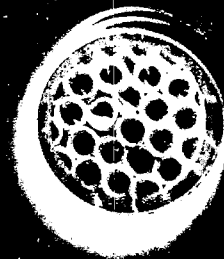


13TH ANNUAL REPORT-1996-97



REPORTJUNCTION.COM



RATNAMANI

WATER & SYSTEMS LIMITED

CORPORATE PHILOSOPHY

BUILD PERMANENT RELATIONSHIP
WITH OUR CUSTOMERS BY
INVESTING IN TOTAL QUALITY FOR
CUSTOMERS DELIGHT.

MOVE AWAY FROM TOLERATING
INDIFFERENT AND LOW
PERFORMANCE TO ACTIVELY
ENCOURAGING AND SEEKING HIGH
PERFORMANCE.

DEVELOP DEDICATED VENDORS
TO MEET THE QUALITY STANDARDS
OF OUR PRODUCT AND TREAT
THEM AS PARTNERS IN OUR
ENDEAVOURS.

GENERATE ADEQUATE RETURNS
FOR OUR SHAREHOLDERS.

PROMOTE OPPORTUNITIES FOR
LEARNING, EXPERIMENTATION AND
CALCULATED RISK TAKING.

QUALITY POLICY

**RATNAMANI
AIMS**

TO

**CONSISTENTLY SUPPLY
PRODUCTS**

TO

**THE SATISFACTION OF
CUSTOMERS**

**THROUGH
CONTINUOUS IMPROVEMENTS
IN
METHODS, PRACTICES
& SYSTEMS**

AND

**DEVELOPMENT
OF
HUMAN RESOURCES**

Prakash M. Sanghvi
Chairman

PROSPERITY THROUGH PERFORMANCE



RATNAMANI

METALS & TUBES LIMITED
AHMEDABAD

Board of Directors : **Shri Prakash M. Sanghvi** *Chairman*
Shri Jayantilal M. Sanghvi *Whole-time Director*
Shri S. Solanki
Shri D. C. Anjaria
Shri Manohar P. Kanungo

Bankers : **Dena Bank**
Punjab National Bank

MD	<input checked="" type="checkbox"/>			BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>			DEY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>			DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>			AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>			SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>

Auditors : **M/s. Mehta Lodha & Co.**
Chartered Accountants
63, Hirabhai Market
Diwan Ballubhai Road
Ahmedabad - 380 022

Registered Office : **18, Rajmugat Society**
Naranpura Char Rasta
Naranpura
Ahmedabad - 380 013

Works : **Ahmedabad-Mehsana Highway**
Village – Indrad
Nr. Chhatral GIDC
Taluka – Kadi
Dist. – Mehsana
GUJARAT



NOTICE

NOTICE is hereby given that the **Thirteenth** Annual General Meeting of the Members of **RATNAMANI METALS & TUBES LIMITED** will be held on Wednesday, the 22nd October, 1997 at 10.00 a.m. at the Conference Hall of The Ahmedabad Textile Mills' Association, Near "Gurjari", Ashram Road, Ahmedabad-380 009 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Jayantilal M. Sanghvi who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri S. Solanki who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

Report Junction.com

Registered Office
18, Rajmugat Society
Naranpura Char Rasta
Ahmedabad 380 013

By Order of the Board of Directors

V. C. BHAGAT
Company Secretary

23rd August, 1997.

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 A PROXY NEED NOT BE A MEMBER. Proxy Form is sent herewith.
2. Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 14th October, 1997 to Saturday, 18th October, 1997 (Both days inclusive).
4. The dividend, if declared, will be paid to those members whose names appear on the Register of Members as on 18th October, 1997 being the record date for the purpose and will be made payable at some Branches of Dena Bank from 25-11-1997 to 24-2-1998.



5. Members are requested to notify immediately the change, if any, in their Registered Address to the Company's Registered Office.
6. Queries on 'Accounts and Operations' of the Company if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be readily available at the meeting.
7. Kindly quote your LF Numbers in all your future correspondence.
8. Members are requested to bring their copy of the Annual Reports to the Annual General Meeting of the Company.
9. Members are also requested to intimate to the Company, if Shares are held in the same name or in the same identical order of names, in more than one account, to enable us to amalgamate all such accounts into one.
10. WITH A VIEW TO SAFEGUARD THE INTEREST OF THE SHAREHOLDERS AGAINST FRAUDULENT PRACTICES, THE COMPANY IS OFFERING THE FACILITY EITHER TO REGISTER MANDATE OR TO HAVE THE NAMES OF THEIR BANKERS, AND THE ACCOUNT NUMBER TO BE PRINTED ON ALL FUTURE DIVIDEND WARRANTS FROM US. WE, THEREFORE, REQUEST ALL SHAREHOLDERS TO GIVE US THE BANK PARTICULARS LATEST BY 30TH SEPTEMBER, 1997. IN CASE THE DETAILS ARE NOT SENT, THE COMPANY WILL IN NO WAY BE RESPONSIBLE IF ANY LOSS OCCURS TO THEM.
11. Dates of Unpaid dividends that are due for transfer to the Central Government account are as follows :—

<u>Financial Year ended</u>	<u>Due for transfer on</u>
31-3-1994	7th November, 1997
31-3-1995	1st November, 1998
31-3-1996	9th February, 2000

Members who have not encashed their dividends for the aforesaid financial years are requested to approach/write to the Company immediately for obtaining duplicate Dividend Warrants. Individual Notices for the unpaid Dividend for the financial year ended on 31-3-1994 have been posted directly to all the shareholders who have not encashed their dividend so far.

Registered Office
18, Rajmugat Society
Naranpura Char Rasta
Ahmedabad 380 013

By Order of the Board of Directors

V. C. BHAGAT
Company Secretary

23rd August, 1997.



DIRECTORS' REPORT

To
The Members

The Board of Directors have pleasure in presenting the THIRTEENTH Annual Report with Audited Accounts of the Company for the year ended 31st March, 1997.

1. FINANCIAL RESULTS

(Rs. in Lac)

	<u>1996-97</u>	<u>1995-96</u>
Sales and other Income	4875.60	4853.07
Profit before Depreciation and tax	365.41	483.21
Less : Depreciation	79.62	64.58
Profit before tax	285.79	418.63
Less : Provision for Taxation	40.00	0.00
Profit after Tax	245.79	418.63
Add : Balance brought forward from previous year	0.00	229.66
Excess provision written back	0.03	0.06
Amount Available for appropriation	<u>245.82</u>	<u>648.35</u>
Appropriations :		
General Reserve	60.00	538.07
Proposed Dividend	70.88	70.28
Debenture redemption reserve	40.00	40.00
Balance carried to Balance Sheet	<u>74.94</u>	<u>0.00</u>
TOTAL	<u>245.82</u>	<u>648.35</u>

2. DIVIDEND :

Your Directors are pleased to recommend Dividend of Rs.1.50 per Equity share payable on 47,25,000 Equity shares of the Company. This will absorb Rs.70.88 lac.

3. REVIEW OF OPERATIONS :

The impact of our national economic environment was evident on the Stainless Steel Pipes and Tubes Industry during the year under review.

The Indian Industry, in general, could not evolve effective short term business strategies to respond to the challenges of rapid change. As a result the normal growth plans of the S.S. Pipes and Tubes user Industries have not firmed up as expected.

The stagnation of industries, like Sugar, Food Processing, Dairy, Chemical etc., has resulted in sharp drop in demand of Welded S.S. Pipes and Tubes segment. The decelerating momentum of new projects in Power, Petrochemicals, Fertilizer industries has also resulted in lower levels of demand for seamless S.S. Pipes and Tubes. This has increased the competitive pressures on indigenous manufacturers.

Your Company has been able to improve its market position in Seamless S.S. Pipes and Tubes segments and able to maintain market share in the Welded S.S. Pipes and Tubes segment, even on lower demand base, mainly because of the Company's capability to offer the widest range of products under one roof.

The Directors consider operating results-production of 1288 MT (1958 MT) and sales turnover of Rs.22.56 crores (32.34 Cr.) for the welded S.S. Pipes and Tubes, and production of 1135 MT (886 MT) and sales turnover of Rs.21.82 crores (14.85 Crore) for Seamless S.S. Pipes and Tubes as satisfactory in view of the foregoing circumstances.

4. EXPORTS :

During the year under review, the direct export of your Company's products has substantially increased to F.O.B. value Rs.251 lac compared to Rs.29 lac in the previous year, while the deemed export was Rs.309 lac in comparison to Rs.470 lac in the previous year.



5. FUTURE OUTLOOK :

The Directors foresee reasonable scope of maintaining same levels of operations during the current year, by balancing the volumes vis-a-vis margins.

The pressure of supply side competition is likely to be more intense during the current year, both, from indigenous sources because of lower base of demand, and from imports because of reduced levels of custom duties.

The Directors have opted to gainfully use lean period of capacity utilization to consolidate the strengths of your company. A series of across-the-company programs have been initiated, for increasing the cost effectiveness by process improvements, training of manpower and reduction of expenditures. These measures shall not only help make your company to be more resilient to withstand the pressures of competition but shall also impart your company competitive edge in the global market.

6. NEW PROJECTS :

The implementation of setting up of separate Divisions for S.S. Instrumentation Tubes and S.S. Seamless Heat Exchanger Tubes was taken up during the year under review.

These Divisions shall enable your company to exploit full potential of its manufacturing capacity for all three i.e. Welded, Seamless and Instrumentation pipes and Tubes segments of its product ranges. Your company will be able to serve the widest range of needs of a broad spectrum of industries, and also shall further enhance the competitive advantage of assuring fast deliveries to our customers.

Your company has paced implementation of these projects to synchronise the funds flow vis-a-vis working capital and project requirements.

The Directors assure you of the benefits of these investments in qualitative terms of better competitive advantages during the current year.

7. AMALGAMATION :

The shareholders of the Company are aware that the Company has filed a petition with the High Court of Gujarat for amalgamating two Group companies Viz. Ratnamani Engineering Ltd. and Ratnamani Fine Tubes Pvt. Ltd., with our Company. In spite of our best efforts, the matter is still pending with the High Court of Gujarat for final Hearing.

8. DIRECTORS :

In accordance with the requirement of Companies Act, 1956 and Article 170 of the Articles of Association of the Company, Shri Jayantilal M. Sanghvi and Shri S. Solanki are liable to retire by rotation and being eligible offer themselves for re-appointment.

9. DEPOSITS :

Your Company has not invited or accepted any deposits from shareholders and Public during the year within the meaning of Section 58(a) of the Companies Act, 1956.

10. PARTICULARS OF EMPLOYEES :

A statement of particular of employees under the Companies (Particulars of Employees) Rules, 1975 as amended upto date required to be included in the Directors' Report pursuant to Section 217(2A) of the Companies Act, 1956 is attached herewith.

11. AUDITORS :

M/s. Mehta Lodha & Company, Chartered Accountants, retire but as they are eligible for re-appointment, your Directors recommend that they be re-appointed, as Auditors of the Company for the year 1997-98 at such remuneration as may be fixed by the shareholders.

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

The statement pursuant of Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of the Report.