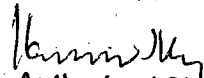
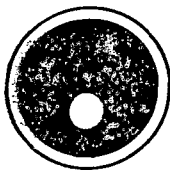


# 16th Annual Report 2006 - 2007

For MAHALAXMI SEAMLESS LTD.

  
Authorised Signatory

**Growth through Consolidation**



**MAHALAXMI  
SEAMLESS LIMITED  
ISO 9001 : 2000**



**MAHALAXMI**  
SEAMLESS LIMITED

**Board of Directors**

Shri Madhav Prasad Jalan	Chairman & Managing Director
Shri Narendra Sakariya	Jt. Managing Director
Shri Vivek Jalan	Executive Director
Shri Narendra kumar Dalmia	Director
Shri Manish Dalal	Director
Shri Chetan Jain	Director
Shri J. T. Hingorani	Director

**REGISTERED OFFICE & WORKS**

Pipenagar (Sukeli)  
Via. Nagothane  
Tal. Roha, Dist. Raigad  
Maharashtra : 402 126

**HEAD OFFICE**

A-54, Virwani Industrial Estate,  
Western Express Highway,  
Goregaon (E), Mumbai - 400 063.

**BANKERS**

Oriental Bank of Commerce, Overseas Branch, Andheri (E).

**AUDITORS**

M/s. V. B. Goel & Co.  
Chartered Accountants

**SIXTEENTH ANNUAL GENERAL MEETING**

**DATE**

Friday, September 28, 2007

**TIME**

2.00 p.m.

**VENUE**

Pipenagar (Sukeli)  
Via. Nagothane  
Tal. Roha, Dist. Raigad,  
Maharashtra : 402 126.



## ANNUAL REPORT 2006 - 2007

### SIXTEENTH ANNUAL REPORT 2006 – 2007

#### NOTICE

Notice is hereby given that the 16<sup>th</sup> 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 **Friday, September 28, 2007** 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, 2007 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 Jain who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jeevan Prakash Hingorani who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 311 read with Schedule XIII of the Companies Act, 1956 and approval of the Remuneration Committee of the Company and further subject to the approval of the Members of the Company at the forthcoming Annual General Meeting, the Board of Directors of the Company do and hereby approve the revision of the basic salary payable to Mr. Madhav Prasad Jalan, Chairman & Managing Director of the Company from the existing Rs. 20,000/- per month to proposed Rs. 50,000/- per month w.e.f. July 01, 2007 for the rest of the period of the tenure of appointment of the said Chairman & Managing Director i.e. from 01/07/2007 till 25/12/2008 and the rest of the terms and conditions of the appointment of the said Chairman & Managing Director of the Company remains the same as per abstract of the terms and conditions under Section 302 of the Companies Act, 1956 as already circulated amongst the Members of the Company at the time of appointment of the said Director on 26/12/2003 and lastly that the Board of Directors of the Company be and is hereby authorised to take such steps as may be deemed necessary, desirable or expedient to give effect to this resolution."

"RESOLVED FURTHER THAT Mr. Madhav Prasad Jalan, Chairman & Managing Director of the Company be and is hereby authorized to file Form Nos. 23 & 25C with the Registrar of Companies, Maharashtra and to take all effective steps as may be deemed necessary for giving effect to this resolution for and on behalf of the Board of Directors of the Company."

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 311 read with Schedule XIII of the Companies Act, 1956, the Company hereby approves the appointment of Shri Sushilkumar Srivastava as a Whole-time Director designated as the Director of the Company with effect from April 23, 2007 on the basic salary of Rs. 85,000/- per month and with liberty to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or the aforesaid Abstract, in such manner as may be agreed to between the Board of Directors and Shri Sushilkumar Srivastava within and in accordance with the limits prescribed in Schedule XIII to the Companies Act, 1956, or any amendment there to or any re-enactment thereof and, if necessary, as may be agreed between the Board of Directors and Shri Sushilkumar Srivastava and further that in the event of any amendment or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, or as provided in any re-enactment, repeal or modification thereof, the Board of Directors be and is hereby authorized to vary or increase the remuneration including perquisites within such prescribed limits or ceiling and the aforesaid terms and conditions between the Company and Shri Sushilkumar Srivastava be suitably amended to give effect to such modifications, relaxation or re-enactment without requiring any further resolutions or consent of the shareholders of the Company and lastly that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

For and On behalf of the Board of Directors

Place: Mumbai  
Date : 29/06/2007

**MADHAV PRASAD JALAN**  
CHAIRMAN & MG. DIRECTOR



#### 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 **Monday, September 24, 2007 to Thursday, September 28, 2007** (both days inclusive).
4. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
5. 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 Wednesday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of 16<sup>th</sup> Annual General Meeting.
6. Members are requested to bring their copies of the reports to Annual General Meeting.
7. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folios alongwith Share Certificates to the Company.
8. Explanatory Statement for Item Nos. 5 & 6 pursuant to Section 173(2) of the Companies Act, 1956 is enclosed herewith.
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.

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

##### Item No.5:

The Board of Directors of the Company at their meeting held on 10/07/2007 has recommended revision in the existing basic salary of Shri Madhav Prasad Jalan, Chairman & Managing Director [CMD] of the Company from the existing Rs. 20,000/- per month to proposed Rs. 50,000/- per month w.e.f. July 01, 2007 for the rest of the period of the tenure of appointment of the said Chairman & Managing Director i.e. from 01/07/2007 till 25/12/2008 and the rest of the terms and conditions of the appointment of the said Chairman & Managing Director of the Company remains the same as per abstract of the terms and conditions

under Section 302 of the Companies Act, 1956 as already circulated amongst the Members of the Company at the time of appointment of the said Director on 26/12/2003.

Further, Shri Madhav Prasad Jalan is the main promoter of your Company and is actively associated with your Company since its inception and has played a key role in bringing your Company to its present heights. Shri Madhav Prasad Jalan is having a wide and exhaustive experience in Industry. The Board of Directors of your Company is confident that under the leadership and able guidance of Shri Madhav Prasad Jalan the Company will scale new heights in expansion of its present business activities in the years to come.

As the Members are aware, abstract under Section 302 of the Companies Act, 1956 has already been circulated amongst the Members of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors of your Company except Shri Madhav Prasad Jalan, (directly interested) and Shri Vivek Jalan (indirectly interested), are interested in the resolution.

##### Item No. 6

Mr. Sushilkumar Srivastava was appointed as an additional director of the Company by the Board of Directors w.e.f. 23/04/2007 and his tenure of office comes to an end at the ensuing Annual General Meeting.

Mr. Sushilkumar Srivastava was appointed in order to expand the Board for inducting the Independent Director on the Board and to give the Board a professional look. Further, in the same Board meeting, it was decided by the Board Members to appoint the said Director as a Whole time Director designated as Director. Your Board is of the opinion that said appointment will greatly systemize the day to day business operations of the Company.

Hence your Board of Directors recommends the passing of the said resolution in the interest of the Company.

Except Mr. Sushilkumar Srivastava (himself), none of the Directors are interested in the resolution.

Your Company has already received a notice under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Sushilkumar Srivastava to be appointed as the Director of the Company along with necessary security deposit.

For and On behalf of the Board of Directors

Place: Mumbai  
Date : 29/06/2007

MADHAV PRASAD JALAN  
CHAIRMAN & MG. DIRECTOR



## ANNUAL REPORT 2006 - 2007

### DIRECTORS' REPORT

Your Directors have pleasure in presenting their Sixteenth Annual Report together with Audited Statement of Accounts of the Company for the year ended March 31, 2007.

### FINANCIAL RESULTS:

PARTICULARS	(Rs. in lacs)	
	As on March 31, 2007	As on March 31, 2006
Income from Sales (Net of Excise)	2778.14	2906.24
Other Income	38.24	26.54
Increase/ (Decrease) in Stock	175.00	(43.33)
Total Expenditures	2572.58	2396.73
Profit / (Loss) before Depreciation	418.80	492.72
Less: Depreciation	109.08	100.04
Interest	39.37	20.87
Add: Prior Period/ Extra Ordinary Adjustments	00.86	00.99
Net Profit / (Loss) before Taxation	271.21	370.82
Provision for Taxation	95.64	127.38
*[Current + Fringe Benefit+Deferred]		
Profit After Taxation	175.57	243.44
Less: (Short) / Excess	(03.19)	(00.19)
Prov. Of Tax		
Less: Proposed Dividend		52.81
Less: Dividend Distribution Tax		07.41
Less: Transfer to General Reserves		10.00

### OPERATIONAL PERFORMANCE

Under able and efficient guidance of Shri Vivek Jalan and Shri Narendra Sakariya and also under experience of Shri M.P. Jalan, the Company's financials has improved as can be inferred from the Profit &, Loss Account for the year under review.

This year the company was successful in surviving the onslaught from significantly cheaper Chinese competition. In order to do -

so, finished goods prices had to be reduced, however, given the tremendous goodwill that company enjoys among its loyal customers, the company could still bag orders at better prices than the competition. Nevertheless, over all pressure on the prices is reflected in the top-line.

Another aspect that seems to be impacting the top-line unfavourably but enhancing the bottom-line significantly is the strategic shift in the company goods towards more value-added thinner and longer products for automotive and hydraulic markets.

However, the most heartening development of this year has been the fact that company's products have been successfully accepted in more than 8 European countries, and, in Brazil and USA. This jump has been from scratch and very significant to the direction company is going to take in future. Exports to Middle East, a regular company bastion, have also increased this year. In order to meet this growing international demand, the company is working to add a new bright annealing furnace and to double its carbon steel capacity.

In addition, company has already made investments in a separate Stainless Steel seamless tube plant. This plant is in response to the higher margins of SS tubes and a growing demand among company's existing customers. This will also have a big boost in the top-line of the company financials.

The said financials were mainly due to effective and aggressive steps taken by the Board of Directors of the Company in marketing the products of the Company.

### DIVIDEND:

Your Board of Directors has decided not to recommend any dividend for the year under review and instead decided to plough back the distributable profits earned by the Company for the year ended March 31, 2007. Since the company is significantly expanding it wants to finance most of the expansion using its internal accruals and keep the loan burden low.

### DIRECTORS:

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

Further, Mr. Sushilkumar Srivastava who was appointed as an Additional Director of the Company on 23/04/2007 was appointed as the Whole time Director designated as Director of the Company.



**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 alongwith proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgment 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 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.

**CORPORATE GOVERNANCE:**

Pursuant to Clause 49 of the Listing Agreements, 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 and Technology Absorption forms part of this report and is given by way of Annexure.

The details of Foreign Exchange earnings and outgo is given in Schedule 21 under the heading Notes to Accounts Point II Clause I sub clause vi & vii as at March 31, 2007.

**AUDITORS:**

M/s V.B. Goel & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company, 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. J Notes Accounts:**

Presently the Company is in the process of identifying and reconciling the amount due to the SSI Units for the year ended March 31, 2007.

**2. Note 8 to Annexure to Auditors' Report:**

The Company has already taken effective steps to maintain cost records as prescribed under the Companies Act, 1956 for the year ended March 31, 2007.

**ACKNOWLEDGEMENT:**

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers. The Directors are also thankful to the employees at all levels for their continued support.

For and On behalf of the Board of Directors

Place: Mumbai  
Date : 29/06/2007

sd/-  
**MADHAV PRASAD JALAN**  
CHAIRMAN & MG. DIRECTOR



# ANNUAL REPORT 2006 - 2007

## ANNEXURE TO DIRECTORS' REPORT:

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

#### FORM-A

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

Particulars	Current Year (31/03/2007)	Previous year (31/03/2006)
<b>A. Power and Fuel Consumption:</b>		
1 Electricity (M.S.E.B. Supply)		
Unit consumed	5049915	4796165
Total Amount (Rs.)	23297430	17631879
Rate per Unit (Rs.)	4.61	3.67
2. Fuel (L.D.O.)		
Consumption (Liters)	260000	174000
Total Amount (Rs.)	5474488	3907666
Rate per unit (Rs.)	21.06	22.46
3. Diesel		
Consumption (Liters)	24218	14524
Total Amount (Rs.)	892358	541384
Rate per unit (Rs.)	36.85	37.28
4. Consumption per ton		
Electricity (Units/MT)	915.38	896.00
Fuel (Ltrs/MT)	47.18	32.52
Diesel (Ltrs/MT)	4.39	2.71

#### FORM-B

### TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

#### A. RESEARCH AND DEVELOPMENT

##### 1) Specific areas in which R & D carried out by the company.

- Development of product as per the emerging business needs.
- Continuous improvement in the existing processes/technology to achieve improved product quality, raw material usage, improved yield and quality and production rates.
- The company continued ISO 9001-2000 for better systems and quality.
- Continued efforts for cost efficiency in manufacturing process.

As stated above, the company has time to time changes its product mix as per the demand by doing modifications, adding balancing equipments for increasing production to meet demand. This gave the flexibility to the company for the better realization.

#### B. TECHNOLOGY ABSORPTION

Continuous efforts are going on for developing, improving and upgrading the equipments for reducing the processing cost and reducing in process scrap.

For and On behalf of the Board of Directors  
**MAHALAXMI SEAMLESS LTD.**

Place: Mumbai  
Date : 29/06/2007

Sd/-  
**MADHAV PRASAD JALAN**  
Chairman & Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. BUSINESS OF THE COMPANY :

The company currently operate in cold drawn seamless tubes i.e straight and U tubes. We are presently served to heat transfer equipments, automotive, hydraulic equipments, trial injection system and mechanical industries. The company has already made investments in a separate stainless steel seamless tube plant.

Statement in this management discussion and analysis of financial condition describing the Company's objectives, expectations etc, are predictions and may be forward-looking within the meaning of applicable securities, laws and regulations, forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicity amends, modify or revise forward-looking statements on the basis of any subsequent developments, information or events. Actual result may differ materiality from those expressed in the statement. Important factors that could influence the Company's operations include cost of fuel, determination of tariff and such other changes and levies by regulatory authority, changes in Government Regulations, Tax laws, Economic Developments within the country and such other factors.

The Financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and generally accepted accounting principles in India. The management of Mahalaxmi Seamless Limited accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis in order that the financial statements reflect in a true and fair manner the sale affairs and profits for the year.

### 2. ERP SYSTEM :

The company has started implementation of ERP software which is under progress, the most widely software in the world, to manage its internal processes. This provides efficiency in handling of business operations.

### 3. GROWTH DRIVERS:

The company enjoys the leadership position on account of its committed efforts in the following main areas:

- Product quality
- Product improvement
- Competitive price and cost structure
- Timely supply and servicing
- Expansion of existing business Creative customer preference

### 4. HR AND INDUSTRIAL RELATIONS:

The company firmly believes that "people" are the pivotal force behind the success of its growth. Coping with the tremendous challenges facing your company. It can remain operational and profitable only by unleashing the talent capabilities of its people. Your company tries very hard to ensure that its HR philosophy is translated in the action.

### 5. INTERNAL CONTROL SYSTEM:

The company having adequate internal controls, check and systems commensurate with its size and nature of business operations.





**CORPORATE GOVERNANCE REPORT**

**MANDATORY REQUIREMENTS:**

**REPORT ON CORPORATE GOVERNANCE**

**I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :**

The Company philosophy of corporate governance envisages attainment of the highest level of transparency, accountability and equity in all its dealings with shareholders, employees, Government and parties concerned. The company cares for ethical values down the line and shall not compromise on any of them. The Company's Guiding Principles are focused to achieve the highest standards of good corporate Governance and is striving hard for improve standards. To achieve these goals the Company has formed Executive Committee, Management Committee and Operation Committee consisting of Senior Managers of the company and also various committee of Board of Directors.

**II. BOARD OF DIRECTORS**

As on 31<sup>st</sup> March, 2007 the strength of Board of Directors was 7, comprising of 3 Executive Directors and 4 Non Executive Directors.

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management and marketing. The composition of the Board of Directors with reference to number of Executive and Non-Executive Directors meets with the requirements of Clause 49 (1) (A) of the Listing Agreement. None of the Directors on the Board is a member on more that ten Committees and Chairman of more than five Committees as per Clause 49 (IV) (B) across all Companies in which they are Directors. There were no change in the composition of the Board of directors during the financial year.

Non-Executive Directors do not have any pecuniary relationship with the company.

The present composition of the Board of Directors and also the number of other Board of Directors of which he is a Member/ Chairman are as under:

Names of Directors	Category of Directorship	Directorship in other companies	No. of Board Committees (other than Mahalaxmi Seamless Ltd.) in which Chairman/Member	
			Chairman	Member
Shri M.P. Jalan	Executive	1	Jaguar Overseas Ltd	1
Shri Narendra Sakariya	Executive	1	Sakaria Finance Pvt. Ltd	1
Shri Vivek Jalan	Executive	1	Omnitex Industries (India) Ltd	1
Shri Narendra Kumar Dalmia	Independent, Non-Executive	3	1. Soanwaria Polyesters Pvt. Ltd. 2. Sunrise Commercial Pvt. Ltd. 3. Omnitex Industries Ltd	3
Shri Manish Dalal	Independent Non-Executive	3	1. Sarayu Issue Management Services Pvt. Ltd. 2. Ancient leasing Finance & Inv. Co. Ltd. 3. Omnitex Industries Ltd.	3 2
Shri Chetan Jain	Independent Non-Executive	2	1. Tricame Health care Pvt. Ltd. 2. Tricame Life Science Ltd	
Shri Jeevan Prakash Hingorani	Independent Non-Executive	Nil	Nil	Nil



**MAHALAXMI**  
SEAMLESS LIMITED

## BOARD PROCEDURE:

The Board meets at least once a quarter to review the quarterly performance and the financial results. The Board's role, functions, responsibility and accountability are clearly defined. All major decisions involving policy formulations, business plans, annual operating budgets, compliance with statutory requirements, major accounting provisions and write-offs are considered by the Board.

## ATTENDANCE OF EACH DIRECTOR AT THE BOARD MEETINGS AND THE LAST ANNUAL GENERAL MEETING:

During the year 10 (Ten) Board Meetings were held during the financial year ended March 31, 2007, the dates of which are 29/06/06, 29/07/06, 21/08/06, 29/09/06, 27/10/06, 30/01/07. The attendance of each Director at Board Meetings and the last Annual General Meeting is as under:

Name of the Director	No. of Board meetings attended :	Attendance of last AGM held on 29/09/2006.
Shri Madhav Prasad Jalan	6 (Six)	Attended
Shri Vivek Jalan	6 (Six)	Attended
Shri Narendra Sakariya	6 (Six)	Attended
Shri Manish Dalal	1 (One)	Attended
Shri Narendra Kumar Dalmia	1 (One)	Attended
Shri Chetan Jain	1 (One)	No
Shri Jeevan Prakash Hingorani	1 (One)	No

## 2. AUDIT COMMITTEE:

### BROAD TERMS OF REFERENCE

The Audit Committee of the Company, inter-alia, acts as a control mechanism in the financial and other important departments of the Company. The terms of reference of the Audit Committee are in accordance with paragraphs C and D of Clause 49 (II) of the Listing Agreement and as specified by the Board of Directors of the Company.

The Audit Committee while reviewing the Annual Financial Statements also reviewed the applicability of various Accounting Standards (AS) issued by the Institute of Chartered Accountants of India during the year. The role of the Audit Committee includes the following :

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other service.
- Reviewing with management the financial statements before submission to the Board.
- Reviewing with the management and the external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function and procedures.
- Discussion with internal auditors on any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with External Auditors before the audit commences, the nature and the scope of Audit as well as have post audit discussion.
- Reviewing the Company's financial and risk management policies.

### COMPOSITION

The Audit Committee comprises of three Directors. All these Directors possess knowledge by corporate finance, accounts and company law.

The constitution of the Audit Committee is as follows:

#### Names of Members

- Shri Manish Dalal
- Shri Narendra Kumar Dalmia
- Shri Chetan Jain

#### Designation

- Chairman Independent, Non-Executive  
Member Independent, Non-Executive  
Member Independent, Non-Executive



### MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2007, Four Audit Committee Meetings were held on dated 18/05/06, 20/07/06, 22/10/06, and 17/01/07.

The attendance at the Audit Committee Meetings is as under:

Name of Director	No. of meetings attended
Shri Manish Dalal	4 (Four)
Shri Narendra Kumar Dalmia	4 (Four)
Shri Chetan Jain	4 (Four)

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 29/09/2006 to attend the shareholders' queries.

### 3. REMUNERATION COMMITTEE:

To review, assess and recommend the appointment of Whole-time Directors.

#### COMPOSITION

The Remuneration Committee comprises of three Directors as under :

Name of Director	Particulars
Shri Manish Dalal	Chairman Independent, Non-Executive
Shri Narendra Sakariya	Member Independent, Non-Executive
Shri Narendra Kumar Dalmia	Member Independent, Non-Executive

### REMUNERATION POLICY

Remuneration practices of the Companies of size and standing, similar to the Company.

- The compensation is determined at the time of hiring.
- Personal attributes and suitability of the candidates for the post is given a preference.
- The growth of the employee depends on the individual performance.
- The performance is reviewed as per performance Manual System. According to the Performance Manual System, the goals are set for individual employee and are reviewed periodically.
- The performance of the Executive Director is reviewed on a monthly basis as per Business Plan.

#### Remuneration to Managing Director and Whole time Directors:

The Executive Directors are paid perquisites as per Agreements entered between them and Company. These Agreements are placed for approval before the Board and the Shareholders and authorities as may be necessary. The non-executive directors do not draw any remuneration.

Payment of remuneration to Managing and Whole time Directors is governed by the respective Agreements executed between them and the Company and which is recommended by the Remuneration Committee and further is within the limits set by the Shareholders at the Annual General Meetings.

#### DETAILS OF REMUNERATION TO ALL THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2007

Name of Director	Salary	Benefits	Professional Fees
Shri Madhav Prasad Jalan	2,40,000	Nil	Nil
Shri Narendra Sakariya	2,16,000	Nil	Nil
Shri Vivek Jalan	5,10,000	Nil	Nil
Shri J. T. Hingorani	Nil	Nil	88,500



#### 4. SHAREHOLDERS' COMMITTEE: FUNCTIONS

The Board of Mahalaxmi Seamless Limited has constituted a Committee of Directors which also functions as 'Shareholders'/Investors Grievances Committee', consisting of three members, chaired by Non-executive Independent Director. The Committee inter-alia, deals with various matters relating to:

- transfer/transmission of shares;
- issue of duplicate share certificates;
- investors, grievances and redressal mechanism and recommend measures to improve the level of investor services.

Details of shares transfer/transmission approve by the Committee and Shareholders'/Investors' grievances are placed at the Board Meetings from time to time.

#### COMPOSITION

The constitution of the Committee of Directors is as under:

Name of Members	Designation
1. Shri Manish Dalal	: Chairman Independent, Non-Executive
2. Shri Narendra Sakariya	: Member, Executive
3. Shri Narendra Kumar Dalmia	: Member Independent, Non-Executive.

#### COMPLIANCE OFFICER

The Board has designated Shri M.P. Jalan, Chairman & Managing Director of the Company, as the Compliance Officer.

#### MEETINGS AND ATTENDANCE

**23 Meetings** viz. 15/04/2006, 29/04/2006, 15/05/2006, 31/05/2006, 15/06/2006, 30/06/2006, 15/07/2006, 31/07/2006, 14/08/2006, 15/09/2006, 25/09/2006, 14/10/2006, 31/10/2006, 15/11/2006, 30/11/2006, 15/12/2006, 30/12/2006, 15/01/2007, 31/01/2007, 15/02/2007, 28/02/2007, 15/03/2007 & 30/03/2007 were held for the financial year ended 31<sup>st</sup> March 2007.

The attendance at the Share Holders Committee Meetings is as under:

Name of Director	No. of meetings attended
Shri Manish Dalal	23 (Twenty Three)
Shri Narendra Sakariya	23 (Twenty Three)
Shri Narendra Kumar Dalmia	23 (Twenty Three)

#### DETAILS OF SHAREHOLDERS' COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS

Received From	Pending Complaints as on 1/04/06	Total Complaints Recd. in 2006-07	Total Complaints Resolved	Pending Complaints as on 31/03/2007
Investor	Nil	32	32	Nil
SEBI	Nil	7	7	Nil
Stock Exchanges	Nil	3	3	Nil
Other Govt/Statutory Authority	Nil	Nil	Nil	Nil



## ANNUAL REPORT 2006 - 2007

### 5. GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location of the Meeting	Time
2003-2004	29/09/2004	Regd. Office of the Company at Roha	2.00 P.M.
2004-2005	28/09/2005	Regd. Office of the Company at Roha	2.00 P.M.
2005-2006	29/09/2006	Regd. Office of the Company at Roha	2.00 P.M.

### 6. COMPLIANCE:

1. The Company has complied with all the requirements of regulatory authorities, No penalties / strictures were imposed on the company by Stock Exchange or SEBI or any statutory authorities or any matter related to capital markets during the last three years.
2. No penalties or strictures have been imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
3. The Listing fees of The Stock Exchange, Ahmedabad & Madras Stock Exchange Limited for last 07 (Seven) financial years are pending till date.

### 7. MEANS OF COMMUNICATION:

- i.) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed by Clause 41 of the Listing Agreement within one month of the close of the respective period and the same are submitted to The Bombay Stock Exchange Ltd. being the Regional Stock exchange of the Company.
- ii.) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.
- iii.) The company has publish quarterly, half yearly and yearly financial result in The Economics Times (English) and Maharashtra Times (Marathi).

### 8. GENERAL SHAREHOLDER INFORMATION:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

#### SHAREHOLDER INFORMATION:

<b>Registered Office</b>	: Pipenagar (Sukeli), Via Nagothane, Taluka: Roha, Maharashtra-402 126. Tel.: 952194-238510/238537 Fax : 952194-238509
<b>Annual General Meeting</b>	: Date & Time : 28th September 2007 at 2.00 P.M. Venue : Registered Office of the Company at :- Pipenagar (Sukeli), Via Nagothane, Taluka: Roha, Maharashtra-402 126.
<b>Date of Book Closure</b>	: 25/09/2007 to 28/09/2007 (both days included)
<b>Financia Year</b>	: April to March
<b>Quarterly Financial Reporting</b>	: Within one month from the end of each quarter, Except fourth quarter when annual results are Published within two months.
<b>Dividend Payment Date</b>	: N.A.
<b>Listing on Stock Exchanges</b>	: Equity Shares of the Company are listed on The Bombay Stock Exchanges Ltd. (BSE), The Stock Exchange, Ahmedabad & Madras Stock Exchange Ltd.-
<b>Stock Code</b>	: The Bombay Stock Exchange Ltd.: <b>13460BSE</b> The Ahmedabad Stock Exchange Ltd.: <b>35190</b> Madras Stock Exchange Limited: <b>513460</b> ISIN Nuber: <b>INE257F01017</b>



### Stock Market Data :

The monthly high and low quotations and volume of shares traded on The Stock Exchange, Mumbai. The Stock Exchange, Ahmedabad & Madras Stock Exchange Limited are as follows :

MONTH	BSE SENSEX		SHARE PRICE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2006	12102	11008	38.95	28.70
May, 2006	12671	10627	41.80	29.00
June, 2006	10627	8799	31.90	17.25
July, 2006	10940	9875	22.30	17.50
August, 2006	11756	10645	23.15	18.50
Sept., 2006	12485	11444	24.00	19.65
Oct., 2006	13076	12178	23.65	20.50
Nov., 2006	13799	12937	38.80	21.60
Dec., 2006	14035	12802	30.35	25.00
Jan., 2007	14325	13303	30.20	25.00
Feb., 2007	14724	12801	29.50	24.00
March, 2007	13387	12316	26.90	22.05

### Registrar and Share Transfer Agents:

The Company has appointed the below mentioned agency as Registrars and Share Transfer Agent (RTA) for Demat Connectivity:

#### ADROIT CORPORATE SERVICES PVT. LIMITED

{Unit: MAHALAXMI SEAMLESS LIMITED}

Add : 19, Jaferbhoy Industrial Estate, 1st Floor,

Makwana Road, Marol Naka,

Andheri (E), Mumbai - 400059.

Tel. : 91-22-2859 4060/2859 6060

Fax : 91-22-2850 3748

### Share Transfer System:

Shares of the company can be transferred by lodging Transfer Deeds and Share Certificates with the Company's Registrar and Share Transfer Agents at Adroit Corporate Services Private Limited.

The Company has constituted Share Transfer and Shareholders Grievance Committee of the Board of Directors of the Company.

### Distribution of shareholding as on March 31, 2007.

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 500	4954	90.23	809044	15.32
501-1000	290	5.28	245625	4.65
1001-2000	106	1.93	160116	3.03
2001-3000	26	0.47	68532	1.30
3001-4000	14	0.25	50879	0.96
4001-5000	47	0.86	228968	4.34
5001-10000	27	0.49	202570	3.84
10001-999999	27	0.49	3515666	66.56
<b>GRAND TOTAL</b>	<b>5491</b>	<b>100</b>	<b>5281400</b>	<b>100</b>



# ANNUAL REPORT 2006 - 2007

Shareholding pattern as on March 31, 2007.

Promoter's Holding	No. of shares	percentage of shareholding
Indian Promoters:	2358474	44.66
Private Corporate Bodies	851176	16.12
Indian Public	1920531	36.36
NRIs/OCBs	107107	2.03
Independent Director /Non Domestic Company		
Corporate Body - Broker	44112	0.83
<b>Total</b>	<b>52,81,400</b>	<b>100.00</b>

**Dematerialisation of Shares** : The Company has dematerialized the shares of the Company.

Particulars	No. of shareholders	No. of shares	Percentage of shareholding
Physical	559	1121043	21.23
<b>Dematerlised Shares :-</b>			
Shares in NSDL	1624	3406737	64.50
Shares in CDSL	3308	753620	14.27
<b>Total</b>	<b>5491</b>	<b>52,81,400</b>	<b>100.00</b>

**Factory Location** : Pipenagar (Sukeli), Via Nagothane, Taluka: Roha, Maharashtra-402 126.

Investor Correspondence to be made at the Company's Registrar and Share Transfer Agents at :

**ADROIT CORPORATE SERVICES PVT. LIMITED**

{Unit : MAHALAXMI SEAMLESS LIMITED}  
Add:19, Jaferbhoy Industrial Estate, 1st floor,  
Makwana Road, Marol Naka,  
Andheri (E), Mumbai - 400059.  
Tel. : 91-22-2859 4060 /2859 6060  
Fax : 91-22-2850 3748

**DECLARATION :**

I M. P. Jalan, Chairman & Managing Director of Mahalaxmi Seamless Limited, in compliance of Clause 49 of the Listing Agreement hereby declare that all the members of the Board of Directors and the Senior management personnel have affirmed compliance to with the Code of Conduct, for the year ended March 31, 2007

For **MAHALAXMI SEAMLESS LIMITED**

Place : Mumbai  
Date : 29.06.2007

sd/-  
**M. P. JALAN**  
Chairman & Managing Director



## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO  
THE MEMBERS OF  
**MAHALAXMI SEAMLESS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Mahalaxmi Seamless Limited** for the year ended 31st March 2007 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mention listing agreements except as mentioned in clause (b) of para-6 and point (ii) of para 7.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that while the Shareholders / Investor Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrars and Share Transfer Agents of the Company have maintained the records of investor grievances and certified that as at 31st March 2007 there were no investor grievances remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. B. GOEL & CO.  
Chartered Accountants

sd/-  
(Vikas Goel)  
Proprietor  
Membership No. 39287

Place : Mumbai  
Date : 29.6.2007





# ANNUAL REPORT 2006 - 2007

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007.

(Amount in Lacs)

	Year Ended 31.03.2007	Year Ended 31.03.2006
<b>A. Cash Flow from operating activities :</b>		
Net Profit /(Loss) before tax and exceptional items	270.34	371.82
<b>Adjusted for :</b>		
Depreciation	109.08	100.04
Interest Income	(5.27)	(6.86)
(Profit)/Loss on sale of Assets		(0.36)
Interest Expenses	39.37	20.87
<b>Operating profit before working capital changes</b>	<b>413.53</b>	<b>485.52</b>
<b>Adjusted for :</b>		
Trade & Other Receivable	47.92	(147.09)
Inventories	(245.49)	98.92
Trade & Other Payables	175.79	(3.60)
Cash generated from operation	391.74	433.75
Direct taxes Refund(paid)	(113.93)	(143.30)
Cash flow before Exceptional Item	277.81	290.45
Prior Period Items	0.86	(1.00)
<b>Net Cash from Operating activities</b>	<b>278.67</b>	<b>289.45</b>
<b>B. Cash Flow from Investment Activities :</b>		
Purchase of Fixed Assets & Capital Advances	(218.03)	(212.54)
Interest Received	5.27	6.86
Sales of fixed assets		0.69
Dividend Paid	(52.81)	
Dividend Tax	(7.41)	
Loans & Advances	33.43	(26.62)
<b>Net Cash used in Investing Activities</b>	<b>(239.55)</b>	<b>(231.61)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Proceeds from Long Term Borrowings		7.00
Repayment of Long Term Borrowings	(6.53)	(5.12)
Proceeds from Short Term Borrowings	80.00	
Repayment of Short Term Borrowings	(20.01)	(66.30)
Interest Paid	(39.37)	(20.87)
<b>Net Cash used in Financing Activities</b>	<b>14.09</b>	<b>(85.29)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>53.21</b>	<b>(27.46)</b>
<b>Cash &amp; Cash Equivalent -Opening Balance</b>	<b>47.56</b>	<b>75.02</b>
<b>Cash &amp; Cash Equivalent -Closing Balance</b>	<b>100.77</b>	<b>47.56</b>

**Note :** Previous year's have been regrouped / reclassified, wherever applicable to confirm to the current year's presentation.

As per our attached report of even date  
For **V. B. GOEL & CO.,**  
Chartered Accountants

For and on behalf of the Board of Directors

sd/-  
(V. B. Goel)  
Proprietor

sd/-  
M. P. Jalan  
Chairman & Managing Director

sd/-  
Narendra Sakariya  
Jt. Managing Director

sd/-  
Vivek Jalan  
Ex. Director

Place : Mumbai,  
Date : 29.6.2007

Place : Mumbai,  
Date : 29.6.2007



**AUDITORS' REPORT  
TO THE MEMBERS OF  
M/S. MAHALAXMI SEAMLESS LIMITED**

1. We have audited the attached Balance Sheet of **M/S. MAHALAXMI SEAMLESS LIMITED**, as at March 31, 2007 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, of India (the Act) and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act;
- e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- f) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement together with the Notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
  - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - iii) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For V. B. GOEL & CO.  
Chartered Accountants

sd/-

(Vikas Goel)  
Proprietor

Place : Mumbai  
Date : 29.6.2007

**ANNEXURE TO AUDITOR'S REPORT**

**Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of M/s. Mahalaxmi Seamless Limited on the Accounts for the year ended March 31, 2007.**

- a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets.
  - b) The Management has physically verified the fixed assets of the Company during the year and no discrepancies between the book records and the physical inventory were noticed.
  - c) During the year, substantial part of fixed assets have not been disposed off by the Company.
2. The inventory of the Company has been physically verified by the Management during the year and at the year-end.
- a) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventory and the

discrepancies between the physical inventory and the book records noticed on physical verification as mentioned in 2(a) above are not material.

- a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. Further, during the course of our audit we have neither come across nor have we been informed of any instance of continuing failure to correct major weaknesses in the aforesaid internal control procedures.
- a) The company has entered into the transaction exceeding Rs. 5,00,000 that need to be entered in the register pursuant to Section 301 of the Act.
- b) In our opinion the transaction made in pursuance of such contracts have been made at prices which are reasonable having regards to the prevailing market prices at that relevant time.
- The Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Act and the rules framed there under.
- In our opinion, the Company's present internal audit system is commensurate with its size and the nature of its business.
- The Company has not maintained cost records under Section 209 (1)(d) of the Act for its products.
- a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of Provident Fund, Profession Tax, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and Cess have been regularly deposited by the Company during the year with the appropriate authorities in India.
- b) There are no disputed dues in respect of Sales Tax, Income Tax, Wealth Tax, Custom Duty, Excise Duty and cess.
- The company does not have any accumulated losses as at the end of the financial year. The company has not incurred cash losses during the financial year and in the financial year immediately preceding such financial year.
- According to the records of the Company, it has not defaulted in repayment of dues to any financial institution or bank during the year.
- The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it.
- The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- As informed to us, the Company has not given any guarantee for the loans taken by others from banks or financial institutions during the year.
- On the basis of review of utilisation of funds pertaining to term loans on overall basis and related information as made available to us, the term loans taken by the Company have been applied for the purposes for which they are obtained.
- On the basis of review of utilisation of funds on an overall basis, related information as made available to us and as represented to us by the Management, funds raised on short term basis have not been used for long term investment.
- The Company has not made any preferential allotment of shares during the year.
- The Company has not issued debentures.
- The Company has not raised any money by public issue during the year.
- To the best of my knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For V. B. GOEL & CO.  
Chartered Accountants

sd/-

(Vikas Goel)  
Proprietor

Place : Mumbai  
Date : 29.6.2007



# ANNUAL REPORT 2006 - 2007

## BALANCE SHEET AS AT 31ST MARCH, 2007

	Schedule No.	(Rs.)	As at 31-3-2007 (Rs.)	(Rs.)	As at 31-3-2006 (Rs.)
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS' FUNDS</b>					
(a) Share Capital	1	52,907,000		52,907,000	
(b) Reserves and Surplus	2	48,856,632	101,763,632	31,618,491	84,525,491
<b>LOAN FUNDS</b>					
(a) Secured Loans	3	12,626,847		7,203,593	
(b) Unsecured Loans	4	10,732,101	23,358,948	10,809,129	18,012,722
Deferred Tax Liability			946,418		2,627,466
<b>TOTAL</b>			<b>126,068,998</b>		<b>105,165,679</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS</b>					
(a) Gross Block	5	151,303,020		128,114,812	
(b) Less : Depreciation		93,684,636		82,776,418	
(c) Net Block		57,618,384		45,338,394	
(d) Capital Work-in-progress		2,643,496	60,261,880	4,029,073	49,367,467
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
(a) Inventories	6	54,111,940		29,562,623	
(b) Sundry Debtors	7	43,489,374		48,280,945	
(c) Cash and Bank Balances	8	10,076,890		4,755,843	
(d) Loans and Advances	9	9,796,593		13,139,110	
		117,474,797		95,738,521	
<b>Less : CURRENT LIABILITIES AND PROVISIONS</b>					
(a) Liabilities	10	50,392,586		32,814,047	
(b) Provisions	11	1,275,093		7,126,262	
		51,667,679		39,940,309	
<b>Net Current Assets</b>			65,807,118		55,798,212
<b>TOTAL</b>			<b>126,068,998</b>		<b>105,165,679</b>

Significant accounting policies

Notes to the Accounts

Schedules 1 to 11 & 21 form an integral part of the Balance Sheet.

As per our attached report of even date

For **V. B. GOEL & CO.,**

Chartered Accountants

For and on behalf of the Board of Directors

sd/-

(V. B. Goel)

Proprietor

sd/-

M. P. Jalan

Managing Director

sd/-

Narendra Sakariya

Jt. Managing Director

sd/-

Vivek Jalan

Ex. Director

Place : Mumbai,

Date : 29.6.2007

Place : Mumbai,

Date : 29.6.2007



**MAHALAXMI**  
SEAMLESS LIMITED

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

	Schedule No.	(Rs.)	Year ended 31-3-2007 (Rs.)	Year ended 31-3-2006 (Rs.)
<b>INCOME</b>				
Sales		313,374,156	330,898,189	
Less : Excise duty		35,560,376	40,273,896	
			277,813,780	290,624,293
Other Income	12	3,823,506	2,654,122	
Increase/(Decrease) in Stock	13	17,500,445	(4,332,963)	(1,678,841)
			299,137,731	288,945,452
<b>LESS : EXPENDITURE</b>				
Materials Cost	14	167,689,801	165,628,872	
Manufacturing expenses	15	57,852,375	45,860,499	
Personnel Cost	16	18,098,613	15,112,267	
Selling & Distribution Exps.	17	1,656,858	1,626,877	
Administration Exps.	18	11,960,106	11,444,365	
Finance Cost	19	3,937,280	2,087,181	
Depreciation		10,908,218	10,003,796	251,763,857
Profit / (Loss) before exceptional item			27,034,480	37,181,595
Less : Prior Period Adjustments and extra ordinary items	20		(86,269)	99,835
Profit before Taxation			27,120,749	37,081,760
Less : Provision for Taxation				
Current Tax		11,000,000	14,100,000	
Fringe Benefit Tax		245,000	293,500	
Deferred Tax		(1,681,048)	9,563,952	(1,655,166)
			17,556,797	24,343,426
Profit after Taxation			(318,656)	(18,517)
Less:(Short)/Excess Provision for Tax			17,238,141	24,324,909
			-	5,281,400
Less : Proposed Dividend			-	740,716
Less : Dividend Distribution Tax			-	1,000,000
Less : Transfer to General Reserve			17,238,141	17,302,793
			3.32	4.61
<b>Basic / Diluted Earning per share</b>				

Significant accounting policies

Notes to the Accounts

21.

Schedules 12 to 21 referred to above form an integral part of the Profit & Loss Account.

As per our attached report of even date,  
For **V. B. GOEL & CO.,**  
Chartered Accountants

For and on behalf of the Board of Directors

sd/-  
(V. B. Goel)  
Proprietor

sd/-  
**M. P. Jalan**  
Managing Director

sd/-  
**Narendra Sakariya**  
Jt. Managing Director

sd/-  
**Vivek Jalan**  
Ex. Director

Place : Mumbai,  
Date : 29.6.2007

Place : Mumbai,  
Date : 29.6.2007



# SCHEDULES FORMING PART OF THE BALANCE SHEET

## ANNUAL REPORT 2006 - 2007

Schedules	(Rs.)	As at 31-3-2007 (Rs.)	(Rs.)	As at 31-3-2006 (Rs.)
<b>SCHEDULE : 1</b>				
<b>SHARE CAPITAL</b>				
Authorised 60,00,000 Equity Shares of Rs.10/- Each		<u>60,000,000</u>		<u>60,000,000</u>
Issued and Subscribed and Paid up				
52,81,400 Equity Shares of Rs.10/- Each fully paid up		52,814,000		52,814,000
Add: Shares Forfeited (18600 Equity Shares of Rs.10/-Each Rs.5/- per Share Paid up)		93,000		93,000
<b>TOTAL</b>		<u>52,907,000</u>		<u>52,907,000</u>
<b>SCHEDULE : 2</b>				
<b>RESERVE &amp; SURPLUS</b>				
Capital Subsidy		4,500,000		4,500,000
General Reserve		1,000,000		1,000,000
Profit & Loss Account	26,118,491		8,815,698	
Add : Deferred Tax Assets				
	<u>26,118,491</u>		<u>8,815,698</u>	
Add : Trf from Profit & Loss A/c	<u>17,238,141</u>	43,356,632	<u>17,302,793</u>	26,118,491
		<u>48,856,632</u>		<u>31,618,491</u>
<b>SCHEDULE : 3</b>				
<b>SECURED LOANS</b>				
Oriental Bank of Commerce - Cash Credit		5,679,273		4,034,513
Oriental Bank of Commerce Post Shipment Loan		6,000,000		
Oriental Bank of Commerce - Packing Credit				1,646,000
<u>Vehicle Loan</u>				
ICICI Bank	126,602		233,044	
(Due within year Rs. 1,16,419 (P.Y. 1,06,442))				
Kotak Mahindra Primus Ltd.	154,750		250,721	
(Due within year Rs. 1,01,687 (P.Y. 95,971))				
H.D.F.C Bank	<u>666,222</u>		<u>1,039,316</u>	
(Due within year Rs. 2,99,223 (P.Y. 3,73,094))		947,574		1,523,081
<b>TOTAL</b>		<u>12,626,847</u>		<u>7,203,593</u>

### Note :

1 Working Capital Loan from Oriental Bank of Commerce is secured by hypothecation of Stock of Raw Material, Stock in process, Finished goods, Stores & Spares of Seamless Pipes & Tubes and Book debts. They are further secured by first charge on Fixed Assets of Company and personal guarantee of Directors.

2 Car Loan are secured by way of charge of respective vehicles.

### SCHEDULE : 4 UNSECURED LOANS

Sales Tax Defferment		10,732,101		10,809,129
<b>TOTAL</b>		<u>10,732,101</u>		<u>10,809,129</u>



**MAHALAXMI**  
SEAWATER LIMITED

**SCHEDULE : 5**  
**FIXED ASSETS**

(Amount in Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	Total 01.04.06	Addition	Deduction	Total 31.03.07	Up to 31.03.06	For the year	Deduction	Total 31.03.07	31.03.07	31.03.06
<b>MUMBAI</b>										
Furniture & Fixture	368,450	-	-	368,450	200,962	30,315	-	231,277	137,173	167,488
Electrical Fitting	9,929	-	-	9,929	9,271	92	-	9,363	566	658
Office Equipment	295,442	27,550	-	322,992	145,356	21,487	-	166,843	156,149	150,086
Air Conditioner	115,000	-	-	115,000	28,039	12,096	-	40,135	74,865	86,961
Computers	494,046	6,700	-	500,746	235,609	103,588	-	339,197	161,549	258,437
Vehicles	2,310,360	-	-	2,310,360	1,136,178	303,996	-	1,440,174	870,186	1,174,182
Office Building	2,258,522	-	-	2,258,522	102,098	107,821	-	209,919	2,048,603	2,156,424
<b>FACTORY</b>										
Factory Land	1,809,102	-	-	1,809,102	-	-	-	-	1,809,102	1,809,102
Building	31,957,695	6,496,810	-	38,454,505	10,253,424	1,083,439	-	11,336,863	27,117,642	21,704,271
Plant & Machinery	83,390,189	16,043,355	-	99,433,544	68,460,714	8,821,254	-	77,281,968	22,151,576	14,929,475
Furniture & Fixture	242,450	-	-	242,450	150,555	15,347	-	165,902	76,548	91,895
Electricals Fittings	2,081,730	405,950	-	2,487,680	439,543	100,338	-	539,881	1,947,799	1,642,187
Office Equipment	429,728	-	-	429,728	274,938	20,412	-	295,350	134,378	154,790
Vehicles	1,377,850	-	-	1,377,850	514,073	130,896	-	644,969	732,881	863,777
Air Conditioner	83,634	-	-	83,634	35,168	3,973	-	39,141	44,493	48,466
Computers	890,685	207,843	-	1,098,528	790,490	153,164	-	943,654	154,874	100,195
<b>Total</b>	<b>128,114,812</b>	<b>23,188,208</b>	<b>-</b>	<b>151,303,020</b>	<b>82,776,418</b>	<b>10,908,218</b>	<b>-</b>	<b>93,684,636</b>	<b>57,618,384</b>	<b>45,338,394</b>
<b>Previous Year</b>	<b>108,454,807</b>	<b>20,225,632</b>	<b>565,627</b>	<b>128,114,812</b>	<b>73,304,492</b>	<b>10,003,796</b>	<b>531,870</b>	<b>82,776,418</b>	<b>45,338,394</b>	<b>35,150,315</b>



# ANNUAL REPORT 2006 - 2007

	As at 31-3-2007 (Rs.)	As at 31-3-2006 (Rs.)
<b>SCHEDULE : 6</b>		
<b>INVENTORIES</b>		
Raw Material	14,538,709	8,239,839
Work in Process	30,397,517	17,318,046
Store & Spare	1,767,247	1,017,245
Finished Goods	6,918,705	2,583,180
Scrap	489,762	404,313
<b>TOTAL</b>	<b>54,111,940</b>	<b>29,562,623</b>
<b>SCHEDULE : 7</b>		
<b>SUNDRY DEBTORS</b>		
(Unsecured Considered Good)		
Over Six Months	3,964,016	3,271,893
Others	39,525,358	45,009,052
<b>TOTAL</b>	<b>43,489,374</b>	<b>48,280,945</b>
<b>Note:</b>		
(Debts due from firm/companies in which Directors are interested)	7,757,003	42,887
(Maximum amount outstanding at any time during the year)	7,757,003	1,221,425
<b>SCHEDULE : 8</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	69,175	78,342
Balances with Scheduled Banks on Current Account and Fixed deposit-Account	9,676,151	4,621,539
Accrued Interest on F.D	331,564	55,962
<b>TOTAL</b>	<b>10,076,890</b>	<b>4,755,843</b>
<b>SCHEDULE : 9</b>		
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good unless otherwise stated)		
Advances recoverable in cash or in kind	513,995	389,005
Deposits	2,697,225	7,691,635
Balance with Govt. Department	3,768,879	2,072,406
Advance to Suppliers	2,816,494	29,86,065
<b>TOTAL</b>	<b>9,796,593</b>	<b>13,139,110</b>
<b>SCHEDULE : 10</b>		
<b>LIABILITIES</b>		
Sundry Creditors	32,272,783	23,589,098
Unclaimed Dividend	310,253	
Other Liabilities	6,313,823	5,314,620
Advances from customer	11,495,727	3,910,329
<b>TOTAL</b>	<b>50,392,586</b>	<b>32,814,047</b>
<b>SCHEDULE : 11</b>		
<b>PROVISIONS</b>		
Provision for taxation	1,275,093	1,104,146
Proposed Dividend	-----	5,281,400
Dividend Distribution Tax	-----	740,716
<b>TOTAL</b>	<b>1,275,093</b>	<b>7,126,262</b>



	Year ended 31-3-2007 (Rs.)	Year ended 31-3-2006 (Rs.)
<b>SCHEDULE : 12</b>		
<b><u>OTHER INCOME</u></b>		
Interest Received	526,851	685,812
Misc. Income	----	1,932,734
Sundry Balance W/back	1,283,187	----
Exchange Difference	2,013,468	----
Profit on Sale of Car	----	35,576
<b>TOTAL</b>	<b><u>3,823,506</u></b>	<b><u>2,654,122</u></b>
<b>SCHEDULE : 13</b>		
<b><u>INCREASE/(DECREASE) IN STOCK</u></b>		
<b><u>Closing Stock</u></b>		
Work in Process	30,397,517	17,318,046
Finished Goods	6,918,705	2,583,180
Scrap	489,762	404,313
	<u>37,805,984</u>	<u>20,305,539</u>
<b><u>Less : Opening stock</u></b>		
Work in Process	17,318,046	21,522,322
Finished Goods	2,583,180	3,060,830
Scrap	404,313	55,350
	<u>20,305,539</u>	<u>24,638,502</u>
Increase/(decrease) In stock	<b><u>17,500,445</u></b>	<b><u>(4,332,963)</u></b>
<b>SCHEDULE : 14</b>		
<b><u>MATERIALS COST</u></b>		
<b><u>Raw Materials Consumed</u></b>		
Opening Stock	8,239,839	13,086,910
<b>Add. : Purchases</b>	<b>173,988,671</b>	<b>160,781,801</b>
	<u>182,228,510</u>	<u>173,868,711</u>
<b>Less : Closing Stock</b>	<b>14,538,709</b>	<b>8,239,839</b>
<b>TOTAL</b>	<b><u>167,689,801</u></b>	<b><u>165,628,872</u></b>
<b>SCHEDULE : 15</b>		
<b><u>MANUFACTURING EXPENSES</u></b>		
Inspection Charges & Others Exp.(net)	424,257	550,168
Power & Fuel Charges	29,204,925	22,080,929
Repair and Maintenance Expenses	10,311,250	9,515,920
Sales Tax Paid on Purchases	1,496,574	608,173
Stores and Spares Consumed	14,086,072	11,741,461
Transportation Charges	214,077	495,582
Water Charges	734,093	868,266
Job Work Charges Paid	1,381,127	----
<b>TOTAL</b>	<b><u>57,852,375</u></b>	<b><u>45,860,499</u></b>





## ANNUAL REPORT 2006 - 2007

	Year ended 31-3-2007 (Rs.)	Year ended 31-3-2006 (Rs.)
<b>SCHEDULE : 16</b>		
<b>PERSONNEL COST</b>		
Salary & Wages	12,330,318	7,633,366
P.F. and others	456,855	354,626
Staff Welfare	614,605	399,453
Contractual Services	4,385,010	6,123,243
Canteen Expenses	311,825	601,579
<b>TOTAL</b>	<b>18,098,613</b>	<b>15,112,267</b>
<b>SCHEDULE : 17</b>		
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement & Sales Promotion	384,285	175,133
Sales Commission	268,539	1,099,303
Clearing & Forwarding Expenses	1,004,034	352,441
<b>TOTAL</b>	<b>1,656,858</b>	<b>1,626,877</b>
<b>SCHEDULE : 18</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Auditor's Remuneration	120,000	73,620
Books & Periodicals	20,995	5,797
Conveyance and Travelling	1,904,998	1,948,355
Directors Remuneration	966,000	876,000
Electricity Expenses	316,972	323,779
Insurance Expenses	1,267,201	1,324,029
Late Delivery Charges	2,289,455	1,741,160
Legal & Professional Expenses	980,361	974,671
Office & Misc. Expenses	76,895	156,310
Postage, Telephone & Telegrams	703,992	765,858
Printing and Stationery	362,924	297,028
Rent, Rates & Taxes	772,104	807,305
Subscription & Membership	21,625	82,095
Security Expenses	995,720	659,108
Sundry Balances W. Off (Net)	----	472,171
Vehicle Expenses	927,402	646,572
Computer Expenses	85,714	----
Donation	10,100	74,393
Foreign Exchange Diff.	----	119,506
Share transfer & Registration fees	137,648	96,609
<b>TOTAL</b>	<b>11,960,106</b>	<b>11,444,365</b>
<b>SCHEDULE : 19</b>		
<b>FINANCE COST</b>		
Interest & Financial Charges	3,397,280	2,087,181
<b>TOTAL</b>	<b>3,397,280</b>	<b>2,087,181</b>
<b>SCHEDULE : 20</b>		
<b>PRIOR PERIOD &amp; EXTRA ORDINARY ITEM:</b>		
Prior Period Adjustments	(86,269)	99,835
<b>TOTAL</b>	<b>(86,269)</b>	<b>99,835</b>



**SCHEDULE : 21**

**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2007**

**I SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis for preparation of financial statement**

The financial statement have been prepared in accordance with the Accounting Standard specified by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956

**b) Method of Accounting**

The company follows the mercantile system of accounting.

**c) Fixed Assets**

The Gross Block of Fixed Assets are shown at the cost of acquisition, and other identifiable direct expenses. The cost of the fixed assets is excluding the cenvat & VAT credit availed on the same.

**d) Impairment of Assets**

There is no such impairable assets at the year ended on 31.03.07 in term of AS – 28 issued by ICAI. Hence company has not made any provision for impairment loss.

**e) Depreciation**

- i) Depreciation on Fixed Asset at Mumbai Office have been provided on written down value as per the rates prescribed under the schedule XIV of the Companies Act, 1956.
- ii) Depreciation on Fixed Assets of Nagothane Unit has been provided on straight-line value method as per the rates prescribed under Schedule XIV of the Companies Act, 1956.
- iii) Depreciation on Plant & Machinery is calculated on the basis of 3 shifts on straight-line method.

**f) Inventories**

- i) Raw Materials are valued at cost or net realizable value whichever is less, cost is arrived at using FIFO Method and comprises of all expenditure including expenses incurred in bringing the inventories to the present condition and situation. It does not include Excise Duty and VAT.
- ii) Work in progress is valued at cost or net realisable value whichever is less. Cost consist of average cost of Raw material and conversion cost up to the stage of process completed.
- iii) Finished goods are valued at cost or net realisable value whichever is less . Cost consists average cost of Raw material and conversion cost. It includes excise duty.
- iv) Stores and Spares are valued at cost exclusive of Excise Duty & VAT credit taken.
- v) Scrap is valued at the net realisable value.

**g) Transaction in Foreign Currencies**

- a) Transactions are recorded at the exchange rates prevailing on the date of the transaction.
- b) Foreign currency monetary assets, liabilities and capital commitments are restated at the year end rates.
- c) The exchange differences are adjusted to :
  - i) Carrying cost of fixed assets, if they relate to fixed assets and
  - ii) Profit and Loss account in other cases
- d) In case of forward contracts the exchange difference are dealt with in the profit and loss account over the period of the contracts except in respect of liabilities incurred for acquiring fixed assets in which case, the difference are adjusted in their carrying cost.

**h) Retirement Benefit**

Liability in respect of employee of retirement benefits to employee are provided for as follows:-

- i) Company's contribution to Provident Fund is charged to Profit & Loss Account.
- ii) Contribution for Gratuity is made on the basis of actuarial valuation of LIC Gratuity fund and charged to Profit & Loss Account.

**i) Revenue recognition of Income & Expenditure**

- i) Sales & purchase are recognised when the property in goods are transferred. Sales are accounted excluding taxes.
- ii) Job work charges are accounted for on completion of job.
- iii) Interest income is recognised on accrued basis.
- iv) All items of Income & Expenses are accounted for on accrual basis.

**j) Borrowing Cost**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowed cost are charged to the Profit & Loss Account.

**k) Excise Duty, Services & Cenvat Credit**

- i) Excise duty payable on finished goods is accounted for on clearance of goods.
- ii) Services Tax payable on job work is accounted for on completion of job Work.
- iii) Cenvat Credit on input services is accounted for on the date of the payment of the same.
- v) Cenvat credit is claimed in respect of Service Tax.

**l) Taxation :**

- i) The Company has made adequate provision for Income tax & Fringe Benefit Tax payable under the provisions of



## ANNUAL REPORT 2006 - 2007

Income Tax Act, 1961.

- ii) The Company has provided for the deferred tax based on the tax effect of timing differences, which will reverse in future.

**m) Provisions, Contingent Liabilities and Contingent Assets**

A provision is made based on a reliable estimate when it is probable that an out flow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

## **II NOTES TO ACCOUNTS**

**a) Contingent Liabilities**

- i) Counter Guarantee given to the Bank for the performance guarantee given by them of Rs. 248.81 Lacs. (P.Y. Rs. 67.94 Lacs)
- ii) Bill Discounted against sales Rs. NIL (P.Y. 114.43 Lacs)
- iii) Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 1283.89 Lacs (P.Y. Rs. 816.68)

**b) Prior Period Items**

The prior period item consist of the following items.

Particulars	Current year (Rs.)	Previous year (Rs.)
Income	1,23,334	Nil
Expenditure	37,065	99.935
<b>TOTAL</b>	<b>(86,269)</b>	<b>99.835 -</b>

**c) Deferred Tax**

The Company has provided for the deferred tax based on the tax effect of timing differences, which will reverse in future.

Particulars	At 31.03.2006	During the year	At 31.03.2007
A. Deferred Tax Liability			
Current year Depreciation	28,37,813	(14,51,601)	13,86,212
B. Less : Deferred tax Assets			
Expenditures	2,10,347	2,29,547	4,39,894
Closing Deferred Tax Liability	26,27,466	(16,81,048)	9,46,418

**d) Sales Tax Deferment**

Interest free Sales Tax Deferment is of Rs. 1,07,32,101/- out of these Rs. 92,103/- is due in the immediate next year and balance is payable in next 9 yearly installments till year 2016-17.

**e) Segment Accounting**

The company deals in only one product segment i.e. cold drawn seamless pipes and tubes. Hence requirement of AS-17 "Segment Reporting" issued by the Institute of Chartered Accountants of India are not applicable.

**f) Related Party Disclosures as per Accounting Standard (AS) 18 :**

**A) Parties with whom the company has entered into transactions During the year.**

**1) Associates**

Madras Steel & Tubes (MST)  
Riddi Siddhi & Co. (RSC)  
Sakariya Finance Private Limited (SFPL)  
Sarayu Issue Management Services Pvt. Ltd. (SIMSPL)  
Vinayak Tubes (VST)

**2) Key Management Personnel**

Shri M. P. Jalan  
Shri Narendra Kumar Sakariya  
Shri Vivek Jalan  
Shri J. T. Hingorani



**B) Related Party Transactions:**

Nature of Transaction	Associates	Key Management Personnel	Total
<b>Transaction during the year:</b>			
Purchase of Goods	84,269 (56,787)	Nil Nil	84,269 (56,787)
Sales of Goods/License	86,14,887 (23,21,130)	Nil Nil	86,14,887 (23,21,130)
Remuneration	Nil Nil	9,66,000 (8,76,000)	9,66,000 (8,76,000)
Receiving of Services	Nil Nil	88,500 (2,86,500)	88,500 (2,86,500)

**C) Details of material related party transactions including under (B) above**

Nature of transaction	Associates (M S T)	Associates (R S C)	Associates (V T)
Sales of Goods/License	21,95,614 (Nil)	6,02,592 (Nil)	58,16,681 (23,21,130)
Purchase of Goods	(Nil) (Nil)	(Nil) (Nil)	84,269 (56,787)

**g) Auditor's Remuneration**

Particulars	Current Year	Previous Year
For Statutory Audit	45,000	49,590
For Tax Audit	10,000	11,020
For Other Services	65,000	5,510
For Income Tax	Nil	7,500
<b>TOTAL</b>	<b>1,20,000</b>	<b>73,620</b>

**h) Managerial Remuneration**

Directors Remuneration Rs. 9,66,000/- (P. Y. Rs. 8,76,000/-)

**i) Dividend**

Company has not proposed any dividend for the financial year 2006-07.

**j) Dues to Small Scale Industrial Undertakings**

i) As the required information is not available, the information about the amount outstanding more than Rs. 1.00 Lacs as on 31.03.2007 to Small Scale & Ancillary Industries undertaking could not be given.

ii) The Company has not received any intimation from suppliers regarding their status under the Micro, Small and medium enterprises Development Act, 2006 and hence disclosers, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

**k) Earnings per Share**

The earning considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in Computing EPS are the weighted average number of share outstanding during the year which is calculated as below :

	31.03.07	31.03.06
a) Calculation of weighted average no. of equity shares		
No. of Shares at the beginning of the year	52,81,400	52,81,400
No. of shares issued / buy back during the year	Nil	Nil
<b>Total Equity Shares o/s at the end of the year</b>	<b>52,81,400</b>	<b>52,81,400</b>
b) Net Profit after tax / (Loss) available for equity share holder	1,75,56,797	2,43,43,426
c) Basic / Diluted earning per shares	<b>3.32</b>	<b>4.61</b>



# ANNUAL REPORT 2006 - 2007

## i) QUANTITATIVE INFORMATION (As certified by the Management)-Enclosed

Product wise Annual Production Capacity

a) Cold Drawn Seamless Pipes & Tubes

6520 MT

6520 MT

(6520 MT)

(6520 MT)

b) Stainless Steel Seamless Pipes & Tubes

900 MT

900 MT

(Nil)

(Nil)

## iii) MANUFACTURING ACTIVITY

### a) Finish Goods

Actual Production, Stock, etc

Opening Stock

Production\*

Sales

Scrap Sales

Closing Stock

Current Year

Qty. (Tons)

Amount (Rs.)

Previous Year

Qty. (Tons)

Amount (Rs.)

43.053

25,83,180

54,485

30,60,830

3047.978

3063.298

2997.146

23,48,94,029

3074.730

25,77,72,383

63,81,356

36,62,144

93.885

69,18,705

43.053

25,83,180

\* Production quantity shown above is net of Scrap generated during the process

### b) Raw Material

Opening Stock

Raw Material Purchased

Raw Material Consumed

Closing Stock

211.944

82,39,839

279.540

1,30,86,910

3885.009

17,39,88,671

3251.648

16,07,81,801

3763.237

16,76,89,801

3319.244

16,56,28,872

333.716

1,45,38,709

211.944

82,39,839

### c) Work in Progress

Opening Stock

Closing Stock

1,73,18,046

2,15,22,322

3,03,97,517

1,73,18,046

### d) Job Work

Job work done

2462.721

3,65,38,394

2286.781

2,91,89,766

## iv) RAW MATERIAL CONSUMPTION

Imported

Indigenous

Rupees

9,35,74,877

7,41,14,924

%

55.80

44.20

Rupees

2,04,42,301

14,51,86,571

%

12.44

87.56

16,76,89,801

100.00

16,56,28,872

100.00

## STORES & CONSUMABLES

Imported

Indigenous

707,733

1,33,78,339

5.03

94.97

Nil

1,17,41,461

Nil

100

1,40,86,072

100.00

1,17,41,461

100

## v) Earning in Foreign Exchange (FOB)

2,21,07,781

1,31,27,291

## vi) Expenditure in Foreign Currency

### a) CIF Value of Import

Raw Material

Stores & Consumables

Capital Goods

881,81,985

7,07,733

29,84,175

2,04,42,301

Nil

38,89,521

### b) Travelling Expenses

6,58,480

6,39,894

### c) Interest paid

10,86,128

Nil

## vii) Remittance of Dividend in Foreign Currency

19,400

Nil

m) In the opinion of Board, the Current Assets, Loan & Advances Balance of Sundry Debtors, Sundry Creditors other Liabilities are approximately of the value stated in the Balance Sheet if realised in the ordinary course of Business.

n) Previous year figures have been regrouped, wherever necessary to make them comparable with those of the current year. Figures in the brackets represent figures for the previous year.



**MAHALAXMI**  
SEAMLESS LIMITED

m) Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1 Registration Details**

Registration No.  State Code

Balance Sheet Date     
Date Month Year

**2 Capital Raised during the year**

Public Issue

Bonus Issue

Right Issue

Preferential Allotment

**3 Position of Mobilisation and Deployment of Funds**

Total Liabilities

Total Assets

**Sources of Funds**

Paid-up Capital

Secured Loans

Reserves and Surplus

Un secured Loans

**Application of Funds**

Net Fixed Assets

Net Current Assets

Deferred Tax Liabilities

Investments

Misc. Expenditures

**4 Performance of Company**

Turnover And Other Income

Prior Period & Extra Ordinary Item

Profit / (Loss) before Tax

+ - Earning per Share in Rs.

Total Expenditure

Profit / (Loss) after Tax

Dividend Rate %

**5 Generic Number of Three Principal Products/Services of the Company (As per numeric terms)**

Item Code No. (ITC Code)

Product Description

Cold Drawn Seamless Tubes

Signature to Schedule 1 to 21

For MAHALAXMI SEAMLESS LIMITED

Place : Mumbai

Date : 29.6.2007

M. P. JALAN

Chairman & Managing Director

NARENDRA SAKARIYA

Jt. Managing Director

VIVEK JALAN

Ex. Director



## MAHALAXMI SEAMLESS LIMITED

Registered Office

Pipenager (Sukeli), Via, Nagothane, Tal. Roha, Dist. Raigad, Maharashtra : 402 126

### PROXY FORM

Reg. Folio No. \_\_\_\_\_

I/W..... of  
..... in the district of  
..... being a member/members of the above named Company hereby appoint  
..... of ..... in the district of  
..... or failing him ..... of  
..... in the district of ..... as  
my/our proxy to vote for me/us on my/our behalf at the SIXTEENTH ANNUAL GENERAL MEETING of the  
Company to be held on 28th September, 2007 and at any adjournment thereof.

Signed this ..... day of....., 2007.

Signature .....

Revenue

Stamp

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



## MAHALAXMI SEAMLESS LIMITED

Registered Office

Pipenager (Sukeli), Via, Nagothane, Tal. Roha, Dist. Raigad, Maharashtra : 402 126

### ATTENDANCE SLIP

Reg. Folio No. \_\_\_\_\_

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company at Pipenagar (SUKELI), Via, Nagothane, Tal. Roha, Dist. Raigad, Maharashtra : 402 126, 2.00 p.m. on 28th September, 2007.

Member's/Proxy's name in BLOCK Letters

Member's/Proxy's Signature

Note : Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING PLACE.

BOOK - POST

*If undelivered, Please return to :*



**MAHALAXMI SEAMLESS LTD.**

A-54, Virwani Industrial Estate,

Western Express Highway, Goregaon (E), Mumbai - 400 063.

PRASHANTI ENTERPRISES : 22921249 / 9869439077