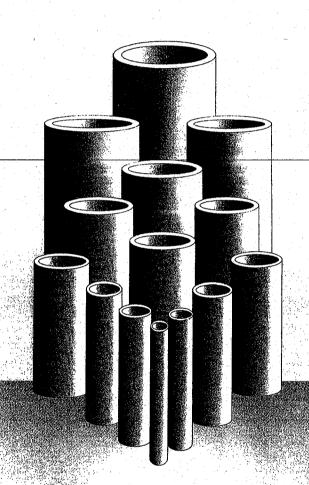
14th Annual Report 1997 - 1998





RATMANAMI METALS & TUBES LIMITED



CHAIRMAN'S STATEMENT

DEAR SHAREHOLDER,

IT IS MY GREAT PLEASURE TO WELCOME YOU AS A SHAREHOLDER OF RATNAMANI METALS AND TUBES LTD. (RMTL). THE MERGER OF RATNAMANI ENGINEERING LTD. (REL) AND RATNAMANI FINE TUBES (P.) LTD. (RFTPL) HAS NOW BEEN LEGALLY COMPLETED. RATNAMANI METALS AND TUBES LTD. WAS STARTED IN THE YEAR 1985 TO MANUFACTURE STAINLESS STEEL TUBES AND PIPES IN WIDE RANGE. RATNAMANI ENGINEERING LTD. WAS STARTED AS A MAJOR DIVERSIFICATION IN THE ENGINEERING LINE OF PRODUCTION LIKE PRESSURE VESSELS. HEAT EXCHANGERS. RATNAMANI ENGINEERING LTD. ALSO DIVERSIFIED, THEREAFTER, INTO PRODUCTION OF LARGER DIA "SAW PIPES". THE THIRD COMPANY VIZ. RATNAMANI FINE TUBES (P) LTD., WAS STARTED TO MEET THE SPECIFIC REQUIREMENT OF CARBON AND LOW ALLOY STEEL TUBES. ALL THE THREE COMPANIES THE SAME **ESTABLISHED** BY WERE ENTREPRENEUR GROUP.

THE MERGER OF THE TWO COMPANIES WITH RATNAMANI METALS & TUBES LTD., WAS NECESSITATED BY THE SWEEPING CHANGES IN OUR COUNTRY'S ECONOMY CAUSED BY ECONOMIC REFORMS. THE TWO COMPANIES, TILL NOW, OPERATED SEPARATELY AS THE LEGAL MERGER COULD TAKE PLACE ONLY DURING THIS YEAR.

WE ARE NOW INTEGRATING THE OPERATIONS OF ALL THE THREE COMPANIES AND EXPECT TO DERIVE BENEFITS FROM THE MERGER THROUGH ECONOMICS OF SCALE OF OPERATIONS RESULTING IN HIGHER EFFICIENCIES BOTH IN PRODUCTION AND MARKETING. THE COMPANY IS NOW ENGAGED MAINLY FOR THE MANUFACTURE OF THE FOLLOWING PRODUCTS:

- (1) STAINLESS STEEL TUBES AND PIPES (SSTP)
 COMPRISING OF WELDED AND SEAMLESS
 SS PIPES AND TUBES.
- (2) CARBON STEEL SEAMLESS TUBES (GSST) COMPRISING OF C.S. HEAT EXCHANGERS TUBES.
- (3) SAW PIPES (SP) COMPRISING OF L/S, C/S SAW PIPES.

AS PER THE SCHEME OF AMALGAMATION, APPROVED BY THE HONOURABLE HIGH COURT OF GUJARAT, THE SHAREHOLDERS OF ERSTWHILE RATNAMANI ENGINEERING LTD., WOULD RECEIVE ONE EQUITY SHARE OF RS. 10/ - OF RATNAMANI METALS AND TUBES LTD.. IN EXCHANGE OF THREE EQUITY SHARES OF RS. HELD IN ERSTWHILE PATNAMANI ENGINEERING LTD., THE BOARD OF DIRECTORS HAS DECIDED 24TH DECEMBER, 1998 AS THE HECORD DATE, ALTEN WHICH EQUITY SHARES OF RATNAMANI ENGINEERING LTD., SHALL BE DEEMED TO HAVE BEEN AUTOMATICALLY CANCELLED AND WILL BE OF NO EFFECT AND VALUE. THE BOARD HAS DECIDED THAT INSTEAD OF REQUIRING TO SURRENDER THE SHARE CERTIFICATES FROM THE SHAREHOLDERS OF RATNAMANI ENGINEERING LTD., THE COMPANY WOULD DIRECTLY ISSUE AND DESPATCH THE NEW SHARE CERTIFICATES AFTER THE SHARES ARE ALLOTTED TO THEM.

YOUR COMPANY'S LONG TERM PLAN IS FOR QUALITY AND PRODUCTIVITY TO INTERNATIONAL STANDARDS TO ACHIEVE COMPLETE CUSTOMER SATISFACTION AS WELL AS TO AUGMENT ITS RANGE FOR VALUE-ADDED-PRODUCTS.

THANKING YOU,

YOURS TRULY,

PRAKASH M. SANGHVI

CHAIRMAN

7th Nov., 1998



Board of Directors

Shri Prakash M. Sanghvi

Chairman & Managing Director

Shri Jayantilal M. Sanghvi

Whole-time Director

Shri S. Solanki

Whole-time Director

Shri D. C. Anjaria

Shri Manohar P. Kanungo Shri Shanti M. Sanghvi

Additional Director

Bankers

Dena Bank

Punjab National Bank

State Bank of India

Auditors

M/s. Mehta Lodha & Co. :

> Chartered Accountants 63. Hirabhai Market Diwan Ballubhai Road

Ahmedabad - 380 022

Registered Office

17. Raimugat Society

Naranpura Char Rasta

Naranpura

: .

Ahmedabad - 380 013

Works

Ahmedabad-Mehsana Highway

Village - Indrad Nr. Chhatral GIDC

Taluka - Kadi Dist. - Mehsana

GUJARAT

Plot No. 3306, 3308 & 3309

GIDC - Chhatral

Taluka - Kalol

Dist. - Mehsana

GUJARAT



NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of RATNAMANI METALS & TUBES LIMITED will be held on Thursday, the 31st December, 1998 at 10.00 a.m. at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad-380009 to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
- 2. To declare dividend on Equity Shares.
- To appoint a Director in place of Shri D. C. Anjaria who retires by rotation and being eligible offers himself for reappointment.
- 4. To appoint a Director in place of Shri Manohar P. Kanungo who retires at this meeting by rotation but not seeking the re-election and to fill up the vacancy by appointment of Shri Shanti M. Sanghvi as Director of the Company.
- To re-appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

6. ORDINARY RESOLUTION:

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

"RESOLVED THAT Shri Shanti M. Sanghvi who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 and Article 148 of the Article of Association of the Company by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting and being eligible for re-appointment be and is hereby appointed in the vacancy caused by Shri M. P. Kanungo not seeking the re-election, as a Director of the Company liable to retire by rotation in terms of provisions of Article 170 of the Article of Association of the Company.

7. ORDINARY RESOLUTION:

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

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the approval of the Company be and is hereby accorded to the re-designation and the re-appointment of Shri Prakash M. Sanghvi as Managing Director of the Company for a period of five years with effect from 1st November, 1998 on the following terms and conditions:

- (1) SALARY: Rs. 40,000/- per month (Rupees Fourty thousand only) with annual increments at the discretion of the Board.
- (2) COMMISSION: Maximum upto 5% of the annual net profits for the Managing Director as decided by the Board of Directors on year to year basis and to all

Managerial personnel taken together not exceeding 10% of the net profits of the Company.

- (3) PERQUISITES: In addition to the salary he shall be entitled to perquisites such as fully, furnished house or house rent allowance in lieu thereof; expenses incurred on gas, electricity, water and furnishing, repairs, medical benefits for self and family, leave travel concession for self and family, club fees, personal accident insurance and mediclaim policy and/or any other allowances provided that such perquisites be restricted to annual salary or Rs. 5,00,000/- per annum (Rs. Five lac only) whichever is less.
- (4) The salary and perquisites as mentioned above at items 1, 2 and 3 will be exclusive of
 - (a) Provident Fund: Contribution of Provident Fund Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
 - (b) Gratuity: Gratuity not exceeding half month's salary for each completed years of service.
 - (c) Encashment of Leave : Leave unavailed of to be allowed to be encashed as per rules of the Company.
- (5) Car and Telephone: Provision of car with driver, and Telephone at the residence, (Personal use of car and long distance personal telephone calls will be chargeable to the appointee) which shall not be included in the computation of perquisites.

"RESOLVED further that in the event of inadequacy or absence of profits in any financial year the Managing Director shall be paid above remuneration as minimum remuneration as specified in item No. 1 and 3 above."

"The Company shall reimburse to him such expenses as he may incur on behalf of the Company."

The Managing Director shall not be liable to retire by rotation.

Managing Director shall not be entitled to receive any sitting fees for attending the meeting of the Board of Directors or Committe thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the said terms and conditions of remuneration subject to the limits set out in the existing applicable Schedule XIII to the Companies Act, 1956."

"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary to give effect to this Resolution."

8. ORDINARY RESOLUTION :

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

*RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Company be and is hereby accorded to the re-appointment of Shri Jayantibhai M. Sanghvi as Wholetime Director of the Company for a period of five



years with effect from 1st November, 1998 on the following terms and conditions:

- SALARY: Rs. 30,000/- per month (Rupees Thirty thousand only) with annual increments at the discretion of the Board.
- (2) COMMISSION: Commission, subject to the provisions of sections 198 and 309 of the Companies Act, 1956 shall be on percentage of the Net Profits and such amount as Board of Directors of the Company may determine, keeping in view the performance of the Company in each financial year.
- (3) PERQUISITES: In addition to the salary he shall be entitled to perquisites such as fully furnished house or house rent allowance in lieu thereof; expenses incurred on gas, electricity, water and furnishing, repairs, medical benefits for self and family, leave travel concession for self and family, club fees, personal accident insurance and mediciaim policy and/or any other allowances provided that such perquisites be restricted to annual salary or Rs. 4,00,000/- per annum (Rs. Four lac only) whichever is less.
- (4) The salary and perquisites as mentioned above at items 1, 2 and 3 will be exclusive of
 - (a) Provident Fund: Contribution of Provident Fund Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
 - (b) Gratuity: Gratuity not exceeding half month' salary for each completed years of service.
 - (c) Encashment of Leave : Leave unavailed of to be allowed to be encashed as per rules of the Company.
- (5) Car and Telephone: Provision of car with driver, and telephone at the residence, (Personal use of car and long distance personal telephone calls will be chargeable to the appointee) which shall not be included in the computation of perquisites.

"RESOLVED Further that in the event of inadequacy or absence of profits in any financial year the Wholetime Director shall be paid above remuneration as minimum remuneration as specified in item No. 1 and 3 above."

"The Company shall reimburse to him such expenses as he may incur on behalf of the Company.

The Wholetime Director shall not be liable to retire by rotation.

Wholetime Director shall not be entitled to receive any sitting fees for attending the meeting of the Board of Directors or Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary the said terms and conditions of remuneration subject to the limits set out in existing applicable Schedule XIII to the Companies Act, 1956."

"RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary to give effect to this Resolution."

9. ORDINARY RESOLUTION:

To consider and if thought fit to pass with or without modifications, the following Resolution as an ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and subject to the approval of the Members in the General Meeting. Shri S. Solanki be and is hereby appointed as a Whole-time Director of the Company w.e.f. 1-11-1998 for a period of three years. "RESOLVED FURTHER THAT terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

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

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

10. ORDINARY RESOLUTION:

To consider and if thought fit to pass with or without modifications, the following Resolution as an ordinary Resolution.



"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the said Act, and subject to the approval of the Members in the General Meeting, Shri Shanti M. Sanghvi be and is hereby appointed as a Director (Marketing) of the Company w.e.f 1-11-1998 for a period of theree years." "RESOLVED FURTHER THAT terms of remuneration shall be governed by the existing applicable Schedule XIII of the Companies Act, 1956 and will be as under:

- Salary: Rs. 20,000/- per month (Rupees Twenty thousand per month) with annual increment at the discretion of the Board.
- Commission: Commission subject to the provisions of sections 198 and 309 of the Companies Act, 1956 shall be on percentage of the Net Profits and such amount as Board of Directors of the Company may determine, keeping in view the performance of the Company in each financial year.
- Perquisites: Perquisites would be as agreed to by the Board of Directors and the Whole-time Director subject to a ceiling of Rs. 3,00,000/- per annum (Rupees Three lac per annum).
- Salary and Perquisites as mentioned above at item No. 1, 2 and 3 will be exclusive of:
 - (a) Provident Fund: Contribution of Provident Fund Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
 - (b) Gratuity: Gratuity not exceeding half month's salary for each completed years of service.
 - (c) Encashment of Leave: Leave unavailed of to be allowed to be encashed as per rules of the Company.
- Car and Telephone: Provision of car with driver for use of Company's business and telephone at residence but personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.
- The Whole-time Director shall be liable to retire by
- The appointee shall not be entitled to receive any sitting fees for attending the Meeting of the Board of Directors or committee thereof.

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

Registered Office: 17, Rajmugat Society Naranpura Char Rasta Ahmedabad-380 013.

Board of Directors

Company Secretary

AHMEDABAD. 31st OCTOBER, 1998 By the Order of the

V. C. Bhagat

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the commencement of the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 24th December, 1998 to Thursday, 31st December, 1998 (both days inclusive).
- The dividend, if declared, will be paid to those members whose names appear on the Register of Members as on 31st December, 1998 being the record date for the purpose and will be made payable from 5-2-1999 to 4-5-1999.
- Members are requested to notify immediately the change if any, in their Registered Address to the Company's Registered Office.
- Queries on "Accounts and Operations" of the Company if any, may please be sent to the Company ten days in advance of the Meeting so that the answers are readily available at the meeting.
- Kindly quote your LF numbers in all your future correspondence.
- Members are requested to bring their copy of the Annual Reports to the Annual General Meeting of the Company.
- Members are also requested to intimate to the Company, if Shares are held in the same name or in the same identical order of names, in more than one account, to enable us to amalgamate all such accounts into one.
- 10. WITH A VIEW TO SAFEGUARD THE INTEREST OF THE SHAREHOLDERS AGAINST FRAUDLENT PRACTICE. THE COMPANY IS OFFERING THE FACILITY EITHER TO REGISTER MANDATE OR TO HAVE THE NAMES OF THEIR BANKERS AND THE ACCOUNT NUMBER TO BE PRINTED ON ALL FUTURE DIVIDEND WARRANTS. ALL SHARE-HOLDERS ARE THEREFORE REQUESTED TO GIVE US THE BANK PARTICULARS LATEST B 30TH DECEMBER 1998. IN CASE THE DETAILS ARE NOT SENT, THE COMPANY WILL IN NO WAY BE-RESPONSIBLE IF ANY LOSS OCCURS TO THEM.
- 11. Unpaid dividends due for transfer to the Central Government account shall be transferred on due dates in accordance with the provisions cantained in the Companies Act, 1956:

Members who have not encashed their dividends are requested to approach/write to the company immediately for obtaining duplicate Dividend warrants.

Registered Office: 17, Rajmugat Society Naranpura Char Rasta Ahmedabad-380 013.

AHMEDABAD. 31st OCTOBER, 1998 By the Order of the **Board of Directors**

V. C. Bhagat Company Secretary



ANNEXURE TO THE NOTICE

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

ITEM NO. 6:-

Shri Shanti M. Sanghvi was Director and wholetime Director on the Board of Directors of erstwhile Ratnamani Engineering Ltd., and Ratnamani Fine Tubes Pvt. Ltd., respectively. The Board of Directors in its meeting held on 31st October, 1998 appointed Shri S.M.Sanghvi as Additional Director of the Company under Section 260 of the Companies Act, 1956 and Article 148 of the Article of Association of the Company and therefore, he holds office upto the date of the ensuing Annual General Meeting. The Company has received notice from member togetherwith requisite deposits under Section 257 of the Companies Act, signifying his intention to propose Shri S.M.Sanghvi as Director of the Company at the ensuing Annual General Meeting.

In consideration of the valuable and beneficial services given by Shri S.M.Sanghvi in the erstwhile Rathamani Engineering Ltd., and erstwhile Rathamani Fine Tubes Pvt. Ltd., and keeping in mind his experience in this field the Board of Directors thought fit to appoint him as Director in the Company so that his wide knowledge and experience would be useful to the Company. The Company would therefore, be benefited by his expertise. The Board of Directors therefore, recommends his appointment.

None of the other Directors of the Company except Shri Prakash M. Sanghvi and Shri Jayantibhai M.Sanghvi being related and Shri Shanti M. Sanghvi himself may be deemed to be concerned or interested in the Resolution.

ITEM NO. 7 :-

Shri Prakash M. Sanghvi was re-appointed as wholetime Director of the Company at the TENTH Annual General Meeting held on 27th September, 1994 for a period of five years from 12th June, 1994 on a remuneration within the overall limits provided in the Schedule XIII of the Companies Act, 1956. Shri Prakash M. Sanghvi is looking after Marketing, Finance & Projects and has established a vide distribution network for Tubes and Pipes.

In view of the approval of the Scheme of Amalgamation by the High Court of Gujarat, Ratnamani Engineering Ltd., and Ratnamani Fine Tubes P.Ltd., merged with our Company resulting in increasing the responsibilities of Shri Prakash M. Sanghvi, the Board of Directors decided to re-designate him as Managing Director. Moreover in order to ensure continuity in the Management of the Company the Board of Directors in their meeting held on 31/10/1998 thought fit to re-appoint him with the revised designation as Managing Director for a period of five years with effect from 1st November, 1998 on the terms and conditions enumerated in the Resolution subject to the approval of the Company in the General Meeting. His terms of remuneration specified in the Resolution are in conformity with the provisions of Schedule XIII of the Companies Act, 1956. However, the Board of Directors are being

empowered to review his remuneration and grant suitable increases whether by way of salary, commission, allowances and or perquisites within the overall limits. The Board recommends to approve the Resolution.

The Company will enter into new agreement with Shri Prakash M. Sanghvi for his re-appointment as managing Director embodying the principle terms and conditions enumerated in the Resolution. The draft agreement will be open for inspection by the Members at the Registered Office of the Company on any working days between 11.00 a.m. to 1.00 p.m.

The above may also be treated as an abstract of the terms and conditions of their re-appointment under Section 302 of the Companies Act, 1956.

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

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

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

ITEM NO. 8 :-

Shri Jayantibhai M. Sanghvi was re-appointed as wholetime Director of the Company at the TENTH Annual General Meeting held on 27th September, 1994 for a period of five years from 12th June, 1994 on a remuneration within the overall limits provided in the Schedula XIII of the Companies Act, 1956. Shri Jayanti M. Sanghvi is looking after the Factory Administration. He has developed excellent Government and Business contacts. He is a key person for overseeing the production, project implementation and human resources management.

In order to ensure continuity in the Management of the Company the Board of Directors in their meeting held on 31-10-1998 thought fit to re-appoint him as Wholetime Director for a period of five years with effect from 1st November, 1998 on the terms and conditions enumerated in the Resolution subject to the approval of the Company in the General Meeting. His terms of remuneration specified in the Resolution are in conformity with the provisions of Schedule XIII of the Companies Act, 1956. However, the Board of Directors are being empowered to review his remuneration and grant suitable increases whether by way of salary, commission, allowances and or perquisites within the overall limits. The Board recommends to approve the Resolution.

The Company will enter into new agreement with Shri Jayantibhai M. Sanghvi for his re-appointment embodying the principle terms and conditions enumerated in the Resolution. The draft agreement will be open for inspection by the Members at the Registered Office of the Company on any working days between 11.00 a.m. to 1.00 p.m.



The above may also be treated as an abstract of the terms and conditions of his re-appointment under Section 302 of the Companies Act, 1956.

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

Shri Prakash M. Sanghvi, Managing Director and Shri Shanti M. Sanghvi Director (Marketing) of the Company are also concerned or interested in the said Resolution as they are relatives of Shri Jayanti M. Sanghvi.

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

ITEM No. 9:

Shri S. Solanki was appointed as a Director on our Board with effect from 27th September, 1994. He was since 1-5-95 working as Wholetime Director on the Board of Directors of erstwhile Ratnamani Engineering Ltd.,

The Board of Directors in their meeting held on 31st October, 1998 appointed Shri S. Solanki as Wholetime Director with effect from 1st November, 1998 for a period of three years subject to the approval of the Members of the Company in the General Meeting.

Shri S. Solanki, born in 1932, has obtained B.Sc, (Metallurgical Engineering) from Banaras Hindu University in 1956. He has to his credit long Industrial experience of 38 years in different capacities as Manager, General Manager and Director in Industries such as Hindustan Steel Limited, Hindustan Copper Limited, Hindustan Zinc Limited etc. He has visited various countries such as West Germany, Poland, Finland, Belgium, Japan in connection with the technology updating and absorption.

Considering the experience and qualification of Shri S. Solanki, the Board is of the opinion that it would be appropriate to appoint him as Wholetime Director. His terms of appointment and remuneration is mentioned in the resolution No. 9. The same may be treated as an abstract of the terms of appointment of the Whole-time Director as required under Section 302 of the Companies Act, 1956.

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

ITEM No. 10:

Shri Shanti M. Sanghvi was a Director on the Board of erstwhile Ratnamani Engineering Ltd., with effect from 27th

September, 1988. Since 17th April, 1995 he was also working as Whole-time Director on the Board of Directors of erstwhile Ratnamani Fine Tubes P. Ltd..

The Board of Directors in the meeting held on 31st October, 1998 appointed Shri Shanti M. Sanghvi as Director (Marketing) with effect from 1st November, 1998 for a period of three years on a remuneration mentioned in Resolution No. 10 subject to the approval of the Members of the Company in the General Meeting.

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

Considering the experience of Shri Shanti M. Sanghvi, the Board is of the opinion that it would be appropriate to appoint him as Director (Marketing). His terms of appointment and remuneration is mentioned in the Resolution No. 10. The same may be treated as an abstract of his terms of appointment as required under Section 302 of the Companies Act, 1956.

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

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

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

Registered Office:

17, Rajmugat Society Naranpura Char Rasta Ahmedabad-380 013.

AHMEDABAD. 31st OCTOBER, 1998 By the Order of the Board of Directors

V. C. Bhagat Company Secretary



DIRECTORS' REPORT

To,

The Members

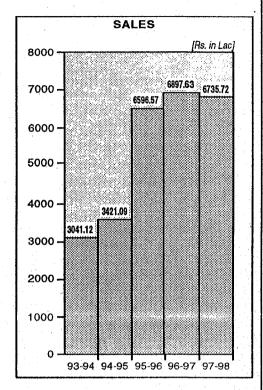
The Board of Directors have pleasure in presenting the FOURTEENTH Annual Report with Audited Accounts of the Company for the year ended 31st March, 1998.

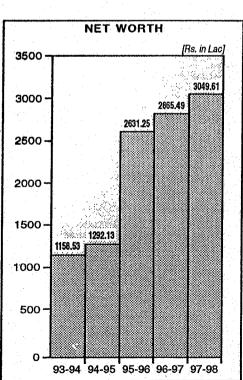
1. AMALGAMATION:

The Scheme of Amalgamation of Ratnamani Engineering Ltd. (REL) and Ratnamani Fine Tubes P. Ltd., (RFTPL) with our Company (RMTL) with effect from 1st April, 1995 (appointed day), as approved by the shareholders of all the three companies at their respective Extraordinary General Meetings held on 17th January, 1996, was approved by the Honourable High Court of Gujarat on 21st September, 1998. The Company filed a certified true copy of the order of the High Court of Gujarat with the Registrar of Companies, Gujarat on 15th October, 1998 making the Amalgamation effective. Accordingly Ratnamani Engineering Ltd., and Ratnamani Fine Tubes P. Ltd., now stand merged with your Company. Consequently the figures for the current year are amalgamated figures and are not comparable with the figures of the Company for the previous year ended 31st March, 1997. Moreover other consequential effects of Amalgamation are also carried out in the Annual Report.

2.	FINANCIAL	RESULTS :	(Rs.	in lac)
	and the second s			

	(
		1997-98	1996-97
Sales and Other Income		6751.18	4841.19
Profit before Depreciation and tax		612.95	365.41
Less: Depreciation		234.17	79.62
Profit before tax		378.78	285.79
Less: Provision for Taxation		46.24	40.00
Profit after Tax		332.54	245.79
Add: Balance brought forward from previous year	74.94		
Balance B/f. RFTPL.	15.77	90.71	0,00
Excess provision written back		10.41	0.03
Less: Dividend Tax for 1996-97		7.09	
Amount available for appropriation		426.57	245.82
Appropriations:			
General Reserve		50.00	60.00
Proposed Dividend	137.92		
Dividend Tax	13.79	151.71	70.88
Debenture redemption reserve		40.00	40.00
Balance carried to Balance Sheet		184.86	74.94
TOTAL		426.57	245.82







3. DIVIDEND:

Your Directors have pleasure in recommending Dividend @ Rs. 1/- per Equity Share payable on 47,25,000 Equity Shares along with the 19,33,333 Equity Shares of erstwhile shareholders of Ratnamani Engineering Limited and 81,600 Equity Shares of erstwhile shareholders of Ratnamani Fine Tubes Pvt. Ltd. This will absorb Rs. 74.14 lacs including Dividend Tax.

Your Directors have also recommended Dividend payment to erstwhile Shareholders of Ratnamani Engineering Limited and Ratnamani Fine Tubes Pvt. Ltd., on the new Equity Shares to be allotted to them as per the approved scheme of amalgamation at the rate of Rs. 2/- and Rs. 1.50 per Share for the years 1995-96 and 1996-97 respectively. This payment is at the same rate as was paid to the Shareholders of our Company. The payment will be made along with the Dividend for the year under review. This will absorb Rs. 77.57 lacs including Dividend Tax.

The total dividend payout for the year under review will be Rs. 151.71 lacs (45.62 % of Net Profit) as compared to Rs. 77.97 lacs (31.72% of Net Profit) of the previous year.

4. REVIEW OF OPERATIONS :

The demand for the products of your Company continued to show stagnation, since not many new projects in the core segments of your company's market are being initiated for implementation. Excepts for the DHDS projects of the PSU refineries, demand from other sectors continued to be affected by supply from competitive imports as well as indigenous suppliers. This has resulted in the reduced margins.

The production of Stainless Steel Seamless and Welded Pipes and Tubes for the year under review was 1827 MT lower by 25% compared to 2423 MT of previous year, that of SAW Pipes was 7715 MT (3527 MT) i.e. higher by 119%, and that for Carbon Steel Seamless Tubes was 608 MT (276 MT), higher by 120%.

5. API MONOGRAM:

During the year under review, your Company received an approval for using API MONOGRAM for SAW Pipe Manufactured by erstwhile Ratnamani Engineering Ltd., This would open up a new

market segment for the SAW Pipes. We are expecting to do good business with various potential customers in this market segment as well.

6. EXPORTS:

The confidence of overseas customers in our products, mainly for seamless S.S. instrumentation tubes is gradually building up, because of the product quality and competitive cost in this segment. Our export sales registered an increase of 61%, Rs. 404 lacs for the year under report compared to Rs. 251 lac for the previous year.

7. FUTURE OUTLOOK:

There does not appear to be perceptible improvement at the macro-economic level for demand of our products. In spite of these market conditions, there are no signs of further deterioration in the prospects for the current year.

Your Company continues to emphasise on improved quality and deliveries, commensurate with competitive pricing so as to tide over the present phase of national economy.

Consumer satisfaction is the key to the success of any organisation Recognising the fact tha tomorrow's customers will not be satisfied withtoday's services, your Company is striving hard to give them more than what they expect and make them recognise that your Company is adapting rapidly with times to meet they requirements. In view of this, we are hopeful to maintain last year's turnover.

8. DIRECTORS :

In accordance with the requirement of Companie Act, 1956 and Article 170 of the Articles of Association of the Company, Shri D.C. Anjaria is liable to retire by rotation and being eligible offer himself for re-appointment.

Shri Manohar P. Kanungo also retires by rotatio however being pre-occupied with his other commitments, has expressed his desire not offer himself for re-appointment and to fill up the vacancy the appointment of Shri Shantilal M Sanghvi as Director of the Company is proposibly the Board of Directors. The Board places of record its deep sense of appreciation for the valuable services rendered by Shri Kanunduring his tenure of office.



The term of appointment of Shri Prakash M. Sanghvi and Shri Jayantilal M. Sanghvi, the Whole-time Directors of the Company expires on 11th June, 1999 and therefore the Board of Directors of the Company thought fit to reappoint them for further period of 5 years. The Board of Directors also resolved to re-designate Shri Prakash M. Sanghvi as "Managing Director" with effect from 1-11-98.

Shri S. Solanki who was working as Whole-time Director in erstwhile Ratnamani Engineering Limited is appointed as "Whole-time Director" in our Company from 1st November, 1998 for a period of three years.

Shri Shanti M. Sanghvi who was a Director and Whole-time Director in the erstwhile Ratnamani Engineering Ltd. and Ratnamani Fine Tubes (P.) Ltd., respectively is appointed as a Director (Marketing) in our Company with effect from 1st November, 1998 for a period of three years.

The Board recommends passing of the aforesaid resolutions.

9. DEPOSITS:

Your Company has not invited or accepted any deposits from shareholders and Public during the year within the meaning of Section 58 (a) of the Companies Act, 1956.

10. PARTICULARS OF EMPLOYEES:

A statement of particulars of employees under the Companies (Particulars of Employees) Rules, 1975 as amended upto date required to be included in the Directors' Report pursuant to Section 217 (2A) of the Companies Act, 1956 is attached herewith.

11. AUDITORS:

M/s. Mehta Lodha & Company, Chartered Accountants, retire but as they are eligible for reappointment, your Directors recommend that they be re-appointed, as Auditors of the Company for the year 1998-99 at such remuneration as may be fixed by the shareholders.

12. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The statement pursuant to Section 217 (1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of the Report.

13. ACKNOWLEDGEMENT:

The Directors hereby place on record their appreciation for the unstinted support and contribution by the employees. The directors also express their sincere thanks to the Customers, the Suppliers, Banks, the Financial Institutions and the Central and State Governments for their continued support and confidence in the Company.

For and on behalf of the Board of Directors

Ahmedabad 31st October, 1998 PRAKASH M. SANGHVI Chairman



ANNEXURE TO DIRECTORS REPORT FOR THE YEAR ENDED 31-3-98

ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) **RULES, 1988.**

(A) CONSERVATION OF ENERGY:

(a) Energy Conservation measures

Our being Low energy intensive industry, no specific measures for energy conservations are required.

(B) TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption as per Form B of the Annexure.

FORM - B

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

Specific areas in which R & D is carried out 1.

Benefits derived as a result of above R & D

3. Future plan of action

4. Estimated expenditure of R & D

research and The Technology from outside development sources has not been acquired in the past, hence not applicable.

No technology has been acquired from import in the

past, and hence not applicable.

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

(1) Efforts in brief

(2) Benefits derived as a result of above

(3) In case of improved technology (imported during the five financial years reckoned from the beginning of financial year) following information may be furnished

(a) Technology Imported

(b) Year of Import

(c) Has Technology been fully absorbed

(d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Activities relating to exports

(g) Total foreign exchange used and earned. Total Foreign exchange earnings Total Foreign exchange outgo

Efforts are being made to increase exports.

Rs. 403.72 Lac Rs. 1693.04 Lac

> For and on behalf of the Board of Directors PRAKASH M. SANGHVI

Chairman

Ahmedabad. 31st October, 1998



ANNEXURE TO DIRECTORS' REPORT

Information as per Provision of Section 217 (2A) of the Companies Act, 1956 read with Companies Act, 1956 read with companies (particulars of Employees) Rules, 1975.

Name	Age Yrs.	Qualifications	Date of Employment	Designation/ Nature of Duties	Remune- ration (Rs. in lac)	Experience Years	Last employment held
Shri Prakash M. Sanghvi	42	Matriculation	12-6-89	Whole-time Director	9.67	21	Director Ratnamani Tube Ind. Ltd.
Shri Jayantilal M. Sanghvi	40	1st B.Com.	12-6-89	Whole-time Director	9.92	18	Director Ratnamani Tube Ind. Ltd.

NOTES

- 1. Remuneration of above includes Salary, Company's contribution to Provident Fund, taxable value of prequisites and commission wherever applicable.
- 2. Shri Prakash M. Sanghvi and Shri Jayantilal M. Sanghvi are related to each other.
- 3. There was no employee in the financial year ended 31-3-98 who was in receipt of remuneration which in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Wholetime Directors and therefore the information required under sub rule III of Sub Section 2 (A) (a) of section 217 is not given.

Ahmedabad. 31st October, 1998 For and on behalf of the Board of Directors
PRAKASH M. SANGHVI
Chairman



AUDITORS' REPORT

To The Members of RATNAMANI METALS & TUBES LIMITED AHMEDABAD.

We have audited the annexed Balance Sheet of RATNAMANI METALS & TUBES LIMITED, AHMEDABAD, as at 31st March, 1998 and also the annexed Profit and Loss Account of the Company for the year ended on that date and report as under:-

- As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988, issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit.
- 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 the books.
- The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- 5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to Note No.4 (a) & (b) in schedule No.18 for amalgamation and shares to be alloted to shareholders of Ratnamani Engineering Limited & Ratnamani Fine Tubes Pvt. Ltd., and read together with other notes in schedule No.18 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - 1. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1998

and

2. In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For, MEHTA LODHA & CO., Chartered Accountants

AHMEDABAD 31st OCTOBER, 1998 PRAKASH D. SHAH Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date to the Members of RATNAMANI METALS & TUBES LIMITED, on the accounts for the period ended 31st March, 1998).

- 1. The Company has maintained proper records showing full particulars including quantitative details and situations of Fixed Assets. A major portion of the Assets except Furniture & Fixtures and Equipemnts, have been physically verified by the Management in accordance with a phased programme of verification adopted by the Company. In our opinion the frequancy of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
- 2. The Company has not revalued any of its Fixed Assets during the year.
- Physical verification has been conducted by the Management at reasonable intervals in respect of finished goods, stores, spares and raw materials. No material discrepancies have been noticed on such physical verification of stocks as compared to the book records.
- The Procedures for physical verification of stocks followed by the Management are reasonable and adequate., in relation to the size of the Company and the nature of its business.
- 5. In our opinion, on the basis of our examination of stock records, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- 6. In our opinion, the rate of interest and the terms and condition on which loans and deposits have been taken from Companies, Firms or other parties listed in the register maintained under Section 301, of the Companies Act, 1956 are not prima facie prejudical to the interest of the company. As informed to us there is no company under the same management as defined under sub-saction (1B) of section 370 of the Companies Act, 1956.
- 7. In our opinion, the rate of interest and the terms and conditions on which loans and deposits have been granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the company.



- As informed to us there is no company under the same management as defined under subsaction (1B) of section 370 of the Companies Act, 1956.
- The party to whom loans or advances in the nature of loane have been given by the Company, are repaying the principal amount as stipulated and are also regular in payment of interest where applicable.
- 9. In our opinion and according to the information and explanations given to us there are adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchases of stores, raw materials including components, plant and machinery, equipments and other assets and for the sale of goods.
- 10. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and materials in pursuance of contract or agreements entered in the Register maintained under section 301 and aggregating during the year to Rs. 50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prices at which transactions of similar goods and materials have been made with other parties except where comparable quotations are not available having regard to the specialised nature of goods sold.
- As explained to us the Company has no unserviceable or damaged stores, raw materials and finished goods.
- 12. The Company has not accepted any deposits from the public.
- In our opinion, reasonable records have been maintained by the Company for the sale and disposal of scrap. The Company has no byproducts.

- 14. In our opinion, the Company's present internal audit system is commensurate with its size and nature of business.
- 15. The Central Government has not prescribed maintenance of cost record Under Section 209(1) (d) of the Companies Act, 1956 for any of the product of the Company.
- 16. According to the records of the Company, the Company has been regular in depositing dues of Provident Fund and Employees State Insurance scheme with the appropriate authorities.
- 17. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Sales Tax, Custom Duty, and Excise Duty which have remained outstanding as on 31st March, 1998 for a period of more than six months from the date they became payable.
- 18. To the best of our knowledge, and on the basis of our examination of the books of account and the information and explanations given to us, no personal expenses have been charged to the revenue account other than those payable under contractual obligation or in accordance with generally accepted business practices.
- 19. The Company is not a sick industrial Company within the meaning of Section 3 (1) (0) of the Sick Industrial Companies (Special provisions) Act, 1985.
- 20. In respect of trading activities there are no damaged goods.

For, MEHTA LODHA & CO., Chartered Accountants

AHMEDABAD 31st OCTOBER, 1998 PRAKASH D. SHAH Partner



Balance Sheet As at 31st March, 1998

As at 31st March, 1998					(Rs. in Lac
	0-1		As on		As on
	Schedule		31-03-1998		31-03-1997
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	- 1	673.99		472.50	
Reseves and Surplus	2	2375,62	3049.61	1379.02	1851.52
Loan Funds		***************************************			
Secured Loans	•	4704 50			
Unsecured Loans	3 4	1784.52	4054.07	1412.65	
Choosalda Louis	* 1	170.45	1954.97	34.29	1446.94
			5004.58		3298.46
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		4027,52		1937.28	
Less: Depreciation		790.94		434.30	
Net Block		3236.58		1502.98	
Capital Work-in-Progress and advances		27.97	3264.55	207.40	1710.38
Investments	6		64.17		64.07
Current Assets, Loans and Advances					
Inventories	7	1362.63		623.22	
Sundry Debtors	8	903.39		791.12	
Cash and Bank Balances	9	168.79		205.93	
Loans and Advances	10	371.39		496.42	
		2806.20		2116.69	e garantan da
Less:					
Current Liabilities and Provisions Liabilities	11				\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \
Provisions		1006.81		556.60	
FIOVISIONS		151.71		70.88	
		1158.52		627.48	
Net Current Assets			1647.68		1489.21
Miscellaneous Expenditure	12		28.18		34.80
(To the extent not written off)					
			5004.58		3298.46
Notes to the Accounts	18				
As per our report attached.		Chairman	P.	M. SANGI	I VI
For MELITA LODUA 2 00		Whole-time Di		M. SANGI	I VI
For MEHTA LODHA & CO. Chartered Accountants		Director		SOLANKI	
		Director Director		C. ANJAF	" ,
PRAKASH D. SHAH		Company Sec		C. BHAGA	11
Partner		G. M. (Finance		BAHEDIA	•
Alimentalis at the second second					
Ahmedabad, 31st October, 1998.					



Profit and Loss Account

for the year ended on 31st March, 1998

for the year ended on 31st March, 1998					(F	in Lac
	Schedule			1997-98		1996-97
INCOME				•		
Sales & Income from Oprations			6735.72		4838.27	
Other Income	13		15.46	6751.18	2.92	4841.19
EXPENDITURE						
Materials Cost	14		3966.45	.)	3310.98	
Employees' Remuneration and Benefits	15		280.40	I	138.78	
Excise Duty			776.31	.*	290.65	
Financial Expenses	16		209.12		146.49	
Other Expenses	17		905.95		588.88	
Depreciation			234.17	6372.40	79.62	4555.40
NET PROFIT				378.78		285.79
Less : Current Year Income Tax				46.24		40.00
PROFIT AFTER TAXATION				332.54		245.79
Balance Brought Forward			·	74.94		0.00
Balance B/F-Ratnamani Fine Tubes Pvt.	Ltd.			15.77		0.00
Excess Provision Written Back				10.41		0.03
Less: Dividend Tax for 1996-97				7.09		
PROFIT AVAILABLE FOR APPROPRIATION	N			426.57		245.82
APPROPRIATION:						
Proposed Dividend for 97-98			67.40		70.88	
Proposed Dividend for 95-96 & 96-97 to Share Holders of erstwhile REL & RFTP) (1)		70.52	7	0.00	
Dividend Tax for 1997-98			6.74		[/] 0.00	
Dividend Tax for 1995-96 & 1996-97			7.05	151.71	0.00	70.88
Transfer to General Reserve				50.00		60.00
Transfer to Debenture Redemption Reser	ve	was Was	A Commence of the Commence of	40.00		40.00
Balance carried forward				184.86		74.94
				426.57		245.82
As per our report attached.			irman		M. SANGH	
For MEHTA LODHA & CO.		Dire	7777	S.	M. SANGHY SOLANKI	
Chartered Accountants PRAKASH D. SHAH Partner				M. etary V.	C. ANJARIA KANUNGO C. BHAGAT BAHEDIA	
Ahmedabad, 31st October, 1998.				· · · · · · · · · · · · · · · · · · ·		



Schedules to the Accounts

(Rs	in	Lac)

		(113. III Lac)
	As on 31-03-1998	As on 31-03-1997
Schedule 1 : Share Capital		
Authorised		
1,50,00,000 (1,50,00,000) Equity Shares		
of Rs. 10 each	1500.00	1500.00
Issued		
47,25,000 (47,25,000) Equity Shares of		
Rs. 10 each	472.50	472.50
Subscribed and Paid-up		
47,25,000 (47,25,000) Equity Shares of		
Rs. 10 each	472.50	472.50
Amalgamation Suspense Account	201.49	0.00
19,33,334 Equity Shares of Rs.10/- each are to be alloted to the shareholders of the Ratnamani Engineering Ltd. & 81,600	673.99	472.50
Equity Shares of Rs. 10/- each are to be alloted to the share holders of Ratnamani		
Fine Tubes Pvt. Ltd. pursuant to the scheme of amalgamation approved by		
Honourable High Court of Gujarat. (Refer Note No. 3)		

Schedule 2: Reserves and Surplus

Capital Reserve	
Share Premium Account	Barlan.
General Reserve	
Debenture Redemption	Reserve
Subsidy	
Amalgamation Reserve	
Profit and Loss Account	

e ja			<u></u>	
As on	Amalgamation	Addition on A	Addition	As on
31-3-1997	RFTPL 1-4-1997	REL 1-4-1997	during Year	1-4-1997
37.41	0.00	0.00	0.00	37.41
656.83	0.00	224.00	0.00	432.83
919.28	0.00	155.44	50.00	713.84
160.00	0.00	0.00	40.00	120.00
25.13	10.01	15.12	0.00	0.00
392.11	0.00	0.00	392.11	0.00
184.86	15.77	0.00	94.15	74.94
2375.62	25.78	394.56	576.26	1379.02



									· · · · · · · · · · · · · · · · · · ·				(Hs.	in Lac
				. ,						As				As or
Cabadula 0			······································						3	1-03-19	98		31-	03-1997
Schedule 3				,	<u>.</u> .									
Secured R	ledeema	able No	on-Conv	/ertible	Debe	ntures								
		-	•	/ÅI	-A				-	250	- 1			250.00
Term Loar										956	- 1			598.02
Working C	apılaı r	acımıes	s from	Banks	(Note	No. 3)			577				564.63
Note 1 175	OO/ Non (^~	·							1784	.52		•	1412.65
Note 1. 17.5 on the	ne Fixed A	Assets of	the comp	pany and	redeen	UII are nable at p	secured oar in thr	by first o	charge yearly					
Note 2. (a)	Term Loa	n from	IDBI is s	secured	by way	of first o	charge o	n fixed	assets					
	movable 3306, 330	or imoor	/able and	Vor mova	able of	the factor	rv situate	ed at Pic	nt No					
	Dist. Met	nsana, (Gujarat. I	Further :	side los	ins have	been (guarante	ed by					
	personal													
	Term Loa movable o	or immov	able and/	or moval	ble of th	e factory	situated	at Ahma	dahad					
entropy of the second	Mehsana Mehsana,	Highwa	y, Village	Indrad	Nr. C	hhatral (GIDC. T	a. Kadi	Dist		Į.			
	Guarantee	of son	ne of the	Directo	rs of th	e Compa	ıny.							
Note 3. (a)	Working (Capital F	acilities	from De	na Banl	k & Pun	ab Natio	onal Ban	ık are					
en de la companya de La companya de la co	secured bon the fixe	y nypoui ed assets	ecation of	r invento actory at	ries, Bo Ahmeda	ok debts bad-Meh	and by S sana Hid	econd C hway V	harge illage-					
	indrad, Ni	: Chhatr	al GIDC.	Ta. Kad	i. Dist.	Mehsana	Guairat	and pe	rsonal		. } .			
Note 3. (b)	guarantee Working (or som Capital F	e or the acilities	Director from Sta	s of the ita Rani	comapr	ly. Bank	io coour	ad bu		1			
	nypotheca	tion of Ir	ventories	, Book d	ebts and	by Seco	ond Chac	te on the	fixed			1.		
in I si di dia dia dia dia dia dia dia dia dia	assets of Ahmedaba	the tac id-Mehsa	ctory at ana High	Plot No wav. Ta	. 3306, . Kadi	3308, Dist M	3309 Gl	IDC Chl	natral,					
na di kabumatan di k	personal g	juarante	e of som	e of the	Directo	ors of the	comap	ny.	and				S 442 1	
chedule 4	· linco	aurad	Loon	_										2 -
Inter Corpo			Loan	S										
, ē				_			1.	. :		18.3				0.00
Sales Tax	Defetted	грауп	ient loa	ın.					-	152.1			<u></u>	34.29
										170.4	5			
														34.29
chedule 5 :	Fixed	Asse	ets						-					34.29
chedule 5	Fixed	Asse		BLOCK					DEDDEC	MATION			MET	
chedule 5			GROSS	BLOCK Amalgamation	Deduction	Ac on	As on	Addition	DEPREC		Dadustian	I 40	1	BLOCK
	Fixed As on			\malgamation	Deduction/ Adjustment	As on	As on		Addition on A	lmalgamation	the state of the s	As on	1	
		Addition	GROSS Addition on A	\malgamation		As on 31-3-98	As on 1-4-97	Addition During the Year	1	lmalgamation	Deduction/ Adjustment		As on	BLOCK As on
odwill	As on 1-4-97 26.41	Addition During the Year 0.00	GROSS Addition on A REL 1-4-97 0.00	Amalgamation RFTPL 1-4-97 0.00	Adjustment 0.00			During	Addition on A REL	malgamation RFTPL	the state of the s	31-3-98	As on 31-3-98	BLOCK As on 31-3-97
odwill ehold Land	As on 1-4-97 26.41 22.14	Addition During the Year 0.00 0.00	GROSS Addition on A REL 1-4-97 0.00 32.78	Amalgamation RFTPL 1-4-97 0.00 0.00	Adjustment 0.00 0.00	31-3-98 26.41 54.92	1-4-97 0.00 0.00	During the Year 0.00 0.00	Addition on A REL 1-4-97 0.00 0.00	Amalgamation RFTPL 1-4-97 0.00 0.00	0.00 0.00		As on	BLOCK As on
odwill ehold Land lding	As on 1-4-97 26.41 22.14 542.50	Addition During the Year 0.00 0.00 182.49	GROSS Addition on A REL 1-4-97 0.00 32.78 302.55	Malgamation RFTPL 1-4-97 0.00 0.00 81.22	0.00 0.00 0.00 180.50	31-3-98 26.41 54.92 928.26	1-4-97 0.00 0.00 51,27	During the Year 0.00 0.00 26.91	Addition on A REL 1-4-97 0.00 0.00 31.37	Malgamation RFTPL 1-4-97 0.00 0.00 5.57	0.00 0.00 0.00	31-3-98 0.00 0.00 115.12	As on 31-3-98 26.41 54.92 813.14	BLOCK As on 31-3-97 26.41 22.14 491.23
odwill ehold Land Iding nt & Machinary	As on 1-4-97 26.41 22.14 542.50 1182.86	Addition During the Year 0.00 0.00 182.49 640.77	GROSS Addition on A REL 1-4-97 0.00 32.78 302.55 851.31	Malgamation RFTPL 1-4-97 0.00 0.00 81.22 142.71	0.00 0.00 0.00 180.50 63.25	31·3·98 26.41 54.92 928.26 2754.40	1-4-97 0.00 0.00 51,27 341.85	During the Year 0.00 0.00 26.91 185.56	Addition on A REL 1-4-97 0.00 0.00 31.37 128.38	Malgamation RFTPL 1-4-97 0.00 0.00 5.57 14.81	0.00 0.00 0.00 0.00 65.21	31-3-98 0.00 0.00 115.12 605.39	As on 31-3-98 26.41 54.92 813.14 2149.01	BLOCK As on 31-3-97 26.41 22.14 491.23 841.01
odwill eehold Land ilding nt & Machinary miture & Fixtures hicles	As on 1-4-97 26.41 22.14 542.50	Addition During the Year 0.00 0.00 182.49	GROSS Addition on A REL 1-4-97 0.00 32.78 302.55	Malgamation RFTPL 1-4-97 0.00 0.00 81.22	0.00 0.00 180.50 63.25 0.00	31·3·98 26.41 54.92 928.26 2754.40 80.84	1-4-97 0.00 0.00 51,27 341.85 12.41	During the Year 0.00 0.00 26.91 185.56 6.65	Addition on A REL 1-4-97 0.00 0.00 31.37 128.38 3.00	Malgamation RFTPL 1-4-97 0.00 0.00 5.57 14.81 0.24	0.00 0.00 0.00 0.00 65.21 0.00	31-3-98 0.00 0.00 115.12 605.39 22.30	As on 31-3-98 26.41 54.92 813.14 2149.01 58.54	BLOCK As on 31-3-97 26.41 22.14 491.23 841.01 38.76
oodwill eehold Land ilding ant & Machinary miture & Fixtures hicles	As on 1-4-97 26.41 22.14 542.50 1182.86 51.17	Addition During the Year 0.00 0.00 182.49 640.77 11.07	GROSS Addition on A REL 1-4-97 0.00 32.78 302.55 851.31 16.03	Malgamation RFTPL 1-4-97 0.00 0.00 81.22 142.71 2.57	0.00 0.00 0.00 180.50 63.25	31·3·98 26.41 54.92 928.26 2754.40	1-4-97 0.00 0.00 51,27 341.85	During the Year 0.00 0.00 26.91 185.56	Addition on A REL 1-4-97 0.00 0.00 31.37 128.38	Malgamation RFTPL 1-4-97 0.00 0.00 5.57 14.81	0.00 0.00 0.00 0.00 65.21	31-3-98 0.00 0.00 115.12 605.39 22.30 25.80	As on 31-3-98 26.41 54.92 813.14 2149.01 58.54 80.76	BLOCK As on 31-3-97 26.41 22.14 491.23 841.01 38.76 37.48
codwill eehold Land ilding ant & Machinary rniture & Fixtures hicles uipments	As on 1-4-97 26.41 22.14 542.50 1182.86 51.17 50.11	Addition During the Year 0.00 0.00 182.49 640.77 11.07 28.12 7.93	GROSS Addition on A REL 1-4-97 0.00 32.78 302.55 851.31 16.03 31.68	Malgamation RFTPL 1-4-97 0.00 0.00 81.22 142.71 2.57 0.00	0.00 0.00 180.50 63.25 0.00 3.35 7.50	31·3·98 26.41 54.92 928.26 2754.40 80.84 106.56	1-4-97 0.00 0.00 51,27 341.85 12.41 12.63	During the Year 0.00 0.00 26.91 185.56 6.65 8.96	Addition on A REL 1-4-97 0.00 0.00 31.37 128.38 3.00 7.78	Malgamation RFTPL 1-4-97 0.00 0.00 5.57 14.81 0.24 0.00	0.00 0.00 0.00 0.00 65.21 0.00 3.57	31-3-98 0.00 0.00 115.12 605.39 22.30	As on 31-3-98 26.41 54.92 813.14 2149.01 58.54 80.76 53.80	BLOCK As on 31-3-97 26.41 22.14 491.23 841.01 38.76



		(Rs. in Lac)
	As on	As on
	31-03-1998	31-03-1997
Schedule 6: Investments (At cost) Quoted		
5,00,000 Equity Shares of Oswal Ind. Ltd. of Rs. 10 each fully paid	50.00	50.00
Unquoted	B	
59,100 Equity shares of Ratnamani Seamless		
Pvt. Ltd. of Rs. 10 each fully paid	5.91	5.91
80,000 Equity shares of Unitop Eng. Pvt. Ltd.		
of Rs. 10 each fully paid	8.00	8.00
Shares of Rajmugat Co-op. Society (Rs. 350)	0.00	0.00
Shares of Progressive Mercantile Co-op. Bank (Rs. 105)	0.00	0.00
5 Shares of Nijanand Association's of Rs. 100/- each Rs.50	0 -	
5 Shares of Shyamaraj Association's of Rs. 100/- each Rs.50	0 0.01	0.01
Silver	0.25	0.15
	64.17	64.07
Schedule 7: Inventories		
(As taken, valued and certified by Management)		044 50
Raw Material (at cost)	577.70	211.53
Work in Progress (at cost)	444.18	260.00
Finished goods (at lower of cost or realisable value)	241.98	66.28
Stores and Spares (at cost)	57.14	• 11.16
Goods in transit (at cost)	19.08	29.59
Scrap (at realisable value)	3.03	0.00
Share & Securities (at lower of cost or realisable value)	19.52	44.66
	1362.63	623.22
Schedule 8 : Sundry Debtors		
Unsecured : Considered good		
Over Six Months	33.93	67.05
Others	869.46	724.07
	903.39	791.12
Schedule 9 : Cash and Bank Balances		0.05
Cash on hand	5.28	3.35
Cheques on hand	0.00	73.00
Balance with Scheduled Banks	0.04	
On Current Accounts	2.64	0.44
On Deposit Accounts	160.39	128.63
On Unpaid Dividend Accounts	0.48	0.51
	168.79	205.93



		(Rs. in Lac
	As on	As on
	31-03-1998	31-03-1997
Schedule 10: Loans and Advances		
Unsecured : Considered good		
Advance recoverable in cash or in kind or	·	
for value to be received	43.12	115.88
Advance to staff	0.17	0.00
Interest accrued on Deposit	1.38	0.47
Inter Corporate Deposit	195.17	296.54
Advance Income Tax (Net of Provision for Tax)	58.65	24.11
Balance with Customs, Central Excise, etc.	22.13	54.66
Deposit - Others	50,77	4.76
	371.39	496.42
Schodulo 11 + Current Habilities & Dunit	-	
Schedule 11 : Current Liabilities & Provisions		
Liabilities		
Sundry Creditors	799.38	441.73
Book over draft from bank	0.23	0.00
Advances from Customers	100.43	36.24
Statutory Liabilities	95.20	63.32
Interest Accrued but not due on Term Loan	11.12	14.67
Unclaimed Dividend	0.45	0.64
	1006.81	556.60
Provisions		
Proposed Dividend	137.92	70.88
Dividend Tax	13.79	0.00
	<u>151.71</u>	70.88
chedule 12 : Miscellaneous Expenditure		
(To the Extent not written off or Adjusted)		
Preliminary Expenses	4.35	0.40
Capital Issue Expenses		3.48
Deferred Revenue Expenditure	23.83	28.55
Described Herondo Expondituio	0.00	2.77
	28.18	34.80
	1997-98	1996-97
chedule 13 : Other Income		
Dividend	1.78	1.74
Misc. Income	13.68	1.18
	15.46	2.92





		1007.00		s. in Lac) 1996-97
		1997-98		1990-97
Schedule 14 : Material Cost				
Opening Stock		1		
Work-in-Process	260.00		270.58	
Finished Goods	66.28	**	124.51 0.00	
Shares & Securities	44.66		Ų.0Q	
Material Acquired on Amalgamation				
Work-in-Process	125.75	00	0.00	395.09
Finished Goods	61.13	557.82	0.00	393.09
Material				
Raw Material Consumed				
Opening Stock	211.54		325.13	
Raw Material Acquired on Amalgamation	266.85		0.00	
Add: Purchases	4214.11		3115.76	
	4692.50		3440.89	
Less: Closing Stock	577.70	4114.80	211.54	3229.35
		4672.62		3624.44
Purchase of Shares		0.00		57.48
Fulcilase of Silales		4672.62		3681.92
Closing Stock	444.66		260.00	
Work-in-Process	241.99		66.28	
Finished Goods	19.52	706.17	44.66	370.94
Shares and Securities		3966.45		3310.98
				
Schedule 15: Employees' Remuneration and Ben	etits			114.56
Salaries, Wages and Bonus		234.38		
Contribution to Provident and Other Funds		21.18		11.01
Staff welfare Expenses		24.84		13.21
		280.40		138.78
Schedule 16 : Financial Expenses				
Interest	82.26		90.19	
On Term Loans			43.57	
On Debentures	43.75			
Others	136.94		80.13	000.44
Bank charges & Commission	52.69	315.64	24.55	238.44
Less : Interest Received		106.52		91.95
TDS Rs. 20.69 Lacs (Rs. 19.09 Lacs)				
		209.12		146.49



				(Rs. in Lac)	
		1997-98		1996-97	
Schedule 17 : Other Expenses					
Consumption of Stores and Spares		258.19		121.61	
Freight and Transport		75.83		46.55	
Power and Fuel		170.98		113.0	
Conversion Charges		39.09		116.5	
Repairs				110.0	
Plant and Machinery	70.61		27.43		
Building	15.33		14.86		
Others	14.13	100.07	12.01	54.3	
Quality Control		55.16		1.6	
Printing and Stationary		9.19		8.2	
Postage, Telegram & Telephone		20.95		15.0	
Legal and consultancy charges		13.25		5.4	
Vehicles Expenses		16.71		8.6	
Travelling Expenses		20.14		12.8	
Insurance		15.37		7.5	
Rent, Rates & Taxes		2.61		1.4:	
Bad Debts		0.66		11.50	
Directors Remuneration		27.78		22.63	
Auditors Remuneration					
Audit Fees	1.53		0.80		
Tax Audit Fees	0.12	1.65	0.12	0.92	
General Expenses		40.72		21.25	
Packing and Forwarding		0.84		0.00	
Advertisement & Other Expenses		4.28		11.38	
Sales Commission		23.75		0.23	
Miscellaneous Expenses Written Off		8.34		8.01	
Loss on sale of fixed assets		0.39		0.00	
		905.95		588.88	



Schedule 18: Notes to the Accounts

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Financial statement are prepared under historical cost convention on accrual basis.

FIXED ASSETS

The fixed assets are shown at cost, net of tax/duty credits availed, if any, and includes expenses capitalised during construction period.

C. DEPRECIATION

The company had provided depreciation on straight line method at the rates and the manner specified in Schedule XIV of The Companies Act, 1956.

D. DEFERRED REVENUE EXPENDITURE

Expenditure relating to Preliminary Expenditure & Capital issue is written off on strainght line basis over a period

Expenditure on corporate advertisement have been treated as revenue expenditure and written off over a period of 5 years.

INVENTORIES

- Raw materials, Stores & Spares & Consumables are valued at cost.
- Work in Process is valued at cost.
- iii. Finished Goods and Shares & Securities are valued at cost or market value, whichever is lower.
- iv. Scrap is valued at relisable value.

SALES

Sales & Income from operations represent the amount receivable for goods sold including excise duty thereon but excludes sales tax, trade discount & other taxes and adjustments for late delivery charges.

EXCISE/CUSTOMS DUTY

The Company has been accounting liability for Excise and Customs duty in respect of material lying in factory / bonded premises as and when they are cleared / debonded and accordingly liability in respect of such material at the close of the year has been provided for in accounts and hence not included in valuation of inventory of such material.

RETIREMENT BENEFITS

The Company contributes to group gratuity policy with L.I.C. of India, for future payment of Gratuity to employees. Every year company makes a payment to eligible employees for leave encashment.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transaction are accounted at exchange rates prevailing on the date the transaction takes place. All exchange differences arising in respect of foreign currency transaction are dealt with in Profit and Loss Account (except those relating to acquisition of Fixed Assets which are adjusted in the cost of the assets). All foreign currency assets and liabilities if any, as at the Balance Sheet date are restated at the applicable exchange rates prevailing at the date.

INVESTMENTS

investments are stated at cost.

- Estimated amount of contract remaining to be executed on capital account and not provided for Rs. 50.26 Lacs (Rs. 52.30 Lacs)
 - Contingent liability as on 31st March, 1998 in respect of :
 - Guarantee/Counter guarantee issued Rs. 811.70 Lacs (Rs. 1415.52 Lacs)
 - Income Tax Rs. 407.75 Lacs. (Rs. 410.36 Lacs) Taxation matters under appeal: b)
 - Sales Tax Rs. 22.63 Lacs (Rs. 118.52 Lacs)
- In pursuance of order of Honourable Gujarat High Court dated 21-9-98, from 1-4-95 all the Assets & Liabilities of Ratnamani Engineering Ltd. (REL) and Ratnamani Fine Tubes Pvt. Ltd. (RFTPL) have been vested with the company and REL and RFTPL has carried the business, in trust for RMTL. As the Accounts for the financial year 1995-96 and 1996-97 have been separately prepared by the amalgamated companies, the net results of the profit & loss accounts for the two financial year have been accounted under the respective heads of Reserve & Surplus, accordingly Assets (including Fixed Assets), Liabilities and Reserves and surplus of the said amalgamated companies as on 1-4-97 have been incorporated in the books of accounts of company at the book value of the amalgamated companies. The Rights, Title & Charges on the assets of the companies are to be transfered in



(Own - Stainless Steel Tubes & Pipes - Saw Pipes - Carbon Steel Tubes & Pipes Job - Stainless Steel Tubes & Pipes - Saw Pipes - Carbon Steel Tubes & Pipes		1702.689 6832.865 837.177 124.374 882.067 17.945		1986.911 0.000 98.682 436.342 0.000 11.625
(Saw Pipes Carbon Steel Tubes & Pipes Job — Stainless Steel Tubes & Pipes 		6832.865 837.177 124.374		1986.911 0.000 98.682 436.342
(Saw PipesCarbon Steel Tubes & Pipes		6832.865 837.177		1986.911 0.000 98.682
(- Saw Pipes		6832.865		1986.911 0.000
(Own - Stainless Steel Tubes & Pipes - Saw Pipes				1986.911
(Own - Stainless Steel Tubes & Pines		1702 600		
(IVI. I .		M.T.
	c) Production		M.T.		0
. *	- Carbon Steel Tubes		1200		0
	- Saw Pipes		10000	· · · · · · · · · · · · · · · · · · ·	3750
	- Stainless Steel Tubes & Pipes		3750		and the second second
- J	(b) Installed capacity (as assessed by the management)		M.T.		M.T.
~	- Carbon Steel Tubes & Pipes				
	- Saw Pipes		******		14.77
	- Stainless Steel Tubes & Pipes		N.A.		N.A.
((a) Licenced capacity				
(//)	Licenced & installed Capacity and production: R. M. T. L.				
, , ,	to the company and as certified by the	managemen	nt and relied	upon by the	auditor.
Addit	tional information pursuant to the provisions of 3 & 4 (c), (d) or	f Part II of so	chadula Vi a	6 th Commonter	Act, 1956.
	D. Upfront Fees on Term Loan		5.29	Plant & M/c.	
	C. Contribution to PF & Other Funds		2.00	Plant & M/c.	A Commence
	B. Salary & Wages		23.00	Plant & M/c.	
	- On others		5.00		
	- On Term Loan		20.00		Jan State Bar
				Plant & M/c.	
-	A. Interest	<u>F</u>	ls. in Lacs		
/\(\)	Expenditure				
7. EXP	ENDITURE CAPITALSIED		27.78		22.63
	Total remuneration paid to Directors (including commission)		34.16		23.14
	10 % thereof		341.65		231.36
	Net Profit under Section 349 and 350	299.50		156.68	
	Less : Depreciation under Section 350	0.39		0.00	
	Add: Loss on sale of fixed assets	234.17		29.62	
1	Add : Depreciation as per Accounts	27.78		22.63	
	Add : Director's Remuneration			285.79	
	Profit before tax	378.81		1996-97	
		1997-98	tiro, iii Lõ	•	
		parilos Mo	Rs. in La		*
6. Con	nputation of Net. profit in accordance with Section 198 of Co	ompanies Ar	1 1956		22.63
			27 78		1.67
	Other perquisites		3.02		0.36
•	Controbution to PF & FPF		1.17		
	Commission		15.00		17.00
	Salary		8.59		3.60
			1997-98	(110. III La	-, 1996-97
5. Dire	ectors' Remuneration			(Rs. in La	
	(2) 61,000 equity shares of Hs. 10/- each to the share ho	Iders of Rati	namani Fine	Tubes Put I	td
e .	(1) 19,33,334 equity shares of Hs. 10/- each to the share	holders of F	Ratnamani E	nainearing 1 td	
5 5	The same has been but in schedule 1 under ama	aldamation su	ISDANSA ACCO	Lint	
r b :		e are to be all	 	harabaldara af	
(b)	all asset, liabilities, income and expenditure of said amalga In the pursuance of said order shares as per the following detail:	aco comp	willos.		



	1997-98	1996-97	1997-98	1996-97
(B) Particulars of opening & closing stock,	Rs. in Lacs	Rs. in Lacs	QTY (MT)	OTY (MT)
Sales:	113. 111 1400			
- Stainless Steel Tubes & Pipes	66.28	124.51	43.442	79.978
- Opening Stock	130.32	66.28	114.109	43.442
- Closing Stock	3391.19	4145.84	1632.022	2023.447
- Sales	36.55	33.88	102.715	132.044
- Scrap sales	151.61	258.05	124.374	436,342
 Job work sales 	151.01	***		
- Saw Pipes	C4 42	0.00	262.107	0.000
Mateial acquired on amalgamation	61.13 86.97	0.00	378.862	0.000
- Closing Stock	2358.65	0.00	6716.110	0.000
- Sales	29.54	0.00	343.675	0.000
Scrap sales	22.38	0.00	531.211	0.000
Job work sales	£2.00			
— Carbon Steel Tubes	21.60	0.00	46.796	0.000
- Closing Stock	454.75	30.38	790.381	98.682
- Sales	4.31	0.00	64.950	0.000
- Scrap sales	0.26	0.70	17.945	11.625
- Job work sales	0.25			
— Trading Sales	283.40	369.42	665.962	324.083
- Steels, Pipes & Plates	3.10	0.00	10400	0.000
a. o Oassidioo				
(C) DETAILS OF RAW MATERIAL CONSUMPTION &	2170.44	2827.01	1871.171	2044.700
- Stainless Steel Coils, Tubes & Pipes	and the second s	0.00	7162.535	0.000
- M.S. / C.S. Plates	1347.15	27.78	897.841	99.750
- Carbon Steel Tubes	323.85		665.962	324.083
- Trading Purchases	273.36	374.56	000.002	
(D) Value of Imports calculated on CIF basis				1996-97
(D) Value of Imports calculated of		1997-98		Rs. in Lacs
		Rs. in Lacs		936.31
11-4		1255.32		10.33
(i) Raw Materials		119.04		10.00
(ii) Capital Goods	1997-98		1996-97	Rs. in Lacs
	<u>%</u>		%	
(E) Composition of Material	59.13	2433.16	67.54	2181.15
(i) Indiegenous	40.87	1681.65	32.46	1048.20
(ii) Imported	100.00		100.00	3229.35
(E) Farning in Foreign Exchange		<u> </u>		

(F) Earning in Foreign Exchange Exports at F.O.B. value Rs. 403.72 Lacs (Rs. 251.34 Lacs)

(G) Expenditure in foreign currency for Travelling and other matter Rs. 11.39 Lacs. (Rs. 5.99 Lacs)

Corresponding figures of the previous year have been regrouped and/or re-arranged wherever necessary. Previous year figures are not comparable with current year as current year includes all asset, liabilities, income and expenditure of said amalgamated companies.

of said affaigafface compens	Chairman	P. M. SANGHVI
As per our report attached.	Whole-time Director	J. M. SANGHVI S. SOLANKI
For MEHTA LODHA & CO. Chartered Accountants	Director Director Director	D. C. ANJARIA M. KANUNGO
PRAKASH D. SHAH Partner	Company Secretary G. M. (Finance)	V. C. BHAGAT P. BAHEDIA

Ahmedabad, 31st October, 1998.



	CACU ELOM CTATEME	HT FOR 4007.00		1007:00	(R	ls. in Lacs
	CASH FLOW STATEMEN		1.80	1997-98		1996-97
	CASH FLOW FROM OPER		•			
	Net Profit before tax and ex			378.78		285.79
		minary Expenses	6.63	•	8.02	
		eciation	234.17	•	79.62	
		on sale of Fixed Assets	0.39			
		lend Received	- 1.78		- 1.74	
		est Income	- 106.52		- 91.95	
	Intere	est Expenses	262.95		203.83	
				395,84		197.78
•	Operation profit before worki			774.62		483.57
	Adjustments for: Trade	e and other receivables	47.30	•	- 158.50	
	Invent	ntories	- 739.41		108.00	
	Trade	e Payables	450.21		150.65	
				- 241.90		100.1
· ·	Cash generated from operati	tion		532.72		583.7
	Interest Paid		- 262.95		- 203.83	
	Direct Taxes paid		- 80.78		- 49.31	
			= , ww	- 343.73		- 253.14
	Cash Flow before extraordin	consistance		188.99		- 253.14 330.58
	Extraordinary Items	ary items				
,		to an anatomatana.		3.32		0.0
	Net Cash Flow from operation CASH FLOW FROM INVEST			192.31		330.6
(B)			222.00			
	Purchase of fixed assets		- 690.98		- 381.58	
	Sale of fixed assets		183.39		2.14	
	Acquisistion of companies		- 468.74		0.00	
	Purchase of Investments		- 0.10		24.99	
	Sale of Investments		0.00		0.00	
	Interest Received		106.52		91.95	
	Dividend Received		1.78		1.74	
l.	Net Cash used in investing			- 868.10	-	- 260.7
	CASH FLOW FROM FINANC		· · · · · · · · · · · · · · · · · · ·	5		
•	Proceeds from issue of s		201.49		0.00	
	Proceeds from long term		508.03		10.36	Carlo Santa
	Repayment of finance les		0.00		- 11.89	
	Dividend paid	AGE HUDINGE	- 70.88	•	- 69.76	
r	Net Cash used in financing	activities		638.64	_ 00., 0	71 9
	Net increase in cash and ca			638.64 - 37.15		- 71.2 - 1.4
	Cash and Cash equivalents					- 1.4
	cash and cash equivalents a Cash and cash equivalents a			205.93		207.3
'ATE	asii and cash equivalents .	as at 31-3-90		168.79		205.9
NOTE:	: Computation of cost of a	acquistion of Companies	~~ ~~			
Net vvo.	Transfer to the transfer to th		39.37			1
	 Ratnamani Engineer 	/ing Ltd.	974.55			
	= mercul Augus			1013.92		
_ess : r	Net Block of Fixed Assets					
	- Ratnamani Fine Tub		207.77			
	 Ratnamani Engineer 		1073.40			
Shares	of the Company Alloted		201.49			
	· · · · · · · · · · · · · · · · · · ·			1482.66		
Cost of	Acqusition			468.74		
	, p. d					

Company Secretary V. C. BHAGAT G. M. (Finance)

P. BAHEDIA

Director

Whole-time Director J. M. SANGHVI

Director

S. SOLANKI D. C. ANJARIA

Ahmedabad, 31st October, 1998

AUDITOR'S CERTIFICATE

We have examined the attached cash flow statement of Ratnamani Metals & Tubes Limited for the year ended 31st March, 1998. The statement has been prepared by the Company in accordance with the requirement of listing agreement clause No. 32 with Bombay Stock Exchange and is based on and in agreement with the Corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 31st October, 1998 to the Members of the Company.

> For MEHTA LODHA & CO. chartered Accountants PRAKASH D. SHAH Partner

Ahmedabad, 31st October, 1998



	BALANCE SHEET ABSTRACT AND COMPANY'S GI (As per Schedule VI, Part (iv) of the Co	mpanies Act, 1956)
1 · .	REGISTRATION DETAILS (RMTL)	6460
	Registration No.	04
•	State Code	31st March 1998
	Balance Sheet Date	
7. ji.	CAPITAL RAISED DURING THE YEAR (In Lac)	
	Public Issue	
	Rights Issue	
· .	Private Placement	
	Bonus Issue Amalgamation Suspense Account	201.49
	POSITION OF MOBILISATION AND DEPLOYMENT	OF FUNDS (In Lac)
· III.		
	Total Liabilities Total Assets	5004.58
	SOURCE OF FUNDS	673.99
	Paid-up Capital	2375.62
	Reserves & Surplus	1784.52
	Secured Loans Unsecured Loans	170.45
	APPLICATION OF FUNDS	3264.55
	Net Fixed Assets	64.17
	Investments	1647.68
	Net Current Assets	28.18
	Misc. Expenditure	
ÍV.	PERFORMANCE OF THE COMPANY (In Lac)	6751.18
	Turnover Including Other Incomes	6372.40
	Total Expenditure	378.78
14.4	Profit before Tax	4.93
	Earnings per Share (Rs.)	10.00
	Dividend Rate (%)	VICES OF THE COMPANY
٧.	GENERIC NAMES OF PRINCIPAL PRODUCTS/SEF	WICES OF THE
	ITEM CODE NO. (ITC CODE)	730690.00
	STANKING STEEL WEIDED TUBES & PIPES	
	STAINLESS STEEL SEAMLESS TUBES & PIPES (COLD	730590.00
	EESW CARBON STEEL PIPES	700400.00
	CARRON STEEL SEAMLESS HEAT EXCHANGER TUBE	OANOLIVI
		amian
•		O COLANIZI
		rector D. C. ANJARIA
		rector M. KANUNGO
		ompany Secretary V. C. BHAGAT
	G	M. (Finance) P. BAHEDIA
·		
Ahmeda	abad, 31st October, 1998	

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17, Rajmugat Society, Naranpura Char Rasta,

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