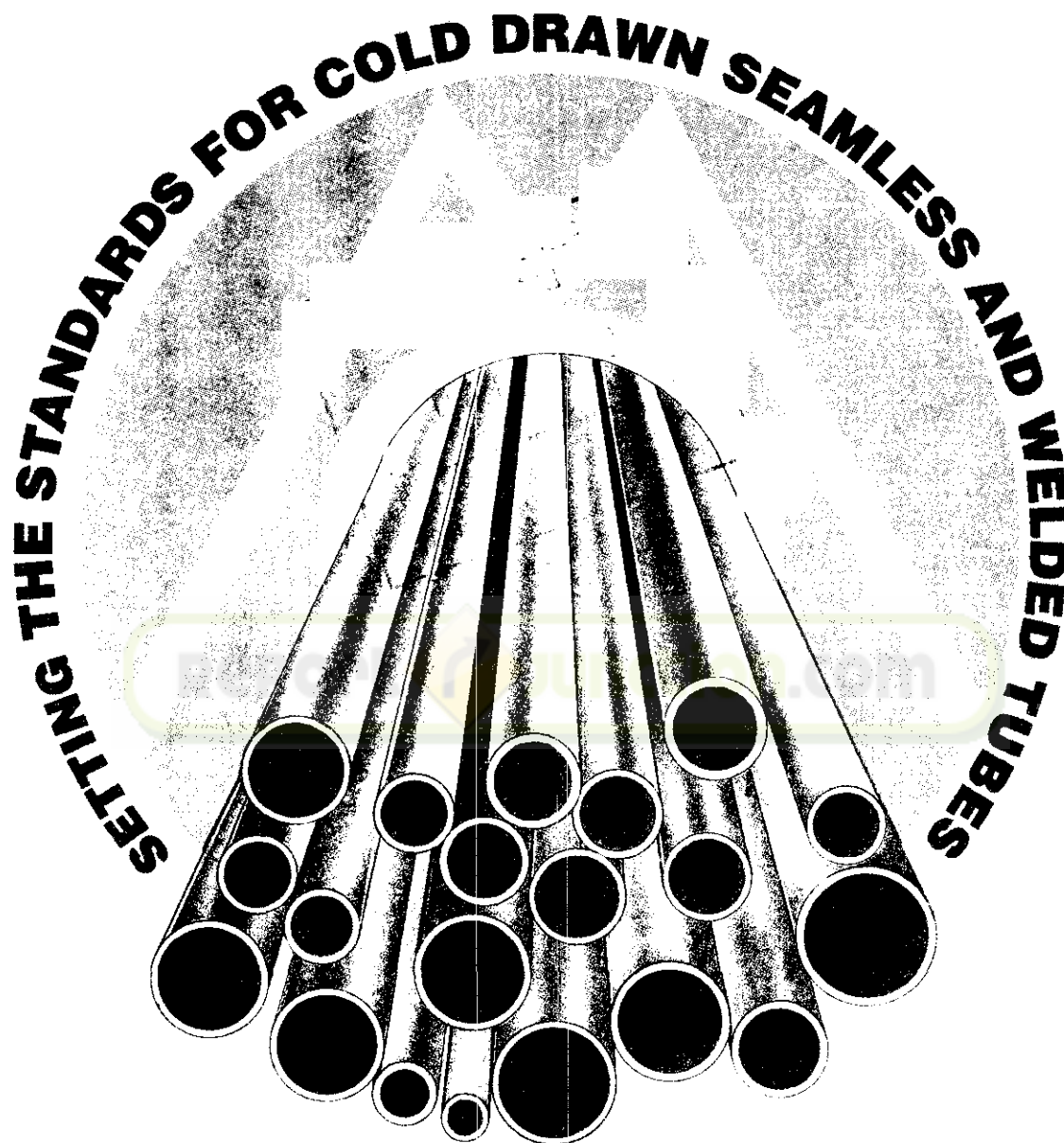



# 9TH ANNUAL REPORT 1999-2000



**MAHALAXMI  
SEAMLESS LIMITED**

**ANNUAL REPORT**  
**1999-2000**

<b>BOARD OF DIRECTORS</b>	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
<b>REGISTERED OFFICE &amp; WORKS</b>	Pipenagar (SUKELI) Via, Nagothane Tal. Roha, Dist. Raigad Maharashtra : 402 126	
<b>HEAD OFFICE</b>	185, Sanjay Building No. 5/B Mittal Ind. Estate, Andheri Kurla Road Andheri (East), Mumbai : 400 059	
<b>BANKERS</b>	 Oriental Bank Of Commerce	
<b>AUDITORS</b>	M/s. Shrikant Kulkarni & Associates Chartered Accountants	
<b>NINTH ANNUAL GENERAL MEETING</b>		
DATE	Monday December 18th. 2000.	
TIME	3.00 p.m.	
VENUE	Pipenagar (SUKELI) Via, Nagothane Tal. Roha, Dist. Raigad Maharashtra : 402 126	



## NINTH ANNUAL REPORT 1999 - 2000

### NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of Mahalaxmi Seamless Limited will be held on Monday 18th December 2000, at 3.00 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:-

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 30th June 2000, the Profit & Loss Account for the 12 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. Narendra Sakariya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narendra Kumar Dalmia, 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.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND 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.
2. Members/proxies should bring the attendance slip duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from December 15, 2000 to December 18, 2000, both days inclusive.

4. 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.
5. 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.
6. Members Proxies are requested to bring copies of the Annual Report to the Annual General Meeting.
7. 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.
8. Members are requested to promptly notify any changes in address/status to the Company at the above address:
9. 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.

By Order of the Board of Directors  
**MEGHRAJ SAKARIYA**  
 MANAGING DIRECTOR

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

**ANNUAL REPORT  
1999-2000****DIRECTORS' REPORT**

TO.

THE MEMBERS.

Your Directors are presenting their Ninth Annual Report together with Audited Accounts for 12 months ended at 30-6-2000.

**FINANCIAL RESULTS:**

	12 Months ended At 30-6-2000 (Rs. In Lacs)	15 Months ended 30-6-99 (Rs. In Lacs)
Income from Sales & Job Works	1122.46	1621.88
Other Income	13.08	14.63
Profit/(Loss) before Depreciation & Interest	143.36	211.41
Less : Depreciation	68.52	84.26
Interest	128.25	198.85
Add Prior Period/extra ordinary Adjustments	40.29	52.98
Net Profit/(Loss)	(13.12)	(18.72)

**OPERATIONS:**

Against the installed capacity of 6520 tpa, the total production during the 12 months ended 30-6-2000 was 4956 tonnes. The average capacity utilisation during this period was approximately 76%. (77% for the 15 months ended 30-6-1999). Own Sales in value terms is at 1327.224 tonnes (1800.205 tonnes) valuing Rs. 796.30 lacs (1218.77 lacs). The per Kg. realisation has gone down to Rs.60/- per Kg. as compared to previous year at 67.70 per Kg. Job work done during this year was at 2574.286 tonnes (4535.795 tonnes), amounting to Rs.302.99 lacs (330.68 lacs). The Company has started supplying its material in the automobile sector such as Tata's Indica and Maruti. However, the Company has suffered losses due to increase in cost of Raw Material Electricity, L.D.O. and Diesel. 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 163.38 lacs in the current 12 months as against Rs. 103.70 lacs in the previous 15 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.

Since then, the Company is regularly honouring its commitments and as on 30-10-2000, the company has honoured its all obligations to ICICI in August, 2000 except

for issuing the Preference Shares as per the agreement with ICICI. The Company has requested ICICI to waive this condition of issue of Preference Shares.

The Company is also negotiating with IDBI for one time settlement of its dues.

**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 of Association of the Company, Shri Narendra Sakariya and Shri Narendra Kumar Dalmia retire by rotation at this Annual General Meeting and being eligible, offer themselves for 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 (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 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

SD/-  
MEGHRAJ SAKARIYA  
MANAGING DIRECTOR

MUMBAI: 30-10- 2000.



## 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 DIRECTORS RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2000.

### A) CONSERVATION OF ENERGY.

1. Electric furnace is proposed for converting to gas fired for saving Power consumption at an approximate cost of Rs. 40/45 lakhs.

### B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Please refer Form B of the Annexure.

### C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Total Foreign Exchange earned and used.

Outgo Rs.4231611/- (Previous year Rs.5414239/-)

Earnings Rs. 16338474/- (Previous Year Rs. 10370676/-)

## ANNEXURE:

### FORM - A

#### A. Power & Fuel Consumption.

	Current Year (12 months)	Previous Year (15 months)
1. Electricity (M.S.E.B. Supply)		
Unit consumed	3389048	4492593
Total Amount (Rs.)	14917825	18631730
Rate per unit (Rs.)	4.40	4.14
2. Fuel (LDO)		
Consumption (Ltrs)	170000	152000
Total Amount (Rs.)	1911423	1204812
Rate per unit (Rs.)	11.24	7.92
3. Diesel		
Consumption (Ltrs)	34415	36540
Total amount (Rs.)	533738	401190
Rate per unit (Rs.)	15.51	10.97

#### B. Consumption per tonne of Seamless Pipes

Electricity units	684	712
L.D.O. (Ltr.)	34.30	24.08
Diesel (Ltr.)	6.94	5.79

### FORM - B

#### Research & Development

- 1) Specific areas in which R & D carried out by the company:
  - a. The Company has developed special grade material SA213 T-9, SA213 T-5 for Heat exchangers for better realisation.
  - b. In process control at Surface Treatment plant, chemical consumption per ton of Phosphate is reduced from 3.5 Ltrs. per ton to 2.8 Ltrs. per ton of process load. It will have direct impact on the cost of manufacturing.
- 2) Benefits Derived:
 

The Company has been able to strengthen its presence in automobile sector. As the sector requires pipes of smaller dimensions, most of the excess production can be further drawn in to pipes for this sector. This has resulted in effective utilisation of pipes of smaller lengths.
- 3) Expenditure on R & D:
 

Not Significant.