

MAHALAXMI SEAMLESS LIMITED

Head Office:

A-54, Virwani Industrial Estate
Western Express Highway,
Goregaon (E), Mumbai - 400 063, (India)
Tel. No.: +91-22-40333555 (30 Lines)
Fax No.: +91-22-67048987
E-mail: enquiry@mahatubes.com
Website: www.mahalaxmitubes.com

NOTICE

Notice is hereby given that the **Twentieth 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 **Saturday, 31st December, 2011** at 2.00 P.M. to transact the following business:

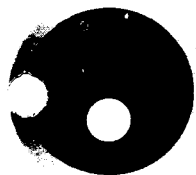
ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2011 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 Ramesh Jain who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narendra Kumar Dalmia who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

For and On behalf of the Board of
Directors

Place: Mumbai
Date: 01st December, 2011.


MADHAV PRASAD JALAN
CHAIRMAN



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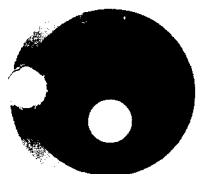
NOTES:

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 **Thursday, 29th December, 2011 to Saturday, 31st December, 2011.** (both days inclusive).
4. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
5. For the convenience of the members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the slips provided at the place of meeting. The proxy of the member should mark on the attendance slip as 'proxy'.
6. 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 Sunday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.
7. Members are requested to bring their copies of the reports to Annual General Meeting.
8. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios along with Share Certificates to the Company.
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.



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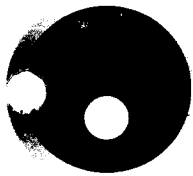
DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS:

[Rs. In Lacs]

PARTICULARS	As on March 31, 2011 (Rs.)	As on March 31, 2010 (Rs.)
Income from Sales [Net of Excise]	3151.30	2874.03
Other Income	31.12	42.89
Increase/(Decrease) in Stock	(1.21)	(49.19)
Total Expenditure	3381.82	3010.59
Profit/(Loss) before Depreciation	(87.99)	(55.46)
Less: Depreciation	112.62	87.40
Interest	115.73	91.78
Add: Prior Period/Extra Ordinary Adjustments	(0.71)	(1.63)
Net Profit/(Loss) before Taxation	(201.33)	(144.48)
Provision for Taxation *[Current+Fringe Benefit+Deferred]	(6.65)	(7.67)
Profit After Taxation	(194.68)	(136.82)
Less: (Short)/Excess Prov. Of Tax	(4.90)	Nil
Less: Interim Dividend/ Proposed Dividend	Nil	Nil
Less: Dividend Distribution Tax	Nil	Nil
Less: Transfer to General Reserves	Nil	Nil



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DIVIDEND:

In view of the losses incurred by the Company during the financial year ended 31st March, 2011, your Directors are unable to recommend any dividend during the financial year under review.

DIRECTORS:

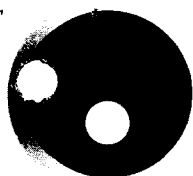
Pursuant to the Articles of Associations of the Company, Mr. Chetan Ramesh Jain & Mr. Narendra Kumar Dalmia, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

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 along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated 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.

OPERATIONAL PERFORMANCE:

The net revenue for the Current Year was Rs. 3151.30 Lakhs as compared to Rs. 2874.03 Lakhs in the previous year. The Net Loss for the Year was Rs. 194.68 Lakhs as compared to the Net Loss of Rs.136.82 Lakhs in the previous Year, thus recording an increase in Net Revenue by 9.65% and Increase in Net Loss by 42.29 %.



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CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, 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, Technology Absorption and Foreign Exchange Earnings and Outgo forms part of this report and is given by way of Annexure.

AUDITORS:

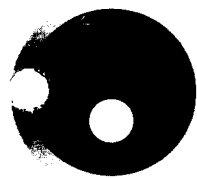
M/s V.B. Goel & Co, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

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 4 (b) (i) & (ii) to the Auditors' Report:**

During the continuance of the Workmen Strike for almost a period of 3 months the movement of material got obstructed and records were distorted during the said period of strike. The Company is still in the process of salvaging and updating its invoices & stock records.



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2. Note No 4 (d) to the Auditors' Report:

The Company is accounting Benefits viz, earned leave on payment basis. Hence, necessary disclosures in this regard have not been quantified and its effect on profit and liability can not be ascertained.

3. Note No 4 (f) (i) to the Auditors' Report:

The Company has entered into contract for purchase and sale of goods with related party in circumstances of urgent necessities without obtaining consent of the Board and the said consent was obtained at a meeting within three months of the date on which the contract was entered into.

4. Note No 4 (f) (ii) to the Auditors' Report:

Considering the qualifications possessed by Mr. Rishi Jalan, a relative of the Director, his appointment was made to Office or Place of Profit on a yearly remuneration of Rs. 6,00,000 per annum and effective steps are being taken to obtain necessary approvals under Section 314 (1B) of the Companies Act, 1956 in this regard.

5. Note No 4 (f) (iii) to the Auditors' Report:

The Company is in the process of updating its records for the utilization of service tax credit

6. Note No 4 (f) (iv) to the Auditors' Report:

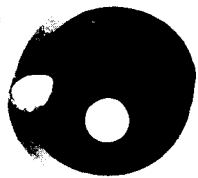
The Company is in the process of compiling the data in connection with Micro, Small and Medium Enterprises so as to make disclosures in the Annual Report pursuant Micro, Small and Medium Enterprises Development Act, 2006.

7. Note No 1 (a) & (b) to the Annexure to Auditors' Report:

During the continuance of the Workmen Strike for almost a period of 3 months The entry and exit of personnel of the Company and movement of material got obstructed & records were distorted during the said period of strike The Company is still in the process of salvaging and updating its records of Fixed Assets.

8. Note No. 2 (c) to the Annexure to Auditors' Report:

During the continuance of the Workmen Strike for almost a period of 3 months the movement of material got obstructed and records were distorted during the said period of strike. The Company is still in the process of salvaging and updating its inventory records



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Mahatubes Ltd.
C/O. Mahatubes Ltd. 402/126, Raigad Dist. 402/126, Maharashtra

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9. Note No. 7 to the Annexure to Auditor's Report:

The Company is in the process of setting internal Audit system commensurate with its nature and size of the business.

10. Note No 8 to the Annexure to Auditors' Report:

The Company has already taken effective steps to maintain cost records as prescribed under The Companies Act, 1956 for the financial year under review.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers namely Oriental Bank of Commerce. The Directors are also thankful to Statutory Organisations, Esteemed Customers and Employees at all levels for their continuous support.

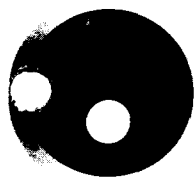
**For and On behalf of the
Board of Directors**

**MADHAV PRASAD JALAN
CHAIRMAN**

Place: Mumbai

Date : 01st December, 2011.





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ANNEXURE TO DIRECTORS REPORT

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Information in terms of the Companies (Disclosure of Particulars in 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.

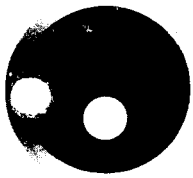
The Company is expending its Carbon Steel Plant based on Gas Consumption Furnace, resulting into lower power consumption per unit of production.

The require information with regard to conservation of energy as required under Section 217(1)(e) of The Companies Act, 1956 and Rules made therein in Form A are given hereunder:

FORM A

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

Particulars	Current (31/03/2011)	Previous (31/03/2010)
1. Power & Fuel Consumption:		
1. Electricity (M.S.E.B. Supply)		
Units consumed	3,62,2184	43,45,857
Total Amount (Rs.)	1,85,34,355	2,19,78,500
Rate per Unit (Rs.)	5.11	5.06
2. Fuel (L.D.O.)		
Consumption (Ltrs.)	88,000	2,10,000
Total Amt. (Rs.)	3372729	73,91,881
Rate per unit (Rs.)	38.32	35.12
3. Diesel		
Consumption (Ltrs.)	19,741	21,408
Total Amt. (Rs.)	815143	7,53,732
Rate per unit (Rs.)	41.29	35.27
4. Consumption per ton		
Electricity Units	991.78	1,321.73
L.D.O.(Liters)	24.09	63.87
Diesel(Liters)	5.41	6.51



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FORM - B
(See Rule - 2)

Form for disclosure of particulars with respect to technology absorption

Research and Development

- | | |
|--|-----|
| 1. Specific areas in which R&D is carried out by the company | NA |
| 2. Benefits derived as a result of the above efforts | NA |
| 3. Future plan of action | |
| Efforts are aimed at cost reduction, improvement in quality of existing products and development of new process. | NA |
| 4. Expenditure on R&D for the year 2007-08 | Nil |

Technology, absorption, adaptation and innovation

Continuous efforts are going on for development of process for additional products, up-grading of existing equipments for improvement in the quality of products and reducing the cost of manufacture. No technology has been imported by the company.

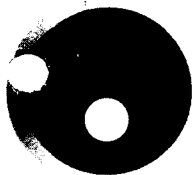
Foreign Exchange Earnings and outgo	Rs. In Lakhs
Earnings	861.09
Outgo	1397.84

For and On behalf of the Board of Directors

Place: Mumbai
Date: 01st December, 2011.

MADHAV PRASAD JALAN
CHAIRMAN





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Manufactures of
Cold Drawn Seamless Pipes & Tubes
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MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

1. Industry structure and developments

The Company operates in cold drawn carbon steel seamless tubes. Due to sharp rise in steel prices raw material cost is becoming more expensive but the market acceptance of the price rise is relatively slow causing short term losses. The company is expending its capacity to add a new bright annealing furnace. In addition, the Company has already made investments in a separate Stainless Steel seamless tubes plant. This plant is in response to the higher margins of SS tubes to improve its performance in the coming years.

2. Opportunities and Threats:

Mahalaxmi Seamless Limited is basically a manufacturing Company i.e cold drawn seamless pipes and tubes. The company owns inventory for the year under review. Currently the Company's debt is Rs. 6,29,46,863. Company has income from Interest and earnings from Foreign Income.

3. Segment- wise or product - wise performance:

The Company deals in only one product segment i.e. cold drawn seamless pipes and tubes. Hence there is no reportable geographical/ different segment wise report.

4. Outlook:

With political stability, economic indices are encouraging in general is showing good recovery in India as compared to rest of the world as help Indian industry to perform better.

Due to tremendous growth of the malls and hyper market culture, the demand of Iron and Steel Products both for industrial and domestic use is ever increasing. More over due to great potential line the growth of the industries, the demand of quality industry is increasing at geometric rate.

5. Risks & Concern:

The Company is a growing Company in the Iron and Steel Products Sector. Due to Political instability in the country regarding Petrol prices leading to undue increase in the costs of Raw Material the consumption costs of the Company is on the rise as compared to the previous years. The Company being growing in the Sector its raw material consumption is on rise showing its efficiency in the field.