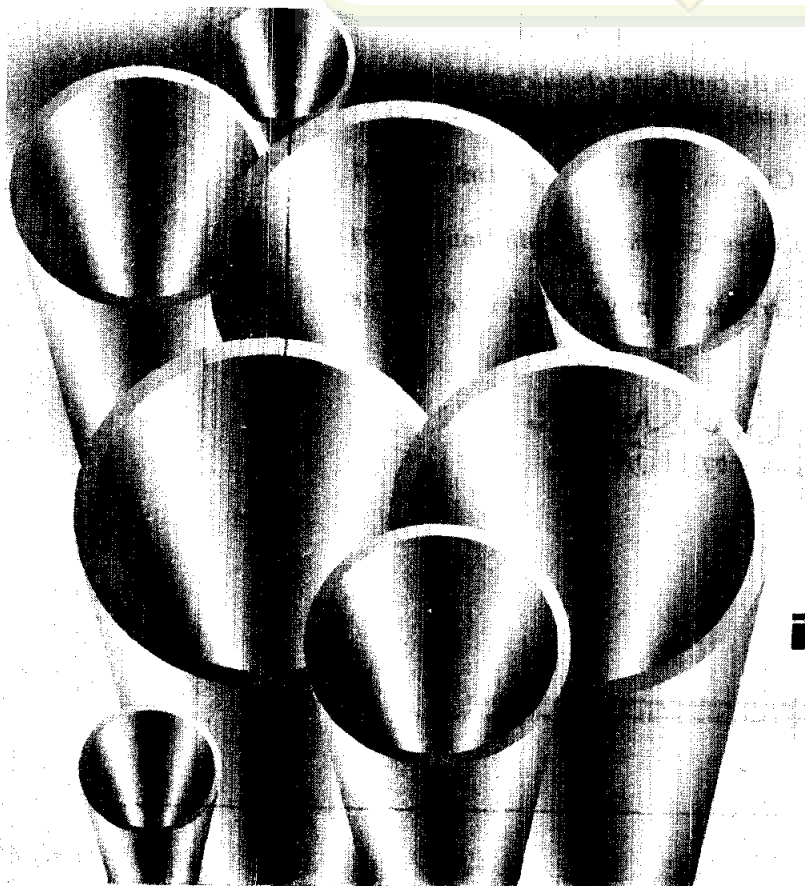


17th Annual Report 2000 - 2001



Report  junction.com



RATNAMANI
METALS & TUBES LIMITED



CERTIFICATE OF APPROVAL

This is to certify that the Quality Management System of:

Ratnamani Metals & Tubes Ltd.
17, Rajmugat Society,
Naranpura Char Rasta,
Ahmedabad - 380 013,
Gujarat, India.

has been approved by Lloyd's Register Quality Assurance
 to the following Quality Management System Standards:

BS EN ISO 9002 : 1994 IS / ISO 9002 : 1994

The Quality Management System is applicable to:

**Manufacture of welded stainless steel tubulars 4.7mm to
 1625mm outside diameter, seamless stainless steel tubulars
 4.7mm to 219mm outside diameter and carbon steel saw
 pipes 219mm to 2590mm outside diameter.**


This certificate is valid only in association with the certificate schedule bearing the same
 number on which the locations applicable to this approval are listed.

Approval
 Certificate No: I 60200

Original Approval: 24th January 2001

Current Certificate: 24th January 2001

Certificate Expiry: 31st December 2003


 Issued by: LRQA, India



This approval is issued only in accordance with the LRQA assessment and certification procedures and monitored by LRQA.
 The use of the UKAS Accreditation Mark indicates Accreditation in respect of those activities covered by the Accreditation Certificate Number 001
 001/001/001



RATNAMANI
METALS & TUBES LTD.
 AHMEDABAD

Board of Directors : **Shri Prakash M. Sanghvi** *Managing Director*
Shri Jayantilal M. Sanghvi *Whole-time Director*
Shri S. Solanki *Whole-time Director*
Shri D. C. Anjaria *Director*
Shri Shanti M. Sanghvi *Whole-time Director*
Dr. Vinodkumar M. Agrawal *Additional Director*
(Appointed on 31-03-2001)

Bankers : Dena Bank
 Punjab National Bank
 State Bank of India
 IDBI Bank Ltd

Auditors : **M/s. Mehta Lodha & Co.**
Chartered Accountants

Registered Office : 17, Rajmugat Society
 Naranpura Char Rasta
 Naranpura
 Ahmedabad - 380 013

Works : **STAINLESS STEEL TUBES AND PIPES DIVISION**
 Ahmedabad-Mehsana Highway
 Village - Indrad
 Nr. Chhatral GIDC
 Taluka - Kadi
 Dist. - Mehsana
 GUJARAT

: **SAW PIPE DIVISION**
 Plot No. 3306 to 3309
 GIDC - Chhatral
 Taluka - Kalol
 Dist. - Gandhinagar
 GUJARAT



NOTICE

NOTICE is hereby given that the SEVENTEENTH Annual General Meeting of the Members of **RATNAMANI METALS & TUBES LIMITED** will be held on SATURDAY, the 29th SEPTEMBER, 2001 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, 2001 and the Profit and 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. D.C. Anjaria who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. Ordinary Resolution :

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

"RESOLVED THAT Dr. Vinodkumar M. Agrawal who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and Article 148 of the Articles of Association of the Company by the Board of Directors and who holds office up to the date of ensuing Annual General Meeting and being eligible for re-appointment be and is hereby appointed as a Director of the Company liable to retire by rotation in terms of the provisions of Article 170 of the Articles of Association of the Company."

6. Special Resolution :

To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the Provisions of Section 309 and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to the payment of remuneration to the Directors (other than Managing Director and Whole-time Directors) by way of a commission not exceeding 1% (one per cent) of the net profit of the Company each year, calculated in accordance with provisions of the said Act, such commission being divisible amongst the Directors as aforesaid in such proportion, as the Board may determine, or failing such determination equally amongst them."

"AND RESOLVED FURTHER THAT this resolution shall be effective for a period of 5 (Five) years from the accounting year commencing from 1st April, 2001, provided that no commission shall be payable to any Director for

any of the 5 (five) years where the Company has no profit as computed under Section 198 (1) of the Companies Act, 1956."

Registered Office:

17, Rajmugat Society,
Naranpura Char Rasta
Ahmedabad 380013
29th June, 2001

By the Order of the
Board of Directors
V. C. BHAGAT
Company Secretary

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.
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, the 18th September, 2001 to Saturday 29th September, 2001 (Both days inclusive).
4. The Dividend, if declared will be made payable from 11th October, 2001 to 10th January, 2002.
 - (a) to those members whose names appear in the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Company before 18th September, 2001, and
 - (b) in respect of shares held in electronic form to those members whose names appear on the statements of beneficial owners furnished by NSDL and CDSL as at the end of the business hours on 17th September, 2001.
 - (c) Members are requested to note that the Dividend Warrants are payable at par at the Branches as printed overleaf of Dividend Warrants within the initial validity period of three months. Thereafter, Dividend Warrants on re-validation are payable on collection basis only at controlling branch at Ahmedabad. **The members are therefore advised to encash their Dividend Warrants within the initial validity period.**
5. Members are requested to notify immediately the change, if any, in their Registered Address to the Company's Registered Office.
6. Queries on "Account and Operations" of the Company if any, may please be sent to the Company ten days in advance of the Meeting so that the answers are readily available at the meeting.
7. Kindly quote your LF Number 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. The Company has already transferred unclaimed Dividend declared for the Financial Year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the Company's unpaid Dividend Rules, 1978.

In view of the recent amendments to the Companies Act, 1956 the details of the unpaid Dividend that are due for transfer to the Investor Education and Protection Fund set up by the Central Government are as follows:

Date of Declaration	For the Financial Year	Due for Transfer on
30.12.1996	1995-1996	09.02.2004
22.10.1997	1996-1997	02.12.2004
31.12.1998	1997-1998	11.02.2005
30.09.1999	1998-1999	12.11.2006
25.05.2000	1999-2000	06.07.2007

Members who have not encashed their Dividend Warrants may approach to the Company immediately for re-validation before the above due dates as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.

11. Securities and Exchange Board of India (SEBI) has made it compulsory to trade in your Company's equity shares in dematerialised form by all investors with effect from 26th March, 2001.

The shareholders are, therefore, advised to convert their shareholdings in demat form by opening a demat account with any of the depository participants, who acts as an agent of NSDL/CDSL.

The shareholders can continue to hold the shares in physical form, however, it would be necessary for them to first convert their shareholdings in demat form whenever they desire to sell the shares through Stock Exchanges.

12. Explanatory statement, as required under section 173(2) of the Companies Act, 1956 in respect of items 5, and 6 of the notice, is annexed here to.
13. Pursuant to the Corporate Governance Code, the particulars of Directors who are proposed to be appointed/re-appointed are given below:

1. Name : Divyabhash Chandrakant Anjaria
Age : 55
Qualification : MBA (Finance) from Indian Institute of Management - Ahmedabad.
Expertise : 20 years experience with Citibank N.A. : out of which 7 years in India and 13 years in Africa, Middle East and Europe. His experience covered Trade Finance, Treasury and Investment Banking and Financial Control Functions. After returning to India in 1989, Mr. Anjaria worked for Unit Trust of India, and served on Government Committees on Capital Market and Mutual Funds.
On behalf of Unit Trust of India Shri. Anjaria led a team of Indian Experts to advise the Government of Indonesia on their capital markets.
Mr. Anjaria was a prominent member of the L C Gupta committee on derivatives. He is a consultant on derivatives and risk management.

- Other : (1) International Financial Solutions Pvt. Ltd.
Directorship : (2) Nucleus Holdings Pvt. Ltd.
(3) Expo Gas Limited
(4) OTC Exchange of India Ltd.
(5) Eofel Net Limited
(6) UTI Securities Exchange Ltd.
(7) Indistock Securities Pvt. Ltd.

2. Name : Dr. Vinodkumar Mahavirprasad Agrawal
Age : 53
Qualification : MBBS
Expertise : Renowned doctor. In practice since last 30 years.
Other :
Directorship : —

ANNEXURE TO THE NOTICE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO.5 :

The Board of Directors in its meeting held on 31st March, 2001 appointed Dr. Vinodkumar M. Agrawal as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and Article 148 of the Articles of Association of the Company and therefore he holds the office up to the date of ensuing Annual General Meeting. The Company has received notice from the member together with requisite deposits, under Section 257 of the Companies Act, signifying his intention to propose Dr. Vinodkumar M. Agrawal as an Additional Director of the Company at the ensuing General Meeting. Shri Agrawal is a renowned doctor and in practice since last thirty years. The Board of Directors recommends his appointment.

None of the other Directors of the Company accepts Dr. V. M. Agrawal may be deemed to be concerned or interested in the resolution.

Item No. 6 :

In view of the changes made in the Companies Act, 1956, the Companies (Amendment) Act, 2000 and the Listing Agreement with the Stock Exchanges and the responsibilities imposed by the code of Corporate Governance, the involvement of the Directors in the affairs of the Company has increased considerably and they are now called upon to give more of their time and attention in connection with the operations of the Company as well as on legal and financial matters. This practice of payment of remuneration to Non-Executive Directors has been adopted by many leading companies in India. It is therefore, proposed to pass the resolution at item number 6 enabling the Company to make payment of remuneration in the form of commission to Non-Executive Directors subject to a maximum 1% (one per cent) in a Financial year. The quantum of remuneration payable to each of the Non-Executive Director will be decided by the Board of Directors. The existing Articles of Association of the Company allow payment of commission to Non-Executive Directors. This is only an enabling resolution. The Non-Executive Directors of the company may be deemed to be interested in this resolution to the extent they receive/will be entitled to receive their respective commissions.

Registered Office:
17, Rajmugat Society,
Naranpura Char Rasta
Ahmedabad 380013
29th June, 2001

By the Order of the
Board of Directors
V. C. BHAGAT
Company Secretary



DIRECTORS' REPORT

To,
The Members

The Board of Directors have pleasure in presenting the SEVENTEENTH Annual Report with Audited Accounts of the Company for the year ended 31st March, 2001.

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	2000-2001	1999-00
Sales and Other Income	8671.29	5545.18
Profit before Depreciation and tax	596.25	519.95
Less : Depreciation	288.67	258.02
Profit before tax	307.58	261.93
Less : Provision for Taxation	72.28	51.00
Profit after Tax	235.30	210.93
Add : Balance brought forward from previous year	279.88	241.15
Amount available for appropriation	515.18	452.08
Appropriations :		
General Reserve	116.66	97.39
Proposed Dividend	67.40	67.40
Dividend Tax	6.87	7.41
Balance carried to Balance-Sheet	324.25	279.88
TOTAL	515.18	452.08

2. DIVIDEND :

Your Directors are pleased to recommend for the payment of Dividend of Rs.1/- per equity share payable on 67,39,933 Equity Shares of the Company. This will absorb Rs. 74.27/- lac including Dividend Tax.

3. REVIEW OF OPERATIONS :

Overall production in terms of tonnage during the year under review was substantially higher but the margins decreased because of fierce competition resulting in marginal increase in the Net profit for the year under review. The company has been able to penetrate the overseas market for Instrumentation Tubes. It has been planned to increase the export of this product.

4. FUTURE OUTLOOK :

The stagnation in the industries like Fertilizers, Petrochemicals, Sugar, Food Processing, Dairy etc. has resulted in a sharp drop in demand for the Company's products. This has increased competitive pressures on manufacturers, which are likely to be more intense during the current year both from indigenous sources as well as from the cheap imports. Moreover, in view of unstable political atmosphere, the entrepreneurs of new projects in the core segments of Company's products are not very active in implementing them. The general Economic and

Industrial growth rate is likely to continue to be low during the year 2001-2002.

Despite such a difficult environment, due to continued emphasis on improved quality and promised deliveries with competitive pricing, your Company would be able to tide over the present sluggish situation. Your Directors therefore, foresee reasonable levels of operations during the current year, by balancing the volume of production vis-à-vis margins.

Stainless Steel Tubes and Pipes Division :

The Company's products have earned excellent brand equity both in domestic and export markets and our customers have confirmed the excellent quality of our products supplied to them. Necessary steps have been initiated to enhance the market share by further improving the manufacturing and inspection facilities in the company to ensure quality and delivery schedules.

Your Company is in the process of getting approval for supplies to power plants to meet their future requirements of new projects. There is likelihood of surge in demand of your Company's products in overseas market as well. This would enable the Company to achieve satisfactory sales turnover during the current year.

SAW Pipe Division :

The operation of mobile site unit continues to be a major contributor during the year and would play a vital role for the next few years. We are hopeful to receive substantial orders for the supply of large diameter pipes in this water pipe line segment.

Our supplies of comparatively high valued pipes as per API and ASTM standards continued to the valued customers. In order to add more value to our products during the current year, we have planned to develop capability of tape coating and cement mortar gunning on pipes.

5. ISO 9002:1994 :

Your Company is now accredited with BSEN ISO 9002:1994 – a prestigious certification which is an essential requirement for export market. This also confirms that your Company's Quality Management Systems conform to the International Standards.

6. API MONOGRAM :

The license for using API Monogram for API 5L products was renewed during the year under review. The Company has also been issued license for using the API Monogram for API 2B products.

**7. DIRECTORS :**

In accordance with the requirement of the Companies Act, 1956 and Article 170 of the Articles of Association of the Company, Shri. D.C. Anjaria is liable to retire by rotation and being eligible offers himself for re-appointment.

During the year under review, Dr. Vinodkumar M. Agrawal was appointed as an Additional Director of the Company with effect from 31st March, 2001 and he will hold office up to the date of ensuing Annual General Meeting of the Company.

8. TRADING OF COMPANY'S SHARES IN DEMATERIALIZED FORM :

The shares of your Company have now been included in the list for compulsory trading in dematerialized form by all the investors effective from 26th March, 2001.

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

The statement pursuant to Section 217(1)(e) 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 'A' forming part of the Report.

11. PARTICULARS OF EMPLOYEES :

A statement of particulars 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 as Annexure 'B'.

12. 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 statutory Auditors of the Company until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Members.

13. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956 :

The Directors hereby confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed, and proper explanation given relating to material departures;
- (ii) that the directors have selected such accounting policies and applied them consistently and made judgments 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 profits of the company for that period;
- (iii) that the directors have 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 have prepared the annual accounts on a going concern basis.

14. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

The Corporate Governance Code prescribed by Clause 49 of the Listing Agreement with the Stock Exchanges would be applicable to your Company from the Financial Year 2001-2002 requiring its implementation by 31st March, 2002. The company has already started the process and would complete the same within time schedule.

Corporate Governance and Management Discussion and Analysis Reports are set out as separate Annexure "C".

15. ACKNOWLEDGMENTS :

The Directors hereby place on record their commendation of the valuable contribution by the employees. The Directors also express their gratitude to the Shareholders, Customers, Suppliers, Banks, Financial Institutions, and the Central and State Governments for their unwavering support to the Company.

For and on behalf of the Board of Directors

Ahmedabad
29th June, 2001

PRAKASH M. SANGHVI
Chairman


ANNEXURE 'A' TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31.3.2001
ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.
(A) CONSERVATION OF ENERGY :

- | | |
|---|--|
| (a) Energy conservation measures taken. | Our being Low energy intensive industry, no specific measures for energy conservation are required and hence information is NIL. |
| (b) Additional investment. | |
| (c) Impact of measures at (a) and (b) above. | |
| (d) Total energy consumption as per Form "A". | |

(B) TECHNOLOGY ABSORPTION

- (e) Efforts made in technology absorption as per Form B. Form B enclosed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- (f) Activities relating to exports :
Your company could increase export upto 72% in comparison to the previous year.
- (g) Total foreign exchange earnings used and earned.

Total Foreign exchange earnings Rs. 919 Lacs

Total Foreign exchange outgo Rs. 796 Lacs

FORM - B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)

- Specific areas in which R&D is carried out :
The Technology from outside for research has not been acquired in the past, hence not applicable. However, the Company has constantly monitored energy conservation systems and carried out the operations by avoiding wastage to achieve the quality improvement and pollution control.
- Benefits derived :
Due to the above the Company carried out its operations efficiently and with optimum conservation of energy.
- Future plan of action :
The Company would continue research and development work to improve the systems.
- Estimated expenditure on R&D :
No separate records of expenditure is being maintained.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.

- | | |
|---|--|
| <ol style="list-style-type: none"> Efforts in brief Benefits derived as a result of above In case of imported technology following information may be furnished. <ol style="list-style-type: none"> Technology Imported Year of Import. Has Technology been fully absorbed If not fully absorbed, areas where this has not been place, reasons thereof and future plan of action. | No technology has been acquired from import in the past, and hence not applicable. |
|---|--|

For and on behalf of the Board of Directors

Ahmedabad
29th June, 2001

PRAKASH M. SANGHVI
Chairman

ANNEXURE 'B' TO DIRECTORS' REPORT

Information as per Provision of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Name	Age Yrs	Qualifications	Date of Employment	Designation/ Nature of duties	Remuneration (Rs. in Lac)	Experience Years	Last employment held
Shri Prakash M. Sanghvi	45	Matriculation	12.6.89	Managing Director	10.86	24	Director Ratnamani Tube Ind. Ltd.
Shri Jayantilal M. Sanghvi	43	1st B.Com.	12.6.89	Whole-time Director	10.11	21	Director Ratnamani Tube Ind. Ltd.

NOTES :

- Remuneration includes Salary, Company's contribution to Provident and superannuation funds, taxable value of perquisites and commission wherever applicable.
- Shri Prakash M. Sanghvi and Shri Jayantilal M. Sanghvi are related to each other and both are related to Shri Shanti M. Sanghvi, Director of the Company.

For and on behalf of the Board of Directors

Ahmedabad
29th June, 2001

PRAKASH M. SANGHVI
Chairman