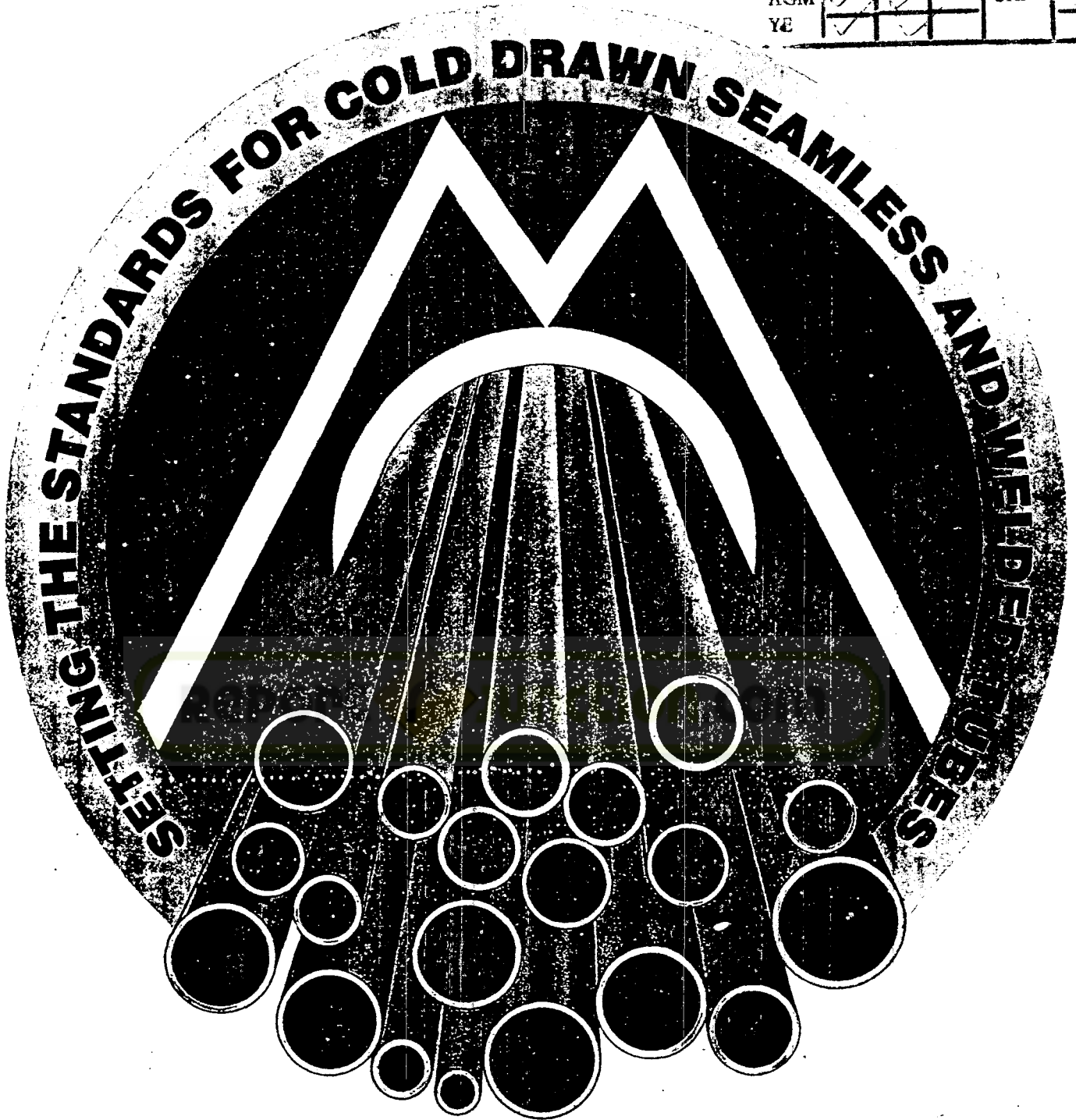
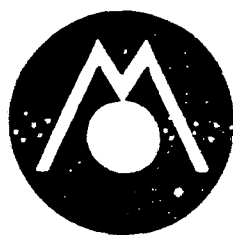


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CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
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AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



6th Annual Report
1996-97



**MAHALAXMI
SEAMLESS LIMITED**

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**Annual Report
1996-97**

BOARD OF DIRECTORS	Shri Meghraj Sakariya Shri Madhav Prasad Jalan Shri Vivek Jalan Shri Manish Dalal Shri Narendra Sakariya Shri Narendra Dalmia Shri Naresh Kumar	Managing Director Jt. Managing Director Director Additional Director Director Director Director
REGISTERED OFFICE & WORKS	Pipenagar (SUKELI) Via, Nagothane Tal. Roha, Dist. Raigad Maharashtra : 402 126	
HEAD OFFICE	185, Sanjay Building No. 5/B Mittal Ind. Estate, Andheri Kurla Road Andheri (East), Mumbai : 400 059	
BANKERS	Oriental Bank Of Commerce	
AUDITORS	M/s. Shrikant Kulkarni & Associates Chartered Accounts.	
SHARE TRANSFER AGENTS	SARAYU ISSUE MANAGEMENT SERVICES (P) LTD. 185, Sanjay Building No. 5/B Mittal Ind. Estate, Andheri Kurla Road Andheri (East), Mumbai : 400 059	
DATE TIME VENUE	SIXTH ANNUAL GENERAL MEETING Monday, September 8, 1997. 4.00 P.M. Pipenagar (SUKELI) Via, Nagothane Tal. Roha, Dist. Raigad Maharashtra : 402 126	



SIXTH ANNUAL REPORT 1996 - 97.

NOTICE :

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of MAHALAXMI SEAMLESS LIMITED will be held on Monday, 8th September 1997 at 4.00 p.m. at the Registered Office of the Company at Pipenagar (Sukeli) Via Nagothane, Taluka Roha, Dist. Raigad, Maharashtra, 402 126, to transact the following business :-

1. To consider and adopt the Balance Sheet as at 31st March 1997, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vivek Jalan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution :

"RESOLVED that Mr. Manish Dalal, who was appointed by the Board Of Directors as Additional Director of the Company from 6th November 1996 and who holds office upto the date of this meeting under the provisions of Section 260 of the Companies Act, 1956 and in respect of whom a notice has been received from a member under Section 257 of the said Act proposing his candidature for the office of Director, being eligible, be and is hereby appointed a Director of the Company liable to retire by rotation."

NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business at item 4 above is annexed here to.
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 THE PROXY NEED NOT BE A MEMBER. THE PROXY FORM SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
3. Member / proxies should bring 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 4th September, 1997 to 8th September, 1997 both days inclusive.
5. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS OR DIRECTORS' REPORT THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
6. Members holding Shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company.
7. Members are requested to bring their copies of the Annual Report to the Annual General Meeting.
8. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to the Company's Share transfer agents :-

SARAYU ISSUE MANAGEMENT SERVICES PVT. LTD.
Unit : MAHALAXMI SEAMLESS LIMITED
185, Sanjay Building, 5-B Mittal Industrial Estate,
Andheri Kurla Road, Andheri (East), Mumbai : 400 059.

9. Members are requested to promptly notify any changes in their address/status to the Company's Share Transfer Agents as above.

By Order of the Board of Directors,

MEGHRAJ SAKARIYA
MANAGING DIRECTOR

MADHAV PRASAD JALAN
JT. MANAGING DIRECTOR

Mumbai
July 30th 1997.

Registered Office :
Pipenagar (Sukeli)
Via Nagothane, Taluka Roha
Dist. Raigad, Maharashtra : 402 126.

Annual Report 1996-97

EXPLANATORY STATEMENT

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all the material facts relating to the special business mentioned at item 4 of the accompanying Notice dated 30th July 1997.

Item 4

Mr. Manish Dalal was appointed as Additional Director of the Company by the Board of Directors on 6th November 1996. Under the provisions of Section 260 of the Companies Act, 1956, Mr. Manish Dalal holds office upto the date of the forthcoming Annual General Meeting. Mr. Manish Dalal is a brilliant Chartered Accountant and has considerable experience in Finance, Public Issues and related field. His continuance on the Board will be of advantage to the Company. It is, therefore, proposed to appoint him as a Director at the Annual General Meeting.

As required by Section 257 of the said Act, a notice has also been received from a member signifying his intention to propose Mr. Manish Dalal's candidature for the office of Director of the Company. The Ordinary Resolution at item 4 of the notice is accordingly commended for approval of members.

Except Mr. Manish Dalal, none of the other Directors of the Company is concerned or interested in this item.

By Order of the Board of Directors,

MEGHRAJ SAKARIYA
MANAGING DIRECTOR

MADHAV PRASAD JALAN
J.T. MANAGING DIRECTOR

Mumbai: 11th August 1997
July 30th 1997.

Registered Office :
Pipenagar (Sukeli)
Via Nagothane, Taluka Roha
Dist. Raigad, Maharashtra : 402 126.

**DIRECTORS' REPORT :**

TO,
THE MEMBERS,

Your Directors take pleasure in presenting their Sixth Annual Report together with Audited Accounts for the financial year ended 31st, March 1997.

FINANCIAL RESULTS :

	As at 31st March 97 Rs.	As at 31st March 96 Rs.
Income from Sales & Job Works	7,80,82,945	5,47,08,804
Other Income	16,23,479	906,870
Profit/(Loss) before Depreciation & Interest	1,97,07,584	1,69,57,307
Less : Depreciation	65,50,368	62,95,295
Interest	1,47,11,875	1,52,43,858
Net Profit/(Loss)	(15,54,659)	(45,81,844)

OPERATIONS :

Against the installed capacity of 6520 tpa, the total production during the year was 4683 tpa. The average capacity utilisation during the year was approximately 72%. However, capacity utilisation has been showing an upward trend and by March, 1998 it would be around 85%. The Company's products have been regularly supplied to reputed manufactures like L & T, Indian Oil Corporation Ltd and automobile industry like Telco who have approved the supplies. The company has been able to develop U-BENDING facilities and are regularly supplying U-bend tubes to major heat exchanger manufacturing companies. The company manufactures alloy steel tubes for L&T and BHEL of sizes which were hitherto only imported. The company has also established its market of cold drawn welded (CDW) precision tubes which are used by automobiles and engineering industries. The company also has plans to develop cold drawing of stainless steel pipes in 1997-98. It is expected that production and sales shall substantially improve during the year 97-98.

During the year, the Company has been awarded the "WELL KNOWN TUBES AND PIPE MANUFACTURERS" Certificates Under the Indian Boiler regulations, 1950, by Central Boilers Board, Delhi. Now the Company is entitled to Self Certify the quality of Pipes & Tubes on behalf of IBR and can issue its own IBR Certificate.

SUBSIDY

During the year Company received Subsidy of Rs. 20,00,000/- from SICOM.

DIVIDEND

As the Company's operations for the year resulted in a loss of Rs. 15,54,659 the Company is not in a position to declare dividend for the year.

DIRECTORS :

Pursuant to Article 125 (4) of the Article Association of the Company, Shri Vivek Jalan retires by rotation at this Annual General Meeting and, being eligible, offers himself for reappointment.

Shri Manish Dalal was appointed as Additional Director of the Company on 6th November, 1996 by the Board of Directors Under the provisions of the Companies Act, 1956 he holds office upto the date of this Annual General Meeting and being eligible, offers himself for reappointment. In view of his qualifications and experience your Directors recommend his reappointment.

EMPLOYEES :

The Company had no employees during the year of the category specified under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information required as per Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in the Annexure forming part of this Report.

AUDITORS :

M/S. Shrikant Kulkarni & Associates, Auditors retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. You are requested to reappoint the Auditors and fix their remuneration. Necessary certificate of eligibility required Under Section 224(1B) of the Companies Act, 1956 has been obtained from them.

ACKNOWLEDGEMENT :

Your Directors express their grateful thanks for the support and co-operation received from ICICI, IDBI, Oriental Bank of Commerce, MSEB, SICOM and Sales Tax Department.

Your Directors also wish to place on record their appreciation of the sense of involvement shown by employees and Officers at all levels in the operations of the Company.

For and on behalf of the Board of Directors,

MEGHRAJ SAKARIYA
MANAGING DIRECTOR

MADHAV PRASAD JALAN
JT. MANAGING DIRECTOR

MUMBAI :
July 30th 1997.

**Annual Report
1996-97**

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 MARCH 31, 1997.

A) CONSERVATION OF ENERGY.

1. Effective Implementation of PPM Schedule

Which results in improved equipment availability to the extent of 95 % and helped production department to achieve higher productivity in critical work centres like Straightening M/C, Furnace.

- 2 Optimum usage of Furnace and other equipment resulted in lowest power consumption as 699 units per ton.
- 3 Proper maintenance of STP-Boiler by M/s. Thermax controlled the LDO consumption within limit.
- 4 The chemical consumption of Surface Treatment Plant is Rs. 282/MT as the lowest which compared to Rs. 375/MT by proper planning of process flow in the plant and bunching of process material.

B) TECHNOLOGY ABSORPTION, ADPTATION AND INNOVATION.

Technology absorption as per form 'B' new Steel Grade TP 304 Pilgered to 19.05 x 2.11 and results are found satisfactory.

Special quality 'HIFLUX' coated 334 a Grade " U " Tube Bending established, which is having more constrain in forming. This was successfully completed on L&T job about 2300 Nos. for 69 different Radii.

The new SR Furnace for "U" Bend SR was designed, fabricated and commissioned by In house facility. Similarly, a new Push Pointing machine to cater to small size pipes from 8 to 20 mm was also designed, fabricated and commission by In house efforts.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

Total foreign exchange earned and used.

Outgo Rs. 19,71,984/- (Previous year Rs.21,27,971)

Earnings Rs. 15,01,981/- (Nil)

ANNEXTURE :

FORM - A

A. Power & Fuel Consumption

	Current Year	Previous Year
1. Electricity (M.S.E.B. Supply)		
Unit consumed	2825000	2180662
Total amount(Rs.)	10880174	7217991
Rate per unit(Rs.)	3.85	3.31
2. Fuel (LDO)		
Consumption(Ltrs.)	100000	78155
Total amount(Rs.)	837635	514770
Rate per unit(Rs.)	8.38	6.58
3. Diesel		
Consumption(Ltrs.)	44480	22972
Total amount(Rs.)	432430	179182
Rate per unit(Rs.)	9.72	7.81
4. Furnace Oil		