

NOTICE is hereby given that the Twenty-sixth Annual General Meeting of the Members of RATNAMANI METALS & TUBES LTD. will be held on Friday, 27th August 2010 at 10:00 a.m. at the Conference Hall of "The Ahmedabad Textile Mills Association", Near "Gurjari", Ashram Road, Ahmedabad - 380 009 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Audited Profit and loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri Pravinchandra Maganlal Mehta who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Mehta Lodha & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this, Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Registered' Office:

17. Rajmugat Society,
Naranpura Char Rasta,
Ahmedabad - 380 013
28th May 2010

By the Order of the
Board of Directors
V. C. Bhagat
Company Secretary

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**
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st August 2010 to Friday, 27th August 2010 (Both days inclusive).
4. The Dividend, if declared will be payable from 1st September 2010.
 - (a) to those members whose names appear in the Register of Members of the Company after giving effect to all valid transfers in physical form lodged with the Registrar and Share Transfer Agent of the Company on or before Friday, 20th August 2010 and
 - (b) in respect of shares held in electronic form to those members whose names appear on the statements of beneficial owners furnished by NSDL and CDSL as at the end of the business hours on Friday, 20th August 2010.
5. 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.
6. Kindly quote your Ledger Folio Number / Client ID Number in all your future correspondence.
7. Members are requested to bring their copies of the Annual Reports to the Annual General Meeting of the Company.
8. Members are requested to note that the dividends not encashed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investors Education and Protection Fund.

The details of the unpaid Dividend that are due for transfer to the Investors Education and Protection Fund set up by the Central Government are as follows:

Date of Declaration	For the Financial Year	Due for Transfer on	Unpaid Amt. (Rs. in lac)
30/09/2003	2002-2003	29/10/2010	1.25
30/09/2004	2003-2004	29/10/2011	0.95
28/09/2005	2004-2005	27/10/2012	1.71
09/09/2006	2005-2006	08/10/2013	2.24
07/09/2007	2006-2007	06/10/2014	2.64
23/09/2008	2007-2008	22/10/2015	4.89
15/09/2009	2008-2009	14/10/2016	6.69

Members who have not encashed their above Dividend Warrants may approach to the Company immediately for re-validation as otherwise no claim thereafter shall lie against the Fund or the Company in respect of such unclaimed Dividend Amount.

9. The Company has appointed *M/s. Sharepro Services (India) Pvt. Ltd.* as its Registrar and Share Transfer Agent. All the shareholders of the Company are therefore requested to correspond directly with them at the following address in the matters related both for the transfer of shares as well as for dematerialization of the shares.

Shri G. R. Rao, Managing Director, Sharepro Services (India) Pvt. Ltd., Unit: Ratnamani Metals & Tubes Ltd., 13AB Samhita Warehousing Complex, 2nd floor, Sakinaka Telephone Exchange Road, Sakinaka, Andheri East, Mumbai - 400072. Phone No. (022) 67720300, 67720400, Fax No. (022) 28591568, Email:sharepro@shareproservices.com Ahmedabad Branch Office : 416-420 4th Floor, Devnandan Mall, Opp Sanyas Ashram, Nr. M.J.Library, Ellisbridge, Ahmedabad : 380 006. Phone No. (079) 2658 2181 to 84

10. Members are requested to notify immediately any change in their address / Bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect of their physical shares Folios to the Registrar and Share Transfer Agent of the Company.
11. With a view to providing protection against fraudulent encashment of Dividend Warrants, members are requested to provide their Bank Account Numbers, names of the Banks and addresses of the branches to enable the Company to incorporate the said details in the Dividend Warrants.
12. Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities / capital market to furnish Income Tax Permanent Account Number (PAN). Accordingly all the shareholders are requested to submit their Permanent Account Number along with photocopy of both the sides of the PAN Card duly attested.

Shareholders holding shares in electronic form are requested to furnish their PAN to their Depository Participant with whom they maintain their account along with documents as required by them.

Shareholders holding shares in physical form are requested to submit photocopy of the PAN Card of all the holders including joint holders duly attested by Notary Public/Gazette Officer/Bank Manager under their official seal and with full name and address either to the Company's Registered Office or at the office of its

Registrar at the address mentioned above.

13. Pursuant to Clause 49(IV)(G) under Corporate Governance of the Listing Agreement with Stock Exchanges, the particulars of Director who is proposed to be appointed are given below:

Name	:	Shri Pravinchandra Maganlal Mehta
Age	:	71 Years
Qualification	:	B. E. (Mechanical)
Experience & Expertise	:	Worked in Larsen & Toubro Ltd. in different capacities and areas such as Engineering, Marketing, Manufacturing, all Technical Departments and subsequently Incharge of 9 Business Units. Retired from L & T as Senior Vice President and Member of the Board on 30.04.2004
Business Strategies	:	Market growth, Engineering and Manufacturing
Other Directorship	:	L & T Welfare Ltd.
Chairman / Member of the Committee of the Board	:	1. Kutch Project Review Committee - Chairman 2. Cost Reduction & Performance improvement Committee - Chairman 3. Remuneration Committee - Member 4. Investors Grievance Committee - Member
Shareholding in the Company	:	26500 shares
Relationship with other Directors of the Company	:	Nil

Registered' Office:

17. Rajmugat Society,
Naranpura Char Rasta,
Ahmedabad - 380 013
28th May 2010

By the Order of the
Board of Directors
V. C. Bhagat
Company Secretary



RATNAMANI
METALS & TUBES LTD.

Regd. Office : 17, Rajmugat Society, Naranpura Cross Roads, Naranpura, Ahmedabad - 380 013. Gujarat (India)

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Hall.

Full Name of the Shareholder (BLOCK LETTERS) _____

No. of Shares held _____

Client ID / Folio No.

I hereby record my presence at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company held at the Conference Hall of the Ahmedabad Textile Mills' Association, Near "Gurjari", Ashram Road, Ahmedabad - 380 009 on Friday, the 27th August 2010 at 10.00 a.m.

Signature of the Shareholder

Note : Only Shareholders of the Company or their Proxies will be allowed to attend the Meeting.



RATNAMANI

METALS & TUBES LTD.

Regd. Office : 17, Rajmugat Society, Naranpura Cross Roads, Naranpura, Ahmedabad - 380 013. Gujarat (India)

PROXY SLIP

Client ID / Folio No.

No. of Share held :

I/We _____ of _____ in

the District of _____ being a Member/Members of the above

named Company, hereby appoint Shri _____

of _____ in the District of _____

or failing him Shri _____ of _____ in

the district of _____ or failing him Shri

_____ of

_____ in the District of _____ as my/our proxy to vote for me/us on my/our

behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING of the Company to be held at the Conference Hall of the Ahmedabad Textiles Mills' Association, Near "Gurjari", Ashram Road, Ahmedabad - 380 009 on Friday, the 27th August, 2010 at 10.00 a.m. and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2010

Signature

Affix
Re. 1
Revenue
Stamp here

Note : The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



26th Annual Report 2009-10



RATNAMANI
METALS & TUBES LTD.

Prosperity Through Performance



Our Global Presence





Dear Shareholders,

Greetings to all of you from Board of Directors and Ratnamani team. It gives me great pleasure to reach you through this Annual Report. We are now in 27th year of existence and it gives me immense satisfaction when I look back the path we have travelled by since inception. The Company has grown consistently over these years. The growth that we see today has been the and team in earning customer satisfaction over a period of time. This is our hard earned most valuable asset.

This year is expected to be an exciting one for the Indian industry in general. The financial turmoil which swept the world last year seems to have given impetus to Indian industry, as we see more and more companies investing in production facilities in our country. Our country is increasingly being seen as a place where one can draw value not only by setting up production facilities, but also as a place where domestically developed new products using cutting edge technology can be produced meeting international standards.

We have been investing continuously in newer generation production and testing facilities, and in-house manufacture of higher grade products to meet the market demand. We have a dream to grow on much larger scale and a team is committed to see that this dream becomes a reality. We already have embarked on a journey for a higher and sustainable growth. Such growth would encompass more products, and wider and deeper markets. We are aware of challenges which may come. The Company has initiated actions to gear up for such challenges and the team Ratnamani is very confident to meet with these challenges.

I do recognise the value of strong and unrelenting support the Company has drawn from its business partners in form of Suppliers, Customers, Investors, Bankers, Government agencies and authorities and its team at every level. I have no doubt that this support would not only continue but would grow stronger.

I take this opportunity to wish all of you the very best for the year ahead.

Thank you

Prakash M. Sanghvi
Chairman & Managing Director



Board of Directors



Shri P. M. Sanghvi
Shri J. M. Sanghvi
Shri S. M. Sanghvi
Shri D. C. Anjaria
Dr. V. M. Agrawal
Shri P. M. Mehta

Chairman & Managing Director
Whole Time Director
Whole Time Director
Director
Director
Director

Corporate Information.....	2
Directors' Report.....	3
Auditors' Report.....	24
Balance Sheet.....	28
Profit & Loss Account.....	29
Cash Flow Statement.....	30
Schedules to the Accounts.....	31
Balance Sheet Abstract.....	44

26th Annual General Meeting

Notice for the 26th Annual General Meeting of the members of the Company to be held on Friday, 27th August, 2010 at 10.00 a.m. at the Conference Hall of "The Ahmedabad Textile Mills' Association" Ashram Road, Ahmedabad is sent herewith separately.

BANKERS

State Bank of India
Dena Bank
Punjab National Bank
IDBI Bank
ICICI Bank

AUDITORS

M/s Mehta Lodha & Co., Chartered Accountants

REGISTERED OFFICE

17, Rajmugat Society, Naranpura Cross Roads, Naranpura,
Ahmedabad - 380 013. Gujarat

HEAD OFFICE

Survey No. 769, Ahmedabad - Mehsana Highway,
Village Indrad, Nr. Chhatral GIDC, Taluka : Kadi,
Dist.: Mehsana, Gujarat

WORKS
Stainless Steel Tubes and Pipes Division

Survey No. 769, Ahmedabad - Mehsana Highway,
Village Indrad, Nr. Chhatral GIDC, Taluka : Kadi,
Dist.: Mehsana, Gujarat

SAW Pipe Division

Plot No. 3306-3309, GIDC : Chhatral,
Taluka : Kalol, Dist.: Gandhinagar, Gujarat

Kutch Division

Survey No. 474, Village : Bhimasar,
Taluka : Anjar, Dist.: Kutch, Gujarat

Dear Shareholders,

The Board of Directors is pleased to present the 26th Annual Report with Audited Accounts of the Company for the year ended 31st March 2010.

1. FINANCIAL RESULTS: (Rs. in Lacs)

	2009-10	2008-09
Gross Sales and Income from Operations	89,988.16	101,880.68
Profit Before Depreciation and Tax	16,725.69	13,969.05
Less : Depreciation	3,688.23	2,972.30
Profit Before Tax	13,037.46	10,996.75
Less: Provision for Taxation (including Deferred Tax Liability)	4,894.75	3,876.42
Profit After Tax	8,142.71	7,120.33
Add: Balance brought forward from previous year	3,257.29	2,084.62
Amount available for appropriations	11,400.00	9,204.95
Appropriations:		
General Reserve	5,000.00	5,000.00
Proposed Dividend with Dividend Tax	1,182.54	947.66
Balance carried to Balance Sheet	5,217.46	3,257.29
Total:	11,400.00	9,204.95

2. DIVIDEND:

Your Directors are pleased to recommend a dividend of Rs. 2.20/- per Equity Share (110%).

3. REVIEW OF OPERATIONS:

A. GENERAL:

The year under review started with legacy of previous year which witnessed one of the worst economic crises in the world history affecting every economy and business irrespective of its location, size, technology or nature of the products. Your company's business was also affected because of these global events and as a result, performance during the year has been impacted to some extent. Global markets have remained subdued affecting the overseas demand and as a consequence, exports were low. On domestic front, however, the situation has been better. The management has taken up initiatives to consolidate the Company's presence in both, international as well as domestic markets, enhance the product range and customer base,

strengthen the organisational structure and systems to minimise the impact of the slow down and prepare itself for the future.

B. FINANCIAL PERFORMANCE:

During the year under report, the Company has posted gross income at Rs. 89,988.16 Lacs. Notwithstanding the challenges posed by recessionary conditions in the user industries, it has been possible to control some of the costs and safeguard the margins. As a result of these efforts, the profit before tax stood at Rs 13037.46 Lacs, higher by 18.55 % as compared to the previous year. The Company has posted profit after tax of Rs. 8142.71 Lacs which is higher by 14.35 %.

C. OPERATIONS:

Barring some of the products, where optimum utilisation of capacities could not be achieved due to market conditions, inspite of the recessionary conditions, it has been possible to utilise the capacities to the optimum levels possible. Looking to a very positive investment scenario in Power sector, the Company has undertaken projects for increasing the capacity in SS Welded HP Heater Tubes and manufacture of Titanium Welded Tubes. These are expected to be operational during the third quarter of FY 2010-11.

4. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report for the year under review is set out as separate Annexure "A" forming part of this Report.

5. DIRECTORS:

In accordance with the requirement of the Companies Act, 1956 and Article 170 of the Articles of Association of the Company, Shri P. M. Mehta is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Shri P. M. Mehta is not related to any other Director of the Company.

6. CREDIT RATING:

CRISIL has reaffirmed AA- (AA minus) rating for Company's long-term borrowings and P1+ (P1 plus) for short-term borrowings.

7. DEPOSITS:

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

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

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

9. PARTICULARS OF EMPLOYEES:

The particulars of employees under the Companies (Particulars of Employees) Rules, 1975 as amended up to date, which is required to be included in the Directors' Report pursuant to Section 217 (2A) of the Companies Act, 1956 is attached herewith as Annexure "C" forming part of this Report.

10. AUDITORS:

M/s. Mehta Lodha & Company, Chartered Accountants, retire and are eligible for re-appointment. Your Directors recommend their re-appointment as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be fixed by the Members.

11. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

The Board of Directors hereby state and confirm:

- a. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures;

- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d. that the Directors have prepared the Annual Accounts on a 'going concern' basis.

12. CORPORATE GOVERNANCE REPORT:

Your Company has been practising principles of good Corporate Governance over the years. The Board of Directors supports the broad principles of Corporate Governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

The Board has formulated Code of Conduct for all Board members and Senior Management of the Company and they have affirmed compliance during the year under review.

The Board has received CEO / CFO Certification under Clause V of the revised Clause 49 of the Listing Agreement.

The Company has formulated Code of Conduct for prevention of Insider Trading as required by SEBI (Prohibition of Insider Trading) Regulations 1992. The code ensures prevention of dealing in company's shares by persons having access to unpublished price sensitive information.

A separate report on Corporate Governance is enclosed as part of this Annual Report and marked as Annexure "D." Requisite certificate from the Statutory Auditors of the Company regarding compliance of Corporate Governance as stipulated under the revised Clause 49 of the Listing Agreement is annexed to the report of Corporate Governance.

13 EMPLOYEES STOCK OPTION SCHEME (ESOS-2006)

As required by SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) guidelines 1999, detailed disclosure is as per Annexure "E" and forms part of this report.

During the year under review, the Company has allotted 9,43,384 Equity Shares to the employees of the Company under the Employees Stock Option Scheme 2006.

14. LISTING:

Shares of your company continue to be listed on Ahmedabad and Bombay Stock Exchanges and National Stock Exchange, Mumbai and Listing

Fees for the year 2010-11 have been paid to them.

15. ACKNOWLEDGEMENTS:

The Directors hereby place on record their commendation of the valuable contribution by the employees. The Directors also express their gratitude to the Shareholders, Customers, Suppliers, Banks and the Central and State Governments for their unwavering support to the Company.

For and on behalf of the Board of Directors

Place : Chhatral Dist. : Mehsana
Date : 28th May, 2010

Prakash M. Sanghvi
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRIAL SCENARIO:

GENERAL

The year 2009-10 was one of the toughest years for the Petrochemical industry, one of the major consumers of company's products. The economic downturn reduced investment demand across majority of the industries the Company caters to. Fortunately, a very wide range of product basket catering to almost all types of industrial applications helped your company to withstand the low demand scenario. Moreover, there was a relief that Indian economy and Business was relatively less affected from the recessionary demand slump. The business environment has been improving since third quarter of FY 2009-10, but at much lower rate than expected. The global recessionary effects are still being felt as evidenced by the very slow pick up of export demand over the period.

During 2010-11, Indian economy is expected to grow at approx.8%. The investments in infrastructure projects would continue and provide opportunities to Indian Piping Industry. Particularly investments in Oil & Gas transportation, Irrigation & water supply pipelines, Power plants and likely opening up of the Atomic Power sector should generate demand for your company's products. International demand would depend upon how fast economies return back to normalcy and new projects in oil exploration and production are taken up.

During the year under review, reconsolidation of domestic demand has been faster than the export demand. Raw material prices have been volatile; these were on the lower side at the beginning of the year and have been on the higher side later on. The Company's business is dependent upon the demand from the Oil & Gas industry, mainly refineries & petrochemicals and Power sector to a great extent. Though the investment scenario within the country in these industries has been good, internationally, it was not so. The lower global demand scenario has resulted into pricing and margin pressures. These negative factors impacted the

performance of the Company during 2009-10.

Indian Pipe Industry

India has become the global pipe-manufacturing hub especially for SAW pipes. This has been primarily due to lower cost of manufacture, high quality and geographical advantages. Additionally, Indian companies have acquired global accreditations and certifications, which make them preferred suppliers to most of the world's leading oil and gas companies in the Middle East, North America and Europe.

According to one study, Indian Pipe Industry is today Rs 15,000-crore size industry and is likely to grow by 20-25 per cent in the next 3-4 years considering massive investment laid out on energy sector by the governments of developing economies. Developed economies require a change in existing pipelines that were installed several decades ago and demand is likely to emerge from various sectors of global economies.

MARKETING SCENARIO

STAINLESS STEEL DIVISION

The majority of revenue generated by Stainless Steel Division is from the business generated in sectors such as Oil & Gas, Petrochemicals & Refineries, Power sector, Desalination plants, Chemicals, Fertilizer, Pharmaceutical, and Sugar industries.

Oil & Gas / Petrochemical & Refineries Sector

Due to the sudden drop in the prices of crude and the financial crisis engulfing the developed nations, focus on investment in Oil & Gas is gradually shifting to developing nations such as India, China, Far East, Russia, and African nations. During the current financial year, the Company has put more thrust on the requirements of Oil & Gas sector, particularly in Refining sector industry. The Company has been trying to consolidate its position in supplying the material for the sophisticated applications requiring special grade of material like Ferritic, Martensitic and Duplex grades.

Globally speaking, no major investments are anticipated in the Middle East countries. However, it seems there would be substantial activity in African and Latin American countries. Investment in Far East, particularly Malaysia, Singapore etc., seems to be on the upward trend and the Company will be making a detailed effort to increase its share in this region. South Korea is one market, where your company sees a lot of potential as most of the projects in the Middle East are taken by EPCs from this region.

Power Sector

This sector remains very buoyant not only in India, but in various other part of the developed nations. With a very detailed experience of manufacturing tubes upto 1320 MW, your company is one of the prime sources for the supply of LP/HP Heater tubes and Condenser tubes not only in the domestic market but also to various projects worldwide.

Desalination Plants

The Company sees a good potential from this segment. This is a growing segment both internationally and domestically. The Company has already initiated steps to exploit this sector and is hopeful of good demand from this segment.

Fertilizer

A lot of improvement seems to be there in Fertilizer sector with the support of Government. Definite investments in new or enhancing capacities of fertilizer plants are on the cards. Stainless Steel is being substantially used in the Fertilizer plants and hence should be having a better demand in this sector. Your company is looking for developing special grades in this sector also. Even though the quantity of these grades are very low, this will give an exposure to the world scenario and establish the Company as one of the major players in this grades i.e. Urea grade. Stainless Steel Piping in Seamless and Welded will be of a major thrust in fertilizer plants and your company foresees a good business prospects in this segment.

Nuclear Power Plants

One area, where there is a huge potential for

supply of various type of tubes and pipes is Nuclear Power sector. The Company is trying to establish its strong presence in this segment.

The business from this sector is promising and has a long-term potential. This is a developing market in terms of new applications having opportunities and having challenges too. Your company is confident of converting these opportunities into a profitable revenue stream.

Carbon Steel & Coating

The year 2009-10 witnessed very low demand from the Line pipe sector which is a major market for the CS SAW pipes. The global economic crisis affecting Middle East, Europe and North America had resulted into the low international demand. Many of the line pipe projects were either put on hold, or slowed down in terms of the implementation pace resulting into drop in the enquiries. During last quarter of the financial year (January-March 2010) inquiries from such projects started flowing in, which should reflect in working of the FY 2010-2011.

During the year 2009-10 raw material prices remained volatile varying between US \$ 500-US\$ 700 per MT. This is expected to continue during the coming year 2010-11 also.

There would be marginal improvement in the performance during second half of the year with servicing of the current orders /enquiries. But for this, the year 2010-11 as a whole would still remain subdued, as it would take some more time for the demand to pick up.

Current uncertain scenario of the European & American economies would also impact the demand revival.

Likely Domestic Demand scenario for 2010-11 :

Indian market for the pipes is largely dependent on the infrastructure projects by the Government and corporates like GAIL, Indian Oil, Oil India, GSPL, Reliance, etc. The pipe industry capacity is much in excess of the current demand as these have been established to cater to international as well as domestic markets. International demand being low, the prices and margins are expected to remain under pressure in this segment.

II. FUTURE OUTLOOK AND OPPORTUNITIES:

The Company is one of the leading players in the Indian Piping Industry today. It has established reputation as the preferred supplier to almost all players in Oil & Gas, Power, Pharmaceutical and Fertilizer industry, which are your company's prime markets. It is preferred for its quality and capability to supply a full range of piping products of both Carbon Steel as well as Stainless Steel. The Company has emerged as a single stop source of pipes and tubes for an array of industrial applications.

III. ENVIRONMENT AND SAFETY:

The Company continues to focus intensely on the Environment protection and actively pursues Safety policy under OHSAS guidelines. Best Safety policy and procedures are in place at all production centres, which are periodically reviewed, audited and upgraded.

IV. INTERNAL CONTROL SYSTEM

The Company has laid down well defined internal control systems to ensure safeguarding of the Company's assets and transaction authorisation. The system also aims at accurate reporting of the financial transactions and required compliance of the applicable laws and regulations. The function is under supervision of the Audit Committee . The internal audit plan is reviewed and finalised annually by Audit Committee in consultation with the Statutory Auditors to keep pace with ever changing business and statutory environment.

V. INDUSTRIAL RELATIONS AND HUMAN RESOURCES:

The Company continues to take up various initiatives for bettering the working environment for its employees and upgrading and improving the soft and hard skills. This includes various in-house and outside training programmes and interactive sessions.

The relations have remained cordial at all organisational levels and all work places.

VI. RISK FACTORS

The business environment is ever changing and becoming more and more complex and challenging. The Company has earned the confidence of the customers as a supplier of quality products. However, the competition intensifies every day throwing in challenges. The global economic recovery seems very slow and difficult. The input material prices remain volatile and uncertain. The Company has been able to mitigate these factors through exports to some extent.

The Company's capability to offer critical products and a range of the piping solutions in both Carbon Steel as well as Stainless Steel materials gives it a distinct advantage over competitors.

VII. CAUTIONARY STATEMENT

The statements given in this report, describing the Company's objectives, estimates, and expectations and future plans may be construed forward looking statements within the meaning of applicable laws and/or regulations. Actual performance may differ materially from those either expressed or implied. Important factors that could affect the working of the Company include economic conditions, domestic as well as international, affecting demand and price conditions, raw material prices, interest costs, changes in the Government policies affecting investments, changes in the Government regulations, tax laws, and other statutes, high prices of petro products affecting energy and transportation cost, etc.

The information and opinion expressed are forward looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. The management will not be liable for any loss, which may arise, as a result of any action taken on the basis of the information contained herein. The information contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other persons without the express prior written permission of the Company.

Additional Information as required under Section 217(1)(e) of The Companies Act, 1956.

A) CONSERVATION OF ENERGY:

In order to ensure high degree of optimization, conservation of energy and absorption of technology, the Company's Engineers are constantly involved with consultants in each phase of the operations. All possible measures have been taken by the Company to achieve this objective.

a) Energy Conservation

The Company has given highest priority for minimization of energy consumption by putting following continuous efforts during the year under review.

- 1) Replacement of high power consuming halogen lamps by energy efficient metal halide lamps in plant and outskirt lighting.
- 2) Installation of electronic soft starters for starting of induction motors to limit starting current and to reduce maximum demand charges.
- 3) Installation of automatic power factor cum harmonic control panel to increase efficiency of utilization of power and reduce electronic drives and controllers failure due to harmonics presence in power supply.
- 4) Replacement of old in-efficient HT motors by efficient induction motors with frequency drives to reduce running no-load losses.
- 5) Automatic Pipe Sensors has been installed on pipe conveying system to control idle running of conveyor motors.
- 6) In hydraulic systems, automatic pressure sensor cut off system has been installed to switch off hydraulic systems when not in use.
- 7) In office lighting the Company is using CFL lighting to conserve electricity.
- 8) In Carbon Steel Division the Company has maintained Unit Power Factor during the whole year and therefore the maximum demand has decreased.

- 9) Installation of 560 KW High Pressure Pump for the Hot Extrusion Press, which has resulted in a power saving of 15 % and has reduced the Press Billet drop down time drastically.

- 10) Installation of 60HP AC Drive on Motor of Hydraulic Power Pack of Push Pointing machine to run at low RPM when the Hydraulic Pump is not on load. The power saving achieved is 30%.

b) Additional investment.

No separate Account is maintained

c) Impact of Measures (a) and (b) above

Substantial energy saving as compared to the previous power supply system.

d) Total Energy Consumption as per Form "A":

Not Applicable

B) TECHNOLOGY ABSORPTION

e) Efforts made in Technology Absorption as per Form B:

Form B enclosed.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Activities relating to exports:

The Company has exported Pipes and Tubes to Egypt, France, Germany, Italy, Japan, Kenya, Korea, Kuwait, Saudi Arabia, U.A.E., U. S. A., etc.

g) Total Foreign Exchange Earnings used and earned.

Foreign Exchange Earnings (FOB) Rs. 6,660.38 Lacs (P. Y. Rs. 25,020.91 Lacs)

Foreign Exchange Outgo Rs. 685.63 Lacs (P. Y. Rs.1,072.52 Lacs)

FORM B

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

(1) Specific areas in which R & D is carried out:

- (a) Tube Bright Annealing Furnace imported from