

# Our fOCUS

On Opportunity.  
On Expansion.  
On Growth.

beyond Pipe making



**MAHARASHTRA SEAMLESS LIMITED**





ppportunity often opens up newer avenues for growth. To capture it one needs deep insight and complete preparedness.



Embracing change, constantly optimizing our structure, our actions, our opportunities and regularly reviewing our standards, is the core key factor of our success.

The ever increasing E&P (Exploration & Production) activities in the Oil & Gas sector in India combined with capacity enhancement in the Power sector and fresh investment in Refinery project are enough impetus to push up demand for both ERW and Seamless pipes. At MSL, we are geared up to seize this opportunity to maximize our strength and market leadership through technology upgradation and resource optimization.





**xpansion** is inevitable to meet the demand of current market and stay ahead of the competition. Expansion is not merely in terms of plant capacity enhancement. It is all about integrating our production, planned diversification and expert resource planning.

MSL is working on a steel plant for Billets as a backward integration support and plan for development of Coal Blocks allotted near Nagpur in a Joint Venture - Gondkhari Coal Mining Ltd., is also under progress.

Another 6" Seamless Pipe plant, at Mangaon, Maharashtra, is also at an advance stage of completion. This will also have the facility of manufacturing Drill Pipe and other special grade pipes for boilers and other value added products. The Project has been awarded the status of "Mega Project" by State Govt. of Maharashtra.



# Capacity Expansion

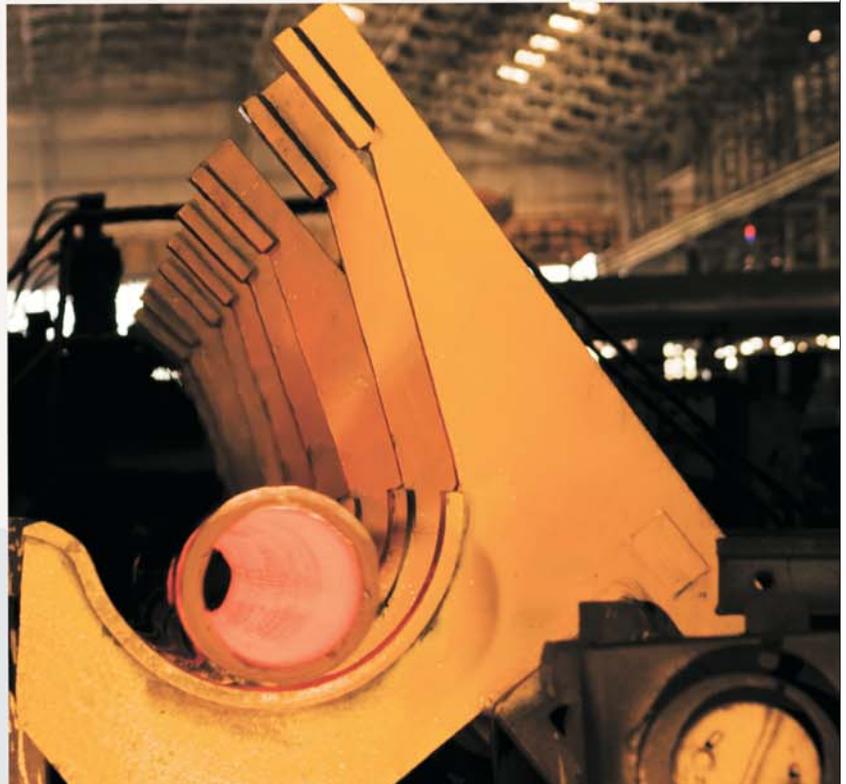
## In Seamless Plant

- 14" Plant facilities added to produce Pipe upto 20" size.
- Finishing facilities like straightener, Facer, Hydro tester and NDT machine installation under progress.
- 6" Pipe mill at Mangaon with MPM Technology, the equipment erection getting finished and trial run in near future.
- 6" Pipe mill will produce drill Pipe, High alloy Pipes and tubes and high wall thickness pipes for use in Oil sectors, Boilers, Automobiles and General Engineering sectors.
- 6" Pipe mill facilitated for manufacturing of high grade casing, tubing & drill pipe and boiler pipes with maximum length of 22 mtrs. to meet growing demand.



## In ERW Plant

- One more Pipe finish line equipments are under erection to enhance the production capacity.
- End facer, Hydro tester for pipe grade upto APIX80, Ultrasonic Equipment etc. are the new addition of equipments for the finishing line.
- Weld on connector welded casing upto 20" all facilities installed and under regular production.
- Square and rectangle section pipe production planned and the development under progress in 20" ERW pipe mill.





**rowth** for us is to move forward strategically.  
To respond faster to market demands. To continue  
delivering value in the future.

For our customers, employees, investors and society.  
For the community at large.

**As we grow. So does our responsibilities too.**

For us growth is not mere healthy financial standing. It makes us more concerned towards our employees, our community and the environment at large.

Employees are our most valuable assets. We take Health and Safety at work very seriously and provide diverse training, education opportunities and welfare facilities to keep employees engaged, motivated and innovative.

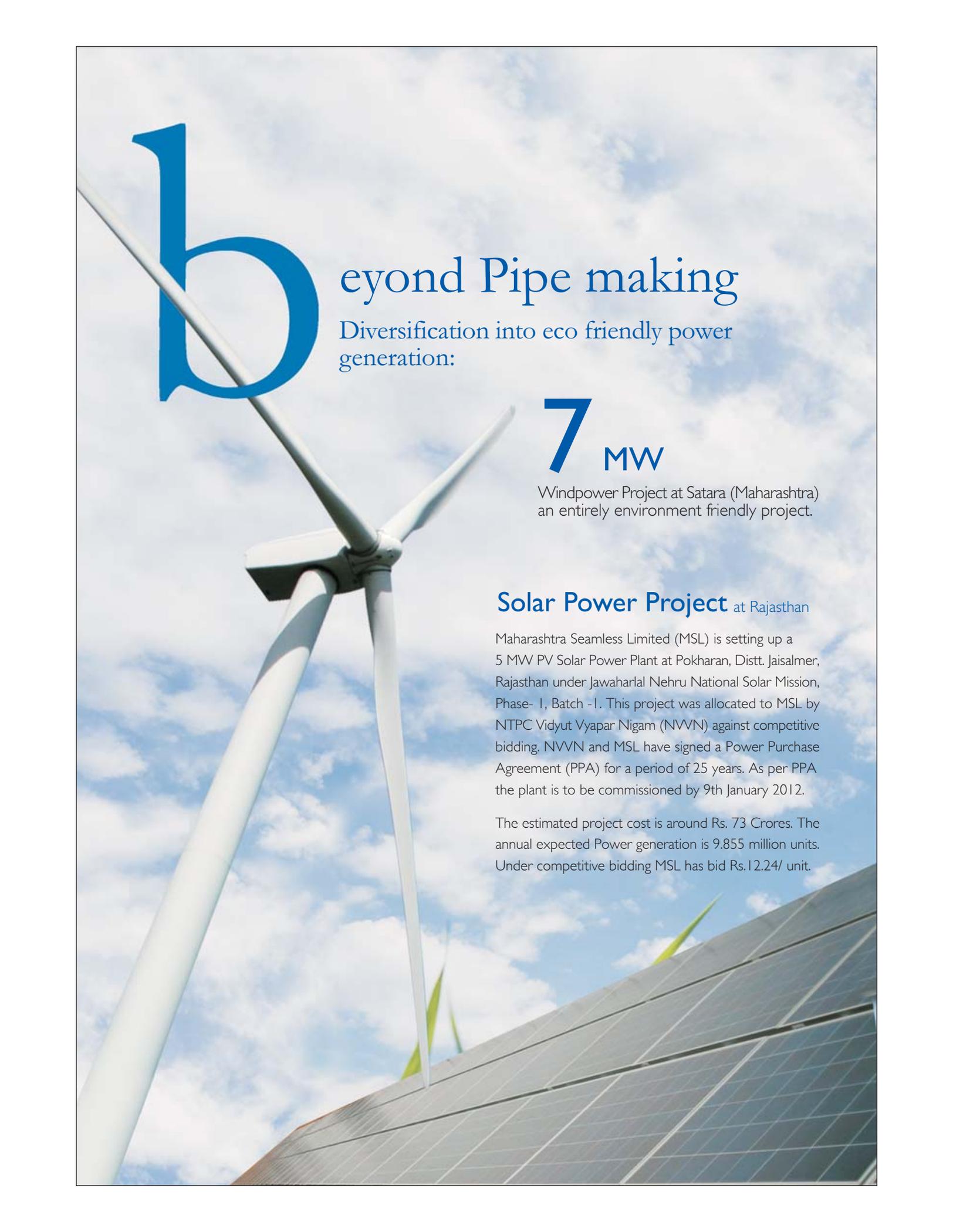
Our efforts do not end doing good for the organization only. We are equally concerned about the quality



of products and services, we provide to our customers. We have been investing significantly on R&D programmes to achieve sustainability and competitive advantage so that we can always deliver better quality products to our customers at the same time stay most eco friendly.

Moreover, our various CSR activities helping people in and around the plant site in various ways, may it be in healthcare, education or provision for potable water.





# b

## beyond Pipe making

Diversification into eco friendly power generation:

# 7 MW

Windpower Project at Satara (Maharashtra)  
an entirely environment friendly project.

### Solar Power Project at Rajasthan

Maharashtra Seamless Limited (MSL) is setting up a 5 MW PV Solar Power Plant at Pokharan, Distt. Jaisalmer, Rajasthan under Jawaharlal Nehru National Solar Mission, Phase- I, Batch -I. This project was allocated to MSL by NTPC Vidyut Vyapar Nigam (NVTN) against competitive bidding. NVTN and MSL have signed a Power Purchase Agreement (PPA) for a period of 25 years. As per PPA the plant is to be commissioned by 9th January 2012.

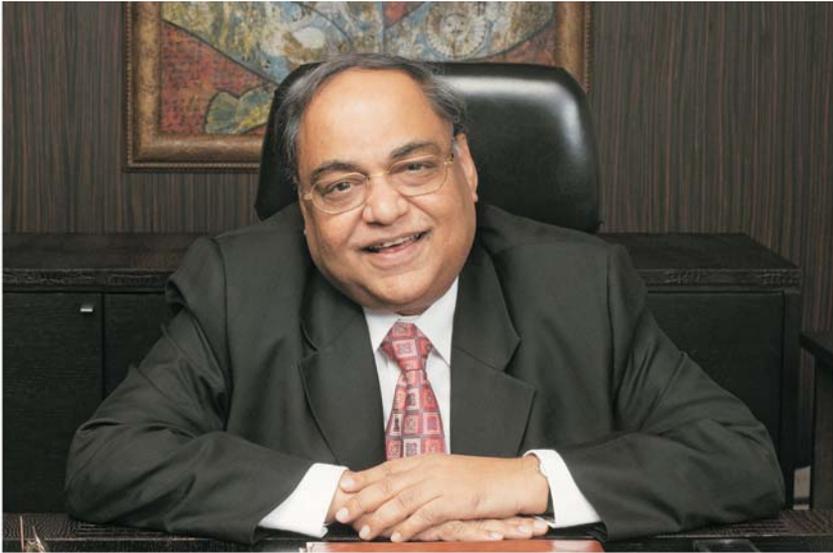
The estimated project cost is around Rs. 73 Crores. The annual expected Power generation is 9.855 million units. Under competitive bidding MSL has bid Rs.12.24/ unit.

# Expanding horizon:

- MSL is the leading Exporter to USA markets.
- MSL accounts for more than 30% Exports, of its Total Production.
- MSL Seamless & ERW Pipes are widely used all over the world by Prestigious Oil Companies such as Shell Global Solutions , International B.V, The Netherland, AL - Furat Petroleum Corporation, Syria ( JV Company of Shell ), Saudi Aramco, Saudi Arabia, Occidental Of OMAN ( OXY ) Oman, Petroleum Development Oman L.L.C., to name a few of Them.
- MSL is also a leading exporter to countries like U.A.E., Oman, Bahrain, Kuwait, Yemen, Nigeria, Egypt, Zambia, Spain, Germany & Further we are targetting Canada & Latin America.



# Chairman's Statement



**D.P. Jindal**  
Chairman, DP JINDAL Group

Dear Shareholders,

2010 - 11 has been a landmark year for your Company. The Company achieved a record net profit of Rs. 341.66 Crores. This performance has been a result of improved global economic recovery, your Company's ability to manage its resources optimally, product innovation, technology and delivery.

India's economy grew at 8.6% last year, next only to China and this is certainly a remarkable achievement as it comes in the backdrop of a challenging period of global recession where a few countries were even on the brink of bankruptcy and had to seek huge bailouts. With the world economy coming out of recession, the Indian economy has successfully re-positioned itself on a faster growth trajectory, which prompts us to believe that the country will be able to grow at a rate of 9%, on a sustained basis.

However this remarkable growth has brought with it the malice of high double digit inflation and the need for tighter monetary and fiscal measures. The Reserve Bank of India has been hiking interest rates for last several quarters and there is a fear of rude shock to the country's growth story.

## Company Strategy

Under these testing circumstances, your Company has continued to accelerate on the growth path and is on

course to maintain its leadership in steel pipes and tubes. We continue to sharpen our competitive advantage against cheaper Chinese pipes through high quality standards, cost controls, Product innovation and superior efficiencies. Our strong relationship with customers has been instrumental in sustained market leadership despite the temptation of cheaper and lower quality Chinese pipes.

Your Company has been able to maintain reasonable margins through consolidation of market share in US which has imposed anti-dumping duties on Chinese pipes and tubes. We continue to strengthen our distribution network in US and Latin America market. We will continue to explore further opportunities in exports.

Your Company continues to invest in R&D for long term enduring benefit. I am pleased to inform that the R&D centre is now in a new building with State of the Art facilities.

## Growth and Expansion

You will be pleased to know that 200,000 mtpa of seamless pipes plant at Mangaon is in the advanced stage of execution. This will give us additional economies of scale and a unique product mix. We are hopeful of further gain in market share both in domestic and exports market.

We understand that going forward we need to optimize the value chain through completely integrated

manufacturing facility. We are aggressively pursuing both organic and inorganic opportunities to build round billets manufacturing facility to fulfill our requirement of raw material for pipes. We are conscious of the need to insulate ourselves from the volatility and inconsistency of steel supply. Given the challenges in land acquisition due to vague land related laws and farmer's unrest, we are facing roadblocks in our strategy but hope to overcome them sooner rather than later.

#### Human Resources

We have always believed that our employees are our real strength. We have been able to maintain an unprecedented low turnover of people through proactive Human resources policy initiatives. We continue to equip our people with skills to contribute higher value. Our investment in people through continuous training and on the job learning will give attractive returns in future. In coming years we will introduce new initiatives in Human resource to ensure higher motivation and commitment towards corporate goal.

#### Environment

One of the biggest threats to the mankind is depleting environment due to aggressive industrialization. It is the responsibility of every industry to ensure sustainability of the surrounding flora and fauna through afforestation and reduced pollution. We have been investing towards this goal. The Company has undertaken business initiatives in

this direction by entering into renewal energy sector. The Company is presently executing a 5 MW Solar Power project in Rajasthan. Besides providing reasonable tax free returns over its investment, it also helps in protecting environment.

#### Ethics and Corporate Governance

Last few years have raised serious questions on the credibility of general corporate ethics and governance across the world. It is extremely important to provide a transparent eco system to the investors, consumers, suppliers and creditors. We are committed to fulfill our obligation to stakeholders through zero tolerance to any act which jeopardizes their interests. We are conscious of these obligations and effectively introduced disclosure norms for our employees.

#### Future

Thus while expressing satisfaction over performance achieved by your Company last year, I am confident your Company will again achieve new mile stones in future by continued cooperation of all stakeholders.

Thank You,  
**D.P. Jindal**

## Message from the Managing Director



**Saket Jindal**  
Managing Director

Dear shareholders,

You shall be happy to note that our Company has posted a substantial growth in the bottomline in the last financial year driven by stringent cost control, inventory management and bold marketing strategy. We have applied a six sigma philosophy and a TQM culture in our organisation; customer satisfaction has been paramount when it comes to measuring success in our day to day operations. With the market conditions becoming ever more competitive, the key to success lies in becoming a leaner, customer friendly organisation which can meet the requirements of a modern, more informed and highly demanding customer. We believe in having a focused approach in delivering our commitments by carefully monitoring our planning process and aligning them to suit the needs of the customer. We have built this Company on the foundation of this underlying philosophy and our brand and reputation speak for themselves not only in India but also internationally.

During the year, we have continued to face stiff competition from Chinese players in domestic market besides addition of new capacities. However, the market is growing at a reasonable pace and all surplus production can be exported. We along with other domestic players have moved to lobby with the government for protection against the

Chinese goods; however, the process is taking time and we hope to have some anti dumping duties in the near future. Our exports have been focussed mainly on USA as we have a strong brand presence over there and our product is widely accepted in terms of quality and customer service. We have also added new channels of distribution to this market through appointing agents and to have deeper penetration. Besides USA, we want to consolidate our customer base globally in Middle East, South America, Canada and Europe. One major milestone in this direction has been the vendor registration with Shell Global, Netherland, which is a leading oil Company worldwide. With this approval, we can supply pipes directly to oil wells operated by Shell and its joint ventures and gives us a strong foothold to tap other oil majors. Another major oil Company, Petrobras of South America is on our radar and we are doing necessary formalities for enlistment. These breakthroughs shall give us the confidence to expand our brand presence and to add capacity to meet the expanded customer base. Our horizontal expansion to make seamless pipes by adding capacity upto 2 lac metric tons is near completion. By this accomplishment, we shall consolidate our leadership in domestic market. With a low capex of under 300 crores, this project shall yield a high return on capital, and also reaffirm our technical expertise to refurbish a second hand unit into a running

plant with world class quality product conforming to international standards. MSL also has plans to integrate vertically into billet manufacturing which has been delaying due to land acquisition problems, but we should be able to have something transpired in near future. This integration shall reduce our cost drastically as majority of production will be for captive use as raw material cost is more than fifty percent in pipe making.

We have been awarded a contract by NVVN, a subsidiary of NTPC to develop solar power in Rajasthan under Jawahar Lal Nehru National Solar Mission. Renewable energy is a futuristic arena and environment friendly. In today's context of global warming and depleting ozone layer, green energy has gained significance. With the incentives provided by government and also the reducing capital cost, this looks to be a promising sector and we wish to consolidate our presence in this sector.

Another milestone in this year has been the ISO-14001 and OHSAS certification which makes us even more conscious with respect to our environment, health and safety standards and puts us in an appealing position when it comes to enlistment with international oil majors. Our CSR activities are always setting new targets, we have added a school building near our facility to cater the requirements of children of our staff and also residents

of nearby villages. This school shall be managed by Zee Education in collaboration with us and give quality education to the new generation.

Last but not the least I would like to thank all our employees for their contribution to make this year a successful year; I hope they continue to grow as an individual along with other members of our team. I wish to also thank our other stakeholders like our bankers, collaborators, suppliers, customers and all associates who have been instrumental in our progress. With our combined efforts, we wish to break new records in future.

Thank You,

**Saket Jindal**

## Selected Financial Indicators of Last 10 Years

Particulars		2002	2003	2004	2005	2006	2007	2008	2009	2010*	2011*
Gross Turnover	(Rs. Lacs)	37272	43563	55529	86724	107695	151961	164037	218351	169122	188741
	(Times)	1.00	1.17	1.49	2.33	2.89	4.08	4.40	5.86	4.54	5.06
EBIDTA	(Rs. Lacs)	7468	8406	10031	12851	20801	34101	29762	34244	39990	42331
	(Times)	1.00	1.13	1.34	1.72	2.79	4.57	3.99	4.59	5.35	5.67
PBT	(Rs. Lacs)	7186	9007	10507	12624	20685	35269	30190	38503	43109	49373
	(Times)	1.00	1.25	1.46	1.76	2.88	4.91	4.20	5.36	6.00	6.87
PAT	(Rs. Lacs)	5001	6209	7146	8488	13960	23384	19522	25784	28459	34166
	(Times)	1.00	1.24	1.43	1.70	2.79	4.68	3.90	5.16	5.69	6.83
Gross Block (including WIP)	(Rs. Lacs)	14119	16064	26709	32768	35303	37416	44321	51441	139084	150008
	(Times)	1.00	1.14	1.89	2.32	2.50	2.65	3.14	3.64	9.85	10.62
Net Block	(Rs. Lacs)	10743	12023	21970	26992	28075	28579	33746	39064	120783	125758
	(Times)	1.00	1.12	2.05	2.51	2.61	2.66	3.14	3.64	11.24	11.71

### Share Capital

Equity Share Capital	(Rs. Lacs)	2882	2882	2882	2882	2882	3497	3527	3527	3527	3527
	(Times)	1.00	1.00	1.00	1.00	1.00	1.21	1.22	1.22	1.22	1.22
Preference Shares		0	1441	0	0	0	0	0	0	0	0
Reserves & Surplus	(Rs. Lacs)	12239	15994	21527	28399	38509	88913	105814	127472	225230	250389
	(Times)	1.00	1.31	1.76	2.32	3.15	7.26	8.65	10.42	18.40	20.46
Net Worth	(Rs. Lacs)	15121	20317	24409	31281	41391	92410	109341	130999	228757	253916
	(Times)	1.00	1.34	1.61	2.07	2.74	6.11	7.23	8.66	15.13	16.79
Book Value	(Rs.)	52	65	85	109	144	132	155	186	324	360
	(Times)	1.00	1.25	1.63	2.10	2.77	2.54	2.98	3.58	6.23	6.92
Equity Dividend	(Rs. Lacs)	576.40	1008.70	1152.80	1441.00	2131.55	3719.82	3526.67	3526.67	4232.01	4232.01
Dividend on Equity Shares	%	20%	35%	40%	50%	70%	110%	100%	100%	120%	120%
Dividend Per Share	(Rs.)	2.00	3.50	4.00	5.00	7.00	5.50	5.00	5.00	6.00	6.00
Earning Per Share	(Rs.)	17.37	21.98	23.72	29.54	48.26	38.38	27.70	36.56	40.35	48.44

\* Figures 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	
D.K. PARIKH	
SANJEEV AJAYKUMAR RUNGTA	
S.P. RAJ	Wholetime Director

**AUDIT COMMITTEE**

U.C. AGARWAL	Chairman
D.P. JINDAL	
D.K. PARIKH	

**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  
Deutsche Bank  
Corporation Bank  
Kotak Mahindra Bank

**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

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



## NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the members of Maharashtra Seamless Limited will be held on Friday, the 30th September 2011 at 11.30 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 2011 and the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares
3. To appoint a Director in place of Shri D. P. Jindal, 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 Sanjeev Ajaykumar Rungta 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 from a member under Section 257 of the Companies Act, 1956, proposing his candidature, be and is hereby appointed as a 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 a special resolution.

**"RESOLVED** that pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded for the appointment of Smt. Shruti Raghav Jindal to hold an office of profit in the Company as Chief Executive (Business Promotion and Public Relations) w.e.f. 4th May, 2011 on the following terms and conditions:

**Basic Salary** - Rs. 1,75,000/- per month with such increase as may be decided by the Board from time to time provided that the monthly remuneration shall not exceed Rs. 2,50,000/- in terms of the Rules issued under provisions of Section 314(1B) of the Companies Act, 1956.

**Other Terms:** She would be entitled to reimbursement of expenses incurred by her, while discharging her duties, in connection with the business of the Company."

By order of the Board

**D.C. GUPTA**

Vice President &  
Company Secretary

Place : Gurgaon  
Dated : 3rd August, 2011

### NOTES:

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
2. **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.



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 31st August, 2011 to 5th September 2011 (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 only 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 30th August, 2011 and to the Beneficial Holders as per the Beneficiary List as on 30th August, 2011, provided by 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 6th October 2011.
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. **The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders. This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. Keeping in view the underlying theme and the circular issued by MCA, we propose to send all documents to be sent to shareholders like General Meeting Notices (including AGM), Annual Report etc., henceforth to the shareholders in electronic form, to the e-mail address provided by them and made available to us by the Depositories. Please note that these documents will also be available on the Company's website [www.jindal.com](http://www.jindal.com) for download by the shareholders. In case you desire to receive the above mentioned documents in physical form, you are requested to send an e-mail to [secretarial@mahaseam.com](mailto:secretarial@mahaseam.com). Please note that you will be entitled to be furnished free of cost, with a copy of the Annual Report of the Company, upon receipt of a requisition from you, any time, as a member of the Company.**

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register their e-mail addresses with Alankit Assignments Limited, Registrar and Share Transfer Agents of the Company.

7. 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 2003-04 onwards are given below:

Year	Date of Declaration	Dividend (%)	Per share (Rs.)
2003-04 (Final)	20.09.2004	15	1.50 *
2004-05	09.09.2005	50	5.00 *
2005-06	29.09.2006	70	3.50
2006-07 (1st interim)	07.09.2006	30	1.50
2006-07(1Ind 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

\*Face value of Rs.10/- per equity share



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.

8. 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 15th September, 2011 at the Corporate Office of 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.
9. 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.
10. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name	Shri D. P. Jindal	Shri Sanjeev Ajaykumar Rungta
Age	61 Years	51 Years
Qualifications	B. Com	B.S. (Mech. Engineering) Michigan, USA
Expertise in specific functional area	Prominent Industrialist having wide business experience.	Wide experience in overall operations and management of chemical, engineering and textile industries
Date of appointment as Director of the Company	10.05.1988	03.08.2011
Directorship of other Companies	- Jindal Pipes Ltd. - Jindal Drilling & Industries Ltd. - Jindal Global Finance & Investment Ltd. - Crisphark Vincom Ltd.	- Zenith Fibres Ltd. - Pearl Industries Ltd. - Essare Engineering Pvt. Ltd. - Zenith Ropes Pvt. Ltd.
Chairman/Member of Committees of other Companies	Member- Audit Committee, Jindal Drilling & Industries Ltd	Member- Audit Committee and Shareholders' Grievance Committee of Zenith Fibres Ltd.
No. of shares held	48,820	NIL
Inter-se relationship with other Directors	Shri Saket Jindal (son)	None

11. 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.
12. All documents referred to in the notice are open for inspection at the Registered Office of the Company between 10.00 A.M. and 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 Sanjeev Ajaykumar Rungta was co-opted as an Additional Director of the Company on 3rd August, 2011. 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 Sanjeev Ajaykumar Rungta for the office of Director, liable to retire by rotation.

None of the Directors except Shri Sanjeev Ajaykumar Rungta himself may be deemed to be concerned or interested in the proposed resolution.

The Directors recommend the resolution for your approval.

**Item no. 6**

The Board of Directors of the Company at its meeting held on 3rd May, 2011 has appointed Smt. Shruti Raghav Jindal, who is a Graduate in International Management from Richmond University, London, as Chief Executive (Business Promotion and Public Relations) of the Company.

Smt. Shruti Raghav Jindal is a relative of Shri D. P. Jindal and Shri Saket Jindal and as per the provisions of Section 314 of the Companies Act, 1956, it is necessary to obtain the consent of the members of the Company by a special resolution for holding the office of profit in the Company.

The Directors recommend the resolution for your approval.

No Director, other than Shri D. P. Jindal and Shri Saket Jindal, being related with Smt. Shruti Raghav Jindal, may be deemed to be concerned or interested in the resolution.

By order of the Board

Place : Gurgaon  
Dated : 3rd August, 2011

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



**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present the 23rd Annual Report along with Audited Accounts of the Company for the year ended 31st March 2011.

**FINANCIAL RESULTS**

The highlights of the financial results are as under:

	<u>Year ended 31.03.2011</u>	(Rs. in Crore) <u>Year ended 31.03.2010</u>
<b>Gross Turnover</b>	<b>1887.41</b>	1691.22
Depreciation	<b>18.49</b>	18.34
<b>Profit Before Tax</b>	<b>493.73</b>	431.10
Provision for Taxation		
- Current	<b>149.52</b>	145.80
- Deferred	<b>1.40</b>	0.70
<b>Profit after Tax</b>	<b>342.81</b>	284.60
Income Tax adjustments relating to earlier years/Weath Tax	<b>1.15</b>	0.01
<b>Profit after Tax &amp; Adjustments</b>	<b>341.66</b>	284.59
Balance brought forward from previous year	<b>53.64</b>	43.40
Profit available for appropriations	<u><b>395.30</b></u>	<u>327.99</u>
<b>Appropriations:</b>		
Proposed Dividend	<b>42.32</b>	42.32
Dividend Distribution Tax	<b>6.86</b>	7.03
Transfer to General Reserve	<b>250.00</b>	225.00
Balance carried to Balance Sheet	<u><b>96.12</b></u>	<u>53.64</u>
	<u><b>395.30</b></u>	<u>327.99</u>

**DIVIDEND**

Your Directors are pleased to recommend a dividend of Rs. 6/- (120 %) per equity share of Rs. 5/- each for the year ended 31st March, 2011.

The proposed dividend including Dividend Distribution tax will absorb Rs. 49.18 Crores.

**RESULTS OF OPERATIONS**

Total turnover of the Company during the year was Rs. 1887.41 Crore against Rs. 1691.22 Crore in the previous year. The profit before tax for the year was Rs. 493.73 Crore as against Rs. 431.10 Crore in the previous year. The profit after tax and adjustments for the year was Rs. 341.66 Crore as against Rs. 284.59 Crore in the previous year.

The Company has primarily two segments - Steel Pipes & Tubes and Wind Power. Both segments contribute positively to the profitability of the Company. The contribution of Steel Pipes & Tubes Division is over 85 % of the total Profit before Tax. Wind Power Project of the Company is meeting around 10 % of Power requirement and has helped in reducing over all cost of power.

**EXPANSION PLANS**

The erection work of 6" Seamless Pipe Plant at Mangaon is in advanced stage of execution and the erection work is likely to be



completed in the second quarter of the current fiscal. This would enhance the total installed capacity to 5.5 Lac Ton for Seamless Pipes. The plant has the facility to manufacture Drill Pipe and other value added products.

#### **OTHER PROJECTS**

Your Directors are pleased to inform that the Company has been allotted 5 MW Solar Power Project under Jawaharlal Nehru National Solar Mission of the Govt. of India. Necessary land has been acquired in Pokharan (Distt. Jaisalmer) in the State of Rajasthan and the project is under implementation and is likely to be completed by December, 2011.

Your Company is intensively working on backward integration project to make steel billets. The Company is contemplating various options including Greenfield project and exploring opportunity for acquisition in order to expedite the process and reduce the lead time involved in Greenfield project.

Ministry of Coal, Govt of India, had allocated a Non Coking Coal Block to the Company near Nagpur (Maharashtra) in a Joint Venture Company named Gondkhari Coal Mining Ltd., an important raw material to produce DRI required for Steel making. This would facilitate the proposed billet manufacturing operations.

#### **SUBSIDIARY COMPANY**

Your Company has established a wholly owned subsidiary in Singapore, namely- Maharashtra Seamless (Singapore) Pte. Ltd., to explore the possibilities of overseas investment in companies engaged in mining and other activities related to the existing operations of the Company.

#### **DIRECTORS**

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

Shri S. D. Sharma ceased to be the Director of the Company consequent to his sad demise on 2nd July, 2011. The Board puts on record its appreciation of the contribution made by him during his tenure as Director of the Company.

The Board has appointed Shri. Sanjeev Ajaykumar Rungta as a Director of the Company on 3rd August, 2011.

#### **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, 2011, 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, 2011 have been prepared on a going concern basis.

#### **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.

#### **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.

#### **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 : 3rd August, 2011

**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, 2011

### A. CONSERVATION OF ENERGY

a) **Energy Conservation measures taken:**

1. Quantity of Frequency Variable Drives have been increased wherever the equipments are not fully loaded to reduce the power consumption and to achieve speed effectiveness in operation.
2. Fuel Additives are being continued for heavier oil to have proper combustion and also to have a controlled process parameters and fuel oil savings.

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

Automatic Water level controller at Tuboscope underground water tank.

Tempering (14") Furnace Walking Beam operation modified to hydraulic system to improve production efficiency and to reduce LDO consumption.

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 the product.

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

As per Form - A annexed.

### B. TECHNOLOGY ABSORPTION

\* The 3 roll sizing mill of 14" mill got commissioned and under use in regular production. Pipe outside diameter quality improved very well.

\* Dia. 180 mm Mandrel pipe mill is already installed which is under trial and will be commissioned shortly in 6" pipe mill unit located at Vilebhagad, Maharashtra Industrial Development Area.

This will give better quality and higher productivity to take up the business in the competitive market.

### 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 USA. 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 - Rs. 366.94 Crore

Earned\* - Rs. 58.78 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 31.03.2011	Year ended 31.03.2010
1.	<b>Electricity Purchased</b>		
	Units (KWH in lacs)*	753.58	667.83
	Total Amount (Rs. In lacs)	4505.47	3632.30
	Rate Per Unit (Rs.)	5.98	5.44
	*Includes 78.70 lacs (previous year 77.73 lacs) units generated by Wind Power Project of the Company.		
2.	<b>Fuel Consumption</b>		
	a) <b>LDO/ Furnace Oil</b>		
	Quantity (KL)	30019.58	25613.24
	Total Amount (Rs. in lacs)	9407.73	7098.34
	Average Rate per KL (Rs.)	31338.65	27,713.56
	b) <b>HSD</b>		
	Quantity (KL)	589.49	524.85
	Total Amount (Rs. in lacs)	226.80	146.70
	Average Rate per KL (Rs.)	38473.94	27,950.84
	c) <b>LPG</b>		
	Quantity (MT)	318.72	79.19
	Total Amount (Rs. in lacs)	125.25	26.02
	Average Rate Per MT (Rs.)	39297.82	32,857.68
3.	<b>Other/Internal generation/Wind Power (Kwh in lakhs)</b>	88.27	94.41

**B. CONSUMPTION PER UNIT OF PRODUCTION**

a)	<b>SEAMLESS PIPES (MT)</b>		
	Electricity (Units)	277.486	276.942
	LDO/Furnace Oil (KL)	0.129	0.126
	HSD (KL)	0.003	0.003
	LPG (MT)	0.001	0.000
b)	<b>ERW PIPES (MT)</b>		
	Electricity (Units)	119.711	95.827
	HSD/Furnace Oil (KL)	0.003	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)

1. 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 developed and got good results to improve the life of the tools in turn improved the quality of the 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 2010-11.

SEAMLESS 7" MILL

- \* Development of API 5CT Gr. Q125in type 1,2,3 and 4. Developed the pipe in the size 127.0 x 12.14 mm and 127.0 x 9.19 mm for an Export order.
- \* A special device of scale removal system has been developed to improve the material flow in the piercer during high alloy steel rolling which helps to have more quantity of high alloy steel rolling at a time also the life of the tool increased.

SEAMLESS 14" MILL

- \* 16" Seamless Pipes developed and regular production / supplied are streamed.
- \* 368.0 x 36.0 mm ASTM A 106 Gr. C first time produced this much thickness (for BHEL)

ERW MILL

- \* 20" welded casing first lot supplied to ONGC which was lowered on the well and received the clearance to supply the balance quantity of the order.  
It is a breakthrough for ERW Plant to establish and regular manufacturing of such a casings pipes to increase the product mix, also to promote new businesses.

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

As a result of the R&D activities, new products were developed viz. 13 Cr Casing and Tubing and Higher Grades for X70 ERW Pipes etc. were also developed, 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

- \* Though we achieved the drill pipe development as a first lot; further tuning will be done on the process, heat treatment and inspection to establish different API grades.
- \* 4 1/2" tubing development under progress.
- \* Converting the combustion system of oil fired into gas fired under progress, also we are trying to develop induction heating system for heat treatment section of 6" mill to reduce pollution.

4. Expenditure on R&D

(Rs. in lacs)

a Capital	356
b Revenue	381
c Total	737
d Total R&D expenditure is 0.39% 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 challenge 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:**

In continuation with the commissioning of 3 Layer Polyethylene, polypropylene and the Dual Layer Coating in the Coating Plant division, all required facilities for Laboratory testing of both raw material as well as finished products are well established and approved by the different inspection agencies.

The facilities are being used regularly to support the production and to maintain the quality of the products.

The products are approved and getting continuous support from the Oil and Gas pipe customers as well as other users.



**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 the Clause 49 of the Listing Agreement with Stock Exchanges are as under:

**A COMPLIANCE OF 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. One-half of the Board of the Company consists of Independent Directors. 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 10 Committees and Chairman of more than 5 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 2010-11, the Board of Directors met five times and the gap between two meetings did not exceed four months. The Board Meetings were held on 3rd May, 2010, 26th July, 2010, 31st August, 2010, 29th October, 2010 and 31st January, 2011. 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 are given below:

Directors	Category	Shares held	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held		
			Board Meeting	Last AGM	Directorships	Committee Member ships	Committee Chairmanships
Mr. D.P. Jindal	NE-P-C	62870	4	Yes	4	1	-
Mr. Saket Jindal	MD-P	1695764	5	Yes	5	-	-
Mr. S. P. Raj	WTD	-	5	Yes	-	-	-
Mr. U. C. Agarwal	NE-I	1000	5	Yes	1	3	3
Mr. D. K. Parikh	NE-I	-	5	Yes	-	-	-
Mr. S.D. Sharma	NE-I	-	5	No	1	1	1

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.
3. All the independent Directors fulfill the minimum age criteria i.e. 21 years as specified in Clause 49 of the listing agreement.

**RELATIONSHIPS BETWEEN DIRECTORS**

No Director is related to any other Director, except Shri Saket Jindal, who is 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 2011.

Date : 3rd August, 2011

**SAKET JINDAL**  
Managing Director

## 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 auditors and the fixation of audit fees;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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 comprises 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 and was present at the last Annual General Meeting of the Company. The Audit Committee meetings are held at the Corporate Office of the Company and are attended by the Auditors, Accounts and Finance Heads. The Company Secretary acts as the 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 3rd May, 2010, 26th July, 2010, 31st August, 2010, 29th October, 2010 and 31st January, 2011. The composition, names of the members, chairperson, and particulars of the Meetings and attendance of the members during the year are as follows:

Members	Category	No. of meetings attended
Mr. U.C. Agarwal	Chairman	5
Mr. D.P. Jindal	Member	4
Mr. D. K. Parikh	Member	5

**INTERNAL AUDITORS**

The Company has appointed a firm of Chartered Accountants as 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, 2011 are as under:-

Name	Salary	Perquisites & other benefits	Total
<b>Shri Saket Jindal</b> Managing Director	10,200,000	3,243,600	13,443,600
<b>Shri S.P. Raj</b> Whole - Time Director	1,222,572	599,297	1,821,869

(Rs.)

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' / Investor's Grievance cum Share Transfer Committee attended by them. The details of remuneration paid as sitting fee to Non-Executive Directors during the year ended 31st March 2011 is as under: -

(Rs.)

Director	Sitting Fees
Shri D. P. Jindal	1,05,000
Shri U. C. Agarwal	1,90,000
Shri D. K. Parikh	1,35,000
Shri S. D. Sharma	90,000

Apart from receiving Directors' remuneration by way of sitting fee for attending meeting of the Board, Audit Committee and Shareholders' / Investors' Grievance cum Share Transfer Committee, none of the Non-Executive Directors has any pecuniary relationship or transactions with the Company during the year ended 31st March 2011.



**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 generally meets twice in a month, 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 the 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:-

Name of the 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 01.04.2010 to 31.03.2011	:	15
Number of complaints not solved to the satisfaction of shareholders	:	Nil
Number of pending complaints as on 31.03.2011 which were solved later on	:	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
2007-08	27.09.2008	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.
2008-09	29.09.2009	Registered Office of the Company at Pipe Nagar, Raigad	11.30 A.M.
2009-10	30.09.2010	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 27.09.2008: Alteration of Article 3 of the Articles of Association of the Company to maintain the face value of Rs.5/- per equity share.
- b) In the AGM held on 29.09.2009: None
- c) In the AGM held on 30.09.2010: None

(III) During the last year, no Special resolution was put through Postal Ballot. No Special resolution is proposed to be conducted through Postal Ballot.

**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 whereat 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 Economic Times, 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, 2011 at 11.30 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, 2010 to 31st March, 2011

c) Book Closure : 31st August, 2011 to 5th September, 2011 (Both days inclusive)

d) Dividend : Dividend of Rs. 6/- ( 120%) per equity share for the year ended 31st March, 2011, if approved by the members, would be payable on or after 6th October 2011.

**Financial Calendar (Tentative):**

- Financial reporting for the quarter ended 30th June, 2011 July/August, 2011
- Financial reporting for the quarter ending 30th September, 2011 Oct/ Nov, 2011
- Financial reporting for the quarter ending 31st December, 2011 Jan/ Feb, 2012
- Financial reporting for the quarter/ year ending 31st March, 2012 April/ May, 2012

**Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Listing fee for the year 2011-12 has been paid to all the Stock Exchanges.

Name & address of Stock Exchanges	StockCode/Trading Symbol
Bombay Stock Exchange 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

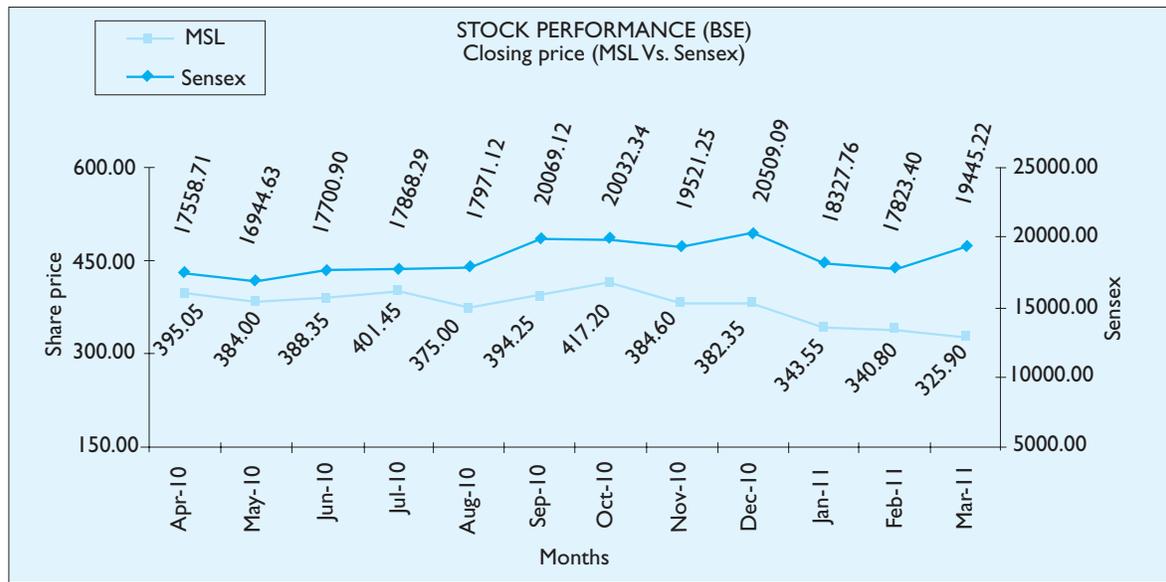


**Stock Market Data**

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

MONTH	MSL BSE Price (Rs.)			BSE Sensex		
	HIGH	LOW	Month Close	HIGH	LOW	Month Close
April, 2010	405.00	351.20	395.05	18047.86	17276.80	17558.71
May, 2010	401.00	361.00	384.00	17536.86	15960.15	16944.63
June, 2010	403.25	362.15	388.35	17919.62	16318.39	17700.90
July, 2010	408.00	383.00	401.45	18237.56	17395.58	17868.29
Aug, 2010	424.00	373.00	375.00	18475.27	17819.99	17971.12
Sept.,2010	398.60	370.00	394.25	20267.98	18027.12	20069.12
Oct.,2010	451.00	396.00	417.20	20854.55	19768.96	20032.34
Nov.,2010	455.00	375.00	384.60	21108.64	18954.82	19521.25
Dec.,2010	414.00	353.35	382.35	20552.03	19074.57	20509.09
Jan.,2011	390.00	333.30	343.55	20664.80	18038.48	18327.76
Feb.,2011	370.00	330.00	340.80	18690.97	17295.62	17823.40
Mar.,2011	344.00	317.05	325.90	19575.16	17792.17	19445.22

**Share performance chart**



**Distribution of shareholding as on 31st March, 2011**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 500	25513	94.22	3561131	5.05
501 to 1000	965	3.55	756733	1.07
1001 to 10000	464	1.71	1311967	1.86
10001 to 100000	92	0.34	3462203	4.91
100001 to 500000	21	0.08	4660245	6.61
500001 & above	24	0.10	56781143	80.50
<b>Grand Total</b>	<b>27079</b>	<b>100.00</b>	<b>70533422</b>	<b>100.00</b>

**Shareholding Pattern as on 31st March, 2011**

CATEGORY	NO.OF SHARES HELD	% OF HOLDING
Promoters	38575068	54.69
Mutual Funds / UTI	5894052	8.36
Financial Institutions / Banks	33382	0.05
Insurance Companies	1523408	2.16
Foreign Institutional Investors	11978349	16.98
Bodies Corporate	5678418	8.05
Individuals	6637731	9.41
Trust	645	0.00
Foreign Bodies Corporate	998	0.00
NRIs	211371	0.30
<b>Total</b>	<b>70533422</b>	<b>100.00</b>

**Dematerialisation of Shares**

48.40% of the Company's Paid-up Equity Share Capital of the Company is in dematerialised form as on 31st March 2011.

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 2011.

**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,  
Distt. Satara, Maharashtra

**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.

**Investors' 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 a 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. There are 6 members on the Board and 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, 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 programme 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.

## AUDITORS' 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 on 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

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 : 3rd August, 2011



## MANAGEMENT DISCUSSION AND 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 statements will be realized.*

*The Company disclaims any duty to update the information given in the aforesaid reports*

### INDUSTRY COMPOSITION

Pipe can be broadly classified into two categories, seamless and welded. Seamless pipes do not have any joints and are manufactured by piercing billets. Since seamless pipes have high strength, they are best suited for use as line pipes for high pressure applications and in oil and gas exploration for casing, tubing and drilling, as process pipes in refineries and boilers, and in other areas requiring high pressure transportation. Besides, these pipes also find use in the automotive industry and other engineering sectors.

Welded pipes can be classified into SAW pipes and ERW pipes. SAW pipes are manufactured from steel plates and hot-rolled steel coils using automatic submerged arc welding process. ERW pipes, which are manufactured by electric resistance welding of hot rolled coils, have low strength and are used in low pressure applications like low pressure oil and gas transportation and transportation of water and sewerage.

The characteristics of seamless steel tubes differ with applications. The characteristics are specified for each application in almost all international standards. Seamless steel tubes find their application in special areas where strength is prime consideration. The seamless steel tubes employed for rotary drilling must possess great torsion strength and high resistance to fatigue stresses. The casing pipes for deep oil wells require seamless pipe having high resistance to collapse and to withstand the high external pressures. The oil refining, chemical and pressure steam industries also demand special seamless steel tubes/pipes to withstand temperatures. Seamless tubes find application in the manufacture of bearings, automobile parts, drill rods, hydraulic cylinders, gas cylinders, boilers, etc.

Seamless tube has homogenous wall without any weld or joint along its length. The homogenous wall and smooth inner surface of the tube is not subjected to weaknesses caused by internal weld, bend and different chemical compositions and micro structures at the weld zone. As such, there is no danger of preferential corrosion caused by self engendered galvanic action. This makes the seamless tube a natural choice for applications where strength and resistance to corrosion are of high importance. The end-uses of seamless steel tubes are diversified.

The encouraging development of indigenous end-using industries stimulated the growth of direct consumption of seamless steel tubes. Survey reveals that oil sector accounts for around 60 percent of the total consumption while the share of bearings, automobile & boiler sector together are estimated as about 30 percent and the rest are consumed in other miscellaneous engineering industries.

Seamless pipes and tubes are produced in several steel grades, depending on application, from ordinary carbon steel to high alloy and stainless steel.

Your Company's current capacity is 350,000 MTPA seamless pipes and 200,000 MTPA ERW pipes. The Company is in the process of expanding its seamless pipe capacity by 200,000 MTPA and the project is in advanced stage of implementation. The Company is a major supplier of seamless pipes to the oil & gas, hydrocarbons, process and engineering industries. In the ERW segment, it mainly serves the oil & gas and water transportation sectors. The Company has obtained various domestic and international accreditations for its products. It has obtained accreditation from the American Petroleum Institute (API) for its seamless and ERW pipes. Its seamless pipes are also approved by the Central Boilers Board in India. Your Company derives around 30% of its revenues from exports and is an approved vendor for several international clients.

### EXPANSION PLANS

The erection work of 6" Seamless Pipe Plant at Mangaon, referred to above is in the advanced stage of execution. This will also have the facility of manufacturing Drill Pipes and other special grade pipes for boilers and other value added products. The Project has been awarded the status of "Mega Project" by State Govt. of Maharashtra.



### **BACKWARD INTEGRATION PROJECT**

Your Company is working on backward integration project and is planning an Integrated Steel plant for steel billets. This would help the Company in its raw material planning, cost control, and timely delivery of raw material.

Planning for development of Coal Blocks allotted near Nagpur in a Joint Venture Company named Gondkhari Coal Mining Ltd is also in progress.

### **RESEARCH & DEVELOPMENT**

The Company, over the years, has invested significantly in its Research & Development (R&D) programme to develop a unique source of sustainable competitive advantage.

The Company's R&D is poised to deliver long term competitive advantage and play a leading role in creating significant business impact.

Research & Development is undertaken in the field of Ferrous & Ferrous Alloy metallurgy, process and other welding process, of pipe manufacturing (both seamless & ERW pipes), developing pipes of new standards & allied products including coating and Rust preventive oil, Varnish, Lacquers etc.

Equipped with advanced Testing and diagnostic equipments R&D Centre undertakes projects encompassing entire spectrum of processing manufacturing of steel pipes starting from raw material developments to manufacturing including various finishing activities.

R&D Centre is continuously engaged in development of new and value added products, improving the process parameters, improvement in product Quality, upgrading of existing technologies and introduction of new technologies.

While making significant contribution to the overall performance of the Company, R&D Centre accords highest priority and attention to the customer needs and delivers the technological services to the plant for full satisfaction of the customer.

### **OPPORTUNITIES THREATS & FUTURE OUTLOOK**

Following the financial meltdown of 2008-09, economies over the world are on a steady path of revival. Under the circumstances, production of Petroleum products and electrical energy are expected to pick up to meet the domestic demand and sustaining future supplies would require heavy investment in E&P activities and power projects which would drive the demand for seamless pipes.

One of the major driving forces for the demand for seamless pipes are exploration and production (E & P) activities in the oil and gas sector. The ever increasing energy needs have resulted in increased production of oil and gas in India. This is expected to provide impetus to demand for seamless pipes & tubes.

Thermal power forms a major chunk of the capacity enhancement being planned in the power sector during the 12th plan period. As such, it bodes an encouraging outlook for the seamless pipes / tubes industry.

Transportation of oil and gas at high pressure within a refinery requires high strength pipes, hence seamless pipes are extensively used for such purpose. Over the last decade the ever increasing domestic demand for oil and gas products has led to large capacity buildup in India. Thus fresh investment in refinery project is expected to push up demand for both seamless and ERW pipes. The total capex on addition refinery capacity is expected to be around Rs. 40,000 crore over the next 2-3 years.

All this including imposition of anti dumping duties on Chinese seamless pipes in the US and European markets augurs well for the Company. However the continued dumping by Chinese manufactures in the Indian market is having an adverse effect in the domestic market. While the domestic industry is working on imposition of anti dumping duties on Chinese seamless pipes, conclusive action on the same is awaited. Imposition of anti dumping duties on import of Chinese pipes in the domestic market would ease unnecessary pressure and would also benefit the Company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has robust internal control systems and processes in place for the smooth conduct of its businesses. Our internal control systems are regularly checked by both external and internal auditors, who have access to all records and information about the Company. The Board and the management reviews the findings and recommendations of the Auditors and take corrective actions wherever necessary.

An independent firm of Chartered Accountants carries out an extensive internal audit. The Audit Committee reviews the Audit Reports submitted by the Internal Auditors, suggestions for improvements and the Audit Committee follows up on the implementation of the corrective actions.



### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year the Total Turnover was Rs. 1887.41 Crore against Rs. 1691.22 Crore. The profit before tax increased to Rs. 493.73 Crore from Rs. 431.10 Crore during the previous year. Correspondingly profit after tax and adjustments for the year was Rs. 341.66 Crore as against Rs. 284.59 Crore in the previous year.

#### FINANCE COST

Interest and finance charges for the year ended 31st March 2011 were Rs. 3.15 Crore as against Rs. 3.40 Crore in the previous year.

#### PAID-UP SHARE CAPITAL

Paid-up Share Capital of the Company comprises Equity Share Capital of Rs.35.27 Crore as on 31st March 2011.

#### RESERVES & SURPLUS

Reserves & Surplus of the Company were Rs. 2503.89 Crore as on 31st March 2011 as against Rs. 2252.30 Crore in the previous year.

#### EARNING PER SHARE

Earning per share for the financial year 2010-11 was Rs. 48.44 as against Rs. 40.35 in the previous year.

Key highlights of Company's performance are as under:

- Improved profit
- Cost reduction
- Efficient sourcing of raw material

#### TOTAL QUALITY MANAGEMENT

The very foundation of your Company's growth has been Total Quality Management.

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

#### HUMAN RESOURCE DEVELOPMENT

The human resource philosophy and strategy of your Company has been designed to attract and retain the best talent on offer. In practice it creates and nurtures workplace challenges that keep employees engaged, motivated and innovative. This talent has, through strong alignment with your Company's vision, successfully built and helped your Company to emerge as leader in manufacturing of Seamless pipes and tubes in the country.

The Company has conscientiously fostered a culture that rewards continuous learning, collaboration and development across the organization to be future-ready and meet the challenges posed by ever-changing market realities. Employees are the company's most valuable assets and the company's processes are designed to empower employees and support creative approaches in order to create enduring values. Your Company's unflagging commitment to investing in talent development ensures performance and achievement of the highest order. The employee strength of the Company as on 31st March, 2011 was 1173, including 417 workers.

## AUDITORS' REPORT

To The Members of,

### Maharashtra Seamless Limited

We have audited the attached Balance Sheet of M/S MAHARASHTRA SEAMLESS LIMITED as at 31st March, 2011 and also the annexed Profit and Loss Account and the Cash Flow Statement for the year ended on that date (together referred to as 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A), of the Companies Act 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash flow Statement dealt with by this report have been prepared in compliance with the Accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the said directors are disqualified as on 31st March 2011, from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant accounting policies and notes thereon in Schedule '20' give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and,
  - ii. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
  - iii. In case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants  
FRN 008396N

**R.K. KANODIA**  
Partner

Membership No. 016121

Place : New Delhi  
Dated : 3rd August, 2011

## 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 Rs. 1,974,666,285/- the year end balance of loan granted to such companies was Rs. 1,727,066,285/-. The Company has taken loan during the year from one company. The maximum amount involved during the year was Rs. 14,859,947/- the year end balance of loan taken from such company was Rs. 14,267,692/-.  
(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, 2011 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, 2011 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 (Rs.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 2006 - 2007	3.46 179.96
		Commissioner Appeal	2007 - 2008 2008 - 2009 2009 - 2010	166.79 580.66 676.77
		Income Tax	Demand for Income Tax	Commissioner Appeal

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. According to the information and explanations given to us, the company has not given any guarantees against loans taken by others from banks & financial institutions.
16. According to the information and explanations given to us, the company has not obtained any term loan during the year; accordingly clause (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 : 3rd August, 2011



**BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedules	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
<b>I. SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	352,667,110	352,667,110
b) Reserves and Surplus	2	25,038,907,516	22,523,065,614
		<u>25,391,574,626</u>	<u>22,875,732,724</u>
<b>2. Loan Funds</b>			
a) Secured Loans	3	-	13,058,473
b) Unsecured Loans	4	768,601,261	787,939,962
		<u>768,601,261</u>	<u>800,998,435</u>
<b>3. Deferred Tax Liabilities</b>		448,382,380	434,387,560
<b>TOTAL</b>		<u>26,608,558,267</u>	<u>24,111,118,719</u>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	5		
a) Gross Block		12,413,861,990	12,001,191,222
Less : Depreciation		2,424,989,117	1,830,090,385
Net Block		<u>9,988,872,873</u>	<u>10,171,100,837</u>
b) Capital work in progress		2,586,945,059	1,907,181,988
		<u>12,575,817,932</u>	<u>12,078,282,825</u>
c) Silver Coins in hand		38,223	29,313
		<u>12,575,856,155</u>	<u>12,078,312,138</u>
<b>2. Investments</b>	6	5,164,548,543	6,283,963,041
<b>3. Current Assets, Loans &amp; Advances</b>			
a) Inventories	7	5,412,148,102	5,140,016,332
b) Sundry Debtors	8	3,123,660,850	1,825,546,779
c) Cash and Bank Balances	9	101,716,028	83,807,184
d) Loans and Advances	10	2,319,505,073	428,636,322
		<u>10,957,030,053</u>	<u>7,478,006,617</u>
<b>Less : Current Liabilities &amp; Provisions</b>	11	2,088,876,484	1,729,163,077
<b>Net Current Assets</b>		<u>8,868,153,569</u>	<u>5,748,843,540</u>
<b>TOTAL</b>		<u>26,608,558,267</u>	<u>24,111,118,719</u>
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	20		
As per our report of even date attached			

For **KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

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

Place : Gurgaon  
Dated : 3rd August, 2011

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

For & on Behalf of the Board

**D.P.JINDAL**  
Chairman  
**SAKET JINDAL**  
Managing Director  
**U.C. AGARWAL**  
**D.K. PARIKH**  
Directors

**S.P. RAJ**  
Wholetime Director



**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedules	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
<b>INCOME</b>			
Sales & Income From Operations	12	18,874,101,475	16,912,190,553
Less : Excise Duty		1,261,387,564	980,464,640
Net Sales & Income From Operations		17,612,713,911	15,931,725,913
Other Income	13	920,675,364	529,393,236
Increase/(Decrease) in Stock	14	488,164,826	(1,901,669)
		19,021,554,101	16,459,217,480
<b>EXPENDITURE</b>			
Materials & Manufacturing Expenses	15	13,151,834,692	11,258,998,689
Employees' Remuneration & Benefits	16	301,487,961	272,886,211
Administrative Expenses	17	124,995,574	100,518,118
Selling & Distribution Expenses	18	289,462,501	298,428,115
Interest & Financial Charges	19	31,534,735	34,032,416
Depreciation		593,849,225	
Less : Depreciation charged from Revaluation Reserve		(408,934,046)	
		184,915,179	183,409,841
		14,084,230,642	12,148,273,390
<b>Profit before tax</b>		4,937,323,459	4,310,944,090
Provision for taxation - Current		1,495,200,000	1,457,900,000
- Deferred		13,994,820	6,976,530
<b>Profit after tax</b>		3,428,128,639	2,846,067,560
Income Tax Adjustment relating to earlier years / Wealth Tax		(11,498,453)	(128,503)
Profit after tax and adjustment		3,416,630,186	2,845,939,057
Balance brought forward from previous year		536,428,962	433,978,755
Profit available for appropriation		3,953,059,148	3,279,917,812
<b>APPROPRIATIONS</b>			
Proposed Dividend		423,200,532	423,200,532
Dividend Distribution Tax on Proposed Dividend		68,653,706	70,288,318
Transfer to General Reserve		2,500,000,000	2,250,000,000
Balance carried to Balance Sheet		961,204,910	536,428,962
		3,953,059,148	3,279,917,812
<b>Earning Per Share (Basic/Diluted)</b>		48.44	40.35

**Significant Accounting Policies & Notes on Accounts** 20

As per our report of even date attached

For **KANODIA SANYAL & ASSOCIATES**

Chartered Accountants

**R.K.KANODIA**

Partner  
Membership No. 016121

Place : Gurgaon  
Dated : 3rd August, 2011

**RAVI GUPTA**

CFO

**D. C. GUPTA**

VP & Company Secretary

For & on Behalf of the Board

**D.P.JINDAL**

Chairman

**SAKET JINDAL**

Managing Director

**U.C. AGARWAL**

**D.K. PARIKH**

Directors

**S.P. RAJ**

Wholetime Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
<b>A. Cash Flows from Operating Activities</b>		
Net Profit before tax and extraordinary items	4,937,323,459	4,310,944,090
Adjusted for:		
Depreciation	188,029,960	185,937,639
Dividend Received	-	(14,911,196)
Income Tax Adjustment relating to earlier years / Wealth Tax	(11,498,453)	(128,503)
Interest Received	(89,521,319)	(39,240,418)
Interest Paid	19,668,323	11,150,187
Loss on Sale of Fixed Assets (Net)	-	200,934
Profit on Sale of Fixed Assets (Net)	(774,580)	-
Profit on Sale of Investments (Net)	(512,218,164)	(58,072,188)
Operating Profit before Working Capital Changes	4,531,009,226	4,395,880,545
Adjusted for:		
Trade & Other Receivables	(3,184,036,153)	1,123,103,022
Inventories	(272,131,770)	(1,619,213,653)
Trade Payables & Others	124,591,878	(80,806,167)
Cash Generated from operations	1,199,433,181	3,818,963,747
Direct taxes Paid	(1,534,257,852)	(1,517,438,492)
Cash Flow before extraordinary items	(334,824,671)	2,301,525,255
Extraordinary item	-	-
Net Cash From Operating Activities	(334,824,671)	2,301,525,255
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets	(1,097,588,073)	(936,006,269)
Sale of Fixed Assets	3,854,630	1,435,556
Purchase of Investments	(10,495,578,172)	(14,154,402,818)
Sale of Investments	12,127,210,834	12,127,210,834
Interest Received	84,574,650	66,852,115
Dividend Received	-	14,911,196
Net Cash used in Investing Activities	622,473,869	(2,879,999,386)
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Long Term Borrowings	(19,338,701)	(35,772,537)
Proceeds from Short Term Borrowings	260,788,568	13,279,366
Interest Paid	(19,668,323)	(11,150,187)
Dividend Paid	(421,233,580)	(350,479,345)
Tax paid on dividend	(70,288,318)	(59,935,775)
Net Cash used in Financing Activities	(269,740,354)	(444,058,478)
Net increase in Cash & Cash Equivalents (A+B+C)	17,908,844	(1,022,532,609)
Opening Balances of Cash and Cash Equivalents	83,807,184	1,106,339,793
Closing Balances of Cash and Cash Equivalents	101,716,028	83,807,184
Change in Cash and Cash Equivalents	17,908,844	(1,022,532,609)
As per our report of even date attached		

For **KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

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

Place : Gurgaon  
Dated : 3rd August, 2011

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

For & on Behalf of the Board

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



**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
<b>SCHEDULE : 1</b>		
<b>SHARE CAPITAL</b>		
<u>Authorised</u>		
80,000,000 (Previous Year - 80,000,000) Equity Shares of Rs. 5/- each	400,000,000	400,000,000
20,000,000 (Previous Year - 20,000,000) Preference Shares of Rs. 10/- each	200,000,000	200,000,000
	<u>600,000,000</u>	<u>600,000,000</u>
<u>Issued, Subscribed and Paid up</u>		
70,533,422 (Previous Year- 70,533,422) Equity Shares of Rs.5/- each fully paid up Includes 6,645,120 Equity Shares of Rs. 5/- each (Originally 3,322,560 Equity Shares of Rs. 10/- each) fully paid up issued/converted for consideration other than cash in terms of approved scheme of amalgamation in Financial Year 1995-96	352,667,110	352,667,110
	<u>352,667,110</u>	<u>352,667,110</u>
<b>SCHEDULE : 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
Revaluation Reserve:		
As per last Balance Sheet	7,423,441,382	-
Created During the Financial Year 2009-10	-	7,832,375,428
Less: Additional Depreciation due to Revaluation of Fixed Assets	(408,934,046)	(408,934,046)
	<u>7,014,507,336</u>	<u>7,423,441,382</u>
Capital Investment Subsidy	2,500,000	2,500,000
General Reserve:		
As per last Balance Sheet	11,159,451,397	8,909,451,397
Add: Transferred from Profit & Loss Account	2,500,000,000	2,250,000,000
	<u>13,659,451,397</u>	<u>11,159,451,397</u>
Profit and Loss Account	961,204,910	536,428,962
	<u>25,038,907,516</u>	<u>22,523,065,614</u>



	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
<u>SCHEDULE : 3</u>		
<u>SECURED LOANS</u>		
<u>Working Capital Borrowings</u>		
From Banks	-	13,058,473
	<u>-</u>	<u>13,058,473</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 line on immovable fixed assets.

SCHEDULE : 4  
UNSECURED LOANS

From Banks	16,594,527	601,462
From Others	14,267,692	5,623,964
Security Deposit	600,000	250,000
Deferred Sales Tax	737,139,042	781,464,536
	<u>768,601,261</u>	<u>787,939,962</u>



**SCHEDULE : 5**

**FIXED ASSETS**

(Rs.)

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2010	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2011	UPTO 31.03.2010	FOR THE YEAR*	SALES/ ADJUSTMENTS	UPTO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
Land	141,190,436	19,452,040	2,685,561	157,956,915	-	-	-	-	157,956,915	141,190,436
Shed & Building	898,949,847	98,545,104	-	997,494,951	144,794,445	23,805,289	-	168,599,734	828,895,217	754,155,402
Plant & Machinery	2,931,010,587	267,636,373	-	3,198,646,960	1,219,606,333	144,253,758	-	1,363,860,091	1,834,786,869	1,711,404,254
Office Equipments	37,286,538	2,507,187	21,635	39,772,090	8,901,662	1,759,352	7,023	10,653,991	29,118,099	28,384,876
Computer	43,662,711	10,728,339	-	54,391,050	17,310,663	7,038,258	-	24,348,921	30,042,129	26,352,048
Furniture & Fixtures	41,029,608	1,746,226	-	42,775,834	9,243,759	2,522,442	-	11,766,201	31,009,633	31,785,849
Vehicles	75,686,067	17,200,823	2,438,128	90,448,762	21,299,477	8,650,861	2,058,251	27,892,087	62,556,675	54,386,590
<b>Total (A)</b>	4,168,815,794	417,816,092	5,145,324	4,581,486,562	1,421,156,339	188,029,960	2,065,274	1,607,121,025	2,974,365,537	2,747,659,455
Previous Year	4,075,146,622	97,741,307	4,072,135	4,168,815,794	1,237,654,345	185,937,639	2,435,645	1,421,156,339	2,747,659,455	2,837,492,277
<b>ADDITIONS ON ACCOUNT OF REVALUATION</b>										
Land	384,039,102	-	-	384,039,102	-	-	-	-	384,039,102	384,039,102
Shed & Building	1,984,703,009	-	-	1,984,703,009	44,844,744	44,844,744	-	89,689,488	1,895,013,521	1,939,858,265
Plant & Machinery	5,463,633,317	-	-	5,463,633,317	364,089,302	364,089,302	-	728,178,604	4,735,454,713	5,099,544,015
<b>Total (B)</b>	7,832,375,428	-	-	7,832,375,428	408,934,046	408,934,046	-	817,868,092	7,014,507,336	7,423,441,382
Previous Year	-	7,832,375,428	-	7,832,375,428	-	408,934,046	-	408,934,046	7,423,441,382	-
<b>Total (A+B)</b>	12,001,191,222	417,816,092	5,145,324	12,413,861,990	1,830,090,385	596,964,006	2,065,274	2,424,989,117	9,988,872,873	10,171,100,837
Previous Year	4,075,146,622	7,930,116,735	4,072,135	12,001,191,222	1,237,654,345	594,871,685	2,435,645	1,830,090,385	10,171,100,837	2,837,492,277
<b>CAPITAL WORK IN PROGRESS</b>										
Land & Site Development	36,661,944	86,565,301	46,440	123,180,805	-	-	-	-	123,180,805	36,661,944
Shed & Building	520,526,926	112,298,211	94,246,949	538,578,188	-	-	-	-	538,578,188	520,526,926
Plant & Machinery	1,039,252,819	649,943,720	4,828,500	1,684,368,039	-	-	-	-	1,684,368,039	1,039,252,819
Preoperative Expenses	56,328,416	44,649,242	2,904,138	98,073,520	-	-	-	-	98,073,520	56,328,416
Capital Advances	241,166,611	91,184,613	196,657,710	135,693,514	-	-	-	-	135,693,514	241,166,611
Others	13,245,272	-	6,194,279	7,050,993	-	-	-	-	7,050,993	13,245,272
<b>Total (C)</b>	1,907,181,988	984,641,087	304,878,016	2,586,945,059	-	-	-	-	2,586,945,059	1,907,181,988
Previous Year	1,068,919,226	913,674,976	75,412,214	1,907,181,988	-	-	-	-	1,907,181,988	1,068,919,226
<b>Total (A+B+C)</b>									12,575,817,932	12,078,282,825
Previous Year									12,078,282,825	3,906,411,503
* During the year depreciation amounting to <b>Rs. 3,114,781/-</b> (Previous Year Rs. 2,527,798/-) has been shown under preoperative expenses. Accordingly, depreciation charged in Profit & Loss Account has been netted off with this amount & shown at <b>Rs. 184,915,179/-</b> (Previous Year Rs. 183,409,841/-).										



	As At 31.03.2011		As At 31.03.2010	
	Number of Shares / Units.	(Rs.)	Number of Shares / Units	(Rs.)
<b>SCHEDULE : 6</b>				
<b>INVESTMENTS</b>				
(Fully paid up unless otherwise specified)				
<b>I. LONG TERM</b>				
<b>A. Trade</b>				
<u>Un-Quoted</u>				
<u>Equity Shares Of Joint Venture Company</u>				
Rs.10/- each of Hydril Jindal International Pvt. Ltd.	4,389,095	43,890,950	4,389,095	43,890,950
Rs.10/- each of Gondkhari Coal Mining Ltd.	15,150	151,500	15,150	151,500
<b>B. Non-trade</b>				
<u>Un-Quoted</u>				
<u>Equity Shares</u>				
Rs. 10/- each of Jindal Mines & Minerals Ltd.	-	-	10,000	100,250
<u>Bonds</u>				
5.50% Rural Electrification Corp. Ltd.	-	-	5,150	51,500,000
6.85% India Infrastructure Finance Company Ltd. - Trench I Tax Free Bonds	2,000	205,700,000	1,000	103,100,000
IDBI Bank Certificate of Deposit	1,000	91,235,000	-	-
<b>II. CURRENT</b>				
<u>Non - Trade</u>				
<u>Quoted</u>				
<u>Mutual Funds</u>				
AXIS Short Term Fund - Inst. - Growth	-	-	1,500,164	15,001,641
AXIS Treasury Advantage Fund - Inst. - Growth	-	-	22,391	22,501,961
Birla Sun Life Dynamic Bond Fund - Retail - Growth	11,281,270	177,665,334	-	-
Birla Sun Life Fixed Term Plan Series CK - Growth	20,012,733	200,127,330	-	-
Birla Sun Life Fixed Term Plan Series CL - Growth	10,002,139	100,021,390	-	-
Birla Sun Life Govt. Securities - Long Term - Growth	908,384	25,000,000	-	-
Birla Sun Life Income Fund - Growth	-	-	2,564,371	86,352,326
Birla Sun Life Income Plus - Growth	-	-	4,090,539	162,510,957
Birla Sun Life Savings Fund - Inst. - Growth	2,552,033	45,000,000	8,357,534	145,013,129
BNP Paribas Fixed Term Fund Series 21E - Growth	4,000,000	40,000,000	-	-
BNP Paribas Fixed Term Fund Series 20 A - Growth	14,000,000	140,000,000	-	-
BNP Paribas Fixed Term Fund Series 21H - Growth	25,000,000	250,000,000	-	-
Canara Robeco Fixed Maturity Plan - Series 6 -13 Months (Plan B) - Growth	25,000,000	250,000,000	-	-
Canara Robeco Income - Growth	-	-	4,131,217	80,005,965
Canara Robeco Treasury Advantage - Inst. - Growth	-	-	1,826,135	27,502,763
DSP Black Rock - 12M Series 12 - Growth	15,003,286	150,032,860	-	-
DSP Black Rock Bond Fund - Regular - Growth	-	-	5,942,728	175,008,525
DSP Black Rock FMP - 12M - Series 11 - Growth	10,001,886	100,018,860	-	-



	As At 31.03.2011		As At 31.03.2010	
	Number of Shares / Units.	(Rs.)	Number of Shares / Units	(Rs.)
DSP Black Rock Short Term Fund - Growth	-	-	18,274,330	282,523,521
DWS Insta Cash Plus Fund - Super Inst. - Growth	3,699,998	470,038,275	-	-
DWS Premier Bond Fund - Inst. - Growth	-	-	10,947,812	110,000,000
DWS Short Maturity Fund - Inst. - Growth	-	-	36,272,067	370,687,683
Fidelity FMP Series IV - Plan F - Growth	20,000,000	200,000,000	-	-
Fidelity Ultra Short Term Debt Fund - Inst. - Growth	-	-	20,281,937	222,533,093
Fortis Money Plus - Inst. - Growth	-	-	30,068,739	397,555,578
HDFC High Interest Fund - Growth	-	-	5,359,283	160,013,916
HDFC High Interest Fund - Short Term Plan - Growth	-	-	4,586,617	80,011,234
HDFC Income Fund - Growth	1,596,897	35,000,000	-	-
HDFC Short Term Plan - Growth	-	-	24,581,911	410,068,061
ICICI Pru.- FMP Series 53- I Years Plan E Cumulative- Growth	19,864,925	198,649,250	-	-
ICICI Pru.- FMP Series 53- I Years Plan F Cumulative- Growth	15,003,207	150,032,070	-	-
ICICI Pru.- FMP Series 54- I Year Plan B Cumulative- Growth	20,005,367	200,053,670	-	-
ICICI Pru. - Inst. Income Plan - Growth	-	-	9,964,075	295,035,344
ICICI Pru. - Inst. Short Term Plan - Cumulative - Growth	-	-	15,884,651	295,043,180
IDFC - SSIF - Short Term Plan D - Growth	-	-	19,618,825	226,617,049
IDFC Fixed Maturity Yearly Series 35 - Growth	20,004,269	200,042,688	-	-
IDFC Money Manager Fund - Treasury Plan - Super Inst. Plan C - Growth	-	-	4,802,640	50,006,528
IDFC Super Saver Income Fund - Investment Plan B - Growth	-	-	5,747,927	60,007,785
IDFC Super Saver Income Fund - Investment Plan C - Growth	-	-	10,038,415	100,019,751
JP Morgan India Active Bond Fund -Inst. - Growth	-	-	14,920,381	157,244,403
Kotak Bond - Regular - Growth	930,198	25,000,000	13,744,942	350,310,833
Kotak Bond Short Term Fund - Growth	-	-	20,323,076	336,532,499
Kotak Credit Opportunity Fund - Growth	10,933,781	110,024,442	-	-
Kotak FMP Series 30 - Growth	16,100,084	161,000,840	-	-
LIC MF Savings Plus Fund - Growth	-	-	2,401,535	35,003,435
Principal Income Fund - Short Term - Inst. - Growth	-	-	2,629,451	40,000,000
Principal Income Fund - Inst. - Growth Accumulation Plan	-	-	6,937,345	105,013,804
Principal PNB Fixed Maturity Plan (FMP-71) 367 Days - Series 2 - Growth	10,000,000	100,000,000	-	-
Principal PNB FMP - 67 - 367 Days - Series II - Dec-10 - Regular - Growth	10,017,715	100,177,145	-	-
Principal Ultra Short Term Fund - Growth	-	-	24,549,253	277,531,847
Reliance Fixed Horizon Fund - XVII Series I - Growth	10,001,939	100,019,387	-	-
Reliance Fixed Horizon Fund - XVII Series 2 - Growth	19,762,672	197,626,721	-	-
Reliance Income Fund - Retail - Growth	-	-	8,277,089	250,032,060
Reliance Regular Savings Fund - Debt Plan - Inst. - Growth	5,407,704	70,120,708	-	-
Reliance Short Term Fund - Retail - Growth	-	-	14,428,541	240,018,753
Religare FMP - Series IV - Plan F - Growth	15,022,850	150,228,500	-	-



	As At 31.03.2011		As At 31.03.2010	
	Number of Shares / Units.	(Rs.)	Number of Shares / Units	(Rs.)
Religare FMP Series V Plan A 368 Days - Growth	5,750,000	57,500,000	-	-
Sundaram Fixed Term Plan AH 15 Months - Growth	4,000,000	40,000,000	-	-
Sundaram Fixed Term Plan AV 366 Days - Growth	10,008,765	100,087,650	-	-
Sundaram Fixed Term Plan BA 366 Days - Growth	20,000,000	200,000,000	-	-
TATA Fixed Maturity Plan Series 29 Scheme C - Growth	15,004,192	150,041,920	-	-
TATA Fixed Maturity Plan Series 30 Scheme A - Growth	20,004,412	200,044,120	-	-
TATA Floater Fund - Growth	-	-	5,116,075	70,011,146
Templeton India Short Term Income Plan -Inst. - Growth	-	-	284,887	386,995,235
Templeton India Ultra Short Bond Fund - Super Inst. - Growth	-	-	5,396,087	62,506,336
UTI Short Term Income Fund - Inst. - Growth	12,126,135	130,017,933	-	-
		<u>5,164,548,543</u>		<u>6,283,963,041</u>
Aggregate Value of Quoted Investments		4,823,571,093		6,085,220,341
Aggregate Value of Unquoted Investments		340,977,450		198,742,700
Market Value of Quoted Investments		4,909,165,504		6,377,963,748

As At  
31.03.2011  
(Rs.)

As At  
31.03.2010  
(Rs.)

**SCHEDULE : 7**

**INVENTORIES**

(As Verified, Valued and Certified by the Management)

Raw Materials	3,605,690,730	3,892,471,891
Work in Process	437,945,883	338,425,143
Finished Goods	1,075,195,848	626,599,509
Scrap	27,201,663	45,514,784
Stores & Spares	266,113,978	237,005,005
	<u>5,412,148,102</u>	<u>5,140,016,332</u>

**SCHEDULE : 8**

**SUNDRY DEBTORS**

(Unsecured, Considered Good)

Debts outstanding for a period exceeding six months	405,655,195	161,962,566
Other debts (Includes amount receivable from Joint Venture Company Rs. 31,803,358/-, Previous Year Rs. 120,841/-)	2,718,005,655	1,663,584,213
	<u>3,123,660,850</u>	<u>1,825,546,779</u>



	As At 31.03.2011 (Rs.)	As At 31.03.2010 (Rs.)
<b><u>SCHEDULE : 9</u></b>		
<b><u>CASH AND BANK BALANCES</u></b>		
Cash in hand	1,633,814	1,692,297
<b><u>Balances with Scheduled Banks</u></b>		
- In Fixed Deposit Accounts	55,516,442	59,460,899
- In Current Accounts	1,167,363	1,825,652
- In Cash Credit Accounts	21,809,201	-
- In Unclaimed Dividend Accounts	19,342,698	17,375,746
- In Unclaimed Preference Share Redemption Account	2,246,510	2,302,060
<b><u>Balances with Non Scheduled Banks (Refer Note No. 6) :</u></b>		
- In Current Accounts	-	1,150,530
	<b>101,716,028</b>	<b>83,807,184</b>
<b><u>SCHEDULE : 10</u></b>		
<b><u>LOANS AND ADVANCES</u></b>		
(Unsecured, Considered Good)		
Loans (Includes amount receivable from Joint Venture Company <b>Rs. 88,002,306/-</b> , Previous Year Rs. 36,593,501/-)	1,770,059,979	39,213,376
Advances Recoverable in Cash or in kind or for value to be received	498,964,203	359,144,304
Interest Accrued on fixed deposits but not due	8,114,334	3,167,665
Security Deposits	41,866,557	27,110,977
Balance with Government Authorities	500,000	-
	<b>2,319,505,073</b>	<b>428,636,322</b>
<b><u>SCHEDULE : 11</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b><u>Current Liabilities</u></b>		
Acceptances	274,000,854	-
Sundry Creditors	918,839,695	944,764,077
Other Liabilities	130,485,669	67,774,991
Bank Overdraft	67,080	220,893
Advance From customers	184,204,432	96,343,300
Investor Education and Protection Fund: (Appropriate amount shall be transferred to Fund as & when due)		
- Unclaimed Dividend	19,342,698	17,375,746
- Unclaimed Preference Share Redemption Account	2,246,510	2,302,060
	<b>1,529,186,938</b>	<b>1,128,781,067</b>
<b><u>Provisions</u></b>		
Taxation ( Net of Advance Tax & TDS)	67,835,308	106,893,160
Proposed Dividend	423,200,532	423,200,532
Dividend Distribution Tax on Proposed Dividend	68,653,706	70,288,318
	<b>559,689,546</b>	<b>600,382,010</b>
	<b>2,088,876,484</b>	<b>1,729,163,077</b>



	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
<b><u>SCHEDULE : 12</u></b>		
<b><u>SALES &amp; INCOME FROM OPERATIONS</u></b>		
Manufacturing	18,259,035,160	16,466,601,452
Scrap	526,814,389	369,955,074
Trading	-	3,293,320
Job Work Services	88,251,926	72,340,707
	<u>18,874,101,475</u>	<u>16,912,190,553</u>
<b><u>SCHEDULE : 13</u></b>		
<b><u>OTHER INCOME</u></b>		
Income From DEPB Licence	223,482,027	108,484,420
Profit on sale of Fixed Assets (Net)	774,580	-
Foreign Exchange Fluctuation (Net)	40,038,912	183,784,811
Rent Received	269,075	11,804,076
Miscellaneous Receipts	54,371,287	113,096,127
Interest Received (TDS Rs. 7,596,545/-, Previous Year Rs. 7,728,422/-)	89,521,319	39,240,418
Dividend Received - Current (Non Trade)	-	14,911,196
Profit on Sale of Investments (Net) - Current (Non Trade)	512,218,164	58,072,188
	<u>920,675,364</u>	<u>529,393,236</u>
<b><u>SCHEDULE : 14</u></b>		
<b><u>INCREASE / (DECREASE) IN STOCK</u></b>		
<b><u>Closing Stock</u></b>		
Finished Goods	1,075,195,848	626,599,509
Work in Process	437,945,883	338,425,143
Scrap	27,201,663	45,514,784
	<u>1,540,343,394</u>	<u>1,010,539,436</u>
<b><u>Opening Stock</u></b>		
Finished Goods	626,599,509	683,408,118
Work in Process	338,425,143	313,139,333
Scrap	45,514,784	8,971,546
	<u>1,010,539,436</u>	<u>1,005,518,997</u>
	529,803,958	5,020,439
Excise Duty on differential stock of Finished Goods	41,639,132	6,922,108
Increase / (Decrease) in Stock	<u>488,164,826</u>	<u>(1,901,669)</u>



	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
<b>SCHEDULE : 15</b>		
<b>MATERIALS &amp; MANUFACTURING EXPENSES</b>		
<b>Raw Materials Consumed</b>		
Opening Stock	3,892,471,891	2,287,769,811
Add: Purchases	10,741,135,746	11,104,854,894
	<u>14,633,607,637</u>	<u>13,392,624,705</u>
Less : Closing Stock	3,605,690,730	3,892,471,891
	<u>11,027,916,907</u>	<u>9,500,152,814</u>
Trading Purchases	-	2,696,394
<b>Manufacturing Expenses</b>		
Stores & Spares Consumed	549,040,988	542,663,709
Power & Fuel	1,426,524,861	1,090,336,286
Water Charges	9,327,756	11,372,869
Repair & Maintenance:		
- Plant & Machinery	21,774,246	19,006,934
- Factory Shed & Building	636,658	489,734
Job Work Charges	116,613,276	92,279,949
	<u>13,151,834,692</u>	<u>11,258,998,689</u>
<b>SCHEDULE : 16</b>		
<b>EMPLOYEES' REMUNERATION &amp; BENEFITS</b>		
Salary, Wages & Other Allowances	270,201,816	243,403,825
Contribution to Provident & Other Funds	26,184,274	24,415,971
Staff Welfare Expenses	5,101,871	5,066,415
	<u>301,487,961</u>	<u>272,886,211</u>



	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
<b>SCHEDULE : 17</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Rent	9,220,370	9,055,059
Rates & Taxes	9,557,288	6,932,796
Telephone & Communication Expenses	7,854,573	7,679,473
Printing & Stationery	2,289,447	3,480,978
Travelling & Conveyance:		
- Directors	3,622,891	1,161,853
- Others	22,297,068	17,967,589
Vehicle Upkeep & Maintenance	12,915,498	7,439,955
Directors' Fee	520,000	295,000
Insurance	2,747,892	7,250,327
Staff Recruitment & Training Expenses	1,418,139	1,477,635
Repair & Maintenance (Others)	19,558,297	13,571,516
Legal & Professional Charges	10,120,529	9,146,274
Filing Fees	2,600	3,799
Fees & Subscription	5,660,026	3,106,246
Electricity Charges	4,837,748	4,859,554
Auditors' Remuneration :		
- Audit Fee	1,000,000	600,000
- Tax Audit Fee	200,000	75,000
- Company Law Matters	46,000	230,152
- Other Expenses	74,138	37,481
Internal Auditors' Remuneration	610,578	298,747
Cost Audit Fees	60,000	-
General Expenses	10,382,492	5,647,750
Loss on sale of Fixed Assets (Net)	-	200,934
	<u>124,995,574</u>	<u>100,518,118</u>



	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
<b><u>SCHEDULE : 18</u></b>		
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
Commission & Discount	129,020,694	92,055,334
Freight Outward & Claims	133,783,367	173,713,865
Testing & Inspection Fees	14,394,874	22,503,442
Advertisement & Business Promotion	10,539,938	8,914,919
Tender Fees	1,723,628	1,240,555
	<u>289,462,501</u>	<u>298,428,115</u>
<b><u>SCHEDULE : 19</u></b>		
<b><u>INTEREST &amp; FINANCIAL CHARGES</u></b>		
Interest :		
- Others	13,984,461	9,046,821
- Working Capital Borrowing	5,683,862	2,103,366
Bank Charges	11,866,412	22,882,229
	<u>31,534,735</u>	<u>34,032,416</u>



SCHEDULE : 20

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

**SIGNIFICANT ACCOUNTING POLICIES**

a. **Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention, on accrual basis of accounting in accordance with the generally accepted accounting principles as applicable, accounting standards issued by The Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

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) **Fixed Assets**

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. 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**

All Revenue expenditure incurred during the construction period, which are directly or indirectly attributable to acquisition/ construction of fixed assets, are capitalised at the time of commissioning of such assets.

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 amortization. These are amortized over a period of time on the basis of estimated useful life based on Managements' estimates.

e. **Investments**

Investments are classified as long-term or current based on the Management intention at the time of purchase. Long-term 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 & Spare parts are valued at lower of cost 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.

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

**i. Borrowing Cost**

Borrowing costs directly attributable to the acquisition / 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.

**k. Accounting for Interest in Joint Venture**

Accounting for Interest in Joint Venture is accounted for in accordance with AS -27 issued by The Institute of Chartered Accountants of India.

**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 ACCOUNTS**

**I. CONTINGENT LIABILITIES**

- a) Letters of Credit - **Rs. 177,310,078/-** (Previous Year Rs. 401,721,656/-)
  - b) Bank Guarantees & Others - **Rs. 1,753,464,851/-** (Previous Year Rs. 1,284,061,367/-)
  - c) Sales Tax Demand under appeal - **Rs. 465,199/-** (Previous Year Rs. 465,199/-)
  - d) Income Tax Demand under appeal - **Rs. 3,558,098/-** (Previous Year Rs. 3,558,098/-)
  - e) Excise Duty Demand under Appeal - **Rs. 166,117,133/-** (Previous Year Rs. 138,564,315/-)
  - f) Indian Oil Corporation Ltd. (IOCL) had raised a claim of Rs. 179,848,064/- during the financial year 2008-09 & against the above mentioned claim a performance bank guarantee of Rs. 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. 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 is **Rs. 83,503,025/-** (Previous Year Rs. 83,693,801/-) and for this the company is under an obligation to export goods amounting to **Rs. 501,018,150/-** (Previous Year Rs. 592,423,145/-), within a period of eight years, commencing from the date of issue of licences. The company has, however, fulfilled, the required export obligation, However, the LUTs are yet to be discharged.
- Pending fulfilment of such future export obligations entails Custom Department a right to enforce the LUT executed by us.
3. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) **Rs. 276,485,679/-** (Previous Year Rs. 351,602,260/-).
4. 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 **Rs. 7,832,375,428/-**, and additional depreciation of **Rs. 408,934,046/-** (Previous Year Rs. 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 during the year.
5. Excise duty in respect of finished goods lying in factory premises 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.
6. Detail of Bank balances with non scheduled bank as on Balance Sheet Date:

(Rs.)

Name of the Banks	2010 - 11		2009 - 10	
	Balance as at 31.03.2011	Max. Balance during the year	Balance as at 31.03.2010	Max. Balance during the year
<u>Current Account</u>				
Credit Suisse	-	<b>929,188</b>	666,450	123,642,423
ING Bank	-	<b>264,219</b>	264,219	299,820
UBS AG	-	<b>219,861</b>	219,861	251,383
<b>Total</b>	-	<b>1,413,268</b>	1,150,530	124,193,626

- 7. 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, 2011. 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.
- 8. Stock includes material in transit.
- 9. 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.



10. 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 31.03.2011	As At 31.03.2010
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%

The Company's share of the assets and liabilities as on 31st March, 2011 and share of Income & Expenses for the period ended on that date in respect of Joint Venture Companies (on the basis of their audited statement of accounts) are given below:

**Hydril Jindal International Pvt. Ltd.**

Particulars	2010-11	2009-10
Company's Share	49.89%	49.89%

(Rs.)

<b>Assets</b>		
Fixed Assets (Including CWIP)	74,628,423	86,170,777
Current Assets	44,955,390	24,742,585
<b>Total Assets</b>	<b>119,583,813</b>	<b>110,913,362</b>
<b>Liabilities</b>		
Share Capital	43,894,170	43,894,170
Profit & Loss Account	(12,507,080)	1,698,547
Secured Loan	37,468,477	32,416,458
Unsecured Loan & Deferred Tax	20,766,040	20,498,239
Current Liabilities & Provisions	29,962,206	12,405,948
<b>Total Liabilities</b>	<b>119,583,813</b>	<b>110,913,362</b>
<b>Income</b>	<b>85,006,854</b>	<b>75,648,168</b>
<b>Expenditure</b>	<b>105,696,883</b>	<b>80,190,461</b>
<b>Aggregate amount of Contingent Liability - Bank Guarantee</b>	<b>17,943,563</b>	<b>34,894,215</b>
<b>Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)</b>	<b>551,891</b>	<b>Nil</b>



**Gondkhari Coal Mining Ltd.**

Particulars	2010-11	2009-10
Company's Share	30.30%	30.30%

(Rs.)

<b>Assets</b>		
Fixed Assets (Including CWIP)	37,347,241	512,527
Current Assets	375,888	21,607
<b>Total Assets</b>	<b>37,723,129</b>	<b>534,134</b>
<b>Liabilities</b>		
Share Capital	151,500	151,500
Unsecured Loan	37,900,501	-
Profit & Loss Account	(562,306)	(143,379)
Current Liabilities & Provisions	233,434	526,013
<b>Total Liabilities</b>	<b>37,723,129</b>	<b>534,134</b>
<b>Income</b>	<b>Nil</b>	<b>Nil</b>
<b>Expenditure</b>	<b>418,927</b>	<b>143,379</b>
<b>Aggregate amount of Contingent Liability - Bank Guarantee</b>	<b>35,970,000</b>	<b>35,970,000</b>
<b>Aggregate amount of Commitment on account of Capital Expenditure remaining to be executed (net of advances)</b>	<b>Nil</b>	<b>Nil</b>

11. Pre-operative expenses forming part of capital work in progress consists of :

(Rs.)

Particulars	As At 31.03.2011	As At 31.03.2010
Amount Brought Forward From Last Year	56,328,416	21,492,821
Addition during the year	44,649,242	34,835,595
Amount Capitalised/ Adjusted during the year	2,904,138	-
<b>Closing Balance</b>	<b>98,073,520</b>	<b>56,328,416</b>
<b>Represented By:</b>		
Depreciation	6,832,354	3,717,573
Legal & Professional Charges	5,252,209	3,862,297
General Expenses	4,751,392	4,210,321
Salaries, Wages & Other Allowances	60,760,234	30,788,582
Travelling & Conveyance	1,016,430	3,917,358
Vehicle Upkeep & Maintenance	4,140,709	3,017,985
Water & Electricity Charges	15,320,192	6,814,300
<b>Total</b>	<b>98,073,520</b>	<b>56,328,416</b>

12. The amount of Exchange Difference (Net):

- The Foreign Exchange Fluctuation (Net - of) **Rs. 40,038,912/-** (Previous Year Rs. 183,784,811/-) ,as shown in the Schedule - 13 of Profit & Loss Account, has been arrived at after considering gain/ (losses) on account of mark to market adjustment of **Rs. Nil** (Previous Year (Rs. 1,911,009/-)) on forward cover contracts.



b) Detail of Forward contracts entered into for hedging purpose and outstanding as at 31st March, 2011:

Particulars	31.03.2011		31.03.2010	
	Amount in Foreign Currency (USD)	Equivalent Indian Rupees	Amount in Foreign Currency (USD)	Equivalent Indian Rupees
For Payables	Nil	Nil	Nil	Nil
For Receivables	Nil	Nil	2,000,000	91,180,000

c) Foreign Currency Exposure those are not hedged: Rs. Nil (Previous Year Rs. Nil)

13. 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")

(Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Current Service cost	3,972,047	4,360,264	851,497	2,385,618
Interest Cost	2,313,633	1,816,816	531,185	357,257
Expected return on plan assets	(3,193,445)	(2,794,558)	-	-
Actuarial (gain) / loss recognised in the period	2,084,781	684,997	(671,249)	(495,203)
Net Cost	5,177,016	4,067,519	711,433	2,247,672

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

(Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Fair value of plan assets as at March 31	37,356,520	33,663,484	-	-
Present value of obligation as at March 31	32,950,744	28,920,411	6,549,236	6,639,817

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

(Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Defined benefit obligation as at April 1	28,920,411	23,442,787	6,639,816	4,609,767
Current service cost	3,972,047	4,360,264	851,497	2,385,618
Interest cost	2,313,633	1,816,816	531,185	357,257
Actuarial (gain) / loss on obligation	1,965,707	538,122	(671,249)	(495,203)
Benefit paid	(4,221,054)	(1,237,578)	(802,013)	(217,622)
Defined Benefit obligation as at March 31	32,950,744	28,920,411	6,549,236	6,639,817



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

(Rs.)

Particulars	Gratuity (Funded)	
	2010-11	2009-10
Fair value of plan assets at beginning of the year	33,663,484	29,082,211
Expected return on plan assets	3,193,445	2,794,558
Actuarial gain / (loss)	(119,074)	(146,875)
Employer contribution	4,839,719	3,171,168
Benefit paid	(4,221,054)	(1,237,578)
Fair value of plan assets at year end	37,356,520	33,663,484
Actual return on plan assets	3,074,371	2,647,683

(v) Investment details

(Rs.)

Particulars	Gratuity (Funded)	
	2010-11	2009-10
Insurer Managed Funds	37,356,520	33,663,484

(vi) Actuarial assumptions

(Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2010-11	2009-10	2010-11	2009-10
Mortality Table (LIC)	(1994-96) Ultimate Mortality Table	(1994-96) Ultimate Mortality Table	NA	NA
Discount rate (per annum)	8.00%	7.75%	8.00%	7.75%
Expected rate of return on plan assets (per annum)	9.40%	9.30%	NA	NA
Rate of escalation in salary (per annum)	6.00%	6.50%	6.00%	6.50%

- 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:

(Rs.)

Particulars	2010-11	2009-10
Employer's Contribution to Provident Fund	7,148,988	6,892,355
Employer's Contribution to Superannuation Fund	12,900,000	12,000,000
Employer's Contribution to Pension Scheme	6,135,286	5,523,616

**14. Segment Reporting**

**Information about 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 Wind Power.



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:

(Rs. in lacs)

Particulars	Steel Pipes & Tubes	Wind Power	Others	Total
Net External Sales/Income from operations	175,667 (158,751)	460 (566)	6,973 (4,209)	183,100 (163,526)
Other Operating Income	2,235 (1,085)	- (-)	- (-)	2,235 (1,085)
Inter-Segment Sales	- (-)	460 (566)	- (-)	460 (566)
Segment Results	42,524 (38,937)	191 (303)	6,973 (4,209)	49,688 (43,449)
Interest & Financial Charges	315 (340)	- (-)	- (-)	315 (340)
Other un-allocable expenditure	- (-)	- (-)	- (-)	- (-)
Profit before tax	42,209 (38,597)	191 (303)	6,973 (4,209)	49,373 (43,109)
Segment Assets (Including Capital Work In Progress, Excluding Revaluation)	145,621 (118,861)	5,191 (5,393)	69,340 (63,241)	220,152 (187,495)
Segment Liabilities	22,944 (19,277)	3,356 (3,347)	- (-)	26,300 (22,624)
Un-allocable Liabilities				10,081 (10,348)
Capital Employed				183,771 (154,523)

Figures in bracket are of previous year.

**15. 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.

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



Details of Transactions during the year are as follows:

(Rs.)

Particulars	2010-11	2009-10
a. <b>Purchase &amp; Other Services from related parties</b> Joint Venture Company Relatives of Key Management Personnel	2,288,861 99,970	33,519 98,915
b. <b>Sales &amp; Other Services to related parties</b> Joint Venture Company	197,672,435	92,379,379
c. <b>Investment in related parties</b> Joint Venture Company	-	151,500
d. <b>Loans/Inter Corporate deposits given (Maximum Outstanding)</b> Joint Venture Companies	99,146,872	100,756,278
e. <b>Interest Received from related parties</b> Joint Venture Companies	7,817,802	5,423,962
f. <b>Rent paid to related parties</b> Relatives of Key Management Personnel	300,000	300,000
g. <b>Remuneration</b> Key Management Personnel	15,265,469	7,084,571
h. <b>Dividend Paid</b> Key Management Personnel Relatives of Key Management Personnel	10,174,584 2,003,670	8,478,820 1,742,725
i. <b>Balance Payable by the Company at the year end</b> Relatives of Key Management Personnel	18,422	24,464
j. <b>Balance Receivable by the Company (including loans if any) at the year end</b> Joint Venture Companies	119,365,343	38,515,248

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.

16. In compliance with the AS - 22 relating to Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India, the company has adjusted the deferred tax liability (net) arising out of timing differences accruing during the year aggregating to **Rs. 13,994,820/-** in the Profit & Loss Account.

**Deferred Tax Liability**

(Rs.)

Particulars	As At 31.03.2010	During the Year	As At 31.03.2011
Fixed Assets	439,013,700	12,031,037	451,044,737

**Deferred Tax Assets**

(Rs.)

Particulars	As At 31.03.2010	During the Year	As At 31.03.2011
Others	4,626,140	(1,963,783)	2,662,357
<b>Net Deferred Tax Liability</b>	434,387,560	13,994,820	448,382,380

Note: Deferred Tax Assets have not been recognised on long-term carried forward capital losses under Indian Income Tax Act. Deferred Tax Assets have been recognised only to the extent they are virtually certain to be realised as per Accounting Standard - 22.



17. **Earning Per Share computed in accordance with Accounting Standard - 20.** (Rs.)

Particulars	31.03.2011	31.03.2010
Net Profit available for equity shareholders (Rs.) (a)	3,416,630,186	2,845,939,057
Weighted average number of equity shares of Rs. 5/- each (b)	70,533,422	70,533,422
<b>Basic / Diluted Earning per share (Rs.) (a/b)</b>	<b>48.44</b>	40.35

18. Further, Disclosure as required, under Clause 32 of Listing Agreement requirement relating to loans / advances / investments, is not applicable, as the company does not have any parent / subsidiary company.

19. **Additional information pursuant to the provisions of paragraph 3 & 4 of part II of Schedule VI to the Companies Act, 1956.**

**I. CAPACITY AND PRODUCTION**

**Seamless Pipe**

(MT)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Installed Capacity	350,000	350,000
Production	229,561	201,279

Includes Production of Pipe Fittings of **90.610 MT** (Previous Year 129.163 MT).

**ERW Pipe**

(MT)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Installed Capacity	200,000	200,000
Production	97,281	115,210

Includes pipe produced by third party on job work basis as orders executed were not in our size range.

**Wind Power**

(KWH)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Installed Capacity	61,320,000	61,320,000
Units Generated	7,869,663	7,773,116

The installed capacity is as certified by the Management.

**II. OPENING STOCK, CLOSING STOCK & TURNOVER OF MANUFACTURED GOODS**

**Seamless Pipe**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Qty. (MT)	Amt. (Rs.)	Qty. (MT)	Amt. (Rs.)
Opening Stock	10,662	369,658,979	15,625	580,649,872
Turnover*	221,151	13,834,187,029	206,242	11,885,750,949
Closing Stock	19,072	807,247,354	10,662	369,658,979

\* Includes captive consumption of Seamless Pipes **22.100 MT (Rs. 780,041/-)** (Previous Year 58.915 MT (Rs. 2,114,149/-)).

\* Includes turnover of Pipe Fittings **99.560 MT (Rs. 8,884,117 /-)** (Previous Year 135.176 MT (Rs. 12,157,869/-)).  
Closing Stock Includes stock of Pipe Fittings **Nil MT (Rs. Nil)** (Previous Year 8.950 MT (Rs. 422,118/-)).

**ERW Pipe**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Qty. (MT)	Amt. (Rs.)	Qty. (MT)	Amt. (Rs.)
Opening Stock	7,994	256,940,530	3,723	102,758,246
Turnover*	97,855	4,378,884,711	110,939	4,524,225,187
Closing Stock	7,420	267,948,494	7,994	256,940,530

\* Includes captive consumption of ERW Pipes **10.180 MT (Rs. 507,694/-)** (Previous Year 30.080 MT (Rs. 938,159/-)).



**Wind Power**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Units (KWH)	Amt. (Rs.)	Units (KWH)	Amt. (Rs.)
Income from Power Generation	7,869,663	45,963,420	7,773,116	56,625,316

**III. OPENING STOCK, CLOSING STOCK & TURNOVER OF TRADING STEEL PIPES & TUBES**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Qty. (MT)	Amt. (Rs.)	Qty. (MT)	Amt. (Rs.)
Opening Stock	Nil	Nil	Nil	Nil
Purchases	Nil	Nil	56	2,696,394
Turnover	Nil	Nil	56	3,293,320
Closing Stock	Nil	Nil	Nil	Nil

**IV. RAW MATERIAL CONSUMED**

Items	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Qty. (MT)	Amt. (Rs.)	Qty. (MT)	Amt. (Rs.)
Round Billets	254,377	7,611,654,854	227,033	5,981,658,467
HR Coil	100,819	3,277,305,208	118,544	3,361,272,276
Zinc	402	44,206,548	709	64,904,835
Socket	4	257,055	12	587,754
Coating Material	1,116	94,493,242	1,187	91,729,482
Total		11,027,916,907		9,500,152,814

**V. VALUE OF IMPORTED & INDIGENOUS RAW MATERIALS, STORES & SPARE PARTS CONSUMED**

**a) RAW MATERIALS CONSUMED**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	(%)	Amt. (Rs)	(%)	Amt. (Rs)
Imported	27.30	3,011,004,050	18.88	1,794,082,905
Indigenous	72.70	8,016,912,857	81.12	7,706,069,909
Total	100.00	11,027,916,907	100.00	9,500,152,814

**b) STORES & SPARE PARTS CONSUMED**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	(%)	Amt. (Rs)	(%)	Amt. (Rs)
Imported	9.97	54,741,818	26.79	145,394,380
Indigenous	90.03	494,299,170	73.21	397,269,329
Total	100.00	549,040,988	100.00	542,663,709

**VI. CIF VALUE OF IMPORTS**

(Rs.)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Raw Materials	3,126,996,973	1,942,445,197
Stores & Spares	43,724,062	154,306,085
Capital Goods	495,543,520	255,725,179



**VII. EXPENDITURES IN FOREIGN CURRENCY**

(Rs.)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Travelling	2,437,407	1,926,707
Ocean Freight	-	11,903,631
Legal & Professional	-	780,015
Others	713,305	1,394,731

**VIII. EARNINGS IN FOREIGN CURRENCY**

(Rs.)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
FOB Value of Physical/ Deemed Exports	587,844,604	3,347,668,946

**IX. MANAGERIAL REMUNERATION**

The Details of Managerial Remuneration is as under:

(Rs.)

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Salary	11,422,572	6,088,816
Contribution to PF & other Funds	1,534,094	864,876
Perquisites	322,999	130,879
Total	13,279,665	7,084,571

The Managing Director / Wholtime Directors of the Company were paid remuneration (without any commission) in accordance with the provision of Schedule XIII of the Companies Act, 1956. Therefore computation of the profit under section 198 of the Companies Act, 1956 is not applicable.

**X. INVESTMENTS PURCHASED AND SOLD DURING THE YEAR**

Name of the Investments	No. of Units	Cost (Rs.)
Axis Liquid Fund - Inst. - Growth	360,700.2750	375,016,433
Axis Short Term Fund - Inst. - Growth	20,067,756.7650	205,027,898
Axis Treasury Advantage Fund - Inst. - Growth	43,740.6790	45,005,410
Baroda Pioneer Liquid Fund - Inst. - Growth	49,024,955.1840	522,500,000
Baroda Pioneer Short Term Bond Fund - Growth	21,503,229.1370	215,032,291
Baroda Pioneer Treasury Advantage Fund - Inst. - Growth	31,166,648.9820	327,546,211
Birla Sun Life Cash Plus - Inst. - Growth	22,073,010.4260	357,557,688
Birla Sun Life Cash Plus - Inst. Premium - Growth	31,121,113.5040	470,356,904
Birla Sun Life Dynamic Bond Fund - Retail - Growth	12,333,482.5470	194,075,149
Birla Sun Life Fixed Term Plan Series CL - Growth	0.8010	8
Birla Sun Life Income Plus - Growth	1,532,051.1290	65,002,454
Birla Sun Life Savings Fund - Inst. - Growth	2,677,927.1150	47,500,000
Birla Sun Life Short Term Opportunities Fund - Inst. - Growth	7,289,072.0580	79,231,892
Birla Sun Life Ultra Short Term Fund - Inst. - Growth	3,598,498.6580	40,000,000
BNP Paribas Fixed Term Fund Series 18B - Growth	3,000,459.0000	30,004,590
BNP Paribas Overnight - Inst. - Growth	16,447,923.9030	242,637,932
Canara Robeco - Liquid Fund - Inst. - Growth	2,055,039.8384	35,000,000
Canara Robeco - Short Term - Inst. - Growth	9,256,717.5771	100,013,279



<b>Name of the Investments</b>	<b>No. of Units</b>	<b>Cost (Rs.)</b>
Canara Robeco Income - Growth	1,758,018.5318	35,005,138
Canara Robeco Liquid - Super Inst. - Growth	8,852,926.3348	100,000,000
DSP Black Rock Government Securities Fund - Growth	460,541.6520	15,002,375
DSP Black Rock Liquidity Fund - Inst. - Growth	199,828.9650	275,000,000
DSP Black Rock Short Term Fund - Growth	5,059,790.2210	80,569,570
DWS Insta Cash Plus Fund - Super Inst. - Growth	1,338,000.0000	169,961,725
Fidelity Cash Fund - Inst. - Growth	32,712,517.2342	415,359,067
Fidelity FMP Series 2 - Plan E - Growth	26,610,848.4540	266,108,485
Fidelity FMP Series 3 - Plan A - Growth	2,000,314.8490	20,003,148
Fidelity Ultra Short Term Debt Fund - Inst. - Growth	24,608,195.8289	285,032,109
Fidelity Ultra Short Term Debt Fund - Super Inst. - Growth	11,900,303.6348	145,528,813
Fortis Money Plus - Inst. - Growth	9,671,483.6660	135,015,245
Fortis Overnight - Inst. - Growth	34,482,929.7750	433,371,430
Fortis Short Term Income Fund - Inst. - Growth	4,900,767.9790	52,507,318
HDFC Cash Management Fund - Savings Plan - Growth	33,092,739.0840	651,931,427
HDFC Cash Management Fund -Treasury Advantage Plan-VWholesale -Growth	5,358,917.1270	110,011,777
HDFC High Interest Fund - Short Term Plan - Growth	22,771,560.8620	425,055,953
HDFC Liquid Fund - Premium - Growth	4,227,742.7230	81,500,457
ICICI Pru. Flexible Income Plan Premium - Growth	1,466,860.2950	255,729,409
ICICI Pru. Income Plan - Inst. - Growth	1,744,707.9830	55,000,000
ICICI Pru. Short Term Plan - Cumulative - Inst.- Growth	33,375,976.5040	656,074,630
ICICI Pru. Interval Fund Monthly Interval Plan I - Inst.- Growth	9,902,791.5500	100,015,224
ICICI Pru. Liquid - Super Inst. - Growth	5,656,976.1920	795,000,000
IDFC Cash Fund - Super Inst. Plan C - Growth	17,075,336.3840	200,000,000
ING Liquid Fund - Inst. - Growth	1,629,949.3410	25,000,000
JM High Liquidity Fund - Inst. - Growth	1,789,560.6790	27,500,000
JM High Liquidity Fund - Super Inst. - Growth	4,127,228.7030	60,000,000
JM Interval Fund - Quarterly Plan I - Inst. - Growth	4,211,838.6360	50,000,000
JM Money Manager Fund - Super Plan - Growth	6,661,345.8790	87,512,316
JP Morgan India Liquid Fund - Super Inst. - Growth	8,287,956.7700	100,000,000
JP Morgan India Short Term Income Fund - Growth	9,842,585.8577	100,017,405
Kotak Bond - Short Term - Growth	10,958,269.4750	197,529,354
Kotak Flexi Debt Scheme - Inst. - Growth	38,205,057.5390	442,033,349
Kotak Floater Long Term - Growth	12,682,369.2350	187,757,002
Kotak Liquid Fund - Inst. Premium - Growth	21,197,413.8930	400,000,000
Kotak Quarterly Interval Plan Series 1 - Growth	21,305,135.4510	259,843,824
Kotak Quarterly Interval Plan Series 2 - Growth	2,671,559.5940	32,528,375
Kotak Quarterly Interval Plan Series 5 - Growth	4,231,263.9620	50,000,000



<b>Name of the Investments</b>	<b>No. of Units</b>	<b>Cost (Rs.)</b>
L&T Liquid Super Inst. - Cumulative - Growth	3,770,141.9840	50,000,000
LIC MF Liquid Fund - Growth	11,081,736.2600	187,500,000
LIC MF Savings Plus Fund - Growth	12,757,812.2980	187,522,600
Principal Cash Management Fund - Inst. - Growth	3,337,404.9670	50,000,000
Principal Cash Management Fund - Liquid - Inst. - Growth	6,690,626.3380	101,073,954
Reliance Floating Rate Fund - Short Term - Growth	6,654,505.7900	97,512,466
Reliance Liquid Fund - Cash Plan - Growth	12,676,261.5730	197,500,000
Reliance Liquid Fund - Treasury Plan - Inst. - Growth	24,600,337.0120	557,514,184
Reliance Liquidity Fund - Growth	6,923,961.0600	100,000,000
Reliance Money Manager Fund - Inst. - Growth	8,780,444.6570	502,035,413
Reliance Monthly Interval Fund - Series I - Inst. - Growth	11,695,735.0410	147,720,642
Reliance Short Term Fund - Retail - Growth	18,413,423.6720	324,945,549
Religare Active Income Fund - Inst. - Growth	4,961,548.0030	50,000,000
Religare Credit Opportunities Fund - Inst. - Growth	6,687,660.2230	70,010,440
Religare Liquid Fund - Inst. - Growth	13,962,132.0780	183,670,495
Religare Liquid Fund - Super Inst. - Growth	18,991,937.8930	247,500,000
Religare Short Term Plan - Inst. - Growth	7,660,875.1590	97,514,514
Sundaram BNP Paribas Flexible Fund - Short Term - Inst. - Growth	6,425,271.7310	95,013,063
Sundaram BNP Paribas Money Fund - Super Inst. - Growth	4,838,225.0330	95,000,000
Sundaram Money Fund - Super Inst. - Growth	10,442,816.7330	212,500,000
Sundaram Ultra Short Term Fund - Super Inst. - Growth	7,222,906.4980	95,000,000
TATA Floater Fund - Growth	11,917,681.7270	165,032,407
TATA Liquid - Super High Investment Fund - Appreciation - Growth	283,060.9250	497,500,000
Templeton India Short Term Income - Retail - Growth	18,567.0480	35,005,297
Templeton India Short Term Income Plan - Inst. - Growth	382,317.5270	575,096,160
Templeton India Treasury Management Account - Inst. - Growth	23,948.2950	35,000,000
Templeton India Treasury Management Account - Super Inst. - Growth	713,746.8380	998,461,355
Templeton India Ultra Short Bond Fund - Super Inst. - Growth	3,973,426.4700	47,503,621
UTI Fixed Income Interval Fund - Monthly Interval Plan Series- I - Inst. - Growth	2,856,373.3850	35,000,000
UTI Liquid Cash Plan - Inst. - Growth	475,995.9710	757,500,000
UTI Money Market Mutual Fund - Inst. - Growth	103,862.3460	112,500,000
UTI Treasury Advantage Fund - Inst. - Growth	22,915.8880	30,000,000



Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	80545
State Code	11
Balance Sheet Date	31.03.2011

II. Capital Raised during the year (Rs. in thousand)

Public Issue	Right Issue
Nil	Nil

Bonus Issue	Private Placement
Nil	Nil

III. Position of Mobilisation and Deployment of Funds (Rs. in thousand)

Total Liabilities	Total Assets
26,608,558	26,608,558

Sources of Funds (Rs. in thousand)

Paid Up Capital	Reserves & Surplus
352,667	25,038,908

Secured Loans	Unsecured Loans & Deferred Tax
Nil	1,216,983

Application of Funds (Rs. in thousand)

Net Fixed Assets	Investments
12,575,856	5,164,548

Net Current Assets	Misc. Expenditure
8,868,154	Nil

Accumulated Losses
Nil



**IV. Performance of Company (Rs. in thousand)**

Turnover (including other income)	Total Expenditure
18,533,389	13,596,066

Profit before tax	Profit after tax & adjustment
4,937,323	3,416,630

Earning per share (Basic/Diluted) (Rs.)	Dividend (%)
48.44	120

**V. Generic Names of Three Principal Products of Company (as per monetary terms)**

Item Code No. (ITC Code) Product Description	7304.00 Seamless Pipes & Tubes
Item Code No. (ITC Code) Product Description	7305.11 ERW Pipes & Tubes
Item Code No. (ITC Code) Product Description	8502.31 Wind Power

20. Paise have been rounded off to the nearest rupee.

21. Previous years' figures have been re-grouped/re-arranged/re-classified wherever considered necessary.

22. Schedule 1 to 20 are annexed to and form part of the Statement of Accounts.

Signatures to Schedules 1 to 20

As per our report of even date attached

For **KANODIA SANYAL & ASSOCIATES**  
Chartered Accountants

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

Place : Gurgaon  
Dated : 3rd August, 2011

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

For & on Behalf of the Board

**D.P.JINDAL**  
Chairman

**SAKET JINDAL**  
Managing Director

**U.C. AGARWAL**  
**D.K. PARIKH**  
Directors

**S.P. RAJ**  
Wholetime Director

# 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 23rd Annual General Meeting of the Company to be held on Friday, the 30th September, 2011 and at any adjournment thereof.

Date .....

Signature(s) .....

Revenue  
Stamp

.....

Note: This Proxy Form must be deposited 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 23rd Annual General Meeting of the Company held at Pipe Nagar, Village Sukeli, N.H.17, B.K.G. Road, Taluka-Roha, Distt. Raigad - 402 126, Maharashtra at 11.30 A.M. on Friday 30th September, 2011.

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 Ltd.  
are branded as



**Trust the Leader.**



## **MAHARASHTRA SEAMLESS LIMITED**

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### **Regd. Off. & Works:**

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