

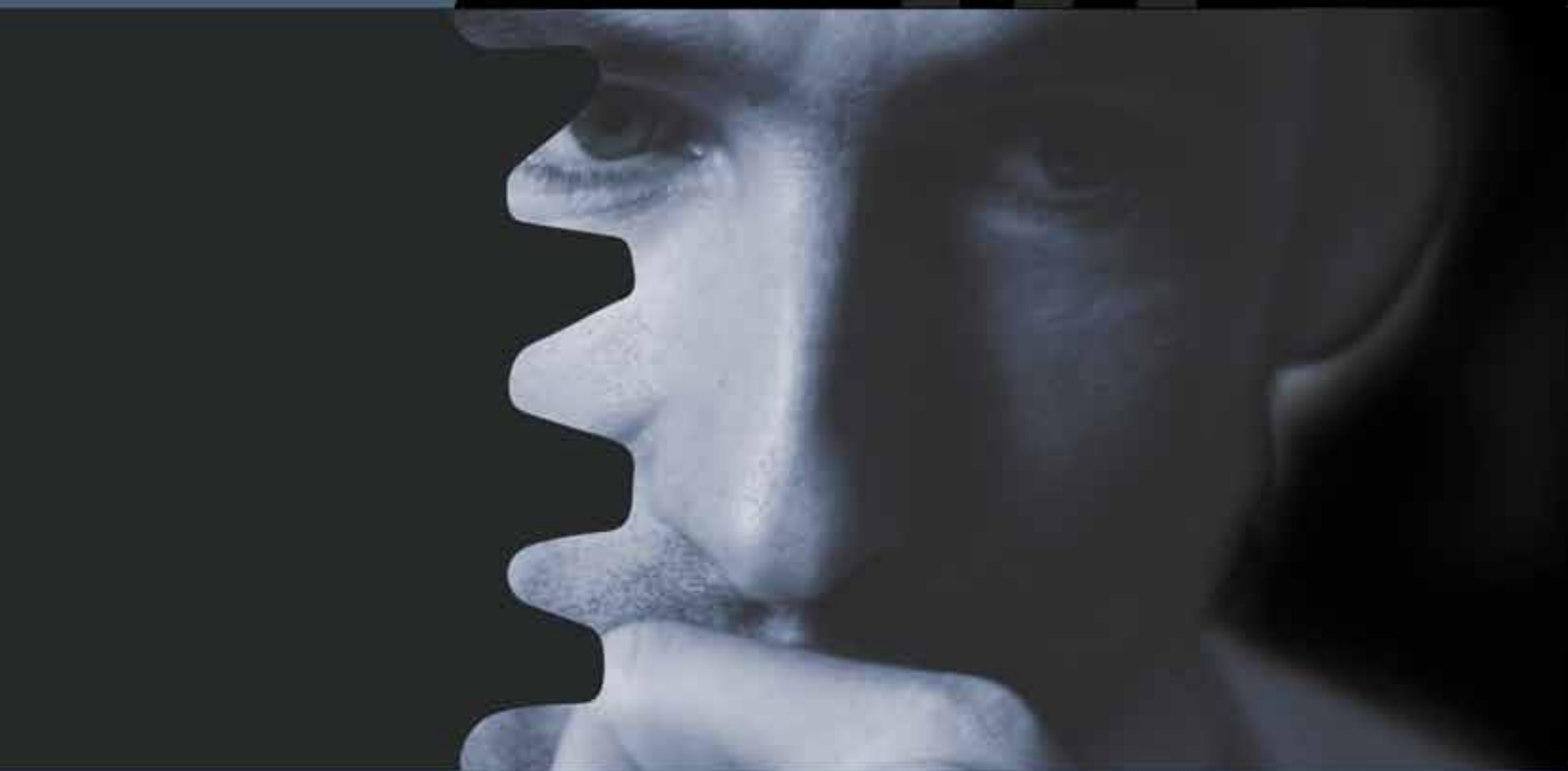
Conquering all Odds...

ANNUAL REPORT 2012-13




**MAHARASHTRA SEAMLESS LIMITED**

# Combating adversities



By implementing highly competitive  
Lean Manufacturing Strategies,  
effective Cost Cutting measures and  
strict Quality Control practices,  
Maharashtra Seamless Limited (MSL) has sailed right  
through the challenging phases.





A look back at the Financial Year 2012-13 suggests that it was a year of challenges. The slowdown in the domestic economy and continued dumping of pipes in the Indian market resulted in a steep decline in the demand and order inflow. But MSL as always, took the challenges head-on and managed to sustain its position as a leading player in the market.

**MSL, the Seamless & ERW pipes and tubes manufacturing giant acted responsibly towards its shareholders' interest while demonstrating that only the fittest survives in this industry.**

Investing in possibilities





Going beyond the conventional ways of doing business, MSL has diversified into generating energies from renewable sources- a better sustainable business interest, serving the eco-system as well.

MSL strives to operate responsibly and profitably. It takes steps towards lowering down the use of energies which cannot be replenished. The 7 MW Wind Power generation plant at Satara, Maharashtra and the 5 MW Solar Power project located at Pokaran, Rajasthan allotted under Jawahar Lal National Solar Mission are two successfully running projects empowered by Maharashtra Seamless Limited.


**Advantages of Power Division:**

- \*  
Environment friendly 'Green Power'
- \*  
100% accelerated depreciation
- \*  
Sales Tax benefit




# Renewing initiatives





MSL takes steps towards its advancement by strengthening value addition and product line extension.



Increasing its total capacity to manufacture Seamless pipes to 550,000 TPA, the Company has set up another 200,000 TPA 6" Seamless pipe plant near Mangaon (Maharashtra), which uses MPM Technology to provide good quality and higher productivity. This state-of-the-art facility not only manufactures Drill Pipes, but it is also capable of manufacturing high thickness as well as long length pipes. This would open new horizons for the company to broaden its product offering for Oil & Gas, Boiler and Automobile segment.

Enriching lives





Much beyond the parameters of profit and loss, MSL takes up the task of giving back to the society by means of ensuring sustainable development of its employees, the society and the environment it operates in.



## Welfare of the people



### Within the organization

The Company strongly believes that its true strength lies in its workforce. That is why, Maharashtra Seamless Limited considers one of its main priorities to support its employees in climbing the ladder of success according to their individual aspirations and potential. The right approach to training, performance evaluation and capability development helps the Company to prepare its team against the ever-changing market realities.

### Around the organization

Corporate Social Responsibility (CSR) is a vital part of the Company's operations. Various CSR programs of the Company are undertaken to pursue a corporate strategy that enables realization of the twin goals of shareholders' value enhancement and societal value creation in a mutually reinforcing manner. Regular initiatives are taken to improve the Health, Education and Environmental standards in nearby villages. The Company also encourages the development of human capital of the nation by expanding human capabilities through skills development, vocational training and much more.

# Chairman's Statement



**D.P. Jindal**

Chairman- D.P. Jindal Group

Dear Shareholders,


It gives me immense pleasure to express my deepest gratitude to our shareholders, customers, business associates, bankers and employees for their continued support to your Company. As you know, 2012-13 was a challenging year for the Indian economy. Most of the economic parameters have looked concerning as rising inflation and stiff interest rates have stifled growth. There has been a marked slowdown in FDI which has put pressure on rupee and further contributed to uncertainty in business confidence. Some of the large expected investments have either been dropped or just fizzled out. This has been a setback of huge proportions and has sent disturbing signals to the world at large.

While the US economy has stabilised with the aggressive monetary policy of the US Federal Reserve, Europe continued to struggle with high unemployment and low growth rates. There are growing signals that US may not see another round of Quantitative easing which has caused grave concerns to emerging markets like India. Stiff Oil prices and currency devaluation have further burdened the dwindling foreign exchange reserves of imported oil dependent countries like India.

The year saw a perceptible slowdown in the Indian economy coupled with sluggish investment scenario. Various international credit agencies have reduced Indian growth forecast to 5.0% for the current year, which came as a setback to an otherwise promising economy. Indian industry is nervous and anxiously waiting for the Government of India to take some pro-growth policy measures to put Indian economy back on track. It is imperative that the country boosts up domestic manufacturing sector which has traditionally been the backbone of Indian economy. Unfair and injurious trade practice of dumping of goods has devastated domestic manufacturing industry and caused irreparable damage to Indian dominance in quality manufacturing.

## **Steel Pipe Scenario**

I am proud to state that despite these uphill challenges, your Company has been successfully working hard without losing its focus on sustaining excellence. The year saw another bout of severe slowdown in seamless pipe demand due to indefinite postponement of large infrastructure projects. Along with the industry, your Company also faced stiff competition from unfair dumping. It is unfortunate that despite several appeals



for imposition of anti-dumping duties, the response from the Government has been inadequate. Your Company hopes that the Government will take urgent note of the deteriorating health of the seamless pipe industry due to unfair dumping and take corrective measures. Your company is hopeful of an early affirmative action from the Government of India.

#### **Key Financial Parameters of MSL in last year**

Your Company has been successful in navigating its way through difficult times with its prudent finance policy and was able to minimize damage due to unprecedented market slowdown. Your Company will continue to operate with optimum cost structure as there may be more difficult times ahead for the Indian seamless pipe industry. Your company will regularly review and take appropriate steps to prepare for external shocks and is optimistic of delivering reasonable reward to its stakeholders even in these adverse conditions.

During the year, the Company achieved a turnover of ₹ 1722 Crore against ₹ 2292 Crore during last year. The profit for the year being ₹ 153 Crore as against ₹ 311 Crore in the last year.

#### **Growth & Expansion**

Slowdown is an opportunity for introspection and to look at options for overcoming adversities. Your Company has been reducing wasteful expenses and has made itself a more efficient corporate. Your Company has reduced costs without compromising on efficiency and productivity. There has been a renewed focus on product development and aggressive search for new markets. Your Company has ventured into new export market and is working closely with large global Oil & Gas corporates for vendor registration. Your Company is making all efforts to minimize bottlenecks in production process and has made fresh investment on state-of-the-art quality testing equipment.

#### **Human Resources**

Even as most of the corporates have been cutting down on manpower, your Company has been careful in any such exercise. While your Company has rationalized head counts in non-essential areas, it continues to invest in upgrading knowledge of its quality manpower. Your Company is proud of its committed team of employees and feels that their

contribution to the success of the Company must be duly recognized and appreciated.

#### **Valued Customers**

Your Company is proud of its valued customers who have stood by us in all times and have been the source of strength in tough times. Your Company stands for world-class quality and customer satisfaction. New investments were made in R&D to improve quality and provide new value-added products to customers. During the year, several new development orders were successfully executed, thus confirming your Company's ability to be a leader in innovation.

#### **Corporate Social Responsibility**

Your Company is conscious of its responsibility towards the society and the country. New initiatives in imparting education to less privileged and creating employment opportunities for women were introduced during the year. Your Company recognizes its responsibility towards the eco system. It will further invest in improving quality of life in surrounding villages and partner with local administration in social welfare initiatives.

#### **Information Technology**

Technology is a key driver in future growth of your Company and is a high priority area. Your Company is striving to build an integrated platform for customers, employees and other stakeholders. This initiative will help us build an efficient supply chain and give competitive advantage. This and several other initiatives have helped your Company to be more responsive to market and give higher customer satisfaction.

#### **Corporate Governance**

Your company believes in complete compliance with corporate governance laws and has zero tolerance towards any compromise. Dedicated internal and external audit teams ensure that best accounting practices are followed in both letter and spirit. Your Company has always stood for shareholders' value maximization and will always take proactive steps for fulfilling its promise of transparency and law compliance.

Thank you,

**D. P. Jindal**



# Message from the Managing Director



**Saket Jindal**  
Managing Director

Dear Shareholders,

It has been a very competitive year and we have still managed to stay above the competition.

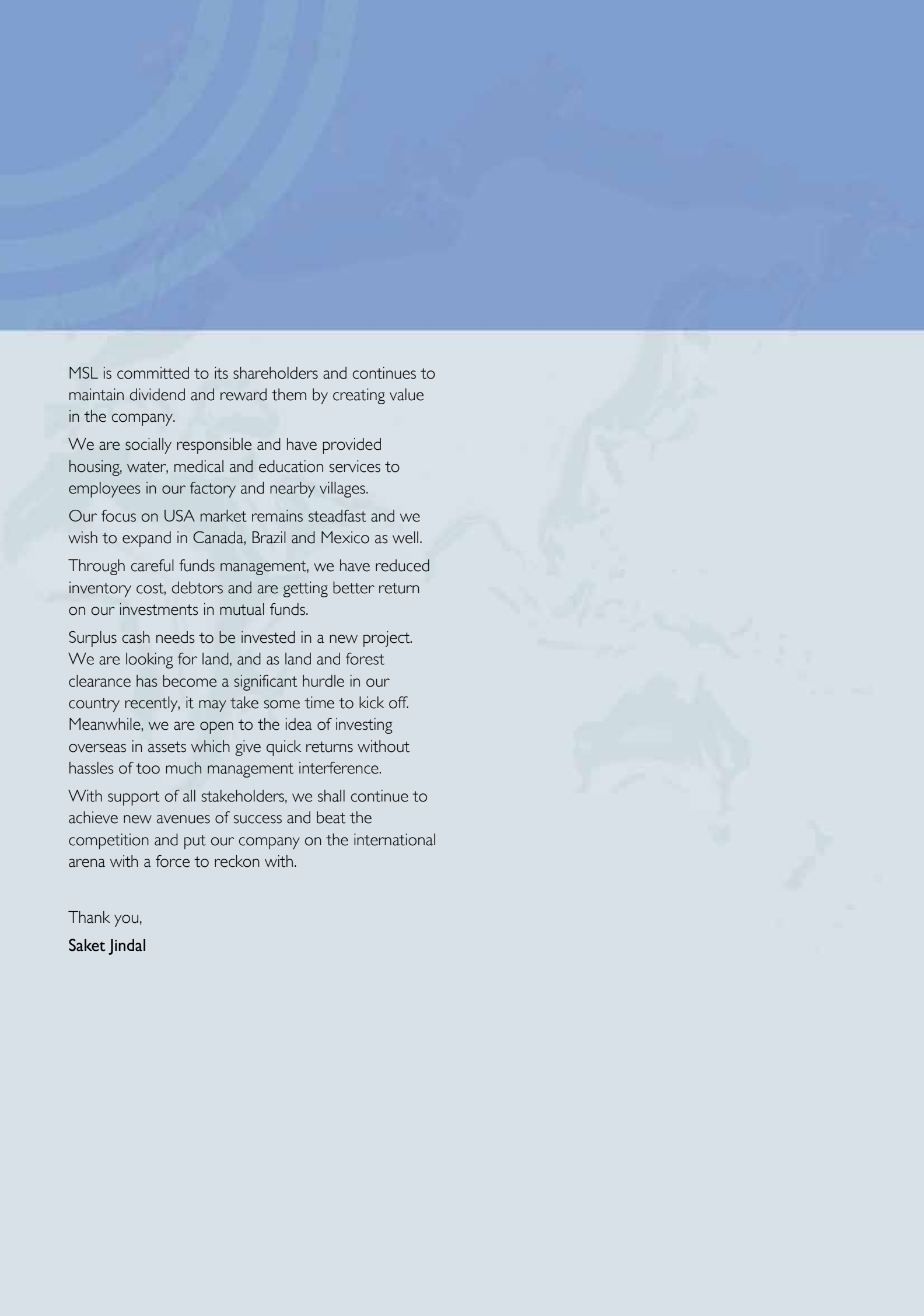
We have managed to do cost cutting and boost employee morale and also improved our systems and processes.

Our IT systems are being revamped and we are lobbying with the government to give protection against imports which are coming into the country at dumping prices.

Our solar project is giving consistent results and we may expand in this sector. Renewable energy has a promising future and gives us mileage in terms of Corporate Social Responsibility.

Our capacity expansion in seamless should give dividends when the market picks up. Currently, due to lack of stability in government policy and lack of foreign investment, the demand for our product is lacklustre. We are exploring more markets overseas to tap new customers as we are getting better realisations because the exchange rate favouring us now.





MSL is committed to its shareholders and continues to maintain dividend and reward them by creating value in the company.

We are socially responsible and have provided housing, water, medical and education services to employees in our factory and nearby villages.

Our focus on USA market remains steadfast and we wish to expand in Canada, Brazil and Mexico as well.

Through careful funds management, we have reduced inventory cost, debtors and are getting better return on our investments in mutual funds.

Surplus cash needs to be invested in a new project. We are looking for land, and as land and forest clearance has become a significant hurdle in our country recently, it may take some time to kick off. Meanwhile, we are open to the idea of investing overseas in assets which give quick returns without hassles of too much management interference.

With support of all stakeholders, we shall continue to achieve new avenues of success and beat the competition and put our company on the international arena with a force to reckon with.

Thank you,

**Saket Jindal**

## Selected Financial Indicators of Last 10 Years

Particulars		2004	2005	2006	2007	2008	2009	2010*	2011	2012	2013
Gross Turnover	(Rs. Lacs)	55,529	86,724	1,07,695	1,51,961	1,64,037	2,18,351	1,69,122	1,88,741	2,42,820	1,83,782
EBIDTA	(Rs. Lacs)	10,031	12,851	20,801	34,101	29,762	34,244	39,990	42,331	39,129	17,053
PBT	(Rs. Lacs)	10,507	12,624	20,685	35,269	30,190	38,503	43,109	49,373	44,258	19,774
PAT	(Rs. Lacs)	7,146	8,488	13,960	23,384	19,522	25,784	28,459	34,166	31,073	15,332
Gross Block (including WIP)	(Rs. Lacs)	26,709	32,768	35,303	37,416	44,321	51,441	1,39,084	1,50,008	1,63,593	1,68,703
Net Block	(Rs. Lacs)	21,970	26,992	28,075	28,579	33,746	39,064	1,20,783	1,25,758	1,33,257	1,30,670

Equity Share Capital	(Rs. Lacs)	2,882	2,882	2,882	3,497	3,527	3,527	3,527	3,527	3,527	3,527
Reserves & Surplus	(Rs. Lacs)	21,527	28,399	38,509	88,913	1,05,814	1,27,472	2,25,230	2,50,389	2,72,454	2,78,745
Net Worth	(Rs. Lacs)	24,409	31,281	41,391	92,410	1,09,341	1,30,999	2,28,757	2,53,916	2,75,981	2,82,272
Book Value	(Rs.)	85	109	144	132	155	186	324	360	391	400
Equity Dividend	(Rs. Lacs)	1,153	1,441	2,132	3,720	3,527	3,527	4,232	4,232	4,232	4,232
Dividend on Equity Shares	%	40	50	70	110	100	100	120	120	120	120
Dividend Per Share	(Rs.)	4.00	5.00	7.00	5.50	5.00	5.00	6.00	6.00	6.00	6.00
Earning Per Share	(Rs.)	23.72	29.54	48.26	38.38	27.70	36.56	40.35	48.44	44.05	21.74

\* Figures from the year 2010 onwards have been computed after considering the impact of Revaluation of Fixed Assets.

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## **BOARD OF DIRECTORS**

D.P. JINDAL	Chairman
SAKET JINDAL	Managing Director
U.C. AGARWAL	
P.N. VIJAY	
SANJEEV RUNGTA	
N.C. JAIN	
S.P. RAJ	Wholetime Director

## **AUDIT COMMITTEE**

U.C. AGARWAL	Chairman
D.P. JINDAL	
SANJEEV RUNGTA	
N.C. JAIN	

## **CFO**

RAVI GUPTA

## **VP & COMPANY SECRETARY**

D.C. GUPTA

## **AUDITORS**

Kanodia Sanyal & Associates  
New Delhi

## **BANKERS**

State Bank of Patiala  
State Bank of Bikaner & Jaipur  
Standard Chartered Bank  
HDFC Bank Limited  
ICICI Bank Limited  
Yes Bank  
State Bank of India  
Corporation Bank  
Kotak Mahindra Bank  
Axis Bank  
Citi Bank, N.A.  
The Bank of Nova Scotia

## **REGISTERED OFFICE**

Pipe Nagar, Village-Sukeli,  
N.H. 17, B.K.G. Road, Taluka Roha,  
Distt. Raigad - 402 126, Maharashtra

## **HEAD OFFICE**

2nd Floor, 5 Pusa Road,  
New Delhi-110 005

## **CORPORATE OFFICE**

Jindal Corporate Centre  
Plot No. 30, Institutional Sector 44,  
Gurgaon - 122 002, Haryana

## **MUMBAI OFFICE**

402, Sarjan Plaza,  
100, Dr. Annie Besant Road,  
Opp. TELCO Showroom,  
Worli, Mumbai - 400 018

## **KOLKATA OFFICE**

Sukhsagar Apartment,  
Flat No. 8A, 8th Floor,  
2/5, Sarat Bose Road,  
Kolkata - 700 020

## **CHENNAI OFFICE**

3A, Royal Court,  
44, Venkatanarayan Road,  
T. Nagar, Chennai - 600 017

## **WORKS:**

### **1. SEAMLESS & ERW PIPES**

- Pipe Nagar, Village-Sukeli,  
N.H. 17, B.K.G. Road, Taluka  
Roha,  
Distt. Raigad - 402 126,  
Maharashtra
- D 114, Industrial Area,  
Vile Bhagad, Taluka Mangaon,  
Distt. Raigad, Maharashtra

### **2. WIND POWER:**

Village Nivkane, Taluka Patan,  
Distt. Satara, Maharashtra

### **3. SOLAR POWER:**

Pokaran, Distt.- Jaisalmer,  
Rajasthan

**Website: [www.jindal.com](http://www.jindal.com)**





## NOTICE

Notice is hereby given that the 25th Annual General Meeting of the members of Maharashtra Seamless Limited will be held on Monday, the 30th September, 2013 at 10.30 A.M. at the Registered Office of the Company at Pipe Nagar, Village-Sukeli, N.H. 17, B.K.G. Road, Taluka Roha, Distt. Raigad - 402 126, Maharashtra to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March 2013 and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares
3. To appoint a Director in place of Shri Sanjeev Rungta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Kanodia Sanyal & Associates, Chartered Accountants, New Delhi as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
"RESOLVED that Shri Naresh Chand Jain, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, from a member, proposing his candidature be and is hereby appointed as Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:  
"RESOLVED that Shri P.N.Vijay, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956, from a member, proposing his candidature be and is hereby appointed as Director of the Company, liable to retire by rotation."

By order of the Board

Place : Gurgaon  
Dated : 8th August, 2013

**D.C. GUPTA**  
Vice President &  
Company Secretary

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.  
Form of proxy is separately annexed. The proxy must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
3. Members / Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting as also the Attendance Slip duly filled in for attending the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 6th September, 2013 to 9th September, 2013 (both days inclusive) for the purpose of ascertaining the shareholders entitled to dividend, if declared, at the ensuing Annual General Meeting. Dividend on shares, when declared, will be paid to those members whose names are registered as such in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 5th September, 2013 and to the Beneficial Holders as per the Beneficiary List as on 5th September, 2013, provided by the NSDL and CDSL. Subject to the provisions of 206A of the Companies Act, 1956, Dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or after 5th October, 2013.
5. Members holding shares in electronic form may please note that as per the regulations of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Company is obliged to print the bank details on the dividend warrants as furnished by these Depositories and the Company cannot entertain any request for deletion / change of bank details already printed on dividend warrants as per information received from the concerned Depositories. In this regard, Members should contact their Depository Participant (DP) and furnish particulars of any changes desired by them.
6. In accordance with the provisions of the Companies Act, 1956, the amount of dividend which remains unpaid or unclaimed for a period of 7 years are to be transferred to the Investor Education and Protection Fund constituted by the Central Government and shareholders are not able to claim any amount of dividend so transferred to the Fund.



Details of dividend declared for the financial years from 2005-06 onwards are given below:

Year	Date of Declaration	Dividend(%)	Per share (Rs.)
2005-06	29.09.2006	70	3.50
2006-07 (1st interim)	07.09.2006	30	1.50
2006-07(Ind interim)	16.03.2007	50	2.50
2006-07(Final)	28.09.2007	30	1.50
2007-08	27.09.2008	100	5.00
2008-09	29.09.2009	100	5.00
2009-10	30.09.2010	120	6.00
2010-11	30.09.2011	120	6.00
2011-12	28.09.2012	120	6.00

Shareholders who have not yet encashed their dividend warrants are requested in their own interest to claim the outstanding dividend before it falls due for transfer to the aforesaid Fund.

7. National Electronic Clearing Service (NECS) Facility:

(a) Members holding shares in physical form who wish to avail NECS facility may authorize the Company with their NECS mandate in the prescribed form, which can be downloaded from the Company's website [www.jindal.com](http://www.jindal.com) or can be obtained from the Corporate Office of the Company. Requests for payment of dividend through NECS should be lodged latest by 14th September, 2013 at the Corporate Office the Company at Plot No. 30 Institutional Sector - 44, Gurgaon – 122002 (Haryana).

(b) Members holding shares in demat form who wish to avail NECS facility, may send mandate in the prescribed form to their respective Depository Participants.

8. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at its Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.

9. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Shri Sanjeev Rungta	Shri Naresh Chand Jain	Shri P.N.Vijay
Age	53 Years	59 Years	62 Years
Qualifications	B. S. (Mech. Engineering)	Michigan, USA B.Sc.	M. Sc.
Expertise in specific functional area operations and	Wide experience in overall Having wide business experience management of chemical, engineering and textile industries.	Wide experience in Media, Finance and other Business activities.	Leading Investment Banker with wide experience in Domestic and International Banking and Finance
Date of appointment as Director of the Company	03.08.2011	08.04.2013	08.08.2013
Directorship of other Companies	- Zenith Fibres Ltd. - Essare Engineering Pvt. Ltd. - Zenith Ropes Pvt. Ltd.	NIL	- P N Vijay Financial Services Pvt. Ltd. - ILearn Finance Academy Pvt. Ltd. - Dabur India Ltd. - Reed Relays & Electronics India Ltd.
Chairman/Member of Committees of other Companies	Member, Audit Committee and Shareholders' Grievance Committee of Zenith Fibres Ltd.	NIL	Chairman, Audit Committee, Shareholders' Grievance Committee and Remuneration cum Compensation Committee of Dabur India Ltd.
No. of shares held	NIL	NIL	NIL
Inter-se relationship with other Directors	None	None	None



10. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names recorded in the Register of Members will be entitled to vote. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
11. All documents referred to in the notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on any working day upto the date of Annual General Meeting and also at the meeting.

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

**Item no. 5.**

Shri Naresh Chand Jain was co-opted as an Additional Director of the Company on 8th April, 2013. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, under Section 257 of the Companies Act, 1956, from a member, proposing the candidature of Shri Naresh Chand Jain for the office of Director, liable to retire by rotation. None of the Directors except Shri Naresh Chand Jain himself may be deemed to be concerned or interested in the proposed resolution.

The Directors recommend the resolution for your approval.

**Item no. 6.**

Shri P.N. Vijay was co-opted as an Additional Director of the Company on 8th August, 2013. Pursuant to Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. The Company has received a notice, under Section 257 of the Companies Act, 1956, from a member, proposing the candidature of Shri P.N. Vijay for the office of Director, liable to retire by rotation.

None of the Directors except Shri P.N. Vijay himself may be deemed to be concerned or interested in the proposed resolution.

The Directors recommend the resolution for your approval.

By order of the Board

Place : Gurgaon  
Dated : 8th August, 2013

**D.C. GUPTA**  
Vice President &  
Company Secretary

**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present the 25th Annual Report along with Audited Accounts of the Company for the year ended 31st March 2013.

**FINANCIAL RESULTS**

The highlights of the financial results are as under:

	Year Ended 31.03.2013	Year Ended 31.03.2012
		(₹ in Crore)
<b>Revenue from Operations</b>	<b>1722.02</b>	2291.69
Depreciation	<b>36.53</b>	20.08
<b>Profit Before Tax</b>	<b>197.74</b>	442.58
Provision for Taxation		
- Current/Earlier Years	<b>37.57</b>	117.28
- MAT Credit	<b>(4.25)</b>	-
- Deferred	<b>11.10</b>	14.56
<b>Profit after Tax &amp; Adjustments</b>	<b>153.32</b>	310.73
Balance brought forward from previous year	<b>107.67</b>	96.12
Profit available for appropriations	<b>260.99</b>	406.85
<b>Appropriations:</b>		
Proposed Dividend	<b>42.32</b>	42.32
Dividend Distribution Tax	<b>7.19</b>	6.86
Transfer to General Reserve	<b>50.00</b>	250.00
Balance carried to Balance Sheet	<b>161.48</b>	107.67
	<b>260.99</b>	406.85

**DIVIDEND**

Your Directors are pleased to recommend a dividend of ₹ 6/- ( 120 %) per equity share of ₹ 5/- each for the year ended 31st March, 2013.

The proposed dividend including Dividend Distribution tax will absorb ₹ 49.51 Crore.

**RESULTS OF OPERATIONS**

Revenue from Operations during the year was ₹ 1722.02 Crore against ₹ 2291.69 Crore in the previous year. Profit before tax for the year was ₹ 197.74 Crore as against ₹ 442.58 Crore in the previous year. Profit after tax and adjustments for the year was ₹ 153.17 Crore as against ₹ 310.73 Crore in the previous year.

The operations, during the year were adversely affected due to voluminous imports at lower prices from other countries, which still continues unabated.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report.





## SUBSIDIARY COMPANIES

Your Company, during the year under review had two wholly owned subsidiaries, namely Maharashtra Seamless (Singapore) Pte. Ltd., Singapore and Maharashtra Seamless Finance Ltd. Another wholly owned subsidiary namely, Discovery Oil & Mines Pte. Ltd., Singapore was established during the current year.

The minutes of the Board meetings as well as statements of all significant transactions of the subsidiary companies are placed before the Audit Committee/ Board of Directors for its review.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the Subsidiary Companies are not being attached with the Balance Sheet of the Company. However the financial information of the Subsidiary Companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual accounts of the Subsidiary Companies and the related detailed information to any member of the Company on requisition. The Annual accounts of the Subsidiary Companies will also be kept open for inspection at the registered office of the Company and that of the respective Subsidiary Companies. The Consolidated Financial Statements presented by the Company include the financial results of the Subsidiary Companies.

## DIRECTORS

Shri Sanjeev Rungta, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Shri D. K. Parikh ceased to be the Director of the Company consequent to his sad demise on 28th November, 2012. The Board puts on the record its appreciation of the valuable contribution made by him during his tenure as Director of the Company.

The Board has appointed Shri Naresh Chand Jain and Shri P. N. Vijay as Additional Directors of the Company on 8th April, 2013 and 8th August 2013 respectively. They hold office upto the date of the ensuing Annual General Meeting. Notices pursuant to Section 257 of the Companies Act 1956 have been received proposing their appointment as Directors. Items seeking your approval on the above are included in the notice convening the Annual General Meeting.

## DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2013, the applicable accounting standards had been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken 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; and
- (iv) that the Annual Accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

## BUY BACK OF SHARES

The Board of Directors at its meeting held on 8th April, 2013 had approved buy back of shares of the Company through open market purchase for an amount upto ₹100 Crore at a maximum price of ₹ 300/- per share, which would positively affect Earning per share and Book Value of Company's shares, thereby enhancing shareholders value.

## CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report along with Auditors' Certificate regarding compliance of conditions of Corporate Governance has been annexed as part of this Annual Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your company's performance is discussed in the Management Discussion and Analysis Report which forms part of this Annual Report.



## **AUDITORS**

M/s. Kanodia Sanyal & Associates, Chartered Accountants, the retiring Auditors, hold office until conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment.

The observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts.

## **COST AUDIT**

In conformity with the directives of the Central Government, the Company has appointed R.J. Goel & Co. Cost Accountants as Cost Auditors under Section 233B of the Companies Act, 1956, for audit of cost accounts of the Company for the year ending 31st March, 2014.

## **FIXED DEPOSITS**

The Company has not accepted any Deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto.

## **PARTICULARS OF EMPLOYEES**

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to shareholders of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

## **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the assistance and co-operation received from Central Government, State Government of Maharashtra and all other Government agencies, ONGCL, Oil India, other PSUs, Banks, Insurance Companies, Credit rating agencies and Stakeholders.

Your Directors wish to place on record their deep sense of appreciation for the devoted contribution made by the employees at all levels.

**For and on Behalf of the Board**

Place : Gurgaon  
Dated : 8th, August, 2013

**D.P. JINDAL**  
Chairman



## **ANNEXURE TO DIRECTORS' REPORT**

INFORMATION AS PER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2013

### **A. CONSERVATION OF ENERGY**

#### **a) Energy Conservation measures taken:**

1. Use of Fuel Additives are being continued for heavier oil to have proper combustion and also to have a controlled process parameters and fuel oil savings.
2. Additional Frequency Variable Drives added in seamless mill to reduce the power consumption
3. Open access power getting used from JSW energy.

#### **b) Additional investments and proposals, if any being implemented for reduction of consumption of energy**

Harmonic filters with LT capacitor added in ERW to improve power factor - Action taken to implement further in 7" Mill

#### **c) Impact of measures at a & b above for reduction of energy consumption and consequent impact on the cost of production of the goods.**

The measures taken by the Company and the proposed measures will result in reduction of energy consumption and subsequent reduction in cost of production

#### **d) Total energy consumption and energy consumption per unit of production.**

As per Form-A annexed.

### **B. TECHNOLOGY ABSORPTION**

- Induction heating system to preheat the MPM mandrel in 6" pipe mill installed and regular in use instead of conventional flame /hot hollow heating.
- Induction heating system installed to heat the welded area and also to do the heat treatment after welding and quenching are added in drill pipe section

A chain conveyor system added on the pipe varnish area to improve the quality of varnish coating by replacing the old roller conveyor system

Steel Pipe Grade P5 in smaller diameter has been successfully rolled in 6" pipe mill.

### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

The Company is thrusting on export business in view of conducive market conditions overseas specially in South America and Canada. Even during recession period, our continuous efforts have been to produce quality products through our quality control systems and regular R & D and to reduce cost of production and make it available at competitive prices.

This also results in substantial foreign exchange earnings and also in import substitution and conservation of valuable foreign exchange.

Total foreign exchange used and earned

Used - ₹483.51 Crore

Earned\* - ₹279.90 Crore

\* Supplies to Oil Sector by the Company results in import substitution & consequent saving of substantial Foreign Exchange for the country.



**FORM A**  
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO:**

**CONSERVATION OF ENERGY**
**A. POWER AND FUEL CONSUMPTION**

	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
1.	<b>Electricity Purchased</b> Units (KWH in lacs)* Total Amount (₹ In lacs) Rate Per Unit (₹) *Includes 85.80 lac (previous year 92.94 lac) units generated by Wind Power Mill of the Company.	787.00 5984.50 7.60	807.04 5749.89 7.12
2.	<b>Fuel Consumption</b> a) <b>LDO/Furnace Oil</b> Quantity (KL) Total Amount (₹ in lacs) Average Rate per KL (₹) b) <b>HSD</b> Quantity (KL) Total Amount (₹ in lacs) Average Rate per KL (₹) c) <b>LPG</b> Quantity (MT) Total Amount (₹ in lacs) Average Rate Per MT (₹)	27361.08 12504.20 45700.68  243.47 133.24 54725.43  146.24 92.07 62958.15	32405.15 13715.39 42324.72  229.52 123.15 53655.45  200.53 97.75 48745.82
3.	<b>Other/Internal generation/Wind Power (Kwh in lacs)</b>	95.75	104.25

**B. CONSUMPTION PER UNIT OF PRODUCTION**

a)	<b>SEAMLESS PIPES (MT)</b> Electricity (Units) LDO/Furnace Oil (KL) HSD (KL) LPG (MT)	339.452 0.135 0.001 0.001	259.315 0.120 0.001 0.001
b)	<b>ERW PIPES (MT)</b> Electricity (Units) HSD/Furnace Oil (KL)	119.839 0.001	89.325 0.003

Note: The figures are re-grouped/re-arranged wherever considered necessary.



## FORM B FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO:

### RESEARCH AND DEVELOPMENT (R&D)

#### I. Specific areas in which R&D carried out by the Company

- i) The production tooling of plug mill with new chemistry and heat treatment are further developed yielding good results by improving the life of the tools, quality of pipes and pipe rejections have come down. Cost of tools / MT pipe production has been reduced substantially.
- ii) R&D activities of the Company remained centered around the development of new products, improvement of existing products and processes, problem solving, cost reduction, and as well as energy conservation & pollution control.

#### Activities carried out during the year:

Development and modifications during the year

- \* Many more efforts and studies have been made to improve further on the new chemistry and heat treatment to improve the life and surface finish of work plug (Hot rolling mill tooling) yielding good results.  
Finally established the new material for the plugs, which in turn improved the quality of the pipes and reduced the pipe rejections, and ultimately improved the productivity
- \* Higher diameter seamless steel pipes of Dia 18" and 20" were developed and which is in regular production.
- \* An indigenous in-house developed ID grinding machine has been installed to improve the ID surface of thick wall seamless pipes and to reduce rejection
- \* Coolant effluent treatment plant has been updated to have an effective treatment of the effluent as per the latest norms and is working regularly.
- \* 4 ½" tubing development completed

#### On the yield programme

- \* Considerable studies and efforts were made to reduce the crop end losses in the stretch reducing mill and few sizes got very good results which in turn has improved the yield of the hot mill.

#### Central Metallurgical & R & D Lab

- \* All required facilities for NACE testing Lab has been set up and it is in regular use.  
As the demand for sour service pipe lines are going up, the Company focused more on the development of pipes for sour service, which in turn required the NACE testing facility which has been well established

#### 2. Benefits derived as a result of above R&D

As a result of the R&D activities, new toolings for hot mill and higher dia pipes in seamless were also developed and existing products and process were improved and costs were reduced through energy conservation and savings in the use of materials.

#### 3. Future plan of action

- \* 5" Drill pipe taken for development
- \* Commercial production started in 6" Mill and new Product will be developed in 6" mil for OCTG and Boiler sector.

#### 4. Expenditure on R&D

(₹ in lac)

a Capital	NIL
b Revenue	328.00
c Total	328.00
d Total R&D expenditure is 0.2% of total turnover	



## **TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

### **1. Efforts in brief made towards technology absorption, adaptation and innovation**

The production/Quality Control department absorbs the technology received from the own R&D efforts, Equipment Suppliers etc. adopting the same to local conditions and uses its own experience to affect improvements in the products and manufacturing process.

### **2. Benefits derived as a result of the above efforts etc.**

Through above measures, the Company has continued to achieve product improvement / development of new products, process improvement, commercialization of technology, cost reduction, import substitution etc. The aforesaid efforts will also result in a vibrant organization ready to face the challenges of global market scenario and striving towards exceeding customer expectation.

### **3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year) prescribed information may be furnished:**

Mandrel pipe mill technology has been adopted in 6" pipe Plant. With a new technology the product quality improved very well and we were able to meet the present demand of the market with closer tolerances on dimensions and special grade steel pipes.

The development has to be continued further to fulfill the demand of Oil & Gas and other Industries





## CORPORATE GOVERNANCE REPORT

We believe that sound Corporate Governance is essential to enhance the shareholders' trust and value. Your Company conducts its affairs with the highest levels of integrity, with proper authorizations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders interests are on utmost priority while protecting the interest of other stakeholders, customers, suppliers and its employees and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The details of the Corporate Governance compliance by the Company as per Clause 49 of the Listing Agreement with Stock Exchanges are as under:

### A MANDATORY REQUIREMENTS:

#### I. BOARD OF DIRECTORS

##### Composition

The Company's policy is to have appropriate mix of executive and non-executive/ independent Directors on the Board. The Company has a Non-Executive Chairman who is also a promoter of the Company. The number of Non - Executive Directors (NEDs) exceeds 50% of the total number of Directors. None of the Directors on the Board is a Member of more than ten Committees and Chairman of more than five Committees (as specified in Clause 49 of the Listing Agreement with Stock Exchanges), across all the companies in which they are Directors. The Directors have made necessary disclosures regarding their Committee positions.

##### Board Functioning & Procedure

During the year 2012-13, the Board of Directors met six times and the gap between two meetings did not exceed four months. The Board meetings were held on 14th May, 2012, 8th August, 2012, 28th September, 2012, 8th November, 2012, 7th February, 2013 and 18th March, 2013. The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting, as also the number of Directorships held by them in other companies as on 31st March, 2013 are given below:

Directors			Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held		
	Category	Shares held	Board Meeting	Last AGM	Director-ships	Committee Memberships	Committee Chairmanship
Mr. D.P. Jindal	NE-P-C	51355	5	Yes	5	1	-
Mr. Saket Jindal	MD-P	1731625	6	Yes	3	2	1
Mr. S. P. Raj	WTD	-	3	Yes	-	-	-
Mr. U. C. Agarwal	NE-I	1000	5	No	1	2	2
Mr. D. K. Parikh*	NE-I	-	4	Yes	-	-	-
Mr. Sanjeev Rungta	NE-I	-	4	Yes	2	2	-

C = Chairman, MD = Managing Director, WTD=Whole Time Director,

NE = Non-Executive, P = Promoter, I = Independent

Note:

1. only Audit and Shareholders' / Investor's Grievance Committees are considered.

2. excludes directorships in private/foreign companies and alternate directorship.

\* Ceased to be Director due to his death on 28.11.2012.

No Director is related to any other Director, except Shri Saket Jindal, who is the son of Shri D. P. Jindal.



## CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website [www.jindal.com](http://www.jindal.com).

The Code has been circulated to all members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the CEO and Managing Director of the Company is given below:

This is to certify that, all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the financial year ended 31st March 2013.

**SAKET JINDAL**

Managing Director

Date : 8th August, 2013

## 2. AUDIT COMMITTEE

The terms of reference of the Audit Committee mandated by the statutory and regulatory requirements viz. Listing Agreement, Companies Act, 1956 etc., which are also in line with the mandate given by your Board of Directors, are:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- c. Approval of payment to statutory auditors for any other services rendered by them;
- d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions; and
  - vii. Qualifications in the draft audit report;
- e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- f. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- g. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- h. Discussion with internal auditors any significant findings and follow up thereon;
- i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- j. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- k. To look into the reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- l. To review the functioning of the Whistle Blower mechanism, in case the same exists;
- m. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.



## COMPOSITION

The Audit Committee of the Company as on 31st March, 2013 comprised of three Directors consisting of one Promoter Non-executive Director and two Independent Non-executive Directors. All members of the Committee possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent Non-executive Director. The Audit Committee meetings are attended by the Auditors, Accounts and Finance Heads. The Company Secretary acts as Secretary to the Audit Committee.

The minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting.

During the year under review meetings of the Audit Committee were held on 14th May, 2012, 8th August, 2012, 28th September, 2012, 8th November, 2012 and 7th February, 2013. The composition, names of the members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

Members	Designation	No. of meetings attended
Mr. U.C. Agarwal	Chairman	4
Mr. D.P. Jindal	Member	5
Mr. D. K. Parikh*	Member	4
Mr. Sanjeev Rungta	Member	4

\* Ceased to be member of the committee due to his death on 28.11.2012.

## INTERNAL AUDITORS

The Company has appointed Internal Auditors to review the internal control systems of the Company and to report thereon. The Audit Committee reviews the reports of the Internal Auditors periodically.

## 3. REMUNERATION TO DIRECTORS

The Company does not have a Remuneration Committee. Detailed terms of appointment of the Managing Director and Whole-time Director are governed under Board and Members' resolutions. None of the Non-Executive Directors draw any remuneration from the Company except sitting fee for attending meetings of the Board and Committees thereof.

Details of Directors' Remuneration

a) Details of remuneration paid to Managing Director and Whole Time Director during the year ended 31st March, 2013:-

(₹)

Name	Salary	Perquisites & other benefits	Total
Mr. Saket Jindal, Managing Director	10,800,000	3,974,400	14,774,400
Mr. S. P. Raj Whole -Time -Director	1,563,546	1,243,412	2,806,958

The tenure of appointment of the Managing Director and Whole time Director is for a period of 5 years from their respective dates of appointments.

b) The Non-executive Directors are paid by way of sitting fees for each meeting of the Board of Directors, Audit Committee and Shareholders' / Investors' Grievance cum Share Transfer Committee attended by them. Details of remuneration paid as sitting fee to Non-Executive Directors during the year ended 31st March 2013: -

(₹)

Director	Sitting Fees
Mr. D. P. Jindal	1,50,000
Mr. U. C. Agarwal	2,02,500
Mr. D. K. Parikh	1,20,000
Mr. Sanjeev Rungta	1,20,000



Apart from receiving Directors' remuneration by way of sitting fee for attending meetings of Board, Audit Committee and Shareholders' / Investors' Grievance cum Share Transfer Committee, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year ended 31st March 2013.

#### 4. SHAREHOLDERS'/INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE

##### FUNCTIONS

The Board has constituted a Committee under the Chairmanship of a Non-Executive Director. The Committee meets periodically, to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and reviews the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Also reviews the status of legal cases involving investors where the Company has been made a party. Details of shares transfers/transmissions approved by the Committee are placed at the Board meetings from time to time.

##### COMPOSITION

The constitution of the Shareholders'/ Investors' Grievance cum Share Transfer Committee is as under:-

Members	Designation
Mr. U.C. Agarwal	Chairman
Mr. Saket Jindal	Member

##### COMPLIANCE OFFICER

The Board has designated Mr. D.C. Gupta, Vice President & Company Secretary as Compliance Officer of the Company.

##### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED AND REPLIED TO THE SATISFACTION OF SHAREHOLDERS

Number of Shareholders complaints received during the period 01.04.2012 to 31.03.2013	:	13
Number of complaints not solved to the satisfaction of shareholders	:	Nil
Number of pending complaints as on 31.03.2013	:	Nil

#### 5. GENERAL BODY MEETINGS

(I) Details of the Location of the last three Annual General Meetings:

Financial year	Date	Location of the Meeting	Time
2009-10	30.09.2010	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.
2010-11	30.09.2011	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.
2011-12	28.09.2012	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.

(II) Special resolutions passed in the previous three Annual General Meetings:

- |                                  |   |
|----------------------------------|---|
| a) In the AGM held on 30.09.2010 | None  |
| b) In the AGM held on 30.09.2011 | Pursuant to provisions of Section 314, appointment of Smt. Shruti Raghav Jindal to hold an office of profit in the Company as Chief Executive |
| c) In the AGM held on 30.09.2012 | None  |

#### 6. DISCLOSURES

##### i) Related Party Transactions

There have been related party transactions as reflected in notes to the accounts but they are not in conflict with the interest of the Company.

##### ii) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountants of India and there has been no deviation during the year.


**iii) Details on Non Compliance**

There are no instances of non-compliance by the Company on any matter relating to the Capital market during the last 3 years.

**iv) CEO/ CFO Certificate**

Mr. Saket Jindal, Managing Director and Mr. Ravi Gupta, CFO have furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

**v) Whistle Blower Policy**

The Company does not have any Whistle Blower Policy, however, no person is denied access to the Audit Committee.

**7. MEANS OF COMMUNICATION**

The Company's financial results are communicated forthwith to all Stock Exchanges where at the Company's shares are listed, as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in the Business Standard, Free Press Journal and Navshakti. The Financial results, Press Releases, Investor Communiqué and Corporate Presentations made to institutional investors are also made available on the Company's website [www.jindal.com](http://www.jindal.com).

Designated Exclusive e-mail ID: The Company has designated the following e-mail ID exclusively for investors' grievance redressal:- [secretarial@mahaseam.com](mailto:secretarial@mahaseam.com)

**8. GENERAL SHAREHOLDERS INFORMATION**
**a) Annual General Meeting:**

Date & Time : 30th September, 2013 at 10.30 A.M.

Venue : Registered Office of the Company at Pipe Nagar,  
Village Sukeli, N.H. 17, B.K.G. Road, Taluka-Roha,  
Distt. Raigad, Maharashtra – 402126

b) Financial Year : 1st April, 2012 to 31st March, 2013

c) Book Closure : 6th September, 2013 to 9th September, 2013 (Both days inclusive)

d) Dividend : Dividend of ₹ 6/- (120 %) per equity share for the year ended 31st March, 2013, if approved by the members, would be payable on or after 5th October, 2013.

**Financial Calendar (Tentative):**

- |  |                  |
|--|------------------|
| - Financial reporting for the quarter ended 30th June, 2013        | Aug, 2013        |
| - Financial reporting for the quarter ending 30th September, 2013  | Oct/ Nov, 2013   |
| - Financial reporting for the quarter ending 31st December, 2013   | Jan/ Feb, 2014   |
| - Financial reporting for the quarter/year ending 31st March, 2014 | April/ May, 2014 |

**Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. Listing fee for the year 2013-14 has been paid to all Stock Exchanges.

Name & address of Stock Exchanges	Stock Code/Trading Symbol
BSE Limited P.J. Towers, 25th Floor, Dalal Street, Mumbai 400 001	500265
National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	MAHSEAMLES

ISIN for equity shares: INE 271B01025

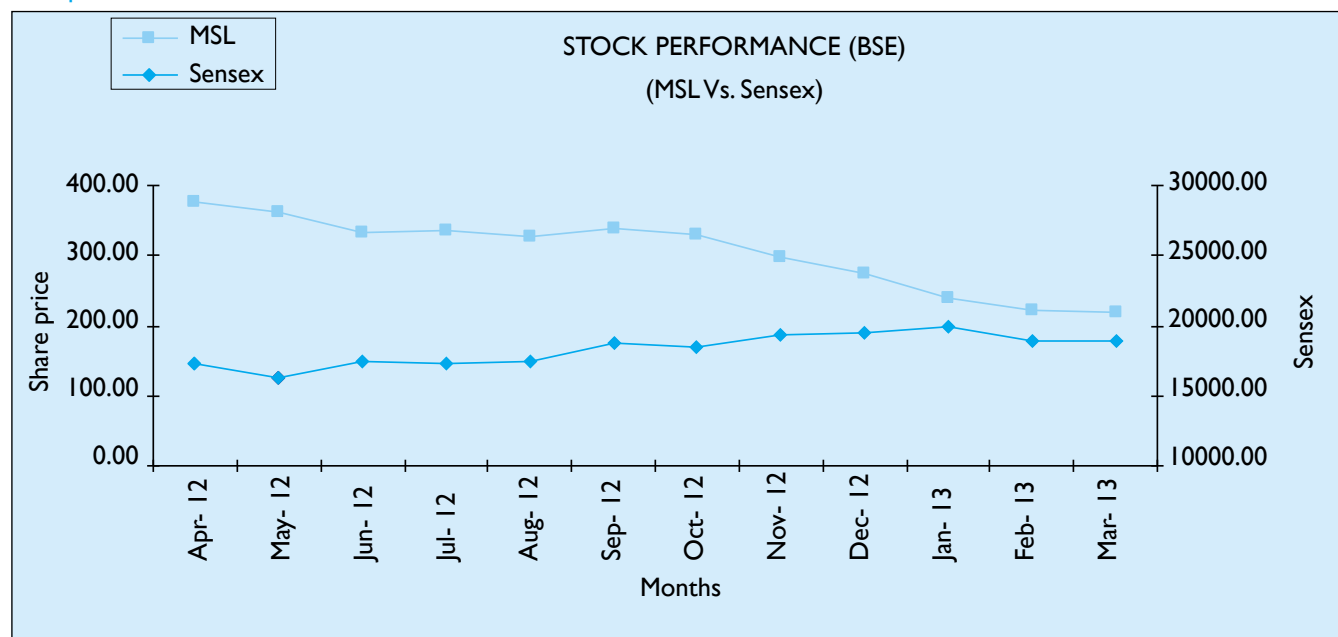


### Stock Market Data

The monthly high and low quotations of shares traded on BSE is as under:-

Month	MSL BSE Price (₹)		BSE Sensex	
	High	Low	High	Low
April, 2012	398.95	372.00	17664.10	17010.16
May, 2012	390.35	355.00	17432.33	15809.71
June, 2012	388.00	326.00	17448.48	15748.98
July, 2012	345.00	325.00	17631.19	16598.48
Aug, 2012	356.60	323.50	17972.54	17026.97
Sept., 2012	351.95	325.00	18869.94	17250.80
Oct., 2012	347.95	316.10	19137.29	18393.42
Nov., 2012	349.50	293.15	19372.70	18255.69
Dec., 2012	333.00	268.00	19612.18	19149.03
Jan., 2013	290.95	236.40	20203.66	19508.93
Feb., 2013	243.95	199.05	19966.69	18793.97
Mar., 2013	226.55	202.35	19754.66	18568.43

### Share performance chart



### Distribution of shareholding as on 31st March, 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	23563	94.32	3325637	4.72
501 to 1000	870	3.48	682283	0.97
1001 to 10000	424	1.70	1080107	1.53
10001 to 100000	83	0.33	2802163	3.97
100001 to 500000	19	0.08	3475989	4.93
500001 & above	22	0.09	59167243	83.88
<b>Total</b>	<b>24981</b>	<b>100.00</b>	<b>70533422</b>	<b>100.00</b>



**Shareholding Pattern as on 31st March, 2013**

Category	No. of shares held	% of holding
Promoters	39180321	55.55
Mutual Funds/UTI	6460986	9.16
Financial Institutions/Banks	36940	0.05
Insurance Companies	1687710	2.39
Foreign Institutional Investors	9806298	13.90
Bodies Corporate	5005859	7.10
Resident Individuals	6160784	8.74
NRIs	425881	0.60
Trusts	1768643	2.51
<b>Total</b>	<b>70533422</b>	<b>100.00</b>

**Dematerialisation of Shares**

96.00 % of the Paid-up Equity Share Capital of the Company is in dematerialised form as on 31st March 2013.

**Outstanding GDR / ADR / Warrants and Convertible Bonds, conversion date and likely impact on equity:**

The Company has no outstanding GDRs/ADRs/Warrants or any other convertible instruments as on 31st March 2013.

**Plant Locations:****1. Seamless & ERW Pipes:**

Pipe Nagar, Village Sukeli,  
N.H.17, B.K.G. Road, Taluka-Roha,  
Distt.Raigad – 402 126, Maharashtra

D 114, Industrial Area,  
Vile Bhagad, Taluka Mangaon  
Distt Raigad, Maharashtra

**2. Wind Power:**

Village Nivkane, Taluka Patan,  
District Satara, Maharashtra

**3. Solar Power**

Pokaran, Distt- Jaisalmer  
Rajasthan

**Registrar and Share Transfer Agents:**

Alankit Assignments Limited,  
Alankit House, 2E/21, Jhandelwala Extension,  
New Delhi – 110 055  
Phone: 011-23541234, 42541234  
Fax : 011-42541967  
e-mail : rta@alankit.com

**Share Transfer System:**

Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are generally confirmed within the prescribed time from the date of receipt.

**Investor correspondence address**

Shareholders' correspondence should be addressed to the Registrar and Transfer Agent at the address given above or to the Corporate Office of the Company.

Shareholders holding shares in dematerialized form should address all their correspondence to their respective Depository Participant.



**B. NON-MANDATORY REQUIREMENTS**

(1) a) **CHAIRMAN OF THE BOARD**

The Company has a Non-executive Chairman and expenses incurred in performance of his duties are paid by the Company.

b) **TENURE OF INDEPENDENT DIRECTORS**

In terms of the Governance policy of the Company, all Directors, including Independent Directors (excluding Managing Director & Whole-time Director being appointed for the tenure of 5 years) are subject to retirement by rotation. However, no maximum tenure, in the aggregate for independent directors has been specifically determined by the Board.

(2) **REMUNERATION COMMITTEE**

The Company does not have any Remuneration Committee. Remuneration of Managing Director/Whole-time Director is being approved by the Board of Directors and shareholders.

(3) **SHAREHOLDERS RIGHTS**

As the Company's quarterly results are published in leading English newspapers having circulation all over India and in a regional language newspaper widely circulated in the Region and posted on the website of the Company i.e. [www.jindal.com](http://www.jindal.com), the same are not sent to each household of shareholders.

(4) **AUDIT QUALIFICATIONS**

There are no Audit Qualifications in the Auditors' Report.

(5) **TRAINING OF BOARD MEMBERS**

At present, the Company does not have such a training program for the Board Members.

(6) **MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS**

At present, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members.



## **CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of

**MAHARASHTRA SEAMLESS LIMITED**

We have examined the compliance of conditions of corporate governance by Maharashtra Seamless Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor grievance is pending for a period exceeding one month.

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

**For KANODIA SANYAL & ASSOCIATES**

Chartered Accountants

FRN 008396N

**R.K. KANODIA**

Partner

Membership No.016121

Place: New Delhi

Dated: 8th August, 2013



## MANAGEMENT DISCUSSION & ANALYSIS

### FORWARD LOOKING STATEMENTS

The statement in the Directors' Report and Management Discussion and Analysis Report contains "forward-looking statements" about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expression for future are forward-looking statements.

Forward-looking statements should be viewed in the context of many risk issues, and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussion and Analysis Report, including but not limited to, risks arising from uncertainties as to future Oil & Gas prices and their impact on investment programs by Oil & Gas companies, steel prices worldwide and domestic, economic and political conditions. We cannot assure that outcome of this forward looking statement will be realized.

The Company disclaims any duty to update the information given in the aforesaid report.

### Introduction and Overview of Domestic Market Situation

The Financial year 2012-13 has been a year of challenges. The slowdown in the domestic economy and continued dumping of pipes by foreign suppliers has adversely affected domestic market. The demand from export market also slowed down during the period. The Prime Minister's Economic Advisory Council in its release of a review for 2012-13 has mentioned that the slippage has been on two accounts:

- Vigour in economic recovery (be it in terms of output and income or investment) has diminished following heightened stress from global crisis.
- Delays in projects due to delays in issuance of clearances and lack of fuel for power plants.

The Review has suggested growth strategies by way of speedy project clearances and enhanced energy availability. It has also emphasized on more attractive investment environment. This would increase industrial activity. Net FDI during the year FY13 which was around USD 18 billion is expected to touch USD24 billion in FY14 backed by higher inbound inflows of the order of USD 36 billion. All this is expected to improve capital investment and also business environment. Further the interest rate curve moving south ward consequent to drop in inflationary pressures, domestic demand is expected to improve.

The demand outlook for the company going forward therefore looks positive.

### Global Demand Outlook

The International Monetary Fund (IMF) in its world economic outlook release has pegged the world growth at 3.25% in 2013 moving up to 4% in 2014. It further states in its review that economic activity in advanced countries has stabilized and in emerging and developing economies have picked up, with continued support from policy measures renewing confidence. Some of the main observations in the outlook are as under:

1. Manufacturing and Trade cycles has begun to re-accelerate (particularly, for emerging market economies).
2. Strong positive political decisions in advanced countries.
3. Monetary policy rates are expected to remain low for the next three years.
4. Global inflationary pressures have moderated.

All this augers well for global demand. The export market has shown substantial improve since the end of Feb' 2013. The enquiries from export markets are increasing and going forward is seen to be growing with new opportunities.

### Review of Operations

Year under review stated above was a difficult year consequent to fall in demand and order inflow. The company had therefore to reduce its production which led to lower sales volume. The sales during the year under review were ₹1722 Cr. as against ₹2291 Cr. for the previous year. Correspondingly, the Net Profit was also lower at ₹153 Cr. as against ₹310 Cr. during previous year. In the back drop of slowing domestic economy and pressure on account of increase in input costs the results are satisfactory

### Future Outlook

The company could not utilize its capacity due to dumping of pipes by foreign suppliers.

In view of this the industry filed an application for imposition of safeguard duty on imported seamless pipes in India to protect the domestic producers against serious injury caused by increased dumping of seamless pipes.



The application was examined and it was prime-facie found that increased imports have caused and are threatening to cause serious injury to the domestic producers of seamless pipes and accordingly it was decided to initiate investigations in the matter by the Government.

There is a strong case for levy of anti-dumping/safeguard duty on imports in India and dumping of seamless pipes. The industry has provided substantial employment and has also incurred substantial investment. Since the industry is both capital and human resource intensive it provides direct and indirect development in a substantial manner. It is therefore in the interest of all constituents that an appropriate safeguard duty is imposed on imports. There has been significant surge in imports consequent to dumping by foreign suppliers, causing serious injury to domestic industry. The company is confident that in view of domestic environment the safeguard duty would eventually be imposed. With the improvement in domestic environment and strengths of the company as delineated below the performance going forward would improve substantially.

- a) Capability to introduce high quality products.
- b) Manufacturing products to International standards and maintaining product quality consistency.
- c) Strong Quality Control Team.
- d) Strategically located production site.
- e) Constant emphasis on Research and Development.

The Company is also increasing its marketing efforts. This would result in improved order inflow and it is expected that the production will be restored to the original levels during the fourth quarter of the current financial year.

The year also saw input cost pressures. The year witnessed increase in rates of fuel and electricity. The input pressures are expected to continue. The company would however mitigate the same by taking suitable strategic actions.

#### **Risk Factors**

Operations in general are susceptible to possible changes in fiscal, monetary and economic policies of the Government especially with regard to fuel, power and freight costs. The major challenge for our industry is that it is raw material and energy intensive. With prudent business and risk management practices, the company is continuously looking at ways to minimize this impact by judicious buying, adequate storage, developing alternate vendors, exploring alternative sources of energy, etc.

#### **Internal Control System and their Adequacy**

The company has an adequate system of internal controls to provide reasonable assurance:

- That assets are safeguarded and protected against loss from unauthorized use or disposition.
- That transactions are authorized, recorded and reported properly and
- That accounting records are properly maintained and financial statements are reliable
- Statutory requirements are duly complied.

The key elements of internal control system are as follows:

- Clearly defined organization structure.
- Management control through monthly MIS system.

The internal auditors have access to all records and information of the company. The Audit Committee and Board periodically review the findings and recommendations of the auditors and take necessary corrective actions wherever necessary. The audit committee also reviews the performance of internal auditors, adequacy of internal control systems and ensures compliance of Internal Control Systems. The Audit Committee and Board recognize the work of the auditors as an independent check on the information received from the management on the operations and performance of the company.

#### **Risk Strategy**

The company is exposed to variety of risks in the course of its business activities. Risk management therefore forms a central element in the management of the company and is geared to minimizing present and future potential risk. The company is hedging these risks by taking appropriate hedges/steps.



### Corporate Social Responsibility

Corporate Social Responsibility (CSR) programs of the Company are undertaken to pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing manner. Social investment programs in the economic vicinity of the Company's operations are undertaken with a view to ensure the long term sustainability of such interventions.

The Company contributes to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the local villages. Policies are undertaken to improve the standards of Environment, Health and Education and provide sustainable facilities for health and education in nearby villages. The Company encourages the development of human capital of the Nation by expanding human capabilities through skills development, vocational training etc.

### Total Quality Management

The very foundation of the Company's growth has been Total Quality Management (TQM).

Pursuing relentless commitment to quality, the Company is constantly innovating processes and systems to deliver superior competitive capabilities. TQM is part of everyday activity and process that the Company operates.

### Human Resource Development

The Company's human resource management systems are designed to enhance employee engagement, organizational capability and vitality so as to ensure a world class business.

The human resource philosophy, strategy and processes of the Company have been designed to attract and retain quality talent and nurture workplace challenges that keep employees highly engaged, motivated and committed to innovation and customer delight. This talent has, through strong alignment with the Company's vision, successfully built and sustained the Company's standing as one of India's most valuable corporations.

The Company fosters a culture that rewards performance, continuous learning, collaboration and capability development across the organization, to be future- ready and meet head-on challenges posed by ever-changing market realities. The Company's unflagging commitment to investing in talent development ensures performance and achievement of the highest order.



## INDEPENDENT AUDITORS' REPORT

To the Members of

**Maharashtra Seamless Limited**

### 1) Report on the Financial Statements

We have audited the accompanying financial statements of Maharashtra Seamless Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### 2) Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3) Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4) An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 6) Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### 7) Emphasis of Matter

We draw attention to Note No 2.33 to the Financial Statements, relating to the company has given interest free loan of ₹ 11.60 crores during the year (Previous Year ₹ 48 Crores) to Maharashtra Seamless Limited Employee Welfare Trust which had been formed with the sole objective of employee welfare. Our opinion is not qualified in this regard.

### 8) Report on Other Legal and Regulatory Requirements

As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

9) As required by Section 227(3) of the Act, we report that:

- i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- v) the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants

FRN 008396N

**R.K. KANODIA**

Partner

Membership No.016121

Place: New Delhi

Dated: 24-05-2013

**ANNEXURE TO AUDITORS' REPORT OF MAHARASHTRA SEAMLESS LIMITED**  
(Annexure referred to in our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) The company has a phased programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, the management during the year has physically verified all the fixed assets of the Company and no material discrepancies between the book records and the physical verification were noticed on such verification.  
(c) Fixed assets disposed off during the year, were not substantial and, therefore, it does not affect the going concern assumption.
2. (a) As explained to us, the inventories of finished goods, semi finished goods, stores, spare parts and raw materials except raw material in transit, lying with the third parties, have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:  
(a) The company has granted loans to five companies during the year. The maximum amount involved during the year was ₹ 16039.95 lacs the year end balance of loan granted to such companies was ₹ 8342.27 lacs. The company has taken loan during the year from one company. The maximum amount involved during the year was ₹ 132.54 lacs, the yearend balance of loan taken from such company was ₹ 111.60 lacs.  
(b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions are not prima facie prejudicial to the interest of the company  
(c) In respect of loans granted by the company the interest payments are regular and the principal amounts are being received /renewed on the due dates. In respect of loans taken by the company, the interest payments are regular and the principal amount is repayable on demand.  
(d) There is no overdue amount in respect of the above loans.
4. In our opinion, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for the sale of goods. Further, on the basis of our examination of the books and records of the company in accordance with the generally accepted auditing practices, we have neither come across, nor have we been informed the existence of major weakness in the internal control procedures and systems.
5. (a) As per the audit procedures applied by us, and according to the information and explanations given to us by the management, the transactions which are required to be entered in the register maintained under section 301 of the Act have been so entered.  
(b) As per the audit procedures applied by us and as per the information and explanations given to us, with respect to the transactions as entered in the register maintained under section 301, with any party during the financial year, the prices at which these have been made are reasonable having regard to the prevailing, market prices at that time.
6. According to the information and explanations given to us, the company has not accepted any deposits during the year from the public within the provisions of Section 58A & 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) rules 1975 have been complied with.
7. In our opinion the company has an internal audit system commensurate with the nature and size of its business.

8. We have broadly reviewed the cost records maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records, u/s 209(1)(d) of the Companies Act, 1956 and are of opinion that prima –facie the prescribed records and accounts have been maintained by the company. However, we have not made a detailed examination of these records to verify whether they are accurate or complete.
9. (a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2013 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, details of dues of income tax, Sales tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of any dispute are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount (₹ in Lacs)
Sales Tax	Demand for Sales Tax	Maharashtra Sales Tax Authority (Appellate Tribunal)	2001-2002	4.65
Excise Duty	Demand for Excise Duty	CESTAT	Jan.1998-June 1999	18.70
		CESTAT	May1998-Feb.1999	6.73
		Commissioner Appeal	Feb.1999-March 1999	0.84
		CESTAT	Dec.1999	2.42
		CESTAT	April 2000-July 2000	5.03
		CESTAT	May 2000-Aug. 2001	3.74
		CESTAT	Oct.2002	0.37
		CESTAT	2001-2002	3.58
		Commissioner Appeal	2002-2003	12.12
		Additional Commissioner	2005-2006	3.46
			2006-2007	199.45
		Commissioner Appeal	2006-2007	54.73
			2007-2008	315.22
			2008-2009	580.66
			2009-2010	676.77
			2009-2010	19.44
Income Tax	Demand for Income Tax	Commissioner	2009-2010	4.53

10. There are no accumulated losses at the end of the year. There are no cash losses during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per the books of accounts examined by us, the company has not defaulted in the repayment of dues to the financial institutions / banks.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a Chit Fund/Nidhi/Mutual Fund/ Society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the terms and conditions of the corporate guarantees given by the company for loan taken by other company from banks are not prima facie prejudicial to the interest of the company.
16. According to the information and explanations given to us, the company has not obtained any term loan during the year; accordingly clauses (xvi) of paragraph 4 of the Order are not applicable to the Company.
17. According to the information and explanations given to us and as per the books and records examined by us, as on the date of balance sheet, the funds raised by the Company on short-term basis have not been applied for long-term investments and vice versa.
18. According to the information and explanations given to us, during the year, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company does not have any debentures outstanding, as on the Balance Sheet date, hence, the clause 4(xix) of the order is not applicable.
20. The company has not raised any money through the public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, and on the basis of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, we have not come across any such instance of fraud on or by the company, noticed and reported during the year.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants

FRN 008396N

**R.K. KANODIA**

Partner

Membership No.016121

Place: New Delhi

Dated: 24-05-2013

# FINANCIAL STATEMENTS




**BALANCE SHEET AS AT 31ST MARCH, 2013**

	Note No.	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>I Shareholders' Funds</b>			
(a) Share Capital	2.1	352,667,110	352,667,110
(b) Reserves and Surplus	2.2	27,874,574,016	27,245,452,688
		<u>28,227,241,126</u>	<u>27,598,119,798</u>
<b>2 Non - Current Liabilities</b>			
(a) Long - Term Borrowings	2.3	8,284,080	10,434,900
(b) Deferred Tax Liabilities (Net)	2.4	705,040,760	594,020,150
(c) Other Long Term Liabilities	2.5	573,617,985	627,683,798
		<u>1,286,942,825</u>	<u>1,232,138,848</u>
<b>3 Current Liabilities</b>			
(a) Short - Term Borrowings	2.6	37,944,900	298,614,072
(b) Trade Payables	2.7	384,389,002	1,474,991,178
(c) Other Current Liabilities	2.8	1,020,456,043	969,893,003
(d) Short - Term Provisions	2.9	95,118,972	94,124,220
		<u>1,537,908,917</u>	<u>2,837,622,473</u>
<b>TOTAL</b>		<u>31,052,092,868</u>	<u>31,667,881,119</u>
<b>II. ASSETS</b>			
<b>I Non - Current Assets</b>			
(a) Fixed Assets	2.10		
(i) Tangible Assets		6,338,549,348	6,609,143,326
(ii) Intangible Assets		8,182,142	12,101,294
(iii) Revalued Assets		6,196,254,196	6,605,573,290
(iv) Capital Work in Progress		524,040,746	98,852,834
(v) Silver Coins in Hand		78,893	64,263
(b) Non - Current Investments	2.11	1,310,186,270	1,461,515,450
(c) Long - Term Loans and Advances	2.12	888,361,983	579,559,474
		<u>15,265,653,578</u>	<u>15,366,809,931</u>
<b>2 Current Assets</b>			
(a) Current Investments	2.11	5,661,426,216	3,274,363,129
(b) Inventories	2.13	5,132,949,612	7,171,862,914
(c) Trade Receivables	2.14	3,215,536,260	3,622,359,787
(d) Cash and Cash Equivalents	2.15	78,309,135	201,409,466
(e) Short - Term Loans and Advances	2.16	1,646,456,979	2,018,910,582
(f) Other Current Assets	2.17	51,761,088	12,165,310
		<u>15,786,439,290</u>	<u>16,301,071,188</u>
<b>TOTAL</b>		<u>31,052,092,868</u>	<u>31,667,881,119</u>
Significant Accounting Policies and Notes on Financial Statements	1-2.49		

As per our report of even date attached  
**For KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO  
**D.C. GUPTA**  
VP & Company Secretary

**For and on Behalf of the Board**

**D.P. JINDAL**  
Chairman  
**SAKET JINDAL**  
Managing Director  
**U.C. AGARWAL**  
**N.C. JAIN**  
Directors  
**S.P. RAJ**  
Wholetime Director

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Note No.	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
I. Revenue From Operations	2.18	17,220,223,955	22,916,860,034
II. Other Income	2.19	695,809,795	765,615,795
III. Total Revenue (I + II)		17,916,033,750	23,682,475,829
IV. Expenses:			
Cost of Materials Consumed	2.20	11,927,694,954	15,970,765,021
Changes in Inventories of Finished Goods, Work - in - Process and Stock - in - Trade	2.21	128,735,225	(867,667,898)
Employee Benefits Expense	2.22	437,052,540	403,809,385
Finance Costs	2.23	61,481,852	51,888,581
Depreciation and Amortization Expense	2.10	365,251,979	200,838,043
Other Expenses	2.24	3,018,447,101	3,497,045,078
Total Expenses		15,938,663,651	19,256,678,210
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		1,977,370,099	4,425,797,619
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items and Tax (V - VI)		1,977,370,099	4,425,797,619
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		1,977,370,099	4,425,797,619
X. Tax Expenses:			
(1) Current Tax		392,100,000	1,172,700,000
(2) Deferred Tax		111,020,610	145,637,770
(3) Mat Credit		(42,535,918)	-
(4) Earlier Years		(16,528,221)	-
(5) Wealth Tax		141,762	126,393
XI. Profit for the Year (IX - X)		1,533,171,866	3,107,333,456
XII. Earnings Per Equity Share (Par value ₹ 5/-)			
(1) Basic		21.74	44.05
(2) Diluted		21.74	44.05

Significant Accounting Policies and  
Notes on Financial Statements

I-2.49

As per our report of even date attached  
For **KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO  
**D.C. GUPTA**  
VP & Company Secretary

For and on Behalf of the Board

**D.P. JINDAL**  
Chairman  
**SAKET JINDAL**  
Managing Director  
**U.C. AGARWAL**  
**N.C. JAIN**  
Directors  
**S.P. RAJ**  
Wholetime Director


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Extraordinary Items and Tax	1,977,370,099	4,425,797,619
Adjustments for:		
Depreciation and Amortisation	365,251,979	204,653,616
(Profit) / Loss on Sale / Write off of Assets (Net)	(15,540)	670,404
Income Tax Adjustment Relating to Earlier Years / Wealth Tax	16,386,459	(126,393)
Finance Costs	49,069,451	30,302,047
Interest Income	(172,208,849)	(192,002,644)
Dividend Income	(4,159,793)	(1,031,803)
Net Gain on Sale of Investments	(382,850,407)	(401,191,783)
Rental Income from Investment Properties	(6,043,784)	(3,163,150)
<b>Cash Flow from Operating Activities before Working Capital Changes</b>	<b>1,842,799,615</b>	<b>4,063,907,913</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	2,038,913,302	(1,759,714,812)
Trade Receivables and Other Receivables	538,790,672	(524,941,208)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables and Other Liabilities	(1,099,237,698)	402,928,291
<b>Cash Flow from Operating Activities after Working Capital Changes</b>	<b>3,321,265,891</b>	<b>2,182,180,184</b>
Cash Flow from Extraordinary Items	-	-
Cash Generated from Operations	3,321,265,891	2,182,180,184
Net Income Tax (Paid) / Refunds	(460,216,051)	(1,366,178,840)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>2,861,049,840</b>	<b>816,001,344</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Fixed Assets	(518,710,942)	(1,513,791,058)
Proceeds from Sale of Fixed Assets	3,177,109	13,960,627
Current Investments not considered as Cash and Cash Equivalents		
- Purchased	(5,208,344,716)	(2,784,309,459)
- Proceeds from Sale	3,204,966,412	4,734,709,206
Purchase of Long - Term Investments		
- Subsidiaries	(34,508,000)	(24,444,000)
- Associates	-	(222,581,250)
- Joint ventures	(132,159,125)	-
- Others	(73,553,825)	(964,747,750)
Proceeds from Sale of Long - Term Investments		
- Others	390,715,754	91,235,000
Interest Received	174,948,989	188,451,668
Dividend Received	4,159,793	1,031,803
Rental Income from Investment Properties	6,043,784	3,163,150
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(2,183,264,767)</b>	<b>(477,322,063)</b>

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long - Term Borrowings	(2,150,820)	(1,198,500)
Proceeds from other Short - Term Borrowings	(260,669,172)	281,952,465
Finance Costs	(49,069,451)	(30,302,047)
Dividend Paid	(420,342,255)	(420,784,055)
Tax on Dividend	(68,653,706)	(68,653,706)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>(800,885,404)</b>	<b>(238,985,843)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(123,100,331)</b>	<b>99,693,438</b>
Cash and Cash Equivalents at the Beginning of the Year	<b>201,409,466</b>	<b>101,716,028</b>
Cash and Cash Equivalents at the End of the Year	<b>78,309,135</b>	<b>201,409,466</b>
Notes forming part of accounts (Ref - Note No. 2.15)		

As per our report of even date attached  
**For KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO

**D.C. GUPTA**  
VP & Company Secretary

**For and on Behalf of the Board**

**D.P. JINDAL**  
Chairman

**SAKET JINDAL**  
Managing Director

**U.C. AGARWAL**  
**N.C. JAIN**  
Directors

**S.P. RAJ**  
Wholetime Director



## **I SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of Preparation of Financial Statements**

These financial statements have been prepared on an accrual basis and under historical cost convention, except for certain fixed assets which had been revalued and in compliance, in all material aspects with the applicable accounting principles in India, the applicable Accounting Standards notified under Section 211 (3C) and the other relevant provisions of Companies Act, 1956.

All the assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle to be 12 months for the purpose of current - non current classification of assets and liabilities.

### **b) Use of Estimates**

The preparation of financial statements requires use of estimates and assumptions to be made that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### **c) Revenue Recognition**

Sale of goods is recognized at the point of despatch to customers and is stated net of Sales Return & Sales Tax and inclusive of Excise Duty. Inter Division transfer of goods for captive consumption/ internal uses are at market value. Dividend income is accounted when right to receive the same is established. All other income is accounted for on accrual basis. Claims are accounted for, in the year of settlement.

### **d) Fixed Assets & Depreciation**

#### **i) Tangible Fixed Assets**

Tangible Fixed Assets other than those, which have been revalued, are stated at cost of acquisition, construction less accumulated depreciation and impairment losses. The cost comprises of purchase price and any other directly attributable cost of bringing the assets to working condition for its intended use. Tangible Fixed Assets, which have been revalued, are stated at the revalued figures, on the basis of revaluation report of Approved Valuer, less depreciation.

#### **ii) Depreciation & Amortisation**

Depreciation on Fixed Assets including revalued assets has been provided on Straight Line Method basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. The additional depreciation on revalued assets has been calculated on the basis of estimated life of the assets revalued. The additional depreciation on account of Revaluation has been adjusted from Revaluation Reserve.

#### **iii) Expenditure during construction period**

Expenditure incurred during implementation of new / expansion project is included under Capital Work in Progress and the same is allocated to the respective Fixed Assets on completion / erection.

#### **iv) Impairment of Assets**

Impairment loss is recognized wherever the carrying amount of an asset is in excess of its recoverable amount and the same is recognized as an expense in the statement of profit and loss and carrying amount of the asset is reduced to its recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased.

#### **v) Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated Depreciation / Amortization. This includes computer software packages.

### **e) Investments**

Investments are classified as Non - Current or Current based on the Management intention at the time of purchase. Non - Current investments are valued at their acquisition cost. Current investments are stated at lower of cost or fair market value. The provision for diminution in the value of long - term investments is made only if such a decline is other than temporary in the opinion of the Management.

### **f) Inventories**

Raw Materials are valued at lower of cost (FIFO basis) or net realisable value.

Work - in - Process is valued at direct material cost plus conversion cost depending upon the stage of completion or estimated net realisable value whichever is lower.



Finished goods are valued at lower of cost or net realisable value. Cost for this purpose includes direct material cost plus conversion cost and other direct overheads incurred to bring the goods to their present location & conditions. Excise Duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.

Stores & Spares parts are valued at lower of cost (Weighted Average Method) or net realisable value.

Scrap is valued at net realisable value.

g) **Employee Benefits**

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account of the year in which the related service is rendered.
- ii) Post employment and other long term benefits are recognised as an expense in the Profit & Loss Account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques at the end of Financial Year. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit & Loss Account.
- iii) Payment to defined contribution retirement benefit scheme, if any, is charged as expenses during the year in which related services are rendered.

h) **Foreign Currency Transactions**

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled are translated at year end rate.

The differences in translation of Monetary assets and liabilities and realized gains and losses on foreign exchange transaction are recognized in Profit & Loss Account.

Non-monetary items are carried at cost.

i) **Borrowing Cost**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of asset upto the date when such asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

j) **Income-Tax**

- i) The company, in accordance with relevant tax provision and tax advices wherever considered necessary, calculates the current Income Tax liability.
- ii) Deferred Tax Assets and Liabilities are recognised for future tax consequences attributable to the timing differences that results between the profits offered for income tax and profit as per the financial statements. Deferred Tax Assets and Liabilities are measured as per the tax rates / laws that have been enacted or substantively enacted at the Balance Sheet date.
- iii) Minimum Alternate Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal tax during the specified period.

k) **Financial Derivatives Transactions**

In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognised as income or expense along with the exchange differences on the underlying assets / liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations / renewals of forward contracts is recognised during the year.

Premium / Discount on forward foreign exchange contracts are pro-rated over the period of contract.

l) **Events occurring after the Balance Sheet Date**

Events occurring after the Balance Sheet date and till the date on which the financial statement are approved, which are material in the nature and indicate the need for adjustments in the financial statements have been considered.

m) **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts.

Contingent Assets are neither recognized nor disclosed in the financial statement. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.





## NOTES ON FINANCIAL STATEMENTS

	As At 31.03.2013		As At 31.03.2012	
	No. of Shares	(₹)	No. of Shares	(₹)
<b>NOTE : 2.1</b>				
<b>SHARE CAPITAL</b>				
a) <i>Authorised Share Capital</i>				
<i>Equity Shares (Par value ₹ 5/-)</i>				
At the Beginning of the Year	80,000,000	400,000,000	80,000,000	400,000,000
Add: Additions during the Year	-	-	-	-
Less: Reduction during the Year	-	-	-	-
At the End of the Year	80,000,000	400,000,000	80,000,000	400,000,000
<i>Preference Shares (Par value ₹ 10/-)</i>				
At the Beginning of the Year	20,000,000	200,000,000	20,000,000	200,000,000
Add: Additions during the Year	-	-	-	-
Less: Reduction during the Year	-	-	-	-
At the End of the Year	20,000,000	200,000,000	20,000,000	200,000,000
b) <i>Issued, Subscribed and Paid up</i>				
<i>Equity Shares (Par value ₹ 5/-)</i>				
At the Beginning of the Year	70,533,422	352,667,110	70,533,422	352,667,110
Add: Additions during the Year	-	-	-	-
Less: Reduction during the Year	-	-	-	-
At the End of the Year	70,533,422	352,667,110	70,533,422	352,667,110

### Terms / Rights attached to Equity Share

The Company has only one class of Equity Shares having a par value of ₹ 5/-. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors, in their meeting on May 24, 2013, proposed a dividend of ₹ 6/- per Equity Share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend appropriation for the year ended March 31, 2013 is ₹ 495,123,462/- including corporate dividend tax of ₹ 71,922,930/-.

In the event of liquidation of the company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.



	As At 31.03.2013		As At 31.03.2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>c) List of shareholders holding more than 5% shares</b>				
Franklin Templeton Investment Funds	4,959,584	7.03	4,581,064	6.49
Global Jindal Fin-Invest Ltd	5,424,944	7.69	5,424,944	7.69
Brahmadev Holding & Trading Ltd.	5,758,992	8.16	5,758,992	8.16
Stable Trading Company Ltd.	11,285,544	16.00	11,263,812	15.97
Odd & Even Trades and Finance P. Ltd.	11,690,000	16.57	11,690,000	16.57

d) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: Nil

Aggregate number and class of share allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date: Nil

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Capital Redemption Reserve	144,112,800	144,112,800
Securities Premium	3,257,131,073	3,257,131,073
Capital Investment Subsidy	2,500,000	2,500,000
General Reserve :		
As per Last Balance Sheet	16,159,451,397	13,659,451,397
Add: Transferred from Revaluation Reserve	392,018	-
Add: Transferred from Profit & Loss A/c.	500,000,000	2,500,000,000
	<b>16,659,843,415</b>	<b>16,159,451,397</b>
Profit and Loss Account :		
As per Last Balance Sheet	1,076,684,128	961,204,910
Add: Profit for the Year	1,533,171,866	3,107,333,456
Less: Transfer to General Reserve	500,000,000	2,500,000,000
Less: Proposed Dividend	423,200,532	423,200,532
Less: Tax on Proposed Dividend	71,922,930	68,653,706
	<b>1,614,732,532</b>	<b>1,076,684,128</b>
Revaluation Reserve :		
As per Last Balance Sheet	6,605,573,290	7,014,507,336
Less: Loss on Sale of Revalued Assets	27,110	-
Less: Transfer to General Reserve	392,018	-
Less: Depreciation on Revalued Assets	408,899,966	408,934,046
	<b>6,196,254,196</b>	<b>6,605,573,290</b>
	<b>27,874,574,016</b>	<b>27,245,452,688</b>



	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.3</b>		
<b>LONG-TERM BORROWINGS</b>		
Term Loan		
- From other parties*	8,284,080	10,434,900
	<u>8,284,080</u>	<u>10,434,900</u>

\*Loan repayable in 7 yearly installments from the date of disbursement of loan.

	As at 31.03.2012 (₹)	During the Year (₹)	As At 31.03.2013 (₹)
<b>NOTE : 2.4</b>			
<b>DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities			
Fixed Assets	597,351,238	119,006,186	716,357,424
Deferred Tax Assets			
Others	3,331,088	7,985,576	11,316,664
	<u>594,020,150</u>	<u>111,020,610</u>	<u>705,040,760</u>

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.5</b>		
<b>OTHER LONG-TERM LIABILITIES</b>		
Deferred Sales Tax	573,617,985	627,683,798
	<u>573,617,985</u>	<u>627,683,798</u>

<b>NOTE : 2.6</b>		
<b>SHORT - TERM BORROWINGS</b>		
Loans repayable on demand from Banks:		
- Secured*	22,327,382	5,339,576
- Unsecured	15,617,518	293,274,496
	<u>37,944,900</u>	<u>298,614,072</u>

\*The borrowings for working capital are secured by hypothecation of inventories, book debts & all other current assets other than those specifically excluded and second charge on moveable fixed assets and negative lien on immovable fixed assets.



	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.7</b>		
<b>TRADE PAYABLES</b>		
Creditors	384,389,002	1,474,991,178
	<u>384,389,002</u>	<u>1,474,991,178</u>
<b>NOTE : 2.8</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long - Term Debts	2,876,326	2,819,208
Current Maturity of Other Long - Term Liabilities	59,250,735	60,114,057
Statutory Dues	207,323,433	175,223,074
Payable to Employees	61,439,899	47,033,040
Security Deposit	17,950,867	16,531,249
Advance from Customers	149,638,859	152,323,952
Unpaid Dividend	26,852,462	23,994,185
Proposed Dividend	423,200,532	423,200,532
Tax on Proposed Dividend	71,922,930	68,653,706
	<u>1,020,456,043</u>	<u>969,893,003</u>
<b>NOTE : 2.9</b>		
<b>SHORT - TERM PROVISIONS</b>		
Provision for Expenses	95,118,972	94,124,220
	<u>95,118,972</u>	<u>94,124,220</u>


**NOTE : 2.10  
FIXED ASSETS**
**(₹)**

Description	Gross Block (At Cost)				Depreciation				Net Block	
	As At 01.04.2012	Additions	Sales/ Adjustment	As At 31.03.2013	Upto 31.03.2012	For The Year	Sales/ Adjustment	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
<b>Tangible Assets:</b>										
Freehold - Land	71,382,035	-	-	71,382,035	-	-	-	-	71,382,035	71,382,035
Leasehold - Land	97,711,360	-	-	97,711,360	-	-	-	-	97,711,360	97,711,360
Land Site & Development	148,035,745	-	-	148,035,745	-	-	-	-	148,035,745	148,035,745
Shed & Building	1,715,760,867	30,907,382	-	1,746,668,249	194,980,922	48,199,853	-	243,180,775	1,503,487,474	1,520,779,945
Plant & Machinery	6,138,492,794	40,902,689	3,740,346	6,175,655,137	1,517,173,069	291,790,605	1,486,591	1,807,477,083	4,368,178,054	4,621,319,725
Office Equipment	42,709,443	3,183,544	-	45,892,987	12,510,329	2,025,671	-	14,536,000	31,356,987	30,199,114
Computer	35,559,595	9,262,245	-	44,821,840	20,255,437	4,931,400	-	25,186,837	19,635,003	15,304,158
Furniture & Fixtures	57,939,228	2,046,182	-	59,985,410	14,531,107	3,614,270	-	18,145,377	41,840,033	43,408,121
Vehicles	96,309,148	7,206,358	3,405,049	100,110,457	35,306,025	10,771,028	2,889,253	43,187,800	56,922,657	61,003,123
<b>Total (A)</b>	8,403,900,215	93,508,400	7,145,395	8,490,263,220	1,794,756,889	361,332,827	4,375,844	2,151,713,872	6,338,549,348	6,609,143,326
Previous Year	4,557,294,445	3,866,163,730	19,557,960	8,403,900,215	1,598,949,354	200,734,464	4,926,929	1,794,756,889	6,609,143,326	2,958,345,091
<b>Intangible Assets:</b>										
Software	24,192,117	-	-	24,192,117	12,090,823	3,919,152	-	16,009,975	8,182,142	12,101,294
<b>Total (B)</b>	24,192,117	-	-	24,192,117	12,090,823	3,919,152	-	16,009,975	8,182,142	12,101,294
Previous Year	24,192,117	-	-	24,192,117	8,171,671	3,919,152	-	12,090,823	12,101,294	16,020,446
<b>Additions in Tangible Assets on Account of Revaluation</b>										
Freehold - Land	384,039,102	-	-	384,039,102	-	-	-	-	384,039,102	384,039,102
Shed & Building	1,984,703,009	-	-	1,984,703,009	134,534,232	44,844,744	-	179,378,976	1,805,324,033	1,850,168,777
Plant & Machinery	5,463,633,317	-	525,161	5,463,108,156	1,092,267,906	364,055,222	106,033	1,456,217,095	4,006,891,061	4,371,365,411
<b>Total (C)</b>	7,832,375,428	-	525,161	7,831,850,267	1,226,802,138	408,899,966	106,033	1,635,596,071	6,196,254,196	6,605,573,290
Previous Year	7,832,375,428	-	-	7,832,375,428	817,868,092	408,934,046	-	1,226,802,138	6,605,573,290	7,014,507,336
<b>Total (A+B+C)</b>	16,260,467,760	93,508,400	7,670,556	16,346,305,604	3,033,649,850	774,151,945	4,481,877	3,803,319,918	12,542,985,686	13,226,817,910
Previous Year	12,413,861,990	3,866,163,730	19,557,960	16,260,467,760	2,424,989,117	613,587,662	4,926,929	3,033,649,850	13,226,817,910	9,988,872,873
<b>Capital Work in Progress</b>										
Land	3,500,001	2,054,276	-	5,554,277	-	-	-	-	5,554,277	3,500,001
Shed & Building	62,381,156	75,558,502	16,892,242	121,047,416	-	-	-	-	121,047,416	62,381,156
Plant & Machinery	31,494,014	361,391,725	9,512,441	383,373,298	-	-	-	-	383,373,298	31,494,014
Preoperative Expenses	1,004,490	12,884,633	-	13,889,123	-	-	-	-	13,889,123	1,004,490
Others	473,173	176,632	473,173	176,632	-	-	-	-	176,632	473,173
<b>Total (D)</b>	98,852,834	452,065,768	26,877,856	524,040,746	-	-	-	-	524,040,746	98,852,834
Previous Year	2,451,251,545	595,435,388	2,947,834,099	98,852,834	-	-	-	-	98,852,834	2,451,251,545
<b>Current Year (A+B+C+D)</b>									13,067,026,432	13,325,670,744
Previous Year									13,325,670,744	12,440,124,418

During the year depreciation amounting to ₹ Nil (Previous Year ₹ 3,815,573/-) pertaining to pre-operative portion has been capitalised. Accordingly, depreciation charged in Profit and Loss Account has been netted off with this amount and shown at ₹ 365,251,979/- ( Previous Year ₹ 200,838,043/-)



Note : 2.11

## INVESTMENTS

(Fully paid up unless otherwise specified)

### I. Non - Current

#### A. Trade

##### Un-Quoted

##### Equity Shares of Joint Venture Companies

₹ 10/- each of Hydril Jindal International Pvt. Ltd.	4,389,095	43,890,950	4,389,095	43,890,950
₹ 10/- each of Gondkhari Coal Mining Ltd.	15,150	151,500	15,150	151,500

##### Equity Shares of Subsidiary Company

USD 1 each of Maharashtra Seamless (Singapore) Pte. Ltd.	700,000	33,952,000	100,000	4,444,000
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#### B. Non - Trade

##### Un - Quoted

##### Equity Shares of Subsidiary Company

₹ 10/- each of Maharashtra Seamless Finance Ltd.	2,500,000	25,000,000	2,000,000	20,000,000
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##### Equity Shares of Associate Company

USD 1 each of Jindal Pipes (Singapore) Pte. Ltd. (Refer Note No. 2.26)	4,500,000	222,581,250	4,500,000	222,581,250
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##### Equity Shares of Joint Venture Company

USD 1 each of Dev Drilling Pte. Ltd.	2,450,000	132,159,125	-	-
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##### Debentures

18.65% NCD 05NVI4 Tricone Projects India Ltd.	16	40,000,000	-	-
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##### Bonds

6.85% India Infrastructure Finance Company Ltd.- Trench 1 Tax Free Bonds	2,000	205,700,000	2,000	205,700,000
10.30% Yes Bank Bonds	10	10,000,000	10	10,000,000

##### Quoted

##### Equity Shares

₹ 10/- each of Coal India Ltd.	15,016	5,585,493	15,016	5,585,493
₹ 10/- each of Electrosteel Steels Ltd.	22,300,000	139,726,927	22,300,000	139,726,927
₹ 5/- each of ISMT Ltd.	1,445,000	50,119,132	1,445,000	50,119,132
₹ 10/- each of Future Ventures India Ltd.	-	-	32,942,993	329,429,930
₹ 10/- each of Jindal South West Holding Ltd.	14,923	14,593,073	14,923	14,593,073
₹ 10/- each of JSW Steel Ltd.	170,212	133,980,882	170,212	133,980,882
₹ 10/- each of JSW Energy Ltd.	194,875	10,121,521	194,875	10,121,521
₹ 10/- each of Videocon Industries Ltd.	56,018	10,776,299	56,018	10,776,299
₹ 10/- each of Monnet Ispat & Energy Ltd.	499,977	200,946,147	343,517	167,392,322
₹ 5/- each of Welspun Corp Ltd.	35,200	5,863,341	35,200	5,863,341
₹ 10/- each of Reliance Industries Ltd.	29,800	25,038,630	29,800	25,038,630
₹ 10/- each of Orissa Sponge Iron & Steel Ltd.	-	-	200,000	62,120,200
		<u>1,310,186,270</u>		<u>1,461,515,450</u>



	As At 31.03.2013		As At 31.03.2012	
	No. of Shares /Units	(₹)	No. of Shares /Units	(₹)
<b>II. Current</b>				
<b>Non - Trade</b>				
<b>Quoted</b>				
<b>Mutual Funds</b>				
Baroda Pioneer Liquid Fund - Institutional - Growth	-	-	40,707	50,000,000
Canara Robeco FMP Series 6 - 13 Months - Plan B - Growth	-	-	25,000,000	250,000,000
DWS FMP Series I - Growth	-	-	10,000,000	100,000,000
DWS Fixed Term Fund - Series 80 - Growth	-	-	5,000,000	50,000,000
Edelweiss Short Term Income Fund - Growth	7,431,574	100,000,000	-	-
Fidelity FMP Series 6 - Plan E - Growth	-	-	20,000,000	200,000,000
Fidelity FMP Series 6 - Plan F - Growth	-	-	15,000,000	150,000,000
ICICI Pru. FMP Series 55 - 1 Year Plan G - Cumulative - Growth	-	-	8,000,000	80,000,000
ICICI Pru. FMP Series 54 - 1 Year Plan B - Cumulative - Growth	-	-	20,005,367	200,053,670
ICICI Pru. Short Term Plan - Cumulative - Growth	2,162,826	50,000,000	-	-
ICICI Pru. Ultra Short Term Plan - Growth	4,222,295	50,000,000	-	-
ICICI Pru. FMP Series 61 - 1 Year Plan E - Cumulative - Growth	-	-	15,000,000	150,000,000
Indiabulls FMP 377 Days March 2012 (2) - Growth	5,000,000	50,000,000	5,000,000	50,000,000
Indiabulls Income Fund - Regular - Growth	15,000,000	150,000,000	-	-
Indiabulls Liquid Fund - Growth	-	-	2,880,256	300,000,000
Indiabulls Ultra Short Term Fund - Existing Plan - Growth	178,503	200,000,000	-	-
JP Morgan India FMP Series 12 - Regular - Growth	12,500,000	125,000,000	-	-
Kotak FMP Series 70 - Growth	-	-	10,000,000	100,000,000
Kotak FMP Series 94 - Growth	20,000,000	200,000,000	-	-
LIC Nomura MF FMP Series 60 - 397 Days - Growth	30,000,000	300,000,000	-	-
LIC Nomura MF FMP Series 52 - 367 Days - Growth	6,000,000	60,000,000	6,000,000	60,000,000
LIC Nomura MF FMP Series 56 - 18 Months - Growth	25,000,000	250,000,000	-	-
Peerless Ultra Short Term Fund - Super Institutional - Growth	58,888,143	740,860,858	-	-
Principal Cash Management Fund - Growth	26,953	30,000,000	-	-
Principal PNB FMP Series A4 - 367 Days - FMP 77 - Regular - Growth	15,000,000	150,000,000	15,000,000	150,000,000
Reliance Fixed Horizon Fund - XXIII - Series 4 - Growth	10,000,000	100,000,000	-	-
Reliance Fixed Horizon Fund - XXI - Series 4 - Growth	-	-	21,622,142	216,221,419
Reliance Income Fund - Growth Plan - Bonus Option	10,298,139	112,500,000	-	-
Religare Credit Opportunities Fund - Growth	26,004,465	336,606,703	-	-
Religare FMP Series VII - Plan A - 370 Days - Growth	-	-	6,000,000	60,000,000
Religare FMP Series XV - Plan F - 369 Days - Growth	3,000,000	30,000,000	-	-





	As At 31.03.2013		As At 31.03.2012	
	No. of Shares /Units	(₹)	No. of Shares /Units	(₹)
Religare FMP Series XVIII - Plan C - 25 Months - Growth	13,000,000	130,000,000	-	-
Religare Fixed Maturity Series VIII - Plan A - 368 Days - Growth	-	-	3,000,000	30,000,000
Religare Fixed Maturity Series VIII - Plan B - 13 Months - Growth	-	-	7,000,000	70,000,000
Religare FMP Series XV - Plan E - 367 Days - Growth	5,000,000	50,000,000	-	-
Religare FMP Series XI - Plan F - 15 Months - Growth	7,000,000	70,000,000	7,000,000	70,000,000
Religare FMP Series XII - Plan A - 370 Days - Growth	-	-	21,500,000	215,000,000
Religare FMP Series XII - Plan B - 14 Months - Growth	6,308,150	63,081,500	6,308,150	63,081,500
Religare FMP Series XIII - Plan A - 370 Days - Growth	-	-	5,000,000	50,000,000
Religare FMP Series XIII - Plan E - 13 Months - Growth	6,000,000	60,000,000	6,000,000	60,000,000
Religare FMP Series XIV - Plan E - 370 Days - Growth	5,000,000	50,000,000	-	-
Sundaram Fixed Term - Plan AH - 15 Months - Growth	-	-	4,000,000	40,000,000
Sundaram Money Fund - Regular - Growth	9,113,758	225,050,595	-	-
Sundaram Ultra Short Term Fund - Regular - Growth	34,020,374	530,000,000	-	-
TATA FMP Series 35 - Scheme A - Growth	-	-	6,000,000	60,000,000
TATA FMP Series 42 - Scheme D - Plan A - Growth	20,000,000	200,000,000	-	-
TATA FMP Series 42 - Scheme F - Plan A - Growth	25,000,000	250,000,000	-	-
TATA FMP Series 30 - Scheme C - Growth	-	-	5,000,654	50,006,540
TATA Income Fund Appreciation - Bonus - Growth	737,535	7,777,778	-	-
Taurus FMP - 369 Days - Series U - Growth	5,000,000	50,000,000	-	-
Taurus Short Term Income Fund - Growth	129,563	255,548,782	-	-
Templeton India Short Term Income - Retail - Growth	30,365	70,000,000	-	-
UTI Bond Fund - Regular - Growth	6,195,787	215,000,000	-	-
UTI Fixed Term Income Fund Series X - VI - 368 Days - Growth	-	-	40,000,000	400,000,000
UTI Fixed Term Income Fund Series XIV - I - 366 Days - Growth	40,000,000	400,000,000	-	-
		<u>5,661,426,216</u>		<u>3,274,363,129</u>
Aggregate Value of Quoted Investments		6,258,177,661		4,229,110,879
Aggregate Value of Un-Quoted Investments		713,434,825		506,767,700
Market Value of Quoted Investments		6,197,145,793		4,252,280,963



	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.12</b>		
<b>LONG - TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Capital Advances	247,740,021	56,965,621
Loan to Body Corporates	640,621,962	522,593,853
	<u>888,361,983</u>	<u>579,559,474</u>
<b>NOTE : 2.13</b>		
<b>INVENTORIES</b>		
(As Verified Valued and Certified by the Management)		
Raw Material including material in transit	2,320,151,440	4,282,026,728
Finished Goods	1,636,034,399	1,353,428,327
Work - in - Process	665,045,161	1,068,346,790
Scrap	56,399,868	34,574,424
Stores & Spares	455,318,744	433,486,645
	<u>5,132,949,612</u>	<u>7,171,862,914</u>
<b>NOTE : 2.14</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured, Considered good)		
Over Six Months	191,166,925	141,358,319
Others	3,024,369,335	3,481,001,468
	<u>3,215,536,260</u>	<u>3,622,359,787</u>
<b>NOTE : 2.15</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	1,263,998	2,079,866
<b>Balances with Scheduled Banks</b>		
- In Current Accounts	1,204,616	75,931,354
- In Unclaimed Dividend Accounts	24,632,452	21,759,175
- In Unclaimed Redemption Dividend Accounts	2,220,010	2,235,010
- In Fixed Deposit Account (Maturity within 1 year)	43,065,800	10,970,997
- In Fixed Deposit Account	5,922,259	88,433,064
	<u>78,309,135</u>	<u>201,409,466</u>



As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
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**NOTE : 2.16**
**SHORT - TERM LOANS AND ADVANCES**

Advances Recoverable in cash or in kind	358,238,652	598,953,102
Loan to Body Corporates	896,594,312	1,208,748,832
Share Application Money Pending Allotment	132,153,000	29,508,000
Security Deposit Paid	65,711,432	56,057,116
Income Tax (Net of Provisions)	193,759,583	125,643,532
	<u>1,646,456,979</u>	<u>2,018,910,582</u>

**NOTE : 2.17**
**OTHER CURRENT ASSETS**

Balance with Excise and Sales Tax Authorities	300,000	500,000
Mat Credit Entitlement	42,535,918	-
Interest Accrued but not due	8,925,170	11,665,310
	<u>51,761,088</u>	<u>12,165,310</u>

Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
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**NOTE : 2.18**
**REVENUE FROM OPERATIONS**
**Sale of Products:**

Manufacturing	17,638,304,282	23,429,242,378
Scrap	652,032,661	815,005,330
	<u>18,290,336,943</u>	<u>24,244,247,708</u>
Less : Excise Duty	1,157,940,516	1,365,103,106
	<u>17,132,396,427</u>	<u>22,879,144,602</u>
Income from Services	87,827,528	37,715,432
	<u>17,220,223,955</u>	<u>22,916,860,034</u>

**NOTE : 2.19**
**OTHER INCOME**

Dividend Received: Non Trade - Non Current	4,159,793	1,031,803
Interest Received	172,208,849	192,002,644
Income from DEPB License	-	97,866,338
Profit on Sale of Current Investments (Net) - Non Trade	383,684,783	401,191,783
Foreign Exchange Fluctuation (Net)	62,830,248	-
Rent Received	6,043,784	3,163,150
Miscellaneous Income	66,866,798	70,360,077
Profit on Sale of Tangible Fixed Assets (Net)	15,540	-
	<u>695,809,795</u>	<u>765,615,795</u>



	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>NOTE : 2.20</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Opening Stock	4,282,026,728	3,605,690,730
Add: Purchases (Including Direct Expenses)	9,965,819,666	16,647,101,019
	<u>14,247,846,394</u>	<u>20,252,791,749</u>
Less : Closing Stock	2,320,151,440	4,282,026,728
	<u>11,927,694,954</u>	<u>15,970,765,021</u>

**NOTE : 2.21**  
**CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK - IN - PROCESS AND STOCK - IN - TRADE**

Closing Stock :		
Finished Goods	1,636,034,399	1,353,428,327
Work - in - Process	665,045,161	1,068,346,790
Scrap	56,399,868	34,574,424
	<u>2,357,479,428</u>	<u>2,456,349,541</u>
Opening Stock :		
Finished Goods	1,353,428,327	1,075,195,848
Work - in - Process	1,068,346,790	437,945,883
Scrap	34,574,424	27,201,663
	<u>2,456,349,541</u>	<u>1,540,343,394</u>
Excise Duty on Differential Stock of Finished Goods	29,865,112	48,338,249
	<u>128,735,225</u>	<u>(867,667,898)</u>

**NOTE : 2.22**  
**EMPLOYEE BENEFITS EXPENSE**

Salary, Wages & Other Allowances	416,044,304	369,998,915
Contribution to PF & Other Funds	12,242,547	25,635,371
Staff Welfare Expenses	8,765,689	8,175,099
	<u>437,052,540</u>	<u>403,809,385</u>

**NOTE : 2.23**  
**FINANCE COSTS**

Interest to Banks:		
- Working Capital Borrowings	24,671,159	6,799,567
- Others	24,398,292	23,502,480
Bank Charges & Commission	12,412,401	21,586,534
	<u>61,481,852</u>	<u>51,888,581</u>



	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>NOTE : 2.24</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses:</b>		
Stores & Spares Consumed	690,257,468	664,247,224
Power & Fuel	1,871,401,334	1,968,618,068
Water Charges	4,148,966	6,229,413
Repair & Maintenance (Plant & Machinery)	18,720,082	19,823,696
Repair & Maintenance (Building)	3,550,880	3,174,082
Job Work Charges	62,045,192	196,740,766
	<b>2,650,123,922</b>	<b>2,858,833,249</b>
<b>Administrative Expenses:</b>		
Rent	26,053,500	24,401,877
Rates & Taxes	7,669,340	11,973,642
Telephone & Communication Expenses	8,922,803	9,241,543
Printing & Stationery	1,247,582	4,454,178
Travelling & Conveyance:		
- Directors	6,993,638	2,704,970
- Others	24,470,452	22,927,113
Vehicle Upkeep & Maintenance	13,084,084	12,717,442
Directors' Fee	592,500	510,000
Insurance	7,039,915	8,383,401
Staff Recruitment & Training Expenses	874,531	2,052,524
Repair & Maintenance (Others)	17,701,697	17,060,035
Legal & Professional Charges	12,216,469	13,428,841
Fees & Subscription	6,299,166	8,463,947
Electricity Charges	7,049,570	6,671,297
Auditors' Remuneration :		
- Audit Fee	800,000	800,000
- Tax Audit Fee	200,000	200,000
- Company Law Matters	134,508	87,318
- Other Expenses	96,781	132,934
Internal Audit Fees	750,676	605,641
Cost Audit Fees	60,000	60,000
Foreign Exchange Fluctuation (Net)	-	122,816,772
General Expenses	11,707,713	8,345,110
Loss on Sale of Non Current Investment (Net) - Non Trade	834,376	-
Loss on Sale of Tangible Fixed Assets ( Net )	-	670,404
	<b>154,799,301</b>	<b>278,708,989</b>
<b>Selling &amp; Distribution Expenses:</b>		
Tender Fee	767,429	864,062
Advertisement & Business Promotion	11,884,755	12,369,111
Freight Outward & Claims (Net)	86,727,720	156,444,296
Commission & Discount	93,511,759	166,735,770
Testing & Inspection charges	20,632,215	23,089,601
	<b>213,523,878</b>	<b>359,502,840</b>
	<b>3,018,447,101</b>	<b>3,497,045,078</b>


**2.25 CONTINGENT LIABILITIES**

- a) Letter of Credit - ₹ 391,604,808/- (Previous Year ₹ 2,589,174,373/-)
  - b) Guarantees: Bank & Others - ₹ 6,585,365,409/- (Previous Year ₹ 2,823,979,013/-)
  - c) Sales Tax Demand under Appeal - ₹ 465,199/- (Previous Year ₹ 465,199/-)
  - d) Income Tax Demand under Appeal - ₹ 453,210/- (Previous Year ₹ 3,558,098/-)
  - e) Excise Duty Demand under Appeal - ₹ 190,325,905/- (Previous Year ₹ 190,325,905/-)
  - f) Indian Oil Corporation Ltd. (IOCL) had raised a claim of ₹ 179,848,064/- during the financial year 2008-09 & against this claim a performance bank guarantee of ₹ 85,279,100/- was given to IOCL, which was realized by them, and an equivalent amount is charged in the Profit & Loss Account in financial year 2008-09. The matter is still under dispute and arbitration proceeding is going on. Any further demand, if any, will be provided for on the date of final settlement.
- 2.26 The company has pledged 4,500,000 Equity Shares of USD 1 each held in Jindal Pipes (Singapore) Pte Ltd in favour of Standard Chartered Bank (Hong Kong) Limited acting as Security Agent towards Loan availed by Associate Company Jindal Pipes (Singapore) Pte Ltd.
- 2.27 The company has imported Capital Goods under the Export Promotion Capital Goods (EPCG) scheme of the Government of India, at concessional rate of duty against the Legal Undertaking (LUT) to fulfil Exports obligations. The duty saved on such import of capital goods during the year amounting to ₹ 37,139,095/- (Previous Year ₹ 28,941,186/-) and for this the company is under an obligation to export goods amounting to ₹ 222,834,570/- (Previous Year ₹ 173,647,114/-), within a period of eight years, commencing from the date of issue of licenses. The company has, however, fulfilled, the export obligation till date to the extent of ₹ 222,834,570/- (Previous Year ₹ 173,647,114/-), for which the LUTs are to be discharged. Pending fulfilment of such future export obligations entails Custom Department a right to enforce the LUT executed by us to the extent of ₹ Nil (Previous Year ₹ Nil).
- 2.28 Estimated amount of contracts remaining to be executed on Capital Account, net of advances, and not provided for ₹ 119,296,437/- (Previous Year ₹ 144,064,020/-).
- 2.29 Tangible Fixed Assets namely Land, Factory Shed & Building and Plant & Machinery acquired upto 31st March 2009 were revalued on 1st April 2009. As a result of revaluation, Revaluation Reserve was created amounting to ₹ 7,832,375,428/-, and additional depreciation of ₹ 408,899,966/- (Previous Year ₹ 408,934,046/-) provided on increased amount of assets due to revaluation computed on the basis of straight line method has been adjusted from Revaluation Reserve.
- 2.30 Excise duty in respect of finished goods lying in factory premises and custom duty on goods lying in custom bonded warehouse are provided and included in the valuation of inventory. This accounting treatment has no impact on the profit for the year. Credit of taxes and duties availed is accounted for by reducing the purchase cost of the materials and fixed assets.
- 2.31 There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The Auditors have relied upon the same.
- 2.32 The Board of Directors at its meeting held on 8th April, 2013 had approved buy back of shares of the company through open market purchase for an amount upto ₹ 100 crores at a maximum price of ₹ 300/- per share.
- 2.33 The company has given interest free loan of ₹ 11.60 crores during the year (Previous Year ₹ 48 crores) to Maharashtra Seamless Limited Employee Welfare Trust which had been formed with the sole objective of employee welfare.
- 2.34 In the opinion of the company, the value on realisation of current assets, loans & advances in the ordinary course of the business shall not be less than the amount at which they are stated in the Balance Sheet.
- 2.35 Financial reporting of Interest in Joint Ventures as per Accounting Standard - 27:

Name of the Company	Date of Initial Investment	Country of Incorporation	% Ownership Interest	
			As At 31.03.2013	As At 31.03.2012
Hydril Jindal International Pvt. Ltd.	10th February, 2005	India	49.89%	49.89%
Gondkhari Coal Mining Ltd.	26th February, 2010	India	30.30%	30.30%
Dev Drilling Pte. Ltd.	12th February, 2013	Singapore	49.00%	NA



The company's share of the Assets and Liabilities as on 31st March 2013 and share of Income & Expenses for the Year Ended on that date in respect of Joint Venture Companies (on the basis of their unaudited statement of accounts) are given below:

**Hydril Jindal International Pvt. Ltd.**

Particulars	2012-13	2011-12
Company's Share	49.89%	49.89%
(₹)		
<b>Assets</b>		
Non - Current Assets	51,800,778	63,980,862
Current Assets	11,891,208	78,277,984
<b>Total Assets</b>	<b>63,691,986</b>	<b>142,258,846</b>
<b>Equity and Liabilities</b>		
Share Capital	43,894,170	43,894,170
Reserves & Surplus	(50,258,896)	(43,792,897)
Non - Current Liabilities	403,747	442,226
Current Liabilities	69,652,965	141,715,347
<b>Total Equity and Liabilities</b>	<b>63,691,986</b>	<b>142,258,846</b>
<b>Income</b>	<b>66,796,452</b>	<b>86,984,654</b>
<b>Expenditure</b>	<b>73,262,451</b>	<b>98,570,762</b>
Aggregate amount of Contingent Liability - Bank Guarantee	6,677,064	5,791,283
Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)	Nil	Nil

**Gondkhari Coal Mining Ltd.**

Particulars	2012-13	2011-12
Company's Share	30.30%	30.30%
(₹)		
<b>Assets</b>		
Non - Current Assets	42,943,935	42,083,339
Current Assets	2,016,053	230,714
<b>Total Assets</b>	<b>44,959,988</b>	<b>42,314,053</b>
<b>Equity and Liabilities</b>		
Share Capital	151,500	151,500
Reserves & Surplus	(2,287,453)	(1,417,477)
Non - Current Liabilities	44,821,580	42,505,329
Current Liabilities	2,274,361	1,074,701
<b>Total Equity and Liabilities</b>	<b>44,959,988</b>	<b>42,314,053</b>
<b>Income</b>	<b>Nil</b>	<b>Nil</b>
<b>Expenditure</b>	<b>869,976</b>	<b>855,171</b>
Aggregate amount of Contingent Liability - Bank Guarantee	35,969,130	35,969,130
Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)	Nil	Nil




**Dev Drilling Pte. Ltd.**

Particulars	2012-13	2011-12
Company's Share	49.00%	NA
(₹)		
<b>Assets</b>		
Non - Current Assets	937,383,931	NA
Current Assets	23,620,219	NA
<b>Total Assets</b>	<b>961,004,150</b>	<b>NA</b>
<b>Equity and Liabilities</b>		
Share Capital	132,159,125	NA
Reserves & Surplus	(152,277)	NA
Foreign Currency Transition Reserve	1,091,020	NA
Non - Current Liabilities	-	NA
Current Liabilities	827,906,282	NA
<b>Total Equity and Liabilities</b>	<b>961,004,150</b>	<b>NA</b>
<b>Income</b>	<b>-</b>	<b>NA</b>
<b>Expenditure</b>	<b>152,277</b>	<b>NA</b>
<b>Aggregate amount of Contingent Liability - Bank Guarantee</b>	<b>Nil</b>	<b>NA</b>
<b>Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)</b>	<b>3,736,222,925</b>	<b>NA</b>

**2.36 Pre-operative expenses forming part of capital work in progress consists of :**

(₹)

Particulars	As At 31.03.2013	As At 31.03.2012
Amount Brought Forward from Last Year	1,004,490	98,073,520
Addition During the Year	12,884,633	4,874,620
Amount Capitalised/ Adjusted During the Year	-	101,943,650
<b>Closing Balance</b>	<b>13,889,123</b>	<b>1,004,490</b>
<b>Represented By:</b>		
Legal & Professional Charges	911,490	911,490
Miscellaneous Expenses	1,436,076	93,000
Salaries, Wages & Other Allowances	7,757,451	-
Travelling & Conveyance	2,886,386	-
Water & Electricity Charges	897,720	-
<b>Total</b>	<b>13,889,123</b>	<b>1,004,490</b>

2.37 The Gain of Foreign Exchange Fluctuation (Net) ₹ 62,830,248/- (Previous Year Loss ₹ 122,816,772/-) ,as shown in Profit & Loss Account, has been arrived at after considering loss of ₹ 103,196,743/- (Previous Year ₹ 195,620,698/-) and gain of ₹ 166,026,991/- (Previous Year ₹ 72,803,926/-). Further, mark to market gain/(loss) has been recognised by the company of ₹ 2,662,384/- (Previous Year ₹ Nil ) as specified in Accounting Standard 30" Financial Instruments: Recognition and Measurement" issued by ICAI.

- 2.38 a) The Accounting Standard 15 (Revised 2005) have been made applicable from F.Y. 2007 - 08, the requisite information and disclosure have been given separately for this year and previous year.
- b) The employees' gratuity fund scheme managed by LIC of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.



Disclosure as per Accounting Standard 15:

**i) Expenses recognised during the year (Under the head “Personnel Cost”)**

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Current Service cost	8,892,764	7,461,101	2,961,472	2,146,050
Interest Cost	4,649,197	2,718,436	685,344	540,312
Expected return on plan assets	(5,593,130)	(4,246,931)	-	-
Actuarial (gain)/loss recognised in the period	2,473,151	14,893,146	461,892	295,700
Net Cost	10,421,982	20,825,752	4,108,708	2,982,062

**ii) Net Asset/Liability recognised in the Balance Sheet as at year end**

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Fair value of plan assets as at March 31	67,753,384	56,493,653	-	-
Present value of obligation as at March 31	68,946,358	56,353,899	11,150,508	8,307,200

**iii) Reconciliation of opening and closing balances of Defined Benefit obligation**

(₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Defined benefit obligation as at April 1	56,353,899	32,950,744	8,307,200	6,549,236
Current service cost	8,892,764	7,461,101	2,961,472	2,146,050
Interest cost	4,649,197	2,718,436	685,344	540,312
Actuarial (gain)/loss on obligation	2,124,295	14,136,150	461,892	295,700
Benefit paid	(3,073,797)	(912,532)	(1,265,400)	(1,224,098)
Defined Benefit obligation as at March 31	68,946,358	56,353,899	11,150,508	8,307,200

**iv) Reconciliation of opening and closing balance of fair value of plan assets**

(₹)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Fair value of plan assets at beginning of the year	56,493,653	37,356,520
Expected return on plan assets	5,593,130	4,246,931
Actuarial gain / (loss)	(348,856)	(756,996)
Employer contribution	9,089,254	16,559,730
Benefit paid	(3,073,797)	(912,532)
Fair value of plan assets at year end	67,753,384	56,493,653
Actual return on plan assets	5,244,274	3,489,935


**v) Investment details**

(₹)

Particulars	Gratuity (Funded)	
	2012-13	2011-12
Insurer Managed Funds	67,753,384	56,493,653

**vi) Actuarial assumptions**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2012-13	2011-12	2012-13	2011-12
Discount rate (per annum)	8.25%	8.25%	8.25%	8.25%
Expected rate of return on plan assets (per annum)	9.40%	9.40%	NA	NA
Rate of escalation in salary (per annum)	7.50%	7.50%	7.50%	7.50%

- c) The disclosures required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

**Defined Contribution Plan**

Contribution to Defined Contribution Plan recognised and charged in the Profit & Loss Account for the year are as under :

(₹)

Particulars	2012-13	2011-12
Employer's Contribution to Provident Fund	3,534,178	3,109,521
Employer's Contribution to Superannuation Fund	-	14,924,916
Employer's Contribution to Pension Scheme	8,708,369	7,600,934



## 2.39 SEGMENT REPORTING POLICIES

### Identification of Segments

#### Primary Segment

Business Segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The two identified segments are Steel Pipes & Tubes and Power - Electricity.

Inter Division transfers of goods, as marketable products produced by separate divisions of the company for captive consumption are made as if sales were to third parties at current market prices and are included in turnover.

#### Segment Information

Segment Revenues, Results and Other Information:

(₹ in lacs)

Particulars	Steel Pipes & Tubes	Power - Electricity	Others	Total
Revenue from Operations	170,330 (228,335)	1,871 (834)	6,951 (6,677)	179,152 (235,846)
Other Operating Income	- (979)	- -	- -	- (979)
Inter-Segment Sales	- -	743 (634)	- -	743 (634)
Segment Results	12,227 (37,624)	1,210 (477)	6,951 (6,677)	20,388 (44,778)
Finance Costs	614 (519)	- -	- -	614 (519)
Other Un-Allocable Expenditure	- -	- -	- -	- -
Profit Before Tax	11,613 (37,105)	1,210 (477)	6,951 (6,677)	19,774 (44,259)
Segment Assets (Including Capital Work in Progress, excluding Revaluation)	151,006 (174,955)	11,414 (11,960)	87,059 (65,737)	249,479 (252,652)
Segment Liabilities	16,136 (27,409)	3,395 (5,714)	- -	19,531 (33,123)
Un-allocable Liabilities				9,638 (9,604)
Capital Employed				220,310 (209,925)

## 2.40 Related Parties Disclosures as per Accounting Standard – 18.

### List of Related Parties with whom transactions have taken place during the year:

#### a) Joint Venture Companies

Hydril Jindal International Pvt. Ltd.

Gondkhari Coal Mining Ltd.

Dev Drilling Pte. Ltd. w.e.f. 12.02.2013

#### b) Subsidiary Companies (Wholly owned)

Maharashtra Seamless (Singapore) Pte. Ltd.

Maharashtra Seamless Finance Ltd.


**c) Associate Companies**

Jindal Pipes (Singapore) Pte. Ltd.

Star Drilling Pte. Ltd.

**d) Key Management Personnel**

Shri Saket Jindal

Shri S.P. Raj

**e) Relatives of Key Management Personnel**

Shri D.P. Jindal

Smt. Savita Jindal

Shri Raghav Jindal

Smt. Rachna Jindal

Smt. Shruti Raghav Jindal

Details of Transactions during the year are as follows:

(₹)

	Particulars	2012-13	2011-12
i)	<b>Purchase &amp; Other Services from related parties</b>		
	Joint Venture Companies	7,415,167	46,150,184
	Relatives of Key Management Personnel	118,184	100,552
ii)	<b>Sales &amp; Other Services to related parties</b>		
	Joint Venture Companies	2,540,962	135,599,914
	Associate Companies	2,088,906	-
	Subsidiary Companies	645,546	-
iii)	<b>Investment in related parties</b>		
	Subsidiary Companies	34,508,000	24,444,000
	- Share Application Money Pending Allotment	132,153,000	29,508,000
	Joint Venture Companies	132,159,125	-
	Associate Companies	-	222,581,250
iv)	<b>Loans/Inter Corporate deposits given and others (Maximum Outstanding)</b>		
	Joint Venture Companies	1,893,147,191	22,620,740
	Associate Companies	3,461,092,800	169,924,280
	Subsidiary Companies	547,945,336	523,000,000
v)	<b>Interest Received from related parties</b>		
	Joint Venture Companies	1,365,238	9,596,999
	Associate Companies	7,550,937	1,988,755
	Subsidiary Companies	86,509	-
vi)	<b>Rent paid to related parties</b>		
	Relatives of Key Management Personnel	300,000	300,000
vii)	<b>Remuneration</b>		
	Key Management Personnel	17,581,358	17,459,202
	Relatives of Key Management Personnel	2,109,360	1,908,065
viii)	<b>Dividend Paid</b>		
	Key Management Personnel	10,421,364	10,174,584
	Relatives of Key Management Personnel	2,203,044	2,003,670
ix)	<b>Balance Payable by the Company at the year end</b>		
	Relatives of Key Management Personnel	25,920	98,540
x)	<b>Balance Receivable by the Company (including loans if any) at the year end</b>		
	Joint Venture Companies	117,064,539	210,838,245
	Associate Companies	203,559,040	169,924,280
	Subsidiary Companies	3,994,244	248,300

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from or to any related parties.


**2.41 Earning Per Equity Share computed in accordance with Accounting Standard – 20**

Particulars	31.03.2013	31.03.2012
Net Profit available for Equity Shareholders (₹) (a)	1,533,171,866	3,107,333,456
Weighted average number of Equity Shares of ₹ 5/- each (b)	70,533,422	70,533,422
Basic / Diluted Earning per Equity Share (₹) (a/b)	21.74	44.05

**2.42 Disclosure of loan/ advances and investment in its own shares by the company, its subsidiaries, associates etc. as per requirement of clause 32 of the listing agreement :**

Name of Company	Balance As At (₹)		Maximum outstanding (₹)	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A) Loan and advances in the nature of loan given to Subsidiary, Associate Company				
Jindal Pipes (Singapore) Pte. Ltd.	203,559,040	169,924,280	415,292,000	169,924,280
Maharashtra Seamless (Singapore) Pte. Ltd.	3,994,244	-	4,052,336	-
B) Loan and advances where repayment schedule is not specified / is not beyond 7 year				
Jindal Pipes (Singapore) Pte. Ltd.	203,559,040	169,924,280	415,292,000	169,924,280
Maharashtra Seamless (Singapore) Pte. Ltd.	3,994,244	-	4,052,336	-
Hydriil Jindal International Pvt. Ltd.	1,228,714	56,094,461	56,094,461	100,026,887
Gondkhari Coal Mining Ltd.	44,621,962	42,593,853	89,902,853	42,593,853
C) Loans and advances in the nature of loans where interest is not charged or charged below bank rate				
Gondkhari Coal Mining Ltd.	44,621,962	-	89,902,853	-
Maharashtra Seamless Limited Employee Welfare Trust*	596,000,000	480,000,000	631,000,000	480,000,000
D) Investments made in Equity Share of the company by Maharashtra Seamless Limited Employee Welfare Trust* ("a Loanee") during the year of ₹126,056,954/- ( Previous Year ₹ 480,772,485/-)				

\* Maharashtra Seamless Limited Employee Welfare Trust is not a related party as per AS-18, issued by ICAI

**2.43 RAW MATERIALS CONSUMED**

(₹)

Items	Year Ended 31.03.2013	Year Ended 31.03.2012
Round Billets	8,562,505,447	11,025,627,977
HR Coils	3,242,562,450	4,772,878,932
Others	122,627,057	172,258,112
Total	11,927,694,954	15,970,765,021

**2.44 VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARES PARTS CONSUMED**
**a) RAW MATERIALS CONSUMED**

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
	(%)	(₹)	(%)	(₹)
Imported	39.40	4,699,965,812	20.09	3,208,506,703
Indigenous	60.60	7,227,729,142	79.91	12,762,258,318
Total	100.00	11,927,694,954	100.00	15,970,765,021

**b) STORES & SPARES PARTS CONSUMED**

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
	(%)	(₹)	(%)	(₹)
Imported	12.29	84,858,114	13.58	90,228,291
Indigenous	87.71	605,399,354	86.42	574,018,933
Total	100.00	690,257,468	100.00	664,247,224

**2.45 CIFVALUE OF IMPORTS**

(₹)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Raw Materials	4,686,379,747	3,857,829,649
Stores & Spares	78,378,886	70,934,626
Capital Goods	58,209,917	125,176,990

**2.46 EXPENDITURES IN FOREIGN CURRENCY**

(₹)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Travelling	3,355,009	1,399,680
Interest	8,048,986	11,866,419
Others	720,947	645,927

**2.47 EARNINGS IN FOREIGN CURRENCY**

(₹)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
FOB Value of Physical / Deemed Exports	2,791,383,369	2,298,311,875
Interest	7,637,446	1,988,755
Others	2,970,849	-

2.48 Paise have been rounded off to the nearest rupee.

2.49 Previous year figures have been regrouped / recast, where necessary, to conform to the current year figures.

As per our report of even date attached  
**For KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO  
**D.C. GUPTA**  
VP & Company Secretary

**For and on Behalf of the Board**

**D.P. JINDAL**  
Chairman  
**SAKET JINDAL**  
Managing Director  
**U.C. AGARWAL**  
**N.C. JAIN**  
Directors  
**S.P. RAJ**  
Wholetime Director



# CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

### To The Board of Directors of Maharashtra Seamless Limited

We have audited the accompanying consolidated financial statements (the "Consolidated Financial Statement") of Maharashtra Seamless Limited (the "Company"), and its Subsidiaries, Joint Venture and Associate Companies; hereinafter referred to as the "Group" which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of 'the Companies Act, 1956' of India (the "Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

We did not audit the financial statement of Subsidiary Company, Maharashtra Seamless (Singapore) Pte. Limited and Joint Venture Companies Gondhkari Coal Mining Limited, Dev Drilling Pte. Ltd., whose financial statement reflects total assets of ₹ 16,934 lacs as at 31st March 2013, and total revenues of ₹ 143.34 lacs for the year ended 31st March 2013 and two Associates Companies which constitute net loss of ₹ 4.76 lacs for the year then ended,. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the Subsidiaries, Joint Ventures and Associates is based solely on the report of the other auditors.

The financial statements of Joint Ventures Hydril Jindal International Private Limited, Gondhkari Coal Mining Limited and Dev Drilling and Associates Jindal Pipes (Singapore) Pte Ltd. & Star Drilling Pte. Ltd. for the year ended 31st March 2013 is reflected in Consolidated Financial Statements on the basis of unaudited financial information provided by the Management of the Subsidiaries, Joint Venture and Associates Companies.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

We report that consolidated that financial statements have been prepared by the company in accordance with the requirements of accounting standard (AS 21), "Consolidated Financial Statements", Accounting Standard (AS 27) ON " Financial Reporting of Interests in Joint Ventures" and an associates company accounted on the equity method in accordance with Accounting Standards (AS 23) "Accounting for Investments in Associates " as notified by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separated financial statements of Maharashtra Seamless Limited and its subsidiary, associates and joint ventures included in the consolidated financial statements.

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

Based on our audit and information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Maharashtra Seamless Limited and its Subsidiaries, Associates and Joint Venture, we are of the opinion that the said financial statements give a true and fair view in conformity with the accounting principal generally accepted in India:

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matter

We draw attention to Note No 2.34 to the Financial Statements, relating to the company has given interest free loan of ₹ 11.60 crores during the year (Previous Year ₹ 48 Crores) to Maharashtra Seamless Limited Employee Welfare Trust which had been formed with the sole objective of employee welfare. Our opinion is not qualified in this regard.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants

FRN 008396N

**R.K. KANODIA**

Partner

Membership No.016121

Place: New Delhi

Dated: 24-05-2013

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH ,2013**

	Note No.	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2.1	352,667,110	352,667,110
(b) Reserves and Surplus	2.2	27,794,045,146	27,211,282,158
		<u>28,146,712,256</u>	<u>27,563,949,268</u>
<b>2 Non - Current Liabilities</b>			
(a) Long - Term Borrowings	2.3	36,723,656	37,172,743
(b) Deferred Tax Liabilities (Net)	2.4	704,790,488	594,020,150
(c) Other Long - Term Liabilities	2.5	576,479,535	630,545,348
(d) Long - Term Provisions	2.6	403,718	442,194
		<u>1,318,397,397</u>	<u>1,262,180,435</u>
<b>3 Current liabilities</b>			
(a) Short - Term Borrowings	2.7	1,408,011,367	827,567,917
(b) Trade Payables	2.8	415,616,513	1,498,082,561
(c) Other Current Liabilities	2.9	1,028,157,289	977,021,408
(d) Short - Term Provisions	2.10	95,152,182	95,406,139
		<u>2,946,937,351</u>	<u>3,398,078,025</u>
<b>TOTAL</b>		<u>32,412,047,004</u>	<u>32,224,207,728</u>
<b>II. ASSETS</b>			
<b>1 Non - Current Assets</b>			
(a) Fixed Assets	2.11		
(i) Tangible Assets		6,396,098,994	6,672,429,620
(ii) Intangible Assets		8,182,142	12,101,294
(iii) Revalued Assets		6,196,254,196	6,605,573,290
(iv) Capital Work in Progress		1,502,919,397	139,508,687
(v) Silver Coins in Hand		78,893	64,263
(b) Non - Current Investments	2.12	1,739,814,884	1,925,033,464
(c) Long - Term Loans and Advances	2.13	872,600,309	567,512,402
		<u>16,715,948,815</u>	<u>15,922,223,020</u>
<b>2 Current Assets</b>			
(a) Current Investments	2.12	5,661,426,216	3,274,363,129
(b) Inventories	2.14	5,140,058,653	7,216,233,039
(c) Trade Receivables	2.15	3,184,739,379	3,607,660,285
(d) Cash and Cash Equivalents	2.16	126,716,296	227,043,294
(e) Short - Term Loans and Advances	2.17	1,528,802,818	1,964,470,803
(f) Other Current Assets	2.18	54,354,827	12,214,158
		<u>15,696,098,189</u>	<u>16,301,984,708</u>
<b>TOTAL</b>		<u>32,412,047,004</u>	<u>32,224,207,728</u>
<b>Significant Accounting Policies and Notes on Financial Statements</b>	1-2.45		

As per our report of even date attached  
**For KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO

**D.C. GUPTA**  
VP & Company Secretary

**For and on Behalf of the Board**

**D.P. JINDAL**  
Chairman

**SAKET JINDAL**  
Managing Director

**U.C. AGARWAL**  
**N.C. JAIN**  
Directors

**S.P. RAJ**  
Wholetime Director


**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Note No.	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
I. Revenue From Operations	2.19	17,293,623,834	23,002,282,610
II. Other Income	2.20	705,289,440	774,415,933
III. Total Revenue (I + II)		17,998,913,274	23,776,698,543
IV. Expenses:			
Cost of Materials Consumed	2.21	11,930,973,778	16,052,880,608
Changes in Inventories of Finished Goods, Work - in - Process and Stock - in - Trade	2.22	165,071,704	(899,081,521)
Employee Benefits Expense	2.23	446,360,701	411,608,373
Finance Costs	2.24	74,798,800	56,461,594
Depreciation and Amortization Expense	2.11	379,036,464	213,052,480
Other Expenses	2.25	3,033,884,455	3,517,958,642
Total Expenses		16,030,125,902	19,352,880,176
V. Profit Before Exceptional and Extraordinary Items and Tax (III-IV)		1,968,787,372	4,423,818,367
VI. Exceptional Items		-	13,911,740
VII. Profit Before Extraordinary Items and Tax (V - VI)		1,968,787,372	4,409,906,627
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		1,968,787,372	4,409,906,627
X. Tax Expense:			
(1) Current Tax		392,100,000	1,173,815,994
(2) Deferred Tax		110,770,338	145,637,770
(3) Mat Credit		(42,535,918)	-
(4) Earlier Years		(16,528,221)	5,786,523
(5) Wealth Tax		141,762	126,393
XI Profit for the Year (IX-X)		1,524,839,411	3,084,539,947
XII Share in Profit / (Loss) of Associates		(476,060)	(172,959)
XIII Profit carried to Balance Sheet		1,524,363,351	3,084,366,988
XIV Earnings Per Equity Share (Par value ₹ 5/-)			
(1) Basic		21.61	43.73
(2) Diluted		21.61	43.73

**Note:**

Total Income includes ₹ 66,788,104/- (Previous Year ₹ 85,497,619/-) share of Jointly Controlled Entities

Total Expenditure includes ₹ 74,275,885/- (Previous Year ₹ 94,590,634/-) share of Jointly Controlled Entities

Exceptional item includes ₹ Nil (Previous Year ₹ 13,911,740/-) share of Jointly Controlled Entities

Earlier year tax includes ₹ Nil (Previous Year ₹ 5,786,523/-) share of Jointly Controlled Entities

**Significant Accounting Policies and**
**Notes on Financial Statements**
**I-2.45**

As per our report of even date attached

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants

**R.K. KANODIA**

Partner

Membership No. 016121

**RAVI GUPTA**

CFO

**D.C. GUPTA**

VP & Company Secretary

For and on Behalf of the Board

**D.P. JINDAL**

Chairman

**SAKET JINDAL**

Managing Director

**U.C. AGARWAL**

**N.C. JAIN**

Directors

**S.P. RAJ**

Wholetime Director

Place : Gurgaon

Dated : 24th MAY, 2013

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit Before Extraordinary Items and Tax	1,968,787,372	4,409,906,627
Adjustments for:		
Depreciation and Amortisation	379,036,464	216,868,053
Loss on Sale / Write off of Assets (Net)	17,671	670,404
Income Tax Adjustment Relating to Earlier Years / Wealth Tax	16,386,459	(126,393)
Prior Period Adjustment	-	(31,291)
Finance Costs	62,317,607	34,772,888
Interest Income	(174,222,895)	(187,447,972)
Dividend Income	(4,159,793)	(1,031,803)
Net Gain on Sale of Investments	(382,850,407)	(401,191,783)
Rental Income from Investment Properties	(6,043,784)	(3,163,150)
<b>Cash Flow from Operating Activities before Working Capital Changes</b>	<b>1,859,268,694</b>	<b>4,069,225,580</b>
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	2,076,174,386	(1,778,503,755)
Trade Receivables and Other Receivables	620,402,787	(528,988,378)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade payables and Other Liabilities	(1,091,777,438)	464,105,704
<b>Cash Flow from Operating Activities after Working Capital Changes</b>	<b>3,464,068,429</b>	<b>2,225,839,151</b>
Cash Flow from Extraordinary Items	-	-
<b>Cash Generated from Operations</b>	<b>3,464,068,429</b>	<b>2,225,839,151</b>
Net Income Tax (Paid) / Refunds	(461,332,045)	(1,366,178,840)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>3,002,736,384</b>	<b>859,660,311</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure on Fixed Assets	(1,465,120,838)	(1,516,096,010)
Proceeds from Sale of Fixed Assets	3,283,159	13,960,627
Current Investments not Considered as Cash and Cash Equivalents		
- Purchased	(5,208,344,716)	(2,784,309,459)
- Proceeds from Sale	3,204,966,412	4,734,709,206
Purchase of Long - Term Investments		
- Associates	-	(222,581,250)
- Others	(206,807,610)	(1,468,077,282)
Proceeds from Sale of Long - Term Investments		
- Others	390,715,754	91,235,000
Interest Received	176,948,386	188,502,902
Dividend Received	4,159,793	1,031,803
Rental Income from Investment Properties	6,043,784	3,163,150
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	<b>(3,094,155,876)</b>	<b>(958,461,313)</b>



	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>C. Cash Flow from Financing Activities</b>		
Repayment of Long - Term Borrowings	(487,563)	(10,676,905)
Proceeds from Long - Term Borrowings	-	477,447,073
Proceeds from other Short - Term Borrowings	580,443,450	283,195,595
Finance Costs	(62,317,607)	(37,107,261)
Dividends Paid	(420,342,255)	(420,784,055)
Tax on Dividend	(68,653,706)	(68,653,706)
<b>Net Cash Flow from / (used in) Financing Activities (C)</b>	<b>28,642,319</b>	<b>223,420,741</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(62,777,173)</b>	<b>124,619,739</b>
Cash and Cash Equivalents at the Beginning of the Year	227,043,294	102,199,068
Effect of exchange differences on restatement of Foreign Currency Cash and Cash Equivalents	(37,549,825)	224,487
Cash and Cash Equivalents at the End of the Year	126,716,296	227,043,294
Notes forming part of accounts (Ref: Note No 2.16)		

As per our report of even date attached  
**For KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO  
**D.C. GUPTA**  
VP & Company Secretary

**For and on Behalf of the Board**

**D.P. JINDAL**  
Chairman  
**SAKET JINDAL**  
Managing Director  
**U.C. AGARWAL**  
**N.C. JAIN**  
Directors  
**S.P. RAJ**  
Wholetime Director



## **SIGNIFICANT ACCOUNTING POLICIES**

### **A Principles of Consolidation**

- a) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements', Accounting Standard 23 (AS 23) on 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 (AS 27) on 'Financial Reporting of Interests in Joint Venture' as notified under section 211 of the Companies Act, 1956 and on the basis of separate audited financial statements of Maharashtra Seamless Limited, its Subsidiaries, Associates and Joint Ventures. Reference in the notes to "Group" shall mean to include Maharashtra Seamless Limited, and its Subsidiaries, Associates and Joint Ventures consolidated in these Financial Statements, unless otherwise stated.
- b) The consolidated financial statements have been prepared on the following basis:
  - i) The Financial Statements of the Subsidiaries are combined on a line by line basis, by adding together the book values of like items of Assets, Liabilities, Income and Expenses in the ratio of the shareholding in the subsidiary, after eliminating intra-group balances and intra-group transactions in accordance with AS 21 on 'Consolidated Financial Statements'.
  - ii) In case of an Associate, the investment in the associate is accounted for using Equity method in accordance with AS 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements'.
  - iii) The Financial Statements of jointly controlled entities have been combined by applying proportionate consolidation method on line by line basis on items of the Assets, Liabilities, Income and Expenses after eliminating proportionate share of unrealised profits or losses in accordance with Accounting Standards - 27 on "Financial Reporting of Interests in Joint Ventures"
  - iv) The difference between the cost of investments in the Subsidiaries / Associates / Joint Ventures, over the net assets at the time of acquisition of the investment in the Subsidiaries / Associates / Joint Ventures is recognized in the Financial Statements as Goodwill or Capital Reserve in consolidation, as the case may be.
  - v) The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, have been made in the Consolidated Financial Statements.

### **B Other Significant Accounting Policies**

These are set out under "Significant Accounting Policies" as given in the Company's Standalone Financial Statements.




**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS**

	As At 31.03.2013		As At 31.03.2012	
	No. of Shares	(₹)	No. of Shares	(₹)
<b>NOTE : 2.1</b>				
<b>SHARE CAPITAL</b>				
a) Authorised Share Capital				
Equity Shares (Par value ₹ 5/-)				
At the Beginning of the Year	80,000,000	400,000,000	80,000,000	400,000,000
Add: Additions during the Year	-	-	-	-
Less: Reduction during the Year	-	-	-	-
At the End of the Year	80,000,000	400,000,000	80,000,000	400,000,000
Preference Shares (Par value ₹ 10/-)				
At the Beginning of the Year	20,000,000	200,000,000	20,000,000	200,000,000
Add: Additions during the Year	-	-	-	-
Less: Reduction during the Year	-	-	-	-
At the End of the Year	20,000,000	200,000,000	20,000,000	200,000,000
b) Issued, Subscribed and Paid up				
Equity Shares (Par value ₹ 5/-)				
At the Beginning of the Year	70,533,422	352,667,110	70,533,422	352,667,110
Add: Additions during the Year	-	-	-	-
Less: Reduction during the Year	-	-	-	-
At the End of the Year	70,533,422	352,667,110	70,533,422	352,667,110

	As At 31.03.2013		As At 31.03.2012	
	No. of Shares	% Holding	No. of Shares	% Holding
c) List of shareholders holding more than 5% shares				
Franklin Templeton Investment Funds	4,959,584	7.03	4,581,064	6.49
Global Jindal Fin-Invest Ltd.	5,424,944	7.69	5,424,944	7.69
Brahmadev Holding & Trading Ltd.	5,758,992	8.16	5,758,992	8.16
Stable Trading Company Ltd.	11,285,544	16.00	11,263,812	15.97
Odd & Even Trades and Finance P. Ltd.	11,690,000	16.57	11,690,000	16.57

- d) Aggregate number of bonus shares issued and shares bought back during the period of five years immediately preceding the reporting date: Nil

Aggregate number and class of share allotted as fully paid up pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date: Nil


**NOTE : 2.2**
**RESERVES & SURPLUS**

	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
Capital Redemption Reserve	144,112,800	144,112,800
Securities Premium	3,257,131,073	3,257,131,073
Capital Investment Subsidy	2,500,000	2,500,000
General Reserve:		
As per Last Balance Sheet	16,159,451,397	13,659,451,397
Add: Transferred from Revaluation Reserve	392,018	-
Add: Transferred from Profit & Loss A/c.	500,000,000	2,500,000,000
	<u>16,659,843,415</u>	<u>16,159,451,397</u>
Profit and Loss Account:		
As per Last Balance Sheet	1,040,649,198	948,136,448
Add: Profit for the Year	1,524,363,351	3,084,366,988
Less: Transfer to General Reserve	500,000,000	2,500,000,000
Less: Proposed Dividend	423,200,532	423,200,532
Less: Tax on Proposed Dividend	71,922,930	68,653,706
	<u>1,569,889,087</u>	<u>1,040,649,198</u>
Note: Loss of ₹ 54,126,387/- (Previous Year ₹ 35,486,107/-) towards share of Jointly Controlled Entities		
Revaluation Reserve:		
As per Last Balance Sheet	6,605,573,290	7,014,507,336
Less: Loss on Sale of Revalued Assets	27,110	-
Less: Transfer to General Reserve	392,018	-
Less: Depreciation on Revalued Assets	408,899,966	408,934,046
	<u>6,196,254,196</u>	<u>6,605,573,290</u>
Foreign Currency Translition Reserve	(35,685,425)	1,864,400
	<u>27,794,045,146</u>	<u>27,211,282,158</u>

**NOTE : 2.3**
**LONG - TERM BORROWINGS**

Term Loan		
- From other parties	36,723,656	37,172,743
	<u>36,723,656</u>	<u>37,172,743</u>

Note: Includes ₹ 28,439,576/- (Previous Year ₹ 26,737,843/-) share of Jointly Controlled Entities.



	As At 31.03.2012 (₹)	During the Year (₹)	As At 31.03.2013 (₹)
<b>NOTE : 2.4</b>			
<b>DEFERRED TAX LIABILITIES (NET)</b>			
Deferred Tax Liabilities			
Fixed Assets	597,351,238	119,006,186	716,357,424
Deferred Tax Assets			
Others	3,331,088	8,235,848	11,566,936
	<u>594,020,150</u>	<u>110,770,338</u>	<u>704,790,488</u>
		<u>As At 31.03.2013 (₹)</u>	<u>As At 31.03.2012 (₹)</u>

<b>NOTE : 2.5</b>			
<b>OTHER LONG - TERM LIABILITIES</b>			
Deferred Sales Tax		573,617,985	627,683,798
Interest accrued and due on borrowings		2,861,550	2,861,550
		<u>576,479,535</u>	<u>630,545,348</u>

Note: Interest accrued and due on borrowing includes ₹ 2,861,550/- (Previous Year ₹ 2,861,550/-) share of Jointly Controlled Entities

<b>NOTE : 2.6</b>			
<b>LONG - TERM PROVISIONS</b>			
Provision for Employee Benefits		403,718	442,194
		<u>403,718</u>	<u>442,194</u>

Note: Includes ₹ 403,718/- (Previous Year ₹ 442,194/-) share of Jointly Controlled Entities.

<b>NOTE : 2.7</b>			
<b>SHORT - TERM BORROWINGS</b>			
Loans repayable on demand from Banks:			
- Secured		1,392,393,849	511,549,475
- Unsecured		15,617,518	316,018,442
		<u>1,408,011,367</u>	<u>827,567,917</u>

Note: Includes ₹ 826,173,467/- (Previous Year ₹ 26,253,844/-) share of Jointly Controlled Entities.

<b>NOTE : 2.8</b>			
<b>TRADE PAYABLES</b>			
Creditors		412,521,803	1,498,082,561
Accrued Expenses		3,094,710	-
		<u>415,616,513</u>	<u>1,498,082,561</u>

Note: Includes ₹ 26,094,902/- (Previous Year ₹ 24,272,591/-) share of Jointly Controlled Entities.



	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long -Term Debt	2,876,326	2,819,208
Current Maturity of Other Long -Term Liabilities	59,250,735	60,114,057
Statutory Dues	211,568,133	180,857,858
Payable to Employees	61,561,899	47,033,040
Security Deposit	18,057,175	16,638,395
Advance from Customers	149,638,859	152,330,110
Unpaid Dividend	26,852,462	23,994,185
Proposed Dividend	423,200,532	423,200,532
Tax on Proposed Dividend	71,922,930	68,653,706
Others	3,228,238	1,380,317
	<b>1,028,157,289</b>	<b>977,021,408</b>

Note: Includes ₹ 7,511,648/- (Previous Year ₹ 7,128,405/-) share of Jointly Controlled Entities.

**NOTE ; 2.10**
**SHORT - TERM PROVISIONS**

Provision for Expenses	95,118,972	94,338,676
Provision for Employee Benefits	33,210	12,648
Accrued Interest on Loans	-	1,054,815
	<b>95,152,182</b>	<b>95,406,139</b>

Note: Includes ₹ 33,210/- (Previous Year ₹ 12,648/-) share of Jointly Controlled Entities.


**NOTE : 2.11  
FIXED ASSETS**
**(₹)**

Description	Gross Block (At Cost)				Depreciation					Net Block	
	As At 01.04.2012	Additions	Sales/ Adjustment	As At 31.03.2013	Upto 31.03.2012	For The Year	Sales/ Adjustment	Previous Year	Upto 31.03.2013	As At 31.03.2013	As At 31.03.2012
<b>Tangible Assets:</b>											
Freehold - Land	72,071,144	-	-	72,071,144	-	-	-	-	-	72,071,144	72,071,144
Leasehold - Land	97,711,360	-	-	97,711,360	-	-	-	-	-	97,711,360	97,711,360
Land Site & Development	148,035,745	-	-	148,035,745	-	-	-	-	-	148,035,745	148,035,745
Shed & Building	1,740,595,302	30,932,637	-	1,771,527,939	200,188,815	49,029,395	-	-	249,218,210	1,522,309,729	1,540,406,487
Plant & Machinery	6,248,780,048	49,061,084	3,740,346	6,294,100,786	1,585,869,263	304,549,599	1,486,591	-	1,888,932,271	4,405,168,515	4,662,910,785
Office Equipment	42,931,982	3,183,544	-	46,115,526	12,599,412	2,039,373	-	-	14,638,785	31,476,741	30,332,570
Computer	35,855,019	9,263,912	-	45,118,931	20,462,026	4,954,922	-	-	25,416,948	19,701,983	15,392,993
Furniture & Fixtures	58,547,079	2,047,963	164,186	60,430,856	14,676,924	3,647,316	24,925	-	18,299,315	42,131,541	43,870,155
Vehicles	97,632,078	7,206,358	3,405,049	101,433,387	35,933,697	10,896,707	2,889,253	-	43,941,151	57,492,236	61,698,381
<b>Total (A)</b>	8,542,159,757	101,695,498	7,309,581	8,636,545,674	1,869,730,137	375,117,312	4,400,769	-	2,240,446,680	6,396,098,994	6,672,429,620
Previous Year	4,694,830,192	3,866,887,525	19,557,960	8,542,159,757	1,661,708,165	212,957,208	4,926,929	(8,307)	1,869,730,137	6,672,429,620	NA
<b>Intangible Assets:</b>											
Software	24,192,117	-	-	24,192,117	12,090,823	3,919,152	-	-	16,009,975	8,182,142	12,101,294
<b>Total (B)</b>	24,192,117	-	-	24,192,117	12,090,823	3,919,152	-	-	16,009,975	8,182,142	12,101,294
Previous Year	24,192,117	-	-	24,192,117	8,171,671	3,919,152	-	-	12,090,823	12,101,294	NA
<b>Additions in Tangible Assets on Account of Revaluation</b>											
Freehold - Land	384,039,102	-	-	384,039,102	-	-	-	-	-	384,039,102	384,039,102
Shed & Building	1,984,703,009	-	-	1,984,703,009	134,534,232	44,844,744	-	-	179,378,976	1,805,324,033	1,850,168,777
Plant & Machinery	5,463,633,317	-	525,161	5,463,108,156	1,092,267,906	364,055,222	106,033	-	1,456,217,095	4,006,891,061	4,371,365,411
<b>Total (C)</b>	7,832,375,428	-	525,161	7,831,850,267	1,226,802,138	408,899,966	106,033	-	1,635,596,071	6,196,254,196	6,605,573,290
Previous Year	7,832,375,428	-	-	7,832,375,428	817,868,092	408,934,046	-	-	1,226,802,138	6,605,573,290	NA
<b>Total (A+B+C)</b>	16,398,727,302	101,695,498	7,834,742	16,492,588,058	3,108,623,098	787,936,430	4,506,802	-	3,892,052,726	12,600,535,332	13,290,104,204
Previous Year	12,551,397,737	3,866,887,525	19,557,960	16,398,727,302	2,487,747,928	625,810,406	4,926,929	(8,307)	3,108,623,098	13,290,104,204	NA
Note : Includes ₹ 50,965,558/- (Previous Year ₹ 63,286,293/-) share of Jointly Controlled Entities.											
<b>Capital Work in Progress</b>											
Land	3,500,001	2,054,276	-	5,554,277	-	-	-	-	-	5,554,277	3,500,001
Shed & Building	62,381,156	75,558,502	16,892,242	121,047,416	-	-	-	-	-	121,047,416	62,381,156
Plant & Machinery	31,494,014	361,391,725	9,512,441	383,373,298	-	-	-	-	-	383,373,298	31,494,014
Preoperative Expenses	1,004,490	12,884,633	-	13,889,123	-	-	-	-	-	13,889,123	1,004,490
Others	41,129,026	938,399,430	473,173	979,055,283	-	-	-	-	-	979,055,283	41,129,026
<b>Total (D)</b>	139,508,687	1,390,288,566	26,877,856	1,502,919,397	-	-	-	-	-	1,502,919,397	139,508,687
Previous Year	2,488,444,800	598,897,986	2,947,834,099	139,508,687	-	-	-	-	-	139,508,687	NA
<b>Current Year (A+B+C+D)</b>										14,103,454,729	13,429,612,891
Previous Year										13,429,612,891	NA
Note:- Includes ₹ 978,878,651/- (Previous Year ₹ 41,914,345/-) share of Jointly Controlled Entities											

\* During the year depreciation amounting to ₹ Nil (Previous Year ₹ 3,815,573/-) pertaining to pre-operative portion has been capitalised. Accordingly, depreciation charged in Profit and Loss Account has been netted off with this amount and shown at ₹ 379,036,464/- (Previous Year ₹ 213,052,480/-)

\*\* Intra group elimination of borrowing cost of ₹ Nil (Previous Year ₹ 1,258,492/-) is made in addition of Capital Work in Progress (Others) .


**NOTE : 2.12**
**INVESTMENTS**

(Fully paid up unless otherwise specified)

**I. Non-Current**
**A. Non-Trade**
**Un-Quoted**
**Equity Shares of Associate Companies**

USD 1 each of Jindal Pipes (Singapore) Pte. Ltd.

(Refer Note No. 2.27)

Less: Share in Loss of Associate

As At 31.03.2013		As At 31.03.2012	
No. of Shares /Units	(₹)	No. of Shares /Units	(₹)
4,500,000	222,408,291	4,500,000	222,581,250
-	(497,261)	-	(172,959)
4,500,000	221,911,030	4,500,000	222,408,291

USD 1 each of Star Drilling Pte. Ltd.

Add: Share in Profit of Associate

2,450,000	133,253,785	-	-
-	21,201	-	-
2,450,000	133,274,986	-	-

**Equity Shares of Other Company**

Discovery Drilling Pte. Ltd.

3,812,610	532,177,423	3,812,610	532,177,423
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**Debentures**

18.65% NCD 05NVI4 Tricone Projects India Ltd.

16	40,000,000	-	-
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**Bonds**

6.85% India Infrastructure Finance Company Ltd.-

Trench 1 Tax Free Bonds

2,000	205,700,000	2,000	205,700,000
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10.30% Yes Bank Bonds

10	10,000,000	10	10,000,000
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**Quoted**
**Equity Shares**

₹ 10/- each of Coal India Ltd.

15,016	5,585,493	15,016	5,585,493
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₹ 10/- each of Electrosteel Steels Ltd.

22,300,000	139,726,927	22,300,000	139,726,927
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₹ 5/- each of ISMT Ltd.

1,445,000	50,119,132	1,445,000	50,119,132
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₹ 10/- each of Future Ventures India Ltd.

-	-	32,942,993	329,429,930
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₹ 10/- each of Jindal South West Holding Ltd.

14,923	14,593,073	14,923	14,593,073
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₹ 10/- each of JSW Steel Ltd.

170,212	133,980,882	170,212	133,980,882
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₹ 10/- each of JSW Energy Ltd.

194,875	10,121,521	194,875	10,121,521
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₹ 10/- each of Videocon Industries Ltd.

56,018	10,776,299	56,018	10,776,299
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₹ 10/- each of Monnet Ispat &amp; Energy Ltd.

499,977	200,946,147	343,517	167,392,322
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₹ 5/- each of Welspun Corp Ltd.

35,200	5,863,341	35,200	5,863,341
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₹ 10/- each of Reliance Industries Ltd.

29,800	25,038,630	29,800	25,038,630
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₹ 10/- each of Orissa Sponge Iron &amp; Steel Ltd.

-	-	200,000	62,120,200
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1,739,814,884	1,925,033,464
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	As At 31.03.2013		As At 31.03.2012	
	No. of Shares /Units	(₹)	No. of Shares /Units	(₹)
<b>II. Current</b>				
<b>Non-Trade</b>				
<b>Quoted</b>				
<b>Mutual Funds</b>				
Baroda Pioneer Liquid Fund - Institutional - Growth	-	-	40,707	50,000,000
Canara Robeco FMP Series 6 - 13 Months - Plan B - Growth	-	-	25,000,000	250,000,000
DWS FMP Series I - Growth	-	-	10,000,000	100,000,000
DWS Fixed Term Fund - Series 80 - Growth	-	-	5,000,000	50,000,000
Edelweiss Short Term Income Fund - Growth	7,431,574	100,000,000	-	-
Fidelity FMP Series 6 - Plan E - Growth	-	-	20,000,000	200,000,000
Fidelity FMP Series 6 - Plan F - Growth	-	-	15,000,000	150,000,000
ICICI Pru. FMP Series 55 - I Year Plan G - Cumulative - Growth	-	-	8,000,000	80,000,000
ICICI Pru. FMP Series 54 - I Year Plan B - Cumulative - Growth	-	-	20,005,367	200,053,670
ICICI Pru. Short Term Plan - Cumulative - Growth	2,162,826	50,000,000	-	-
ICICI Pru. Ultra Short Term Plan - Growth	4,222,295	50,000,000	-	-
ICICI Pru. FMP Series 61 - I Year Plan E - Cumulative - Growth-	-	-	15,000,000	150,000,000
Indiabulls FMP - 377 Days March 2012 (2) - Growth	5,000,000	50,000,000	5,000,000	50,000,000
Indiabulls Income Fund - Regular - Growth	15,000,000	150,000,000	-	-
Indiabulls Liquid Fund - Growth	-	-	2,880,256	300,000,000
Indiabulls Ultra Short Term Fund - Existing Plan - Growth	178,503	200,000,000	-	-
JP Morgan India FMP Series 12 - Regular - Growth	12,500,000	125,000,000	-	-
Kotak FMP Series 70 - Growth	-	-	10,000,000	100,000,000
Kotak FMP Series 94 - Growth	20,000,000	200,000,000	-	-
LIC Nomura MF FMP Series 60 - 397 Days - Growth	30,000,000	300,000,000	-	-
LIC Nomura MF FMP Series 52 - 367 Days - Growth	6,000,000	60,000,000	6,000,000	60,000,000
LIC Nomura MF FMP Series 56 - 18 Months - Growth	25,000,000	250,000,000	-	-
Peerless Ultra Short Term Fund - Super Institutional - Growth	58,888,143	740,860,858	-	-
Principal Cash Management Fund - Growth	26,953	30,000,000	-	-
Principal PNB FMP Series A4 - 367 Days - FMP 77 - Regular - Growth	15,000,000	150,000,000	15,000,000	150,000,000
Reliance Fixed Horizon Fund - XXIII - Series 4 - Growth	10,000,000	100,000,000	-	-
Reliance Fixed Horizon Fund - XXI - Series 4 - Growth	-	-	21,622,142	216,221,419
Reliance Income Fund - Growth Plan - Bonus Option	10,298,139	112,500,000	-	-
Religare Credit Opportunities Fund - Growth	26,004,465	336,606,703	-	-
Religare FMP Series VII - Plan A - 370 Days - Growth	-	-	6,000,000	60,000,000
Religare FMP Series XV - Plan F - 369 Days - Growth	3,000,000	30,000,000	-	-
Religare FMP Series XVIII - Plan C - 25 Months - Growth	13,000,000	130,000,000	-	-
Religare Fixed Maturity Series VIII - Plan A - 368 Days - Growth	-	-	3,000,000	30,000,000
Religare Fixed Maturity Series VIII - Plan B - 13 Months - Growth	-	-	7,000,000	70,000,000
Religare FMP Series XV - Plan E - 367 Days - Growth	5,000,000	50,000,000	-	-



	As At 31.03.2013		As At 31.03.2012	
	No. of Shares /Units	(₹)	No. of Shares /Units	(₹)
Religare FMP Series XI - Plan F - 15 Months - Growth	7,000,000	70,000,000	7,000,000	70,000,000
Religare FMP Series XII - Plan A - 370 Days - Growth	-	-	21,500,000	215,000,000
Religare FMP Series XII - Plan B - 14 Months - Growth	6,308,150	63,081,500	6,308,150	63,081,500
Religare FMP Series XIII - Plan A - 370 Days - Growth	-	-	5,000,000	50,000,000
Religare FMP Series XIII - Plan E - 13 Months - Growth	6,000,000	60,000,000	6,000,000	60,000,000
Religare FMP Series XIV - Plan E - 370 Days - Growth	5,000,000	50,000,000	-	-
Sundaram Fixed Term - Plan AH - 15 Months - Growth	-	-	4,000,000	40,000,000
Sundaram Money Fund - Regular - Growth	9,113,758	225,050,595	-	-
Sundaram Ultra Short Term Fund - Regular - Growth	34,020,374	530,000,000	-	-
TATA FMP Series 35 - Scheme A - Growth	-	-	6,000,000	60,000,000
TATA FMP Series 42 - Scheme D - Plan A - Growth	20,000,000	200,000,000	-	-
TATA FMP Series 42 - Scheme F - Plan A - Growth	25,000,000	250,000,000	-	-
TATA FMP Series 30 - Scheme C - Growth	-	-	5,000,654	50,006,540
TATA Income Fund Appreciation - Bonus - Growth	737,535	7,777,778	-	-
Taurus FMP - 369 Days - Series U - Growth	5,000,000	50,000,000	-	-
Taurus Short Term Income Fund - Growth	129,563	255,548,782	-	-
Templeton India Short Term Income - Retail - Growth	30,365	70,000,000	-	-
UTI Bond Fund - Growth - Regular	6,195,787	215,000,000	-	-
UTI Fixed Term Income Fund Series X - VI - 368 Days - Growth	-	-	40,000,000	400,000,000
UTI Fixed Term Income Fund Series XIV - I - 366 Days - Growth	40,000,000	400,000,000	-	-
		<u>5,661,426,216</u>		<u>3,274,363,129</u>
Aggregate Value of Quoted Investments		6,258,177,661		4,229,110,879
Aggregate Value of Un-Quoted Investments		1,143,063,439		970,285,714
Market Value of Quoted Investments		6,197,145,793		4,252,280,963





	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.13</b>		
<b>LONG - TERM LOANS AND ADVANCES</b>		
(Unsecured, Considered good)		
Capital Advances	247,921,821	56,965,617
Loan to Body Corporates	623,838,150	509,687,916
Security Deposit	840,338	858,869
	<b>872,600,309</b>	<b>567,512,402</b>

Note: Includes ₹ 1,022,138/- (Previous Year ₹ 858,869/-) share of Jointly Controlled Entities.

**NOTE : 2.14**
**INVENTORIES**

(As Verified Valued and Certified by the Management)

Raw Material including material in transit	2,326,740,613	4,289,540,506
Finished Goods	1,636,535,298	1,363,750,268
Work - in - Process	665,045,161	1,094,492,277
Scrap	56,418,837	34,963,343
Stores & Spares	455,318,744	433,486,645
	<b>5,140,058,653</b>	<b>7,216,233,039</b>

Note: Includes ₹ 7,109,041/- (Previous Year ₹ 44,370,125/-) share of Jointly Controlled Entities.

**NOTE : 2.15**
**TRADE RECEIVABLES**

(Unsecured, Considered good)

Over Six Months	191,166,925	141,389,840
Others	2,993,572,454	3,466,270,445
	<b>3,184,739,379</b>	<b>3,607,660,285</b>

Note: Includes ₹ Nil (Previous Year ₹ 28,334,133/-) share of Jointly Controlled Entities.

**NOTE : 2.16**
**CASH AND CASH EQUIVALENTS**

Cash in Hand	1,315,067	2,107,625
Balances with Scheduled Banks		
- In Current Accounts	26,560,708	101,524,393
- In Unclaimed Dividend Accounts	24,632,452	21,759,175
- In Unclaimed Redemption Dividend Accounts	2,220,010	2,235,010
- In Fixed Deposit Account (Maturity within 1 year)	66,065,800	10,970,997
- In Fixed Deposit Account	5,922,259	88,446,094
	<b>126,716,296</b>	<b>227,043,294</b>

Note: Includes ₹ 24,212,412/- (Previous Year ₹ 152,665/-) share of Jointly Controlled Entities.



	As At 31.03.2013 (₹)	As At 31.03.2012 (₹)
<b>NOTE : 2.17</b>		
<b>SHORT - TERM LOANS AND ADVANCES</b>		
Advances Recoverable in cash or in kind	369,274,477	603,120,791
Loan to Body Corporates	895,981,352	1,180,765,358
Security Deposit Paid	65,711,432	56,057,116
Balance with Revenue Authorities	4,075,974	-
Income Tax (Net of Provisions)	193,759,583	124,527,538
	<u>1,528,802,818</u>	<u>1,964,470,803</u>

Note: Includes ₹ 4,188,853/- (Previous Year ₹ 4,415,989/- ) share of Jointly Controlled Entities.

**NOTE : 2.18**
**OTHER CURRENT ASSETS**

Balance with Excise and Sales Tax Authorities	300,000	500,000
Mat Credit Entitlement	42,535,918	-
Other Balances	2,530,242	-
Interest Accrued but not due	8,988,667	11,714,158
	<u>54,354,827</u>	<u>12,214,158</u>

Note: Includes ₹ 2,016,303/- (Previous Year ₹ 48,848/- ) share of Jointly Controlled Entities.

**NOTE : 2.19**
**REVENUE FROM OPERATIONS**

Sale of Products:		
Manufacturing	17,693,938,734	23,493,519,008
Scrap	652,891,513	815,377,737
	<u>18,346,830,247</u>	<u>24,308,896,745</u>
Less : Excise Duty	1,158,029,816	1,365,103,106
	<u>17,188,800,431</u>	<u>22,943,793,639</u>
Income from Services	104,823,403	58,488,971
	<u>17,293,623,834</u>	<u>23,002,282,610</u>

Note: Includes ₹ 59,073,685/- (Previous Year ₹ 85,422,575/- ) share of Jointly Controlled Entities.

**NOTE : 2.20**
**OTHER INCOME**

Dividend Received: Non Trade - Non Current	4,159,793	1,031,803
Interest Received	174,222,895	188,706,464
Income from DEPB License	-	96,607,846
Profit on Sale of Current Investments (Net) - Non Trade	383,684,783	401,191,783
Foreign Exchange Fluctuation (Net)	66,050,446	-
Transport Charges Reimbursement	39,750	21,241
Rent Received	6,043,784	3,163,150
Liabilities Written Back	-	2,569
Miscellaneous Income	71,087,989	83,691,077
	<u>705,289,440</u>	<u>774,415,933</u>

Note: Includes ₹ 7,714,419/- (Previous Year ₹ 75,044/- ) share of Jointly Controlled Entities.



	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>NOTE : 2.21</b>		
<b>COST OF MATERIALS CONSUMED</b>		
Opening Stock	4,289,540,506	3,625,829,188
Add: Purchases (Including Direct Expenses)	9,968,173,885	16,716,591,926
	14,257,714,391	20,342,421,114
Less : Closing Stock	2,326,740,613	4,289,540,506
	11,930,973,778	16,052,880,608

Note: Includes ₹ 3,278,824/- (Previous Year ₹ 82,115,587/-) share of Jointly Controlled Entities.

**NOTE : 2.22**  
**CHANGES IN INVENTORY OF FINISHED GOODS,  
WORK - IN - PROCESS AND STOCK - IN - TRADE**

Closing Stock :		
Finished Goods	1,636,535,298	1,363,750,268
Work - in - Process	665,045,161	1,094,492,277
Scrap	56,418,837	34,963,343
	2,357,999,296	2,493,205,888
Opening Stock :		
Finished Goods	1,363,750,268	1,080,609,638
Work - in - Process	1,094,492,277	437,945,883
Scrap	34,963,343	27,230,597
	2,493,205,888	1,545,786,118
Excise Duty on Differential Stock of Finished Goods	29,865,112	48,338,249
	165,071,704	(899,081,521)

Note: Includes decrease in inventory of ₹ 36,336,479/- (Previous Year ₹ 31,413,624 /- ) of Jointly Controlled Entities.

**NOTE : 2.23**  
**EMPLOYEE BENEFITS EXPENSE**

Salary, Wages & Other Allowances	425,013,377	377,334,200
Contribution to PF & Other Funds	12,451,704	25,854,500
Staff Welfare Expenses	8,895,620	8,419,673
	446,360,701	411,608,373

Note: Includes ₹ 7,073,295/- (Previous Year ₹ 7,798,988/-) share of Jointly Controlled Entities.

**NOTE : 2.24**  
**FINANCE COSTS**

Interest to Banks & Financial Institutions		
- On Term Loan (Rupee)	11,919,446	1,284,976
- Working Capital Borrowings	25,201,715	9,949,561
- Others	25,108,499	23,522,946
- Shareholders Loan	87,947	-
- Bank Charges & Commission	12,481,193	21,704,111
	74,798,800	56,461,594

Note: Includes ₹ 1,308,423/- (Previous Year ₹ 3,559,972/-) share of Jointly Controlled Entities.



	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
<b>NOTE : 2.25</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses:</b>		
Stores & Spares Consumed	690,257,468	664,247,224
Power & Fuel	1,872,904,455	1,971,320,840
Water Charges	4,183,875	6,261,372
Repair & Maintenance (Plant & Machinery)	18,788,042	20,040,793
Repair & Maintenance (Building)	3,550,880	3,174,082
Guage Charges	1,543,157	551,450
Labour Charges	275,761	264,696
Job Work Charges	62,045,491	197,773,335
Other Manufacturing Expenses	1,185,401	-
	<b>2,654,734,530</b>	<b>2,863,633,792</b>
Note: Includes ₹ 3,425,207/- (Previous Year ₹ 4,775,439/-) share of Jointly Controlled Entities.		
<b>Administrative Expenses:</b>		
Rent	26,270,271	24,655,272
Rates & Taxes	7,883,732	12,518,269
Royalty	3,572,906	10,002,875
Telephone & Communicaton Expenses	9,006,253	9,259,536
Printing & Stationery	1,271,778	4,461,561
Travelling & Conveyance:		
- Directors	6,993,638	2,704,970
- Others	24,518,815	23,041,624
Vehicle Upkeep & Maintenance	13,425,480	13,215,681
Directors' Fee	592,500	510,000
Insurance	7,061,287	8,409,392
Staff Recruitment & Training Expenses	874,531	2,052,524
Repair & Maintenance (Others)	17,707,002	17,091,266
Legal & Professional Charges	12,704,058	14,487,470
Fees & Subscription	6,375,808	8,830,390
Electricity Charges	7,052,561	6,677,996
Auditors' Remuneration :		
- Audit Fee	995,667	1,042,327
- Tax Audit Fee	200,000	200,000
- Company Law Matters	142,083	87,318
- Other Expenses	104,271	132,934
Internal Audit Fees	750,676	605,641
Cost Audit Fees	60,000	60,000



	Year Ended 31.03.2013 (₹)	Year Ended 31.03.2012 (₹)
Foreign Exchange Fluctuation (Net)	-	121,336,119
Provision For Bad & Doubtful Debts	4,201,594	24,750
VAT Expenses	-	1,997,150
Interest on VAT	-	1,173,325
General Expenses	12,762,481	9,475,246
Loss on sale of Investment - Non - Current	834,376	-
Loss on sale of Tangible Fixed Assets ( Net )	17,671	670,404
	<b>165,379,439</b>	<b>294,724,040</b>

Note: Includes ₹ 10,396,871/- (Previous Year ₹ 5,441,865/- )  
share of Jointly Controlled Entities.

**Selling & Distribution Expenses:**

Tender Fee	767,429	864,062
Advertisement & Business Promotion	11,884,755	12,369,111
Freight Outward & Claims (Net)	86,974,328	156,444,296
Commission & Discount	93,511,759	166,833,740
Testing & Inspection Charges	20,632,215	23,089,601
	<b>213,770,486</b>	<b>359,600,810</b>
	<b>3,033,884,455</b>	<b>3,517,958,642</b>

Note: Includes ₹ 246,608/- (Previous Year ₹ 97,970/-)  
share of Jointly Controlled Entities.



## 2.26 CONTINGENT LIABILITIES

- a) Letter of Credit - ₹ 391,604,808/- (Previous Year ₹ 2,589,174,373/-)
  - b) Guarantees: Bank & Others - ₹ 6,628,012,093/- (Previous Year ₹ 2,865,735,971/-)
  - c) Sales Tax Demand under Appeal - ₹ 465,199/- (Previous Year ₹ 465,199/-)
  - d) Income Tax Demand under Appeal - ₹ 453,210/- (Previous Year ₹ 3,558,098/-)
  - e) Excise Duty Demand under Appeal - ₹ 190,325,905/- (Previous Year ₹ 190,325,905/-)
  - f) Indian Oil Corporation Ltd. (IOCL) had raised a claim of ₹ 179,848,064/- during the financial year 2008-09 & against this claim a performance bank guarantee of ₹ 85,279,100/- was given to IOCL, which was realized by them, and an equivalent amount is charged in the Profit & Loss Account in financial year 2008-09. The matter is still under dispute and arbitration proceeding is going on. Any further demand, if any, will be provided for on the date of final settlement.
- 2.27 The company has pledged 4,500,000 Equity Shares of USD 1 each held in Jindal Pipes (Singapore) Pte. Ltd. in favour of Standard Chartered Bank (Hong Kong) Limited acting as Security Agent towards Loan availed by Associate Company Jindal Pipes (Singapore) Pte. Ltd.
- 2.28 Estimated amount of contracts remaining to be executed on Capital Account, net of advances, and not provided for ₹ 3,855,519,362/- (Previous Year ₹ 144,064,020/-)
- 2.29 a) The Gain of Foreign Exchange Fluctuation (Net) ₹ 66,050,446/- (Previous Year Loss ₹ 121,336,119/-) ,as shown in Profit & Loss Account, has been arrived at after considering loss of ₹ 103,200,189/- (Previous Year ₹ 195,620,698/-) and gain of ₹ 169,250,635/- (Previous Year ₹ 74,284,579/-). Further, mark to market gain/(loss) has been recognised by the company of ₹ 2,662,384/- (Previous Year ₹ Nil) as specified in Accounting Standard 30" Financial Instruments: Recognition and Measurement" issued by ICAI.
- b) Foreign Currency Exposure those are not hedged: ₹ Nil (Previous Year ₹ 21,191,374/-)
- 2.30 During the year the Gondkhari Coal Mining Ltd. has not paid interest on loan taken from JV partners' due to inadequacy of profit & therefore all its JV Partners have agreed to waive off interest on loans.
- 2.31 During the year, the Joint Venture Partners of Gondkhari Coal Mining Ltd. have received a letter dated November 15, 2012 from the Ministry of Coal (MOC), the Government of India, stating that due to non fulfillment of certain conditions of the allotment of the coal blocks by the company, the coal blocks have been de-allocated and the submitted Bank Guarantee (BG) of ₹ 11.87 crores is liable to be encashed. However, the company filled a writ petition in the High Court of Delhi on November 23, 2012 for quashing / setting aside the aforesaid letter of MOC dated November 15, 2012 and praying for an interim relief by not giving any effect to the de-allocation letter by MOC and also to stay the encashment of the BG amounting to ₹ 11.87 crores till the pendency of the case. Hon'ble High Court vide its order dated November 23, 2012 stated that if the MOC chooses to invoke the BG, a prior written notice of three days will be given to the Joint Venture Partners.
- Hon'ble High Court in its order dated April 11, 2013 stated that it is the contention of the Union of India to transfer the writ petition and all such matters to the Supreme Court as there are similar matter lying in other High Courts across the country. The Court has listed September 19, 2013 as the next date of hearing of the case.
- 2.32 The Joint Venture Company Gondakhari Coal Mining Ltd. has not recognised Deferred Tax Assets on accumulated losses in the Financial Statements in the absence of virtual uncertainty of realisation of such assets.
- 2.33 The Board of Directors at its meeting held on 8th April, 2013 had approved buy back of shares of the company through open market purchase for an amount upto ₹ 100 crores at a maximum price of ₹ 300/- per share.
- 2.34 The company has given interest free loan of ₹ 11.60 crores during the year (Previous Year ₹ 48 crores) to Maharashtra Seamless Limited Employee Welfare Trust which had been formed with the sole objective of employee welfare.
- 2.35 In the opinion of the company, the value on realisation of current assets, loans & advances in the ordinary course of the business shall not be less than the amount at which they are stated in the Balance Sheet.

## 2.36 SEGMENT REPORTING POLICIES

### Identification of Segments

#### Primary Segment

Business segment: The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The two identified segments are Steel Pipes & Tubes and Power-Electricity.



Inter Division transfers of goods, as marketable products produced by separate divisions of the company for captive consumption are made as if sales were to third parties at current market prices and are included in turnover.

### Segment Information

#### Segment Revenues, Results and Other Information:

(₹ in lacs)

Particulars	Steel Pipes & Tubes	Power- Electricity	Others	Total
Revenue from Operations	170,921 (229,189)	1,871 (834)	7,189 (6,765)	179,981 (236,788)
Other Operating Income	- (979)	- -	- -	- (979)
Inter - Segment Sales	- -	743 (634)	- -	743 (634)
Segment Results	12,099 (37,576)	1,210 (477)	7,126 (6,749)	20,435 (44,802)
Finance Costs	627 (555)	- -	120 (10)	747 (565)
Other Un-Allocable Expenditure	- -	- -	- -	- -
Profit Before Tax	11,472 (37,021)	1,210 (477)	7,006 (6,739)	19,688 (44,237)
Segment Assets (Including Capital Work in Progress, Excluding Revaluation)	151,643 (175,794)	11,414 (11,960)	100,558 (70,473)	263,615 (258,227)
Segment Liabilities	16,837 (27,968)	3,395 (5,714)	14,241 (5,357)	34,473 (39,039)
Un-Allocable Liabilities				9,638 (9,604)
Capital Employed				219,504 (209,584)

#### 2.37 Related Parties Disclosures as per Accounting Standard – 18.

List of Related Parties with whom transactions have taken place during the year:

##### a) Associate Companies

Jindal Pipes (Singapore) Pte. Ltd.  
Star Drilling Pte. Ltd.

##### b) Key Management Personnel

Shri Saket Jindal  
Shri S.P. Raj

##### c) Relatives of Key Management Personnel

Shri D.P. Jindal  
Smt. Savita Jindal  
Shri Raghav Jindal  
Smt. Rachna Jindal  
Smt. Shruti Raghav Jindal



Details of Transactions during the year are as follows:

(₹)

	Particulars	2012-13	2011-12
i)	<b>Purchase &amp; Other Services from related parties</b> Relatives of Key Management Personnel	118,184	100,552
ii)	<b>Sales &amp; Other Services to related parties</b> Associate Companies	2,088,906	-
iii)	<b>Investment in related parties</b> Associate Companies	-	222,581,250
iv)	<b>Loans/Inter Corporate deposits given (Maximum Outstanding)</b> Associate Companies	3,461,092,800	169,924,280
v)	<b>Interest Received from related parties</b> Associate Companies	7,550,937	1,988,755
vi)	<b>Rent paid to related parties</b> Relatives of Key Management Personnel	300,000	300,000
vii)	<b>Remuneration</b> Key Management Personnel Relatives of Key Management Personnel	17,581,358 2,109,360	17,459,202 1,908,065
viii)	<b>Dividend Paid</b> Key Management Personnel Relatives of Key Management Personnel	10,421,364 2,203,044	10,174,584 2,003,670
ix)	<b>Balance Payable by the Company at the year end</b> Relatives of Key Management Personnel	25,920	98,540
x)	<b>Balance Receivable by the Company (including loans if any) at the year end</b> Associate Companies	203,559,040	169,924,280

No amount has been provided as doubtful debts or advances / written off or written back in the year in respect of debts due from or to any related parties.

Intra group transaction with Subsidiaries and Joint Ventures are eliminated

#### 2.38 Earning Per Equity Share computed in accordance with Accounting Standard – 20

Particulars	31.03.2013	31.03.2012
Net Profit available for Equity Shareholders (₹) (a)	1,524,363,351	3,084,366,988
Weighted average number of Equity Shares of ₹ 5/- each (b)	70,533,422	70,533,422
Basic / Diluted Earning per Equity Share (₹) (a/b)	21.61	43.73




**2.39 The list of Subsidiaries/Associate/Joint Venture consolidated in the Financials are:**

Name of the Company	For the Year Ended March 31, 2013 (%)	For the Year Ended March, 2012 (%)	Date of Incorporation	Country
<b>Subsidiaries</b>				
Maharashtra Seamless (Singapore) Pte. Ltd.	100.00	100.00	8-Jun-11	Singapore
Maharashtra Seamless Finance Ltd.	100.00	100.00	8-Feb-12	India
<b>Associates</b>				
Jindal Pipes (Singapore) Pte. Ltd.*	30.00	30.00	8-Jun-11	Singapore
Star Drilling Pte. Ltd.*	49.00	NA	31-Jan-13	Singapore
<b>Joint Ventures</b>				
Hydril Jindal International Pvt. Ltd.*	49.89	49.89	10-Feb-05	India
Gondkhari Coal Mining Ltd.*	30.30	30.30	26-Feb-10	India
Dev Drilling Pte. Ltd.*	49.00	NA	31-Jan-13	Singapore

\* Audited financials as at March 31, 2013 were not available and the same have been consolidated on the basis of provisional financials as provided to us by the Management.

**2.40 The company has applied AS -23, Accounting for Investments in Associates in the Consolidated Financial Statement issued by ICAI. In accordance with the disclosure requirement of AS-23 relating to associate companies are given below:-**

The company recognise those investee entities as associates which are not considered as subsidiary, but in which it hold directly or indirectly(thru subsidiaries) 20% or more voting power:-

Name of Associate	% of voting power	% of shareholding	Share of profit/(loss) in Current Year	Share of profit/(loss) in Previous Year
Jindal Pipes (Singapore) Pte. Ltd.	30.00	30.00	(497,261)	(172,959)
Star Drilling Pte. Ltd.	49.00	49.00	21,201	NA
Total			(476,060)	(172,959)

**2.41 Disclosure of loan/ advances and investment in its own shares by the company, its subsidiaries, associates etc. as per requirement of clause 32 of the listing agreement :**

Name of Company	Balance As At		Maximum outstanding	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
<b>A) Loan and advances in the nature of loan given to Subsidiary, Associate Company</b>				
Jindal Pipes (Singapore) Pte. Ltd.	203,559,040	169,924,280	415,292,000	169,924,280
<b>B) Loan and advances where repayment schedule is not specified / is not beyond 7 year</b>				
Jindal Pipes (Singapore) Pte. Ltd.	203,559,040	169,924,280	415,292,000	169,924,280
<b>C) Loans and advances in the nature of loans where interest is not charged or charged below bank rate</b>				
Maharashtra Seamless Limited				
Employee Welfare Trust*	596,000,000	480,000,000	631,000,000	480,000,000
<b>D) Investments made in Equity share of the company by Maharashtra Seamless Limited Employee Welfare Trust* ("a Loanee") during the year of ₹ 126,056,954/- ( Previous Year ₹ 480,772,485/-)</b>				

Intra group transaction with Subsidiaries and Joint Ventures are eliminated.


**2.42 EXPENDITURES IN FOREIGN CURRENCY**

(₹)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
Travelling	3,355,009	1,399,680
Interest	8,048,986	11,866,419
Others	720,947	645,927

**2.43 EARNINGS IN FOREIGN CURRENCY**

(₹)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
FOB Value of Physical/Deemed Exports	2,791,383,369	2,298,311,875

2.44 Paise have been rounded off to the nearest rupee.

2.45 Previous year figures have been regrouped / recast, where necessary, to conform to the current year figures.

As per our report of even date attached  
**For KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

**R.K. KANODIA**  
Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 24th MAY, 2013

**RAVI GUPTA**  
CFO  
  
**D.C. GUPTA**  
VP & Company Secretary

**For and on Behalf of the Board**

**D.P. JINDAL**  
Chairman

**SAKET JINDAL**  
Managing Director

**U.C. AGARWAL**  
**N.C. JAIN**  
Directors

**S.P. RAJ**  
Wholetime Director


**Information Regarding Subsidiary Companies for the Year Ended 31 March 2013**

S.No.	Particulars	Reporting Currency	Name of Subsidiary Company			
			Maharashtra Seamless (Singapore) Pte. Ltd.		Maharashtra Seamless Finance Ltd.	
			2012-13	2011-12	2012-13	2011-12
1	Capital (Incl. Share Application Money)	INR	171,326,295	35,809,550	25,000,000	20,000,000
		USD	3,150,000	700,000	-	-
2	Reserves	INR	11,894,015	11,716,834	(559,669)	(282,739)
		USD	218,683	229,039	-	-
3	Total Assets	INR	732,245,920	561,483,666	24,629,929	20,000,000
		USD	13,463,051	10,975,803	-	-
4	Total Liabilities	INR	732,245,920	561,483,666	24,629,929	20,000,000
		USD	13,463,051	10,975,803	-	-
5	Investments	INR	709,061,665	541,562,251	-	-
		USD	13,036,786	10,586,382	-	-
6	Turnover	INR	14,856,600	14,343,618	1,772,737	-
		USD	273,153	280,387	-	-
7	Profit Before Taxation	INR	(563,256)	12,852,508	(527,202)	(282,739)
		USD	(10,356)	251,239	-	-
8	Provision for Taxation	INR	-	1,135,674	250,272	-
		USD	-	22,200	-	-
9	Profit After Taxation	INR	(563,256)	11,716,834	(276,930)	(282,739)
		USD	(10,356)	229,039	-	-
10	Proposed Dividend	INR	-	-	-	-
		USD	-	-	-	-
11	Country		Singapore		India	

# MAHARASHTRA SEAMLESS LIMITED

Registered Office: Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road,  
Taluka-Roha, Distt. Raigad - 402 126, Maharashtra

## PROXY FORM

Folio No .....

DP Id\* .....

Client Id\* .....

I/ we .....of..... being a Member / Members of Maharashtra Seamless Limited do hereby appoint.....of.....or failing him/her..... of.....as my / our Proxy to attend and vote for me/ us on my/ our behalf at the 25th Annual General Meeting of the Company to be held on Monday, the 30th September, 2013 and at any adjournment thereof.

Date .....

Signature(s) .....

Revenue  
Stamp

Note: This Proxy Form must be deposit at the Registered Office of the Company not less than 48 hours before the time for commencement of the meeting.

\* Applicable for investors holding shares in demat form.

# MAHARASHTRA SEAMLESS LIMITED

Registered Office: Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road,  
Taluka-Roha, Distt. Raigad - 402 126, Maharashtra

## ATTENDANCE SLIP

Folio No .....

DP Id\* .....

Client Id\* .....

I hereby record my presence at the 25th Annual General Meeting of the Company held at Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road, Taluka- Roha, Distt. Raigad- 402126, Maharashtra at 10.30 A.M. on Monday, the 30th September, 2013.

Name of the attending Member .....  
(in Block Letters)

Name of the Proxy (in Block Letters) .....  
(to be filled in, if the proxy attends instead of the member)

No. of Shares held .....

.....  
Member's / Proxy's Signature

Note: This attendance slip duly filled in should be handed over at the entrance of the meeting hall.

\* Applicable for investors holding shares in demat form.

ERW Pipes manufactured by  
Maharashtra Seamless Limited  
are branded as



**Trust The Leader**



## **MAHARASHTRA SEAMLESS LIMITED**

Corporate Office

**JINDAL CORPORATE CENTRE**

Plot No. 30, Institutional Sector - 44, Gurgaon-122 002, Haryana (India)

Tel.: +91 124 2574325 / 26, 4624000 Fax: +91 124 2574327

e-mail: [contact@mahaseam.com](mailto:contact@mahaseam.com)

Regd. Office & Works

Pipe Nagar, Village Sukeli, N.H.-17, B.K.G. Road, Distt. Raigad - 402 126, Maharashtra (India)

Tel.: +91 2194 238511 / 12 / 16, Fax: +91 2194 238513

e-mail: [seamless@sancharnet.in](mailto:seamless@sancharnet.in)

website: [www.jindal.com](http://www.jindal.com)