

23rd ANNUAL REPORT



2006-2007




RATNAMANI
METALS & TUBES LTD.

...a saga of success with a vision



“**EXCEL IN WHATEVER YOU DO**”

*This simple idea put us
in a benchmark position
when it comes to
customer's satisfaction.*

*Add to this
the elements of
reasonable pricing
followed by
dependable commitments.*

*What comes out is
our time tested
corporate philosophy.*

Prosperity through Performance



Financial highlights

+79%

Turnover Rs. 571 crores

+114%

Pre-tax profit Rs. 101 crores

+91%

Net Profit for the year Rs. 64 crores

+91%

Earnings Per Share Rs. 71/-

+100%

**Increase in dividend for the year
(Recommended Dividend of
Rs. 5/- per share)**



23rd Annual General Meeting

Notice for the 23rd Annual General Meeting of the members of the Company to be held on **Friday, 7th September 2007** at **10:00 a.m.** at the Conference Hall of **"The Ahmedabad Textile Mills Association"**, Ashram Road, Ahmedabad is sent herewith Separately.

CONTENTS

- 02 Chairman's Statement
- 04 Corporate Information
- 06 Board of Directors
- 08 Key Persons
- 09 Vision & Mission Statement
- 10 Company Profile
- 12 Applications
- 14 Landmarks
- 16 Performance at a Glance
- 17 Financial Highlights
- 18 Directors' Report
- 22 Annexure 'A' - Management Discussions & Analysis
- 24 Annexure 'B' - Additional Information
- 26 Annexure 'C'
- 27 Annexure 'D' - Corporate Governance Report
- 36 Annexure 'E' - ESOPs
- 38 Certificate
- 39 Auditor's Report
- 42 Balance Sheet
- 43 Profit & Loss Account
- 44 Schedules to the Accounts
- 56 Cash Flow Statement
- 57 Balance Sheet Abstract



“Accepting challenges & earning customers' satisfaction has been the hallmark of Ratnamani”

Dear shareholders,

I am very pleased to share with you that year 2006-07 has been an excellent year for our company in many respects. Financially, we recorded the best year ever in the company's history.

However, besides the various improvement initiatives taken by the company, there are many ways to measure what we, at RATNAMANI, have achieved so far. There are also a few tangible as well as intangible ways to look at what we have done to achieve all this.

The assets - physical as well as human - that we have created and selected and the profits that we have made could be one of the ways to measure our Company's performance. However, when we proclaim proudly that our products have been, globally as well as within India, approved by major players in the Refinery and Petrochemical sectors, in Oil and Gas, by EPC Contractors and Consultants and fabricators, it means we have come of age. We are in competition with the companies that are much bigger and older than us, thus bringing value to 'Made in India' tag. This could yet be another way to evaluate our performance.

The contribution of our products in creating world-class manufacturing facilities, in bringing light in the lives of our citizens and the resultant prosperity that we bring into many households because of this are some of the other ways to evaluate us.

Today, RATNAMANI is a market leader in Stainless Steel Welded Tubes and Pipes and Stainless Steel Seamless Tubes in the country. We have been the innovators in certain products and import substitute manufacturers. We are committed to maintain our leadership position by consolidating and building further onto our qualities, capacities and market reach.

It has been our endeavor to emerge as a single point source for all types of tubes and pipes required in any industry. Over a period of time, we have added more products in our portfolio and expanded the range in both Stainless Steel as well as Carbon Steel. Today, we have a product range that begins at 1/4 inch and goes up to 135 inches in diameter.

Our new manufacturing facility at Kutch has stabilized in production and we now look forward to optimum capacity utilization and greater market penetration in the

coming years. We are confident that the facility, which has some of the state-of-the-art production facilities, coupled with right type of product mix would help RATNAMANI emerge as a very strong player in Carbon Steel Pipes as well, while further consolidating its leadership position in Stainless Steel Tubes & Pipes.

Success is not just about doing different things all the time but doing things differently most of the time. At RATNAMANI, our endeavour has been a continuous search for excellence; to explore what we with our team can achieve and how far we can travel in our quest for the ultimate excellence.

We are all living in an exciting time. The only thing constant is change. Change is always exiting. The development of India since Independence and thereafter, especially at the turn of the century, has been stupendous in the social and economic sphere. The rising confidence in the Indian middle class and the business class is worth mentioning. India is transforming from a developing Nation to a developed economic power. It is this assured collective confidence that is now inspiring Indian entrepreneurship. This has turn our dream of 'Indian Multinational' into a reality.

The pipes and tubes industry is definitely not untouched by this change. We all have been hearing of companies establishing plants outside India, exclusively to serve the international market. The industry is aware of the

market potential available today and also in the years to come and is gearing up to exploit and maximise these opportunities to its advantage.

RATNAMANI is no exception. In the past 24 years, since we began our journey, we have made good progress and yet we have miles to go. At RATNAMANI, the growth has been steady as is evident by its performance particularly in the last few years. And today, as a one-stop pipe solution Company, with a very strong presence in the niche application segment in Stainless Steel as well as Carbon Steel, we have the right business model to progress further. This is going to help in sustainable growth for the years to come.

In our quest towards continuous growth and adding value to the 'Made in India' label consistently, we would require support of all our esteemed stakeholders including Bankers, Government Authorities, our Customers, our Suppliers and of course our very own employees.

The unflinching support and trust of all our stakeholders has helped us reach where we are and we are confident that their faith in us would motivate us further to strive harder in reaching towards even higher goals.

Prakash M. Shanghvi
Chairman





Board of Directors : Shri P. M. Sanghvi Chairman & Managing Director
 Shri J. M. Sanghvi Whole-time Director
 Shri S. M. Sanghvi Whole-time Director
 Shri D.C. Anjaria Director
 Dr. V. M. Agrawal Director
 Shri P. M. Mehta Director

Bankers : State Bank of India | Dena Bank | Punjab National Bank | IDBI Bank
 ICICI 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 PIPES DIVISION
 Plot No. 3306 to 3309
 GIDC - Chhatral, Taluka - Kalol
 Dist. : Gandhinagar,
 GUJARAT.

KUTCH DIVISION
 Survey No. 474,
 Village - Bhimasar
 Taluka - Anjar,
 Dist. : Kutch,
 GUJARAT.



We work with
GREEN POWER

“ The Company continues
 to meet its
 100% power
 requirement through

'Green Energy Generation'
 and contributes in a
 small way to a

GREENER
 &
CLEANER EARTH.”



THE DRIVING FORCE...

“ DREAMING alone is only a dream...
...dreaming with others is the beginning of REALITY ”



Mr Prakash M. Sanghvi

An entrepreneur with an excellent business insight and rich business experience in the metal industry. He leads the core team driving the company's growth.

Mr Jayanti M. Sanghvi

An entrepreneur with administrative & organisational skills. As one of the key member of the core team he has been instrumental in evolving the organisational structure.

Mr Shanti M. Shanghvi

An expert in marketing and PR, he develops marketing strategies. Based at Mumbai, he takes care of marketing activities and customer related issues.

Mr Divyabhash C. Anjaria

An alumni of IIM, Ahmedabad and an ex-Banker with international experience in corporate finance & capital markets, he is an independent Director on the Board of the company.

Dr Vinod M. Agarwal

He is an independent Director on the Board of the Company with soft business skills.

Mr Pravinchandra M. Mehta

An Engineering Graduate and a technocrat with extensive experience in industrial engineering and processes. Also a former VP and Board Member of L & T Ltd., he is an independent Director on the Board of the Company.



Vision & Mission

“We look at the Steel Tube & Pipe industry in a different way, giving it altogether a different dimension. 'Innovations' can we say! This in a nutshell best describes the corporate vision of **Ratnamani**.”

Ratnamani's mission is to gear up its infrastructure to meet the requirements of the core sector industries.

Ratnamani aims to attain paramount market position for its distinguished products.

At **Ratnamani** we shall continuously endeavour to seek challenges of meeting the requirements of our customers, by acquiring and deploying modern technologies, development of human resources & processes.

Ratnamani is dedicated to create enhanced value for its stakeholders.





Since its inception in 1985, accepting challenges and ensuring customer delight has been the hallmark of Ratnamani. In just 22 years, Ratnamani has grown to become a multi-product, multi location public limited company providing total piping solutions to a diverse range of industries.

Ratnamani's manufacturing facilities employ state-of-the-art technology to produce a wide range of Stainless Steel Welded / Seamless Tubes & Pipes

and Carbon Steel Welded Pipes. The company caters to the niche markets of almost all the emerging sectors like oil & gas exploration and Transportation, refineries, petrochemicals, process industries, power plants, Cross Country pipelines and city water distribution.

This has been made possible by continuous innovation and focused vision of the management. Ratnamani follows a total quality approach and its products conform to the highest international standards. The

company's credo "**PROSPERITY THROUGH PERFORMANCE**" ensured a strong export clientele base comprising 50% of the total annual turnover. Ratnamani draws its strength from technical excellence and highly trained, motivated manpower. The company's unflinching commitment to delight customer has ensured client loyalty.

Ratnamani is a responsible corporate citizen. The company uses "green power" and has a robust

safety, health and environment policy. It regularly takes up healthcare, education and poverty alleviation schemes as part of its social commitment.

The company boasts of a strong growth record and its annual revenues are in excess of Rs 610 Crore. Backed by technology, teamwork and the enthusiasm of a young organization, Ratnamani is poised to become a Rs 1000 Crore company in very near

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RATNAMANI'S STAINLESS STEEL PIPES & TUBES AND CARBON STEEL PIPES ARE USED IN

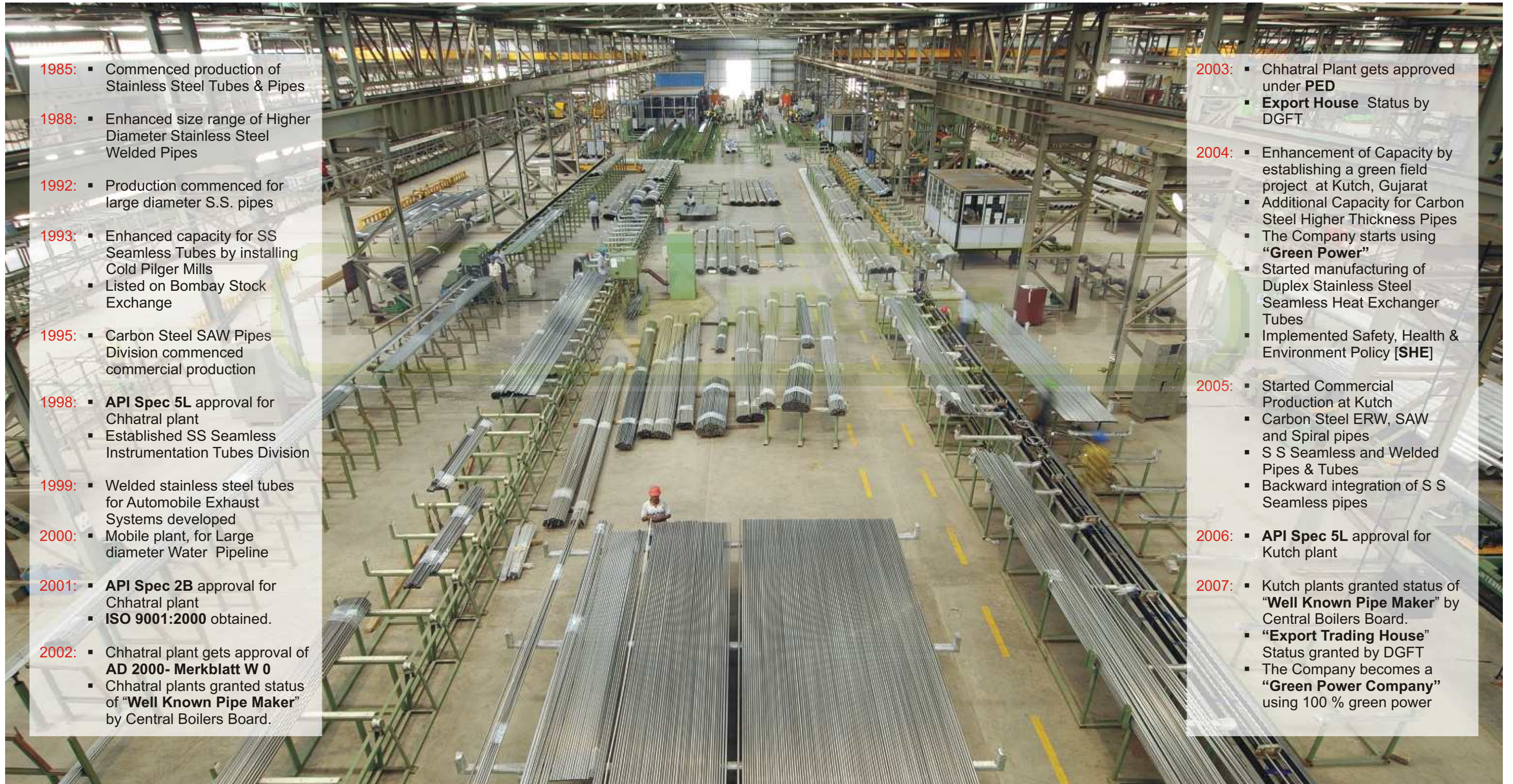
Oil & Gas Exploration | Offshore Platforms | Refineries & Petrochemicals

Cross Country Pipelines | Chemical Process Plants

Nuclear & Thermal Power Plants | Space Applications & Atomic Energy

Dairy & Food Processing | Pharmaceutical, Paper & Sugar

Water & Gas Distribution pipelines | Automobile Industry



- 1985:** ▪ Commenced production of Stainless Steel Tubes & Pipes
- 1988:** ▪ Enhanced size range of Higher Diameter Stainless Steel Welded Pipes
- 1992:** ▪ Production commenced for large diameter S.S. pipes
- 1993:** ▪ Enhanced capacity for SS Seamless Tubes by installing Cold Pilger Mills
▪ Listed on Bombay Stock Exchange
- 1995:** ▪ Carbon Steel SAW Pipes Division commenced commercial production
- 1998:** ▪ **API Spec 5L** approval for Chhatral plant
▪ Established SS Seamless Instrumentation Tubes Division
- 1999:** ▪ Welded stainless steel tubes for Automobile Exhaust Systems developed
- 2000:** ▪ Mobile plant, for Large diameter Water Pipeline
- 2001:** ▪ **API Spec 2B** approval for Chhatral plant
▪ **ISO 9001:2000** obtained.
- 2002:** ▪ Chhatral plant gets approval of **AD 2000- Merkblatt W 0**
▪ Chhatral plants granted status of **"Well Known Pipe Maker"** by Central Boilers Board.

- 2003:** ▪ Chhatral Plant gets approved under **PED**
▪ **Export House** Status by DGFT
- 2004:** ▪ Enhancement of Capacity by establishing a green field project at Kutch, Gujarat
▪ Additional Capacity for Carbon Steel Higher Thickness Pipes
▪ The Company starts using **"Green Power"**
▪ Started manufacturing of Duplex Stainless Steel Seamless Heat Exchanger Tubes
▪ Implemented Safety, Health & Environment Policy [**SHE**]
- 2005:** ▪ Started Commercial Production at Kutch
▪ Carbon Steel ERW, SAW and Spiral pipes
▪ S S Seamless and Welded Pipes & Tubes
▪ Backward integration of S S Seamless pipes
- 2006:** ▪ **API Spec 5L** approval for Kutch plant
- 2007:** ▪ Kutch plants granted status of **"Well Known Pipe Maker"** by Central Boilers Board.
▪ **"Export Trading House"** Status granted by DGFT
▪ The Company becomes a **"Green Power Company"** using 100 % green power