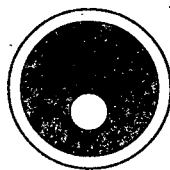


18th Annual Report 2008 - 2009

For MAHALAXMI SEAMLESS LTD.


Authorised Signatory

Growth through Consolidation



**MAHALAXMI
SEAMLESS LIMITED
ISO 9001 : 2000**



BOARD OF DIRECTORS

Chairman & Managing Director
Shri Madhav Prasad Jalan

Executive Director
Shri Vivek Jalan

Director

Shri Narendra kumar Dalmia
Shri Manish Dalal
Shri Chetan Jain
Shri J. P. Hingorani
Shri Shushilkumar Shrivastava
Shri Chandrashekar R. Kulkarni
Shri Narayan B. Pathak
Shri Ramchadra K. Yadav

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

EIGHTEENTH ANNUAL GENERAL MEETING

DATE

Wednesday, September 30, 2009

TIME

2.00 p.m.

VENUE

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



EIGHTEENTH ANNUAL REPORT 2008 – 2009

NOTICE

Notice is hereby given that the **Eighteenth** 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 **Wednesday, 30th September, 2009** 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, 2009 and Profit & Loss Account for the year ended as on that date and the Reports of the Directors' and Auditor's thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Madhav Prasad Jalan who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vivek Jalan who retire by rotation and being eligible, offers himself for re-appointment.
5. To appoint M/s. G. Ram & Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company for the Financial Year 2009-2010 in place of M/s. V. B. Goel & Co., Chartered Accountants, Mumbai the Retiring Auditors of the Company.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of section 260 of the Companies Act, 1956 Mr. Ramchandra Karedeen Yadav, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25/12/2008 holds office only upto the date of this Annual General Meeting of the Company be and is hereby appointed as Director of the Company whose period of office shall be liable to retirement of Directors by rotation".

"RESOLVED FURTHER THAT, the Board of Directors be and are hereby authorised to take such actions & steps as may be necessary to give effect to this resolution".

For and On behalf of the Board of Directors

Place: Mumbai
Date : 27.08.2009

MADHAV PRASAD JALAN
Chairman & Managing 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 **Saturday, 26th September, 2009 to Wednesday, 30th September, 2009** (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 Annual General Meeting.
6. Explanatory Statement pursuant to Section 173(2) read with 302 of the Companies Act, 1956 in respect of items of Special Business of the Notice set out, is annexed hereto.
7. Members are requested to bring their copies of the reports to Annual General Meeting.
8. 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.
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:

Mr. Ramchandra Karedeen Yadav, was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 25/12/2008 and his period of office comes to end at the forthcoming Annual General Meeting of the company and being eligible he has offered his candidature to be appointed



MAHALAXMI
SEAMLESS LIMITED

as Director of the Company whose period of office shall be liable to retirement of Directors by rotation.

Mr. Ramchandra Karedeen Yadav is a diploma in electrical engineering, mechanical engineering and industrial safety and holds vast experience of approximately 29 years in the various Business Activities consisting of utilites, projects and energy conservation etc.

Mr. Ramchandra Karedeen Yadavi was appointed as an Additional Director of the Company w.e.f 25/12/2008 and his tenure of office comes to an end at ensuing Annual General Meeting and he being eligible offer his candidature for the Directorship.

None of the Directors of your Company except Mr. Kulkarni, (directly interested) are interested in the proposed resolution.

For and On behalf of the Board of Directors

Place: Mumbai
Date : 27.08.2009

MADHAV PRASAD JALAN
Chairman & Managing Director



DIRECTORS' REPORT

Your Directors have pleasure in presenting their Eighteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2009.

FINANCIAL HIGHLIGHTS :

PARTICULARS	As on March 31, 2009	(Rs. in lacs) As on March 31, 2008
Income from Sales (Net of Excise)	3398.96	3511.49
Other Income	46.68	64.89
Increase/ (Decrease) in Stock	205.28	(177.18)
Total Expenditures	3165.03	2676.51
Profit / (Loss) before Depreciation & Interest	485.89	722.69
Less: Depreciation	82.85	129.31
Interest	104.64	58.23
Add: Prior Period/ Extra Ordinary Adjustments	(0.42)	(0.56)
Net Profit / (Loss) before Taxation	297.98	534.59
Provision for Taxation	107.62	186.39
*[Current + Fringe Benefit+Deferred]		
Profit After Taxation	190.36	348.20
Less: (Short) / Excess	(3.80)	-
Prov. Of Tax		
Add: Excess provision of Depreciation w/back	176.65	-
Less : Deferred Tax liability for earlier year	55.52	-
Less: Interim Dividend Proposed Dividend	26.41	26.40
Less: Dividend Distribution Tax	4.49	4.49
Less: Transfer to General Reserves		

DIVIDEND:

The performance of the Company during the year under review, Your Board of Directors are pleased to recommend a dividend of Rs. 0.50 per share for the year ended 31st March 2009.

DIRECTORS:

Pursuant to the Articles of Associations of the Company, Mr. Madhav Prasad Jalan & Mr. Vivek Jalan, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Further, Mr. Ramchandra Karedeen Yadav who was appointed as an Additional Director of the Company on 25/12/2008 and his period office shall come to an end at the ensuing Annual General Meeting and being eligible has offered his candidature for the post of Directorship:

During the Year Mr. Narayan Pathak and Mr. Sushilkumar Srivastava resigned from Directorship w.e.f 31st May, 2009, the Board accepted their Resignation and acknowledged their co-operation during their tenure of Directorship.

DIRECTORS' RESPONSIBILITY STATEMENT, pursuant to Sec. 217(2AA) of the Companies Act, 1956, your directors to the best of their knowledge and belief confirm that:

- that in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

OPERATIONS:

The net revenue for the Current Year was Rs.3398.96 Lakhs which includes export for Rs.1061.33 Lakhs (Rs.3511.48 Lakhs) in the previous year. The net profit for the year was Rs.190.36 Lakhs (Rs.348.20 Lakhs) in the previous year, thus recording decrease in Net Revenue by 3.20% and decrease in Net Profit by 45.33% due to high input cost and recessionary trend in the market.

ANNUAL REPORT 2008 - 2009

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement, 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.

AUDITORS:

Your Company has received letter from M/s. V. B. Goel & Co. Chartered Accountants, Mumbai the retiring Auditors of the Company expressing their inability to seek re-election for the Financial Year 2009-10.

In view of the same the Board of Directors of your Company had a discussion with M/s. G. Ram & Associates, Chartered Accountants, Mumbai to be appointed as Statutory Auditors of the Company for the Financial Year 2009-2010 subject to approval of Shareholders in the forthcoming Annual General Meeting and they have furnished their eligibility certificate under Section 224(1B) of The Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

The Company has no employee of the specified categories under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended upto date.

EXPLANATION U/S. 217(3) OF THE COMPANIES ACT, 1956:

- Note No. 4(f) to Auditors' Report:
The Company is accounting retirement Benefits viz, earned leave on payment basis. Hence, necessary disclosures in this regard has not been quantified and its effect on profit and liability can not be ascertained.
 - Note No. 4(f) (i) to Auditors' Report:
The Company has entered into contract for purchase and sale of goods with related party in circumstances of urgent necessities without obtaining consent of the Board and the said consent was obtained at a meeting within three months of the date on which the contract was entered into.
 - Note No. 4(f) (ii) to Auditors Report :
The Company has advanced loans to its Directors in the circumstances which were beyond the control of the said Directors and the effective steps are already being taken to recover the financial assistance accorded to the Directors by the Company.
 - Note No. 4(f) (iii) to Auditors Report :
Considering the qualifications possessed by the relative of a Director, her appointment was made to Office of Place of Profit, and effective steps are being taken to obtain necessary approvals in this regard.
 - Note No. 4(f) (iv) to Auditors Report :
The Company is in the process of compiling the data in connection with Micro, Small and Medium Enterprises so as to make disclosures in the Annual Report pursuant Micro, Small and Medium Enterprises Development Act, 2006.
 - Note No. 8 to Annexure to Auditors Report :
The Company is in the process of compiling the data in connection with Micro, Small and Medium Enterprises so as to make Disclosures in the Annual Report pursuant to Micro, Small and Medium Enterprises Development Act, 2006.
- The Company has already taken effective steps to maintain cost records as prescribed under The Companies Act, 1956 for the year ended March 31, 2009.

ACKNOWLEDGEMENTS:

The Board of Directors wishes to place on record its sincere appreciation for due co-operation received from the Company's Bankers namely Oriental Bank of Commerce. The Directors are also thankful to Statutory Organisations Esteemed Customers and Employees at all levels for their continuous support.

For and On behalf of the Board of Directors

sd/-

Place : Mumbai
Date : 27.08.2009

MADHAV PRASAD JALAN
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT:

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

The company is expending its carbon steel plant based on gas consumption furnace, resulting into lower power consumption per unit of production.

The require information with regard to conservation of energy as required under section 217 (1) (e) of the Companies Act, 1956 and Rules made therein in Form A are given hereunder:

FORM - A

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

Particulars	Current Year (31/03/2009)	Previous year (31/03/2008)
1. Power & Fuel Consumption:		
1. Electricity		
Purchased Units		
Total Amount (Rupees)	42,85,642	47,61,840
Rate per Unit (Rupees)	1,93,82,570	2,13,41,341
	4.52	4.48
2. Fuel (L.D.O.)		
Consumption (Ltrs.)	1,30,000	2,20,000
Total Amt. (Rupees)	42,47,141	57,91,836
Rate per unit (Rupees)	32.67	26.33
3. Diesel		
Consumption (Ltrs.)	34,482	28,356
Total Amount (Rupees)	12,73,501	9,68,230
Rate per unit (Rupees)	36.93	34.14
4.. Consumption per ton		
Electricity Units	1,434.30	1,358.24
L.D.O.(Liters)	43.51	62.75
Diesel (Liters)	11.54	8.09

FORM - B (See Rule - 2)

Form for disclosure of particulars with respect to technology absorption

Research and Development

1. Specific areas in which R&D is carried out by the company.	NA
2. Benefits derived as a result of the above efforts	NA
3. Future plan of action	
Efforts are aimed at cost reduction, improvement in quality of existing products and development of new process.	NA
4. Expenditure on R&D for the year 2007-08	Nil

Technology, absorption, adaptation and innovation

Continuous efforts are going on for development of process for additional products, up-grading of existing equipments for improvement in the quality of products and reducing the cost of manufacture. No technology has been imported by the company.

Foreign Exchange Earnings and outgo

Rs. In Lakhs

Earnings	1050.77
Outgo	997.85



MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry structure and developments

The company operates in cold drawn carbon steel seamless tubes. Due to sharp rise in steel prices raw material cost is becoming more expensive but the market acceptance of the price rise is relatively slow causing short term losses. The company is expending its capacity to add a new bright annealing furnace. In addition, company has already made investments in a separate Stainless Steel seamless tubes plant. This plant is in response to the higher margins of SS tubes to improve its performance in the coming years.

2. Financial performance & operational performance

The operational performance of the company during the year under review. The net sales of the company decreased from Rs. 3511.48 lacs in the previous year to Rs.3398.96 lacs in the current year. The operating profit (PBIDT) decreased from Rs.722.69 lacs to Rs.485.88 lacs. The performance of the company is decreased due to increase in cost of production caused by high cost of raw materials.

3. Internal control system

The company has proper and adequate system of internal controls, which ensure that all the assets are safeguarded and all transactions are authorized, recorded and reported correctly. The company maintains adequate and effective internal control system for purchase of raw materials, stores, plant and machinery, equipment and other assets as well as for sale of goods. The finance and commercial functions have been structured to provide adequate support and controls for the business of the company.

4. Industrial relations and human resource development

The company has a team of professionally qualified personnel to look after technical and commercial aspects of business operations. Its technical team includes qualified engineers, skilled operators and expert maintenance staff. Employee relations have been cordial.

5. Cautionary Statement

Statement in this report on Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations etc. are predictions may be "forward looking statements" within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ from those expressed or implied. Many imported factors including global and domestic demand and supply conditions, prices, raw materials costs and availability, cost of fuel, determination of tariff, changes in government regulations, tax laws and other status may be effect the actual result which could be different from what the director's envisage in terms of future performance and outlook.



CORPORATE GOVERNANCE REPORT

MANDATORY REQUIREMENTS:

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The Company's 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 to 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.

2. BOARD OF DIRECTORS

As on 31st March, 2009 the strength of Board of Directors was 10, comprising of 6 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.

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

The 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	
			Name of the company	Member
Shri M.P. Jalan	Executive	1	Jaguar Overseas Ltd	1
Shri Shushil Kumar Shrivastava	Whole time Director	Nil	Nil	Nil
Shri Vivek Jalan	Executive	1	Ominitex Industries (India) Ltd	1
Shri Narendra Kumar Dalmia	Independent, Non-Executive	3	1. Sanwaria Polyesters Pvt. Ltd. 2. Sunrise Commercial Pvt. Ltd. 3. Ominitex Industries (India) Ltd	3
Shri Manish Dalal	Independent Non-Executive	3	1. Sarayu Issue Management Services Pvt. Ltd. 2. Ancient leasing Finance & Inv. Co. Ltd 3. Ominitex Industries (India) Ltd	3
Shri Chetan Jain	Independent Non-Executive	2	1. Tricame Health care Pvt. Ltd. 2. Tricame Life Science Ltd.	2
Shri Jeevan Prakash Hingorani	Independent Non-Executive	Nil	Nil	Nil
Shri Chandrashekhar R. Kulkarni	Independent Executive	Nil	Nil	Nil
Shri Narayan B. Pathak	Independent Executive	Nil	Nil	Nil
Shri Ramchandra K. Yadav	Independent Executive	Nil	Nil	Nil

**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:

29 Board Meetings were held during the financial year ended March 31, 2009, the dates of which are :- 1/04/08, 15/04/08, 11/06/08, 19/06/08, 30/06/08, 07/07/08, 31/07/08, 25/08/08, 25/09/08, 01/10/08, 07/10/08, 10/10/08, 16/10/08, 25/10/08, 31/10/08, 06/11/08, 07/11/08, 12/11/08, 04/12/08, 15/12/08, 23/12/08, 31/12/08, 16/01/09, 23/01/09, 24/01/09, 31/01/09, 16/02/09, 18/03/09, 28/03/09. 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 30/09/2008.
Shri Madhav Prasad Jalan	All	Attended
Shri Vivek Jalan	All	Attended
Shri Sushil Kumar Shrivastava	5	Attended
Shri Manish Dalal	23	Attended
Shri Narendra Kumar Dalmia	27	Attended
Shri Chetan Jain	23	No
Shri Jeevan Prakash Hingorani	No	No
Shri Chandrashekhar R. Kulkarni	3	Attended
Shri N. V. Pathak	No	No
Shri R. K. Yadav	5	No

Shri R. K. Yadav appointed w.e.f. 25.12.2008 and Shri Narayan B Pathak appointed w.e.f. 16.02.2009.

3. 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:

- Oversight 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 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 a failure of internal control systems of a material nature and reporting the matter to the board.



- h. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well, as post-audit discussion.
- i. Reviewing the Company's financial and risk management policies.

COMPOSITION

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

The constitution of the Audit Committee is as follows:

Names of Members	Designation
1. Shri Manish Dalal	Chairman, Non-Executive Director
2. Shri Narendra Kumar Dalmia	Executive Director
3. Shri Chetan Jain	Non-Executive Director

MEETINGS AND ATTENDANCE

During the financial year ended March 31, 2009, Four Audit Committee Meetings were held on dated 30/06/08, 31/07/08, 31/10/08 and 31/12/08.

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 30/09/2008 to attend the shareholders' queries.

4. REMUNERATION COMMITTEE:

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

COMPOSITION

The Remuneration Committee comprises of three Directors as under :

Names of Members	Designation
1. Shri Manish Dalal	Chairman, Non-Executive Director
2. Shri Chetan Jain	Non-Executive Director
2. Shri Narendra Kumar Dalmia	Non-Executive Director

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, 2009

Name of Director	Salary	Benefits	Professional Fees
Shri Madhav Prasad Jalan	6,00,000	Nil	Nil
Shri Vivek Jalan	9,00,000	Nil	Nil
Shri S. K. Shrivastava	8,26,452	Nil	Nil
Shri Nagesh Deshmane	4,10,928	Nil	Nil
Shri C. R. Kulkarni	3,22,592	Nil	Nil
Shri R. K. Yadav	1,18,586	Nil	Nil
Shri Narayan B. Pathak	85,950	Nil	Nil

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:

- a) 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 Vivek Jalan	: 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

10 Meetings were held for the financial year ended 31st March 2009 as follows :

15/04/2008, 30/04/2008, 31/05/2008, 14/06/2008, 30/06/2008, 30/08/2008, 15/09/2008, 15/10/2008, 29/11/2008, 31/12/2008 were held for the financial year ended 31st March 2009.

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

Name of Director	No. of meetings attended
Shri Manish Dalal	10
Shri Vivek Jalan	10
Shri Narendra Kumar Dalmia	10

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

Received From	Pending Complaints as on 1/04/08	Total Complaints Recd. in 2008-09	Total Complaints Resolved	Pending Complaints as on 31/03/2009
Investor	Nil	10	10	Nil
SEBI /Stock Exchange	Nil	14	14	Nil
Other Govt. Statutory Authority	Nil	Nil	Nil	Nil

6. 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
2005-2006	30/09/2006	Regd. Office of the Company at Roha	2.00 P.M.
2006-2007	30/09/2007	Regd. Office of the Company at Roha	2.00 P.M.
2007-2008	30/09/2008	Regd. Office of the Company at Roha	2.00 P.M.

7. DISCLOSURES:

- The related party transactions with them as required under accounting standard 18 (AS18) are furnished under note no. L of the Notes to Accounts attached with the financial statement for the year ended 31st March 2009.
- The Listing fees of The Stock Exchange, Ahmedabad & Madras Stock Exchange Limited for last 08 (eight) financial years are pending till date.
- The Company has complied with all the requirements of regulatory authorities. No penalties / strictures authority on any matter related to capital markets during the last three years.
- The Company has properly framed Whistle Blower Policy by virtue of which all the employee of the Company has access to the Audit Committee.
- Company in general has complied with mandatory requirements and in the process upgrading its system so as to comply non-mandatory requirements in the near future.



8. 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 Free Press Journal (English) and Maharastra Times (Marathi) & Nav Shakti (Marathi)

9. GENERAL SHAREHOLDER INFORMATION:

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

SHAREHOLDER INFORMATION:

Registered Office	: Pipenagar (Sukeli), Via Nagothane, Taluka: Roha, Maharashtra-402 126. Tel. : 952194-238510/238537 Fax : 952194-238509
Annual General Meeting	: Date & Time : 30th September 2009 at 2.00 P.M. Venue : Registered Office of the Company at :- Pipenagar (Sukeli), Via Nagothane, Taluka: Roha, Maharashtra-402 126.
Financia Year	: April to March
Quarterly Financial Reporting	: Within one month from the end of each quarter, Except fourth quarter when annual results are Published within two months.
Date of Book Closure	: 26/09/2009 to 30/09/2009
Dividend Payment Date	: 30 days from the date of Annual General Meeting
Listing on Stock Exchanges	: Equity Shares of the Company are listed on The Bombay Stock Exchanges Ltd. (BSE), The Stock Exchange Ltd. Ahmedabad & Madras Stock Exchange Ltd. The listing fees of the Stock Exchange, Ahmedabad and Madras Stock Exchange Ltd. for last 9 (nine) financial years are pending till date.
Stock Code	: The Bombay Stock Exchange Ltd.: 13460BSE The Ahmedabad Stock Exchange Ltd.: 35190 Madras Stock Exchange Limited: 513460 ISIN Number: INE257F01017

**Stock Market Data :**

The monthly high and low share price on The Bombay Stock Exchange Ltd. (BSE).

MONTH	SHARE PRICE	
	High (Rs.)	Low (Rs.)
April, 2008	30.40	25.15
May, 2008	30.00	23.60
June, 2008	29.00	21.00
July, 2008	26.40	19.35
August, 2008	25.80	20.10
Sept., 2008	25.15	16.00
Oct., 2008	21.10	12.50
Nov., 2008	18.95	10.85
Dec., 2008	15.55	9.40
Jan., 2009	14.00	10.27
Feb., 2009	13.30	9.80
March, 2009	11.60	9.10

Registrar and Share Transfer Agents:

The Company has appointed the below mentioned agency as Registrars and Share Transfer Agent (RTA) for matter related to share transfers etc.

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.



ANNUAL REPORT 2008 - 2009

Distribution of shareholding as on March 31, 2009.

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 500	5205	90.19	855357	16.20
501-1000	304	5.27	256231	4.85
1001-2000	116	2.01	177180	3.35
2001-3000	30	0.52	77273	1.46
3001-4000	24	0.42	85507	1.62
4001-5000	35	0.61	169826	3.22
5001-10000	32	0.55	228590	4.33
10001-999999	25	0.43	3431436	64.97
GRAND TOTAL	5771	100	5281400	100

Shareholding pattern as on March 31, 2009.

	No. of shares	percentage of shareholding
Private Corporate Bodies	775252	14.68
Indian Public	1981944	37.53
NRIs/OCBs	88746	1.68
Corporate Body - Broker	18157	0.34
Indian Promoters - Director's & relatives	2417301	45.77
Total	5281400	100.00

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : **NIL**

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

Particulars	No. of shareholders	No. of shares	Percentage of shareholding
Physical	2850	664720	12.59
Dematerlised Shares :-			
Shares in NSDL	1947	2836281	53.70
Shares in CDSL	974	1780399	33.71
Total		5281400	100.00

The ISIN number of equity shares of the company in NSDL and CDSL is INE257F01017.



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

Address for Correspondence

1. Share Transfer Agent : **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. No.: 952194-2859 4060 / 2859 6060 / 2850 3748
Fax No.: 952194-2859 4060 / 2859 6060 / 2850 3748

2. Registered Office : Pipenagar (Sukeli), Via Nagothane,
Taluka: Roha, Maharashtra-402 126.

DECLARATION :

I M. P. Jalan, Chairman & Managing Director of Mahalaxmi Seamless Limited, in compliance of Clause 49 of the Lising 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, except Clause 49(1) (A) and Clause 49 (1) (D) for the year ended March 31, 2009.

For **MAHALAXMI SEAMLESS LIMITED**

Place : Mumbai
Date : 27.08.2009

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



AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
MAHALAXMI SEAMLESS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **Mahalaxmi Seamless Limited** for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges.

2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was 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.

3.

- a. *As per provisions of Clause 49 I(A) (i) of Listing Agreement relating to "Corporate Governane", the Board of Directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with not less than 50% of the Board of Directors comprising of Non-Executive Directors. During the year there were 4 Non-Executive Director as against total strength of 10 Directors. As such the Company has contravened with the requirement of Clause 49 vis-a-vis maintenance of ratio of Composition of Board as stipulated.*
- b. *As per Clause 49 I (D) of the Listing Agreement, the Board shall lay down a code of conduct for all Board members and senior management of the Company. However, during the year the Company has not complied with the said requirements.*

4. *Except as stated in paragraph 3a and 3b above, 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 Listing agreements.*

5. 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 exceeding one month against the Company, the Register and Share Transfer Agents of the Company have maintained the records of investor grievances and certified that as at 31st March 2009 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)
Partner
Membership No. 39287

Place : Mumbai
Date : 27.08.2009



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

1. We have audited the attached Balance Sheet of **MAHALAXMI SEAMLESS LIMITED**, as at March 31, 2009 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) *The Accounting Standard 15 requires the Company to make provision of retirement benefits viz earned leave on accrual basis and accounted for in accordance with the prescribed method. The Company has not determined and accounted the liability in accordance with that and accordingly adequate disclosure has not been made. The amount in respect of the same has also not been quantified and hence the effect thereof on profit and liability is unascertained.* Except for the above, 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,

2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

- f) i) *The Company has not taken previous sanction of Board & approval of the Central Government for entering into contracts as required under Section 297 (1) of the Companies Act, 1956. in respect of following transactions:*

Name of Associates Company	Nature of Transaction (Rs.)	Transaction Amount (Rs.)	Closing Balance (Rs.)	Maximum Amount
Vinayak Tubes	Sales	8,023,408	1,073,386	1,507,350
Madras Steel	Sales	2,146,891	-	1,446,633
Vinayak Tubes	Purchase of Raw Materials	7,443,311	Nil	7,443,311
Vinayak Steels	Purchase of Raw Materials	1,894,302	Nil	1,894,302
Riddhi Siddhi & Co.	Store Purchase	388,524	Nil	388,524
Sharyu Issue Mgmt. Serv. P. Ltd.	Software Purchase	16,854	Nil	16,854

ii) *The Company has given Loans to Directors in contravention of Section 295 of the Companies Act, 1956. (Refer clause 3(a) in annexure referred to in paragraph 3 above.*

iii) *The Company has not taken prior consent of the Members and approval of Central Government as required under section 314(1B) of the Act for appointment of a relative of Director carrying a total monthly remuneration of not less than the prescribed limit.*

iv) *The Company has not ascertained and disclosed information as required by the Micro, Small and Medium Enterprises Development Act, 2006. (refer note II (j) in Schedule 20-Notes to Accounts).*

- g) Subject to our remarks in clause (d) & (f) above and clause 8 of annexure referred to in paragraph 3 above, 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, 2009;
- ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date ;
- 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)
Partner
Membership No. 39287

Place : Mumbai
Date : 27.08.2009



ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 3 of Auditors' Report of even date to the members of Mahalaxmi Seamless Limited on the Accounts for the year ended March 31, 2009.

1. a) The Company has maintained proper records to show full particulars, including quantitative details and situation, of its fixed assets.
b) The fixed assets of the Company have been physically verified during the year by the Management and no discrepancies between the book records and the physical inventory were noticed.
c) No substantial parts of fixed assets have been disposed off by the Company during the year.
2. a) The inventory of the Company has been physically verified by the Management during the year and at the year end. Inventory lying with third parties and in transit have been verified by the management with reference to the confirmation received from them and/or subsequent receipt of goods.
b) 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.
3. a) The Company has granted interest free unsecured loans to two parties covered in the register maintained under Section 301 of the Act. The balance outstanding as at year end is Rs. Nil and maximum amount of loan involved has been Rs. 19,39,000/-
b) In our opinion the term and conditions of such loans are prima facie not prejudicial to the interest of the company.
c) The company has received the principal amount during the year.
d) 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.
4. 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.
5. i) To the best of our knowledge and belief and according to the information and explanations given to us, 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.
ii) In our opinion, and according to the information and explanation given to us, the transaction made in pursuance of such contract or arrangement and aggregating during the year to rupees five lacs or more in respect of each party have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time, where such prices are available.
6. The Company has not accepted any deposits under the provisions of Section 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, present internal audit system is commensurate with its size and the nature of its business.
8. *The Company has not maintained cost records under Section 209 (1)(d) of the Act for its products.*
9. 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. There are no undisputed statutory dues as at 31.03.2009 which are outstanding for more than six months from the date they become payable.
b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty and cess which have not been deposited with the appropriate authority on account of any dispute except disputed sales tax demand raised for the year 2003-04 amounting to Rs. 1,61,92,522 against which the Company has preferred an appeal before the Deputy Commissioner of Sales Tax (Appeals), Navi Mumbai.
10. The company does not have any accumulated losses as at the end of the financial year, it has not incurred cash losses during the financial year and in the financial year immediately preceding such financial year.
11. According to the records of the Company, it has not defaulted in repayment of dues to any financial institution or bank during the year.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. 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.
16. 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.
17. 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.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued debentures.
20. The Company has not raised any money by public issue during the year.
21. Best on our examination of the books of accounts carried out in accordance with the generally accepted Auditing Standards in India and according to the information and explanations given to us we report that 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)
Partner
Membership No. 39287

Place : Mumbai
Date : 27.08.2009



BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	(Rs.)	As at 31-3-2009 (Rs.)	(Rs.)	As at 31-3-2008 (Rs.)
<u>SOURCES OF FUNDS</u>					
<u>SHAREHOLDERS' FUNDS</u>					
(a) Share Capital	1	52,907,000		52,907,000	
(b) Reserves and Surplus	2	108,265,860	161,172,860	80,587,192	133,494,192
<u>LOAN FUNDS</u>					
(a) Secured Loans	3	63,040,195		23,211,457	
(b) Unsecured Loans	4	10,363,908	73,404,103	10,639,998	33,851,455
Deferred Tax Liabilities			5,134,375		--
TOTAL			239,711,338		167,345,647
<u>APPLICATION OF FUNDS</u>					
<u>FIXED ASSETS</u>					
(a) Gross Block	5	181,643,559		167,294,981	
(b) Less : Depreciation		96,328,223		106,615,238	
(c) Net Block		85,315,336		60,679,743	
(d) Capital Work-in-progress		25,869,160	111,184,496	17,171,592	77,851,335
Deferred Tax Assets					1,479,900
<u>CURRENT ASSETS, LOANS AND ADVANCES</u>					
(a) Inventories	6	61,391,944		54,360,784	
(b) Sundry Debtors	7	79,545,679		58,836,274	
(c) Cash and Bank Balances	8	11,548,343		14,520,395	
(d) Loans and Advances	9	20,906,520		22,389,481	
		173,392,486		150,106,933	
Less : <u>CURRENT LIABILITIES AND PROVISIONS</u>					
(a) Liabilities	10	36,211,768		54,822,522	
(b) Provisions	11	8,653,876		7,269,999	
		44,865,644		62,092,521	
Net Current Assets			128,526,842		88,014,412
TOTAL			239,711,338		167,345,647

Significant accounting policies &
Notes to the Accounts

20

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)
Partner

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

sd/-
Vivek Jalan
Executive Director

Place : Mumbai,
Date : 27.08.2009

Place : Mumbai,
Date : 27.08.2009



ANNUAL REPORT 2008 - 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	(Rs.)	Year ended 31-3-2009 (Rs.)	Year ended 31-3-2008 (Rs.)
INCOME				
Sales		367,685,200		384,027,152
Less : Excise duty		<u>27,789,156</u>		<u>32,878,645</u>
			339,896,044	351,148,507
Other Income	12		4,668,228	6,489,414
Increase/(Decrease) in Stock	13		20,527,584	(17,717,796)
			<u>365,091,855</u>	<u>339,920,125</u>
LESS : EXPENDITURE				
Materials Cost	14	204,904,939		158,023,626
Manufacturing expenses	15	67,892,964		67,077,049
Personnel Cost	16	26,754,972		21,326,537
Selling & Distribution Exps.	17	7,678,862		9,011,241
Administration Exps.	18	9,270,895		12,212,777
Finance Cost	19	10,463,518		5,822,796
Depreciation		<u>8,285,328</u>	<u>335,251,477</u>	<u>12,930,602</u>
Profit / (Loss) before exceptional item			29,840,379	53,515,498
Less : Prior Period items			<u>42,442</u>	<u>56,770</u>
Profit before Taxation			29,797,937	53,458,727
Less : Provision for Taxation				
Current Tax		9,400,000		20,800,000
Fringe Benefit Tax		300,000		265,000
Deferred Tax		<u>1,062,199</u>	<u>10,762,199</u>	<u>(2,426,318)</u>
Profit after Taxation			19,035,738	34,820,046
Less:(Short)/Excess Provision for Tax			(380,355)	-
Add : Excess Provision for Dep. W / back			<u>17,664,829</u>	-
			36,320,232	34,820,045
Balance brought forward from previous year			75,087,191	43,356,633
Less : Deferred tax liability for earlier years			5,552,076	-
Less : Interim Dividend			-	2,640,700
Less : Dividend Distribution Tax			-	448,787
Less : Proposed Dividend			2,640,700	-
Less : Dividend Distribution Tax			<u>448,787</u>	-
Balance carried forward to Balance Sheet			<u>102,765,860</u>	<u>75,087,192</u>
Basic / Diluted Earning per share of Rs. 10			3.60	6.59
Significant accounting policies & Notes to the Accounts	20			

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

sd/-
(V. B. Goel)
Partner

Place : Mumbai,
Date : 27.08.2009

For and on behalf of the Board of Directors

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

sd/-
Vivek Jalan
Executive Director

Place : Mumbai,
Date : 27.08.2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009.

(Amount in Lacs)

	Year Ended 31.03.2009	Year Ended 31.03.2008
A. Cash Flow from operating activities :		
Net Profit /(Loss) before tax and exceptional items	298.40	535.15
Adjusted for :		
Depreciation	82.85	129.31
Interest Income	(20.05)	(6.86)
Profit on Sale of Fixed Asset	(0.83)	
Interest Expenses	104.64	58.22
	166.62	180.66
Operating profit before working capital changes	465.02	715.82
Adjusted for :		
Trade & Other Receivable	(207.09)	(153.47)
Inventories	(70.31)	(2.49)
Trade & Other Payables	(186.11)	44.30
	(463.51)	(111.66)
Cash generated from operation	1.51	604.16
Direct taxes Refund(paid)	(117.86)	(150.70)
Cash flow before Exceptional Item	(116.35)	453.46
Prior Period Items	(0.42)	(0.57)
Net Cash from Operating activities	(116.78)	452.89
B. Cash Flow from Investment Activities :		
Purchase of Fixed Assets & Capital Advances	(242.61)	(305.20)
Interest Received	20.05	6.86
Sales of fixed assets	3.90	
Loans & Advances	14.83	(125.93)
Net Cash used in Investing Activities	(203.84)	(424.27)
C. Cash Flow from Financing Activities :		
Proceeds from Long Term Borrowings	(35.75)	198.59
Repayment of Long Term Borrowings	(5.10)	(68.42)
Proceeds from Short Term Borrowings	1.56	9.24
Repayment of Short Term Borrowings	434.81	(34.49)
Dividend Paid	-	(26.40)
Dividend Tax	-	(4.49)
Interest Paid	(104.64)	(58.22)
Net Cash used in Financing Activities	290.89	15.81
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(29.72)	44.44
Cash & Cash Equivalent - Opening Balance	145.21	100.77
Cash & Cash Equivalent - Closing Balance	115.49	145.21

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

sd/-
(V. B. Goel)
Partner

For and on behalf of the Board of Directors

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

sd/-
Vivek Jalan
Executive Director

Place : Mumbai,
Date : 27.08.2009

Place : Mumbai,
Date : 27.08.2009



SCHEDULES FORMING PART OF THE BALANCE SHEET

**ANNUAL REPORT
2008 - 2009**

Schedules	(Rs.)	As at 31-3-2009 (Rs.)	As at 31-3-2008 (Rs.)
SCHEDULE : 1			
SHARE CAPITAL			
Authorised			
60,00,000 Equity Shares of Rs.10/- Each		<u>60,000,000</u>	<u>60,000,000</u>
Issued, 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
TOTAL		<u>52,907,000</u>	<u>52,907,000</u>
SCHEDULE : 2			
RESERVE & SURPLUS			
Capital Subsidy		4,500,000	4,500,000
General Reserve		1,000,000	1,000,000
Profit & Loss Account		102,765,360	75,087,192
		<u>108,265,860</u>	<u>80,587,192</u>
SCHEDULE : 3			
SECURED LOANS FROM BANK			
Term Loan		15,834,722	19,409,297
Cash Credit		45,712,118	2,230,718
<u>Vehicle Loan from banks</u>			
ICICI Bank		387,169	480,877
(Due within year Rs. 93,210 (P.Y. 1,16,419))			
Kotak Mahindra Primus Ltd.		416,595	724,506
(Due within year Rs. 2,72,924 (P.Y. 1,01,687))			
H.D.F.C Bank		132,170	366,059
(Due within year Rs. 83,032.99 (P.Y. 2,99,223))			
AXIS Bank - OPTRA		557,421	—
(Due within year Rs. 83,032.99 (P.Y. 2,99,223))			
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 Mr. M. P. Jalan and Mr. Vivek Jalan.			
2. Term loan is secured by hypothecation of plant & Machinery and other fixed assets of the Company for its S. S. plant.			
3. Vehicle Loan are secured by way of charge of respective vehicles.			
TOTAL		<u>63,040,195</u>	<u>23,211,457</u>
SCHEDULE : 4			
UNSECURED LOANS			
Sales Tax Defferment		10,363,908	10,639,998
TOTAL		<u>10,363,908</u>	<u>10,639,998</u>

SCHEDULE : 5
FIXED ASSETS

(Amount in Rupees)

Particulars	Gross Block				Depreciation				Net Block	
	Opening As at 01.04.08	Addition	Sales/ Transfer	Closing As at 31.03.09	Opening As at 01.04.08	For the year	Deletion/ Adjustment	Closing As at 31.03.09	As at 31.03.09	As at 31.03.08
MUMBAI OFFICE										
Office Building	2,258,522	—	—	2,258,522	312,349	97,309	—	409,658	1,848,854	1,946,173
Office Equipment	353,870	—	—	353,870	191,436	22,595	—	214,031	139,839	162,434
Furniture & Fixture	368,450	8,055	—	376,505	256,105	21,581	—	277,686	98,819	112,345
Electrical Fitting	9,929	—	—	9,929	9,440	68	—	9,508	421	489
Air Conditioner	115,000	—	—	115,000	50,549	8,965	—	59,514	55,486	64,451
Computers	559,146	265,651	—	824,797	420,652	144,928	—	565,580	259,217	138,494
Vehicles	3,397,387	1,001,056	1,214,997	3,183,446	1,760,044	478,640	907,514	1,331,170	1,852,276	1,637,343
FACTORY										
Factory Land	1,809,102	—	—	1,809,102	—	—	—	—	1,809,102	1,809,102
Building Others	1,467,258	—	—	1,467,258	9,775	23,917	—	33,692	1,433,566	1,457,483
Factory Building	47,432,425	1,964,575	—	49,397,000	12,696,825	1,617,327	—	14,314,152	35,082,848	34,735,600
Plant & Machinery	102,544,493	12,089,130	—	114,633,623	87,762,454	5,366,450	17,170,422	75,958,482	38,675,141	14,782,039
Furniture & Fixture	321,850	58,792	—	380,642	184,467	23,531	—	207,998	172,644	137,383
Electricals Fittings	2,487,680	—	—	2,487,680	658,046	118,165	—	776,211	1,711,469	1,829,634
Office Equipment	608,313	33,193	—	641,506	319,222	29,988	—	349,210	292,296	289,091
Air Conditioner	112,034	61,771	—	173,805	44,356	7,629	—	51,985	121,820	67,678
Computers	1,487,517	81,352	—	1,568,869	1,140,543	178,309	416,802	902,050	666,819	346,974
Vehicles	1,962,005	—	—	1,962,005	798,975	145,926	77,605	867,296	1,094,709	1,163,030
Total	167,294,981	15,563,575	1,214,997	181,643,559	106,615,238	8,285,328	18,572,343	96,328,223	85,315,336	60,679,743
Previous Year	152,303,020	15,991,961	—	167,294,981	93,684,636	12,930,602	—	106,615,238	60,679,743	57,618,384

* represents depreciation excess provided in earlier years written back.



ANNUAL REPORT 2008 - 2009

	As at 31-3-2009 (Rs.)	As at 31-3-2008 (Rs.)
SCHEDULE : 6 INVENTORIES		
Raw Material	17,403,927	32,228,578
Work in Process	31,401,289	12,266,087
Store & Spare	3,372,246	2,044,018
Finished Goods	8,793,473	7,193,137
Scrap	421,010	628,964
TOTAL	61,391,944	54,360,784
SCHEDULE : 7 SUNDRY DEBTORS		
(Unsecured Considered Good)		
Over Six Months	4,560,252	3,286,051
Others	74,985,427	55,550,223
TOTAL	79,545,679	58,836,274
Note:		
(Debts due from firm/companies in which Directors are interested)	1,073,386	1,371,052
(Maximum amount outstanding at any time during the year)	3,367,989	7,157,910
SCHEDULE : 8 CASH AND BANK BALANCES		
Cash on Hand	196,008	208,327
Balances with Scheduled Banks on Current A/c	3,169,612	321,485
Fixed Deposit Account	7,726,141	13,692,499
Unpaid Dividend Account	456,581	298,084
TOTAL	11,548,343	14,520,395
SCHEDULE : 9 LOANS & ADVANCES		
(Unsecured, Considered Good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	4,922,600	10,431,495
Other Loans & Advances	351,219	1,590,860
Deposits	241,575	295,807
Balance with Govt. Department	15,391,127	10,071,318
TOTAL	20,906,520	22,389,481
(Loans due from Directors)	—	(930,000)
(Maximum amount outstanding at any time during the year)	(1,939,000)	(5,200,000)
SCHEDULE : 10 LIABILITIES		
Sundry Creditors (refer note II (j)) of schedule 20	25,574,459	39,873,066
Advances from customer	2,060,537	7,486,053
Other Liabilities	8,118,050	7,165,319
Unclaimed Dividend	458,722	298,084
TOTAL	36,211,768	54,822,522
SCHEDULE : 11 PROVISIONS		
Provision for taxation (Net)	5,564,389	7,269,999
Proposed Dividend	3,089,487	—
TOTAL	8,653,876	7,269,999


SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNTS

	Year ended 31-3-2009 (Rs.)	Year ended 31-3-2008 (Rs.)
SCHEDULE : 12		
OTHER INCOME		
Interest Received (TDS Rs. 169612, P.Y. 152921)	2,004,554	686,201
Sundry Balance W/back	-	321,493
Exchange Difference	1,171,062	4,731,593
Other Income	224,648	-
DEPB received	1,185,447	-
Insurance Claim	-	750,126
Profit on Sale of Assets	82,517	-
TOTAL	4,668,228	6,489,413
SCHEDULE : 13		
INCREASE/(DECREASE) IN STOCK		
Closing Stock	40,615,772	20,088,188
Opening Stock	20,088,188	37,805,984
TOTAL	20,527,584	17,717,796
SCHEDULE : 14		
MATERIALS COST		
Opening Stock	32,228,578	14,538,709
Add. : Raw Materials Purchases	190,080,288	175,713,495
	222,308,866	190,252,204
Less: Closing Stock	17,403,927	32,228,578
TOTAL	204,904,939	158,023,626
SCHEDULE : 15		
MANUFACTURING EXPENSES		
Inspection Charges & Others Exp.(net)	1,303,989	1,153,556
Power & Fuel Charges	25,032,898	28,101,407
Repair and Maintenance Expenses	13,612,827	14,893,165
Sales Tax Paid on Purchases	1,574,981	394,503
Stores and Spares Consumed	19,999,409	17,491,379
Transportation Charges	1,888,565	1,686,153
Water Charges	849,403	1,008,026
Job Work Charges Paid	3,630,890	2,348,860
TOTAL	67,892,964	67,077,049
SCHEDULE : 16		
PERSONNEL COST		
Salary, Wages & Bonus	22,778,950	18,093,724
Contribution to Provident fund	459,846	462,548
Staff Welfare	1,644,560	1,308,977
Contractual Services	1,871,617	1,461,288
TOTAL	26,754,972	21,326,537



ANNUAL REPORT 2008 - 2009

	Year ended 31-3-2009 (Rs.)	Year ended 31-3-2008 (Rs.)
SCHEDULE : 17		
SELLING & DISTRIBUTION EXPENSES		
Advertisement & Sales Promotion	857,131	832,361
Sales Commission	2,289,840	1,335,549
Clearing & Forwarding Expenses	4,531,891	6,843,331
TOTAL	7,678,862	9,011,241
SCHEDULE : 18		
ADMINISTRATIVE EXPENSES		
Auditor's Remuneration	120,000	102,000
Books & Periodicals	15,417	17,744
Conveyance and Travelling	1,539,423	2,518,786
Electricity Expenses	406,771	387,927
Insurance Expenses	1,439,540	1,320,523
Late Delivery Charges	581,463	1,442,307
Legal & Professional Expenses	543,438	588,232
Office & Misc. Expenses	94,908	73,059
Postage, Telephone & Telegrams	903,866	835,582
Printing and Stationery	340,607	340,003
Rent, Rates & Taxes	705,092	188,904
Subscription & Membership	70,300	36,500
Security Expenses	835,688	953,423
Compensation for materials	-	348,438
Loss of Stock by Fire	-	1,386,320
Vehicle Expenses	1,321,844	1,073,960
Computer Expenses	122,558	235,146
Donation	16,852	32,506
Sundry Balances W / off	132,341	-
Share transfer & Registration fees	80,788	331,417
TOTAL	9,270,895	12,212,777
SCHEDULE : 19		
FINANCE COST		
Bank Charges	2,350,729	2,583,897
Interest	8,112,789	3,238,899
TOTAL	10,463,518	5,822,796



SCHEDULE: : 20

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH 2009.

I SIGNIFICANT ACCOUNTING POLICIES

a) Basis for preparation of financial statement

The financial statement have been prepared to comply in all material respects with the notified accounting standard by Companies (Accounting Standard) Rules, 2006 and the relevant provision of the Companies Act, 1956, under historical cost convention on an accrual basis unless stated otherwise.

b) Method of Accounting

The company follows the mercantile system of accounting.

c) Revenue recognition of Income & Expenditure

- i) Revenue from sales of products is recognised on transfer of all significant risk and rewards of ownership of the product on to customer, which is generally on dispatch of goods. Sales are stated exclusive of Value Added Tax / Sales Tax, returns and discounts for the year.
- ii) Purchases are recognized when ownership of goods is transferred and inclusive of all statutory levies but excluding excise duty & VAT credit.
- iii) Job work charges are accounted for on completion of job basis.
- iv) Interest income is recognised on time proportion basis.
- v) All items of Income & Expenses are accounted for on accrual basis.

d) Services Tax & Cenvat Credit

- i) Services Tax payable on Job work is accounted for on completion of Job Work.
- ii) Cenvat Credit on input services is recognized on the date of the payment of the same.
- iii) Cenvat credit is claimed in respect of Service Tax.
- iv) Stores & Spares and Capital goods are accounted exclusive of excise duty.

e) Fixed Assets

Fixed Assets are stated at cost net of Cenvat, other setoffs, accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the asset to its present location and condition.

f) Depreciation

- i) Depreciation on Fixed Asset at Mumbai Office is 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 Factory Unit is provided on straight-line 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.

g) 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 realizable value whichever is less. Cost consists 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.

h) Foreign Currencies Transaction

- a) Transactions are recorded at the exchange rates prevailing on the date of the transaction.
- b) Monetary assets and liabilities in Foreign currency are restated at the year-end rates.
- c) The exchange differences on realization or on restatement 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.

i) Employee Benefit

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

- A. Short term employee benefits are recognized as expenses at undiscounted amount in the Profit & Loss Account of the year in which the relevant services is rendered.
- B. Retirement Benefit
 - i) Retirement benefit in the form of Provident Fund, which are defined Contribution plans, are accounted on accrual basis and charged to the Profit & Loss Account of the year.
 - ii) The liability in respect of accumulated leave is provided for in the profit & loss account, base on actual leave liability determined at the end of the year at undiscounted amount.
 - iii) The Company has taken a Group Gratuity cum Life Insurance policy with Life Insurance Corporation of India (LIC) for all



eligible employees. The liability is actuarially assessed by LIC and accounted 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 Profit & Loss Account.

k) Taxation :

- Current Tax is determined as the amount of tax payable in respect of taxable income for the year, computed in accordance with the applicable provisions of income tax Act, 1961.
- Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Asset is recognised and carried forward only if there is reasonable certainty of its realisation.
- Fringe Benefit Tax is determined as the amount of tax payable in respect of taxable expenses for the year.

l) Impairment of Assets

Impairment of assets is ascertained in each balance sheet date in respect of cash generating units. An impairment loss is recognised whenever carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

m) Provisions, Contingent Liabilities and Contingent Assets

- A provision is recognised based on a reliable estimate when there is a present obligation as a result of past events and it is probable that an outflow 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 neither recognised nor disclosed in the financial statements.

II NOTES TO ACCOUNTS

a) Contingent Liabilities

- Counter Guarantee given to the Bank for the performance guarantee given by them of Rs. 50.90 Lacs (Previous Year Rs. 132.77 Lacs).
- Disputed Sales tax liability Rs. 161.93 lacs (P. Y. Nil)
- Letter of Credit outstanding of Rs. 270.60 (Previous Year Rs. 347.93 Lacs)
- Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 909.72 Lacs (Previous Year Rs. 1123.97 Lacs)

b) Prior Period Items

The prior period item consist of the following items.

Particulars	Current year (Rs.)	Previous year (Rs.)
Income	3,000	3,555
Expenditure	45,442	60,325
TOTAL	42,442	56,770

c) Income Tax

- The Company has made adequate provision of Current Tax Rs. 94,00,000/- (P.Y. Rs. 2,08,00,000) and Fringe Benefit Tax Rs. 3,00,000 (P.Y. Rs. 2,65,000) under the provisions of Income Tax Act, 1961.
- The Company has provided for the deferred tax based on the tax effect of timing differences, which will reverse in future. The break up is as under;

Particulars	As At 31.03.2008	For the year	Short Provision for prior year (Rs)*	As At 31.01.09 (Rs)
Deferred Tax Liability/ (Assets) on account of :				
Depreciation	(7,49,590)	5,32,984	55,52,076	53,35,470
Expenditures	(7,30,310)	5,29,215	-	(2,21,205)
Net Deferred tax Liability / (Assets)	(14,79,900)	(10,62,199)	55,52,076	51,34,375

* Deferred tax liability in respect of excess provision of depreciation written back during the year is adjusted from opening reserves in terms of AS-22.



d) Sales Tax Deferment

Interest free Sales Tax Deferment is of Rs.1,03,63,908/- out of these Rs 10,21,330/- is due in the immediate next year and balance is payable in next 7 yearly installments till year 2016-17.

e) Auditor's Remuneration

Particulars	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fees	84,000	66,000
For Other Services	36,000	36,000
TOTAL	1,20,000	1,02,000

f) Managerial Remuneration

Directors Remuneration Rs. 32,64,508/- (P. Y. Rs. 22,76,000/-)

g) Dividend

Dividend of Rs. 0.50 per share of Rs. 10/- each fully paid up has been proposed for the year. (P. Y. Rs. 26,40,700)

h) 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.

i) Impairment of Assets

There is no such impairable assets at the year ended on 31.03.09 in term of AS - 28 .Hence company has not made any provision for impairment loss.

j) Dues to Small Scale Industrial Undertakings

The company has not received any intimation from 'suppliers' regarding their status under the Micro, Small and Medium enterprises Development Act, 2006 and hence disclosures, if any relating to amount unpaid as at the year end together with interest paid/payable as required under the said act have not been furnished.

k) Disclosure pursuant to Accounting Standard - 15 Employee Benefits

A. Defined Contribution Plans :

(Rs.)

The Company has recognized the following amounts in the Profit & Loss Account for the year.

1) Contribution to employee's Provident Fund / Employees' Family Pension Fund	4,59,845
2) Leave encashment	84,864

B) Contribution to Gratuity fund being Defined Benefits Plan

Gratuity

I Changes in the Present Value of Defined Benefits Obligation.

1. Present Value of Defined Benefit Obligation at the beginning of the year	6,39,889
2. Interest Cost	51,191
3. Current Service Cost	1,58,074
4. Benefits Paid	--
5. Actuarial (Gain)/Loss on Defined Benefit Obligation	3,50,901
6. Present Value of Defined Benefit Obligation at the end of the year	12,00,055

II Changes in the Fair Value of Plan Assets

1. Fair Value of Plan Assets at the beginning of the year	6,74,255
2. Expected Return on Plan Assets	66,318
3. Contributions	82,799
4. Benefits Paid	--
5. Actuarial Gain / (Loss) on Plan Assets	--
6. Fair Value of Plan Assets at the end of the year	8,23,372

III Amounts recognized in the Balance Sheet

1. Present Value of Defined Benefit Obligation at the end of the year	12,00,055
2. Fair Value of Plan Assets at the end of the year	(8,23,372)
3. Net Asset / (Liability) to be recognized in the Balance Sheet	3,76,683



IV Balance Sheet Reconciliation

1. Net liability at the beginning of the year	(34,366)
2. Expense Recognised as under	4,93,848
3. Contributions as above	(82,799)
4. Net liability at the end of the year	3,76,683

V Amount recognized in the Profit & Loss A/c.

1. Current Service Cost	1,58,074
2. Interest Cost on obligation	51,191
3. Expected Return on plan assets for the period	(66,318)
4. Net Actuarial (Gain) / Loss	3,50,901
5. Expense Recognised in statement of Profit & Loss A/c.	4,93,848

VI Actual Return on Plan Assets

1. Expected Return on plan assets for the period	66,318
2. Actuarial Gain / (Loss) on Plan Assets	--
3. Actual Return on Plan Assets	66,318

VII Percentage of each category of Plan Assets to total Fair Value of Plan Assets

1. Insurer managed fund	100%
-------------------------	------

VIII Actuarial Assumption

1. Discount Rate	8.00%
2. Expected Rate of Return on Plan Assets	9.00%
3. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.	4.00%

I) 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)
Sarayu Issue Management Services Pvt. Ltd. (SIMSPL)
Vinayak Tubes (VT)
Vinayak Steels (VS)

2) Key Management Personnel

Shri Madhav. P. Jalan
Shri Vivek Jalan
Shri J. T. Hingorani
Shri Narendra. K. Dalmia
Shri Manish Dalal
Shri Chetan Jain
Shri S K Shrivastva
Shri Narayan B. Pathak
Shri R. K. Yadav
Shri Chandrashekhar Kulkarni

2) Relative of Key Management Personnel (KMP)

Shri Rishi Jalan
Smt. Mala Sharma



B) Related Party Transactions:

Nature of Transaction	Associates (Rs.)	Key Management Personnel (Rs.)	Relatives KMP (Rs.)	Total (Rs.)
Transaction during the year:				
Purchase of Goods	93,37,673 (8,73,207)	Nil Nil	Nil (Nil)	93,37,673 (8,73,207)
Sales of Goods	1,05,58,823 (18,68,039)	Nil Nil	Nil (Nil)	1,05,58,823 (18,68,039)
Remuneration / Salary	Nil (Nil)	32,64,508 (22,76,000)	8,00,000 (Nil)	40,64,508 (22,76,000)
Receiving of Services	16,854 (21,951)	Nil (Nil)	(Nil) (Nil)	16,854 (21,951)
Advance given for Services	Nil (Nil)	Nil (62,60,000)	Nil (3,00,000)	Nil (65,60,000)
Loans taken	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Outstanding Balance				
Balance Receivable	10,73,386 (13,96,534)	(9,30,000)	(3,00,000)	10,73,386 (26,26,534)
Balance Payable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)

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

Nature of transaction	Associates (M S T) (Rs.)	Associates (R S C) (Rs.)	Associates (V T)
Sales of Goods	21,46,891 (4,11,266)	3,88,524 (Nil)	80,23,408 (58,16,681)
Purchase of Goods	Nil (Nil)	Nil (Nil)	93,37,613 (8,73,207)

m) 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 :

	31.03.09 (Rs.)	31.03.08 (Rs.)
a) No. of Shares o / s at the end of the year	52,81,400	52,81,400
b) Net Profit after tax / (Loss) attributable for equity share holder	1,90,35,738	3,48,20,047
c) Basic / Diluted earning per shares (Face Value Rs. 10/-)	3.60	6.59

n) Additional Information pursuant to clause 3, 4C, 4D of Part II of Schedule VI of Companies Act, 1956.

i) QUANTITATIVE INFORMATION (As certified by the Management)-Enclosed
Product wise Annual Production Capacity :

Sr. No.	Particulars	Licensed Capacity		Installed Capacity	
		C. Y.	P. Y.	C. Y.	P. Y.
a)	Cold Drawn Seamless Pipes & Tubes	NA	NA	6520 MT	6520 MT
b)	Stainless Steel Seamless Pipes & Tubes	NA	NA	900 MT	900MT



ANNUAL REPORT 2008 - 2009

ii) MANUFACTURING ACTIVITY

	Current Year		Previous Year	
	Qty. (Tons)	Amount (Rs.)	Qty. (Tons)	Amount (Rs.)
a) Finished Goods				
Opening Stock	98.904	71,93,137	93.885	69,18,705
Production*	2614.243	—	2994.152	—
Sales	2636.647	32,31,86,375	2989.133	33,49,25,691
Scrap Sales	—	84,22,495	—	91,76,326
Closing Stock	76,500	87,93,473	98.904	71,93,137
* Production quantity shown above is net of Scrap generated during the process.				
b) Raw Material				
Opening Stock	670.820	3,22,28,578	333.716	1,45,38,709
Raw Material Purchased	2595.614	19,00,80,288	3645.327	17,57,13,495
Raw Material Consumed	3126.003	20,49,04,939	3308.223	15,80,23,626
Closing Stock	140.431	1,74,03,927	670.820	3,22,28,578
c) Work in Progress				
Opening Stock		1,22,66,087		3,03,97,517
Closing Stock		3,14,01,289		12,266,087
d) Job Work				
Job work done	373.73	82,87,174	511.718	70,46,490

iii) Composition of Consumption

Particulars	2008-09 (Rs.)	%	2007-08 (Rs.)	%
RAW MATERIAL CONSUMPTION				
Imported	12,59,40,795	61.46	12,09,64,287	75.88
Indigenous	7,89,64,144	38.44	3,70,59,339	24.12
	20,49,04,939	100.00	15,80,23,626	100.00
STORES & CONSUMABLES				
Imported	6,49,449	3.24	Nil	—
Indigenous	1,93,49,960	96.76	1,74,91,379	100.00
	1,99,99,409	100.00	1,74,91,379	100.00

iv) Foreign Currency Transaction

Particulars	2008-09 (Rs.)	2007-08 (Rs.)
Earning in Foreign Exchange (FOB) value of exports	10,50,76,648	12,20,92,378
Expenditure in Foreign Currency		
a) CIF Value of Raw Material	9,40,20,280	12,25,41,016
b) Stores & Consumables	6,49,449	Nil
c) Capital Goods	12,60,155	42,95,016
d) Travelling Expenses	3,11,349	7,19,410
e) Interest paid	11,16,532	13,24,399
f) Advertising	Nil	28,890
g) Sales Promotion	137,282	Nil
h) Commission Paid	22,89,840	15,71,549
i) Inspection charges	Nil	1,08,714
Remittance of Dividend	Nil	8,950

- m) In the opinion of board the current assets, loans & advances are approximately of the value stated in the balance sheet if realized in the ordinary courses of business.
- n) Previous years figures have been regrouped, wherever necessary to make them comparable with those of current the year. Figures in the brackets represent figures for the previous year.

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)
Partner

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

sd/-
Vivek Jalan
Executive Director

Place : Mumbai,
Date : 27.08.2009

Place : Mumbai,
Date : 27.08.2009



MAHALAXMI
SEAMLESS LIMITED

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No.	61347
State Code	11
Balance Sheet Date	31-Mar-2009

II Capital Raised during the year

(Amount in Rs. Thousand)

Public Issue	--
Right Issue	--
Bonus Issue	--
Private Placement	--

III Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousand)

Total Liabilities	239,711
Total Assets	239,711

Sources of Funds

Paid-up Capital	52,907
Reserves and Surplus	108,266
Secured Loans	63,040
Un secured Loans	10,364
Deferred Tax Asset	5,134

Application of Funds

Net Fixed Assets	111,184
Investments	--
Net Current Assets	128,527
Misc. Expenditures	--

IV Performance of Company

(Amount in Rs. Thousand)

Turnover And Other Income	344,564
Total Expenditure	314,766
Profit Before Tax	29,798
Profit After Tax	19,036
Earning per Share in Rs	3.60
Dividend Rate %	5%

V Generic Number of Three Principal Items Of The Company

Item Code	Product Description
730490 00	Cold Drawn Seamless Pipe
730590 99	U Tubes

For MAHALAXMI SEAMLESS LIMITED

sd/-

sd/-

Place: Mumbai

M. P. JALAN

VIVEK JALAN

Date : 27.08.2009

Chairman & Managing Director

Executive 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 EIGHTEENTH ANNUAL GENERAL MEETING of the
Company to be held on 30th September, 2009 and at any adjournment thereof.

Signed this _____ day of _____, 2009.

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 EIGHTEENTH ANNUAL GENERAL MEETING of
the Company at Pipenager (SUKELI), Via, Nagothane, Tal. Roha, Dist. Raigad, Maharashtra : 402 126, 2.00
p.m. on 30th September, 2009.

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.



MAHALAXMI
SEAMLESS LIMITED

BOOK - POST

If undelivered, Please return to :



MAHALAXMI SEAMLESS LTD.

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

PRASHANTHI ENTERPRISES : 9004563390 / 9869439077