

28th Annual Report
2002 - 2003



RATNAM
METALS & TUBES LIMITED





RATNAMANI
METALS & TUBES LTD.
AHMEDABAD

Board of Directors : **Shri S. Solanki** *Chairman*
Shri Prakash M. Sanghvi *Managing Director*
Shri Jayantilal M. Sanghvi *Whole-time Director*
Shri Shanti M. Sanghvi *Director (Marketing)*
Shri D.C. Anjarla *Director*
Dr. Vinodkumar M. Agarwal *Director*

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

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. - Gandhinagar
GUJARAT

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



NOTICE

NOTICE is hereby given that the EIGHTEENTH Annual General Meeting of the Members of **RATNAMANI METALS & TUBES LIMITED** will be held on MONDAY, the 30th SEPTEMBER, 2002 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, 2002 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. S. Solanki who retires by rotation and being eligible offers himself for re-appointment.
3. 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

4. Ordinary Resolution

To consider and if thought fit, to pass with or without modification/s the following resolution as a Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, consent of the Company be and is hereby accorded to the appointment of Shri. Shanti M. Sanghvi as Whole-time Director of the Company w.e.f. 1-11-2001 for a period of one year."

"RESOLVED FURTHER THAT terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

1. **Salary** : Rs. 25,000/- per month (Rupees Twenty Five Thousand only).
2. **Commission** : Commission subject to the provisions of sections 198 and 309 of the Companies Act, 1956 shall be on percentage of the Net Profits and such amount as Board of Directors of the Company may determine, keeping in view the performance of the Company in the financial year.
3. **Perquisites** : Perquisites would be as agreed to by the Board of Directors and the Whole-time Director subject to a ceiling of Rs.3,00,000/- per annum (Rupees Three Lac only Per annum).
4. Salary and Perquisites mentioned above at item No. 1, 2 and 3 will be exclusive of :
 - (a) **Provident Fund** : Contribution of Provident Fund, Superannuation Fund, Annuity fund to the extent the same are not taxable under the Income Tax Act.
 - (b) **Gratuity** : Gratuity not exceeding half month's salary for each completed years of service.
 - (c) **Encashment of Leave** : Leave unavailed of to be allowed to be encashed as per rules of the Company.
5. **Car and Telephone** : Provision of car with driver for use of Company's business and telephone at residence but personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.
6. The Whole-time Director shall be liable to retire by rotation.
7. The appointee shall not be entitled to receive any sitting fees for attending the Meeting of the Board of Directors or Committee thereof.

"RESOLVED FURTHER THAT in case of no profits or inadequacy of Profits, in the financial year the appointee shall be entitled to receive the above salary and perquisites as minimum remuneration".

5. Ordinary Resolution

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, consent of the Company be and is hereby accorded to the appointment of Shri. S. Solanki as Whole-time Director of the Company w.e.f. 1-11-2001 to 22.03.2002."

"RESOLVED FURTHER THAT terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

1. **Salary** : Rs. 25,000/- per month (Rupees Twenty Five Thousand only).
 2. **Commission** : Commission subject to the provisions of sections 198 and 309 of the Companies Act, 1956 shall be on percentage of the Net Profits and such amount as Board of Directors of the Company may determine, keeping in view the performance of the Company in the financial year.
 3. **Perquisites** : Perquisites would be as agreed to by the Board of Directors and the Whole-time Director subject to a ceiling of Rs.3,00,000/- per annum (Rupees Three Lac only Per annum).
 4. Salary and Perquisites mentioned above at item No. 1, 2 and 3 will be exclusive of :
 - (a) **Provident Fund** : Contribution of Provident Fund, Superannuation Fund, Annuity fund to the extent the same are not taxable under the Income Tax Act.
 - (b) **Gratuity** : Gratuity not exceeding half month's salary for each completed years of service.
 - (c) **Encashment of Leave** : Leave unavailed of to be allowed to be encashed as per rules of the Company.
 5. **Car and Telephone** : Provision of car with driver for use of Company's business and telephone at residence but personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.
 6. The Whole-time Director shall be liable to retire by rotation.
 7. The appointee shall not be entitled to receive any sitting fees for attending the Meeting of the Board of Directors or Committee thereof.
- "RESOLVED FURTHER THAT in case of no profits or inadequacy of Profits, in the financial year the appointee shall be entitled to receive the above salary and perquisites as minimum remuneration"
- #### 6. Special Resolution:
- To consider and if thought fit, to pass with or without modification/s the following resolution as a Special Resolution: RESOLVED THAT pursuant to Section 192A of the Companies Act, 1956, the Articles of Association of the Company be altered by adding new Article No. 114C as under:
- "Heading of the Article : Passing of resolution by postal ballot: 114C Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing a resolution by the members of the Company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters:



Instead of transacting such business in a general meeting of the Company :

- any business that can be transacted by the Company in general meeting ; and
- particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/or other ways prescribed by the Central Government in this regard."

Registered Office:
17, Rajmugat Society,
Naranpura Char Rasta
Ahmedabad 380013
24th June, 2002

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 Registrar of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 17th September, 2002 to Saturday 28th September, 2002. (Both days inclusive).
4. Members are requested to notify immediately the change, if any, in their Registered Address to the Company's Registered Office.
5. 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.
6. Kindly quote your LF Number in all your future correspondence.
7. Members are requested to bring their copy of the Annual Reports to the Annual General Meeting of the Company.
8. 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.
9. 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
29.09.2001	2001-2002	11.11.2008

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.

10. 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.

11. Explanatory statement, as required under section 173(2) of the Companies Act, 1956 in respect of items 4, 5 and 6 of the notice, is annexed here to.
12. Pursuant to the Corporate Governance Code, the particulars of Director who is proposed to be re-appointed are given below:

Name : S. Solanki
Age : 69 years
Qualification : B Sc. (Metallurgical Engineering) from Banaras Hindu University in 1956.
Dt. of Appoint. : 27.09.1994
Experience & Expertise : 41 years in different capacities as Manager, General Manager and Director in Industries such as Hindustan Steel Limited, Hindustan Copper Limited, Hindustan Zinc Limited etc. He has visited various countries such as West Germany, Poland, Finland, Belgium, Japan etc. in connection with Technology updating and absorption. He also visited USA, Canada, Australia and Japan for selection of Technology for Copper Smelter Project of Indo-Gulf Fertilizers & Chemicals, New Delhi.
Other Directorship : Ratnamani Techno Casts Limited
Shareholding in the Company : 50 Shares
Relationship with other Directors of the Company : None

ANNEXURE TO THE NOTICE

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

ITEM NO. 4:

The Shareholders of the company in their meeting held on 31st December, 1998, appointed Shri. Shanti M Sanghvi as Whole-time Director with effect from 1st November, 1998 for a period of three years which expired on 31st October, 2001. The Board of Directors in their meeting held on 31st October, 2001 re-appointed Shri. Shanti M Sanghvi as Whole-time Director with effect from 1st November, 2001 for a period of one year, subject to the approval of the members of the Company in the General Meeting.

Shri. Shanti M Sanghvi, is responsible for co-ordinating support service between the customers and central marketing division of the company as well as finalising offers with customers in the country. Mr. Sanghvi is based in Mumbai and closely associated with metal market. He also ensures effective after-sales services to the customers. He is also looking after maintaining the Administrative work of the Company's Branch office at Mumbai.



During the last four years Shri. Shanti M Sanghvi was paid remuneration as shown below:

Year	Salary (Rs.)	Commis- sion (Rs.)	Perqui- sites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
1998-1999	1,80,500	-	-	21,600	2,02,100
1999-2000	2,40,000	-	-	28,800	2,68,800
2000-2001	2,40,000	-	-	52,800	2,92,800
2001-2002	2,65,000	-	-	61,800	3,26,800

His present term of appointment and remuneration is mentioned in resolution No. 4. Considering the experience, qualification and present services of Shri. Shanti M Sanghvi, the Board is of the opinion that it would be appropriate to re-appoint him as Whole-time Director for a further period of one year.

Other particulars of Shri. Shanti M. Sanghvi are as under:

Age	: 37 years
Qualification	: Undergraduate
Dt. of Appoint.	: 31/10/1998. He was also a Director on the Board of erstwhile Ratnamani Engineering Limited with effect from 27th September, 1988. He also worked as a Whole-time Director on the Board of erstwhile Ratnamani Fine Tubes Pvt. Limited.
Other Directorship	: Nil
Shareholding in the Company	: 1,44,182 Shares
Relationship with other Directors of the Company	: Shri. Shanti M. Sanghvi is the brother of Shri. Prakash M. Sanghvi Managing Director and Shri. Jayanti M. Sanghvi, Whole-time Director.

The Board of Directors recommends his re-appointment.

Shri. Shanti M. Sanghvi is concerned or interested in the said Resolution as it relates to his own appointment as Director (Marketing) and the payment of remuneration to him.

Shri. Prakash M. Sanghvi, Managing Director and Shri. Jayantilal M. Sanghvi, Whole-time Director of the Company are also concerned or interested in the said Resolution as they are relatives of Shri. Shanti M. Sanghvi.

The terms of appointment as mentioned in resolution No. 4 may be treated as an abstract of the terms of his appointment as required under section 302 of the Companies Act, 1956.

ITEM NO. 5:

Shri. S. Solanki, was appointed as Director on our Board with effect from 27th September, 1994. The Shareholders of the company in their meeting held on 31st December, 1998, appointed Shri. S. Solanki as Whole-time Director with effect from 1st November, 1998 for a period of three years which expired on 31st October, 2001. The Board of Directors in their meeting held on 31st October, 2001 re-appointed Shri. S. Solanki as Whole-time Director with effect from 1st November, 2001 for a period of one year, subject to the approval of the members of the Company in the General Meeting. However, on health ground, Shri. S. Solanki retired as Whole-time Director with effect from 22nd March, 2002 which was approved by the Board of Directors in their meeting held on 23rd March, 2002.

Shri. S. Solanki, born in 1932, has obtained B.Sc. (Metallurgical Engineering) from Banaras Hindu University in 1956. He has to his credit long Industrial experience of 41 years in different

capacities as Manager, General Manager and Director in Industries such as Hindustan Steel Limited, Hindustan Copper Limited, Hindustan Zinc Limited etc. He has visited various countries such as West Germany, Poland, Finland, Belgium, and Japan in connection with the technology updating and absorption.

During the last four years Shri. S. Solanki was paid remuneration as shown below:

Year	Salary (Rs.)	Commis- sion (Rs.)	Perqui- sites (Rs.)	Retirement Benefits (Rs.)	Total (Rs.)
1998-1999	2,51,000	-	-	30,120	2,81,120
1999-2000	3,00,000	-	-	60,000	3,60,000
2000-2001	3,00,000	-	-	90,000	3,90,000
2001-2002	2,92,742	-	-	90,000	3,82,742

His present term of appointment and remuneration is mentioned in resolution No. 5. Considering the experience, qualification and present services of Shri. S. Solanki, the Board is of the opinion that it would be appropriate to re-appoint him as Whole-time Director for a further period as mentioned in the resolution.

Other Directorship: Shri. S. Solanki is a Director in Ratnamani Techno Casts Limited.

The Board of Directors recommends his re-appointment.

None of the Directors except Shri. S. Solanki is concerned or interested in the resolution.

The terms of appointment as mentioned in resolution No. 5 may be treated as an abstract of the terms of his appointment as required under section 302 of the Companies Act, 1956.

ITEM NO. 6:

New Section 192A of the Companies Act, 1956, was inserted by the Companies (amendment) Act, 2000 which came into force with effect from 13th December, 2000. Provisions of this new section give to all listed Companies an option of passing shareholders resolution through postal ballot. All listed Companies are further required to get such business as notified by the Central Government vide notification No. GSR337(E) dated 10th May, 2001 to be passed only through postal ballot.

The Companies (passing of the resolution by postal ballot) rules 2001, which were notified on 10th May, 2001, gives transactions to be transacted through postal ballot. A notification was published on 15th June, 2001, indicating the date from which the provisions to section 192A shall come into force. Accordingly in this present scenario, it is felt that shareholders should be given a right to vote on certain important matters through a postal ballot system.

In view of the above, it is advisable to amend, and add article 114C at appropriate place, in the present Articles of Association, the article for "passing a resolution by postal ballot". The Board of Directors recommends for its adoption.

A copy of Articles of Association is available for inspection by the members at the Registered Office of the Company in working days between 11.00 A.M. to 1.00 P.M.

None of the Directors of the Company is concerned or interested in the resolution.

Registered Office:
17, Rajmugat Society,
Naranpura Char Rasta
Ahmedabad 380013
24th June, 2002

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 EIGHTEENTH Annual Report with Audited Accounts of the Company for the year ended 31st March, 2002.

1. FINANCIAL RESULTS :

	(Rs. in lacs)	
	2001-2002	2000-01
Sales and Other Income	8005.79	8671.29
Profit before Depreciation and tax	616.58	596.25
Less : Depreciation	314.00	288.67
Profit before tax	302.58	307.58
Less : Provision for Taxation	62.13	72.28
Deferred Tax Liability	41.42	—
Profit after Tax	199.03	235.30
Add : Balance brought forward from previous year	324.25	279.88
Amount available for appropriation	523.28	515.18
Appropriations :		
General Reserve	100.00	116.66
Proposed Dividend	—	67.40
Dividend Tax	—	6.87
Balance carried to Balance-Sheet	423.28	324.25
TOTAL	523.28	515.18

2. DIVIDEND:

The Board of Directors have not recommended payment of dividend for the year under review.

3. REVIEW OF OPERATIONS:

Your Company was able to maintain nearly the same level of performance during the year under review, inspite of steep slump in the Industrial Growth. This in turn, has led to fierce competition eroding the margin considerably.

Due to earthquake last year, the Gujarat Government came under heavy pressure for want of financial resources resulting in slow implementation of Water Pipeline Projects of Gujarat Water Supply and Sewerage Board (GWSSB). The adverse situation is likely to continue during the current financial year as well.

Your Company has fared well on the Export front and has earned reasonable foreign exchange. In the beginning of the current financial year, the Order Book position was comfortable for export of Stainless Steel Tubes. We are also making efforts for export of SAW Pipes to the overseas markets.

4 FUTURE OUTLOOK:

Though your Company has managed to record satisfactory growth during the year under review, things have not been too rosy. The attack on WTC and the slowdown in the economy in the major part of the year are main reasons contributory to the sluggish performance. However, it needs to be mentioned that one of the schemes of the Central and State Government is to accelerate power development reform programs where pipes & tubes are required in substantial quantity. Your Directors therefore foresee reasonable level of operations during the current financial year.

Stainless Steel Tubes and Pipes Division:

During the year under report, the Company has consolidated its position in two major sectors such as Piping Sector and Automobile Sector. Necessary groundwork has been completed so as to get substantial orders in the current financial year from both these sectors. Our manufacturing facilities have been approved by NTPC for supply of L.P. Heaters and Condensers for 500 MW power plants. We also expect to receive approval for the supply of H.P. Heaters. This would generate good demand in the years to come, as these are value-added products.

There is substantial requirement of general piping for various projects of Nuclear Power Corporations where we have made a major break-through for getting large orders. Since there is shortage of power in the country, NPCL is expected to play major role in putting up power plants of high capacity where large quantities of Stainless Steel Seamless and Welded Pipes & Tubes are required. However, due to deferment of numerous new projects, the industrial growth shows downward trend.

SAW Pipe Division:

The major operation of mobile plant was continued at Morbi site of ESSAR Projects Limited for NC 7 & 12 Project of Gujarat Water Supply and Sewerage Board (GWSSB) and we have completed fabrication and external gunnitting of substantial quantity of SAW Pipes. Since we are able to implement mobile plant concept successfully, we have started looking for such projects in other parts of the country also.

5 ISO 9002:1994

Your Company has already been awarded BSEN ISO 9002:1994, a prestigious certification. This puts your Company at par with other International Companies in respect of globally accepted Quality Management Systems.

**6 AD 2000 - MERKBLATT W 0:**

Your Company has received AD 2000 - Merkblatt W 0 Certificate issued by TUV Germany, whereby the marketability of S. S. tubular products is expected to increase, particularly for exports to Germany and other European countries.

7. DIRECTORS:

During the year Shri. S. Solanki retired as Whole-time Director of the Company. Shri. S. Solanki, however, continues as Director of the Company. The Board of Directors of the Company appointed him as Chairman of the Board.

The Board places on record its deep sense of appreciation for the valuable services rendered by Shri. S. Solanki during his tenure as Whole-time Director.

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

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 dematerialised 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:

The 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 are nil.

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, alongwith proper explanation 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 items to be included in the Corporate Governance report prescribed under Clause 49 of the Listing Agreement with Stock Exchanges are as per Annexure 'B'.

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
24th June, 2002

S. SOLANKI
Chairman


ANNEXURE 'A' TO THE DIRECTORS REPORT FOR THE YEAR ENDED 31.3.2002
ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956.
(A) CONSERVATION OF ENERGY :

- | | |
|--|--|
| (a) Energy conservation measures taken. | Absorbed Inverter Based Power Source for TIG Welding Process on Tube Mills |
| (b) Additional investment | Rs. 15,00,000/- |
| (c) Impact of measures at (a) and (b) above | Approximate 65% Saving as compared to previous power source. |
| (d) Total energy consumption as per Form "A" | Not applicable |

(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 export 350 MTs of Pipes and Tubes to France, Germany, Korea, U.K., U.S.A. and U.A.E. etc.
- (g) Total foreign exchange earnings used and earned.
- | | |
|---------------------------------|---------------|
| Total Foreign exchange earnings | Rs. 824 Lacs |
| Total Foreign exchange outgo | Rs. 1062 Lacs |

FORM - B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH AND DEVELOPMENT (R&D)
1. 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.

2. Benefits derived :

Due to the above, the Company carried out its operations efficiently and with optimum conservation of energy.

3. Future plan of action :

The Company would continue research and development work to improve the systems.

4. Estimated expenditure on R&D :

No separate records of expenditure is being maintained.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION.
(1) Efforts in brief :

Introduced new Inverter Based Power Source for TIG Welding Process on Tube Mills

(2) Benefits derived as a result of above :

Better Quality & Consistency during continuous TIG Welding.

(3) In case of imported technology following information may be furnished.
(a) Technology Imported
(b) Year of Import.
(c) Has Technology been fully absorbed
(d) If not fully absorbed, areas where this has not been placed, reasons thereof and future plan of action.

No technology has been acquired from import in the past, and hence not applicable.

(D) INFORMATION ON POLLUTION CONTROL MEASURES FORMING PART OF DIRECTORS' REPORT

Your Company on an on going basis is monitoring and maintaining environment and pollution control parameters at its plant site. The Company is maintaining proper effluent treatment plant and the clean water coming out from it is used for plantation of trees. The Company is also regularly monitoring with the Gujarat Pollution Control Board Authorities.

For and on behalf of the Board of Directors

Ahmedabad
24th June, 2002

S. SOLANKI
Chairman