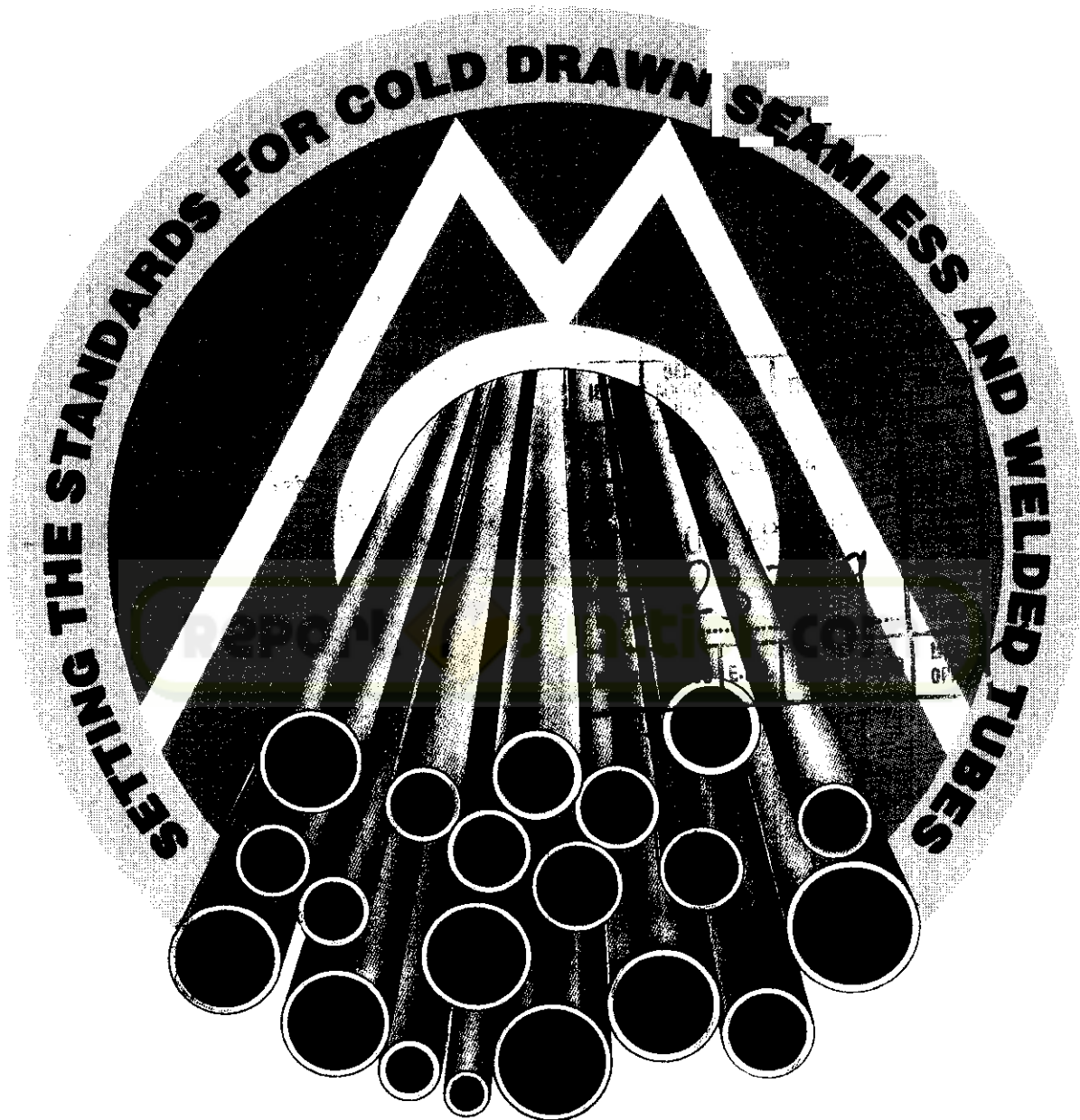


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**MAHALAXMI
SEAMLESS LIMITED**

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1998-99**

BOARD OF DIRECTORS	Shri Meghraj Sakariya Shri Madhav Prasad Jalan Shri Naresh Kumar Shri Narendra Sakariya Shri Narendra Kumar Dalmia Shri Manish Dalal	Managing Director Jt. Managing Director 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 Accountants	
EIGHTH ANNUAL GENERAL MEETING		
DATE	Wednesday April 19th, 2000.	
TIME	11.00 a.m.	
VENUE	Pipenagar (SUKELI) Via, Nagothane Tal. Roha, Dist. Raigad Maharashtra : 402 126	



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NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Members of Mahalaxmi Seamless Limited will be held on Wednesday 19th April 2000, at 11-00 a.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:-

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 30th June 1999, the Profit & Loss Account for the 15 months ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Manish Dalal, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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

5. To Consider and if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956, (Including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), the Authorized Share Capital of the Company, be and is hereby divided into 57,50,000(Fifty Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10(Rs. Ten) each and 2,50,000(Two Lakhs Fifty Thousand) Preference Shares of Rs. 10 (Rs. Ten) each and consequently the existing ClauseV of the Memorandum and Association of the Company, relating to Share Capital, be and is hereby altered by deleting the same and substituting in its place and stead the following as new ClauseV:

V: The Authorized Capital of the Company is Rs. 6,00,00,000 (Rupees Six crores) divided into 57,50,000(Fifty Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10 (Rs. Ten) each and 2,50,000(Two Lakhs Fifty Thousand) Preference Shares of Rs. 10 (Rs. Ten) each, with power to increase or reduce the capital of the Company and divide the Shares in the capital for the time being into several classes to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manners as may for the time being be provided by the Articles of Association of the Company.

Increased from Rs. 25,00,000 (Twenty Five Lakhs) pursuant to a resolution passed at Extra Ordinary General

Meeting held on November 16, 1992.

6. To consider and if thought fit, to pass the following resolution, with or without modification, as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (Including any statutory modification(s), or redeemed enactment thereof, for the time being in force), and the provisions of other statutes as applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and hereby altered as follows:

Existing Article No. 3 of the Articles of Association of the Company be and is hereby deleted and be substituted in its place by the following new Article:

New Article 3:

The Authorized Capital of the Company is Rs. 6,00,00,000(Rs. Six crores) divided into 57,50,000(Fifty Seven Lakhs Fifty Thousand) Equity Shares of Rs. 10 (Rs. Ten) each and 2,50,000(Two Lakhs Fifty Thousand) Preference Shares of Rs. 10(Rs. Ten) each, with power to increase or reduce the capital of the Company and divide the shares in the capital for the time being into several classes to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.

7. To Consider and if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:

"RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, (Including any statutory modification(s), or redeemed-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for the offer and issue of 2,50,000(Two Lakhs and Fifty Thousand) Zero Percent Optionally Convertible Redeemable Preference Shares of Rs. 10/- (Rupees ten) each for cash at par to ICICI in part fulfillment of the conditions of One Time Settlement laid down by them vide their letter dated July 7, 1999, subject to such other conditions as indicated by them and accepted by the Company.

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business at items 5, 6 and 7 above 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 THE

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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. Members/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 April 27, 2000 to April 29, 2000, both days inclusive.
5. If members have any queries on the audited accounts or Directors' Report the same should be forwarded to the Company in writing at its office at 185, Sanjay building, 5-B Mittal Industrial Estate, Andheri Kurla road, Andheri (East), Mumbai - 400 059 at least 10 days before the Meeting so that the same can be replied at the time of the 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 alongwith relevant share certificates to the Company.
7. Members Proxies are requested to bring copies of the Annual Report to the Annual General Meeting.
8. All documents/correspondence in respect of share transfer work should be addressed to the Company at the following address: 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 address/status to the Company at the above address:
10. All the documents mentioned in the notice shall remain available for inspection to the member at the registered office of the Company from 11 a.m. to 1p.m. on any working day of the Company.

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

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 items 5,6 and 7 accompanying Notice dated February 21, 2000.

Item Nos. 5 and 6.

The present Authorised Capital of the Company is Rs. Six Crore. It is now proposed to subdivide the Authorised capital in the manner as set out in the item No. 5 of the Notice in accordance with section 16 and 94 of the Companies Act, 1956. The subdivision of authorized capital is required to enable the Company to issue Preference shares to Financial Institutions as may be required under terms of settlement/reschedulement.

The alteration of the capital clause of the Memorandum of Association and Article 3 of the Articles of Association of the Company as set out in Item No. 6 of the Notice are purely consequential to the subdivision of the Authorised capital of the Company.

None of the Directors of the Company is, in anyway, concerned or interested in the said resolutions.

The Directors recommend the resolutions for approval of the shareholders.

Item No. 7

The Company had made an offer of One Time Settlement of its dues with ICICI, the lead term lending Financial Institution (IDBI being the other lending Financial Institution). ICICI, vide its letter dated July 7, 1999 accepted the Company's offer subject to such terms and conditions as laid down in their letter, and are being reproduced below:

1. The cut off date for the settlement shall be June 30,1999.
2. The Company shall out of the outstanding principal of Rs.2,51,71,399.00 pay Rs.2,26,71,399.00 to ICICI and convert the balance Rs.25,00,000 into Zero Coupon Optionally Convertible Redeemable Preference Shares (ZOCRPS).
3. The Company shall pay a sum of Rs.68,37,399.00 on or before July 7,1999. The Company shall pay the balance amount of Rs.1,58,34,000.00 in 13 monthly Installments commencing from July 30,1999 together with interest thereon @ 13.5% every quarter commencing from September 30,1999 till the entire principal is repaid. The Company shall issue post-dated cheques towards the installments of the principal and interest.
4. The ZOCRPS shall be redeemed by the Company at par on or before June 30,2002. In case the Company fails to redeem the ZOCRPS, ICICI shall have the Option to convert the same into equity shares at par. The Company shall take necessary steps to provide for conversion of ZOCRPS into equity shares to the satisfaction of ICICI.
5. The entire simple interest as on the cut-off date shall be waived.
6. The entire compound interest and liquidated damages as on the cut-off date shall be waived. The Corporation reserves the right to cancel, suspend, reduce or modify, including withdrawal with retrospective effect, all or any of the reliefs and concessions and/or amend or vary all terms and conditions thereof, in the event the Company fails to comply with any of the conditions.

The Company, vide its Board Meeting held on July 7, 1999 itself, accepted the conditions as laid down by ICICI, and is, since then, honoring all its obligations under the agreement, except for the issue of Preference Shares. As the Preference shares are optionally convertible into equity shares in case the Company fails to redeem the shares on or before the stipulated date, approval of the shareholders is required for the issue.

None of the Directors of the Company is, in anyway, concerned or interested in the said resolution.

The Board recommends the same for members approval as a Special Resolution.

By Order of the Board of Directors
MEGHRAJ SAKARIYA
MANAGING DIRECTOR

Mumbai : 21st February, 2000.

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


**MAHALAXMI
SEAMLESS
LIMITED**
DIRECTORS' REPORT

TO,

THE MEMBERS,

Your Directors are presenting their Eighth Annual Report together with Audited Accounts for 15 months ended 30th June 1999.

FINANCIAL RESULTS:

	15Months ended 30th June 99 (Rs. In Lacs)	12 Months ended 31st March 98 (Rs. In Lacs)
Income from Sales & Job Works	1621.88	909.49
Other Income		18.02
14.63		
Profit/(Loss) before Depreciation & Interest	211.41	173.10
Less : Depreciation	84.26	68.29
Interest	198.85	148.78
Add Prior Period/Extra ordinary Adjustments	52.98	0.15
Net Profit/(Loss)	(18.72)	(43.31)

OPERATIONS:

Against the installed capacity of 6520 tpa, the total production during the fifteen months ended June 30, 1999 was 6310 tonnes. The average capacity utilisation during this period was approximately 77%, which is lower than the previous year. The general slump in the market conditions has resulted in lower capacity utilisation. Sales in value terms is higher because of higher own sales during this period (1800.205 tonnes) as compared to own sales in the previous year (794.25 tonnes). The Company has started supplying its material in the automobile sector and is in the process of fabricating a new One Tonne Draw Bench in house itself. However, the Company has suffered losses due to higher raw material costs, increase in manufacturing and labour charges, and higher plant maintenance cost. It is expected that the market shall improve in the current year.

Members will be pleased to note that the Company's products have been well accepted in the export market, and its exports have increased to Rs 103.70 lacs in the current 15 month period as against Rs. 73.81 lacs in the previous 12 months.

FINANCIAL RESTRUCTURING

Due to the difficulties faced by the Company in servicing its Term Debt obligations, the Company requested the Term Lending Institutions viz ICICI and IDBI for restructuring the Term Debt.

ICICI, vide its letter dated July 7, 1999, accepted the proposal of the Company for One Time Settlement of its portion of the Term Loan, and the Company confirmed the acceptance in its Board Meeting held on July 7, 1999 itself.

The main features of the One Time Settlement Scheme are as follows:

1. Out of total principal outstanding of Rs 251.71 lacs, the Company will pay Rs 226.71 lacs and convert the balance Rs 25 lacs into Zero Coupon Optionally Convertible Redeemable Preference Shares (ZOCRPS).
2. The Company shall pay 30% of the amount payable Rs 226.71 lacs as upfront payment and balance in 13 equal monthly instalments commencing from July 30, 1999 together with interest thereon @ 13.5% p.a. payable every quarter. The Company shall issue post dated cheques to this effect.
3. The ZOCRPS shall be redeemed by the Company at par on or before June 30, 2002. In case the Company fails to redeem the ZOCRPS, ICICI shall have the option to convert the same into equity shares at par.
4. The entire simple interest and compound and other charges as on July 1, 1999 shall be waived.

Since then, the Company is regularly honouring its commitments and shall also arrange to issue the Preference Shares as per the agreement and in consultation with ICICI.

However, IDBI declined the Company's offer for One Time Settlement and now the Company is in the process of making an offer for reschedulement of its loan with IDBI.

GRATUITY

In respect of the qualification raised by the auditors regarding accounting for gratuity on cash basis, the Board intends to take a LIC Group gratuity policy in future.

DIRECTORS

Pursuant to Article 125(4) of the Articles of Association of the Company, Shri Naresh Kumar and Shri Manish Dalal retire by rotation at this Annual General Meeting and being eligible, offer themselves for reappointment.

Shri Vivek Jalan resigned as a Director on 18 July 1998, as he was to go abroad and the Company acknowledges his involvement and contribution towards the Company.

DIVIDEND

As the Company's operations for the year resulted in a loss of Rs. 18.72 lacs, the Company is not in a position to declare dividend for the year.

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.

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**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**

MUMBAI: 21st February, 2000

