

# MAHALAXMI SEAMLESS LIMITED

**Head Office:**

A-54, Virwani Industrial Estate  
Western Express Highway,  
Goregaon (E), Mumbai - 400 063, (India)  
Tel. No.: +91-22-40333555 (30 Lines)  
Fax No.: +91-22-67048987  
E-mail: enquiry@mahatubes.com  
Website: www.mahalaxmitubes.com

## NOTICE

Notice is hereby given that the **Twentieth 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 **Saturday, 31<sup>st</sup> December, 2011** at 2.00 P.M. to transact the following business:

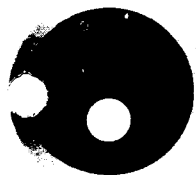
### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at March 31, 2011 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 Ramesh Jain who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narendra Kumar Dalmia who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

For and On behalf of the Board of  
Directors

Place: Mumbai  
Date: 01<sup>st</sup> December, 2011.

  
**MADHAV PRASAD JALAN**  
CHAIRMAN



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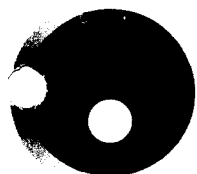
**NOTES:**

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 **Thursday, 29<sup>th</sup> December, 2011 to Saturday, 31<sup>st</sup> December, 2011.** (both days inclusive).
4. Members are requested to promptly notify any changes in their addresses to the Company at its Registered Office.
5. For the convenience of the members, an attendance slip is annexed to the proxy form. Members are requested to affix their signature at the space provided and hand over the slips provided at the place of meeting. The proxy of the member should mark on the attendance slip as 'proxy'.
6. 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 Sunday and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of Annual General Meeting.
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 along with 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.



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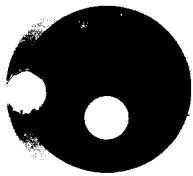
### DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the year ended March 31, 2011.

#### FINANCIAL HIGHLIGHTS:

[Rs. In Lacs]

PARTICULARS	As on March 31, 2011 (Rs.)	As on March 31, 2010 (Rs.)
Income from Sales [Net of Excise]	3151.30	2874.03
Other Income	31.12	42.89
Increase/(Decrease) in Stock	(1.21)	(49.19)
Total Expenditure	3381.82	3010.59
Profit/(Loss) before Depreciation	(87.99)	(55.46)
Less: Depreciation	112.62	87.40
Interest	115.73	91.78
Add: Prior Period/Extra Ordinary Adjustments	(0.71)	(1.63)
Net Profit/(Loss) before Taxation	(201.33)	(144.48)
Provision for Taxation *[Current+Fringe Benefit+Deferred]	(6.65)	(7.67)
Profit After Taxation	(194.68)	(136.82)
Less: (Short)/Excess Prov. Of Tax	(4.90)	Nil
Less: Interim Dividend/ Proposed Dividend	Nil	Nil
Less: Dividend Distribution Tax	Nil	Nil
Less: Transfer to General Reserves	Nil	Nil



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**DIVIDEND:**

In view of the losses incurred by the Company during the financial year ended 31<sup>st</sup> March, 2011, your Directors are unable to recommend any dividend during the financial year under review.

**DIRECTORS:**

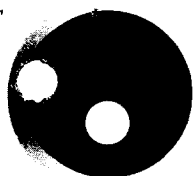
Pursuant to the Articles of Associations of the Company, Mr. Chetan Ramesh Jain & Mr. Narendra Kumar Dalmia, Directors of the Company retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**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 along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimated 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.

**OPERATIONAL PERFORMANCE:**

The net revenue for the Current Year was Rs. 3151.30 Lakhs as compared to Rs. 2874.03 Lakhs in the previous year. The Net Loss for the Year was Rs. 194.68 Lakhs as compared to the Net Loss of Rs.136.82 Lakhs in the previous Year, thus recording an increase in Net Revenue by 9.65% and Increase in Net Loss by 42.29 %.



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**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, Technology Absorption and Foreign Exchange Earnings and Outgo forms part of this report and is given by way of Annexure.

**AUDITORS:**

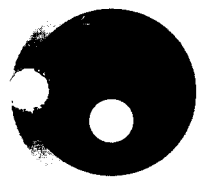
M/s V.B. Goel & Co, Chartered Accountants, Mumbai, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**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 4 (b) (i) & (ii) to the Auditors' Report:**

During the continuance of the Workmen Strike for almost a period of 3 months the movement of material got obstructed and records were distorted during the said period of strike. The Company is still in the process of salvaging and updating its invoices & stock records.



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**2. Note No 4 (d) to the Auditors' Report:**

The Company is accounting Benefits viz, earned leave on payment basis. Hence, necessary disclosures in this regard have not been quantified and its effect on profit and liability can not be ascertained.

**3. Note No 4 (f) (i) to the 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.

**4. Note No 4 (f) (ii) to the Auditors' Report:**

Considering the qualifications possessed by Mr. Rishi Jalan, a relative of the Director, his appointment was made to Office or Place of Profit on a yearly remuneration of Rs. 6,00,000 per annum and effective steps are being taken to obtain necessary approvals under Section 314 (1B) of the Companies Act, 1956 in this regard.

**5. Note No 4 (f) (iii) to the Auditors' Report:**

The Company is in the process of updating its records for the utilization of service tax credit

**6. Note No 4 (f) (iv) to the Auditors' Report:**

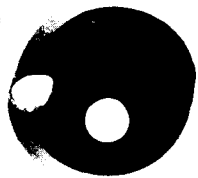
The Company is in the process of compiling the data in connection with Micro, Small and Medium Enterprises so as to make disclosures in the Annual Report pursuant Micro, Small and Medium Enterprises Development Act, 2006.

**7. Note No 1 (a) & (b) to the Annexure to Auditors' Report:**

During the continuance of the Workmen Strike for almost a period of 3 months The entry and exit of personnel of the Company and movement of material got obstructed & records were distorted during the said period of strike The Company is still in the process of salvaging and updating its records of Fixed Assets.

**8. Note No. 2 (c) to the Annexure to Auditors' Report:**

During the continuance of the Workmen Strike for almost a period of 3 months the movement of material got obstructed and records were distorted during the said period of strike. The Company is still in the process of salvaging and updating its inventory records



MAHALAXMI

SEAMLESS LIMITED

Mahatubes Ltd.  
C/O. Mahatubes Ltd. 402/126, Raigad Dist. Maharashtra

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**9. Note No. 7 to the Annexure to Auditor's Report:**

The Company is in the process of setting internal Audit system commensurate with its nature and size of the business.

**10. Note No 8 to the Annexure to Auditors' Report:**

The Company has already taken effective steps to maintain cost records as prescribed under The Companies Act, 1956 for the financial year under review.

**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.

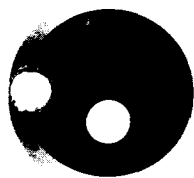
**For and On behalf of the  
Board of Directors**

**MADHAV PRASAD JALAN  
CHAIRMAN**

**Place: Mumbai**

**Date : 01<sup>st</sup> December, 2011.**





# MAHALAXMI

## SEAMLESS LIMITED

### ANNEXURE TO DIRECTORS REPORT

#### Head Office:

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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.

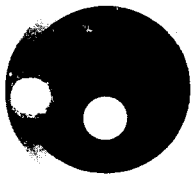
The require information with regard to conservation of energy as required under Section 217(1)(e) of The Companies Act, 1956 and Rules made therein in Form A are given hereunder:

#### FORM A

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

Particulars	Current (31/03/2011)	Previous (31/03/2010)
<b>1. Power &amp; Fuel Consumption:</b>		
<b>1. Electricity (M.S.E.B. Supply)</b>		
Units consumed	3,62,2184	43,45,857
Total Amount (Rs.)	1,85,34,355	2,19,78,500
Rate per Unit (Rs.)	5.11	5.06
<b>2. Fuel (L.D.O.)</b>		
Consumption (Ltrs.)	88,000	2,10,000
Total Amt. (Rs.)	3372729	73,91,881
Rate per unit (Rs.)	38.32	35.12
<b>3. Diesel</b>		
Consumption (Ltrs.)	19,741	21,408
Total Amt. (Rs.)	815143	7,53,732
Rate per unit (Rs.)	41.29	35.27
<b>4. Consumption per ton</b>		
Electricity Units	991.78	1,321.73
L.D.O.(Liters)	24.09	63.87
Diesel(Liters)	5.41	6.51





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**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.

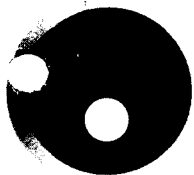
<b>Foreign Exchange Earnings and outgo</b>	<b>Rs. In Lakhs</b>
Earnings	861.09
Outgo	1397.84

**For and On behalf of the Board of Directors**

**Place: Mumbai**  
**Date: 01<sup>st</sup> December, 2011.**

**MADHAV PRASAD JALAN**  
**CHAIRMAN**





**MAHALAXMI**  
**SEAMLESS LIMITED**

Manufactures of  
Cold Drawn Seamless Pipes & Tubes  
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## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

### **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, the 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. Opportunities and Threats:**

Mahalaxmi Seamless Limited is basically a manufacturing Company i.e cold drawn seamless pipes and tubes. The company owns inventory for the year under review. Currently the Company's debt is Rs. 6,29,46,863. Company has income from Interest and earnings from Foreign Income.

### **3. Segment- wise or product - wise performance:**

The Company deals in only one product segment i.e. cold drawn seamless pipes and tubes. Hence there is no reportable geographical/ different segment wise report.

### **4. Outlook:**

With political stability, economic indices are encouraging in general is showing good recovery in India as compared to rest of the world as help Indian industry to perform better.

Due to tremendous growth of the malls and hyper market culture, the demand of Iron and Steel Products both for industrial and domestic use is ever increasing. More over due to great potential line the growth of the industries, the demand of quality industry is increasing at geometric rate.

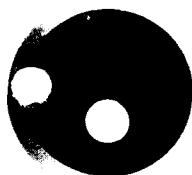
### **5. Risks & Concern:**

The Company is a growing Company in the Iron and Steel Products Sector. Due to Political instability in the country regarding Petrol prices leading to undue increase in the costs of Raw Material the consumption costs of the Company is on the rise as compared to the previous years. The Company being growing in the Sector its raw material consumption is on rise showing its efficiency in the field.





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### 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 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.

##### 2. BOARD OF DIRECTORS:

###### i) Composition and category of Board of Directors

As on 31st March, 2011 the strength of Board of Directors was 8, comprising of 4 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

Names of Directors	Category of Directorship	Directorship in other Companies	Name of the Company	Member
NARENDRA KUMAR DALMIA	Independent Non-Executive Director	2	1. Sanwaria Polyesters Pvt. Ltd.  2. Strata Geosystems (India) Private Limited	3



Website : [www.mahalaxmitubes.com](http://www.mahalaxmitubes.com)



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Website : www.mahalaxmitubes.com

- a. 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
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other service.
- c. Reviewing with management the financial statements before submission to the Board.
- d. Reviewing, with the management, and the external auditors, the adequacy of internal control systems.
- e. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion.
- f. Reviewing the Company's financial and risk management policies.

**Comment [s1]:** All comments about internal auditor are deleted

## COMPOSITION

The Audit Committee was re-constituted at the Board Meeting held on 28/04/2010 thereby appointing Mr. Jivanprakash Hingorani, Independent Non executive Director in place of Mr. Manish Dalal and appointing Mr. Narendra Kumar Dalmia as the Chairman of the Committee.

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:

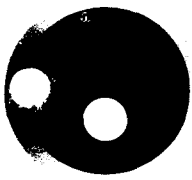
### NAMES OF MEMBERS

## DESIGNATION

- |                               |                                  |
|-------------------------------|----------------------------------|
| 1. Shri Narendra Kumar Dalmia | Non-Executive Director- Chairman |
| 2. Shri Chetan Jain           | Non -Executive Director-Member   |
| 3. Mr. Jivanprakash Hingorani | Non-Executive Director- Member   |

### MEETINGS AND ATTENDANCE DURING THE YEAR.

During the financial year ended March 31, 2011, Four Audit Committee Meetings were held on 15/05/2010, 13/08/2010, 15/11/2010 and 15/02/2011.



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Manufacturers of  
GOLDORAMA SEAMLESS TUBES  
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The attendance at the Audit Committee Meetings is as under:

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

The Chairman of the Committee was present at the Annual General Meeting of the Company held on 31/12/2010 to attend the shareholders' Query (ies).

#### 4. REMUNERATION COMMITTEE:

##### TERMS OF REFERENCE

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

##### COMPOSITION

The Remuneration Committee was re-constituted at the Board Meeting held on 28/04/2010 thereby appointing Mr. Jivanprakash Hingorani, Independent Non executive Director in place of Mr. Manish Dalal and appointing Mr. Chetan Ramesh Jain as the Chairman of the Committee.

The Remuneration Committee comprises of three Directors as under:

Names of Members	Designation
1. Mr. Chetan Ramesh Jain	Chairman, Non-Executive Director
2. Mr. Jivanprakash Hingorani	Non-Executive Director
3. Shri Narendra Kumar Dalmia	Non-Executive Director

##### ATTENDANCE DURING THE YEAR:

NAMES OF THE MEMBERS	MEETINGS ATTENDED
Shri Chetan Jain	1
Shri Narendra Kumar Dalmia	1
Shri. Jivanprakash Hingorani	1

One Remuneration Committee meeting was held on 14<sup>th</sup> October, 2010

##### REMUNERATION POLICY

- Remuneration practices of the Companies of size and standing, similar to the Company.
- The compensation is determined at the time of hiring.





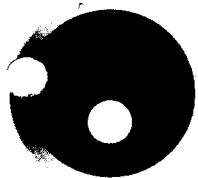


Website : [www.mahaiaxmitubes.com](http://www.mahaiaxmitubes.com)



A-54, Virwani Industrial Estate  
Western Express Highway.  
Goregaon (E), Mumbai - 400 063 (India)  
Tel. No.: +91-22-40333555 (30 Lines)  
Fax No.: +91-22-67048987  
E-mail: [enquiry@mahatubes.com](mailto:enquiry@mahatubes.com)  
Website: [www.mahalexmitubes.com](http://www.mahalexmitubes.com)

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# MAHALAXMI

## SEAMLESS LIMITED

**Head Office:**  
A-54 Virwani Industrial Estate  
Western Express Highway  
Goregaon (E), Mumbai - 400 063 (India)  
Tel. No.: +91-22-40333555 (30 Lines)  
Fax No.: +91-22-67048987  
E-mail: enquiry@mahatubes.com  
Website: www.mahalaxmitubes.com

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

Received From	Pending Complaints as on 01/04/2010	Total Complaints received as on 2010-11	Total Complaints resolved	Pending Complaints as on 31/03/2011.
Investor	Nil	03	03	Nil
SEBI/Stock Exchange	Nil	04	04	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:

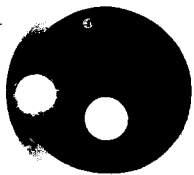
Financial Year	Date	Location of the Meeting	Time
09-10	31/12/2010	At the Registered Office of the Company, Roha	2.00 P.M
08-09	30/09/2009	At the Registered Office of the Company, Roha	2.00 P.M
07-08	30/09/2009	At the Registered Office of the Company, Roha	2.00 P.M

ii) Whether any Special Resolution was passed in the previous 3 AGMs:  
Yes

iii) Whether any Special Resolution passed last year through postal ballot details of Voting Pattern.  
No

iv) Persons who conducted the postal ballot exercise  
Not Applicable

v) Procedure for postal ballot.



# MAHALAXMI

## SEAMLESS LIMITED

TELEPHONE SEAMLESS TUBES LTD.

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Fax No. : +91-22-67048987  
E-mail : enquiry@mahatubes.com  
Website : www.mahalaxmitubes.com

Not Applicable

### 7. DISCLOSURES:

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.

The disclosure of related party transactions as required under accounting standard 18 (AS18) are furnished under note no. k of the Schedule 19, Part II- Notes to Accounts attached with the financial statement for the year ended 31st March 2011.

ii. Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

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 Listing fees of The Stock Exchange, Ahmedabad & Madras Stock Exchange Limited for last eleven financial years are pending till date.

iii. Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee.

The Company has properly framed Whistle Blower Policy by virtue of which all the employee of the Company has access to the Audit Committee.

iv. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

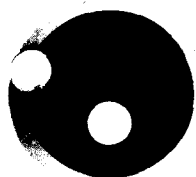
The Company in general has complied with mandatory requirements and in the process upgrading its system so as to comply non mandatory requirements in the near future.

### 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 forty five days 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.



IAOB-1008



# MAHALAXMI SEAMLESS LIMITED

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Website: www.mahalaxmitubes.com

ii) Management Discussion and Analysis forms part of the Annual Report, which is posted to the shareholders of the Company.

iii) The approved financial results (without Limited review ) are forthwith sent to the Listed Stock Exchanges as per the requirements of Clause 41.

iv) The approved financial results are not published in one English newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the company is situated.

## 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: 31/12/2011at 2 P.M.  
Venue: Registered Office of the Company at:-  
Pipenagar (Sukeli), Via Nagothane, Taluka: Roha,  
Maharashtra-402 126

**Financial Year** : 01/04/2010 to 31/03/2011

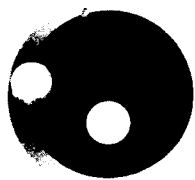
**Quarterly Financial Reporting:** The Company has submitted the Unaudited (Provisional) Financial Results for all the four quarters of the financial year 2010-2011 after the stipulated period of forty five days pursuant to the Clause 41 of the Listing Agreement.

**Date of Book Closure** : 29<sup>th</sup> December, 2011 to 31st December, 2011.

**Dividend Payment Date** : N.A.

**Listing on Stock Exchanges:** Equity Shares of the Company are listed on  
1. The Bombay Stock Exchanges Ltd. (BSE),  
2. The Stock Exchange Ltd. Ahmedabad  
3. Madras Stock Exchange Ltd, Madras





# MAHALAXMI

## SEAMLESS LIMITED

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E-mail : enquiry@mahatubes.com  
Website : www.mahalaxmitubes.com

The listing fees of the Stock Exchange, Ahmedabad and Madras Stock Exchange Ltd. for last 11 (eleven) 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**

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

Month	High	Low
April, 2010	23.80	17.60
May, 2010	29.90	19.15
June, 2010	22.80	18.50
July, 2010	21.40	18.30
August, 2010	19.40	17.10
September, 2010	29.50	16.25
October, 2010.	31.40	20.35
November, 2010.	22.15	16.00
December, 2010	20.60	15.75
January, 2011	19.35	15.00
February, 2011.	17.00	13.60
March, 2011.	16.30	12.26

### 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.



IAOB-1009

Regd. Off. & Works : Pipenagar, (Sukeli), Via : Nagothane, Tal. Roha, Dist. Raigad - 402 126, Maharashtra  
Tel.: +91-2194-238510, 398200, 238635 • Fax No. : +91-2194-238509 • email: enquiry@mahatubes.com



### Manufacturers of CO-OPERATIVE SEAMLESS TUBES

A-54, Virwani Industrial Estate  
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Website: [www.mahataxmitubes.com](http://www.mahataxmitubes.com)

No of Equity Shares	No of Shareholders	% of Shareholders	No of Shares held	% of Shareholding
Upto 500	4845	89.57	783486	14.83
501-1000	310	5.73	260468	4.93
1001-2000	107	1.98	163010	3.09
2001-3000	30	0.55	77931	1.48
3001-4000	24	0.44	85663	1.62
4001-5000	40	0.74	192090	3.64
5001- 10000	25	0.46	179836	3.41
10001 & Above	28	0.52	3538916	67.01
GRAND TOTAL	5409	100	5281400	100

## Shareholding Pattern as on 31 March, 2011.

	No of Shares	% of Shareholding
Private Corporate Bodies	789272	14.94
Indian Public	1954838	37.01
NRIs/OBCs	83547	1.58
Corporate Body Broker	7796	0.15
Clearing Member	973	0.02
Indian Promoters-Directors Relatives	2444974	46.29
Total	5281400	100

**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.

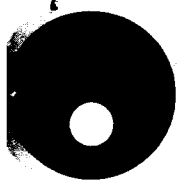
Particulars	No. of Shareholders	No of Shares	Percentage Shareholding
Physical	2719	635520	12.03
<b><u>Dematerialized Shares</u></b>			
Shares in NSDL	1751	2895039	54.82
Shares in CDSL	939	1750841	33.15
<b>Total</b>		<b>5281400</b>	<b>100</b>

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



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Website : [www.mahaiaxm tubes.com](http://www.mahaiaxm tubes.com)





# MAHALAXMI SEAMLESS LIMITED

MAHALAXMI SEAMLESS LIMITED  
100, DRAVIN SEAMLESS, PLOT, AND

**Head Office:**

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Website: www.mahalaxmitubes.com

**Certification by the Managing Director [MD] on Financial Statements of the Company:**

I, Madhavprasad Jalan, Managing Director of Mahalaxmi Seamless Limited, certify that:

(a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

(d) I have indicated to the Auditors and the Audit committee

- (i) significant changes in internal control during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: Mumbai  
Date: 01<sup>st</sup> December, 2011.

**MADHAVPRASAD JALAN**  
**CHAIRMAN & MANAGING DIRECTOR**



vikas goel  
b.com., f.c.a., d.i.s.a.(icai)

v. b. goel & co.  
chartered accountants  
flat no. 2 & 3, ajay apartment,  
kasturba cross road,  
malad (west), mumbai 400 064.  
tel. : 2844 1350 / 2844 1351  
website : www.vbgco.com

**AUDITORS' REPORT**

TO THE MEMBERS OF  
MAHALAXMI SEAMLESS LIMITED.

---

1. We have audited the attached Balance Sheet of **MAHALAXMI SEAMLESS LIMITED**, as at March 31, 2011 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:

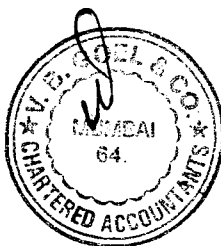
- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b) i) *We were not provided with the raw materials purchase invoices of Rs. 46,11,758 and expenses invoices of Rs. 1,07,17,258.*  
ii) *The company has not maintained proper stock records showing quantitative details of each class of inventory.*

*Except for the above, 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, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

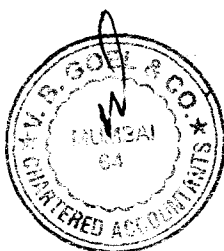


- f) i) The Company has not taken prior sanction of Board and/or approval of the Central Government for entering into contracts as required under Section 297 (1) of the Companies Act, 1956 in respect of following transactions:

Name of the Persons	Nature of Transaction	Transaction Amount (Rs.)	Closing Balance (Rs.)	Maximum Amount (Rs.)
Vinayak Tubes	Purchases Sales	1,16,81,328 1,74,53,783	59,29,922	95,97,167
Riddi Siddhi & Co	Sales	12,73,112	(3,371)	12,76,139
Sarayu Issue Management Services Pvt. Ltd.	Services received	24,818	42,354	70,000
Vinayak Steels	Purchases Sales	5,48,447 1,66,47,296	1,60,98,849	1,60,98,849
Excel tubes Corporation	Sales	35,61,275	9,98,912	17,13,442
Madras Steels & Tubes	Purchases Sales	47,52,377 2,52,28,651	12,74,355	65,12,150

Amount in brackets indicate amount payable by the company

- \* ii) The company has not taken approval of shareholders by way of special resolution to appoint Mr Rishi Jalan, a relative of director on a yearly remuneration of Rs. 6,00,000 under section 314(1) of companies Act'1956.
- iii) The service tax credit of Rs. 17,01,726 is outstanding in books of accounts but the amount is not reflected in service tax register. The company is not having proper records for the utilization of service tax credit and in our opinion the amount may not be available for credit. The current assets are overstated by Rs. 17,01,726.



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 (b), (d) and (f) 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, 2011;*
- ii) *in the case of the Profit and Loss Account, of the Loss for the year ended on that date; and*
- iii) *in the case of Cash Flow Statement, of the cash flows for the year ended on that date.*  
)



Place: Mumbai  
Date: 1-12-11

**For V. B. GOEL & CO.**  
**Chartered Accountants**  
**FRN : 115906W**

*V. B. Goel*  
**(Vikas Goel)**  
**Partner**  
**Membership No. 39287**

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, 2011

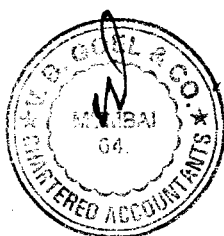
1.
  - a) *In our opinion Company is not maintaining proper records to show full particulars, including quantitative details and situation of its fixed assets.*
  - b) *As explained to us, the fixed assets of the Company have been physically verified during the year by the Management, but in view of inadequate fixed asset records we are unable to comment on discrepancies.*
  - c) The Company has not disposed off substantial parts of fixed assets during the year.
2.
  - a) As explained to us, 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) Based on the explanations provided, 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) *In our opinion, the company has not maintained proper stock records showing quantitative details of each class of inventory. Hence, we are unable to comment whether the discrepancies between the physical inventory and the book records noticed on physical verification as mentioned in 2(a) above are material or not.*
3.
  - 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 taken interest free unsecured loans from Companies, firms or other parties covered in the register maintained under Section 301 of the Act.

No of Parties	Maximum amount outstanding (Rs)	Closing Balance (Rs)
One (1)	7,00,000	Nil

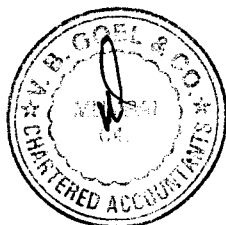
- c) In our opinion the term and conditions of such loan are prima facie not prejudicial to the interest of the company.
4. In our opinion, there are no adequate internal control procedures to commensurate with the size of the Company and the nature of its business, for the purchase of inventory and 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 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, the Company's present internal audit system is not commensurate with its size and the nature of its business.*
8. *The Company has not maintained cost records in terms of 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 based on Management representations, in our opinion the Company is generally regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities in India except as given below :

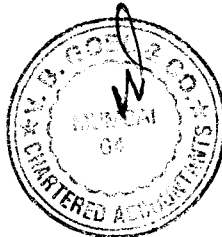
Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Maharashtra Profession Tax, 1975	Profession Tax	3,356	March 2010	20 <sup>th</sup> April 2010	Not Paid till date
Finance Act, 1994	Service Tax	7938	September, 2009	05 <sup>th</sup> October, 2009	Not Paid till date
Finance Act, 1994	Service Tax	47,487	February 2010	05 <sup>th</sup> March 2010	Not Paid till date
Finance Act, 1994	Service Tax	51,083	March 2010	31 <sup>st</sup> March, 2010	Not Paid till date

- 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.





10. The Company has no accumulated losses as at the end of the financial year and it has incurred cash losses in the current financial year and in the immediately proceeding financial years.
11. According to the records of the Company, the Company has not defaulted in repayment of dues to financial institution or banks 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 on overall basis and related information 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. Based 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  
FRN - 115906W

A handwritten signature in black ink, appearing to be "Vikas Goel", written over a horizontal line.

(Vikas Goel)  
Partner  
Membership No. 39287

Place : Mumbai  
Date : 1-12-11

**MAHALAXMI SEAMLESS LIMITED**

**Balance Sheet as at 31st March 2011**

Particulars	Schedule No.	As at 31st March 2011 (Rs.)	As at 31st March 2010 (Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
Share Capital	1	52,907,000	52,907,000
Reserves and Surplus	2	127,533,600	147,491,157
<b><u>LOAN FUNDS</u></b>			
Secured Loans	3	62,946,863	69,731,021
Unsecured Loans	4	86,219,799	84,620,124
Deferred Tax Liabilities		3,702,559	4,367,534
<b>TOTAL</b>		<b>217,455,959</b>	<b>236,478,815</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Gross Block	5	216,637,355	183,851,443
Less : Depreciation		115,789,678	104,824,953
Net Block		100,847,677	79,026,490
Capital Work-in-progress		845,599	33,816,574
<b><u>CURRENT ASSETS, LOANS AND ADVANCES</u></b>			
Inventories	6	76,234,764	63,466,942
Sundry Debtors	7	43,162,332	41,126,574
Cash and Bank Balances	8	4,968,049	25,325,766
Loans and Advances	9	26,092,979	17,286,294
		150,458,124	147,205,576
<b>Less : <u>CURRENT LIABILITIES AND PROVISIONS</u></b>			
Current Liabilities	10	34,695,442	23,569,825
		34,695,442	23,569,825
<b>Net Current Assets</b>		<b>115,762,682</b>	<b>123,635,751</b>
<b>TOTAL</b>		<b>217,455,959</b>	<b>236,478,815</b>

Significant Accounting Policies  
& Notes to the Accounts

19

As per our attached report of even date  
For V. B. GOEL & CO.  
Chartered Accountants  
FRN - 115906W

(Vikas Goel)  
Partner  
Membership No. : 39287



For and on behalf of the Board

(M. P. Jalan)  
Chairman & Managing  
Director

(Vivek Jalan)  
Executive  
Director

Place : Mumbai,  
Date : 1-12-11

Place : Mumbai,  
Date :

**MAHALAXMI SEAMLESS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

Particulars	Schedule	Year ended		Year ended	
	No.	31st March, 2011	31st March, 2010		
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>INCOME</b>					
Sales		345,451,762		304,985,133	
Less : Excise duty		<u>30,322,095</u>	315,129,667	<u>17,581,991</u>	287,403,142
Other Income	11		3,112,353		4,289,691
Increase/(Decrease) in Stock	12		(121,284)		(4,918,761)
			<u>318,120,736</u>		<u>286,774,072</u>
<b>LESS : EXPENDITURE</b>					
Materials Cost	13	224,226,613		186,936,669	
Manufacturing expenses	14	52,039,663		50,836,016	
Personnel Cost	15	26,175,293		28,240,051	
Selling & Disribution Exps	16	2,345,630		4,588,070	
Adminisration Exps	17	10,558,665		12,540,978	
Finance Cost	18	11,573,782		9,178,198	
Depreciation		<u>11,262,470</u>	338,182,116	<u>8,739,869</u>	301,059,851
Profit / (Loss) before prior period items			(20,061,380)		(14,285,779)
Less : Prior Period Items			<u>71,351</u>		<u>162,765</u>
Profit before Taxation			(20,132,731)		(14,448,544)
Less : <u>Provision for Taxation</u>					
Current Tax		-		-	
Deferred Tax		<u>(664,975)</u>	<u>(664,975)</u>	<u>(766,841)</u>	<u>(766,841)</u>
Profit after Taxation			(19,467,756)		(13,681,703)
Less : (Short)/Excess Provision for Tax			<u>(489,800)</u>		-
			(19,957,557)		(13,681,703)
Balance brought forward from previous year			89,084,157		102,765,860
Less: Deferred tax liability			-		-
Less : Proposed Dividend			-		-
Less : Dividend Distribution Tax			-		-
Balance carried forward to Balance Sheet			<u>69,126,600</u>		<u>89,084,157</u>

Basic / Diluted earning per share of Rs. 10 each

(3.69)

(2.59)

Significant Accounting Policies

& Notes to the Accounts

19

As per our attached report of even date

For V. B. GOEL & CO.

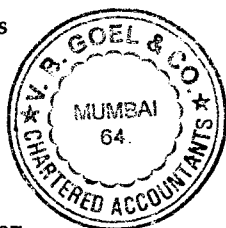
Chartered Accountants

FRN - 115906W

(Vikas Goel)

Partner

Membership No. : 39287



For and on behalf of the Board of Directors

(M. P. Jalan)

Chairman &  
Managing Director

(Vivek Jalan)

Executive Director

Place : Mumbai

Date : 1-12-11

Place : Mumbai,

Date :

**MAHALAXMI SEAMLESS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

Particulars	Year Ended 31.03.2011		Year Ended 31.03.2010	
	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)
<b>A. Cash Flow from operating activities :</b>				
Net Profit/(Loss) before tax and exceptional items		(20,061,380)		(14,285,779)
<b>Adjusted for :</b>				
Depreciation	11,262,470		8,739,869	
Provision for Advances to customer	1,109,967		2,254,525	
Provision for doubtful debts	221,079		600,244	
Interest Income	(1,510,787)		(643,930)	
Gratuity Income as per AS 15	(793,046)		-	
Profit/(Loss) on Sale of Fixed Asset	(68,882)		61,221	
Interest Expenses	9,659,279	19,880,081	6,540,146	17,552,074
Operating profit before working capital changes		(181,300)		3,266,295
<b>Adjusted for :</b>				
Trade & Other Receivable	(2,256,837)		37,818,861	
Inventories	(12,767,823)		(2,074,997)	
Trade & Other Payables	11,125,618	(3,899,041)	(12,641,944)	23,101,919
Cash generated from operation		(4,080,341)		26,368,215
Direct taxes paid		(100,000)		(6,992,584)
Cash flow before Exceptional Item		(4,180,341)		19,375,631
Prior Period Items		(71,351)		(162,765)
Net Cash from Operating activities		(4,251,692)		19,212,866
<b>B. Cash Flow from Investment Activities :</b>				
Purchase of Fixed Assets & Capital Advances	(185,062)		(10,155,298)	
Interest Received	1,510,787		643,930	
Sales of fixed assets	164,500		182,692	
Loans & Advances	(9,536,645)		2,883,226	
Net Cash from Investing Activities		(8,046,420)		(6,445,449)
<b>C. Cash Flow from Financing Activities :</b>				
Repayment of Long Term Borrowings	(5,046,168)		(3,426,586)	
Proceeds of Long Term Borrowings	8,383,833		4,439,162	
Repayment from Short Term Borrowings	(99,000)		(465,849)	
Proceeds from Short Term Borrowings	(1,638,990)		10,092,911	
Dividend paid	-		(2,640,700)	
Dividend Tax	-		(448,787)	
Interest Paid	(9,659,279)		(6,540,146)	
Net Cash from Financing Activities		(8,059,604)		1,010,006
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)		(20,357,716)		13,777,422
Cash & Cash Equivalent - Opening Balance		25,325,766		11,548,343
Cash & Cash Equivalent -Closing Balance		4,968,049		25,325,766

As per our attached report of even date

For V. B. GOEL & CO.

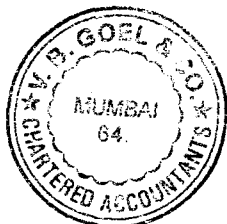
Chartered Accountants

FRN - 115906W

(Vikas Goel)

Partner

Membership No. : 39287



For and on behalf of the Board

(M. P. Jalan)

Chairman & Managing  
Director

(Vivek Jalan)

Executive Director

Place : Mumbai,

Date : 1-12-11

Place : Mumbai,

Date :

**MAHALAXMI SEAMLESS LIMITED**  
**Schedules forming part of the Balance Sheet as at 31st March 2011**

Schedules	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)
<b>SCHEDULE :: 1</b>		
<b>SHARE CAPITAL</b>		
Authorised 60,00,000 Equity Shares of Rs.10/- Each	60,000,000	60,000,000
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
<b>TOTAL</b>	<b>52,907,000</b>	<b>52,907,000</b>

**SCHEDULE :: 2**  
**RESERVES & SURPLUS**

Capital Reserve	4,500,000	4,500,000
General Reserve	1,000,000	1,000,000
Profit & Loss Account	69,126,600	89,084,157
	<b>74,626,600</b>	<b>94,584,157</b>

**MAHALAXMI SEAMLESS LIMITED**  
**Schedules forming part of the Balance Sheet as at 31st March 2011**

Schedules	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)
<b>SCHEDULE :: 3</b>		
<b>SECURED LOANS</b>		
<u>From Bank</u>		
Term Loan	7,966,988	12,408,136
Cash Credit	54,166,039	55,805,029
Packing Credit	-	99,000
 <u>Loan from N. B. F.C.</u>		
Magma Fincorp Limited (Due within year Rs. 2,38,714 (P. Y. 2,07,513 ))	269,870	477,383
 <u>Vehicle Loan from Banks</u>		
ICICI Bank (Due within year Rs. 1,16,091(P. Y. 1,04,023))	189,936	293,959
Kotak Mahindra Primus Ltd. (Due within year Rs. Nil (P. Y. 1,39,085))	-	139,085
HDFC Bank (Due within year Rs. Nil (P. Y. 46,137))	-	46,137
AXIS Bank (Due within year Rs. 1,23,207 (P. Y. 1,08,262 ))	354,030	462,292
 <b>Note :</b>		
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 E.M. of factory land and building, 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.		
3 Vehicle Loan are secured by way of charge on respective vehicles.		
4 Term loan from Magma fincorp Ltd. Is secured by hypothecation of crane		
<b>TOTAL</b>	<b>62,946,863</b>	<b>69,731,021</b>
 <b>SCHEDULE :: 4</b>		
<b>UNSECURED LOANS</b>		
Sales Tax Deferment	23,272,936	14,889,103
<b>TOTAL</b>	<b>23,272,936</b>	<b>14,889,103</b>

**MAHALAXMI SEAMLESS LIMITED**  
**Schedules forming part of the Balance Sheet as at 31st March, 2011**

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

Particulars	Gross Block			Depreciation			NET BLOCK			
	Opening As at 01.04.10	Additions	Sale/ Transfer	Closing As at 31.03.11	Opening As at 01.04.10	For the year	Deletion/ Adjustment	Closing As at 31.03.11	As at 31.03.11	As at 31.03.10
MUMBAI OFFICE										
Office Building	2,258,522			2,258,522	502,101	87,821		589,922	1,668,600	1,756,421
Office Equipment	353,870	47,619.00		401,489	233,483	16,764		250,247	151,242	120,387
Furniture & Fixture	376,505			376,505	299,267	13,980		313,247	63,258	77,238
Electrical Fitting	9,929			9,929	9,567	50		9,617	312	362
Air Conditioner	115,000			115,000	67,232	6,645		73,877	41,123	47,768
Computers	839,897			839,897	674,324	66,729		740,553	99,343	165,572
Vehicles	3,183,446		393,363	2,790,083	1,810,724	330,642	297,745	1,843,621	946,462	1,372,722
FACTORY										
Factory Land	1,809,102			1,809,102					1,809,102	1,809,102
Building-Others	1,467,258			1,467,258	57,609	23,916		81,525	1,385,733	1,409,649
Factory Building	49,397,000			49,397,000	15,964,012	1,649,860		17,613,872	31,783,128	33,432,988
Plant & Machinery	117,067,228	33,027,056		150,094,284	81,794,422	8,578,887		90,373,309	59,720,975	35,272,806
Furniture & Fixture	413,042	-		413,042	233,923	26,146		260,070	152,972	179,117
Electricals Fittings	2,487,680			2,487,680	894,376	118,165		1,012,541	1,475,140	1,593,304
Office Equipment	773,486	4,600		778,086	380,512	36,953		417,465	360,621	392,974
Air Conditioner	195,105			195,105	60,928	9,267		70,196	124,909	134,177
Computers	1,629,420	100,000		1,729,420	1,091,531	99,656		1,191,187	538,234	537,890
Vehicles	1,474,953			1,474,953	750,941	197,489		948,430	526,523	724,012
Total	183,851,443	33,179,273	393,363	216,637,355	104,824,953	11,262,470	297,745	115,789,678	100,847,677	79,026,490
Previous Year	181,643,559	2,694,936	487,052	183,851,443	96,328,223	8,739,869	243,139	104,824,953	79,026,490	85,315,336



**MAHALAXMI SEAMLESS LIMITED**  
**Schedules forming part of the Balance Sheet as at 31st March, 2011**

Schedules	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)
<b>SCHEDULE :: 6</b>		
<b>INVENTORIES</b>		
(as certified by the management)		
Raw Material	36,516,831	25,312,606
Work in Progress	25,732,681	31,853,528
Stores & Spares	1,286,300	2,457,325
Finished Goods	9,539,274	3,591,392
Scrap	303,772	252,091
Goods in Transit	2,855,906	-
<b>TOTAL</b>	<b>76,234,764</b>	<b>63,466,942</b>

**SCHEDULE :: 7**  
**SUNDRY DEBTORS**  
(Unsecured Considered Good)

Over Six Months	2,160,253	4,744,670
Less : provision for doubtful debts	221,079	600,244
	1,939,174	4,144,426
Others	41,223,158	36,982,148
<b>TOTAL</b>	<b>43,162,532</b>	<b>41,126,574</b>

**Note:**

(Debts due from firm/companies in which Directors are interested)

	23,345,480	2,759,748
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(Maximum amount outstanding at any time during the year)

	33,554,305	4,286,961
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**SCHEDULE :: 8**  
**CASH AND BANK BALANCES**

Cash on Hand	788,978	245,205
<u>Balances with Scheduled Banks</u>		
In Current Account	168,938	251,800
In Unpaid Dividend Account	616,427	621,854
In Fixed Deposits	3,393,707	24,206,908
(Pledged with bank as Margin : Rs. 11,63,000)		
<b>TOTAL</b>	<b>4,968,049</b>	<b>25,325,766</b>

**MAHALAXMI SEAMLESS LIMITED**  
**Schedules forming part of the Balance Sheet as at 31st March, 2011**

S c h e d u l e s	As at 31.03.11 (Rs.)	As at 31.03.10 (Rs.)
<b>SCHEDULE :: 9</b>		
<b>LOANS &amp; ADVANCES</b>		
<i>(Unsecured, Considered Good unless otherwise stated)</i>		
Advances recoverable in cash or in kind or for value to be received	5,591,044	4,471,791
Less : Provision for doubtful advances	1,109,967	2,254,525
	4,481,077	2,217,266
Other Loans & Advances	444,449	659,301
Deposits	351,772	244,575
Balance with Govt. Department	18,427,775	12,647,456
Income tax (Net of provision)	1,498,740	1,517,696
Gratuity Fund	889,167	-
<b>TOTAL</b>	26,092,979	17,286,294
<i>(Loans due from Directors )</i>	Nil	Nil
<i>(Maximum amount outstanding at any time during the year)</i>	Nil	Nil

**SCHEDULE :: 10**  
**LIABILITIES**

Sundry Creditors		
(i) Due to micro and small enterprises (Refer note II(i) of Schedule 19)	-	-
(ii) Due to others	24,308,855	16,458,469
Advances from customer	5,275,222	1,429,783
Other Liabilities	4,487,371	5,057,578
Unclaimed Dividend	623,995	623,995
<b>TOTAL</b>	34,695,442	23,569,825

**MAHALAXMI SEAMLESS LIMITED**

**Schedules forming part of the Profit & Loss A/c for the year ended 31st March, 2011**

<b>Schedules</b>	<b>Year Ended 31.03.11 (Rs.)</b>	<b>Year Ended 31.03.10 (Rs.)</b>
<b>SCHEDULE :: 11</b>		
<b>OTHER INCOME</b>		
Interest Received (TDS Rs. 2,33,395 P.Y. 1,69,612)	1,510,787	643,930
Exchange difference	699,557	2,738,160
Incentive Received	-	6,300
Other Income	32,830	-
Profit on Sale of Assets	68,882	-
Sundry balance W/back	7,251	293,545
Reversal of Gratuity payable	-	376,683
Gratuity Income as per AS 15	793,046	-
Excise Duty Difference between opening and Closing Stock	-	231,073
<b>TOTAL</b>	<b>3,112,353</b>	<b>4,289,691</b>

**SCHEDULE :: 12**  
**INCREASE / (DECREASE) IN STOCK**

Closing Stock	35,575,727	35,697,011
Opening stock	35,697,011	40,615,772
	<b>(121,284)</b>	<b>(4,918,761)</b>

**SCHEDULE :: 13**  
**MATERIALS COST**

Opening Stock	25,312,606	17,403,927
Add. : Raw Material Purchases	238,842,575	194,845,347
	264,155,181	212,249,274
Less : Sales of Raw Materials	555,830	-
	263,599,351	212,249,274
Less : Closing Stock of Raw Materials (Including Goods in Transit)	39,372,737	25,312,606
<b>TOTAL</b>	<b>224,226,613</b>	<b>186,936,669</b>

**SCHEDULE :: 14**  
**MANUFACTURING EXPENSES**

Inspection Charges & Others Exp	714,720	708,929
Power & Fuel Charges	31,476,866	30,542,847
Repair and Maintenance Expenses	2,789,777	4,926,173
Sales Tax Paid on Assessment	620,705	417,682
Stores and Spares Consumed	15,030,892	12,790,966
Transportation Charges	662,391	452,362
Water Charges	744,312	809,688
Job Work Charges	-	187,368
<b>TOTAL</b>	<b>52,039,663</b>	<b>50,836,016</b>

**MAHALAXMI SEAMLESS LIMITED**

**Schedules forming part of the Profit & Loss A/c for the year ended 31st March, 2011**

Schedules	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
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**SCHEDULE :: 15**

**PERSONNEL COST**

Salary, Wages and Bonus	17,702,867	21,568,075
Contribution to Provident Fund	245,805	475,289
Staff Welfare Expenses	1,520,492	1,318,982
Contractual Services	6,706,130	4,877,705

**TOTAL**

<b>26,175,293</b>	<b>28,240,051</b>
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**SCHEDULE :: 16**

**SELLING & DISTRIBUTION EXPS**

Advertisement & Sales Promotion	419,992	728,536
Sales Commission	817,239	632,779
Clearing & Forwarding Expenses	1,108,399	3,226,755

<b>2,345,630</b>	<b>4,588,070</b>
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**SCHEDULE :: 17**

**ADMINISTRATIVE EXPENSES**

Auditor's Remuneration	150,000	150,000
Books & Periodicals	16,521	4,655
Conveyance and Travelling	2,000,929	1,881,370
Electricity Expenses	195,594	241,493
Insurance Expenses	182,148	215,663
Late Delivery Charges	92,817	93,575
Legal & Professional Expenses	1,266,201	2,266,872
Listing Fees	45,000	-
Office & Misc. Expenses	435,081	84,429
Postage, Telephone & Telegrams	634,311	966,684
Printing and Stationery	263,194	441,749
Rent, Rates & Taxes	385,711	732,689
Subscription & Membership	281,667	508,785
Security Expenses	934,598	648,064
Loss on sale of Fixed Asset	-	61,221
loss on sale of DEPB	-	49,540
Vehicle Expenses	727,340	797,082
Computer expenses	73,484	109,542
Donation	15,500	10,477
Sundry Balances W/off	86,385	287,382
Demat Expenses	-	1,103
Share transfer & Registration fees	78,287	133,834
Provision for doubtful debts	221,079	600,244
Provision for doubtful Advances	1,109,967	2,254,525
Excise Duty Difference between opening and		
Closing Stock	645,758	-
Bad Debts Written off	717,092	-

**TOTAL**

<b>10,558,665</b>	<b>12,540,978</b>
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**SCHEDULE :: 18**

**FINANCE COST**

Bank Charges	1,914,503	2,638,053
Interest	9,659,279	6,540,146

**TOTAL**

<b>11,573,782</b>	<b>9,178,198</b>
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## **MAHALAXMI SEAMLESS LIMITED**

**SCHEDULE: : 19**

### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2011.**

#### **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 standards by Companies (Accounting Standards) 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 recognized 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 but inclusive of Excise duty.
- ii) Purchases are recognized when ownership of goods is transferred and inclusive of all statutory levies but excluding excise duty & value added tax
- iii) Job work charges are accounted for on completion of job basis.
- iv) Interest income is recognized 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.

## **MAHALAXMI SEAMLESS LIMITED**

### **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) Capital Work in Progress**

The capital Work in progress is stated at cost plus pre operative expenses.

### **g) 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 at 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.

### **h) 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 lower. 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 realizable value whichever is less. Cost consists average cost of Raw material, conversion cost and excise duty.
- iv) Stores and Spares are valued at cost exclusive of Excise Duty & VAT credit taken.
- v) Scrap is valued at the net realizable value.

## **MAHALAXMI SEAMLESS LIMITED**

### **i) Foreign Currencies Transaction**

- a) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction
- b) Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date.
- 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.

### **j) Employee Benefit**

Liability in respect of employee benefits are accounted 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, based 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.

## **MAHALAXMI SEAMLESS LIMITED**

### **k) 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.

### **l) Taxation :**

- i) 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.
- ii) 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 recognized and carried forward only if there is reasonable certainty of its realisation.

### **m) Impairment of Assets**

Impairment of assets is ascertained in each balance sheet date in respect of cash generating units. An impairment loss is recognized 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.

### **n) Provisions, Contingent Liabilities and Contingent Assets**

- i) A provision is recognized 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.
- ii) Contingent liabilities, if material, are disclosed by way of notes to accounts. Contingent assets are neither recognised nor disclosed in the financial statements.



## MAHALAXMI SEAMLESS LIMITED

### II NOTES TO ACCOUNTS

#### a) Contingent Liabilities

- i) Counter Guarantee given to the Bank for the performance guarantee given by them of Rs. 77.16 lacs (P.Y. Rs.52.92 lacs).
- ii) Disputed sales tax liability of Rs. Nil (P.Y. Rs. 161.93 Lacs ).
- iii) Letter of Credit outstanding of Rs. Nil (P.Y. Rs. 568.82 Lacs).
- iv) Estimated amount of contract remaining to be executed on Capital Account and not provided for Rs. 5.00 lacs (P.Y. Rs. 419.45 Lacs)
- v) Disputed excise liability for the period August, 2009 to December,2010 raised by the Central Excise Dept. for Rs.17,99,007.

#### b) Prior Period Items

The prior period expenses consist of the following items :

Particulars	Current year (Rs.)	Previous year (Rs.)
Income	6,39,416	1,62,288
Expenditure	7,10,767	3,25,053
<b>Total</b>	<b>71,351</b>	<b>1,62,765</b>

#### c) Income Tax

- i) The Company has made adequate provision of Current Tax Rs. Nil (P.Y. Rs. Nil/-) under the provisions of 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. The break up is as under:

Particulars	As At 31.03.10 (Rs)	For the year (Rs)	As at 31.03.11 (Rs.)
<b>Deferred Tax Liability on account of:</b>			
Depreciation	54,34,055	(10,41,025)	43,93,030
<b>Deferred Tax (Asset) account of:</b>			
Expenditure	(10,66,521)	3,76,050	(6,90,471)
<b>Net Deferred Tax Liability/ (Asset)</b>	<b>43,67,534</b>	<b>(6,64,975)</b>	<b>37,02,559</b>

## MAHALAXMI SEAMLESS LIMITED

d) Sales Tax Deferment

Unsecured loan represent Interest free Sales Tax Deferment of Rs. 2,32,72,936/- out of these, a sum of Rs 20,54,315/- (P. Y. Rs 13,97,276/-) is due within the immediate next year and Rs. 76,45,302/- is payable in next 5 yearly installments till year 2016-17.

Further Rs. 97,81,109/- (P.Y. Rs 55,46,525/-) is added in above unsecured loan as per sanction of the deferment scheme by the Sales Tax authorities.

e) Auditor's Remuneration

Particulars	Current Year (Rs.)	Previous Year (Rs.)
For Audit Fee	1,50,000	1,50,000
For Other Services	15,000	15,000
<b>TOTAL</b>	<b>1,65,000</b>	<b>1,65,000</b>

f) Managerial Remuneration

Directors Remuneration paid Rs 23,99,999/- (Previous Year Rs. 25,95,169/-).

g) Segment Reporting

The Company has only one reportable segment i.e. Cold drawn Seamless Pipes and Tubes. Hence requirement of Accounting Standard, AS-17 "Segment Reporting" are not applicable.

h) Impairment of Assets

There is no such impairment of assets at the year ended on 31.03.11 in terms of Accounting Standard, AS - 28. Hence company has not made any provision for impairment loss.

i) 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.

**MAHALAXMI SEAMLESS LIMITED**

j) **Disclosure pursuant to Accounting Standard - 15 Employee Benefits**

	Current Year (Rs.)	Prev. Year (Rs.)
<b>A) Defined Contribution Plans</b>		
The Company has recognized the following amounts in the Profit & Loss Account for the year		
1. Contribution to Employees' Provident Fund/ Employees' Family Pension Fund	2,45,805	4,65,317
2. Leave encashment	3,58,015	1,12,970
<b>B) Contribution to Gratuity fund being Defined Benefits Plan</b>		
<b>I Changes in the Present Value of the Defined Benefits Obligation</b>		
1. Present Value of Defined Benefit Obligation at the beginning of the year	7,95,880	12,00,055
2. Interest Cost	63,670	96,004
3. Current Service Cost	1,33,283	1,72,780
4. Benefits Paid	(49,813)	(2,28,186)
5. Actuarial (Gain)/Loss on Defined Benefit Obligation	(4,24,525)	(4,44,773)
6. Present Value of Defined Benefit Obligation at the end of the year	5,18,495	7,95,880
<b>II Changes in the Fair Value of Plan Assets</b>		
1. Fair Value of Plan Assets at the beginning of the year	12,47,234	8,23,372
2. Expected Return on Plan Assets	1,14,120	1,02,585
3. Contributions	96,121	5,49,463
4. Benefits Paid	49,813	(2,28,186)
5. Actuarial Gain / (Loss) on Plan Assets	Nil	Nil
6. Fair Value of Plan Assets at the end of the year	14,07,662	12,47,234
<b>III Amounts recognized in the Balance Sheet</b>		
1. Present Value of Defined Benefit Obligation at the end of the year	5,18,495	7,95,880
2. Fair Value of Plan Assets at the end of the year	(14,07,662)	(12,47,234)
3. Net (Asset) /Liability to be recognized in the Balance Sheet	(8,89,167)	(4,51,354)

**MAHALAXMI SEAMLESS LIMITED**

	Current Year (Rs.)	Prev. Year (Rs.)
<b>IV Balance Sheet Reconciliation</b>		
1 Net (Asset)/ liability at the beginning of the year	(4,51,354)	3,76,683
2 (Income)/ Expense recognised as under	(3,41,692)	(2,78,574)
3 Contributions as above	(96,121)	(5,49,463)
4 Net (Asset)/ liability at the end of the year	<b>(8,89,167)</b>	<b>(4,51,354)</b>
<b>V Amount recognized in the Profit &amp; Loss A/c.</b>		
1 Current Service Cost	1,33,283	1,72,780
2 Interest Cost on obligation	63,670	96,004
3 Expected Return on plan assets for the period	(1,14,120)	(1,02,585)
4 Net Actuarial (Gain) / Loss	(4,24,525)	(4,44,773)
5 Expense Recognised in statement of Profit & Loss A/c.	<b>(3,41,692)</b>	<b>(2,78,574)</b>
<b>VI Actual Return on Plan Assets</b>		
1 Expected Return on plan assets for the period	1,14,120	1,02,585
2 Actuarial Gain/(Loss) on Plan Assets	4,24,525	4,44,773
3 Actual Return on Plan Assets	<b>5,38,645</b>	<b>5,47,358</b>
<b>VII Percentage of each category of Plan Assets to total Fair Value of Plan Assets</b>		
1 Insurer managed fund	100%	100%
<b>VIII Actuarial Assumption</b>		
1 Discount Rate	8.00%	8.00%
2 Expected Rate of Return on Plan Assets	9.00%	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%	4.00%

**MAHALAXMI SEAMLESS LIMITED**

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

**A) Name of the Parties ( as certified by the management)**

**1) Associates**

Madras Steel & Tubes (MST)

Riddi Siddhi & Co. (RSC)

Sarayu Issue Management Services Pvt. Ltd. (SIMSPL)

Vinayak Tubes (VT)

Vinayak Steels (VS)

Excel Tube Corporation (ETC)

**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

Smt. Mala Sharma

**3) Relative of Key Management Personnel (KMP)**

Shri Rishi Jalan

Smt. Sampathidevi M. Jalan

**B) Related Party Transactions:**

Nature of Transaction	Associates (Rs.)	Key Management Personnel (Rs.)	Relative of KMP (Rs.)	Total
<b>Transaction during the year</b>				
Purchase of Goods	1,69,82,152 (56,63,075)	Nil Nil	Nil Nil	1,69,82,152 (56,63,075)
Sales of Goods	6,41,64,117 (1,31,54,475)	Nil Nil	Nil Nil	6,41,64,117 (1,31,54,475)
Remuneration/Salary	Nil (Nil)	23,99,999 (18,13,329)	3,00,000 (6,66,667)	26,99,999 (24,79,996)

**MAHALAXMI SEAMLESS LIMITED**

Nature of Transaction	Associates (Rs.)	Key Management Personnel (Rs.)	Relative of KMP (Rs.)	Total
Receiving of Services	24,818 <i>(1,35,116)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	24,818 <i>(1,35,116)</i>
Advance given for services	42,354 <i>(Nil)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	42,354 <i>(Nil)</i>
Loans taken	Nil <i>(Nil)</i>	7,00,000 <i>(Nil)</i>	Nil <i>(Nil)</i>	7,00,000 <i>(Nil)</i>
Discount Given on sales	8,000 <i>(Nil)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	8,000 <i>(Nil)</i>
Commission given	6,398 <i>(Nil)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	6,398 <i>(Nil)</i>
Bad debts & Write off	1,08,926 <i>(Nil)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	1,08,926 <i>(Nil)</i>
Interest charged	1,00,746 <i>(Nil)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	1,00,746 <i>(Nil)</i>
<b>Outstanding Balance</b>				
Balance Receivable	2,43,44,392 <i>(28,19,748)</i>	Nil <i>(Nil)</i>	Nil <i>(Nil)</i>	2,43,44,392 <i>(28,19,748)</i>
Balance Payable	3,371 <i>(Nil)</i>	1,68,300 <i>(Nil)</i>	3,21,107 <i>(Nil)</i>	4,92,778 <i>(Nil)</i>

*Figures in brackets & italics indicates previous years figures*

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

Nature of transaction	Associates (M S T) (Rs.)	Associates (R S C) (Rs.)	Associates (V T) (Rs.)	Associates (V S) (Rs.)	Associates (E T C) (Rs.)
Sales of Goods	2,52,28,651 <i>(27,41,043)</i>	12,73,112 <i>(18,64,324)</i>	1,74,53,783 <i>(85,49,108)</i>	1,66,47,296 <i>(Nil)</i>	35,61,275 <i>(Nil)</i>
Purchase of Goods	47,52,377 <i>(Nil)</i>	Nil <i>(Nil)</i>	1,16,81,328 <i>(56,63,075)</i>	5,48,447 <i>(Nil)</i>	Nil <i>(Nil)</i>

# MAHALAXMI SEAMLESS LIMITED

## l) Earning 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 :

Particulars		31.03.11 (Rs.)	31.03.10 (Rs.)
a)	Weighted average No. of Equity shares outstanding during the year.	52,81,400	52,81,400
b)	Net Profit/(Loss) after tax attributable to Equity share holders	(1,94,67,756)	(1,36,81,703)
c)	Basic / Diluted earning per share-Face Value Rs 10/-	(3.69)	(2.59)

m) 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)

### 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	900 MT

ii) Manufacturing Activity	Current Year		Previous Year	
	Qty. (M. Tons)	Amount (Rs.)	Qty. (M. Tons)	Amount (Rs.)
<u>Finished Goods</u>				
Opening Stock	40.852	35,91,392	76.500	87,93,473
Production	3661.184	----	2911.415	----
Sales	3589.563	30,48,65,310	2,947.063	27,63,51,017
Scrap Sales		50,41,301		69,83,152
Closing Stock	112.473	95,39,274	40.852	35,91,392
<u>Raw Materials</u>				
Opening Stock	466.451	2,53,12,606	140.431	1,74,03,927
Raw Material Purchase	4288.009	23,88,42,575	3,759.825	19,48,45,347
Raw Material Consumed	4075.822	22,42,26,613	3,417.438	18,69,36,669
Sales of Raw Materials	8.965	5,55,830		
Closing Stock	669.673	3,93,72,737	466.451	2,53,12,606

# MAHALAXMI SEAMLESS LIMITED

Manufacturing Activity	Current Year		Previous Year	
	Qty. (M. Tons)	Amount (Rs.)	Qty. (M. Tons)	Amount (Rs.)
<b><u>Work in Progress</u></b>				
Opening Stock		3,18,53,528		3,14,01,289
Closing Stock		2,57,32,681		3,18,53,528
<b><u>Job Work</u></b>				
Job work done	237.888	52,23,055	128.107	40,68,973

## iii) Composition of Consumption

Particulars	2010-11 (Rs)	%	2009-10 (Rs)	%
-------------	-----------------	---	-----------------	---

### Raw Material Consumption

Imported	163,619,603	72.97	11,07,87,625	59.26
Indigenous	60,607,010	27.03	7,61,49,043	40.74

<b>224,226,613</b>	<b>100</b>	<b>18,69,36,669</b>	<b>100</b>
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Particulars	2010-11 (Rs)	%	2009-10 (Rs)	%
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### Stores & Consumables

Imported	782,984	5.21	Nil	Nil
Indigenous	14,247,908	94.79	1,27,90,966	100

<b>15,030,892</b>	<b>100</b>	<b>1,27,90,966</b>	<b>100</b>
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## iv) Foreign Currency Transaction :

Particulars	2010-11 (Rs)	2009-10 (Rs.)
<b>Earning in Foreign Exchange</b>		
FOB value of exports	86,10,864	8,01,24,084
<b>Expenditure in Foreign Exchange</b>		
a) CIF Value of Imports		
Raw Materials	13,83,41,646	11,62,67,696
Stores & Consumables	7,82,985	NIL
Capital Goods	Nil	9,95,041
b) Travelling Expenses	4,24,376	4,09,720
c) Interest paid	Nil	7,08,588
d) Advertising	40,077	NIL
e) Sales Promotion	1,95,063	2,21,513
<b>Remittance of Dividend</b>	Nil	Nil



**MAHALAXMI SEAMLESS LIMITED**

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

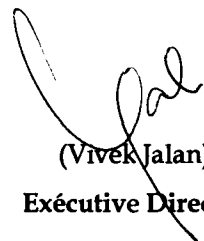
**For and on behalf of Board**

Place : Mumbai

Date :



**(M. P. Jalan)  
Chairman &  
Managing Director**



**(Vivek Jalan)  
Executive Director**

## MAHALAXMI SEAMLESS LIMITED

Additional information pursuant to the provision of 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-2011

### II Capital Raised During The Year

(Amount in Rs. Thousand)

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

### III Position Of Mobilisation & deployment Of Funds

(Amount in Rs. Thousand)

Total Liabilities	217,456
Total Assets	217,456
Sources Of Funds	
Paid Up Capital	52,907
Reserve and Surplus	74,627
Secured Loans	62,947
Unsecured Loans	23,273
Deferred Tax Asset	3,703
Application Of Funds	
Net Fixed Assets	101,693
Investments	-
Net Current Assets	115,763
Misc. Expenditure	-

### IV Performance of the Company

(Amount in Rs. Thousand)

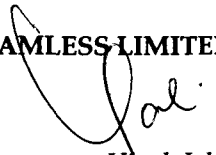
Turnover	318,242
Total Expenditure	338,375
Profit Before Tax	(20,133)
Profit After Tax	(19,468)
Earning Per Share in Rs.	(3.68)
Dividend Rate %	Nil

### V Generic Name Of Three Principal Products/Services Of The Company (As per monetary terms)

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

For MAHALAXMI SEAMLESS LIMITED

  
M. P. Jalan  
Chairman & Managing  
Director

  
Vivek Jalan  
Executive  
Director

Place : Mumbai,

Date :

# MAHALAXMI SEAMLESS LIMITED

## Statement of Deferred Tax for the year 2010-11

Particulars	Amount (Rs.)	Amount (Rs.)
<b>I Deferred Tax Assets</b>		
<b><u>Difference in WDV</u></b>		
WDV as per Company Act as at 31.03.2011	99,038,575	
WDV as per Income Tax as at 31.03.2011	84,821,648	
	<u>14,216,927</u>	
<b>Tax effect</b>		
Tax @ 30% on Rs. 14,216,927	4,265,078	
Add : Surcharge @ 7.5%	-	
	<u>4,265,078</u>	
Add : Education Cess @ 3%	<u>127,952</u>	4,393,030
<b>II Deferred Tax Assets</b>		
<b>Expenses Disallowed in C.Y. and allowed in next years</b>		
Expenses Disallowed U/s 43B	729,671	
<u>Expenses Disallowed u/s. 40(a)</u>	1,504,862	
(As per Annexure :: E)		
	<u>2,234,533</u>	
<b>Tax effect</b>		
Tax @ 30% on Rs. 2,234,533	670,360	
Add : Surcharge @ 7.5%	-	
	<u>670,360</u>	
Add : Education Cess @ 3%	<u>20,111</u>	690,471
<b>Deferred Tax Liability as on 31st March 2011</b>		<u><u>3,702,559</u></u>
<b>Deferred Tax Assets for the year</b>		
<b>Defertax Liability</b>		
Closing Deferred Tax Liability as on 31.03.2011	4,393,030	
Closing Deferred Tax Liability as on 31.03.2010	<u>5,434,055</u>	(1,041,025)
<b>Defertax Asset</b>		
Closing Deferred Tax Assets as on 31.03.2011	690,471	
Closing Deferred Tax Assets as on 31.03.2010	<u>1,066,521</u>	376,050
<b>Deferred Tax for the year</b>		<u><u>(664,975)</u></u>