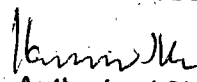


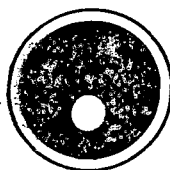
16th Annual Report 2006 - 2007

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For MAHALAXMI SEAMLESS LTD.


Authorised Signatory

Growth through Consolidation



**MAHALAXMI
SEAMLESS LIMITED
ISO 9001 : 2000**



MAHALAXMI
SEAMLESS LIMITED

Board of Directors

Shri Madhav Prasad Jalan	Chairman & Managing Director
Shri Narendra Sakariya	Jt. Managing Director
Shri Vivek Jalan	Executive Director
Shri Narendra kumar Dalmia	Director
Shri Manish Dalal	Director
Shri Chetan Jain	Director
Shri J. T. Hingorani	Director

REGISTERED OFFICE & WORKS

Pipenagar (Sukeli)
Via. Nagothane
Tal. Roha, Dist. Raigad
Maharashtra : 402 126

HEAD OFFICE

A-54, Virwani Industrial Estate,
Western Express Highway,
Goregaon (E), Mumbai - 400 063.

BANKERS

Oriental Bank of Commerce, Overseas Branch, Andheri (E).

AUDITORS

M/s. V. B. Goel & Co.
Chartered Accountants

SIXTEENTH ANNUAL GENERAL MEETING

DATE

Friday, September 28, 2007

TIME

2.00 p.m.

VENUE

Pipenagar (Sukeli)
Via. Nagothane
Tal. Roha, Dist. Raigad,
Maharashtra : 402 126.



ANNUAL REPORT 2006 - 2007

SIXTEENTH ANNUAL REPORT 2006 – 2007

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of **MAHALAXMI SEAMLESS LIMITED** will be held at its Registered Office at Pipenagar (Sukeli), Via-Nagothane, Tal-Roha, Maharashtra- 402 126, on **Friday, September 28, 2007** at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2007 and Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. Chetan Jain who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jeevan Prakash Hingorani who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 311 read with Schedule XIII of the Companies Act, 1956 and approval of the Remuneration Committee of the Company and further subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the Board of Directors of the Company do and hereby approve the revision of the basic salary payable to Mr. Madhav Prasad Jalan, Chairman & Managing Director of the Company from the existing Rs. 20,000/- per month to proposed Rs. 50,000/- per month w.e.f. July 01, 2007 for the rest of the period of the tenure of appointment of the said Chairman & Managing Director i.e. from 01/07/2007 till 25/12/2008 and the rest of the terms and conditions of the appointment of the said Chairman & Managing Director of the Company remains the same as per abstract of the terms and conditions under Section 302 of the Companies Act, 1956 as already circulated amongst the Members of the Company at the time of appointment of the said Director on 26/12/2003 and lastly that the Board of Directors of the Company be and is hereby authorised to take such steps as may be deemed necessary, desirable or expedient to give effect to this resolution."

"RESOLVED FURTHER THAT Mr. Madhav Prasad Jalan, Chairman & Managing Director of the Company be and is hereby authorized to file Form Nos. 23 & 25C with the Registrar of Companies, Maharashtra and to take all effective steps as may be deemed necessary for giving effect to this resolution for and on behalf of the Board of Directors of the Company."

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 311 read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the appointment of Shri Sushilkumar Srivastava as a Whole-time Director designated as the Director of the Company with effect from April 23, 2007 on the basic salary of Rs. 85,000/- per month and with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or the aforesaid Abstract, in such manner as may be agreed to between the Board of Directors and Shri Sushilkumar Srivastava within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, or any amendment there to or any re-enactment thereof and, if necessary, as may be agreed between the Board of Directors and Shri Sushilkumar Srivastava and further that in the event of any amendment or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, or as provided in any re-enactment, repeal or modification thereof, the Board of Directors be and is hereby authorized to vary or increase the remuneration including perquisites within such prescribed limits or ceiling and the aforesaid terms and conditions between the Company and Shri Sushilkumar Srivastava be suitably amended to give effect to such modifications, relaxation or re-enactment without requiring any further resolutions or consent of the shareholders of the Company and lastly that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

For and On behalf of the Board of Directors

Place: Mumbai
Date : 29/06/2007

MADHAV PRASAD JALAN
CHAIRMAN & MG. DIRECTOR

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, September 24, 2007 to Thursday, September 28, 2007** (both days inclusive).
4. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
5. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Wednesday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of 16th Annual General Meeting.
6. Members are requested to bring their copies of the reports to Annual General Meeting.
7. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios alongwith Share Certificates to the Company.
8. Explanatory Statement for Item Nos. 5 & 6 pursuant to Section 173(2) of the Companies Act, 1956 is enclosed herewith.
9. In order to exercise strict control over the transfer documents, Members are requested to send the transfer documents/ correspondence, if any, directly to:

ADROIT CORPORATE SERVICES PRIVATE LIMITED**Unit: MAHALAXMI SEAMLESS LIMITED**Add : 19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Andheri (E), Mumbai - 400059.**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:****Item No.5:**

The Board of Directors of the Company at their meeting held on 10/07/2007 has recommended revision in the existing basic salary of Shri Madhav Prasad Jalan, Chairman & Managing Director [CMD] of the Company from the existing Rs. 20,000/- per month to proposed Rs. 50,000/- per month w.e.f. July 01, 2007 for the rest of the period of the tenure of appointment of the said Chairman & Managing Director i.e. from 01/07/2007 till 25/12/2008 and the rest of the terms and conditions of the appointment of the said Chairman & Managing Director of the Company remains the same as per abstract of the terms and conditions

under Section 302 of the Companies Act, 1956 as already circulated amongst the Members of the Company at the time of appointment of the said Director on 26/12/2003.

Further, Shri Madhav Prasad Jalan is the main promoter of your Company and is actively associated with your Company since its inception and has played a key role in bringing your Company to its present heights. Shri Madhav Prasad Jalan is having a wide and exhaustive experience in Industry. The Board of Directors of your Company is confident that under the leadership and able guidance of Shri Madhav Prasad Jalan the Company will scale new heights in expansion of its present business activities in the years to come.

As the Members are aware, abstract under Section 302 of the Companies Act, 1956 has already been circulated amongst the Members of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of your Company except Shri Madhav Prasad Jalan, (directly interested) and Shri Vivek Jalan (indirectly interested), are interested in the resolution.

Item No. 6

Mr. Sushilkumar Srivastava was appointed as an additional director of the Company by the Board of Directors w.e.f. 23/04/2007 and his tenure of office comes to an end at the ensuing Annual General Meeting.

Mr. Sushilkumar Srivastava was appointed in order to expand the Board for inducting the Independent Director on the Board and to give the Board a professional look. Further, in the same Board meeting, it was decided by the Board Members to appoint the said Director as a Whole time Director designated as Director. Your Board is of the opinion that said appointment will greatly systemize the day to day business operations of the Company.

Hence your Board of Directors recommends the passing of the said resolution in the interest of the Company.

Except Mr. Sushilkumar Srivastava (himself), none of the Directors are interested in the resolution.

Your Company has already received a notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Sushilkumar Srivastava to be appointed as the Director of the Company along with necessary security deposit.

For and On behalf of the Board of Directors

Place: Mumbai
Date : 29/06/2007

MADHAV PRASAD JALAN
CHAIRMAN & MG. DIRECTOR



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DIRECTORS' REPORT

Your Directors have pleasure in presenting their Sixteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS:

PARTICULARS	(Rs. in lacs)	
	As on March 31, 2007	As on March 31, 2006
Income from Sales (Net of Excise)	2778.14	2906.24
Other Income	38.24	26.54
Increase/ (Decrease) in Stock	175.00	(43.33)
Total Expenditures	2572.58	2396.73
Profit / (Loss) before Depreciation	418.80	492.72
Less: Depreciation	109.08	100.04
Interest	39.37	20.87
Add: Prior Period/ Extra Ordinary Adjustments	00.86	00.99
Net Profit / (Loss) before Taxation	271.21	370.82
Provision for Taxation	95.64	127.38
*[Current + Fringe Benefit+Deferred]		
Profit After Taxation	175.57	243.44
Less: (Short) / Excess	(03.19)	(00.19)
Prov. Of Tax		
Less: Proposed Dividend		52.81
Less: Dividend Distribution Tax		07.41
Less: Transfer to General Reserves		10.00

OPERATIONAL PERFORMANCE

Under able and efficient guidance of Shri Vivek Jalan and Shri Narendra Sakariya and also under experience of Shri M.P. Jalan, the Company's financials has improved as can be inferred from the Profit &, Loss Account for the year under review.

This year the company was successful in surviving the onslaught from significantly cheaper Chinese competition. In order to do -

so, finished goods prices had to be reduced, however, given the tremendous goodwill that company enjoys among its loyal customers, the company could still bag orders at better prices than the competition. Nevertheless, over all pressure on the prices is reflected in the top-line.

Another aspect that seems to be impacting the top-line unfavourably but enhancing the bottom-line significantly is the strategic shift in the company goods towards more value-added thinner and longer products for automotive and hydraulic markets.

However, the most heartening development of this year has been the fact that company's products have been successfully accepted in more than 8 European countries, and, in Brazil and USA. This jump has been from scratch and very significant to the direction company is going to take in future. Exports to Middle East, a regular company bastion, have also increased this year. In order to meet this growing international demand, the company is working to add a new bright annealing furnace and to double its carbon steel capacity.

In addition, company has already made investments in a separate Stainless Steel seamless tube plant. This plant is in response to the higher margins of SS tubes and a growing demand among company's existing customers. This will also have a big boost in the top-line of the company financials.

The said financials were mainly due to effective and aggressive steps taken by the Board of Directors of the Company in marketing the products of the Company.

DIVIDEND:

Your Board of Directors has decided not to recommend any dividend for the year under review and instead decided to plough back the distributable profits earned by the Company for the year ended March 31, 2007. Since the company is significantly expanding it wants to finance most of the expansion using its internal accruals and keep the loan burden low.

DIRECTORS:

Pursuant to the Articles of Associations of the Company, Mr. Chetan Jain & Mr. Jeevan Prakash Hingorani Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, Mr. Sushilkumar Srivastava who was appointed as an Additional Director of the Company on 23/04/2007 was appointed as the Whole time Director designated as Director of the Company.



DIRECTORS' RESPONSIBILITY STATEMENT, pursuant to Sec. 217 (2AA) of the Companies Act, 1956 :

- i) that in the preparation of Annual Accounts the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgment and estimates that 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 the financial year and of the profit or loss of the company for that period.
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the Assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreements, a separate report on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance are annexed to the Directors' Report.

DISCLOSURE UNDER THE STOCK EXCHANGE LISTING AGREEMENT :

In accordance with the amended Listing Agreement with respective Stock Exchanges, it is hereby confirmed that the Company's Shares are listed at the Stock Exchanges at Mumbai, Ahmedabad and Madras.

FIXED DEPOSITS:

The company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956, read with the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors)

Rules, 1988, relating to the conservation of Energy and Technology Absorption forms part of this report and is given by way of Annexure.

The details of Foreign Exchange earnings and outgo is given in Schedule 21 under the heading Notes to Accounts Point II Clause I sub clause vi & vii as at March 31, 2007.

AUDITORS:

M/s V.B. Goel & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

PARTICULARS OF EMPLOYEES:

The Company has no employees of the specified categories under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended upto date.

EXPLANATION U/S. 217(3) OF THE COMPANIES ACT, 1956:

1. Note No. J Notes Accounts:

Presently the Company is in the process of identifying and reconciling the amount due to the SSI Units for the year ended March 31, 2007.

2. Note 8 to Annexure to Auditors' Report:

The Company has already taken effective steps to maintain cost records as prescribed under the Companies Act, 1956 for the year ended March 31, 2007.

ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers. The Directors are also thankful to the employees at all levels for their continued support.

For and On behalf of the Board of Directors

Place: Mumbai
Date : 29/06/2007

sd/-
MADHAV PRASAD JALAN
CHAIRMAN & MG. DIRECTOR



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ANNEXURE TO DIRECTORS' REPORT:

Information in terms of the Companies (Disclosure of Particulars I the Report of the Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY:

Company uses electricity as major source of energy. Adequate steps for power factor improvement have been taken wherever feasible.

FORM-A

Form for disclosure of particulars with respect to conservation of energy :

Particulars	Current Year (31/03/2007)	Previous year (31/03/2006)
A. Power and Fuel Consumption:		
1 Electricity (M.S.E.B. Supply)		
Unit consumed	5049915	4796165
Total Amount (Rs.)	23297430	17631879
Rate per Unit (Rs.)	4.61	3.67
2. Fuel (L.D.O.)		
Consumption (Liters)	260000	174000
Total Amount (Rs.)	5474488	3907666
Rate per unit (Rs.)	21.06	22.46
3. Diesel		
Consumption (Liters)	24218	14524
Total Amount (Rs.)	892358	541384
Rate per unit (Rs.)	36.85	37.28
4. Consumption per ton		
Electricity (Units/MT)	915.38	896.00
Fuel (Ltrs/MT)	47.18	32.52
Diesel (Ltrs/MT)	4.39	2.71

FORM-B

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

A. RESEARCH AND DEVELOPMENT

1) Specific areas in which R & D carried out by the company.

- Development of product as per the emerging business needs.
- Continuous improvement in the existing processes/technology to achieve improved product quality, raw material usage, improved yield and quality and production rates.
- The company continued ISO 9001-2000 for better systems and quality.
- Continued efforts for cost efficiency in manufacturing process.

As stated above, the company has time to time changes its product mix as per the demand by doing modifications, adding balancing equipments for increasing production to meet demand. This gave the flexibility to the company for the better realization.

B. TECHNOLOGY ABSORPTION

Continuous efforts are going on for developing, improving and upgrading the equipments for reducing the processing cost and reducing in process scrap.

For and On behalf of the Board of Directors
MAHALAXMI SEAMLESS LTD.

Place: Mumbai
Date : 29/06/2007

Sd/-
MADHAV PRASAD JALAN
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS OF THE COMPANY :

The company currently operate in cold drawn seamless tubes i.e straight and U tubes. We are presently served to heat transfer equipments, automotive, hydraulic equipments, trial injection system and mechanical industries. The company has already made investments in a separate stainless steel seamless tube plant.

Statement in this management discussion and analysis of financial condition describing the Company's objectives, expectations etc, are predictions and may be forward-looking within the meaning of applicable securities, laws and regulations, forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicity amends, modify or revise forward-looking statements on the basis of any subsequent developments, information or events. Actual result may differ materiality from those expressed in the statement. Important factors that could influence the Company's operations include cost of fuel, determination of tariff and such other changes and levies by regulatory authority, changes in Government Regulations, Tax laws, Economic Developments within the country and such other factors.

The Financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India. The management of Mahalaxmi Seamless Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis in order that the financial statements reflect in a true and fair manner the sale affairs and profits for the year.

2. ERP SYSTEM :

The company has started implementation of ERP software which is under progress, the most widely software in the world, to manage its internal processes. This provides efficiency in handling of business operations.

3. GROWTH DRIVERS:

The company enjoys the leadership position on account of its committed efforts in the following main areas:

- Product quality
- Product improvement
- Competitive price and cost structure
- Timely supply and servicing
- Expansion of existing business Creative customer preference

4. HR AND INDUSTRIAL RELATIONS:

The company firmly believes that "people" are the pivotal force behind the success of its growth. Coping with the tremendous challenges facing your company. It can remain operational and profitable only by unleashing the talent capabilities of its people. Your company tries very hard to ensure that its HR philosophy is translated in the action.

5. INTERNAL CONTROL SYSTEM:

The company having adequate internal controls, check and systems commensurate with its size and nature of business operations.



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CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS:

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company philosophy of corporate governance envisages attainment of the highest level of transparency, accountability and equity in all its dealings with shareholders, employees, Government and parties concerned. The company cares for ethical values down the line and shall not compromise on any of them. The Company's Guiding Principles are focused to achieve the highest standards of good corporate Governance and is striving hard for improve standards. To achieve these goals the Company has formed Executive Committee, Management Committee and Operation Committee consisting of Senior Managers of the company and also various committee of Board of Directors.

II. BOARD OF DIRECTORS

As on 31st March, 2007 the strength of Board of Directors was 7, comprising of 3 Executive Directors and 4 Non Executive Directors.

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member on more that ten Committees and Chairman of more than five Committees as per Clause 49 (IV) (B) across all Companies in which they are Directors. There were no change in the composition of the Board of directors during the financial year.

Non-Executive Directors do not have any pecuniary relationship with the company.

The present composition of the Board of Directors and also the number of other Board of Directors of which he is a Member/ Chairman are as under:

Names of Directors	Category of Directorship	Directorship in other companies	No. of Board Committees (other than Mahalaxmi Seamless Ltd.) in which Chairman/Member	
			Chairman	Member
Shri M.P. Jalan	Executive	1	Jaguar Overseas Ltd	1
Shri Narendra Sakariya	Executive	1	Sakaria Finance Pvt. Ltd	1
Shri Vivek Jalan	Executive	1	Omnitex Industries (India) Ltd	1
Shri Narendra Kumar Dalmia	Independent, Non-Executive	3	1. Soanwaria Polyesters Pvt. Ltd. 2. Sunrise Commercial Pvt. Ltd. 3. Omnitex Industries Ltd	3
Shri Manish Dalal	Independent Non-Executive	3	1. Sarayu Issue Management Services Pvt. Ltd. 2. Ancient leasing Finance & Inv. Co. Ltd. 3. Omnitex Industries Ltd.	3 2
Shri Chetan Jain	Independent Non-Executive	2	1. Tricame Health care Pvt. Ltd. 2. Tricame Life Science Ltd	
Shri Jeevan Prakash Hingorani	Independent Non-Executive	Nil	Nil	Nil