the consumption of power.
- (iii) Installed an Additional EOT Crane in the Welding bay thus restricting the longitudinal drive of the crane and reducing the consumption of power.
- (iv) Switching off the high power consuming drives during idle period.

b) Additional Investment and proposals for reduction of Consumption of Energy :

- (i) Propose to install additional conveyor system to avoid excessive use of EOT crane to reduce the consumption of power.
- (ii) Propose to install permanent tubelights along the Boundry of the plant premises instead of temporary bulbs which will result in considerable reduction in the consumption of power.

c) Impact of above Measures :

The impact of above measures taken will result in lower energy consumed per tonne of production.

d) Total Energy consumption and energy consumption per unit production.

FORM "A"

Form for disclosure of particulars with respect to conservation of energy :

1. POWER AND FUEL CONSUMPTION :	1992-93	1991-92
i) Electricity		
Purchased Units	53,71,062	49,38,155
Total Amount (Rs.)	1,56,74,904	85,60,061
Rate per unit	2.92	1.73
ii) Own Generation through D.G. Set :		
Generator Units	28,51,204	8,47,004
Unit per litre of oil	2.20	1.90
Cost per unit	2.58	1.74

(B) CONSUMPTION PER UNIT OF PRODUCTION :

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

(i) Manufacture of steel		
Pipes per tonne	81.04	156.75
(ii) Re-Rolling of Stainless		
Steel Strips per tonne	367	626

The consumption of electricity per tonne has gone down on account of better capacity utilisation of the plants.

FORM "B"

Form of disclosure of particulars with respect of Technology Absorption for 1992-93

1. **Specific Areas in which Research & Development Carried Out by the Company :**
 - a) Installation of voltage stabilizers 60 KVA-2 Nos. for MIG Welding.
 - b) Installation of CCTV System on ID/OD Welding.
 - c) Installation of online production monitoring system through UNIX operation system on 386 machine.
 - d) Installation of intercom system in Plant and Residential colony.
 - e) Installed guide rolls on the boom of inside welding station to improve the tracking of inside weld.
 - f) Procured a new expansion unit for pipes of diameter upto 20".
 - g) Mobile and Diesel relief valves for D.G. Sets of 2300 MW which were to be imported were machined and fabricated in house for Swastik Udyog Unit.
 - h) The 4 Hi Cold Rolling Mill was equipped with back-up and work roll balance in Swastik Udyog Unit.
2. **Benefits Derived :**
 - a) With the installation of above additional equipments it was possible to achieve consistency in the quality of finished product.
3. **Future Plan of Action :**
 - a) Installation of one more set of ID & OD Welding station to increase the production capacity of the plant.
 - b) Installation of one set of Four Channel Ultrasonic Test Machine and one No. Manual Ultrasonic Machine in the Quality Department.
 - c) Efforts for improving the existing processes and products by laying emphasis on R&D will continue to be made.
4. **Expenditure of R&D**

Development and improvement of products is an in-built on-going activity within existing manufacturing facilities. Expenditure on R&D is not separately allocated and identified.
5. **Foreign Exchange Earnings & Outgo :**
 - a) Foreign Exchange Earnings
(Deemed export supplies) Rs. 11544.17 lacs
 - b) Foreign Exchange Outgo Rs. 7337.63 lacs

For and on behalf of the Board

P. R. JINDAL
Chairman & Managing Director

Place : New Delhi
Dated : 05.10.93

ANNEXURE TO DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES FORMING PART OF DIRECTORS' REPORT FOR THE PERIOD FROM 1ST JULY, 1992 TO 30TH JUNE, 1993 IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956.

A) Persons Employed throughout the Financial Period who were in receipt of remuneration for the period which in aggregate was not less than Rs. 1,44,000/- per annum.

S.No.	Name	Designation	Remuneration	Qualfn.	Experience (Years)	Age	Date of commencement of Employment	Last Employment
1	2	3	4	5	6	7	8	9
1.	Shri P. R. Jindal	Chairman & Managing Director	1,76,013	B.A.	23	43	07.05.86	Swastik Foils Ltd. Managing Director
2.	Shri Rajiv Garg	Chief Executive Officer	1,58,250	M.Sc. (H) CCL (New York)	16	38	01.05.92	Credit Capital Finance Ltd. - Director (North India)
3.	Shri H. S. Bedi	General Manager (Works)	1,57,645	B.E. (Metallurgy)	28	47	03.01.89	BST Ltd. Works Manager

B) Persons Employed for the part of the year and were in receipt of remuneration aggregating to not less Rs. 12,000/- per month.

1.	Shri R.K. Saraf	President	40,040	B.Sc., B.E. (Mech.)	33	58	14.04.93	BHEL- Director
2.	Sh. V.A. Sathgununath	Vice President	28,600	B.Tech. (H) PGD (Prod.) Mgt., MBA, FIE	33	54	26.04.93	BHEL- Trichy. Sr. Dy. G.M.

NOTES :

1. Shri P. R. Jindal is a relative of Shri Ratan Jindal, Director.
2. The appointment of Shri P. R. Jindal is governed by the terms approved by the Central Government.
3. The appointment is contractual and is not terminable by notice.
4. Remuneration includes Salary, Contribution to Provident Fund, House Rent Allowance and taxable value of perquisites.
5. Information about qualification and last employment is based on particulars furnished by the employees concerned.

PLACE : NEW DELHI
DATED : 05.10.93

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

AUDITORS REPORT

To
The Members of
SAW PIPES LIMITED

We have audited the attached Balance Sheet as at 30th June, 1993 and the Profit and Loss Account of the Company for the year ended on that date annexed thereto and we REPORT that :

- A) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- B) Further to our comments in the annexure referred to paragraph (A) above, we also REPORT that :-
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our AUDIT.
 - b) The REPORT on accounts of the Swastik Udyog-Hissar Division audited by the Branch Auditors, were received and properly dealt with by us while preparing our REPORT.
 - c) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the Branches not visited by us.
 - d) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts and:
 - e) In our opinion and to the best of our information and according to the explanation required by the Companies Act, 1956, in the manner so required and subject to Note No. 4 of notes on accounts regarding foreign exchange liability for Rs. 45.48 Lacs which will be accounted for on payment basis, note no. 5 regarding non provision for ammortisation of premium on leasehold land for Rs. 5.49 lacs and note No. 6 regarding title to land and building and note No. 9 regarding non-provision for Income Tax for three months period from 01.04.93 to 30-06-1993 read together with other notes give a true and fair view:-
- i) In the case of Balance Sheet of the state of affairs of the Company as at 30th June 1993.
 - ii) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date.

FOR N.C. AGGARWAL & CO.
Chartered Accountants

PLACE : NEW DELHI
Dated : 05.10.1993

(G.K. AGGARWAL)
PARTNER

ANNEXURE TO AUDITOR'S REPORT

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

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets and also the same have been physically verified by the management at reasonable intervals, during the year. We have been informed that no serious material discrepancy has been noticed by the management on such verification.
- 2) None of the Fixed Assets of the Company have been evaluated during the year.
- 3) Physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials.
- 4) In our opinion and according to information and explanation given to us, the procedures of Physical verification of stocks followed by the Management are reasonable and adequate in relation to size of the Company and the nature of the business.
- 5) The discrepancies noticed on verification between the physical stocks and book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- 6) On the basis of our examination of stock records, the valuation of stocks is considered fair and proper and in accordance with the normally accepted accounting principles and is on the same basis in the preceding year.
- 7) In our opinion, the rate of interest and other terms and conditions, of unsecured loans taken by the company from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not, prima facie prejudicial to the interest of the Company. There is no Company under the same management as defined Under Section 370(1B) of the Companies Act, 1956.
- 8) In our opinion, the rates of interest and other terms and conditions of unsecured loans granted by the Company during the year to companies listed in the register maintained under section 301 of the Companies Act, 1956 are prima facie



not prejudicial to the interest of the Company. The Company has not granted any other loans, secured or unsecured to any firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 and/or companies under the same management as defined under section 370 (1B) of the Companies Act, 1956.

- 9) Loans and advances in the nature of loans have been given to employees and other parties who are repaying the principal amount as stipulated and are also regular in payment of interest where applicable.
- 10) In our opinion and according to the information and explanations given to us, having regards to the explanation that alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures, commensurate with the size of the company and the nature of business, for the purchase of stores, raw materials, including components, plant and machinery equipment and other assets and for the sale of goods.
- 11) According to the information given to us, there are no transactions of purchase of goods materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- (Rupees Fifty thousand only) or more in respect of each party.
- 12) The Company has regular procedure for determination of unserviceable or damaged stores and raw materials. There have been no major items written off during the year.
- 13) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956, and the rules framed thereunder with regard to the deposits accepted from the public.
- 14) In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable scrap. We are informed by the Management that there is no by-product arising out of the manufacturing process of the company.
- 15) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 16) The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of pipe manufacturing activity of Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however, made a detailed examination of the same with a view to determine whether they are accurate and complete.
- 17) According to the records of the Company, Provident Fund dues and Employees' State Insurance dues have, in general, been regularly deposited with the appropriate authorities.
- 18) As explained to us, no undisputed amounts payable in respect of Income Tax, Customs Duty, Excise Duty and sales Tax were outstanding as at the last day of the financial year concerned for period of more than six months.
- 19) According to the information and explanations given to us and the records examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
- 20) The Company is not a Sick Industrial Company within the meaning of Clause (O) of sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 21) As explained to us by the Management, the service activities of the company were insignificant as compared to total volume and as such no separate records were maintained for recording receipts, issues and consumption of raw materials and stores and allocation of manhours, materials and labour of the relative jobs as the same was not considered necessary and economical by the Management.
- 22) In connection with the Company's trading activities, we are informed that there are no damaged goods.

FOR N.C. AGGARWAL & CO.
Chartered Accountants

(G.K. AGGARWAL)
Partner

Place : New Delhi
Dated : 05.10.1993

BALANCE SHEET AS
AT JUNE 30, 1993

DESCRIPTION	Schedule No.	As at June 30, 1993 (Rs. in lacs)	As at June 30, 1992 (Rs. in lacs)
1. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS :			
Share Capital	1	1261.37	797.07
Reserves and Surplus	2	2310.57	513.51
		<u>3571.94</u>	<u>1310.58</u>
2. LOAN FUNDS			
Secured	3	1331.35	1245.19
Unsecured	4	710.99	291.12
		<u>2042.34</u>	<u>1536.31</u>
TOTAL		<u>5614.28</u>	<u>2846.89</u>
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS			
Gross Block	5	2875.91	1486.21
Less : Depreciation		483.36	338.57
Net Block		<u>2392.55</u>	<u>1147.64</u>
Capital work in progress		943.55	67.38
Pre-Operative Expenses		130.14	--
		<u>3466.24</u>	<u>1215.02</u>
2. INVESTMENTS			
	6	663.82	333.74
3. CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	1358.53	1410.97
Sundry Debtors	8	778.37	765.25
Cash and Bank Balances	9	573.09	33.64
Loans and Advances	10	1559.84	421.15
		<u>4269.83</u>	<u>2631.01</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	11	2357.69	1210.80
Provisions	12	439.66	135.80
		<u>2797.35</u>	<u>1346.60</u>
NET CURRENT ASSETS			
		1472.48	1284.41
4. MISCELLANEOUS EXPENDITURE			
(to the extent not written off or adjusted)	13	11.74	13.72
TOTAL		<u>5614.28</u>	<u>2846.89</u>

NOTES TO THE ACCOUNTS

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For **N.C. AGGARWAL & CO.**
Chartered accountants**O.N. GUPTA**
Financial Controller
and Secretary**P.R. JINDAL**
Chairman & Managing
Director**T.M. Sen**
N.K. Baksi
Ratan Jindal
Purshottam Lal
Kuldip Bhargava
P.K. Jain
DirectorsPlace : New Delhi
Dated : 5.10.1993



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1993

DESCRIPTION	Schedule No.	Year Ended June 30, 1993 (Rs. in lacs)	Year Ended June 30, 1992 (Rs. in lacs)
INCOME			
Sales and operational Income	14	16426.58	4034.94
Other Income	15	446.18	152.09
Increase/(Decrease) In Stock	16	115.20	(7.85)
		<u>16987.96</u>	<u>4179.18</u>
EXPENDITURE			
Purchase for Resale		2.54	0.40
Raw Material Consumed		9937.89	2338.89
Manufacturing Expenses	17	888.59	361.72
Excise Duty		1689.50	303.30
Personnel	18	249.08	116.10
Selling Expenses	19	794.11	40.79
Finance Expenses	20	948.14	380.71
Administrative other Expenses	21	310.56	156.49
Depreciation		156.08	71.47
		<u>14976.49</u>	<u>3769.87</u>
Profit before Taxation		2011.47	409.31
Less : Provision for Taxation		45.00	--
		<u>1966.47</u>	<u>409.31</u>
Profit (Loss) Brought Forward		320.81	31.06
Disposable Profits		<u>2287.28</u>	<u>440.37</u>
Appropriations :			
Proposed Dividend (Subject to Deduction of Tax)		378.42	119.56
General Reserve		1700.00	--
Balance carried to Balance Sheet		208.86	320.81
		<u>2287.28</u>	<u>440.37</u>

NOTES TO THE ACCOUNTS 22

As per our report of even date annexed hereto.

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

O.N. GUPTA
Financial Controller
and Secretary

P.R. JINDAL
Chairman & Managing
Director

T.M. Sen
N.K. Baksi
Ratan Jindal
Purshottam Lal
Kuldip Bhargava
P.K. Jain
Directors

G.K. AGGARWAL
Partner

Place : New Delhi
Dated : 5.10.1993

9th annual report

DESCRIPTION	SCHEDULE "1"	
	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
SHARE CAPITAL AUTHORISED		
1,45,00,000 (Previous Year 95,00,000) Equity Shares of Rs. 10/- each	1450.00	950.00
50,000 - 15% Redeemable Cumulative Preference Shares of Rs. 100/- each	50.00	50.00
	<u>1500.00</u>	<u>1000.00</u>
ISSUED AND SUBSCRIBED		
79,70,936 Equity Shares of Rs. 10/- each	797.09	797.09
PAID-UP		
79,70,936 Equity Shares of Rs. 10/- each	797.09	797.09
Less : Calls-in-arrear (Other than Directors)	0.02	0.02
	<u>797.07</u>	<u>797.07</u>
Shares pending allotment as per Scheme of Amalgamation (Refer Note 3 of Schedule 22)	464.30	--
	<u>1261.37</u>	<u>797.07</u>

OF THE ABOVE

1. 20,08,000 Equity Shares are allotted as Fully Paid-up pursuant to contract without payment being received in cash.
2. 19,70,936 Equity Shares are allotted as Fully Paid-up to the shareholders of Swastik Foils Ltd. as per Scheme of Amalgamation Order dated 3rd August/11th September, 1989 of the Hon'ble High Court of Delhi.



SCHEDULE "2"

DESCRIPTION	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
RESERVES AND SURPLUS		
i) Capital Reserve (Central Subsidy) Add : Transfer from Swastik Udyog Division	8.50 1.00 <hr/> 9.50	8.50 -- <hr/> 8.50
ii) General Reserve As per last Balance Sheet Add : Transferred during the year Add : Transferred from Swastik Udyog Division	13.13 ✓ 1700.00 206.51 ✓ <hr/> 1919.64	13.13 -- -- <hr/> 13.13
iii) Investment Allowance Reserve As per Last Balance Sheet Less : Transfer to Investment Allowance Reserve (utilised) A/c	138.40 <hr/> 138.40 <hr/> --	138.40 <hr/> -- <hr/> 138.40
iv) Investment Allowance Reserve (Utilised) As per last Balance Sheet Add : Transfer from Swastik Udyog Division Add : Transfer from Investment Allowance Reserve	32.67 ✓ 1.50 138.40 <hr/> 172.57	32.67 -- -- <hr/> 32.67
v) Profit and loss Account	208.86 <hr/> 2310.57	320.81 <hr/> 513.51

Net worth
Share 1937.43
Reserve 1678.87

3617.30

10/4
Approved
7/200

DESCRIPTION	SCHEDULE "3"	
	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
SECURED LOANS :		
A. TERM LOAN :		
i) Industrial Finance Corporation of India under Project Finance Participation Scheme with Industrial Development Bank of India & Industrial Credit & Investment Corpn. of India Ltd. (Repayable within one year Rs. 194.20 lacs)	359.81	697.85
ii) Foreign Currency Loan from Industrial Finance Corpn. of India Ltd. (Repayable within one year Rs. 2.34 lacs)	14.03	18.70
iii) Interest accrued & due above	--	143.68
iv) Punjab & National Bank (Repayable within one year Rs. 16.68 lacs)	100.00	--
v) Bridge Loan :		
From IDBI	300.00	--
From ICICI	300.00	--
B) DEFERRED PAYMENT CREDIT (Repayable within one year)	1.09	--
C) WORKING CAPITAL LOAN FROM BANKS	256.42	384.96
TOTAL	<u>1331.35</u>	<u>1245.19</u>

NOTES

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

SCHEDULE "4"

UNSECURED LOANS :	As at	As at
	30th June, 1993 (Rs in Lacs)	30th June, 1992 (Rs in Lacs)
(i) Fixed Deposits	37.45	19.73
(ii) Deposit from Agents	32.00	17.50
(iii) Inter-corporate Loans	35.96	56.61
(iv) Deferred Sales Tax	605.58	196.91
(v) Interest accrued and due on above	--	0.37
	<u>710.99</u>	<u>291.12</u>

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK (Rs. in lacs)	
	As at 01.7.92	Additions	Deductions	As at 30.06.93	Upto 30.06.92	During the Year	Adjustment	Up to 30.06.93	As at 30.06.93	As at 30.06.92
LAND										
Freehold	19.47	30.00	-	49.47	-	-	-	-	49.47	19.47
Leasehold	53.73	-	-	53.73	-	-	-	-	53.73	53.73
BUILDING	308.03	252.45	-	560.48	53.43	13.41	-	66.84	493.64	254.60
PLANT AND MACHINERY	1054.49	1165.20	100.15	2119.54	273.95	139.19	11.83	401.31	1718.23	780.54
FURNITURE AND FIXTURE	19.02	23.98	-	43.00	2.34	1.11	-	3.45	39.55	16.68
VEHICLES	31.47	21.25	3.03	49.69	8.85	3.52	0.61	11.76	37.93	22.62
	1486.21	1492.88	103.18	2875.91	338.57	157.23*	12.44	483.36	2392.55	1147.64
CAPITAL WORK IN PROGRESS	67.38	1034.33	158.16	943.55	-	-	-	-	943.55	67.38
GRAND TOTAL	1553.59	2527.21	261.34	3819.46	338.57	157.23	12.44	483.36	3336.10	1215.02
PREVIOUS YEAR	1417.96	69.52	1.27	1486.21	287.28	71.47	0.18	338.57	1147.64	-

* including Depreciation transferred to Pre-operative expenses pending allocation Rs. 1.15 Lacs.

SCHEDULE "6"

INVESTMENTS
(At Cost)

DESCRIPTION	As at 30th June, 1993			As at 30th June, 1992		
	No. of shares/ Debentures	Face Value	Amount (Rs. in lacs)	No. of Shares/ Debentures	Face Value	Amount (Rs. in lacs)
A. Investment in Equity shares other than Trade						
Quoted						
a) Jindal Strips Ltd.	473132	10/-	553.75	155200	10/-	118.42
b) Jindal Iron & Steel Co. Ltd.	187455	10/-	55.04	56100	10/-	5.61
Unquoted						
a) Bharat Foils Ltd.	*46000	10/-	2.84	23000	10/-	2.84
b) Rohit Tower Building Limited	2400	100/-	2.40	-	-	-
c) Sona Bheel Tea Ltd.	86025	10/-	5.90	-	-	-
B. Govt. and Trust Securities						
a) Magnums of SBI Mutual Fund	2000	100/-	2.00	2000	100/-	2.00
b) Units of Unit Trust of India	5000	10/-	0.74	5000	10/-	0.74
C. Investment in Partly Convertible Debentures :						
a) Jindal Strips Ltd. (Rs. 120/- paid up)	--	--	--	130998	360/-	157.20
b) Jindal Iron & Steel Co. Ltd.	--	--	--	93855	50/-	46.93
D. Application Money for 2,05,724 Fully Convertible Debenture of Jindal Iron and Steel Co. Ltd.						
	--	--	41.15	--	--	--
			<u>663.82</u>			<u>333.74</u>

Notes :

- 23000 Equity shares issued as Bonus Shares during the year.
- Market Value of Quoted Investment - Rs. 1055.22 lacs.

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SCHEDULE "7"

	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
INVENTORIES		
As taken valued and certified by management		
i) Stores and Spares (at cost)	620.94	118.56
ii) Loose Tools (at cost)	3.15	4.47
iii) Finished goods (at lower of estimated cost or net realisable value)	240.75	75.13
iv) Raw Material (at cost)	401.18	1051.71
v) Raw Material in transit	--	48.00
vi) Work-in-progress (at estimated cost)	90.53	110.51
vii) Scrap (at net realisable value)	1.98	2.59
	<u>1358.53</u>	<u>1410.97</u>



SCHEDULE "8"

DESCRIPTION

As at
30th June, 1993
(Rs. in Lacs)

As at
30th June, 1992
(Rs. in Lacs.)

SUNDRY DEBTORS : (Unsecured, considered good)

i) Exceeding six months	402.89	212.69
ii) Others	375.48	552.56
	<u>778.37</u>	<u>765.25</u>

SCHEDULE "9"

As at
30th June, 1993
(Rs. in Lacs)

As at
30th June, 1992
(Rs. in Lacs.)

CASH AND BANK BALANCES :

i) Cash/Cheques in hand	8.36	1.95
ii) With scheduled banks		
-- Current Accounts	180.31	31.69
-- Fixed Deposits (Pledged with Bank as Margin for Letter of Credit/Bank Guarantees)	384.42	--
	<u>573.09</u>	<u>33.64</u>

SCHEDULE "10"

As at
30th June, 1993
(Rs. in Lacs)

As at
30th June, 1992
(Rs. in Lacs.)

LOANS AND ADVANCES :

(Unsecured, considered good unless otherwise stated)

i) Advances recoverable in cash or in kind for value to be received.		
- Considered Good	1354.02	339.19
- Considered doubtful	--	47.97
ii) Earnest money security deposits	51.25	14.12
iii) Prepaid expenses	58.06	19.07
iv) Deposit with Industrial Development Bank of India u/s 32AB of Income Tax Act, 1961	0.60	0.60
v) Advance Taxation	82.97	--
vi) Balance with Central Excise	12.94	0.20
	<u>1559.84</u>	<u>421.15</u>

DESCRIPTION

SCHEDULE "11"

	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
CURRENT LIABILITIES :		
i) Sundry Creditors	2056.40	699.08
ii) Advances from customers	59.07	32.85
iii) Interest accrued but not due	35.30	68.64
iv) Other Liabilities	173.80	410.23
v) Bank Book Overdraft	0.28	--
vi) Unpaid Dividend	32.84	--
	2357.69	1210.80

SCHEDULE "12"

	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
PROVISIONS :		
i) Taxation	61.24	16.24
ii) Dividend	378.42	119.56
	439.66	135.80

SCHEDULE "13"

	As at 30th June, 1993 (Rs in Lacs)	As at 30th June, 1992 (Rs in Lacs)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
i) Preliminary expenses	1.75	0.53
ii) Share issue expenses	7.42	9.90
iii) Deferred Revenue Expenditure	2.57	3.29
	11.74	13.72



DESCRIPTION	SCHEDULE "14"	
	For the year Ended 30th June, 1993 (Rs. in Lacs)	For the year Ended 30th June, 1992 (Rs. in Lacs.)
SALES AND OPERATIONAL INCOME :		
Sales	14315.85	3636.72
Income from Conversion Charges	842.54	398.22
Refund of Terminal Excise Duty	1268.19	--
	<u>16426.58</u>	<u>4034.94</u>

	SCHEDULE "15"	
	For the year Ended 30th June, 1993 (Rs. in Lacs)	For the year Ended 30th June, 1992 (Rs. in Lacs.)
OTHER INCOME :		
Interest (including TDS Rs. 9.86 lacs (Previous Year Rs. 3.58 lacs)	83.05	45.68
Dividend (including TDS Rs. 4.09 lacs) (Previous Year Rs. 1.38 lacs)	16.97 309.42	5.82 100.59
Miscellaneous receipts	36.74	--
Profit on sale of Fixed Assets		
	<u>446.18</u>	<u>152.09</u>

	SCHEDULE "16"	
	For the year Ended 30th June, 1993 (Rs. in Lacs)	For the year Ended 30th June, 1992 (Rs. in Lacs.)
INCREASE /(DECREASE) IN STOCK		
OPENING STOCK :		
Finished Goods	104.96	77.50
Work-in-Progress	110.51	107.62
Scrap	2.59	10.96
	<u>218.06</u>	<u>196.08</u>
CLOSING STOCK :		
Finished Goods	240.75	75.13
Work-in-Progress	90.53	110.51
Scrap	1.98	2.59
	<u>333.26</u>	<u>188.23</u>
Increase/(Decrease) in Stock	<u>115.20</u>	<u>(7.85)</u>

DESCRIPTION	SCHEDULE "17"	
	For the year Ended 30th June, 1993 (Rs in Lacs)	For the year Ended 30th June, 1992 (Rs in Lacs)
MANUFACTURING EXPENSES :		
Stores & Spares	525.07	182.71
Power & Fuel	216.14	146.41
Water charges	2.13	2.69
Other Manufacturing Exp.	9.91	1.18
Technician Exp.	45.58	--
Lease Rent	15.84	--
Repair & Maintenance		
Plant & Machinery	51.44	26.80
Building	22.48	1.93
	<u>888.59</u>	<u>361.72</u>
	SCHEDULE "18"	
	For the year Ended 30th June, 1993 (Rs in Lacs)	For the year Ended 30th June, 1992 (Rs in Lacs)
PERSONNEL		
Salary, wages and other benefits	183.66	75.22
Contribution to Provident and other funds	13.15	5.97
Workmen and staff welfare	52.27	34.91
	<u>249.08</u>	<u>116.10</u>
	SCHEDULE "19"	
	For the year Ended 30th June, 1993 (Rs in Lacs)	For the year Ended 30th June, 1992 (Rs in Lacs)
SELLING EXPENSES :		
Commission on Sales	734.94	12.14
Sales Promotion	9.14	4.36
Advertisement	6.37	1.68
Rebate and Discounts	9.41	11.27
Packing Expenses	3.69	7.57
Forwarding charges (net of recoveries)	30.56	1.71
Other expenses	--	2.06
	<u>794.11</u>	<u>40.79</u>



SCHEDULE "20"

DESCRIPTION	For the year Ended 30th June, 1993 (Rs. In Lacs)	For the year Ended 30th June, 1992 (Rs. in Lacs.)
FINANCE EXPENSES :		
Interest/Commitment :		
charges on Term Loans	285.59	163.61
Interest on Bank Borrowings	67.91	115.92
Bank and Finance Charges	201.42	71.62
Interest to others	386.73	29.56
Interest on fixed deposits	6.49	--
	<u>948.14</u>	<u>380.71</u>

SCHEDULE "21"

ADMINISTRATIVE AND OTHER EXPENSES :

	For the year Ended 30th June, 1993 (Rs. In Lacs)	For the year Ended 30th June, 1992 (Rs. in Lacs.)
Rent, Rates and Taxes	4.21	7.99
Insurance	33.17	21.70
Postage, Telegrams and Telephones	22.32	14.61
Printing & Stationery	11.12	7.51
Travelling & Conveyance	55.51	23.25
Director's Travelling	19.70	6.66
Legal & Professional Expenses	5.86	2.22
Vehicle Upkeep and Maintenance	19.08	14.40
Directors' Meeting Fees	0.25	0.18
Miscellaneous	47.37	23.89
Liquidated Damages	27.30	--
Income Tax Paid for earlier years	--	2.04
Bad Debts	47.97	--
Auditor's Remuneration	0.64	0.56
Preliminary Expenses written off	3.39	2.61
Loss on Sale of Investments	--	18.30
Deferred Revenue Expenses written off	0.72	0.72
Previous Year's Adjustments	0.41	--
Repairs and Maintenance (Others)	11.54	9.85
	<u>310.56</u>	<u>156.49</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES
FORMING PART OF ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :-

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

B) BASIS OF ACCOUNTING :

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

INCOME :-

- a) Refund of Terminal Excise duty.
- b) Insurance Claim.
- c) Export incentives, if any.
- d) Dividend on Investments.

EXPENDITURE :

- a) Liquidated Damages.

C) EXCISE DUTY

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

D) SALES :-

- a) The Sales are inclusive of Excise Duty but not of Sales Tax.
- b) Material returned/rejected are accounted for in the year of return/rejection.

E) FIXED ASSETS

a) VALUATION OF FIXED ASSETS :-

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

b) DEPRECIATION :

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

c) EXPENDITURE DURING CONSTRUCTION PERIOD

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

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

F) VALUATION OF INVENTORIES :

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

G) INVESTMENTS

All investments are stated at cost which inter-alia includes brokerage commission duty.

The loss on sale of Non Convertible Portion of Partly Convertible Debentures is also added to cost of Convertible Portion of Debentures.

H) FOREIGN EXCHANGE TRANSACTIONS :

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



I) CONTINGENT LIABILITIES :

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

J) EVENTS OCCURRING AFTER BALANCE SHEET DATE :-

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

K) RETIREMENT BENEFITS :

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

2. CONTINGENT LIABILITIES

	Current Year <hr/> (Rs. in lacs)	Previous Year <hr/> (Rs. in lacs)
a) Counter Guarantee given to company's bankers for Guarantee given by them on behalf of the Company	3659.34	2370.70
b) Letter of Credit Outstanding	7152.45	2136.84
c) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1154.10	NIL
d) Disputed Income-tax Liability preferred in appeal	26.65	NIL
e) Claims against the Company not acknowledged as debt (being under dispute)	6.01	NIL
f) Uncalled Liability for partly paid-up Partly Convertible Debentures	72.90	NIL

3. As per the order dated 17.8.93 and 27.8.93 of the Hon'ble High Courts of Punjab & Haryana at Chandigarh and of Delhi at New Delhi respectively, Swastik Udyog Limited, Hisar stands amalgamated with the Company from 01.4.92). In terms of the Hon'ble Courts order one Equity Share of Rs. 10/- each of the Company is to be issued to the Shareholders of erstwhile Swastik Udyog Limited for one Equity Share of Rs. 10/- held in Swastik Udyog Ltd. The Assets and Liabilities of the Transferor Company have been taken over by the Company w.e.f. 1st April, 1992 at book value. As per the Scheme of Amalgamation the business of erstwhile Swastik Udyog Ltd. is deemed to have been carried on by the Company w.e.f. 01.4.92. The results of Swastik Udyog Ltd. for 15 months (from 01.4.92 to 30.6.93) have been incorporated in the accounts of the Company.
4. Foreign Currency Loan from IFCI has been converted into rupees at exchange rates prevailing at the time of withdrawal and the difference so arrived at on account of fluctuation in exchange rates is capitalised to fixed assets. No adjustment has been made for increase in liability at Rs. 45.48 lacs (previous year Rs. 37.54 lacs) as at June 30, 1993, consequent upon the change in exchange rates between the date of disbursement of loans and 30th June, 1993, the difference in exchange will be accounted when the loan installments are paid.
5. No provision has been made for the amortisation of premium on lease-hold land over the lease-hold period accumulating to Rs. 5.49 lacs (Previous Year Rs. 4.81 lacs).
6. Title of Land and Building at 28 & 37, Najafgarh Road, New Delhi are not registered in the name of the Company since clearance under Urban Land (Ceiling and Regulation) Act, has not yet been obtained.
7. The Company does not have any sole selling agent within the meaning of Section 294 of the Companies Act, 1956. The commission shown in the Profit and Loss Account is the commission paid to other agents/dealers.
8. In accordance with accounting policy followed by the company the estimated liability as on 30.6.93 amounting to Rs. 37.14 lacs for Excise Duty in respect of finished goods lying in factory has not been provided for in the accounts and hence not included in the valuation of inventories. However, the said liability if accounted for would have no impact on profit of the Company.
9. The ultimate Income-Tax Liability of the Company for the Assessment Year 1993-94 has been determined on the basis of the profit of the Company for the period of 12 months i.e. from 01.4.92 to 31.3.93 and accordingly provision is made for income-tax during the current year. Provision for the period from 01.4.93 to 30.6.93 will be made during the next year after taking into account the operation for the full financial year 1993-94 as the exact liability of the same cannot be determined. The liability, if any, on account of income-tax will be met out of General Reserve which is being carried forward.

10. AUDITORS REMUNERATION

A) Payment to Auditors :	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
i) Audit Fee	0.50	0.35
ii) Tax Audit Fee	0.13	0.10
iii) Cretification work	0.01	--
iv) Out of pocket exp.	NIL	0.11
	0.64	0.56
B) Payment to Directors including Managing Directors :		
i) Salaries	2.61	1.97
ii) Contribution to P.F. etc.	0.26	0.20
iii) Perks of Furniture	0.03	0.03

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

11. The confirmation in respect of some of the Sundry Debtors, Creditors and other advances and reconciliation in respect of some of the bank balances are subject to confirmation and verification, if any.
12. The Stores and Spares consumed and Salaries and Wages incurred for repairs and maintenances of Plant and Machinery and shed and Building have not been allocated to the respective repairs and maintenance accounts.
13. The Following expenditure incurred during construction period in respect of Jindal Seamless Tubes-Nasik Project and expansion programme in Swastik Udyog Division, Hissar carried to pre-operative expenditure pending allocation on the completion of the project.

<u>Description</u>	<u>Amount (Rs. in lacs)</u>
Carriage Inward	1.03
Electricity & Water	4.35
Repairs to Plant & Machinery	0.23
Salary, Wages & others	11.66
Contribution to Provident & other Funds	0.83
Staff Welfare	6.02
Bank Charges	0.22
Travelling & Conveyance	8.81
Postage, Telegram & Telephone	1.12
Printing & Stationary	1.76
Licence Fees	1.57
Vehicle upkeep & Maintenance	1.64
Miscellaneous Expenses	7.88
Depreciation	1.16
Consultancy Fees	30.00
Interest	55.57
	133.85
Less : Interest Received	3.71
TOTAL	130.14



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

A) DESCRIPTION	UNIT	INSTALLED CAPACITY		*PRODUCTION	
		Current Year	Previous Year	Current Year	Previous Year
i) SAW PIPES DIVISION :					
Submerged Arc Welded Steel Pipes	MT	75,000	75,000	47,353	15,492
ii) SWASTIK FOILS-COLLED ROLLED DIVISION : <i>Thinner</i>					
Colled Rolled Strips (Thicker Gauge)	MT	60,000	60,000	3,599	4,056
iii) SWASTIK UDYOG-COLLED ROLLED DIVISION :					
Colled Rolled Strips (Thicker Gauge)	MT	50,000	N.A.	8,334	N.A.

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

	UNIT	CURRENT YEAR	PREVIOUS YEAR
i) Submerged Arc Welded Steel Pipe	MT	1099	2629
ii) Colled Rolled Strips :			
Thicker Gauge		6683	--
Thinner Gauge		3298	3496

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

3. Installed Capacity is as certified by the Management.

B) RAW MATERIAL CONSUMPTION

DESCRIPTION	UNIT	CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Amount (Rs. in lacs)	Qty.	Amount (Rs. in lacs)
Steel Plates	MT	47646	8989.50	13906	1950.38
Flux & Electrodes	MT	368	186.29	152	68.92
Steel Strips	MT	318	181.12	586	319.59
Hot Rolled Strips	MT	1679	580.98	--	--
			<u>9937.89</u>		<u>2338.89</u>

C) QUANTITATIVE INFORMATION OF STOCKS

DESCRIPTION	OPENING STOCK AS ON 1.7.1991			CLOSING STOCK AS ON 30.6.1992 AND OPENING STOCK AS ON 01.7.92		CLOSING STOCK AS ON 30.6.1993	
	Unit	Qty.	Amount (Rs. in lacs)	Qty.	Amount (Rs. in Lacs)	Qty.	Amount (Rs. in lacs)
FINISHED GOODS :							
Submerged Arc Welded Steel Pipes	MT	186	37.14	134	25.59	886	173.98
Cold Rolled Strips (Thinner Gauge)	MT	75	40.36	86	49.54	54	39.20
Cold Rolled Strips (Thicker Gauge)	MT	--	--	75*	29.83*	61	27.57
			<u>77.50</u>		<u>104.96</u>		<u>240.75</u>

*as on 01.4.92.

D) a. SALES

	Unit	CURRENT YEAR		PREVIOUS YEAR	
		Qty.	Amount (Rs. in lacs)	Qty.	Amount (Rs. in lacs)
Submerged Arc Welded Steel Pipes	MT	45502	13260.13	12915	3158.21
Colled Rolled Strips (Thinner Gauge)	MT	333	259.20	549	399.98
Colled Rolled Strips (Thicker Gauge)	MT	1665	710.83	-	-
Scrap	MT	1301	85.69	1115	78.53
			<u>14315.85</u>		<u>3636.72</u>
b. OTHER OPERATIONAL INCOME			2110.73		--
			<u>16426.58</u>		<u>3636.72</u>

E) C.I.F. VALUE OF IMPORTS

	CURRENT YEAR	PREVIOUS YEAR
	(Rs. in lacs)	(Rs. in lacs)
Raw Material	7087.10	1113.81
Stores and spares	13.10	5.38
Capital goods	11.16	--

SAW Pipes Ltd.



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

	%age	CURRENT YEAR (Rs. in lacs)		PREVIOUS YEAR (Rs. in lacs)	
				% age	
a) Raw Material					
Imported	88.35	8780.35	56.27	1316.15	
Indigenous	11.65	1157.54	43.73	1022.74	
	100.00	9937.89	100.00	2338.89	
b) Stores and Spares :					
Imported	4.77	25.06	5.69	10.40	
Indigenous	95.23	500.01	94.31	172.31	
	100.00	525.07	100.00	182.71	

G) EXPENDITURE IN FOREIGN EXCHANGE

(Rs. in lacs)

i) Travelling	37.95
ii) Interest/Bank Charges	50.59
iii) Design and Drawing	112.54
iv) Others	1.65 ✓ 91

H) Earning in Foreign Exchange

NIL

NIL

I. REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND :

a) The financial year to which dividend relates	1991-92	1990-91
b) No. of NRI shareholders	211	253
c) No. of shares held	20,95,200	21,14,100
d) Net amount of dividend remitted (Net of Tax)	Rs. 23.55 lacs	N.A.

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

15. Previous years figures have been re-grouped/re-arranged, wherever necessary and practicable. These figures are not strictly comparable because of amalgamation of the Swastik Udyog Limited, Hissar with the Company.

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

As per our report of even date annexed hereto.

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

O.N. GUPTA
Financial Controller
and Secretary

P.R. JINDAL
Chairman & Managing
Director

T.M. Sen
N.K. Baksi
Ratan Jindal
Purshottam Lal
Kuldip Bhargava
P.K. Jain
Directors

G.K. AGGARWAL
Partner

Place : New Delhi
Dated : 5.10.1993