
  
**SAW PIPES LIMITED**  
**17TH ANNUAL REPORT 2000-2001**

  
**JINDAL**



**NOTICE**

NOTICE is hereby  
will be held at Re  
(U.P.)-281 403 on

**ORDINARY BUSINESS**

1. To receive, on the year end
2. To declare a
3. To appoint a for re-appoint
4. To appoint a for re-appoint
5. To appoint M the Company General Meet

**SPECIAL BUSINESS**

5. To consider an Resolution:-  
"RESOLVED retire by rotati
7. To consider an Resolution:-  
"RESOLVED to retire by rota
3. To consider an Resolution :  
"RESOLVED th 269, 309 read accordance with approvals as m remuneration to from 1/2/2001, c
- i) SALARY : C of Rs. 75,00
- ii) COMMISSI under Sectio year salary.
- iii) COMPANYY per applicab
- iv) COMPANYY'S Provident Fu
- v) GRATUITY Rs. 3,50,000

**BOARD OF DIRECTORS**

P.R. Jindal	Chairman
Sminu Jindal	Managing Director
T.M. Sen	
Kuldip Bhargava	
A.J.A. Tauro	
Subhash Chandra	
Purshottam Lal	
Moosa Raza	
H. S. Chaudhary	Whole Time Director

**PRINCIPAL EXECUTIVE**

H. S. Bedi	President (Kosi Kalan Works)
Onkar Nath Gupta	Vice President & Company Secretary
Abhay Bhargava	Vice President (Finance)
O. P. Sharma	Vice President (Marketing)

**BANKERS**

State Bank of Patiala  
State Bank of India  
Canara Bank  
Standard Chartered Grindlays  
UTI Bank  
Bank of Nova Scotia  
BNP PARIBAS  
State Bank of Mysore  
ABN AMRO Bank

**AUDITORS**

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

**REGISTERED OFFICE**

A-1 UPSIDC Indl., Area, Nandgaon  
Kosi Kalan, Distt. Mathura (U.P.)-281 403

**CORPORATE OFFICE**

'Jindal Centre'  
12 Bhikaji Cama Place, New Delhi-110 066

**WORKS**

<b>Pipe Division</b>	A-1, UPSIDC Ind. Area Kosi Kalan, Distt. Mathura (U.P.)
<b>3LPE Coating Division</b>	Nandgaon bypass Road, Kosi Kalan, Distt. Mathura (U.P.)
<b>Chamfering Division</b>	C-23 & 24 Industrial Area Kosi Kalan, Distt. Mathura (U.P.)
<b>Seamless Tubes Division</b>	Sinnar Industrial Area
<b>Spiral Tubes Division</b>	Nashik (Maharashtra)
<b>Foil Division</b>	28 & 37 Najafgarh Road, New Delhi - 110 015
<b>E.O.U. Pipe Division</b>	Mundra, Gujarat
<b>Composite Coating Division</b>	Mundra, Gujarat

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## NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Members of SAW Pipes Ltd. will be held at Registered Office at A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.)-281 403 on Friday, the 21st day of December, 2001 at 11.30 a.m. to transact the following businesses:-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th June, 2001 and the Profit & Loss Account for the year ended 30th June, 2001 and the Reports of Directors and Auditors.
2. To declare a Dividend.
3. To appoint a Director in place of Shri P.R. Jindal, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A.J.A. Tauro, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint M/s. N.C. Aggarwal & Co., Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-  
"RESOLVED THAT Shri Moosa Raza be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-  
"RESOLVED THAT Shri Kuldip Bhargava be and is hereby appointed as a Director of the Company liable to retire by rotation."
8. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
"RESOLVED that by virtue of Article 96 of Articles of Association of the Company and pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with alterations and modifications thereof, as may be effected from time to time and subject to such approvals as may be necessary, the Company hereby approves the terms of appointment and payments of remuneration to Ms. Sminu Jindal as Managing Director of the Company for a period of 5 years commencing from 1/2/2001 on the following terms and conditions:-
  - i) SALARY : Consolidated salary @ 75,000/- (Rupees Seventy Five Thousand Only) per month in the grade of Rs. 75,000-10,000-1,25,000.
  - ii) COMMISSION: Commission @ 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.
  - iii) COMPANY'S CONTRIBUTION TOWARDS PROVIDENT FUND : Not exceeding 12% of the salary or as per applicable provision of Employee Provident Fund Act and rules made thereunder.
  - iv) COMPANY'S CONTRIBUTION TOWARDS SUPER ANNUATION FUND: At a rate which together with the Provident Fund Contribution shall not exceed 25% of the salary as laid down in the Income Tax Rules, 1962.
  - v) GRATUITY : Not exceeding 15 days salary for each completed year of service subject to a ceiling of Rs. 3,50,000/- or as is allowable under the provisions of Income Tax Act from time to time.



- vi) **MEDICAL BENEFIT FOR SELF & FAMILY (Non-Inter-Changeable)** Reimbursement of expenses actually incurred, the total cost of which shall not exceed one month's salary in a year or three month's salary in a block of three years.
- vii) **LEAVE ON FULL PAY :** One month's leave for every year of service on full pay, subject to the condition that the leave accumulated but not availed of, more than 120 days will not be allowed to be encashed at the time of retirement.
- viii) **LEAVE TRAVEL CONCESSION :** Actual fares but not hotel expenses for self and family once a year to and fro any place in India or two years Leave Travel Assistance at one time in case of vacation to some foreign country within the Rules of the Company.
- ix) Any other Allowance - As per Company Rules applicable to other Executives.
- x) The Managing Director will also be entitled to the following perquisites :-
  - a) Free furnished residential accommodation maintained by the Company including provisions of electricity, water, gas and fuel the monetary value of which shall be evaluated as per Rule 3 of the Income Tax Rules, 1962.
  - b) Free use of Company's car, the monetary value of which shall be evaluated as per Income Tax Rules, 1962.
  - c) Free telephone facility at her residence, personal long distance calls shall be billed by the Company.
  - d) Personal Accident Insurance Policy of an amount the annual premium of which, shall not exceed Rs 5,000/-.
  - e) Membership fee limited to two clubs only.
  - f) The Managing Director shall also be entitled to reimbursement of all the entertainment expenses actually and properly incurred for the business of the Company which will not be treated as an item of remuneration for the purposes of Section 198 of the Companies Act, 1956.

The quantum of all the above perquisites shall be subject to the ceiling laid down in Schedule XIII to the Companies Act, 1956.

"Further Resolved that Ms. Sminu Jindal would use her best endeavour in looking after the day to day business activity of the Company in the best interest of the Company. She is also empowered to delegate any of the powers and duties to any person."

9. To consider and, if though fit, to pass with or without modifications, the following resolution as Special Resolution:

"Resolved that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or reenactment thereof for the time being in force) the Article 95 of the Memorandum of Association of the Company be altered by deleting the existing Article 95 and inserting the following Article 95 in its place in stead:-

"95. The each Director shall be entitled to receive out of funds of the Company remuneration by way of a fee within the limit prescribed by any Act, Rule, Regulation, Notification etc. or in accordance with the policy of the government in this behalf for attending the meeting of the Board of Directors or the Committee or any adjournment thereof as may be decided by the Board from time to time. The Directors shall be entitled to be paid their reasonable expenses for travelling, hotel and other expenses incurred in consequences of their attending the Board and the Committee meetings or otherwise incurred in the execution of their duties as Directors."

Regd. Office:  
A-1, UPSIDC Indl. Area  
Nandgaon Road, Kosi Kalan  
Distt. Mathura (U.P.)- 281 403  
Dated: 22nd November, 2001

By order of the Board  
for **SAW PIPES LTD.,**  
**ONKAR NATH GUPTA**  
**VICE PRESIDENT &**  
**COMPANY SECRETARY**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AS A MEMBER OF THE BOARD OF THE COMPANY AT THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.

2. The relative Explanation to Special Business under Section 173 of the Companies Act, 1956.

3. The Register of Members as on 21.12.2001 (both date and time).

4. The Dividend, if applicable, shall be paid at the end of the business day of the date of shares held in the name of the shareholder giving effect to all valid claims as on 31.12.2001.

5. The members are requested to attend the meeting.

6. Pursuant to the provisions of Section 173 of the Companies Act, 1956, the dividend warrant issued to the Company at 21.12.2001 for the unclaimed dividend of Rs. 1,00,000/- is hereby cancelled.

7. Section 109A of the Companies Act, 1956 shall apply to the dividend.

**EXPLANATORY STATEMENT**

**Item No. 6**

In order to broaden the base of the Board of Directors, the Board of Directors has resolved to appoint Shri Moosa Raza as an additional Director. Shri Moosa Raza has been serving in that position since 10.7.2001. Shri Moosa Raza is a member of the Government and Administrative Services and has functioned as Chairman of the State and Central level committees. He also comprises an apex body of the companies and is a member of the State and Central level committees.

Pursuant to Section 260 of the Companies Act, 1956 from the date of ensuing Annual General Meeting, the Board considers that it would be in the best interest of the Company to appoint Shri Moosa Raza as Director.

Shri Moosa Raza is a member of the Board of Directors except Shri Moosa Raza.

**Item No. 7**

Shri Kuldip Bhargava has been appointed as an additional Director in its management of the Company to manage several industries of the Company to continue the business of the Company.



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**NOTES:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID & EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LATER THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE ABOVE MEETING.**

2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business under Item No. 6 to 9 of the Notice to be transacted at the above meeting is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 18.12.2001 to 21.12.2001 (both days inclusive). This may be treated as a Notice U/s 154 of the Companies Act, 1956.

4. The Dividend, if approved, will be paid to those shareholders whose names appear : (a) As beneficial owners as at the end of the business on 17th December, 2001 as per the list to be furnished by NSDL and CDSL in respect of shares held in the Electronic Form; and (b) As members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 17th December, 2001.

5. The members are requested to notify promptly any change in their address to the Company.

5. Pursuant to the provisions of Section 205A of the Companies Act, as amended, dividend for the financial year ended 30th June, 1995, which has remained unpaid for a period of 7 years will be transferred to the Investor Education and Protection Fund established by the Central Government. Shareholders who have not encashed the dividend warrants so far for the financial year ended on 30th June, 1995 are requested to make their claim to the Company at 28, Najafgarh Road, New Delhi - 110 015 before 27.12.2002. It may also be noted that once the unclaimed dividend is transferred to the fund as above, no claim shall lie in respect thereof.

7. Section 109A of the Companies Act, 1956 extends nomination facility to all shareholders. They may like to avail it.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 6**

In order to broad base the Board, Directors of your Company co-opted Shri Moosa Raza as additional Director on 30.7.2001. Shri Moosa Raza, IAS, retired from the Government in 1995 as Secretary to the Government of India having served in that position in both the Cabinet Secretariat and Ministry of Steel. He also served various State Governments and Advisor to the Governor of Uttar Pradesh. For most of part of his career, Shri Moosa Raza functioned as Chairman and Managing Director of several prestigious industrial and commercial enterprises both at the State and Central levels. He was also elected and served as Chairman of Standing Conference of Public Enterprises an apex body of over 240 public corporations and companies in India. Presently, he chairs several other companies and is a member of Board of many others.

Pursuant to Section 260 of the Companies Act, 1956, Shri Moosa Raza holds office as Additional Director only upto the date of ensuing Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 from one of the members signifying his intention to propose Shri Moosa Raza as Director. The Board considers that it would be in the interest of the Company to continue to avail the benefit of the services of Mr. Moosa Raza as Director. The Board recommends passing of resolution at Item No. 6.

Except Shri Moosa Raza, none of the other Directors is, in anyway, concerned or interested in the resolution.

**Item No. 7**

Shri Kuldip Bhargava has been associated with the Company since 1986 as an alternate Director to Shri Dilip Bhargava, an NRI who is based at U.S.A. Due to personal reasons, Mr. Dilip Bhargava has resigned from the directorship of the Company. In view of this, the Board considered to appoint Shri Kuldip Bhargava as an additional Director in its meeting held on 22nd November, 2001. Shri Kuldip Bhargava has considerable experience in managing several industrial and commercial enterprises. The Board considers that it would be in the interest of the Company to continue to avail the benefit of the services of Mr. Kuldip Bhargava as Director.



Pursuant to Section 260 of the Companies Act, 1956, Shri Kuldip Bhargava, holds office as additional Director only upto the date of ensuing Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 from one of the members signifying its intention to propose Shri Kuldip Bhargava as Director. The Board recommends passing of resolution at Item No. 7.

Except Shri Kuldip Bhargava, none of the other Director is, in any way, concerned or interested in the resolution.

**Item No. 8**

Consequent upon the resignation of Shri Ratan Jindal as Managing Director of the Company, the Board at its meeting held on 22.1.2001 appointed Ms. Sminu Jindal as Managing Director of the Company w.e.f. 1st February, 2001 for a period of 5 years on the terms and conditions stipulated in the Resolution. She is Master of Business Administration from Fore School of Management. Ms. Sminu Jindal has been associated with the Company since 1992. She joined the Company as Management Trainee in 1992. After working in various capacities, she was appointed as Whole-time Director w.e.f. 1/9/1997 and looks after the affairs of the Company. The Board of Directors felt that it would be in the interest of the Company to appoint her as Managing Director, subject to the approval of shareholders in the General Meeting of the Company. The Directors recommend the passing of Resolution by you.

Ms. Sminu Jindal is daughter of Shri P.R. Jindal, Chairman of the Company and so besides herself, Shri P.R. Jindal may also be deemed to be interested or concerned in the Resolution. None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

Copy of the agreement dated 31st January, 2001 executed with Ms. Sminu Jindal is available for inspection during business hours on all working days at the registered office of the Company upto the date of the meeting. The above particulars and particulars mentioned in the resolution may be treated and deemed to be the abstract under Section 302 of the Companies Act, 1956.

**Item No. 9**

Article 95 of Articles of Association of the company provides for Sitting Fee of Rs. 1,000/- per meeting to be paid to the Directors for attending the meeting of the Board or its Committee. It further provides that an amount of fee can be revised by the Company in the General Meeting. The payment of the fee at present is not commensurate with the efforts and time put in by the Directors in steering the affairs of the Company. Moreover, at present as per the policy of the Government in this behalf, the maximum fee which can be paid to Directors for attending the meeting of the Board or its Committee of a Company is Rs. 5,000/-.

In view of the above, it is proposed to alter Article 95 of the Articles of Association of the Company and insert the new Article in its place and instead providing for the payment of fee which may be fixed by any Governmental Authority under any Act, Rule, Regulation in this regard and as may be decided by the Board from time to time. The Board of Directors considers that such payment of fee shall be reasonable and commensurate with the efforts and time put in by Directors in steering the affairs of the Company.

As per the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company can be altered by way of passing a Special Resolution in this behalf in the General Meeting. Accordingly, the resolution is placed for your approval. A copy of Articles of Association is available for inspection during business hours on all working days at the registered office of the Company upto the date of the meeting.

The Directors of the Company may be deemed to be interested or concerned in the resolution to the extent of payment of sitting fee which may be paid to them.

Regd. Office:  
A-1, UPSIDC Indl. Area  
Nandgaon Road, Kosi Kalan  
Distt. Mathura (U.P.)- 281 403  
Dated: 22nd November, 2001

By order of the Board  
for **SAW PIPES LTD.,**  
**ONKAR NATH GUPTA**  
**VICE PRESIDENT &**  
**COMPANY SECRETARY**

**DIRECTORS' REPORT**

To  
The Members,  
Your Directors are pleased to present the 17th Annual Report of the Company for the year ended 30th June, 2001.

**FINANCIAL RESULTS**

Particulars
Gross Sales & Income
Profit before Interest & Depreciation
Less : Interest & Depreciation
Profit before tax
Provision for Income Tax
Net Profit After tax
Add: Balance brought forward
Previous year taxation
Total amount available for distribution
Less : Appropriation
(a) Debenture Redemption Reserve
(b) Transfer to General Reserve
(c) Interim Dividend
(d) Proposed dividend
- on Preference Shares
- on equity Shares
e) Corporate Tax on Dividend
Balance carried forward

**APPROPRIATIONS AND DIVIDEND**

Your Company continued to grow during the year ended 30th June, 2001. The Board of Directors has recommended a dividend of 10% on equity shares including dividend tax.

**REVIEW OF OPERATIONS**

(a) **PIPE DIVISION**  
The growth of the Welded Steel Pipe Division during the previous year was 10%.



**DIRECTORS' REPORT**

To

The Members,

Your Directors are pleased to present the 17th Annual Report and Audited Statement of Accounts of the Company for the year ended 30th June, 2001

**FINANCIAL RESULTS**

Particulars	Current Year (Rs in Lacs)	Previous Year (Rs in lacs)
Gross Sales & Income from Operations	40,022.35	30,192.82
Profit before Interest and Depreciation	10,245.60	5,816.74
Less : Interest	4,886.47	3,444.03
Depreciation	1,292.72	1,189.12
Profit before tax	4,066.41	1,183.59
Provision for Income Tax and Wealth Tax	1,131.50	1.50
Net Profit After tax	2,934.91	1,182.09
Add: Balance brought forward from previous Year	1,878.32	1,776.34
Previous year taxation adjustment	36.45	2.43
Total amount available for appropriation	4,849.68	2,960.86
Less : Appropriations:		
(a) Debenture Redemption Reserve	625.00	375.00
(b) Transfer to General Reserve	1000.00	--
(c) Interim Dividend on Preference shares paid	137.04	137.04
(d) Proposed dividend:		
- on Preference Shares	65.47	65.47
- on equity shares	389.80	389.80
e) Corporate Tax on dividends	77.41	115.23
<b>Balance carried to Balance Sheet</b>	<b>2,554.96</b>	<b>1,878.32</b>

**APPROPRIATIONS AND DIVIDEND**

Your Company continues to follow the conservative financial policy, which has been consistently followed. Considering this, your Directors have recommended a dividend of Rupee 1.00 per share of Rs.10/- each (10%) for the year ended 30th June, 2001 on the Equity Shares of your Company.

The Board of Directors recommends the final dividend on 13.5% Preference Shares. The Company has already paid an interim dividend on these Preference Shares. The Preference dividend has absorbed Rs.240.15 lacs including dividend tax.

**REVIEW OF OPERATION**

(a) **PIPE DIVISION (KOSI KALAN)**

The growth of the Pipe Division is attributable to increase in export orders. The production of Submerged Arc Welded Steel Pipes has increased to 67968 MT during the year under report as compared to 59483 MT in the previous year, which shows an increase of 14.26 % over previous year.

**(b) MUNDRA UNIT (100% EOU) PIPE DIVISION**

Two prestigious export orders have been executed by the Unit, worth Rs.5215.47 lacs. The production of Submerged Arc Welded Steel Pipes was 37186 MT during the year under review.

**(c) FOILS DIVISION**

The production in this unit was 4203 MT during the year under report as compared to 5919 MT in the previous year of operation.

**(d) COATING DIVISION**

Considering the growing need for coated pipes your Company has set up a new CTE coating unit at Mundra and a P.E coating plant is being set up over and above the existing facility at Kosi Kalan U.P. In addition to the above the Company has shifted its mobile CTE coating plant from Bholpur in West Bengal to Kosi Kalan in U.P.

**(e) NASHIK DIVISION****Seamless Tube Division**

The Seamless Tube Division is still not operating. Long term viable solutions are being worked out for the operations of the Seamless Division.

**Spiral Division**

The production of Spiral Pipes was 372 MT during the year under report as compared to 9660 MT in the previous year

**EXPANSION PROGRAMME**

To meet with the growing demand of Spiral Pipes of Extra large diameter, a spiral mill is being installed at Mundra which is being imported from IPSCO, Canada and is capable of producing spiral pipes upto 100 " dia.

**FUTURE OUTLOOK**

The Oil and Gas sector is one of the few sectors which has been identified as the future driving force of the economy world wide. It is felt that this industry would see a upsurge for the next 5-6 years. Your Company's progress is directly linked to the growth pattern of the Oil and Gas sector and are likely to see a very bright future.

Your Company's present order book position is over Rs.664 crores. This figure is expected virtually to double in the near future. Majority of these are hard currency, export orders.

**LISTING**

The shares of your Company are listed at Delhi, Mumbai, Calcutta and Kanpur Stock Exchanges. The Annual Listing Fees for the year ending on 2001-2002 has been paid to all the Stock Exchanges.

**DEMATERIALIZATION OF SHARES**

The shares of your Company are eligible for dematerialisation and script less trading. About 94 lacs shares (about 24%) have so far been dematerialized.

**PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.**

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

**PERSONNEL**

The industrial relations remained cordial through out the year. As required by the provision of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rule, 1975, as amended, the names and other particulars of the employees are set out in Annexure to the Director's 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.

**PUBLIC DEPOSITS**

The Company had repaid the deposits matured during the year except unclaimed deposits aggregating Rs. 58,84,000/- at the end of the year.

**INSURANCE**

All the properties and insurable interests wherever necessary and to the extent required.

**AUDITORS' REPORT**

Auditors' remarks in their report read with the

**AUDITORS**

M/s. N.C. Aggarwal & Co, Chartered Accountants, General Meeting and being eligible offer the

**SUBSIDIARY COMPANY.**

The Annual accounts of the Subsidiary Company pursuant to Section 212(1)(e) of the Companies Act, 1956, Enterprises LLC (a wholly owned subsidiary) in accordance with the provisions of the Companies Act, 1956 and the Companies (Incorporation) Rules, 1956.

**DIRECTORS**

Shri A.Q. Siddiqie nominee of ICICI Ltd ceased to be a Director and Shri Dilip Bhargava resigned from the office of Director. Shri Kuldip Bhargava as Additional Director, Shri P.R. Jindal and Shri A.J.A. Tauro, Directors, offer themselves for re-appointment.

**AUDIT COMMITTEE**

The Company has already formed the Audit Committee has already reviewed the annual

- (i) Shri T.M. Sen
- (ii) Shri A.J.A. Tauro
- (iii) Shri Purshottam Lal

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2)(b) of the Companies Act, 1956, in the annual statement, it is hereby confirmed:

- (a) that in the preparation of the annual accounts, the accounting standards had been followed
- (b) that the Directors had selected such accounting policies and estimates that were reasonable and prudent in the preparation of the financial statements of the Company at the end of the financial year
- (c) that the Directors had taken proper care in accordance with the provisions of the Companies Act, 1956 for preventing and detecting fraud and other irregularities
- (d) that the Directors had prepared the financial statements on a going concern basis.

**CORPORATE GOVERNANCE**

As per the guidelines of Bombay Stock Exchange, the Company will comply with the provisions from the next year. However, most of the

**ACKNOWLEDGEMENT**

The Board of Directors are grateful to our shareholders and Company's Bankers for their timely support and appreciation on the contribution made by

Place : New Delhi  
Date : 22nd November, 2001

#### INSURANCE

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

#### AUDITORS' REPORT

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

#### AUDITORS

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

#### SUBSIDIARY COMPANY.

The Annual accounts of the Subsidiary Company Hexa Securities & Finance Company Ltd., along with statements pursuant to Section 212(1)(e) of the Companies Act, 1956 are attached with this report. The Reports of Jindal Enterprises LLC (a wholly owned subsidiary abroad) are not attached as the entity is deemed partnership under US Corporate Laws.

#### DIRECTORS

Shri A.Q. Siddiqie nominee of ICICI Ltd ceased to be the Director of the Company. Shri Sajjan Jindal, Shri Ratan Jindal and Shri Dilip Bhargava resigned from the Directorship of the Company. The Board co-opted Shri Moosa Raza and Shri Kuldip Bhargava as Additional Directors of the Company.

Shri P.R. Jindal and Shri A.J.A. Tauro, Directors, retire at the Annual General Meeting by rotation and being eligible offer themselves for re-appointment.

#### AUDIT COMMITTEE

The Company has already formed the Audit Committee comprising the following 3 independent directors. The Committee has already reviewed the annual accounts under report:-

- (i) Shri T.M. Sen
- (ii) Shri A.J.A. Tauro
- (iii) Shri Purshottam Lal

#### 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 June, 2001, 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 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 June, 2001 on a 'going concern' basis.

#### CORPORATE GOVERNANCE

As per the guidelines of Bombay Stock Exchange the procedures of Corporate Governance would be applicable from the next year. However, most of the provisions are already being applied

#### ACKNOWLEDGEMENT

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

Place : New Delhi  
Date : 22nd November, 2001

For and on behalf of the Board  
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 CONSERVATIONS MEASURES TAKEN:**

- (i) Permanent magnets have been installed in one of the E.O.T cranes in Forming Bay.
- (ii) Additional capacitors have been installed in the power station for power factor improvement and the saving of electrical power.
- (iii) Straightening Press has been modified by extending its Bed and now the same work can be done at lower hydraulic pressure thus saving electrical power.
- (iv) 4x40 HP high pressure pumps have been replaced with a single hydraulic power pack of 50 HP capacity resulting in considerable saving of electrical power.
- (v) For manufacture of large radius bends of high diameter & wall thickness two turn induction coil has been developed to give same heat at a lower electrical energy using the principle of pre-heating and Pre heating method.
- (vi) Timely preventive maintenance as per ISO -9000 system of D.G.set has been instrumental to minimise cost of electricity generation. The system of procedures are being regularly reviewed to monitor effectiveness.
- (vii) Enough transparent roof sheets have been provided in the plant sheds to eliminate the necessity of usage of over head electrical illumination.

**b) ADDITIONAL INVESTMENT AND PROPOSALS FOR REDUCTION OF CONSUMPTION OF ENERGY**

- (i) More power capacitors to be installed at induction Bending Machine for further saving of electrical power.
- (ii) Permanent magnets to be installed at one more E.O.T. crane in Forming Bay.
- (iii) Automation of Crimping Press and Expander using PLC for saving of electrical power and increase productivity and improvement in quality.
- (iv) To carry out production in planned & Phased manner to restrict the usage of number of D.G set thereby to increase the generation of units per liter consumption of fuel.
- (v) To install solar water heaters for the staff mess to reduce power consumption.
- (vi) To make JCO & C press and expander hydraulic system more efficient in terms of oil leakage to reduce power on motors.

**b) IMPACT OF ABOVE MEASURES**

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

Form for disclosure of particulars with re

**1. POWER AND FUEL CONSUMPTION**

**I Electricity :**  
Purchased Units  
Total Amount (Rs)  
Rate per Unit (Rs)

**II Own Generation through D.G. :**  
Generated Units  
Unit per Litre of oil  
Cost per Unit (Rs.)

**CONSUMPTION PER UNIT OF PRODUCTION**

Production : Submerged Arc Welded Pipe  
Stainless Steel Strips, Electricity for :-

- (i) Manufacture of Steel Pipes per MT
- (ii) Pre-rolling of Stainless Steel Strip

Form of disclosure of particulars with resp

Specific Areas in which Research and  
R & D was carried in product deve  
protection, cost reduction and autom  
Benefits Derived

With installation of additional equipm  
finished product and saving of energy

Future Plan of Action

- (a) Reduction in Process Losses
- (b) Development of New Products.

Expenditure of R & D

Development and improvement of pro  
facilities. Expenditure incurred on R &

Foreign Exchange Earnings & Outgo

- (a) Foreign Exchange Earnings
  - (i) FOB Value of Exports
  - (ii) Interest Earnings
- (b) Foreign Exchange Outgo

Place : New Delhi

Date : 22nd November, 2001

**FORM "A"**

Form for disclosure of particulars with respect to Conservation of Energy

1. POWER AND FUEL CONSUMPTION		
	2000-2001	1999-2000
<b>I Electricity :</b>		
Purchased Units	7249137	5811258
Total Amount (Rs)	36869983	29288740
Rate per Unit (Rs)	5.09	5.04
<b>II Own Generation through D.G. Set</b>		
Generated Units	10685643	9027587
Unit per Litre of oil	3.23	3.21
Cost per Unit (Rs.)	4.78	3.79

**CONSUMPTION PER UNIT OF PRODUCTION**

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

	2000-2001	1999-2000
(i) Manufacture of Steel Pipes per MT	94.56	164.82
(ii) Pre-rolling of Stainless Steel Strips per MT	704.676	800.87

**FORM "B"**

Form of disclosure of particulars with respect to Technology Absorption for 2000-2001

- Specific Areas in which Research and Development carried out by the Company.  
R & D was carried in product development, process development, energy conservation, environment protection, cost reduction and automation.
- Benefits Derived  
With installation of additional equipments it was possible to achieve consistency in production and quality of finished product and saving of energy.
- Future Plan of Action  
(a) Reduction in Process Losses  
(b) Development of New Products.
- Expenditure of R & D  
Development and improvement of products is an inbuilt and ongoing activity within existing manufacturing facilities. Expenditure incurred on R & D during the year under report is Rs. 35.96 lacs.
- Foreign Exchange Earnings & Outgo Rs. in Lacs
  - Foreign Exchange Earnings
    - FOB Value of Exports 5685.06
    - Interest Earnings 265.24
  - Foreign Exchange Outgo 16869.15

Place : New Delhi  
Date : 22nd November, 2001

**For and on behalf of the Board**  
**P.R. Jindal**  
Chairman



**AUDITORS' REPORT**

To  
THE MEMBERS OF  
SAW PIPES LIMITED

We have audited the attached Balance Sheet as at 30th June, 2001 and the Profit and Loss Account of SAW PIPES LIMITED 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 statement on the matters specified in paragraph 4 and 5 of the said order.
  - B) Further to our comments in the Annexure referred to Paragraph (A) above, we also report that:-
    - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.
    - (b) 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 such books
    - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
    - (d) In our opinion, the Balance Sheet and Profit & Loss Account comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
    - (e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 30th June, 2001 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
    - (f) Attention is invited to the following notes of Schedule 22:
      - (i) Note No.6 regarding non-provision for diminution in value of investments, since in the opinion of the management these are long term strategic investment and such diminution is only temporary in nature (amount unascertained) (ii) Note No.17 regarding debtors as considered good by the management, (iii) Note No.15 regarding non provision of loans and advances amounting to Rs 603.08 lacs as considered good by the management
    - (g) Without considering item (f) i & ii above, the effect of which could not be determined, had the impact of item (f) iii above been considered, profit after tax for the year would have been Rs.2331.83lacs (instead of Rs. 2934.91 lacs) and reserves and surplus would have been Rs. 26676.83 lacs (instead of Rs.27279.91 lacs) Loans and advances would have been Rs.10986.42 lacs ( instead of Rs.11589.42 lacs)
- Subject to above, in our opinion and to the best of our knowledge and according to the explanation given to us, the said statement of account read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
- (i) In the case of Balance Sheet of State of Affairs of the Company as at 30th June, 2001
  - (ii) In the case of Profit and Loss Account of Profit of the company for the year ended on that date

For N.C. AGGARWAL & CO  
Chartered Accountants

(G.K. AGGARWAL)  
Partner

Place : New Delhi  
Dated : 22nd November, 2001

**ANNEXURE TO THE AUDITORS' REPORT**

Referred in Paragraph (A) in the report of even date.

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets and also the same have been physically verified by the management at reasonable intervals during the year, except fixed assets at Nashik and Mundra Division the record for which are being updated. We have been informed that no serious / material discrepancy has been noticed by the management on such verification.
- 2) The Company has not revalued any of its fixed assets during the year.
- 3) Physical verification has been conducted by the management at reasonable intervals in respect of finished goods, store, spare parts and raw materials.
- 4) In our opinion and according to information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of 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 accounts.
- 6) On the basis of our examination of stock records, the valuation of stock is considered fair and proper and in accordance with the normally accepted accounting principals and is on the same basis as followed in the previous year

7) The Company has not taken in the register maintained under Act, 1956 is not applicable

8) The Company has granted loans to Companies including loans to register maintained U/s 301 us the rates of interest and the year are prima-facie not No.15 of Schedule 22. Sec The Company has given interest bearing demand loan/deposit stipulated where such stipulation along with interest.

9) In our opinion and according that some of the items purchased obtaining comparable quotations of the company and the machinery, plant and machineries, equipment

10) In our opinion and having read and explanations given to purchase of goods and materials or arrangements required to 1956 and aggregating during prices which are reasonable services where such market materials have been entered

11) The company has regular purchases. There have been no major purchases. In our opinion and according to directive issued by the Reserve the rules framed thereunder

12) In our opinion, the Company however, the scope of Periodic Division was not conducted

13) In our opinion, reasonable scrap. We are informed by process of the Company.

14) We have broadly reviewed of steel and steel products Central Government for March Act, 1956 and are of the opinion have not, however, made accurate and complete.

15) According to the records of in general, been regularly updated

16) As explained to us, no undervalued Sales Tax etc. were outstanding from the date they became

17) According to the information expenses have been charged in accordance with generally

18) The Company is not a Sick Industrial Corporation under Section 3 of the Sick Industrial Corporation In respect of the Company recording receipts, issues and relative jobs and authorisation and labour to jobs, commensurate

Place : New Delhi  
Dated : 22nd November, 2001



- 7) The Company has not taken any loans secured or unsecured from companies, firms and other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Section 370(1B) of the Companies Act, 1956 is not applicable w.e.f 31.10.1998.
- 8) The Company has granted demand loan/inter corporate deposits and advances in the nature of loan to Companies including loans to subsidiaries (as referred in note No. 6 (b) of Schedule 22) as listed in the register maintained U/s 301 of the Companies Act, 1956. In our opinion and as per the explanations given to us the rates of interest and other terms and conditions of the loans/deposits granted by the Company during the year are prima-facie not prejudicial to the interest of the Company except to the extent as stated in Note No.15 of Schedule 22. Section 370(1B) of the Companies Act, 1956 is not applicable w.e.f 31.10.1998.
- 9) The Company has given interest free loans and advances in the nature of loans to its employees and interest bearing demand loan/deposits to other parties, who are repaying the principal amount and interest as stipulated where such stipulation exists, except loan of Rs. 786.14 lacs which has been renewed/ rescheduled along with interest.
- 10) In our opinion and according to information and explanations given to us, having regards to the explanation that some of the items purchased are of special nature and suitable alternative source 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 store, raw-material, including components, plant and machineries, equipments and other assets and for the sale of goods.
- 11) In our opinion and having regard to our comments in paragraph (10) above and according to the information and explanations given to us, where transactions have been made with different parties, the transactions of purchase of goods and materials and sale of goods, material and services made in pursuance of contracts or arrangements required to be entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50000/-or more in respect of each party have been made at prices which are reasonable, having regard to the prevailing market prices for such goods, material or services where such market prices are available or the prices at which transactions for similar goods or materials have been entered with other parties.
- 12) The company has regular procedure for determination of unserviceable or damaged stores and raw-material. 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 directive issued by the Reserve Bank of India and the provisions of Section 58A of Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from public.
- 14) In our opinion, the Company has internal audit system commensurate with the size and nature of its business. However, the scope of Periodical Internal Audit need to be enlarged. The internal audit in respect of Nashik Division was not conducted for the year ended 30th June, 2001.
- 15) In our opinion, reasonable records have been maintained by the Company for sale and disposal of realisable scrap. We are informed by the management that there is no by-product arising out of the manufacturing process of the Company.
- 16) 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.
- 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 amount payable in respect of Income Tax, Customs Duty, Excise Duty and Sales Tax etc. were outstanding as at the last day of the financial year for a period of more than six months from the date they become payable.
- 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 obligation 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) In respect of the Company's service activity, we report that the company has a reasonable system of recording receipts, issues and consumption of materials and stores and allocating materials consumed to the relative jobs and authorisation at proper levels and an adequate system of internal control on issue of stores and labour to jobs, commensurate with the size of the Company and the nature of its business.

For N.C. AGGARWAL & CO.  
Chartered Accountants

(G.K. AGGARWAL)  
Partner

Place : New Delhi  
Dated : 22nd November, 2001



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE, 2001**

As At June 30, 2001 (Rs. in Lacs)	DESCRIPTION	SCHEDULE No.	Year Ended June 30, 2001 (Rs. in Lacs)	Year Ended June 30, 2000 (Rs. in Lacs)
	<b>INCOME</b>			
5,398.1	Sales and Operational Income	14	40,022.35	30,192.82
25,188.7	Other Income	15	351.41	1,145.28
	Increase/(Decrease) in Stock	16	3,310.65	(456.16)
30,586.8			<u>43,684.41</u>	<u>30,881.94</u>
	<b>EXPENDITURE</b>			
22,915.8	Raw Material Consumed		24,393.73	16,814.79
1,395.8	Excise Duty		3,580.60	2,007.17
	Purchase for Re-Sale		77.05	1,004.02
24,311.7	Manufacturing Expenses	17	2,173.53	1,845.71
	Personnel	18	1,089.54	882.14
54,898.6	Selling Expenses	19	1,152.81	1,028.66
	Finance Expenses	20	4,886.47	3,444.03
	Administrative & Other Expenses	21	971.55	1,482.71
	Depreciation		1,495.52	1,390.12
30,698.6	Less: Transfer to Revaluation Reserve		202.80	201.00
7,069.7			<u>1,292.72</u>	<u>1,189.12</u>
23,628.9			<u>39,618.00</u>	<u>29,698.35</u>
2,624.6				
735.2	Profit before Taxation		4,066.41	1,183.59
	Less: Provision for:			
26,988.8	- Income Tax		1,130.00	-
	- Wealth Tax		1.50	1.50
6,742.6				
	Profit After Taxation		2,934.91	1,182.09
	Profit Brought Forward		1,878.32	1,776.34
4,700.2	Previous year Taxation Adjustment		36.45	2.43
7,865.6			<u>4,849.68</u>	<u>2,960.86</u>
5,666.6	Disposable Profit			
11,052.0				
	<b>APPROPRIATIONS</b>			
29,284.6	Interim Dividend on Preference Shares Paid		137.04	137.04
	Corporate Tax on Above		30.97	15.07
7,838	Proposed Dividend:			
617.5	- on Equity Shares		389.80	389.80
	- on Preference Shares (Final)		65.47	65.47
8,455.6	Corporate Tax on Proposed Dividends		46.44	100.16
	General Reserve		1,000.00	-
20,829.0	Debt Redemption Reserve		625.00	375.00
	Balance Carried to Balance Sheet		2,554.96	1,878.32
338.0			<u>4,849.68</u>	<u>2,960.86</u>
54,898.6	NOTES TO THE ACCOUNTS	22		

As per our report of even date attached

Moosa Raza Purshottam Lal T. M. Sen Kuldip Bhargava A. J. A. Tauro DIRECTORS	For N.C. AGGARWAL & CO. Chartered Accountants	P.R. Jindal Chairman	Sminu Jindal Managing Director	Moosa Raza Purshottam Lal T. M. Sen Kuldip Bhargava A. J. A. Tauro DIRECTORS
	G.K. AGGARWAL Partner	O.N. Gupta Vice President & Company Secretary	Abhay Bhargava Vice President (Finance)	
	Place : New Delhi Dated : 22nd November, 2001			



DESCRIPTION	As At June 30, 2001 (Rs. in Lacs)	As At June 30, 2000 (Rs. in Lacs)	DESCRIPTION
<b>SCHEDULE 1</b>			<b>SCHEDULE 2</b>
<b>SHARE CAPITAL</b>			<b>RESERVES AND SURPLUS</b>
<b>AUTHORISED</b>			Capital Reserve
i) 5,00,00,000 Equity Shares of Rs. 10/- Each	5,000.00	5,000.00	As per Last Account
ii) 25,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	2,500.00	2,500.00	General Reserve
	<u>7,500.00</u>	<u>7,500.00</u>	As per last Account
<b>ISSUED AND SUBSCRIBED</b>			Add: Transferred during the year
i) 3,89,81,808 Equity Shares of Rs. 10/- each	3,898.19	3,898.19	Debenture Redemption Reserve
ii) 15,00,000- 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	1,500.00	1,500.00	As per last Account
	<u>5,398.19</u>	<u>5,398.19</u>	Add: Transferred during the year
<b>PAID UP</b>			Share Premium Account :
i) 3,89,80,158 Equity Shares of Rs. 10/- each Bonus Shares Held in Abeyance	3,898.02	3,898.02	As per last Account
	0.09	0.09	Revaluation Reserve
Add: Forfeited Capital	3,898.11	3,898.11	As per last account
	0.04	0.04	Less: Amount written off during the year
	<u>3,898.15</u>	<u>3,898.15</u>	(including relating to previous year)
ii) 15,00,000 - 13.5% Redeemable Cumulative Preference share of Rs.100/- each	1,500.00	1,500.00	Profit and Loss Account
	<u>5,398.15</u>	<u>5,398.15</u>	
1) Out of the above Equity Shares following were allotted :			<b>SCHEDULE 3</b>
i) 20,08,000 Equity Shares are allotted as Fully Paid-up pursuant to contract without payment being received in cash.			<b>SECURED LOANS</b>
ii) 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.			<b>Debentures</b>
iii) 46,43,000 Equity Shares are allotted as Fully Paid-up to the Share Holders of Swastik Udyog Ltd. as per Scheme of amalgamation order dated 17.8.93 and 27.8.93 of the Hon'ble High Courts of Punjab and Haryana and Delhi.			(i) 16% Secured Redeemable Non-Convertible Debentures of Rs 100/- each,
iv) 2,57,97,872 Equity shares are allotted as fully paid-up bonus shares by capitalising General Reserves Rs.630.70 lacs and Share Premium of Rs. 1949.09 lacs.			(ii) 15.5% Secured Redeemable Non-Convertible Debentures of Rs 100/- each,
2) 850 Bonus shares of Rs.10- each have been held in abeyance and not allotted as a result of necessary approval from attachment orders by Govt. Authorities, lost share certificates and other disputes.			(iii) 14% Secured Redeemable Non-Convertible Debentures of Rs 100/- each,
3) 800 Shares of Rs. 10/- ( Partly Paid Rs. 5/-) have been forfeited.			(iv) 12.5% Secured Redeemable Non-Convertible Debentures of Rs 100/- each,
4) 13.5% Redeemable Cumulative Preference Shares are redeemable in two equal instalments after end of 4th and 5th year from the date of allotment i.e. 5.3.98			<b>Term Loan</b>
			(i) Industrial Finance Corpn. of India
			(ii) ICICI Ltd.
			(iii) Vehicle Loan from Banks
			<b>Working Capital Loan from Banks</b>
			<b>Deferred Sales Tax</b>
			<b>NOTES</b>
			(i) The Debentures are redeemable in two equal instalments after end of 4th and 5th year from the date of allotment i.e. 19.01.1999
			(ii) The Debentures are redeemable in two equal instalments after end of 4th and 5th year from the date of allotment i.e. 22.01.01
			(iii) The Debenture are redeemable in two equal instalments after end of 4th and 5th year from the date of allotment i.e. 22.01.01



DESCRIPTION	As At June 30, 2001 (Rs. in Lacs)	As June 30, 2000 (Rs. in Lacs)	DESCRIPTION
<b>SCHEDULE 1</b>			<b>SCHEDULE 2</b>
<b>SHARE CAPITAL</b>			<b>RESERVES AND SURPLUS</b>
<b>AUTHORISED</b>			Capital Reserve
i) 5,00,00,000 Equity Shares of Rs. 10/- Each	5,000.00	5,000.00	As per Last Account
ii) 25,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each	2,500.00	2,500.00	General Reserve
	<u>7,500.00</u>	<u>7,500.00</u>	As per last Account
			Add: Transferred during the year
<b>ISSUED AND SUBSCRIBED</b>			Debenture Redemption Reserve
i) 3,89,81,808 Equity Shares of Rs. 10/- each	3,898.19	3,898.19	As per last Account
ii) 15,00,000- 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each	1,500.00	1,500.00	Add: Transferred during the year
	<u>3,898.11</u>	<u>3,898.11</u>	Share Premium Account :
<b>PAID UP</b>			As per last Account
i) 3,89,80,158 Equity Shares of Rs. 10/- each Bonus Shares Held in Abeyance	3,898.02	3,898.02	Revaluation Reserve
	0.09	0.00	As per last account
	<u>3,898.11</u>	<u>3,898.11</u>	Less: Amount written off during the year (including relating to previous years)
Add: Forfeited Capital	0.04	0.00	Profit and Loss Account
	<u>3,898.15</u>	<u>3,898.15</u>	
ii) 15,00,000 - 13.5% Redeemable Cumulative Preference share of Rs.100/- each	1,500.00	1,500.00	<b>SCHEDULE 3</b>
	<u>5,398.15</u>	<u>5,398.15</u>	<b>SECURED LOANS</b>
1) Out of the above Equity Shares following were allotted :			<b>Debentures</b>
i) 20,08,000 Equity Shares are allotted as Fully Paid-up pursuant to contract without payment being received in cash.			(i) 16% Secured Redeemable Non-Cumulative Debentures of Rs 100/- each,
ii) 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.			(ii) 15.5% Secured Redeemable Non-Cumulative Debentures of Rs 100/- each,
iii) 46,43,000 Equity Shares are allotted as Fully Paid-up to the Share Holders of Swastik Udyog Ltd. as per Scheme of amalgamation order dated 17.8.93 and 27.8.93 of the Hon'ble High Courts of Punjab and Haryana and Delhi.			(iii) 14% Secured Redeemable Non-Cumulative Debentures of Rs 100/- each,
iv) 2,57,97,872 Equity shares are allotted as fully paid-up bonus shares by capitalising General Reserves of Rs.630.70 lacs and Share Premium of Rs. 1949.09 lacs.			(iv) 12.5% Secured Redeemable Non-Cumulative Debentures of Rs 100/- each.
2) 850 Bonus shares of Rs.10- each have been held in abeyance and not allotted as a result of necessary approvals from attachment orders by Govt. Authorities, lost share certificates and other disputes.			<b>Term Loan</b>
3) 800 Shares of Rs. 10/- ( Partly Paid Rs. 5/-) have been forfeited.			(i) Industrial Finance Corpn. of India
4) 13.5% Redeemable Cumulative Preference Shares are redeemable in two equal instalments after end of 4th and 5th year from the date of allotment i.e. 5.3.98			(ii) ICICI Ltd.
			(iii) Vehicle Loan from Banks
			<b>Working Capital Loan from Banks</b>
			<b>Deferred Sales Tax</b>
			<b>NOTES</b>
			(i) The Debentures are redeemable on 19.01.1999
			(ii) The Debentures are redeemable on 22.01.01
			(iii) The Debenture are redeemable on 22.01.01

As At 01 (Rs. in Lacs.)	As At June 30, 2000 (Rs. in Lacs.)	DESCRIPTION	As At June 30, 2001 (Rs. in lacs.)	As At June 30, 2000 (Rs. in lacs.)
<b>SCHEDULE 2</b>				
<b>RESERVES AND SURPLUS</b>				
5,000.00		Capital Reserve As per Last Account	9.50	9.50
		General Reserve As per last Account	18,243.94	18,243.94
2,500.00		Add: Transferred during the year	1,000.00	--
			19,243.94	18,243.94
		Debenture Redemption Reserve As per last Account	725.00	350.00
3,898.00		Add: Transferred during the year	625.00	375.00
			1,350.00	725.00
		Share Premium Account : As per last Account	558.91	558.91
1,500.00		Revaluation Reserve As per last account	3,773.05	3,974.05
3,898.00		Less: Amount written off during the year (including relating to previous year Rs. 7.65 Lac)	210.45	201.00
			3,562.60	3,773.05
3,898.00		Profit and Loss Account	2,554.96	1,878.32
			27,279.91	25,188.72
3,898.00				
<b>SCHEDULE 3</b>				
<b>SECURED LOANS</b>				
1,500.00		<b>Debentures</b>		
5,398.00		(i) 16% Secured Redeemable Non Convertible Debentures of Rs 100/- each, privately placed	1,000.00	1,000.00
		(ii) 15.5% Secured Redeemable Non Convertible Debentures of Rs 100/- each, privately placed	1,500.00	1,500.00
		(iii) 14% Secured Redeemable Non Convertible Debentures of Rs 100/- each, privately placed	1,000.00	--
		(iv) 12.5% Secured Redeemable Non Convertible Debentures of Rs 100/- each, privately placed	1,000.00	--
		<b>Term Loan</b>		
		(i) Industrial Finance Corpn. of India Ltd.	--	150.00
		(ii) ICICI Ltd.	10,927.33	14,949.56
		(iii) Vehicle Loan from Banks	37.11	4.02
		<b>Working Capital Loan from Banks</b>	6,192.94	3,847.30
		<b>Deferred Sales Tax</b>	256.48	1,464.99
			21,913.86	22,915.87

of necessary approv

**NOTES**

- (i) The Debentures are redeemable in two equal installments at the end of 4th and 5th year from the date of allotment i.e. 19.01.1999
- (ii) The Debentures are redeemable in twelve equal quarterly installments commencing from 17th June 2002.
- (iii) The Debenture are redeemable in three equal instalments at the end of 2nd, 3rd & 4th year from the date of allotment i.e. 22.01.01

its after end of 4th ar



- (iv) The Debentures are redeemable in one instalment on 04.05.2002  
The above Debentures are secured / to be secured by parri passu charge by way of english mortgage of the Company's immovable properties located in the State of Maharashtra and way of equitable mortgage of Company's immovable properties located at Kosi Kalan (UP) and Gujarat and hypothecation of movable properties in favour of Debenture Trustees.
- B. (i) Secured by way of specific charge in respect of Plant and Machinery of Seamless Tube project at Nasirpur  
(ii) Secured by way of pari-passu charge by way of mortgage of Company's immovable properties and hypothecation of movable assets both present and future, except those charged in favour of Comparative bankers for securing Working Capital Facilities.  
(iii) Secured by way of hypothecation of vehicles.
- C. Secured by hypothecation of finished goods, raw-materials, work-in-progress, stores and spares, book debt and second charge in respect of other movable and immovable assets of the Company. The loan is all guaranteed by Director. Further 172076 Equity Shares of Jindal Iron & Steel Co. Ltd. have been pledged to bank Steel & Power Limited and 301469 Equity Shares of Jindal Iron & Steel Co. Ltd. have been pledged to bank collateral security for Working Capital Limits as well as non-fund based limits like Bank Guarantees and Letters of Credits. Besides above 10932 Equity Shares of Jindal Strips Ltd. and 7228 Equity Shares of Jindal Steel Power Ltd. held by other companies have been pledged to Bank as Collateral Security.
- D. Secured by way of second parri passu charge of movable and immovable assets of the Company in respect of Kosi Kalan Units (in UP).

**SCHEDULE 6**

**INVESTMENTS (AT COST)**

Description
Investment in Equity Shares of subsidiary Companies - Unquoted
Hexa Securities & Finance Co. Ltd.
Jindal Enterprises LLC (USA)
Investment in Equity Shares of unquoted
Indian Trade - Quoted
Jindal Strips Ltd.
Jindal Steel & Power Ltd.
Jindal Iron & Steel Co. Ltd.
Shalimar Paints Ltd.
Jindal Vijaynagar Steel Ltd.

**SCHEDULE 4**

**UNSECURED LOANS**

(i) Fixed Deposits	899.41	894.00
(ii) Inter-Corporate Loans	260.00	200.00
(iii) Deferred Sales Tax	512.84	480.00
(iv) Non convertible Debentures from Banks	300.00	
	<b>1,972.25</b>	<b>1,395.00</b>

**SCHEDULE 5**

**FIXED ASSETS**

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1.7.00	Additions	Ded./ Adjmnt	As at 30.6.2001	Upto 30.6.00	During the year	Ded./ Adjmnt	Upto 30.6.2001	As at 30.6.2001	As at 30.6.00
LAND										
Feehold	181.02	1.96	-	182.98	-	-	-	-	182.98	181.02
Lease hold	413.78	-	-	413.78	-	4.50	(31.70)	36.20	377.58	413.78
Buildings	4,064.46	269.70	52.71	4,281.45	655.91	118.66	9.42	765.15	3,516.30	3,408.54
Plant & Machinery	25,577.11	3,115.50	0.72	28,691.89	6,250.10	1,338.40	-	7,588.50	21,103.39	19,327.29
Vehicles	232.50	99.41	22.75	309.16	86.09	23.29	12.91	96.47	212.69	146.21
Furniture & Fixtures	229.81	23.85	-	253.66	77.64	11.71	-	89.35	164.31	152.15
<b>Total</b>	<b>30,698.68</b>	<b>3,510.42</b>	<b>76.18</b>	<b>34,132.92</b>	<b>7,069.74</b>	<b>1496.56*</b>	<b>(9.37)</b>	<b>8,575.67</b>	<b>25,557.25</b>	<b>23,628.94</b>
Previous Year	30,110.10	643.51	54.93	30,698.68	5,692.15	1,391.19	13.60	7,069.74	23,628.94	

\* Includes Rs. 1.04 lacs (previous year Rs. 1.07 lacs) for pre-operative period.

Note : Gross Block includes the following amount on account of revaluation of Saw Pipes Division at A-1, Kosi Kalan at Net Current Residual Replacement Value.

(Rs. In lacs)

i) LAND -	
Freehold	7.38
Leasehold	143.59
ii) Building	548.34
iii) Plant and Machinery	3,927.71

**Unquoted**

Rohit Tower Building Ltd.
Sona Bheel Tea Ltd.
Saw Pipes U.S.A. Inc.
Jindal Overseas Pte. Ltd. (Singapore)
Daelim E & C India Pvt. Ltd.

**Govt. and Trust Securities**

Units of Unit Trust of India
National Savings Certificates
Bonds of Himachal Pradesh State Corporation Ltd.
Punjab State Electricity Board
H.P. Road & Other Infrastructure Development Corporation
Gujarat State Petronet Limited
Shri Vikas Patra

**Investment in non-convertible**

Quoted
Shalimar Paints Ltd.

TOTAL

regate market value of quoted in

**SCHEDULE 6**

**INVESTMENTS (AT COST)**  
**(LONG TERM)**

Description	As at June 30, 2001			As at June 30, 2000		
	No. of shares/ Debentures	Face Value	Amount (Rs. in Lacs)	No. of shares/ Debentures	Face Value	Amount (Rs. in Lacs)
<b>Investment in Equity Shares</b>						
<b>of subsidiary Companies-Unquoted</b>						
Hexa Securities & Finance Co. Ltd.	25,500,000	10/-	2,550.00	25,500,000	10/-	2,550.00
Jindal Enterprises LLC (USA)	1,000	1000\$	361.92	1,000	1000\$	361.92
			<u>2911.92</u>			<u>2911.92</u>
<b>Investment in Equity Shares Other than Trade - Quoted</b>						
Jindal Strips Ltd.	523,076	10/-	817.34	523,076	10/-	817.34
Jindal Steel & Power Ltd.	348,717	10/-	544.90	348,717	10/-	544.90
Jindal Iron & Steel Co. Ltd.	377,528	10/-	169.08	377,528	10/-	169.08
Shalimar Paints Ltd.	300,000	10/-	180.00	300,000	10/-	180.00
Jindal Vijaynagar Steel Ltd.	10,001,400	10/-	1,000.08	10,001,400	10/-	1,000.08
			<u>2711.40</u>			<u>2711.40</u>
	894.1					
	20.1					
	480.1					
<b>Unquoted</b>						
Rohit Tower Building Ltd.	2,400	100/-	2.40	2,400	100/-	2.40
Sona Bheel Tea Ltd.	86,025	10/-	5.90	86,025	10/-	5.90
Saw Pipes U.S.A. Inc.	1,935,000	1\$	609.51	1,935,000	1\$	609.51
Jindal Overseas Pte. Ltd. (Singapore)	153,000	1s\$	31.40	153,000	1s\$	31.40
Daelim E & C India Pvt. Ltd.	2,700,000	10/-	270.00	2,700,000	10/-	270.00
			<u>919.21</u>			<u>919.21</u>
<b>Govt. and Trust Securities</b>						
Units of Unit Trust of India	6,600	10/-	0.90	6,600	10/-	0.90
National Savings Certificates	-	-	0.15	-	-	0.15
Bonds of Himachal Pardesh State Forest Corporation Ltd.	45	100000/-	44.10	45	100000/-	44.10
Punjab State Electricity Board	4	1000000/-	40.00	4	1000000/-	40.10
H.P.Road & Other Infrastructure Development Corporation	20	100000/-	20.00	20	100000/-	20.00
Gujrat State Petronet Limited	100	100000/-	100.00	-	-	-
Indira Vikas Patra	-	-	5.00	-	-	5.00
			<u>210.15</u>			<u>110.15</u>
<b>Investment in non-convertible debentures</b>						
<b>Quoted</b>						
Shalimar Paints Ltd.	-	-	-	300,000	30/-	90.00
<b>TOTAL</b>			<b>6,752.68</b>	<b>6,742.68</b>		
Aggregate market value of quoted investments			1,308.44	1,919.83		



DESCRIPTION	As At June 30, 2001 (Rs. in lacs.)	As At June 30, 2000 (Rs. in lacs.)
<b>SCHEDULE 7</b>		
<b>INVENTORIES</b>		
(As taken valued and certified by the management )		
i) Stores and Spares	919.37	741.70
ii) Loose Tools	9.17	11.70
iii) Finished goods	3,084.73	435.90
iv) Semi-finished Goods	1,037.62	385.00
v) Raw Materials	2,053.00	1,975.50
vi) Raw materials in Transit	5,041.51	1,144.10
vii) Scrap	19.83	6.00
	<u>12,165.23</u>	<u>4,700.20</u>
<b>SCHEDULE 8</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured, considered good)		
i) Exceeding six months	3,278.17	3,152.30
ii) Others	4,113.34	4,713.30
	<u>7,391.51</u>	<u>7,865.60</u>
<b>SCHEDULE 9</b>		
<b>CASH AND BANK BALANCES</b>		
i) Cash/Cheques in hand	52.43	21.70
ii) With Scheduled banks		
— Current Accounts	3,304.01*	53.50
— Fixed Deposit Account	3,089.05	3.00
— EEFC Fixed Deposit Account	-	5,568.70
— Margin Money Account	23.29	19.60
	<u>6,468.78</u>	<u>5,666.60</u>
* including EEFC Account Rs 3192.73 lacs		
<b>SCHEDULE 10</b>		
<b>LOANS AND ADVANCES</b>		
i) Advances recoverable in cash or in kind or for value to be received & Considered Good	6,177.59	6,192.00
ii) Earnest money and Security deposits	1,010.18	1,070.00
iii) Deposit with Industrial Development Bank of India for surcharge on Income Tax U/S 32AB of Income Tax Act, 1961	0.66	0.00
iv) Prepaid Taxes	1,164.08	548.00
v) Balance with Central Excise, Custom Port etc.	1.52	0.00
vi) Inter Corporate Loans	1,463.19	1,372.00
vii) Loan to Subsidiary Company	1,561.57	1,578.00
viii) Prepaid Expenses	210.71	288.00
	<u>11,589.50</u>	<u>11,052.00</u>

**DESCRIPTION**

**SCHEDULE 11**

**CURRENT LIABILITIES**

Sundry Creditors -	
Sundry Creditors -	
Advance from Cust	
Interest Accrued by	
Other Liabilities	
Unpaid Dividend	

**SCHEDULE 12**

**PROVISIONS:**

For Taxation	
For Proposed Dividend	
For Corporate Tax on P	
Others	

**SCHEDULE 13**

**MISCELLANEOUS EX**

to the extent not written	
Preliminary Expens	
Deferred Revenue	

**DESCRIPTION**

**SCHEDULE 14**

**SALES AND OPERAT**

Sales	
Job Charges	
Export Incentives	
Commission	

**SCHEDULE 15**

**OTHER INCOME**

Dividend on Long Term	
Misc. Receipts	
Previous Year's Adjust	
Foreign Exchange Fluc	

	As At June 30, 2001 (Rs. in lacs.)	DESCRIPTION	As At June 30, 2001 (Rs. in lacs.)	As At June 30, 2000 (Rs. in lacs.)
<b>SCHEDULE 11</b>				
<b>CURRENT LIABILITIES</b>				
	741.7	(i) Sundry Creditors - Raw Materials	10,122.86	4,882.04
	11.7	(ii) Sundry Creditors - Others	1,434.50	1,615.46
	435.9	(iii) Advance from Customers	88.53	53.13
	385.0	(iv) Interest Accrued but not due	300.16	391.76
	1,975.5	(v) Other Liabilities	646.61	855.48
	1,144.1	(vi) Unpaid Dividend	56.70	40.21
	6.0			
			<u>12,649.36</u>	<u>7,838.08</u>
	4,700.2			
<b>SCHEDULE 12</b>				
<b>PROVISIONS:</b>				
		For Taxation	1,131.50	1.50
	3,152.3	For Proposed Dividend	455.27	455.27
	4,713.3	For Corporate Tax on Proposed Dividend	46.44	100.16
		Others	52.83	60.60
	7,865.6		<u>1,686.04</u>	<u>617.53</u>
<b>SCHEDULE 13</b>				
<b>MISCELLANEOUS EXPENDITURE</b>				
	21.7	(to the extent not written off)		
		(i) Preliminary Expenses	4.44	6.52
	53.5	(ii) Deferred Revenue Expenses	166.63	331.56
	3.0			
	5,568.7		<u>171.07</u>	<u>338.08</u>
	19.6			
	5,666.6			
			<b>Year Ended</b>	<b>Year Ended</b>
			<b>June 30, 2001</b>	<b>June 30, 2000</b>
			<b>(Rs. in lacs.)</b>	<b>(Rs. in lacs.)</b>
<b>SCHEDULE 14</b>				
<b>SALES AND OPERATIONAL INCOME</b>				
	6,192.0	(i) Sales	36,873.14	24,377.04
	1,070.5	(ii) Job Charges	3,077.20	5,139.70
	0.6	(iii) Export Incentives	72.01	464.13
	548.4	(iv) Commission	-	211.95
	0.1			
	1,372.8		<u>40,022.35</u>	<u>30,192.82</u>
<b>SCHEDULE 15</b>				
<b>OTHER INCOME</b>				
	1,578.6	Dividend on Long Term investments	19.05	64.91
	288.9	Misc. Receipts	82.90	112.56
	11,052.0	Previous Year's Adjustment (Net)	-	32.78
		Foreign Exchange Fluctuation (Net)	249.46	935.03
			<u>351.41</u>	<u>1,145.28</u>



DESCRIPTION	Year Ended June 30,2001 (Rs. in lacs.)	Year Ended June 30,2000 (Rs. in lacs.)	DESCRIPTION
<b>SCHEDULE 16</b>			<b>SCHEDULE 20</b>
<b>INCREASE / (DECREASE) IN STOCK</b>			<b>FINANCE EXPENSES</b>
OPENING STOCK			Interest on Fixed Deposits
Finished Goods	435.58	844.58	Interest on Debentures
Work-in-progress	385.02	431.71	Interest on Term Loans
Scrap	6.05	6.4	Interest on Bank Borrowings
	<u>826.65</u>	<u>1,282.69</u>	Bank and Finance Charges
CLOSING STOCK			Interest to Others
Finished Goods	3,079.86	435.58	Less: Interest Received:
Work-in-progress	1,037.62	385.02	Interest on Bonds and Debentures
Scrap	19.82	6.0	(TDS Rs. 4.56 Lacs, Previous Year)
	<u>4,137.30</u>	<u>826.60</u>	Other Interest on Loans, Advances
Increase/(Decrease) in Stock	<u>3,310.65</u>	<u>(456.16)</u>	(TDS Rs.209.50 Lacs, Previous Year)
<b>SCHEDULE 17</b>			<b>SCHEDULE 21</b>
<b>MANUFACTURING EXPENSES</b>			<b>ADMINISTRATIVE AND OTHER EXPENSES</b>
Stores and Spares	759.58	888.8	Rent, Rates & Taxes
Power and Fuel	883.21	662.2	Insurance
Other Manufacturing expenses	313.30	99.6	Postage, Telegrams & Telephones
Repair and Maintenance:			Travelling & Conveyance
— Plant and Machinery	103.64	133.4	Vehicle upkeep & Maintenance
— Building	107.65	55.4	Director's Meeting Fees
Lease Rent	6.15	5.9	Miscellaneous Expenses
	<u>2,173.53</u>	<u>1,845.7</u>	Unliquidated Damages
<b>SCHEDULE 18</b>			Auditor's Remuneration
<b>PERSONNEL</b>			Preliminary / Deferred Revenue Expense
Salary, Wages and other Benefits	897.69	660.0	Written Off
Contribution to Provident and other funds	49.18	44.0	Bad Debts
Workmen and Staff Welfare	142.67	177.0	Loss on Sale of Fixed Assets (Net)
	<u>1,089.54</u>	<u>882.0</u>	Previous Year's Adjustment (Net)
<b>SCHEDULE 19</b>			Technical Knowhow Fees Written off
<b>SELLING EXPENSES</b>			
Commission on Sales	468.17	222.0	
Royalty	-	16.4	
Advertisement	37.97	7.0	
Rebate and Discounts	-	33.0	
Forwarding charges (net of recoveries of Rs. 1317.31 Lacs (Prev. Year 1021.85 Lacs)	524.94	682.0	
Other Selling Expenses	121.73	66.0	
	<u>1,152.81</u>	<u>1,028.4</u>	

	Year Ended June 30, 2000 (Rs. in lacs.)	DESCRIPTION	Year Ended June 30, 2001 (Rs. in lacs.)	Year Ended June 30, 2000 (Rs. in lacs.)
<b>SCHEDULE 20</b>				
<b>FINANCE EXPENSES</b>				
58	844.58	Interest on Fixed Deposits	125.65	113.49
02	431.71	Interest on Debentures	521.24	397.45
05	6.4	Interest on Term Loans	2,423.27	2,167.33
65	1,282.8	Interest on Bank Borrowings	1,062.74	1,300.80
		Bank and Finance Charges	882.69	1,204.14
		Interest to Others	850.11	207.28
86	435.5		<b>5,865.70</b>	<b>5,390.49</b>
82	385.0	Less: Interest Received:		
82	6.0	Interest on Bonds and Debentures	20.48	29.38
30	826.8	(TDS Rs. 4.56 Lacs, Previous Year Rs 5.39 Lacs)		
85	(456.16)	Other Interest on Loans, Advances and Deposit	958.75	1,917.08
		(TDS Rs.209.50 Lacs, Previous Year Rs. 409.76 Lacs)	979.23	1,946.46
			<b>4,886.47</b>	<b>3,444.03</b>
58	888.8			
11	662.2			
00	99.6			
<b>SCHEDULE 21</b>				
<b>ADMINISTRATIVE AND OTHER EXPENSES:</b>				
14	133.4	Rent, Rates & Taxes	34.32	22.68
15	55.4	Insurance	81.47	125.37
15	5.9	Postage, Telegrams & Telephones	84.89	74.44
03	1,845.7	Travelling & Conveyance	200.85	110.45
		Vehicle upkeep & Maintenance	60.04	58.57
		Director's Meeting Fees	0.51	0.42
		Miscellaneous Expenses	260.32	264.26
		Liquidated Damages	14.61	11.01
9	660.0	Director's Remuneration	5.55	4.57
8	44.1	Preliminary / Deferred Revenue Expenses	167.01	176.08
7	177.2	Written Off		
		Bad Debts	12.85	619.13
4	882.1	Loss on Sale of Fixed Assets( Net)	33.49	6.78
		Previous Year's Adjustment (Net)	15.64	-
		Technical Knowhow Fees Written off	-	8.95
			<b>971.55</b>	<b>1,482.71</b>
	222.6			
	16.6			
	7.0			
	33.0			
	682.5			
	66.2			
	<b>1,028.0</b>			



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS.**  
**SCHEDULE 22**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :-**

- a) The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. All income & expenditure items having a material bearing on the financial statements are recognized on accrual basis, except in respect of insurance claims, Liquidated damages, where the exact quantum cannot be ascertained.
- b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

**B) SALES :-**

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

**C) FIXED ASSETS**

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

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

**b) DEPRECIATION :-**

- i) Depreciation on all fixed assets of the Company is provided on the Straight Line Method at the rate specified in Schedule XIV to the Companies Act, 1956, as amended upto date.
- ii) Depreciation on revalued fixed assets is computed on the assessed residual life of the respective assets and excess depreciation required to be provided under Schedule XIV of the Companies Act, 1956, has been transferred from Revaluation Reserve Account.

**c) EXPENDITURE DURING CONSTRUCTION PERIOD**

All expenditure during construction period in respect of new project including interest on borrowed loans are carried to pre-operative expenditure pending allocation on the completion of the project. All expenditure incurred during the construction period direct, incidental and ancillary are included under capital work-in-progress and the same are allocated to respective fixed assets on completion of project.

**D) VALUATION OF INVENTORIES :-**

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

**E) INVESTMENTS :-**

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

**F) FOREIGN EXCHANGE TRANSACTIONS:-**

Foreign Currency Transactions during the year are recorded at the rate of exchange prevailing at the date of transaction. All exchange differences are dealt with in the Profit & Loss Account except those relating to acquisition of fixed assets which are adjusted in the cost of assets. Current assets, loans other than financing fixed assets and current liabilities in foreign currency, outstanding at the year end are translated at the rate of exchange prevailing at the close of the year and resultant gains/losses are recognized in the profit and loss account of the year except in cases where they are covered by forward foreign exchange contracts in which cases these are translated at the contracted rates of exchange and the resultant gains/losses are recognized in profit and loss account over the life of the contract. However, gain or loss on reinstatement on the forward exchange transaction or on cancellation of forward exchange contracts, if any, is reflected in the profit and loss account or capitalized as the case may be.

**G) CONTINGENT LIABILITIES :-**

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

**H) RETIREMENT BENEFITS:-**

- (i) Liabilities in respect of Life Insurance Corporation basis.
- ii) Liability in respect of other retirement benefits.

**MISCELLANEOUS EXPENSES:-**

- i) Preliminary expenses
- ii) Deferred Revenue Expenditure on lease assets taken

**CONTINGENT LIABILITIES**

- a) Counter Guarantee given to bankers for Guarantee on behalf of the Company
- b) Letter of Credit outstanding
- c) Claims against the Company acknowledged as debt (including Company's share in respect of the Company is a co-guarantor promoters to Financial Institution facility extended to Jindal Vijaya currency loan. Jindal Vijaya to the Company that in turn extended the Guarantee guarantee, Company has given guarantee by the lender.
- e) Counter Guarantee given to extended to Jindal Enterprises (Wholly Owned Subsidiary)
- f) Disputed Excise Duty
- g) Bank Guarantee given to Authorities for export obligation EPCG Scheme
- h) Liability in respect of Corporate Guarantee (for 100% EO

Estimated amount of contract advances) Rs.117.43 lacs (Previous year Rs.117.43 lacs)

The company has given an undertaking to JVSL not to dispose off the undertaking by JVSL is complete

- (a) Based on information available small scale and ancillary undertakings Scale Industrial undertaken remaining outstanding for Jindal Metal Foundry, Hi-Tech Pvt.Ltd., Parikh Industries, Pvt.Ltd.
- b) Based on the information available small scale and ancillary undertakings
- (a) The Company has (i) unquoted investments is negative as per the latest available investment in other subsidiary companies (ii) quoted investments in certain



**STATEMENT OF ACCOUNTS.**

**H) RETIREMENT BENEFITS:-**

- (i) Liabilities in respect of gratuity to the employees are covered under the group gratuity scheme with the Life Insurance Corporation of India, except in respect of Nashik Division which is provided for on accrual basis. ii) Liability in respect of accumulated leave to the credit of employees is determined on accrual basis.

**MISCELLANEOUS EXPENDITURE :-**

- i) Preliminary expenses on share issue are written off over a period of ten years.  
ii) Deferred Revenue Expenses as allocated by the company are written off in five years except in case of lease assets taken by the company which has been written off over the lease period.

**CONTINGENT LIABILITIES**

	Current Year (Rs in lacs)	Previous Year (Rs in lacs)
a) Counter Guarantee given to Companies' bankers for Guarantee given by them on behalf of the Company	9392.87	12972.71
b) Letter of Credit outstanding	10183.72	6401.32
c) Claims against the Company not acknowledged as debt (being under dispute)	27.59	59.50
d) Company's share in respect of a Guarantee given where the Company is a co-guarantor alongwith two other promoters to Financial Institutions/Body Corporate against facility extended to Jindal Vijayanagar Steel Ltd for foreign currency loan. Jindal Vijaynagar Steel Ltd., has confirmed to the Company that in terms of loan agreement, ICICI has extended the Guarantee to 100%. In terms of original guarantee, Company has sought release of the guarantee by the lender.	2951.17	2627.85
e) Counter Guarantee given to bank for Credit facility extended to Jindal Enterprises LLC (Wholly Owned Subsidiary abroad)	11758.75	11192.50
f) Disputed Excise Duty	93.34	61.52
g) Bank Guarantee given to Custom Authorities for export obligation under EPCG Scheme	397.25	397.25
h) Liability in respect of Corporate Guarantee (for 100% EOU Unit at Mundra)	1734.01	733.25

Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances ) Rs.117.43 lacs (Previous Year Rs. 394.96 lacs)

The company has given an undertaking to Financial Institutions for loan taken by Jindal Vijaynagar Steel Ltd.(JVSL) not to dispose off the investment in JVSL till the repayment of loan by JVSL or the project undertaken by JVSL is completed, whichever is later.

- (a) Based on information available with the company, the Sundry Creditors include Rs.69.96 lacs due to small scale and ancillary undertakings and Rs.11487.40 Lacs due to other creditors. Names of Small Scale Industrial undertakings to whom the Company owes a sum exceeding Rs. 1 Lacs or more and remaining outstanding for more than 30 days are :

Jain Metal Foundary, Hi-Tech Engineers, Ajanta Footcare, Echo Cables Pvt. Ltd. Gem Cab Industries Ltd., Parikh Industries, Pee Kay Industries, Gemco Controls Ltd., Jhankar Industries, Mas Equipments Pvt.Ltd.

- b) Based on the information available with the company, there were no overdues remaining unpaid to small scale and ancillary undertakings on account of principal and/or interest as at the close of the year.

- (a)The Company has (i) unquoted investments of Rs.2550 Lacs in Subsidiary Company where the net worth is negative as per the latest available Balance Sheet and certain other unquoted investments (including investment in other subsidiary company) where the fair value (amount unascertained) is lower than the cost (ii) quoted investments in certain companies where at the year end date there has been diminution in the



market value (as reflected in Schedule '6'), 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 not considered while valuing the long term investments.

(b) Loans amounting to Rs 1561.57 lacs is due from the Indian Subsidiary Company. The Company has accumulated losses. Having regard to the long-term involvement, no provision is considered necessary on this account.

- 7 The Company has changed the accounting policy and provided Rs 36.20 lacs (including Rs 9.45 lacs out of Revaluation Reserve) which includes Rs 31.70 lacs pertaining to earlier years (including Rs 7.65 lacs out of Revaluation Reserve) towards the amortisation of premium on lease-hold land over the lease-hold period fall in consonance with the General Accepted Accounting Principles.
- 8 Provision for Income Tax has been made considering the various benefits, allowances as available under the Income Tax Act. The Company has also changed the accounting policy by providing for the provision for Income Tax for the period from 1.07.2000 to 30.06.2001 on estimated basis.
- 9 Sundry Debtors, Creditors and other advances are subject to confirmation and reconciliation. The effect of the same, if any, which are not likely to be material will be adjusted at the time of confirmation / reconciliation.
- 10 The Stores and Spares consumed and Salaries & Wages incurred for repairs and maintenances of Plant and Machinery and Shed and Building have not been allocated to the respective repairs and maintenance accounts.
- 11 In the opinion of the Board, the realisable value of Current assets, loans & advances, in the ordinary course of business, would not be less than the amount at which they are stated.
- 12 Capital work in progress includes advances against capital goods and inventories of capital nature.
- 13 The amount of foreign exchange fluctuation amounting to Rs 41.83 lacs (Dr) (Previous Year 118.83 Lacs (Cr)) is not shown separately and the same is included under the relevant heads of expenditure and income. However the same has been shown separately in the previous year.
- 14 Profit for the year includes Prior Period Adjustment "Net". Debit Rs.15.64 Lacs (Previous Year Rs.32.78 Lacs Net Credit)
- 15 Loans and advances include Rs.603.08 lacs Due from Jindal Seamless Tubes Ltd. The project of Jindal Seamless Tubes Ltd. is on hold for time being. As a matter of prudence the interest on the same is not provided for in the account.
- 16 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.
- 17 An amount of Rs.2318.46 lacs was retained by the customer. The Company has claimed the amount retained by the customer alongwith interest and other expenses. The matter is referred to arbitration. The claim amount can not be ascertained as the matter is subjudice.
- 18 Bank Guarantee for USD 25 Million to Standard Chartered Bank, Bahrain for Jindal Enterprises LLC ( Wholly Owned Subsidiary abroad) has been secured by (a) EEFC Margin money of Rs 3192.73 lacs and Fixed Deposit of Rs 2983.05 lacs with Standard Chartered Bank (b) Counter Guarantee by the ICICI Ltd. Aggregating to Rs. 31 crores.

19. (a) Auditors' Remuneration

- 1 Audit Fee
- 2 Tax Audit Fee
- 3 Taxation Matters
- 4 Certification /others
- 5 Out of pocket expenses

Total

Current Year  
(Rs. In Lac)

2.62  
0.79  
0.25  
0.96  
0.93

5.55

Previous Year  
(Rs. In Lac)

2.00  
0.70  
0.20  
0.60  
0.30

4.50

(b) Directors' Remuneration

- 1 Salary including allowances etc.
- 2 Commission
- 3 Contribution to P.F. etc.
- 4 Perquisites (as per Income Tax Rules)

Total

Remuneration of Rs 10.05 lacs paid to Managing Director is Subject to approval in the ensuing Annual General Meeting

13.18  
3.75  
0.99  
1.35

19.27

8.50  
0.90  
0.60

10.20

(c) Cost Auditors' Remuneration

- 1 Cost Audit Fee
- 2 In Other Capacity

0.78  
2.27

3.05

0.30  
0.80

0.80

20. COMPUTATION OF NET PROFIT  
READ WITH SECTION 198

Profit before Tax  
Add :  
Managerial Remuneration  
Director Sitting Fees  
  
Net Profit for the year  
Commission @ 1 % to Managing Director  
Maximum Commission payable  
Commission paid  
Note : No commission was paid to

21. Detail of Pre operative expenses

Detail of Pre-operative Expenses

Raw Material Consumption

Power & Fuel  
Store & Spares  
Salary, Wages & Othe Benefits  
Contribution to PF & othe funds  
Workman & Staff Welfare  
Rent, Rates & Taxes  
Insurance Expenses  
Travelling & Conveyance  
Carriage Outward

Interest and bank charges

Miscellaneous Expenses  
Depreciation

Total

Less:

Sale during trial production  
Closing Stock of Finished good  
Add: Opening Stock

Add: Preoperative expenses brought forward

Less: Capitalised during the year

Preoperative Expenses Carried Over

**20. COMPUTATION OF NET PROFIT & MANAGING DIRECTOR'S COMMISSION UNDER SECTION 349 READ WITH SECTION 198 OF THE COMPANIES ACT, 1956.**

	Current Year (Rs in lacs)
Profit before Tax	4066.41
Add:	
Managerial Remuneration	19.27
Director Sitting Fees	0.51
Net Profit for the year	4086.19
Commission @ 1% to Managing Director	40.86
Maximum Commission payable restricted to 100% of salary	3.75
Commission paid	3.75
Note: No commission was paid to Managing Director in the previous year.	

**21. Detail of Pre operative expenses Pending allocation on completion of the Mundra project is as under:**

<u>Detail of Pre-operative Expenses</u>		Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
Raw Material Consumption		6.76	5.00
Power & Fuel		7.73	17.52
Store & Spares		4.00	8.26
Salary, Wages & Othe Benefits		38.21	83.05
Contribution to PF & othe funds		1.31	1.07
Workman & Staff Welfare		4.15	5.46
Rent, Rates & Taxes		0.63	0.80
Insurance Expenses		1.44	18.33
Travelling & Conveyance		4.64	13.78
Carriage Outward		1.02	1.83
Interest and bank charges		173.11	390.57
Miscellaneous Expenses		7.04	19.53
Depreciation		1.04	1.07
Total		<u>251.08</u>	<u>566.27</u>
Less:			
Sale during trial production			(3.55)
Closing Stock of Finished good	(4.87)		(0.41)
Add: Opening Stock	0.41	(4.46)	
Add: Preoperative expenses brought forward		<u>246.62</u>	562.31
		<u>735.24</u>	185.94
Less: Capitalised during the year		<u>981.86</u>	748.25
Preoperative Expenses Carried Over		<u>972.32</u>	3.01
		<u>9.54</u>	735.24



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

**A) INSTALLED CAPACITY AND PRODUCTION**

Description	Unit	Installed capacity		Production	
		Current Year	Previous Year	Current Year	Previous Year
<b>i) SAW PIPES DIVISION-KOSI</b>					
(a) Submerged Arc Welded Steel Pipes	MT	150000	150000	67968	59483
(b) Bevelling & End Finishing	MT	40000	40000		
(c) Chamfering	MT	50000	50000		10
<b>ii) SAW PIPES DIVISION-MUNDRA</b>					
(a) Submerged Arc Welded Steel Pipes	MT	100000		37186	
<b>iii) COATING DIVISION</b>					
(a) 3 LPE/ Epoxy Coating	Sq.Mtr	2500000	2500000	746626	228539
(b) CTE	Sq.Mtr	1500000	1500000	23956	619515
<b>iv) SWASTIK FOILS COLD ROLLED DIVISION</b>					
Cold Rolled Strips (Thiner Gauge)	M.T	6000	6000	4203	5919
<b>v) NASIK DIVISION</b>					
Carbon steel seamless tubes	M.T	35000	35000		275
Spiral Pipes	M.T	100000	100000	372	9660

**NOTES**

1. The above production of Bevelling, End Finishing & Coating Division include Coating done for Pipe Division as follows:

Submerged Arc Welded Pipes Pipe Division	Unit	Current Year	Previous Year
	Sq Mtr	11496	35267

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

	Unit	Current Year	Previous Year
i) Submerged Arc Welded Steel Pipes	MT	16	57
ii) Cold Rolled Strips: Thinner Gauge	MT	2813	4270

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

**B) RAW MATERIAL**

**Description**

Steel Plates  
Semi finished pipes  
Flux and Electrods  
Cold Rolled Strips  
Coating Material\*\*  
H.R. Coils/sheets  
H.S.Round, Hollows, B  
Others

**TRADING GOODS PUR**

HR Coils  
Others

\*\*Quantity of consumption

**C) QUANTITATIVE INFO**

**Description**

Submerged Arc Welded S  
Spiral Pipes  
Cold Rolled Strips Thinner  
Carbon steel seamless tub  
Engineering Products

(includes inventory of trial  
valuing Rs 0.41 lacs)

**II OF THE**

**B) RAW MATERIAL CONSUMPTION**

Production Current Year	Previous Year	Description	Unit	Current Year		Previous Year	
				Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)
67968	59483	Steel Plates	MT	109222	18786.38	61590	10,593.02
		Semi finished pipes	MT	1929	535.10	10	1.98
	10	Flux and Electrods	MT	1308	709.45	491	366.60
		Cold Rolled Strips	MT	1448	1003.12	1759	1,357.03
		Coating Material**			2338.49		1,964.12
37186	-	H.R. Coils/sheets	MT	431	64.07	10179	1,534.65
		S.Round, Hallows, Billets etc	MT		-	72	35.93
		Others			957.12		961.46
46626	228539		MT		24,393.73		16,814.79
23956	619515	<b>TRADING GOODS PURCHASED</b>					
		HR Coils	MT		5,649.00		936.90
		Others			77.05		67.12
4203	5919				77.05		1,004.02

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

**C) QUANTITATIVE INFORMATION OF FINISHED GOODS STOCKS**

Description	Unit	Opening Stock As on 01/7/99		Closing Stock As on 30.06.2000 and Opening Stock as on 1/7/2000		Closing Stock As on 30/6/2001	
		Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)
Submerged Arc Welded Steel Pipes*	MT	3204	651.53	861	221.54	14907	2922.96
Spiral Pipes	MT	41	5.98	40	5.68	40	5.69
Cold Rolled Strips Thinner Gauge	MT	186	167.39	110	111.02	198	153.00
Carbon steel seamless tubes	MT	14	19.89	36	16.25	21	3.08
Engineering Products					81.50		
			844.59		436.99		3084.73

(includes inventory of trial run production carried to Pre-operative 36MT Valuing Rs 4.87 lacs (previous year 4 MT valuing Rs 0.41 lacs)



**D) SALES**

Description	Unit	Current Year		Previous Year	
		Qty	Amount (Rs.in lacs)	Qty	Amount (Rs.in lacs)
a) Manufactured goods					
Submerged Arc Welded steel					
Pipes	MT	91092	35523.56	61783	19098.74
Chamfering	MT		-		0.12
Cold Rolled Strips (Thinner Gauge)	MT	1302	1121.19	1725	1540.28
Carbon Steel Seamless Tubes	MT	15	21.08	253	299.61
Spiral Pipes	MT	372	76.45	9660	2057.80
Engineering Products			28.74		249.28
Scrap	MT		46.28		101.6
HR Coils	MT		-	5649	936.9
Others	MT		55.84		92.47
<b>Total</b>			<b>36,873.14</b>		<b>24,377.00</b>

**E) C.I.F. Value of Imports**

	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Raw Material	16141.29	6072.20
Stores & Spares	35.42	37.55
Capital Goods	5.40	1024.76
Trading Goods	77.05	

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

	% age	Current Year		Previous Year	
		(Rs.in lacs)		(Rs.in lacs)	
a) Raw Material					
Imported	61.27%	14945.16	34.96%	5878.92	
Indigeneous	38.73%	9448.57	65.04%	10935.87	
	100.00%	24,393.73	100.00%	16,814.79	
b) Stores & Spares					
Imported	6.29%	47.76	4.24%	37.68	
Indigeneous	93.71%	711.82	95.76%	851.15	
	100.00%	759.58	100.00%	888.83	

**G) EXPENDITURE IN FOREIGN EXCHANGE**

	Current year (Rs.in lacs)	Previous Year (Rs.in lacs)
i) Travelling	32.86	28.69
ii) Interest & Bank Charges	296.85	197.71
iii) Royalty & Technical Expenses	-	30.44
iv) Commission on Sale	206.56	11.66
v) Job Charges	52.28	-
vi) Advertisement	13.25	-
vii) Others	8.19	13.52

**EARNING IN F**

F.O.B. Value of E  
Interest

\*including Rs. 1

**REMITTANCE O**

Financial year  
No. of NRI sh  
No. of shares  
Net amount of

**BALANCE S  
SCHEDULE V**

Registration  
Capital raised  
Public issue  
Bonus Issue  
Rights Issue  
Private placem

Position of mo

Total liabilities  
Sources of Fu  
Paid up Capita  
Secured loan  
Application of

Net fixed asse  
Net current as  
Accumulated  
Performance o  
Turnover  
Profit before ta  
Earning per sh  
Dividend rate

H) EARNING IN FOREIGN EXCHANGE

Year	Previous Year		Current year (Rs. In lacs)	Previous Year (Rs. in lacs)
	Qty	Amount (Rs. in lacs)		
2000-01	61783	19098.74	5685.06	5904.99*
2001-02	1725	1540.28	265.24	227.69

\*including Rs. 1.71 lacs carried to pre-operative

REMITTANCE OF FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND:

Financial year to which dividend relates	Current year		Previous Year	
	1999-2000	1998-99	1997-98	1996-97
No. of NRI shares holders	22	22	18	18
No. of shares held	9743300	9743300	9743400	9743400
Net amount of dividend remitted (net of Tax)	97.43 lacs	97.43 lacs	Rs. 97.43 lacs	

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

Registration No. 23979 State Code 20 Balance Sheet Date 30.06.2001

Capital raised during the year	(Amount in Rs. thousands)
Public issue	Nil
Bonus Issue	Nil
Rights Issue	Nil
Private placement	Nil

Position of mobilisation and deployment of funds (Amount in Rs. In thousands)

Total liabilities	5,656,417	Total assets	5,656,417
Sources of Funds:		Reserves and Surplus	2,727,991
Paid up Capital	539,815	Un-secured loans	197,225
Secured loan	2,191,386	Investments	675,268
Application of funds:		Misc. Expenditure	17,107
Net fixed assets	2,636,080		
Net current assets	2,327,962		
Accumulated losses	NIL		
Performance of the company( Amount in Rs. in thousand)			
Turnover	4002235	Total expenditure	3961800
Profit before tax	406641	Profit after tax	293491
Earning per share (Rs)- Equity	6.91		
Dividend rate	10%		

Year	Previous Year	
	Qty	Amount (Rs. in lacs)
2000-01	61783	19098.74
2001-02	1725	1540.28
2002-03	253	299.67
2003-04	9660	2057.86
2004-05		249.26
2005-06		101.86
2006-07	5649	936.90
2007-08		92.47
2008-09		24,377.04
2009-10		
2010-11		
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2338-39		
2339-40		
2340-41		
2341-42		
23		



V Generic name of three principal products of the Company

Product description

Longitudinally Sub-merged Arc Welded Pipes

Seamless Tubes/ Pipes

Cold Rolled Strips

Spiral pipes

Item Code No

730511

730690

722020

730690

24. Previous years figures have been re-grouped/re-arranged wherever necessary necessary and practical.

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

As per our report of even date attached

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

**P.R. Jindal**  
Chairman

**Sminu Jindal**  
Managing Director

**Moosa Raza**  
**Purshottam Lal**  
**T. M. Sen**  
**Kuldip Bhargava**  
**A. J.A. Tauro**  
DIRECTORS

**G.K. AGGARWAL**  
Partner

**O.N. Gupta**  
Vice President &  
Company Secretary

**Abhay Bhargava**  
Vice President (Finance)

Place : New Delhi  
Dated : 22nd November, .2001

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED**

**PARTICULARS**

**A. CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

NET PROFIT BEFORE TAX

Adjustments for  
Add/(Less)

Depreciation

Misc. expenses written off

Amortisation of leasehold

Other income (Dividend)

Interest Paid

Loss on sale of fixed assets

Bad Debts Written off

Interest Received

**OPERATING PROFIT BEFORE TAX**

Adjustments for:-

Inventories

Sundry debtors

Other current assets

Current liabilities

**CASH GENERATED FROM OPERATING ACTIVITIES**

Tax Paid

**CASH FLOW BEFORE TAX**

Extra Ordinary items

**NET CASH FROM OPERATING ACTIVITIES**

**B. CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**

(Increase)/Decrease in

Capital expenditure

Sale proceeds of fixed assets

Loan & Advances

Misc. expenditure

Interest Received

Dividend Received

**NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES**



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE, 2001**

PARTICULARS	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
<b>A. CASH INFLOW (OUTFLOW) FROM THE OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AND ORDINARY ACTIVITY</b>	4066.41	1,183.59
Adjustments for		
Add/(Less)		
Depreciation	1292.72	1,189.12
Misc. expenses written off during the year	167.01	185.03
Amortisation of lease pertaining to previous year	24.05	
Other income (Dividend)	(19.05)	(64.91)
Interest Paid	4983.01	4,186.35
Loss on sale of fixed assets	33.49	6.78
Bad Debts Written off	12.85	619.13
Interest Received	(979.23)	(1,946.46)
	<u>5514.85</u>	<u>(1,946.46)</u>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	9581.26	5358.63
Adjustments for:-		
Inventories	(7,464.95)	(885.28)
Sundry debtors	461.31	(899.75)
Other current assets	(246.26)	158.75
Current liabilities	4878.62	2,460.30
	<u>(2,371.28)</u>	<u>2,460.30</u>
<b>CASH GENERATED FROM OPERATIONS</b>	7209.98	6,192.65
Tax Paid	(580.67)	(251.39)
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	6,629.31	5,941.26
Extra Ordinary items	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>6,629.31</u>	<u>5,941.26</u>
<b>B. CASH INFLOW/(OUTFLOW) FROM INVESTMENT ACTIVITIES</b>		
(Increase)/Decrease in Investment	(10.00)	(20.00)
Capital expenditure	(780.44)	(2,197.95)
Sale proceeds of fixed assets	20.36	34.55
Loan & Advances	(73.23)	4,283.71
Misc. expenditure	-	-
Interest Received	1342.78	1,946.46
Dividend Received	53.11	64.91
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>	<u>552.58</u>	<u>4111.68</u>

**C. CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES**

Dividend paid	(575.82)	(583.56)
Interest paid	(5,247.18)	(4,504.65)
Dividend Tax Paid	(131.13)	(65.15)
Working Capital loans from banks	2,345.64	(5,000.93)
Increase/(Decrease) in secured loan	(3347.65)	887.75
Increase/(Decrease) in fixed deposits	5.38	167.91
Increase/(Decrease) in unsecured loan	570.99	146.88
<b>NET CASH INFLOW/(OUTFLOW) USED IN FINANCING ACTIVITIES</b>	<b>(6,379.77)</b>	<b>(8,951.75)</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENT</b>	<b>802.12</b>	<b>1101.19</b>
Cash and cash equivalent as at 01.07-2000 (opening balance)	5666.66	4,565.4
Cash and cash equivalent as at 30.06.2001 (Closing balance)	6468.78	5,666.66

**NOTE :**

1. Cash and Cash Equivalent i.e. Cash and Bank Balances includes gain on fluctuation on EEFC Account.
2. Increase in secured and unsecured loans are shown net of repayments.
3. Purchase of fixed assets includes movements of Capital Work-in-progress between the beginning and end of the year.
4. Previous year's figures have been regrouped wherever necessary.

**AUDITOR'S REPORT**

We have examined the attached Cash Flow Statement of SAW PIPES LIMITED for the year ended 30th June, 2001. The statement has been prepared by the company in accordance with the requirement of clause 32 of listing agreement with Stock Exchange and is based on and derived from the Balance Sheet of the Company as at 30th June, 2001 and Profit and Loss Account for the year ended on that date of the Company covered by our report to the Members of the Company.

As per our report of even date attached

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

**P.R. Jindal**  
Chairman

**Sminu Jindal**  
Managing Director

**Moosa Raza**  
**Purshottam Lal**  
**T. M. Sen**

**G.K. AGGARWAL**  
Partner

**O.N. Gupta**  
Vice President &  
Company Secretary

**Abhay Bhargava**  
Vice President (Finance)

**Kuldip Bhargava**  
**A. J.A. Tauro**  
DIRECTORS

Place : New Delhi  
Dated : 22nd November, 2001

**STATEMENT U**

) Subsidiary Comp  
) Holding Company

) Financial Year of ended on

) Net aggregate an Company's Profit within the Compa

(i) For the Sub financial year

(ii) For the Sub previous fin it became th Subsidiary

e) Net aggregate an subsidiary Comp dealt within the C

(i) For the sub financial pe

(ii) For the sub financial pe holding Co

(f) As the financial y subsidiary Comp financial year of t Section 212(5) of 1956 is not applic

Place : New Delhi  
Dated : 22nd November



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

d)	Subsidiary Company	:	Hexa Securities & Finance Co. Ltd.
e)	Holding Company's interest	:	Holder of 2,55,00,000 Equity Shares of Rs. 10/- each out of the Subscribed capital of 2,55,00,000 Equity Shares of Rs. 10/- each
f)	Financial Year of the Company ended on	:	30th June, 2001
g)	Net aggregate amount of subsidiary Company's Profit-(Loss) not dealt within the Company's Account		
	(i) For the Subsidiary Company's financial year ended 30th June,2001	:	Loss Rs.36,40,922/-
	(ii) For the Subsidiary Company's previous financial periods, since it became the holding Company's Subsidiary	:	Loss Rs.30,50,42,970/-
h)	Net aggregate amount of the subsidiary Company's Profit/Loss dealt within the Company's account.		
	(i) For the subsidiary Company's financial period ended 30th June,2001	:	NIL
	(ii) For the subsidiary Company's previous financial period since it became the holding Company's subsidiary	:	NIL
i)	As the financial year of the above subsidiary Company coincides with the financial year of the holding Company Section 212(5) of the Companies Act, 1956 is not applicable	:	

**P. R. Jindal**  
Chairman

**Sminu Jindal**  
Managing Director

**Moosa Raza**  
**Purshottam Lal**  
**T. M. Sen**

**O. N. Gupta**  
Vice President &  
Company Secretary

**Abhay Bhargava**  
Vice President (Finance)

**Kuldip Bhargava**  
**A. J.A. Tauro**  
**DIRECTORS**

Place : New Delhi  
Dated : 22nd November, 2001

## **DIRECTORS' REPORT**

Dear Shareholders

Your Directors are pleased to present the 7th Annual Report together with the Audited Statement of Accounts for the year ended 30th June, 2001.

### **1. FINANCIAL RESULTS & DIVIDEND**

During the year under report, the Company has earned income by way of dividend amounting to Rs. 24.70 Lacs. After payment of interest on loan and other expenses, net loss for the year amounted to Rs. 36.41 Lacs as against Rs. 1140.83 Lacs in the previous year.

### **2. DEPOSIT**

In terms of NBFC (RBI) Directions 1977, there was no overdue and unclaimed deposits at the close of the year 30th June, 2001.

### **3. AUDITOR'S REPORT**

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

### **4. AUDITORS**

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

### **5. DIRECTORS**

Shri Sandip Sharma, Director of the Company retire by rotation and being eligible, offer himself for re-appointment.

### **6. OTHER INFORMATION**

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

By Order of the Board of Directors  
**For HEXA SECURITIES & FINANCE CO. LTD.**

**Sandip Sharma**  
Director

**Arvind Kiran Aggarwal**  
Director

Registered Office :  
28, Najafgarh Road,  
New Delhi-110015

Place : New Delhi  
Date : 22nd November, 2001

## **AUDITOR'S REPORT**

To,

The Members of the Company

We have audited the Accounts of the Company together with annexures for the year ended 30th June, 2001.

1. We have obtained all the information and explanations necessary for the purpose of our audit.
2. In our opinion, the Accounts appear to be correct and in accordance with the provisions of the Companies Act, 1956.
3. The Balance Sheet and Profit and Loss Account are in accordance with the Standards prescribed by the Institute of Cost Accountants of India.
5. In our opinion, the Accounts of the Company are in accordance with the provisions of the Companies Act, 1956 and the Companies (Accounts) Regulations, 1989. a) In the case of the Company, the Accounts are in accordance with the provisions of the Companies Act, 1956. b) In the case of the Company, the Accounts are in accordance with the provisions of the Companies Act, 1956.
6. As required by Section 217(1)(g) of the Companies Act, 1956, we report on the following matters as under :-
  - i) The shareholders of the Company are entitled to the dividend for the year ended 30th June, 2001, which is Rs. 24.70 Lacs. The dividend is payable to the shareholders of the Company who are entitled to it.
  - ii) The Company has not issued any Bonds or Debentures during the year.
  - iii) The Company has not issued any shares during the year.
  - iv) In our opinion, the nature and extent of the assets of the Company are in accordance with the provisions of the Companies Act, 1956.
  - v) The Company has not issued any shares during the year.
  - vi) As required by Section 217(1)(h) of the Companies Act, 1956, we report on the following matters as under :-
  - vii) The Company has not issued any shares during the year.
  - viii) No undivided profits of the Company are shown in the Balance Sheet as at 30th June, 2001.
  - ix) No part of the undivided profits of the Company has been carried forward to the next year.
  - x) The Company has not issued any shares during the year.
  - xi) As required by Section 217(1)(i) of the Companies Act, 1956, we report on the following matters as under :-

Place : New Delhi.  
Dated : 22nd November, 2001

**AUDITOR'S REPORT**

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 June, 2001, together with annexed Profit & Loss Account for the year ended as on the date and report that :-

1. We have obtained all the informations and explanation which to the best of our knowledge and belief, were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from, our examination of these books.
3. The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of accounts.  
In our opinion, the Balance Sheet and Profit and Loss Account comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956; and
5. In our opinion and to the best of our information and according to explanations given to us, the said statement of accounts read with the notes thereon appearing in schedule 'F' gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
  - a) In the case of Balance Sheet, of the State Affairs of the Company as at 30th June, 2001.
  - b) In the case of Profit & Loss account the Loss of the Company for the year ended on that date.
6. As required by the Manufacturing & Other companies (auditors Report) Order 1988 under section 227 (4A) of the companies Act, as per the information & explanations given to us during the course of our Audit, we report on the matters specified in the paragraph (4A) of the said Order as far as applicable to the Company as under :-
  - i) The shares, Debentures and Bonds in hand were physically verified by the management at the end of the year, which is considered to be at a reasonable period except share pledged. No discrepancy between physical balance and book balance was noticed. The valuation of shares, Debentures and Bonds is fair and in accordance with normally accepted accounting principles.
  - ii) The Company has taken unsecured loan from its holding Company, listed in the register maintained under section 301 and 370 (1B) of the Companies Act, 1956, the rate of interest on which is prima -facie not prejudicial to the interest of the Company.
  - iii) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under section 301 & 370 (1B) of the Companies Act, 1956.
  - iv) In our opinion there are adequate control procedures, commensurate with the size of the company and nature of its business with regard to the purchase and sale of shares, Bonds, Debentures and other assets.
  - v) The Company being a Non Banking Finance company (NBFC) Section 58A of the Companies Act, 1956 is not applicable to the Company. In our opinion the Company has complied with the directives issued by the Reserve Bank of India and rules there under for deposit.
  - vi) As regard to internal audit system, it is commensurate with the size of the Company.
  - vii) The Company is not covered under the Provident Fund Act.
  - viii) No undisputed amount payable in respect of income tax, custom duty and excise duty were outstanding as at 30th June, 2001 for a period of more than six months.
  - ix) No personal expenses has been charged to revenue account.
  - x) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other similar securities.
  - xi) As regards investments, the company has maintained proper records of transaction and contract of Shares, Securities, Debentures and other investments and timely entries have been made therein. The shares, securities, debentures and bonds etc. are held by the Company in its own name.

**For AMOD AGRAWAL & CO.**  
Chartered Accountants

Place : New Delhi.  
Dated : 22nd November, 2001

**AMOD AGRAWAL**  
Partner

**BALANCE SHEET**  
AS AT 30TH JUNE, 2001

DESCRIPTION	SCHEDULE	AS AT 30.06.2001 (Rs.)	AS AT 30.06.2000 (Rs.)
<b>SOURCES OF FUNDS</b>			
<b>I. SHAREHOLDER'S FUNDS</b>			
A) Share Capital	A	255,000,000	255,000,000
B) Inter Corporate Loan		766,157,240	707,864,851
<b>TOTAL</b>		<b>1,021,157,240</b>	<b>962,864,851</b>
<b>APPLICATION OF FUNDS</b>			
I. Investments	B	713,151,612	686,351,612
A) Current Assets, Loans & Advances			
Cash and Bank Balances	C	5,009	8,820
Loans and Advances	D	-	3,210,174
		<b>5,009</b>	<b>3,218,994</b>
B) Current Liabilities & Provisions	E	921,178	32,065,931
II. Net Current Assets (A-B)		(916,169)	(28,846,937)
III. Miscellaneous Expenditure (To the extent not written off)			
Preliminary Expenses		237,905	317,206
IV. Profit & Loss Account		308,683,892	305,042,970
<b>Total (I+II+III+IV)</b>		<b>1,021,157,240</b>	<b>962,864,851</b>
Notes To Accounts	F		

As per our Report of even date attached

For **AMOD AGRAWAL & CO.**  
Chartered Accountants

**(AMOD AGRAWAL)**  
Partner

Place : New Delhi  
Dated : 22nd November, 2001

For and on behalf of the  
Board of Directors

**(SANDIP SHARMA)**  
Director

**(ARVIND KIRAN AGGARWAL)**  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR**

DESCRIPTION

I. INCOME

Dividend

Total (I)

II. EXPENSES

Miscellaneous

Registration

Legal &

Printing

Bank Charges

Interest

Preliminary

Audit Fees

Total (II)

Profit / (Loss)

Less : Provision

Profit / (Loss)

Less : Provision

(Loss) / Profit

Notes To Accounts

As per our Report

For **AMOD AGRAWAL & CO.**  
Chartered Accountants

**(AMOD AGRAWAL)**  
Partner

Place : New Delhi  
Dated : 22nd November, 2001

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30TH JUNE, 2001**

DESCRIPTION	SCHEDULE	YEAR ENDED 30.06.2001 (Rs.)	YEAR ENDED 30.06.2000 (Rs.)
<b>I. INCOME</b>			
Dividend Received		2,470,192	3,242,120
Total (I)		2,470,192	3,242,120
<b>II. EXPENDITURE</b>			
Miscellaneous Expenses		1,000	-
Registration & Filing Fee		-	740
Legal & Professional Expenses		1,006,000	-
Printing & Stationery		-	450
Bank Charges		3,150	45,110
Interest on Inter-corporate Loan		5,009,588	117,187,523
Preliminary Expenses Written Off		79,301	79,302
Audit Fee		12,075	12,075
Total (II)		6,111,114	117,325,200
Profit / (Loss) Before Tax (I-II)		(3,640,922)	(114,083,080)
Less : Provision For Taxation		-	-
Profit / (Loss) After Tax		(3,640,922)	(114,083,080)
Less : Previous Year's Loss Brought Forward		(305,042,970)	(190,959,890)
(Loss) Carried To Balance Sheet		(308,683,892)	(305,042,970)
Notes To Accounts	F		

As per our Report of even date attached

For **AMOD AGRAWAL & CO.**  
Chartered Accountants

For and on behalf of the  
Board of Directors

(L) **(AMOD AGRAWAL)**  
Partner

**(SANDIP SHARMA)**  
Director

**(ARVIND KIRAN AGGARWAL)**  
Director

Place : New Delhi  
Dated : 22nd November, 2001

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

DESCRIPTION	SCHEDULE	AS AT	AS AT
		30.06.2001 (Rs.)	30.06.2000 (Rs.)
<b>SCHEDULE - A</b>			
<b>SHARE CAPITAL</b>			
<b>AUTHORISED</b>			
26000000 Equity Shares of Rs. 10/- each Issued Subscribed & Paid Up		260,000,000	260,000,000
25500000 equity shares of Rs. 10/- each fully paid up		255,000,000	255,000,000
		<u>255,000,000</u>	<u>255,000,000</u>

**SCHEDULE - B**

**LONG TERM INVESTMENT IN SHARES ( AT COST ) NON TRADE**

PARTICULARS	FACE VALUE	NO. OF SHARES	AS AT 30.06.2001	AS AT 30.06.2000	
			AMOUNT (Rs.)	NO. OF SHARES	AMOUNT (Rs.)
<b>Quoted</b>					
Jindal Vijaynagar Steel Limited (Rs. 10/- Paid up)	10	50,000,000	500,000,000	50,000,000	500,000,000
Jindal Steel & Power Limited	10	308,774	74,540,741	308,774	74,540,741
Jindal Strips Limited	10	463,160	111,810,871	463,160	111,810,871
<b>TOTAL</b>			<u>686,351,612</u>		<u>686,351,612</u>
<b>Unquoted</b>					
Share Application Money in Jindal Transworld Pvt.Ltd.			26,800,000		-
<b>TOTAL</b>			<u>713,151,612</u>		<u>686,351,612</u>
Aggregate Market Value of Quoted Investments			248,319,402		352,940,892
Aggregate Value of Quoted Investments			686,351,612		686,351,612

**SCHEDULE - C**

**CASH AND BANK BALANCES**

Cash in Hand		4,729	6,729
Balance with Scheduled Bank in Current Account		280	2,091
		<u>5,009</u>	<u>8,820</u>

**SCHEDULE - D**

**LOANS AND ADVANCES**

Advance recoverable in cash or in kind or for value to be received

Considered good	-	2,852,640
Prepaid Expenses	-	357,534
		<u>3,210,174</u>

**SCHEDULE - E**

**CURRENT LIABILITIES AND PROVISIONS**

Audit Fee Payable	24,150	12,075
Interest Accrued but not due	-	32,053,856
Bank Overdraft	897,028	-
	<u>921,178</u>	<u>32,065,931</u>

SCHEDULES F  
AS AT 30TH J

SCHEDULE - F

NOTES TO ACCOU

ACCOUNTING

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Schedules 'A'

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State Code  
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Public Issue  
Rights Issue  
Bonus Issue  
Private Plac  
Company S

**SCHEDULES FORMING PART OF THE BALANCE SHEET  
AS AT 30TH JUNE 2001.**

AS AT  
2000  
(Rs.)

**SCHEDULE - F**

**NOTES TO ACCOUNTS**

**ACCOUNTING POLICIES**

**GENERAL**

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

**BASIS OF ACCOUNTING**

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

**INVESTMENTS**

Long Term Investment has been stated at cost.

**PRELIMINARY EXPENSES**

Preliminary expenses are written off in ten equal annual installments.

As there is no income liable to Income Tax in Financial Year 2000-2001 relevant Assessment year 2001-2002, no provision for taxation has been made

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

Schedules 'A' to 'F' 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 Vijaynagar Steel Limited (JVSL) not to dispose off the investment in JVSL till repayment of loan by JVSL or the project undertaken by JVSL is completed whichever is later.

**Additional information Pursuant to Part IV of Schedule VI to the Companies Act, 1956**

(Rs in Thousands)

**Registration Details**

Registration No.	62930
State Code No.	55
Balance Sheet Date	30th June, 2001

**Capital Raised During the Year**

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

**HEXA SECURITIES & FINANCE COMPANY LIMITED**  
7th ANNUAL REPORT 2000-2001

III.	<b>Position of Mobilization and Deployment of funds</b>		
	Total Liabilities		10,21,157
	Total Assets		10,21,157
IV.	<b>Source of Fund</b>		
	Paid-up Capital		2,55,000
	Reserve & Surplus		
	Secured Loans		
	Unsecured Loans		7,66,157
V.	<b>Application of Funds</b>		
	Net Fixed Assets		
	Investment		7,13,152
	Net Current Assets		(916)
	Misc. Expenditure		200
	Accumulated Losses		3,08,684
VI.	<b>Performance of Company</b>		
	Turnover/Income		2,470
	Total Expenditure		61,11
	Profit/(Loss)/Before Tax		(36,41)
	Profit/(Loss)/After Tax		(36,41)
	Earning Per Share in Rs.		-
	Dividend Rate %		-
VII.	<b>Generic Name of Principal Product of Company</b>		
	(As per Monetary Terms)		
	Item Code No.		N.A.
	Product description		N.A.

As per our report of even date attached.

for **AMOD AGRAWAL & CO.**  
**CHARTERED ACCOUNTANTS**

**SIGNATURE TO SCHEDULE 'A' TO 'F'**

**AMOD AGRAWAL**  
PARTNER

**SANDIP SHARMA**  
DIRECTOR

**ARVIND KIRAN AGARWAL**  
DIRECTOR

Place : New Delhi  
Dated : 22nd November, 2001

I/We .....  
District of ...  
the above na  
of .....  
as my/our p  
on Friday th  
Kalan, Dist.  
Signed this  
Signature ...  
Address .....

N.B.: (1)  
(2)

PLEASE BR  
ENTERANC  
I/We hereby  
Area, Nardga  
Name of the S  
Name of the F  
Signature of t  
Representativ  
Note : shareh  
the gar of the  
\*Applicable fo

**NO**



# Saw Pipes Limited

Registered Office : A-1, UPSIDC Indl. Area, Nandgaon Road  
Kosi Kalan Distt. Mathura (U.P.) - 281 403

## PROXY FORM

I/We ..... of ..... in the  
District of ..... being a member/of .....  
the above named Company hereby appoint .....  
of ..... in the district of .....  
..... or failing him .....  
..... in the district of .....

as my/our proxy to attend and vote for me/us behalf at the Annual General Meeting of the Company to be held  
on Friday the 21st day of December, 2001 at 11.30 A.M. at A-1, UPSIDC Indl. Area, Nandgaon Road, Kosi  
Kalan, Distt. Mathura (U.P.)-281403 and at any adjournment thereof.

Signed this ..... day of .....

Signature .....

Address .....

Re 1/-  
Revenue  
Stamp

Folio No. ....

D.P. ID\* .....

Client ID\* .....

- N.B. : (1) The Proxy need not be a member.  
(2) The Proxy form duly signed and stamped should reach the Company's Regd. Office at least  
48 hours before the time of meeting i.e. before 11.30 a.m. on 19th December, 2001

## ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING HALL AND HAND IT OVER AT THE  
ENTERANCE

I/We hereby record my/our presence at the 17th Annual General Meeting of the Company at A-1 UPSIDC Indl.  
Area, Nandgaon Road, Kosi Kalan, Distt. Mathura (U.P.)-281403 on 21st December, 2001

Name of the Shareholder .....

Name of the Proxy/Representative, if any .....

Signature of the Shareholders/Proxy .....

Representative .....

Folio No. ....

D.P. ID\* .....

Client ID\* .....

Note : Shareholders/Proxy holders are requested to bring their Attendance Slips with them and to hand over at  
the gate of the Meeting Hall after affixing their signature.

\*Applicable for investors holding shares in electronic form.

## Saw Pipes Limited

Registered Office : A-1, UPSIDC Indl. Area, Nandgaon Road  
Kosi Kalan Distt. Mathura (U.P.) - 281 403

**NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.**

**Saw Pipes Limited**

Registered Office: A-1, U.P.S.I.C. Road, Najafgarh Road,  
New Delhi-110015. Telephone: 281-405

**PROXY FORM**

I, the undersigned, being a member of the above named Company hereby appoint \_\_\_\_\_ in the district of \_\_\_\_\_ at \_\_\_\_\_ to attend and vote for me at the Annual General Meeting of the Company to be held on \_\_\_\_\_ at 11:30 A.M. at A-1, U.P.S.I.C. Road, Najafgarh Road, New Delhi-110015. I hereby authorize the said proxy holder to do all such acts and things as he may think fit to do in connection with the business of the Company to be transacted at the said meeting.

Signature of Member: \_\_\_\_\_  
 Name of Member: \_\_\_\_\_  
 Address: \_\_\_\_\_



**BOOK - POST**

**ATTENDANCE SLIP**

THE UNDERSIGNED CERTIFIES THAT HE HAS ATTENDED THE MEETING HELD AND PARTICIPATED THEREIN ON \_\_\_\_\_ AT \_\_\_\_\_ O'CLOCK P.M. AT THE REGISTERED OFFICE OF THE COMPANY AT A-1, U.P.S.I.C. ROAD, NAJAFGARH ROAD, NEW DELHI-110015.

Name of Member: \_\_\_\_\_  
 Address: \_\_\_\_\_

**Saw Pipes Limited**

Registered Office: A-1, U.P.S.I.C. Road, Najafgarh Road,  
New Delhi-110015. Telephone: 281-405

NO GIFTS WILL BE DISTRIBUTED AT THE A.G.M.

*If undelivered, please return to :*  
**Share Department**

**SAW Pipes Limited**

28, Najafgarh Road,  
New Delhi-110015