



**REMI GROUP**

# **REMI EDELSTAHL TUBULARS LIMITED**



**Stainless Steel Welded and Seamless Pipes & Tubes**



**Wind Power  
Promoting Green Energy**

**45<sup>th</sup> Annual Report  
2015-2016**

<b>Board of Directors:</b>	Mr. Vishwambhar C. Saraf Mr. Rishabh R. Saraf Mr. Rajendra C. Saraf Mr. Shankar Lal Jain Mr. Kamal Kumar Dujodwala Mr. Gopikishan Biyani Mr. Sandeep Shriya Mrs. Anita Bhartiya	Chairman Managing Director Director Director Independent Director Independent Director Independent Director Independent Director
<b>Chief Financial Officer:</b>	Mr. Pradeep C. Jalan	
<b>Company Secretary:</b>	Ms. H. H. Joshi	
<b>Bankers:</b>	STATE BANK OF INDIA	
<b>Auditors:</b>	M/s. Sundarlal, Desai & Kanodia Chartered Accountants 903, Arcadia, 195, N.C.P.A. Road, Mumbai- 400 021	
<b>Registered Office:</b>	REMI HOUSE Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063 Ph.: 022-40589888, Fax: 022-26852335	
<b>CIN:</b>	L28920MH1970PLCPLC014746	
<b>Works:</b> (1)	Plot No. N-211/1 M.I.D.C. Tarapur, Maharashtra	
(2)	Village Brahmanwel, Taluka Shakri, District Dhule, Maharashtra	

**NOTICE**

To  
The Members,  
**REMI EDELSTAHL TUBULARS LIMITED**

**NOTICE** is hereby given that the 45th Annual General Meeting of the Company will be held at the Company's Registered Office, Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063, on **Friday, the 30th September, 2016**, at 11.30 A.M. to transact the following ordinary business:

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2016, together with the reports of the Board of Directors and the Auditors thereon;
2. To re-appoint as Director Shri Rajendra C. Saraf (DIN:00161412) who retires by rotation.
3. To ratify the appointment of Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the appointment of M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No. 110560W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 46th Annual General Meeting of the Company, be and are hereby ratified and on such remuneration to be fixed by the Board of Directors of the Company."

**Special Business : Ordinary Resolution**

4. To ratify the remuneration of Cost Auditors.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, remuneration payable to M/s Kejriwal & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company for the year 2016-17, to conduct the audit of the cost records of the Company, on a remuneration of Rs.45,000/- (Rupees Forty Five thousand only) be and are hereby ratified and confirmed."

**Special Business : Special Resolution**

5. To reappoint Shri Rishabh R. Saraf as Managing Director. "RESOLVED THAT Shri Rishabh R. Saraf, be and is hereby re-appointed as the Managing Director of the Company, for a further term of 3 years from the 1st April, 2016, to manage the affairs of the Company, on the following terms and conditions:

- i. A monthly salary of Rs.3,00,000/-.
- ii. Reimbursement of actual medical expenses incurred for self and family.
- iii. Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- iv. Annual fees to not more than two clubs.
- v. Free use of one or more Company car with driver for official purpose only.
- vi. Telephone at residence and Mobile phone.
- vii. Company's contribution to Provident Fund as per the rules of the Company.
- viii. Gratuity as per the rules of the Company.
- ix. Encashment of Leave at the end of the tenure."

"FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant annual increments to the Director upto a limit of 20% of the total emoluments of the previous financial year, effective from the 1st April, 2016. However the overall remuneration shall not exceed the limits specified in Section II, Part II of Schedule V to the Companies Act, 2013."

ON BEHALF OF THE BOARD  
For **REMI EDELSTAHL TUBULARS LIMITED**

**Registered Office,**  
Remi House, Plot No.11,  
Cama Industrial Estate,  
Goregaon (East), Mumbai – 400 063

Sd/-  
**(RISHABH R.SARAF)**  
**MANAGING DIRECTOR**  
(DIN:00161435)

Dated: 12<sup>th</sup> August, 2016

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING WILL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, the 24th September, 2016 to Friday, the 30th September, 2016**, both days inclusive.
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, during 4.00 P.M to 6 P.M up to the date of the Meeting.
4. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Registrar M/s.Bigshare Services Private Limited / Company .

**5. Green Initiative :**

**Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same to the Company by sending email at rmi\_igrd@remigroup.com or by submitting a duly filled in "E-mail Registration Form" available on the website of the Company, or to M/s.Bigshare Services Private Limited or with the concerned depositories.**

**The "E-mail Registration Form" has also been sent along with the Notice of the Company.** Members are requested to send the same duly filled in the self address envelop enclosed with the notice.

**YOUR INITIATIVE WILL SAVE FOREST WEALTH OF OUR COUNTRY.**

6. Pursuant to provision of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014 , as amended from time to time and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members facility to exercise their rights to vote on the resolution proposed to be considered at the 45th Annual General Meeting by the electronic means (remote e-voting) / postal Ballot and voting by ballot paper at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The e-voting facility is available at the link <https://www.evoting.nsdl.com>.
7. The Notice of the AGM is available on website of the Company. The self-addressed envelope enclosed to this Notice bears the address to which the duly completed Postal Ballot Form is to be sent. Shareholders desiring to exercise vote by physical Postal Ballot are requested to carefully read the instructions printed in the postal ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed business reply envelope to the scrutinizer so as to reach the Scrutinizer on or before the close of **5.00 p.m.** on the **29th September, 2016**. Any Postal Ballot received from the member beyond the said date will not be valid and voting by whether by post or by electronic means shall not be allowed beyond the said date.

8. **Kindly send duly filled "E-mail Registration Form" along with the Postal Ballot Form in the self-address envelop.**
9. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to **rmi\_igrd@remigroup.com**.
10. In case of joint holding, this form should be completed and signed by the first named Member and in his / her absence, by the next-named Member.
11. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be rejected.
12. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting / postal ballot shall be able to exercise their right at the meeting through ballot paper. A member may participate in the AGM even after exercising his/her right to vote through remote e-voting/ postal ballot but shall not be allowed to vote again at the AGM. In case Members cast their vote through all these modes, voting done by e-voting shall prevail and votes cast through Ballot form/ postal ballot shall be treated as invalid.
13. The remote e-voting period shall commence at 9.00 a.m. on the **26th September, 2016** and will end at 5 p.m. on **29th September, 2016**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
14. The details procedure for remote e-voting is set out below :

(a) **In case of Members receiving an e-mail from NSDL:**

- (i) Open email and open PDF file viz; "**RETL remote e-voting.pdf**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsd.com/>
- (iii) Click on Shareholder - Login.
- (iv) put 'User ID' and Password' as initial password/PIN as noted in step (i) above and click 'Login'.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select 'EVEN' (E-voting Event Number) of **REMI EDELSTAHL TUBULARS LIMITED**.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at **retlscrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**.

(b) **In case of Shareholders receiving physical copy of the Notice of AGM.**

- (i) Initial Password is provided in the enclosed Form

EVEN		
(Remote_E-voting Event Number)	User ID	Password/ PIN

- (ii) Please follow all steps from Sr. No. (a) (ii) to Sr. No. (xii) above, to cast vote.

(c) **Other Instructions:**

- I. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on Toll free no. 1800-222-990.
  - ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
15. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e on **23rd September, 2016** Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date.
  16. Any persons who have acquired shares after the dispatch of the Notice and holding shares as on cut-off date i.e. **23rd September, 2016** may obtain the user ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/ Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or contact NSDL at the following toll free no. 1800-222-990.
  17. The Company has appointed Shri V.S.Iyer, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire ballot voting /e-voting process in a fair and transparent manner.
  18. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting/ postal ballot facility.
  19. The scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
  20. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website i.e [www.remigroup.com](http://www.remigroup.com) and on the website of NSDL after the result is declared by the chairman or a person authorized by him .The result shall also be forwarded to The Bombay Stock Exchange Limited.
  21. An Explanatory Statement relating to the item of special business set out in item Nos. 4 to 5 accompanies.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013 – ANNEXURE TO THE NOTICE**

**Item No. 4**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is

sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

**Item No. 5**

Shri Rishabh R. Saraf has been reappointed as Managing Director of the Company from the 1st April, 2016 as per Schedule V, Part II section II (A) of the Companies Act, 2013 and hence, the following information is to be given herein:

- (i) The Remuneration Committee of Directors had approved of this remuneration.
- (ii) The Company has not made any default in repayment of its debts.
- (iii) Your approval is sought to be obtained by a Special Resolution.
- (iv) Attached hereto is a statement containing the following information:-

**I. General Information:**

- (1) Nature of Industry : Manufacture of Seamless Tubes & Pipes and Generation of Wind Energy.
- (2) Commencement of commercial production:1970
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not a new Company
- (4) Financial performance : The Company has a turnover of Rs.10774.61Lacs and net loss of Rs.609.29 Lacs for the financial year 2015-16.
- (5) Foreign investments or collaborations : None

**II. Information about the Appointee:**

- (1) Shri Rishabh R. Saraf (38) hails from a family of business people of fifty years' standing. After his college education, he obtained a Bachelor's degree in Business Management from the University of Nottingham in England. After his return, he joined his family business and has received from his elders in the family very good training in business management. He was first appointed on the board of directors on the 1st April, 2002. He attended 4 (four) meetings of the Board of Directors during the year 2015-16. He is on Board of Remi Proces Plant and Machinery Limited, Magnificent Trading Private Limited and Aura Realinvest Private Limited. He is Member of Nomination and Remuneration Committee in Remi Proces Plant and Machinery Limited.

- (2) Past remuneration : Rs.3 Lacs per month plus perquisites
- (3) Recognition or awards : National Energy Conservation.
- (4) Job profile and his suitability : He is in full charge of production,sales, export, finance and other administrative matters. After his training and experience during these 13 years, he has become the right person for managing the affairs of the Company.
- (5) Remuneration Proposed : As set out in the Special Resolution.
- (6) Comparative Remuneration profile : In similar Companies, this package is the norm.
- (7) Pecuniary relationship : He has a good financial stake in the Company by way of holding 354846 equity shares, 3.55% of the paid up capital. His father and the latter's brother are Directors of this Company.

**III. Other information:**

- 1) Reasons of loss or inadequate profits : The reason for loss is slowdown in the Indian Economy in General and negative growth in capital goods industry in particular in which Company operates.
- 2) Steps taken or proposed to be taken for improvement : The Company is modernizing its plant and machinery and developing value added products on continuous basis.
- 3) Expected increase in productivity and profits in measurable terms : It depends on the revival of the capital goods industry.

**IV. Disclosure:**

- 1) Remuneration Package : Set out in the Special Resolution.
- 2) Report under the heading 'Corporate Governance' in Directors' Report.
- (i) Salary etc. of all other Directors : done
- (ii), (iii) and (iv) : Not Applicable.

Shri Rishabh R. Saraf and his father Shri R. C. Saraf are deemed to be interested in this item of business.

Your Directors commend the resolutions for your approval.

**DIRECTORS' REPORT**

To,  
The Members  
**REMI EDELSTAHL TUBULARS LIMITED**

Your Directors have immense pleasure in presenting the 45<sup>th</sup> Annual Report and Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

**PERFORMANCE REVIEW:**

The performance for the financial year ended 31<sup>st</sup> March, 2016 is summarized below:-

	(₹ in Lacs)	
	2015 - 2016	2014 - 2015
Gross Turnover	<b>10774.61</b>	18529.41
Profit / (Loss) before Finance Cost, Depreciation and Tax (EBIDTA)	<b>188.17</b>	1065.75
Finance Cost	<b>597.01</b>	815.71
Depreciation	<b>483.77</b>	491.64
Taxation	<b>(283.32)</b>	(72.06)
Profit/ (Loss) for the period	<b>(609.29)</b>	(169.54)
Balance brought forward	<b>1079.72</b>	1249.27
	<b>470.43</b>	1079.73
<b>Appropriations</b>		
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	<b>470.43</b>	1079.73
	<b>470.43</b>	1079.73

**OPERATIONS :**

The Company has achieved turnover of Rs.107.75 crores during the current financial year as against Rs.185.29 crores during the previous year. The Company has achieved EBIDTA of Rs.1.87 crores during the year as against Rs.10.66 crores during the previous year. Net loss during the year has increased to Rs.6.09 crores from Rs.1.70 crores in the previous year.

The last two three years were very challenging for the Company in view of the slowdown in Indian economy in general and negative growth in the capital goods industry in particular. During this period various powers and other green field projects are either on hold or stuck due to various factors i.e; environmental clearance, financial closure etc. and consequently as Key Component/ Material Suppliers Original equipment manufacturers (OEM'S), like our company, are saddled with inventory and low business prospects.

The Company is hopeful that fresh capital investment in the power, refining and petro chemical sector will revive as the Government at Center is taking steps in that direction by more reforms including opening more sectors to FDI, raising FDI limit of various sectors and likely implementation of GST. Your Company is well positioned as efforts made into product development over the past few years have made your company one of the few manufacturers in the country that are capable of producing tubes for the power generation industry.

The Board of Directors expresses their inability to declare any dividend due to loss incurred by the Company.

There are no amounts proposed to reserves. There are no changes in the Share capital during the year.

There are no Companies which have become or ceased to be its Subsidiaries, Joint Ventures or associate Companies

**DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Shri Rajendra C. Saraf (DIN:00161412) retire by rotation and is to be re-appointed.

**BOARD MEETINGS:**

During the year, 4 (Four) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and committee meetings held during the year are given in the Corporate Governance Report.

**POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:**

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining qualifications, positive attributes and independence of a Director and also a policy for remuneration of Directors, Key Managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

**AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the appointment of the auditors M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No.110560W) shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No.110560W) as Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**COST AUDITORS AND COST AUDIT REPORT :**

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited by cost auditors. The Board has on the recommendation of the Audit Committee, appointed M/s. Kejriwal & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2016-17, on a remuneration of Rs.45,000/- (Rupees Forty Five Thousand only), subject to ratification by members. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s. Kejriwal & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

**SECRETARIAL AUDITOR:**

Shri V.S.Iyer, Practicing Company Secretary, was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2015-16 forms part of the Annual Report as "Annexure - A" to the Board's report. There is no qualification, reservation or adverse remark in the report,

**LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS AND POLICY ON RELATED PARTY TRANSACTIONS:**

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has formulated Policy on Related Party Transactions and the same is available on the website of the Company at [www.remigroup.com](http://www.remigroup.com). All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no material related party transactions entered by the Company during the year and thus disclosure in Form AOC-2 is not required

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company other than sitting fees .

Your Directors draw attention of the members to Note 1.7 to notes to accounts, which sets out related party disclosures.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**A) Conservation of energy:**

- |   |   |
|---|---|
| i. the steps taken or impact on conservation of energy; | : Replacement of 250W HPSV High Bay Height Fixtures with 100 W LED in plant sheds and modification in annealing furnace for improving its thermal efficiency. |
|---|---|

- ii. the steps taken by the co. for utilizing alternate sources of energy; : Windmill generation at Dhule is supplied to plant through open access scheme of Govt.
- iii. the capital investment on energy conservation equipments; : —

**(B) Technology absorption:**

- i. the efforts made towards technology absorption; : The Company does not have any foreign collaboration for manufacturing. The Company is continuously modernizing its production and testing machineries and equipments.
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution; : The Company's products are Import substitutes.
- iii. in case of imported technology : N.A. (imported during the last three years reckoned from the beginning of the financial year)
  - (a) the details of technology imported; : N.A.
  - (b) the year of import; : N.A.
  - (c) whether the technology been fully absorbed; : N.A.
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and : N.A.
- iv. the expenditure incurred on Research and Development : NIL

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Earnings	Rs.3539.63 Lacs (including value of deemed exports & supplies to SEZ & EOU of Rs.6522.86 Lacs)
Outgo	Rs.798.23 Lacs

**AUDIT COMMITTEE:**

The Composition of the Audit Committee are stated in the Corporate Governance Report.

**RISK MANAGEMENT:**

The Company has laid down a risk management policy identifying Foreign Exchange Risk , Business Risk and Insurance risk. The senior management team reviews and manages the foreign exchange risks in a systematic manner, including regular monitoring of exposures, proper advice from market experts, hedging of exposures, etc. The Company's currency hedging strategies have helped minimize volatility and have helped buffer the impact of currency exchange rate fluctuations.

**PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS, BOARD, COMMITTEES AND DIRECTORS:**

Pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board had carried out performance evaluation of its own, the Board Committees and of the Individual directors. Independent Directors at a separate meeting evaluated performance of the Non-Independent Directors, Board as a whole and of the Chairman of the Board. The manner in which the evaluation has been carried out has been detailed in the Corporate Governance Report.

**DEPOSITS:**

The Company has not accepted any deposits from the public falling within the purview of Section 73 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014.

**INTERNAL CONTROL SYSTEM:**

The Company has in place adequate internal financial controls with reference to financial statements. The internal financial controls are adequate and are operating effectively.

**SIGNIFICANT AND MATERIAL ORDERS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**VIGIL MECHANISM:**

The Company has set up vigil mechanism viz. Whistle Blower Policy to enable the employees and Directors to report genuine concerns and irregularities, if any in the Company, noticed by them. No personnel has been denied access to the Audit Committee. The same is posted on the website of the Company.

**EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure - B".

**MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule, 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

No employee of the Company was in receipt of remuneration equal to or exceeding the prescribed limits pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors confirm that:

- a. in the preparation of the annual accounts for the year ended 31st March 2016, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected 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 ended 31<sup>st</sup> March 2016 and of the loss of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts/financial statements on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls are adequate and were operating effectively ; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**APPRECIATION:**

The Board extends its grateful thanks to the Investors, Central and various State Governments, its bankers and district level authorities for their continued support extended to the Company from time to time.

**Registered Office:**

REMI House, Plot No.11,  
Cama Industrial Estate,  
Goregaon (East),  
Mumbai – 400 063  
Dated: 12<sup>th</sup> August, 2016

**ON BEHALF OF THE BOARD**

Sd/-  
**VISHWAMBHAR C. SARAF**  
CHAIRMAN  
(DIN:00161381)

**MANAGEMENT DISCUSSION AND ANALYSIS:-****(a) Industry Structure and Development:**

The growth in the product markets have shifted from the traditional focus on oil and petrochemical sector to the power sector. This shift stands to become more prominent in the next few years as the installation of nuclear power plants becomes more critical for the growth of the economy. The Stainless steel tube and pipe industry can be classified in the organized sector, in which the Company operates has witnessed a sharp growth in capacity over the past few years. However, due to slowdown in Indian economy in general and capital goods industry in particular, these are challenging times for the industry.

**(b) Opportunities and Threats:**

With the new government stabilizing and taking steps to revive the economy, we are hopeful that the economic environment will improve, customer sentiment will turn positive and the industry will see better growth in coming times. The growth in the power, both thermal & nuclear, fertilizer, oil and petroleum sector offer opportunities for the Company's products. However, the pricing volatility of key raw material ingredients (such as nickel) can affect demand and usage patterns of user industry as well as affect the viability of major project investments. Apart from this, installation of LNG terminals can have a substantial contribution in the usage of stainless steel tubular products. The threat of dumping of secondary quality products and imposition of antidumping duties by the government on major raw materials can have adverse effect on the demand.

**(c) Outlook:**

The Stainless Steel Tubular industry has strong fundamentals and the management firmly believes that this is an essential product required during the further industrialization of the country. Its expansion programme which is catered to meeting the demand for value added products is going to give the Company a chance to participate in the specialized markets which are currently dominated with few manufacturers. The approvals received from users abroad will help in redevelopment of an export market which is currently negligible in the Company's portfolio.

**(d) Risk and Concerns:**

The global environment continues to be marked by economic volatility. The uncertainty in the international and domestic markets may affect demand. It may also have a further impact on the Indian Rupee, which would make imports more expensive. The Company, however, is taking suitable steps to ensure protection of its margins as and when required. The high rate of interest and uncertain monsoons may continue to dampen the investment scenario in India.

**(e) Internal Control Systems and their adequacy:**

The Company has adequate internal control systems in technical and financial fields.

**(f) Financial Performance:**

The Financial Performance of the Company was under pressure during the year due to slow down in Indian economy in general and capital goods industry in particular.

**(g) Human Resources/ Industrial Relations:**

The Company has maintained good industrial relations and is continuously adding to the human resources of the Company.

**(h) Cautionary Statement:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand and supply, finished goods prices in the domestic and overseas markets in which the Company operates, raw-materials cost and availability, changes in Government regulations, tax regimes, economic developments within or outside India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revive any forward looking statements on the basis of any subsequent developments, information or events.

**CORPORATE GOVERNANCE****1. COMPANY'S BASIC PHILOSOPHY:**

The Company's philosophy is to undertake its business with integrity, fairness, transparency and accountability and to ensure that adequate internal control systems are devised and put in place so that the interests of shareholders, employees, suppliers and those associated with the company are protected.

**2. BOARD OF DIRECTORS:****COMPOSITION AND CATEGORY OF DIRECTORS:**

Name of Director	Category	Attendance Particulars		Other Boards		
		Annual General Meeting	Board Meetings	Directorship	Committee Chairmanship	Committee Membership
Mr. V. C. Saraf	Promoter	Yes	3	5	3	3
Mr. K.K. Dujodwala	Independent Non-Executive	Yes	4	9	—	2
Mr. R. C. Saraf	Promoter	Yes	4	5	3	4
Mr. R.R. Saraf	Promoter Executive	Yes	4	3	—	1
Mr. S.L. Jain	Non-Executive	No	3	1	—	—
Mr. G. Biyani	Independent Non-Executive	No	3	5	—	—
Mr. Sandeep Shriya	Independent Non-Executive	No	4	4	1	1
Smt. Anita Bhartiya	Independent Non-Executive	No	4	6	—	4

**3. AUDIT COMMITTEE:**

The Audit Committee has two qualified, independent and non-executive directors and provides assistance to the Board of Directors in fulfilling its responsibilities.

The functions of the audit committee include:

- Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Discussing the adequacy of internal control systems, the scope of audit, internal audit reports and the compliance thereof.
- Recommending the fixation of the audit fee and also approval for payment for any other services of the Auditors.
- Reviewing with management the quarterly and annual financial statements, before submission to the Board.



Attendance of the members at the Audit Committee Meetings held during 2015-16.

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. Kamal Kumar Dujodwala	Chairman/ Member	4	4
Mr. Rajendra C. Saraf	Member	4	4
Mr. Sandeep Shriya	Member	4	4

**4. NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee Comprise of Mr. Rajendra C.Saraf, Mr. Kamal Kumar Dujodwala (Chairman) and Mr. Gopikishan Biyani, three non-executive directors and provides assistance to the Board of Directors in fulfilling its responsibilities.

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. Kamal Kumar Dujodwala	Chairman/ Member	2	2
Mr. Rajendra C. Saraf	Member	2	2
Mr. Sandeep Shriya	Member	2	2

The Terms of reference of the committee comprise various matters provided under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and section 178 of the Companies Act, 2013, and other matters referred by the Board from time to time. The Chairman of the Committee is Non-executive Independent Director.

In terms of the Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Remuneration Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company had been formulated by the N&RC of the Company and approved by the Board of Directors. The Nomination and Remuneration Committee, has designed the remuneration policy in order to attract, motivate and retain the executive talent needed to achieve superior performance in a competitive market. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is as below: The Managing Director is paid remuneration by way of salary, perquisites, incentives and allowances, as recommended by the Committee and the Board of Directors and approved by the Members of the Company from time to time. Non-Executive Independent Directors are paid sitting fees for attending meetings of the Board of Directors.

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business; balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties;
- personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

**5. DETAILS OF THE REMUNERATION TO ALL THE DIRECTORS:**

(₹ in Lacs)

NAME AND DESIGNATION	SALARY	SITTING FEES
Mr. Vishwambhar C. Saraf - Chairman	43.17	0.08
Mr. Rishabh R. Saraf- Managing Director		-
Mr. Rajendra C. Saraf		0.14
Mr. Kamal Kumar Dujodwala		0.17
Mr. Shankar Lal Jain		0.08
Mr. Gopikishan Biyani		0.10
Mr. Sandeep. Shriya		0.17
Mrs. Anita Bhartiya		0.13

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:-**

The Members of the Committee comprise of Shri Vishwambhar C. Saraf and Shri Rajendra C. Saraf. Shri Vishwambhar C. Saraf is the Chairman of the Committee. Ms. H.H. Joshi, Company Secretary, is compliance officer of the Company.

The Company had received only 8 (Eight) complaints during the year 2015-2016. All the complaints had been disposed off. There are no Shareholders' complaints pending.

**7. POSTAL BALLOT:-**

During the last year, no resolution was passed through Postal Ballot.

**8. GENERAL BODY MEETINGS:-**

The last 3 Annual General Meetings of the Company were held as under:

DATE	VENUE	TIME	NO. OF SPECIAL RESOLUTIONS
30/09/2013	Remi House, Plot No.11, Cama Industrial Estate, Goregaon(E), Mumbai - 400 063	11.30 A.M.	One
30/09/2014	- do -	- do -	—
30/09/2015	- do -	- do -	One

**9. DISCLOSURES:**

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.	Transactions with related parties are disclosed in Note No. 1.7 to the accounts. These transactions are not in conflict with the interests of the Company
Details of non-compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	Nil
Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause..	The Company has complied with all mandatory requirements of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as applicable from time to time.

**10. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS, BOARD, COMMITTEES AND DIRECTORS**

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of non-executive directors.

**11. INDEPENDENT DIRECTORS FAMILIARISATION PROGRAMME**

As per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programme is placed on the Company's website at link:

[http://remigroup.com/share\\_holder/retl/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.pdf](http://remigroup.com/share_holder/retl/FAMILIARISATION%20PROGRAMMES%20FOR%20INDEPENDENT%20DIRECTORS.pdf)

**12. SHAREHOLDING OF NON-EXECUTIVE DIRECTORS:**

Name of Directors	Share holding (Nos.)
Mr. Vishwambhar C. Saraf	400
Mr. Rajendra C. Saraf	100
Mr. Shankar Lal Jain	-
Mr. Kamal Kumar Dujodwala	-
Mr. Gopikishan Biyani	-
Mr. Sandeep. Shriya	5000
Mrs. Anita Bhartiya	-

**13. BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE APPOINTMENT:**

Shri Rajendra C. Saraf (DIN:00161412) is a commerce graduate of the University of Bombay. After graduation, he joined the family business. He is Managing Director of Remi Process Plant and Machinery Ltd. and is on the Board of Remi Elektrotechnik Ltd., Pudumjee Industries Ltd., Pudumjee Hygiene Products Limited and Calplus Trading Pvt. Ltd.

**14. MEANS OF COMMUNICATION:**

The Company regularly intimates its financial results to the Bombay Stock Exchange Limited as soon as the same are approved and taken on record. These financial results are published in The Free Press Journal and Navshakti and are also available on website of the Company.

**15. GENERAL SHAREHOLDER INFORMATION:**

The 45<sup>th</sup> Annual General Meeting of the Company will be held on Friday, the **30<sup>th</sup> September, 2016**, at its Registered Office, Remi House, Plot No. 11, Cama Industrial Estate, Goregaon (East), Mumbai-400 063, at **11.30 A.M.**

Financial year of the Company is from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, the 24th September, 2016 to Friday, the 30th September, 2016**, both days inclusive.

● **Listing on Stock Exchange:**

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	513043

● **Market Price Data**

MONTH	HIGH PRICE (in ₹)	LOW PRICE (in ₹)
April - 2015	29.00	23.00
May - 2015	25.00	22.00
June - 2015	25.60	22.00
July - 2015	26.85	21.95
August - 2015	24.90	20.15
September - 2015	23.70	20.00
October - 2015	24.05	19.90
November - 2015	21.45	16.80
December - 2015	22.85	18.45
January - 2016	20.80	18.00
February - 2016	23.20	17.15
March - 2016	23.15	19.60

● **Registrar and Transfer Agents**

**Bigshare Services Private Limited**, E-2&3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai -400 072  
Tel: 022-28470652/ 40430200, Fax: 22 28475207  
E-mail: investor@bigshareonline.com,  
Website: www.bigshareonline.com

● **Share Transfer system:**

The transfers received by the Company or Registrar and Transfer Agent in physical form are processed and Share Certificates are dispatched.

● Categories of Shareholders as on 31st March, 2016

CATEGORY	NO OF HOLDERS	NO OF SHARES	% OF TOTAL SHARE HOLDING
Individuals	3666	4525167	45.33
Companies	54	5438032	54.48
FIs, NRIs & OCBs	12	9201	0.09
Mutual Funds, Banks & FIs	3	10000	0.10
<b>TOTAL:</b>	<b>3735</b>	<b>9982400</b>	<b>100.00</b>

● **Distribution of Shares:**

Distribution of Shareholding as on 31st March, 2016.

Shareholding of Nominal	No. of Shareholders	% of Total	Shares	% of total
1 - 500	3041	81.42	658622	6.60
501 - 1000	467	12.50	340652	3.41
1001 - 2000	118	3.16	176411	1.77
2001 - 3000	29	0.78	73778	0.74
3001 - 4000	17	0.46	62853	0.63
4001 - 5000	15	0.40	70127	0.70
5001 - 10000	14	0.37	99567	1.00
10001 & Above	34	0.91	8500390	85.15
<b>TOTAL:</b>	<b>3735</b>	<b>100.00</b>	<b>9982400</b>	<b>100.00</b>

● **Dematerialization of Shares:**

As on 31st March, 2016, 9375613 equity shares constituting 93.92% have been dematerialized.

● **Unclaimed Suspense Account**

In accordance with Regulation 39 (4) of the Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Unclaimed Suspense Account has been opened with Stock Holding Corporation of India Limited and all equity shares in physical form lying unclaimed pursuant to Public/Rights/Bonus issued of the Company have been dematerialized and credited to said account. Whenever any request for said unclaimed shares is received, equity shares either in electronic or physical forms is issued to the claimant concerned after debiting said account and that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of Shareholders	No. of Shares
aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	394	63,637
number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
number of shareholders to whom shares were transferred from suspense account during the year;	0	0
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	394	63,637

● **Plant Location:**

1. The manufacturing facility of the Company is located at the Plot No.N-211/1, M.I.D.C., Tarapur, Maharashtra.
2. Wind Mill is located at Village Brahmanwel, Taluka Sakri, District Dhule, Maharashtra.

● **Address for Correspondence:**

**Registered & Corporate Office:** REMI HOUSE  
Plot No.11, Cama Industrial Estate, Goregaon (E) Mumbai - 400 063  
Ph. No.022-4058 9888  
Fax No.022-2685 2335  
Email: rmi\_igrd@remigroup.com

**Registrar and Share Transfer Agent:** Bigshare Services Private Limited  
E-2&3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072  
Ph. No.:022-2847 0652/ 4043 0200  
Fax No.:022-2847 5207  
Email: investor@bigshareonline.com

**ON BEHALF OF THE BOARD**

Sd/-

**VISHWAMBHAR C. SARAF**  
**CHAIRMAN**  
**(DIN: 00161381)**

Place : Mumbai  
Dated: 12<sup>th</sup> August, 2016

**CERTIFICATE OF CORPORATE GOVERNANCE**

The Members,  
**REMI EDELSTAHL TUBULARS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **REMI EDELSTAHL TUBULARS LIMITED**, for the year ended on March 31, 2016 as stipulated in Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as applicable from time to time, entered by the Company with Bombay Stock Exchange Limited, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Regulation.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the stakeholders Relationship Committee of the Company.

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

For **SUNDARLAL, DESAI & KANODIA,**  
**CHARTERED ACCOUNTANTS,**

Sd/-

**(M. B. DESAI)**  
**PARTNER**

**(MEMBERSHIP NO. 33978)**

PLACE : MUMBAI  
DATED : 12<sup>TH</sup> AUGUST, 2016

**DECLARATION REGARDING CODE OF CONDUCT**

I hereby declare that all the members of the Board and the senior management personnel of **Remi Edelstahl Tubulars Limited** have affirmed compliance with the Code of Conduct of the Company.

For **REMI EDELSTAHL TUBULARS LIMITED**

Sd/-

**(RISHABH R.SARAF)**  
**MANAGING DIRECTOR**  
**(DIN: 00161435)**

PLACE : MUMBAI  
DATED : 12<sup>TH</sup> AUGUST, 2016

## Form No. MR-3 Secretarial Audit Report

(For the Financial year ended **31<sup>st</sup> March, 2016**)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
**REMI EDELSTAHL TUBULARS LIMITED**  
(CIN: L28920MH1970PLC014746)  
Plot No.11 , Cama Industrial Estate,  
Goregaon (East), Mumbai -400063

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **REMI EDELSTAHL TUBULARS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **REMI EDELSTAHL TUBULARS LIMITED ("The Company")** for the Financial year ended on **31<sup>st</sup> March, 2016** according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**not applicable to the Company during audit period**);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**not applicable to the Company during audit period**);
  - e) The Securities and Exchange Board of India (Issue and

- Listing of Debt Securities) Regulations, 2008; (**not applicable to the Company during audit period**);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**not applicable to the Company during audit period**);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**not applicable to the Company during audit period**);
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (**not applicable to the Company during audit period**) and
- i) The examination of compliance of the provisions of other special applicable laws was limited to the verification of procedure on test basis.

**I have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India. (**w.e.f. 1<sup>st</sup> July, 2015 to 31<sup>st</sup> March, 2016**)
- ii. The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited,

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

**I further report that:**

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

**I further report** that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report** that during the audit period, there are no specific events / actions having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc., referred to above.

Place : Mumbai  
Date : 5<sup>th</sup> August, 2016

Sd/-  
**V. S. IYER**  
Company Secretary in  
Whole-Time Practice  
C.P. No.194

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L28920MH1970PLC014746
2	Registration Date	19-08-1970
3	Name of the Company	REMI EDELSTAHL TUBULARS LIMITED
4	Category/Sub-category of the Company	Company limited by shares/ Indian Non-Government Company
5	Address of the Registered office & contact details	Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai-400063
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited, E-2&3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 72 Ph. No.:022-2847 0652/ 4043 0200, Fax No.:022-2847 5207

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	S.S Pipes & Tubes	24106	95.03

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Nil				

**IV. SHARE HOLDING PATTERN**

(Equity share capital breakup as percentage of total equity)

**(I) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	2,419,330	-	2,419,330	24.24%	2,419,330	-	2,419,330	24.24%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	3,369,520	-	3,369,520	33.75%	3,369,520	-	3,369,520	33.75%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other (Trust)	61,748	-	61,748	0.62%	61,748	-	61,748	0.62%	0.00%
Sub Total (A) (1)	5,850,598	-	5,850,598	58.61%	5,850,598	-	5,850,598	58.61%	0.00%
(2) <b>Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>TOTAL (A)</b>	<b>5,850,598</b>	<b>-</b>	<b>5,850,598</b>	<b>58.61%</b>	<b>5,850,598</b>	<b>-</b>	<b>5,850,598</b>	<b>58.61%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	9,000	9,000	0.09%	-	9,000	9,000	0.09%	0.00%
b) Banks / FI	-	1,000	1,000	0.01%	-	1,000	1,000	0.01%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
l) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	10,000	10,000	0.10%	-	10,000	10,000	0.10%	0.00%

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2,059,168	7,800	2,066,968	20.71%	2,055,969	7,800	2,063,769	20.67%	-0.03%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals									
i) Individual share-holders holding nominal share capital upto Rs. 1 lakh	869,650	599,624	1,469,274	14.72%	896,536	588,987	1,485,523	14.88%	0.16%
ii) Individual share-holders holding nominal share capital in excess of Rs 1 lakh	566,920	-	566,920	5.68%	558,566	-	558,566	5.60%	-0.08%
c) Others (specify)									
Non-Resident Indians	12,646	-	12,646	0.13%	9,201	-	9,201	0.09%	-0.03%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	5,994	-	5,994	0.06%	4,743	-	4,743	0.05%	-0.01%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	3,514,378	607,424	4,121,802	41.29%	3,525,015	596,787	4,121,802	41.29%	0.00%
Total Public (B)	3,514,378	617,424	4,131,802	41.29%	3,525,015	606,787	4,131,802	41.39%	0.10%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>9,364,976</b>	<b>617,424</b>	<b>9,982,400</b>	<b>100%</b>	<b>9,375,613</b>	<b>606,787</b>	<b>9,982,400</b>	<b>100.00%</b>	<b>0.10%</b>

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares encumbered to total Shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	REMI SECURITIES LTD.	1,209,390	12.12%	0.00%	1,209,390	12.12%	0.00%	0.00%
2	REMI FINANCE AND INVESTMENT PVT. LTD.	625,000	6.26%	0.00%	625,000	6.26%	0.00%	0.00%
3	RAJENDRA FINANCE PVT. LTD.	625,000	6.26%	0.00%	625,000	6.26%	0.00%	0.00%
4	MINAKSHI R. SARAF	552,580	5.54%	0.00%	552,580	5.54%	0.00%	0.00%
5	VISHWAMBHARLAL CHIRANJILAL H.U.F.	250,632	2.51%	0.00%	250,632	2.51%	0.00%	0.00%
6	VANDANA V. SARAF	736,604	7.38%	0.00%	736,604	7.38%	0.00%	0.00%
7	RITVIK V. SARAF	362,268	3.63%	0.00%	362,268	3.63%	0.00%	0.00%
8	RISHABH R. SARAF	354,846	3.55%	0.00%	354,846	3.55%	0.00%	0.00%
9	CALPLUS TRADING PRIVATE LIMITED	162,344	1.63%	0.00%	162,344	1.63%	0.00%	0.00%
10	VISHWAKARMA JOBWORKS LTD.	150,000	1.50%	0.00%	150,000	1.50%	0.00%	0.00%
11	RAJENDRA CHIRANJILAL H.U.F.	100,000	1.00%	0.00%	100,000	1.00%	0.00%	0.00%
12	K K FINCORP LTD. (FORMERLY KNOWN AS KUBERKAMAL INDUSTRIAL INVESTMENTS LTD.)	472,102	4.73%	0.00%	472,102	4.73%	0.00%	0.00%
13	BAJRANG FINANCE LTD.	63,084	0.63%	0.00%	63,084	0.63%	0.00%	0.00%
14	FULIDEVI SARAF FAMILY TRUST	61,748	0.62%	0.00%	61,748	0.62%	0.00%	0.00%
15	AMRITA R. SARAF	52,000	0.52%	0.00%	52,000	0.52%	0.00%	0.00%
16	REMI ELEKTROTECHNIK LIMITED	40,000	0.40%	0.00%	40,000	0.40%	0.00%	0.00%
17	REMI SALES & ENGG. LTD.	21,400	0.21%	0.00%	21,400	0.21%	0.00%	0.00%
18	ANUPAM KASERA	9,600	0.10%	0.00%	9,600	0.10%	0.00%	0.00%
19	HIGHPOWER MERCANTILE LTD.	1,000	0.01%	0.00%	1,000	0.01%	0.00%	0.00%
20	VISHWAMBHAR C. SARAF	400	0.00%	0.00%	400	0.00%	0.00%	0.00%
21	RAJENDRA C. SARAF	400	0.00%	0.00%	400	0.00%	0.00%	0.00%
22	VAYUDOOT TRADING LTD.	200	0.00%	0.00%	200	0.00%	0.00%	0.00%
	<b>TOTAL:</b>	<b>5,850,598</b>	<b>58.61%</b>	<b>0.00%</b>	<b>5,850,598</b>	<b>58.61%</b>	<b>0.00%</b>	<b>0.00%</b>

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	5850598	58.61%	5,850,598	58.61%
	Changes during the year(Preferential Allotment on 14/02/2015)	-	0.00%	-	0.00%
	At the end of the year			5,850,598	58.61%

(iv) Shareholding Pattern of top ten Shareholders  
(Other than Directors, Promoters and Holders of GDRs and ADRs):

1	HANUMAN FORGING AND ENGINEERING PVT LTD At the beginning of the year Changes during the year At the end of the year	1,600,000 - -	16.70% 0.00%	1,600,000 - 1,600,000	16.03% 0.00% 16.03%
2	LAKSHMINARAYAN REALFINVEST LIMITED At the beginning of the year Changes during the year At the end of the year	310,509 - -	3.24% 0.00%	310,509 - 310,509	3.11% 0.00% 3.11%
3	SANGEETHA S At the beginning of the year Changes during the year At the end of the year	225,150 15,856 -	2.26% 0.16%	225,150 241,006 241,006	2.26% 2.41% 2.41%
4	KALPESH MANOHAR SANGHVI At the beginning of the year Changes during the year At the end of the year	- 93,059 -	0.00% 0.93%	- 93,059 93,059	0.00% 0.93% 0.93%
5	JAI AMBIKA FINANCE AND INVESTMENT PVT. LTD. At the beginning of the year Changes during the year At the end of the year	90,000 - -	0.90% 0.00%	90,000 - 90,000	0.90% 0.00% 0.90%
6	JAYANTILAL MISRIMALJI SANGHVI At the beginning of the year Changes during the year At the end of the year	73,456 - -	0.77% 0.00%	73,456 - 73,456	0.74% 0.00% 0.74%
7	RAJIV PURSHOTTAM DHARNIDHARKA At the beginning of the year Changes during the year At the end of the year	50,000 - -	0.52% 0.00%	50,000 - 50,000	0.50% 0.00% 0.50%
8	SATHYA S At the beginning of the year Changes during the year At the end of the year	30,175 11,863 -	0.30% 0.12% 0.12%	30,175 11,863 42,038	0.30% 0.12% 0.42%
9	SUBRAMANIAN P At the beginning of the year Changes during the year At the end of the year	- - -	0.00% 0.00%	- 37,169 37,169	0.00% 0.37% 0.37%
10	SHANTHI GENERAL FINANCE P LIMITED At the beginning of the year Changes during the year At the end of the year	28,109 (985) -	0.28% 0.01%	28,109 (985) 27,124	0.28% -0.01% 0.27%

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Vishwambhar C. Saraf				
	At the beginning of the year	400	0.00	400	0.00
	Changes during the year	-	-	-	-
	At the end of the year	-	-	400	0.00
2	Mr. Rajendra C. Saraf				
	At the beginning of the year	400	0.00	400	0.00
	Changes during the year	-	-	-	-
	At the end of the year	-	-	400	0.00
3	Mr. Rishabh R. Saraf				
	At the beginning of the year	354846	3.70	354,846	3.55
	Changes during the year	-	-	-	-
	At the end of the year	-	-	354,846	3.55
4	Mr. Sandeep Shriya				
	At the beginning of the year	5000	0.05	5,000	0.05
	Changes during the year	-	-	-	-
	At the end of the year	-	0.05	5,000	0.05
5	Mr. Kamalkumar Dujodwala				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr. Shankarlal Jain				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Mr. Gopikishan Biyani				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Mrs. Anita Bhartiya				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Mr. Pradeep C. Jalan (CFO)				
	At the beginning of the year	2,600	0.03	2,600	0.03
	Changes during the year	-	-	-	-
	At the end of the year	-	-	2,600	0.03
10	Miss. H. H. Joshi (Company Secretary)				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,897.13	3,513.11	-	6,410.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.03	471.91	-	477.94
<b>Total (i+ii+iii)</b>	<b>2,903.16</b>	<b>3,985.02</b>	<b>-</b>	<b>6,888.18</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	827.55	1261.25	-	2,088.80
Net Change	827.55	1261.25	-	2,088.80
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,075.50	2,291.56	-	4,367.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.11	432.21	-	432.32
<b>Total (i+ii+iii)</b>	<b>2,075.61</b>	<b>2,723.77</b>	<b>-</b>	<b>4,799.38</b>



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
	Name	Mr. Rishabh R. Saraf	(in Lac)
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36.05	36.05
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.81	2.81
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	38.85	38.85
	Ceiling as per the Act	As per applicable Companies Act.	

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Lac)
1	Independent Directors	Mr. K.K. Dujodwala	Mr. S.Shriya	Mr. G. Biyani	Mrs. A. Bhartiya	
	Fee for attending board committee meetings	0.17	0.17	0.10	0.13	0.56
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	0.17	0.17	0.10	0.13	0.56
2	Other Non-Executive Directors	Mr. V.C. Saraf	Mr. R.C. Saraf	Mr. S.L. Jain		-
	Fee for attending board committee meetings	0.08	0.14	0.08		
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	0.08	0.14	0.08		0.29
	<b>Total (B)=(1+2)</b>					0.85
	<b>Total Managerial Remuneration</b>					39.70
	Overall Ceiling as per the Act	As per applicable Companies Act.				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	Mr. P.C. Jalan	Miss. H. H. Joshi	(Rs/Lac)
	Designation	Chief Financial Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	19.50	3.91	23.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	<b>Total:</b>	19.50	3.91	23.42

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. <b>COMPANY</b> Penalty Punishment Compounding				}	Nil
B. <b>DIRECTORS</b> Penalty Punishment Compounding					
C. <b>OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding					

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of **REMI EDELSTAHL TUBULARS LIMITED.**

### Report on the Financial Statements

We have audited the accompanying financial statements of **REMI EDELSTAHL TUBULARS LIMITED**, which comprise the balance sheet as at 31st March, 2016, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2016;
- ii. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order, to extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. in our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c. the balance sheet and statement of profit and loss dealt with by this report are in agreement with the books of account and returns.
  - d. in our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standards referred to in section 133 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the Directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a Director in terms of clause of sub-section (2) of section 164 of the Companies Act, 2013.
  - f. in our opinion the Company has adequate internal financial controls system in place and the operating effectiveness of such controls. Refer our Report in Annexure "B" attached herewith.
  - g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements.
    - ii) the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
    - iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS,  
(Firm Registration No.110560W)**

Sd/-  
**(M. B. DESAI)**  
PARTNER

PLACE: MUMBAI  
DATED: 30<sup>TH</sup> MAY, 2016

Membership Number 33978

**ANNEXURE “A” TO THE AUDITORS' REPORT**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of Company.
- (ii) According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any secured or unsecured loans to Companies/Firm/Limited Liability Partnerships/Other Persons covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of the Companies Act, 2013 and rules framed there under are not attracted.
- (vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations provided to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it with appropriate authorities and there were no undisputed arrears as at 31st March, 2016 for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess as at 31st March, 2016, which have not been deposited on account of a dispute, are as follows: -

Sr. No.	Name of the Statute	Nature of dues & Period	Amount (₹)	Form where dispute is pending
1.	The Central Sales Tax Act	CST Interest & Penalty F.Y. 2005-06	12,676/-	Maharashtra Sales Tax Tribunal
2.	The Income Tax Act, 1961	Income Tax A.Y. 2010-11 A.Y. 2007-08	19,788/- 1,22,384/-	Income Tax Appellate Tribunal -do-
3	The Income Tax Act, 1961	Income Tax & Interest A.Y. 2012-13	1,07,364/-	Comm. of Income Tax Appellate
4	Service Tax	Service Tax Demand & Penalty April 2009 to Sept. 2013	85,39,371/-	Commissioner (Appeals)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions, banks, Government or debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer, including debt instruments and term loans in current year and also in immediately preceding year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to information and explanations given to us, the Company paid or provided managerial remuneration with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(XII) of the order is not applicable. .
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered to any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS,  
(Firm Registration No.110560W)**

Sd/-  
**(M. B. DESAI)**  
**PARTNER**

PLACE: MUMBAI  
DATED: 30<sup>TH</sup> MAY, 2016

**Membership Number 33978**

## ANNEXURE “B” TO THE AUDITORS' REPORT

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Remi Edelstahl Tubulars Limited** (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS,  
(Firm Registration No.110560W)**

Sd/-  
**(M. B. DESAI)**  
**PARTNER**

PLACE: MUMBAI  
DATED: 30<sup>TH</sup> MAY, 2016

**Membership Number 33978**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016**

		( ₹ in Lacs )	
Particulars	Notes	AS AT 31.03.2016	AS AT 31.03.2015
<b>I. EQUITY AND LIABILITIES:</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	998.24	998.24
(b) Reserves and Surplus	3	<u>3,138.63</u>	<u>3,747.92</u>
		<u><b>4,136.87</b></u>	<u><b>4,746.16</b></u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	2,628.69	2,183.97
(b) Deferred Tax Liabilities (Net)		350.29	634.29
(c) Other Long term Liabilities	5	<u>256.76</u>	<u>253.36</u>
		<u><b>3,235.74</b></u>	<u><b>3,071.62</b></u>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	2,073.97	4,409.96
(b) Trade Payables	7	869.65	1,466.66
(c) Other Current Liabilities	8	715.76	878.43
(d) Short-Term Provisions	9	<u>5.95</u>	<u>4.30</u>
		<u><b>3,665.33</b></u>	<u><b>6,759.35</b></u>
<b>Total</b>		<u><b>11,037.94</b></u>	<u><b>14,577.13</b></u>
<b>II. ASSETS:</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	10		
(i) Tangible Assets		4,750.75	5,162.17
(ii) Intangible Assets		1.68	2.38
(iii) Capital Work-in-Progress		4.86	19.48
(b) Non-Current Investments	11	61.95	61.95
(d) Long Term Loans and Advances	12	<u>125.76</u>	<u>142.16</u>
		<u><b>4,945.00</b></u>	<u><b>5,388.14</b></u>
<b>(2) Current Assets</b>			
(a) Inventories	13	3,830.73	6,198.37
(b) Trade Receivables	14	1,644.69	1,907.01
(c) Cash and Cash Equivalents	15	207.12	190.45
(d) Short-term Loans and Advances	16	394.18	872.48
(e) Other Current Assets	17	<u>16.22</u>	<u>20.68</u>
		<u><b>6,092.94</b></u>	<u><b>9,188.99</b></u>
<b>Total</b>		<u><b>11,037.94</b></u>	<u><b>14,577.13</b></u>

The accompanying notes are an integral part of the Financial Statements.

1

AS PER OUR REPORT OF EVEN DATE  
FOR SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
(M.B. DESAI)  
PARTNER  
Membership No.33978

Sd/-  
V.C. SARAF  
CHAIRMAN

Sd/-  
R.R. SARAF  
MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 30<sup>TH</sup> MAY, 2016

Sd/-  
P.C. JALAN  
CHIEF FINANCIAL OFFICER

Sd/-  
H.H. JOSHI  
COMPANY SECRETARY

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

		( ₹ in Lacs )	
Particulars	Notes	For the year ended 31.03.2016	For the year ended 31.03.2015
I. Revenue from Operations	18	10,774.60	18,529.41
Less: Excise Duty		690.12	1,307.22
		<u>10,084.48</u>	<u>17,222.19</u>
II Other Income	19	328.51	150.94
III <b>Total Revenue (I +II)</b>		<u>10,412.99</u>	<u>17,373.13</u>
IV <b>Expenses:</b>			
Cost of Materials Consumed	20	5,943.89	13,090.09
Purchase of Stock-in-Trade	21	430.50	244.93
Changes in Inventories of Finished Goods & Work-in-Progress	22	1,220.83	(456.22)
Employee Benefit Expenses	23	758.11	793.94
Other Expenses	24	1,871.50	2,643.95
Depreciation and Amortization Expenses		483.76	491.64
Finance Costs	25	597.01	806.39
V <b>Total Expenses</b>		<u>11,305.60</u>	<u>17,614.73</u>
VI Profit before Tax (III - IV)		(892.61)	(241.60)
VII <b>Tax Expense:</b>			
(a) Current Tax / (Credit)		0.68	0.12
(b) Deferred Tax / (Credit)		(284.00)	(72.18)
VIII Profit/ (Loss) for the Period (V-VI)		(609.29)	(169.54)
IX Earning per Equity Share [Nominal Value of Share Rs. 10 ]			
(1) Basic		(6.10)	(1.76)
(2) Diluted		(6.10)	(1.70)

The accompanying notes are an integral part of the Financial Statements.

1

AS PER OUR REPORT OF EVEN DATE  
FOR SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS

Sd/-  
(M.B. DESAI)  
PARTNER  
Membership No.33978

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-  
V.C. SARAF  
CHAIRMAN

Sd/-  
R.R. SARAF  
MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 30<sup>TH</sup> MAY, 2016

Sd/-  
P.C. JALAN  
CHIEF FINANCIAL OFFICER

Sd/-  
H.H. JOSHI  
COMPANY SECRETARY

**CASH FLOW STATEMENT FOR THE YEAR 2015-2016**

	(₹ in Lacs)	
	2015-2016	2014-2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Extra-ordinary item	(892.61)	(241.60)
<b>Adjustment for :</b>		
Depreciation	483.77	491.64
Interest	597.01	806.39
Profit on sale of Fixed Assets	(2.49)	—
Profit on sale of Investments	(157.14)	—
Other non-operating Income	(76.11)	(56.05)
<b>Operating profit before working capital charges</b>	(47.57)	1,000.38
<b>Adjustment for :</b>		
Trade and Other Receivables	745.08	24.35
Inventories	2,367.65	(1,006.78)
Trade Payable and Provision	(758.04)	(7.86)
<b>Cash Generated from Operations</b>	2,307.12	10.09
Interest Paid	(597.01)	(806.39)
Direct Taxes Paid	(0.68)	(0.12)
<b>Cash Flow before Extra-ordinary items</b>	1,709.43	(796.42)
Extra-ordinary items	—	—
<b>Net Cash from Operating Activities (A)</b>	1,709.43	(796.42)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(70.85)	(278.94)
Purchase of Investments	(161.40)	—
Sales of Fixed Assets	16.30	—
Sales of Investments	318.55	—
Other non-operating Income	76.11	56.05
<b>Net Cash used in Investing Activities (B)</b>	178.71	(222.89)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Loan	(268.39)	(283.22)
Repayment of Short Term Loan	(2,335.99)	—
Proceeds from Issue of Shares	—	396.00
Proceeds from Long Term Loan	713.11	52.68
Proceeds from Short Term Loans	—	710.35
Increase in Long Term Liabilities	3.40	178.54
Decrease in Long Term Loans & Advances	16.40	11.75
<b>Net Cash used in Financial Activities (c)</b>	(1,871.47)	1,061.10
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	16.67	41.79
Cash as at (Closing Balance)	207.12	190.45
Cash as at (Opening Balance)	190.45	148.66
<b>Increase/Decrease in Cash Balance</b>	(16.67)	(41.79)

**NOTES:**

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard "Cash Flow Statement"
- Cash and Cash equivalents includes Cash and Bank balances.
- Figures in bracket represents Cash Outflow.

**AS PER OUR REPORT OF EVEN DATE  
FOR SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS**

Sd/-

**(M.B. DESAI)  
PARTNER  
Membership No.33978**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Sd/-

**V.C. SARAF  
CHAIRMAN**

Sd/-

**R.R. SARAF  
MANAGING DIRECTOR**

Sd/-

**P.C. JALAN  
CHIEF FINANCIAL OFFICER**

Sd/-

**H.H. JOSHI  
COMPANY SECRETARY**

PLACE : MUMBAI  
DATED : 30<sup>TH</sup> MAY, 2016

**NOTES TO FINANCIAL STATEMENT****NOTE - 1****1.1 SIGNIFICANT ACCOUNTING POLICIES****(i) BASIS OF ACCOUNTING**

The financial statements are prepared under historical cost convention on accrual basis and are in accordance with the requirements of the Companies Act, 2013, and comply with the Accounting Standards specified by the Institute of Chartered Accountants of India

**(ii) FIXED ASSETS, DEPRECIATION AND TREATMENT OF EXPENDITURE DURING CONSTRUCTION**

- a) All Fixed Assets are valued at cost, which include expenditure incurred in acquisition and construction/installation and other related expenses & difference in foreign exchange liability related to assets acquired in foreign currency in accordance with Notification dated 31<sup>st</sup> March, 2009.
- b) Depreciation on fixed asset is provided to the extent of depreciable amount provided on straight line method. Depreciation is provided based on useful life of the asset as prescribed in Schedule II in to the Companies Act, 2013. In respect of additions on extensions forming an integral part of existing fixed assets, depreciation provided as aforesaid over the useful life of the respective asset.

- c) Leasehold Land is amortised over the lease period.

**(iii) INTANGIBLE ASSETS**

Expenditure incurred for acquiring Software is stated at acquisition cost less accumulated amortization. They are amortised over their useful life not exceeding five years.

**(iv) ASSETS GIVEN ON OPERATING LEASE**

- a) All assets given on operating lease are capitalized as Fixed Assets and shown separately in the Fixed Assets Schedule.
- b) Depreciation on fixed asset is provided to the extent of depreciable amount provided on straight line method. Depreciation is provided based on useful life of the asset as prescribed in Schedule II in to the Companies Act, 2013. In respect of additions on extensions forming an integral part of existing fixed assets, depreciation provided as aforesaid over the useful life of the respective asset.
- c) Short Depreciation for earlier period as per revised schedule II of Companies Act, 2013 based on useful life has been adjusted from retained earnings.

**(v) VALUATION OF INVENTORY**

- a) Raw Materials and General Stores are valued at cost or net realisable value, whichever is less, excluding Cenvat and VAT credit, by FIFO method.
- b) Work in Process is valued at raw material cost plus estimated overheads or net realisable value; whichever is less but excluding Cenvat and VAT credit.
- c) Finished Goods valued at cost including estimated overheads or net realisable value whichever is less. The value includes excise duty paid/payable on such goods.
- d) Scrap is valued at realisable value. This value includes excise duty payable thereon.

**(vi) SALES**

Sales are inclusive of Excise duty and Sales Tax and net of returns, claims, discount etc. Domestic Sale is recognised at the point of dispatch / billing & Exports Sale is recognised on the date of Bill of Lading.

**(vii) EMPLOYEE RETIREMENT BENEFITS:****1) Post-Employment Employee Benefits****a) Defined Contribution Plans:**

The Company has Defined Contribution Plan for Post-Employment benefits in the form of Provident Fund for all employees which is administered by Regional Provident Fund Commissioner. Provident Fund is classified as defined contribution plan as the Company has no further obligation beyond making the contributions. The Company's contribution to Defined Contribution Plan is charged to the Statement of Profit and Loss as and when incurred.

**b) Defined Benefit Plans:**

Funded Plan: The Company has defined benefit plan for Post-employment benefit in the form of Gratuity for all employees which is administered through Life Insurance Corporation (LIC).

Liability for above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

**2) Other Long-term Employee Benefit:**

Liability for Compensated Absences (unutilized leave benefit) is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit method in respect of past service.

3) Termination benefits are recognized as an expense as and when incurred.

4) The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss of the year without resorting to any amortization.

**(viii) SALES TAX INCENTIVE**

Sales Tax deferred under the Incentive Scheme of Govt. of Maharashtra has been shown as unsecured Loans.

**(ix) INVESTMENTS**

Long Term Investments are stated at cost. However, provision for diminution for decline other than temporary fall in market value, if any, is provided for Current Investments are carried at lower of cost and fair value.

**(x) FOREIGN CURRENCY TRANSACTIONS**

a) Foreign currency transactions are recorded at the exchange rate prevailing at the time of the transaction.

b) Foreign currency transactions remaining unsettled at the year end and not covered by forward contract are translated at the exchange rate prevailing at the year end. Premium/discount on forward contracts are amortized over the period of the contract.

c) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Statement of Profit and Loss except, as referred in para (d) below.

**(xi) BORROWING COSTS**

Borrowing costs that are attributable to the acquisition of fixed assets are capitalised for the period until the asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**(xii) TAXES**

Tax expense for the year comprises of current income tax & wealth tax and deferred income tax. Current income tax provision has been determined on the basis of reliefs, deductions available under the Income Tax Act. Deferred tax is recognized for all timing differences, subject to the consideration of prudence, applying the tax rates and tax laws which have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is virtual certainty that the assets will be realised in future.

**(xiii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent Liabilities are disclosed separately.

**(xiv) IMPAIRMENT**

In accordance with AS28 on "Impairment of Assets", where there is an indication of the Company's assets related to cash generating units, the carrying amount of such assets are reviewed at each balance sheet date to determine where there is any impairment. An asset is impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**(xv) EXCISE DUTY**

Excise Duty payable on products is accounted for at the time of dispatch of goods from the factory but is accrued for finished goods stocks held at the year end.

Excise Duty related to the difference between the closing stock and opening stock of finished goods has been recognized separately in the Statement of Profit and Loss under Note of Other Expenses under "Manufacturing Expenses".



NOTES TO FINANCIAL STATEMENT

	<b>Current Accounting Year Ended 31.03.2016 (₹ in Lacs)</b>	Previous Accounting Year ended 31.03.2015 (₹ in Lacs)
<b>1.2 CONTINGENT LIABILITIES NOT PROVIDED FOR :</b>		
a) Bank Guarantees given by bankers on behalf of the Company.	<b>2,090.29</b>	1,574.21
b) Guarantee given by the Company to Bankers on behalf of associate Company	<b>840.00</b>	840.00
c) Bills Discounted	<b>153.21</b>	1,026.56
d) Claim of Collector	<b>353.47</b>	353.47
e) <u>Central Excise disputed in appeal -</u>		
i) Show cause notices pending for Adjudication.	—	70.94
f) Service Tax disputed in Appeal	<b>91.11</b>	—
g) In respect of Custom Duty	<b>417.16</b>	406.60
h) Income Tax disputed in appeal	<b>2.50</b>	12.68
<b>1.3</b> Rent receivable in respect of assets given on operating lease in next one year is ₹ 60.00 Lacs (P.Y. ₹ 60.00 Lacs), beyond one year to five years ₹ 300.00 Lacs (P.Y. ₹ 300.00 Lacs) and beyond five years ₹ 5.00 Lacs (P.Y. ₹ 5.00 Lacs).		
<b>1.4 THE SIGNIFICANT COMPONENT AND CLASSIFICATION OF DEFERRED TAX ASSETS AND LIABILITIES ON ACCOUNT OF TIMING DIFFERENCES ARE: -</b>	<b>As At 31-03-2016 (₹ in Lacs)</b>	As At 31-03-2015 (₹ in Lacs)
<b>DEFERRED TAX ASSETS:</b>		
Provision for Retirement Benefits	<b>18.25</b>	15.76
Business Loss	<b>536.93</b>	253.82
Long Term Capital Loss	<b>18.38</b>	17.56
	<b>573.56</b>	287.14
<b>DEFERRED TAX LIABILITY:</b>		
Depreciation	<b>923.85</b>	921.43
<b>Net deferred tax liability on account of timing difference</b>	<b>350.29</b>	634.29
<b>1.5 SEGMENT REPORTING:</b>		
The Company operates in two segments namely (i) Manufacturing of S.S. Pipes & Tubes and (ii) Wind Power Generation. Since revenue, result and assets of Wind Power Generation are below the prescribed criteria, same is not treated as reportable segment.		
<b>1.6 EARNING PER SHARE</b>	<b>2015-2016</b>	<b>2014-2015</b>
<b>RECONCILIATION OF BASIC AND DILUTED SHARES USED IN COMPUTING EARNINGS PER SHARE</b>		
a) Number of shares considered as basic weighted average shares outstanding	<b>99,82,400</b>	96,32,811
Number of shares considered as basic weighted average shares outstanding for computing basic earning per share	<b>99,82,400</b>	96,32,811
Number of shares considered as weighted average shares outstanding for computing diluted earning per share.	<b>99,82,400</b>	99,82,400
<b>COMPUTATION OF BASIC AND DILUTED EARNING PER SHARE</b>		
b) Net profit after tax attributable to equity share-holders (₹ in Lacs)	<b>(609.29)</b>	(169.54)
c) Basic earnings per equity share of ₹10/- each (in ₹)	<b>(6.10)</b>	(1.76)
d) Diluted earnings per equity share of ₹10/- each (in ₹)	<b>(6.10)</b>	(1.70)
<b>1.7 RELATED PARTIES DISCLOSURES: -</b>		
l) (a) <u>Key Management Personnel:</u> Shri. Rishabh R. Saraf – Managing Director		
(b) <u>Associates with whom the Company has transactions:</u> Remi Process Plant and Machinery Limited, Remi Elektrotechnik Limited, Calplus Trading Private Limited, Magnificent Trading Private Limited & Aura Realinvest Private Limited.		
(c) <u>Relatives of key management personnel and other related parties with whom the Company has transactions:</u> Rajendra Electrical Motor Industries, Remi International, Dholishakti International, Shri V.C. Saraf, Shri R.C. Saraf & Shri Ritvik V. Saraf		
<b>Note:</b> Related party relationship is as identified by the Company and relied upon by the Auditors.		

NOTES TO FINANCIAL STATEMENT

ii) Transactions carried out with related parties referred in (i) above, in ordinary course of business during the year and balances as at year end: (₹ in Lacs)

Nature of Transactions (Excluding reimbursements)	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
<b>Purchases</b>			
Fixed Assets	–	<b>1.56</b>	–
	(–)	(24.37)	(–)
Goods & Materials	–	<b>71.49</b>	–
	(–)	(680.69)	(–)
<b>Sales</b>			
Goods and Materials	–	<b>18.31</b>	–
	(–)	(1.95)	(–)
Fixed Assets	–	–	–
	(–)	(–)	(–)
<b>Expenses</b>			
Rent and other service charges	–	<b>14.46</b>	<b>1.20</b>
	(–)	(25.56)	(1.20)
Royalty Charges	–	–	<b>9.84</b>
	(–)	(–)	(15.96)
Remuneration	<b>43.17</b>	–	–
	(30.80)	(–)	(–)
Repairs & Maintenance	–	–	–
	(–)	(0.13)	(–)
General Expenses	–	–	–
	(–)	(–)	(–)
Sitting Fees	–	–	<b>0.22</b>
	(–)	(–)	(0.32)
Interest paid	6.93	<b>88.27</b>	<b>3.83</b>
	(–)	(124.43)	(23.68)
<b>Income</b>			
Rent and other service charges	–	–	–
	(–)	(0.80)	(–)
Testing Charges	–	1.36	–
	(–)	(1.25)	(–)
Job Work Charges	–	<b>0.16</b>	–
	(–)	(0.80)	(–)
<b>Finance</b>			
Loans and Advances taken	<b>129.00</b>	<b>345.00</b>	<b>62.50</b>
	(136.00)	(1,085.00)	(153.50)
<b>Balances as at 31st March 2016</b>			
Payable	–	<b>1.35</b>	2.09
	(–)	(429.43)	(–)
Receivable	–	<b>79.29</b>	<b>1.25</b>
	(–)	(106.78)	(1.25)
Outstanding Loans	6.24	584.87	3.44
	(–)	(997.42)	(–)

Figures in bracket represent previous year figures.

1.8 **DISCLOSURES IN ACCORDANCE WITH REVISED AS - 15 ON "EMPLOYEE BENEFITS":-**

(A) Defined Contribution Plans:

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

(₹ in Lacs)

Contribution to Employees' Provident Fund	For the year ended March 31, 2016	
		<b>44.89</b>
	(44.45)	
<b>Total</b>	<b>44.89</b>	
	(44.45)	

NOTES TO FINANCIAL STATEMENT

(B) Defined Benefits Plans:

(i) Changes in the Present Value of Obligation

For the year ended March 31, 2016

(₹ in Lacs)

	Gratuity	Leave Encashment	Total
(a) Present Value of Obligation as at April 1, 2015	<b>135.76</b> (110.08)	<b>47.65</b> (37.44)	<b>183.41</b> (147.52)
(b) Interest Cost	<b>10.52</b> (9.36)	<b>3.69</b> (3.18)	<b>14.21</b> (12.54)
(c) Past Service Cost	— (—)	— (—)	— (—)
(d) Current Service Cost	<b>9.58</b> (10.75)	<b>4.63</b> (3.52)	<b>14.21</b> (14.27)
(e) Benefits Paid	<b>(21.18)</b> (8.12)	<b>(20.19)</b> (10.56)	<b>(41.37)</b> (18.68)
(f) Actuarial (Gain)/Loss	<b>(7.60)</b> (13.69)	<b>16.93</b> (14.07)	<b>9.33</b> (27.76)
(g) Present Value of Obligation as at March 31, 2016	<b>127.08</b> (135.76)	<b>52.71</b> (47.65)	<b>179.79</b> (183.41)

(ii) Changes in the Fair value of Plan Assets:

For the year ended March 31, 2016

	Gratuity
(a) Present Value of Plan Assets as at April 1, 2015	<b>140.17</b> (132.19)
(b) Expected Return on Plan Assets	<b>11.06</b> (11.61)
(c) Actuarial Gain/(Loss)	<b>(0.04)</b> (—)
(d) Employers' Contributions	— (4.49)
(e) Employees' Contributions	— (—)
(f) Benefits Paid	<b>(21.18)</b> (8.12)
(g) Fair Value of Plan Assets as at March 31, 2016	<b>130.01</b> (140.17)

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets:-  
For the year ended March 31, 2016

	Gratuity	Leave Encashment	Total
(a) Present Value of Funded Obligation as at March 31, 2016	<b>127.08</b> (135.76)	— —	<b>127.08</b> (135.76)
(b) Fair Value of Plan Assets as at March 31, 2016	<b>130.01</b> (140.17)	— (—)	<b>130.01</b> (140.17)
(c) Present Value of Unfunded Obligation as at March 31, 2016	<b>(—)</b> (—)	<b>52.71</b> (47.65)	<b>52.71</b> (47.65)
(d) Net Liability / (Asset) recognized in the Balance Sheet	<b>(2.93)</b> (4.41)	<b>52.71</b> (47.65)	<b>49.78</b> (43.24)

(iv) Expenses recognized in the Statement of Profit and Loss

For the year ended March 31, 2016

	Gratuity	Leave Encashment	Total
(a) Current Service Cost	9.58 (10.75)	4.63 (3.52)	14.21 (14.27)
(b) Past Service Cost	— (—)	— (—)	— (—)
(c) Interest Cost	10.52 (9.36)	3.69 (3.18)	14.21 (12.54)
(d) Expected Return on Plan Assets	11.06 (11.61)	— (—)	11.06 (11.61)
(e) Net actuarial (Gain)/Loss	(7.56) (13.69)	16.93 (14.08)	9.37 (27.77)
(f) Employees' Contribution	— (—)	— (—)	— (—)
(g) Total Expenses recognized in the Statement of Profit and Loss	1.48 (22.19)	25.25 (20.78)	26.73 (42.97)

**NOTES TO FINANCIAL STATEMENT**

(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2016

	Percentage
(a) Government of India Securities	--
(b) Corporate Bonds	--
(c) Special Deposit Scheme	--
(d) Equity Shares of Listed Companies	--
(e) Property	--
(f) Insurer Managed Funds	100%
(g) Others	(100%)

(vi) The overall expected rate of return on assets is based on the expectation of the average long-term rate of return expected on investments of the Fund during the estimated term of the obligations.

(vii) The Actual Return on Plan Assets is as follows:-

Particulars	(₹ in Lacs)
Actual return on plan assets	<b>11.02</b> (11.61)

(viii) Following are the Principal Actuarial Assumptions used as at the balance sheet date:-

Sr. No.	Particulars	Gratuity	Leave Encashment
(a)	Discount Rate	8% (7.75%)	8% (7.75%)
(b)	Expected Rate of Return on Plan Assets	8.35% (9%)	-- (--)
(c)	Salary Escalation Rate	6% (6%)	6% (6%)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

1.9 Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 21.85 Lacs (P.Y. ₹ 12.39 Lacs)

1.10 **Value of Imports calculated on C.I.F. basis in respect of:**

	2015-2016 (₹ in Lacs)	2014-2015 (₹ in Lacs)
(i) Raw Material	738.47	2,836.72
(ii) Stores & Spare Parts	12.15	40.47
(ii) Fixed Assets	13.61	54.74

1.11 **Value of Raw Materials and Stores & Spare Parts consumed & percentage of total consumption:**

	Value (₹ in Lacs)	% of total consumption	Value (₹ in Lacs)	% of total Consumption
a) <b>Raw Materials:</b>				
I) Imported	928.76	15.63	2,727.86	20.84
ii) Indigenous	5,015.13	84.37	10,362.23	79.16
	<b>5,943.89</b>	<b>100.00</b>	13,090.09	100.00
b) <b>Stores and Spare Parts:</b>				
I) Imported	15.81	4.33	48.34	10.33
ii) Indigenous	349.68	95.67	419.34	89.67
<b>Total</b>	<b>365.49</b>	<b>100.00</b>	467.68	100.00

1.12 **Expenditure in Foreign Currency:**

i) Travelling expenses	15.20	20.18
ii) Interest & Bank Charges	-	3.94
iii) Other Expenses	18.80	6.42
	<b>34.00</b>	<b>30.54</b>

1.13 **Earning in Foreign Exchange:**

Export of S.S. Pipes (at F.O.B. Value)	3,539.63	6,522.86
(Including value of Deemed Exports & Supplies to SEZ & EOU of ₹ 3,157.54 Lacs; P.Y. ₹ 5,901.65 Lacs)		

**NOTES TO FINANCIAL STATEMENT**

1.14 Payments to Micro, Small and Medium Enterprises are made in accordance with the agreed credit terms and to the extent ascertained from available information, there is no overdue payable to MSME units beyond the period specified in Micro, Small and Medium Enterprises Development Act, 2006.

1.15 Previous year figures are regrouped / rearranged and reclassified whenever necessary to confirm to current year's presentation.

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	(₹ in Lacs)	
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED:</b>		
1,00,00,000 (1,00,00,000) Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP :</b>		
99,82,400 ( 95,82,400) Equity Shares of ₹ 10/- each	<u>998.24</u>	<u>998.24</u>
<b>TOTAL</b>	<u><u>998.24</u></u>	<u><u>998.24</u></u>

a) **Terms/ Rights Attached to Equity Shares:**

The company has only one class of equity shares having par value of ₹ 10/- Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend, if any, in Indian Rupees.

b) In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of Shareholders Holding more than 5% Shares of the Company:**

Sr. No.	Name of the Shareholder	No. of shares as on 31-03-2016	No. of shares as on 31-03-2015
1	Vandana V. Saraf	736604	736604
2	Minakshi R. Saraf	552580	552580
3	Rajendra Finance Pvt. Ltd.	625000	625000
4	Remi Finance & Investment Pvt. Ltd.	625000	625000
5	Remi Securities Ltd.	1209390	1209390
6	Hanuman Forging & Engineering Pvt. Ltd.	1600000	1600000

d) **Reconciliation of Shares Outstanding**

At the beginning of the year	<b>9982400</b>	9582400
Add: Shares issued during the year	<u>          --</u>	<u>400000</u>
At the end of the year	<u><b>9982400</b></u>	<u>9982400</u>

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	(₹ in Lacs)	
<b>NOTE - 3</b>		
<b>RESERVES AND SURPLUS</b>		
a) Capital Reserve	<b>35.01</b>	35.01
b) <u>General Reserve:</u>		
Opening Balance	<b>2,277.19</b>	2,277.19
c) <u>Share Premium Account</u>		
Share Premium received during the year	<u><b>356.00</b></u>	<u>356.00</u>
	<b>2,633.19</b>	2,633.19
d) <u>Surplus:</u>		
Opening Balance	<b>1,079.72</b>	1,291.94
Add/(Less) transfer from Statement of Profit & Loss for the year	<b>(609.29)</b>	(169.54)
Less: Depreciation on transition to schedule II to the Companies Act, 2013 on Fixed Assets with Nil remaining useful life.	<u>          -</u>	<u>(42.68)</u>
<b>Net surplus in the statement of profit &amp; loss</b>	<u><b>470.43</b></u>	<u>1,079.72</u>
	<u><b>3,138.63</b></u>	<u>3,747.92</u>

NOTES TO FINANCIAL STATEMENT

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015

NOTE - 4

( ₹ in Lacs

LONG TERM BORROWING

**Term Loans:**

**Secured Loans**

From State Bank of India:

a) Rupee Term Loan	-	171.78
[Secured by equitable mortgage of land & building at Tarapur, land at Dhule for Wind Power Project and hypothecation of Plant & Machinery and extension of hypothecation charge on the entire current assets of the Company consisting of Raw Materials, Stock-in-Process, Finished Goods, Stores & Spares, other Consumables, Book Debts, both Present & Future. The term loan is also guaranteed by two of the Directors.]		
(Repayable in monthly installment of ₹ 15,00,000/- each. Total number of installments -60)		
b) Vehicle Loan	-	1.53
[Secured against hypothecation of the Vehicle purchased from such loans (payable in 36 EMIS of ₹ 22,631/- each)]		
	-	173.31

**Unsecured Loans**

Inter Corporate Loans

Deferred Sales Tax Liabilities

2,178.15	1,465.04
450.54	545.62
<b>2,628.69</b>	<b>2,010.66</b>
<b>2,628.69</b>	<b>2,183.97</b>

NOTE - 5

LONG TERM LIABILITIES

Deposit Received	210.00	210.00
Provision For Leave Encashment	46.76	43.36
	<b>256.76</b>	<b>253.36</b>

NOTE - 6

SHORT TERM BORROWING

**Loans Repayable on Demand:**

**Secured Loans:**

From State Bank of India:

Cash Credit Facility

2,073.97	2,541.42
----------	----------

[Secured by first hypothecation charge on entire current assets consisting of raw material, semi finished, finished goods and receivables. Extension of first charge on entire fixed assets of the Company consisting of land, building, plant & machinery situated at Tarapur, Distt. Thane and at Brahmanwel, Distt. Dhule. The Loans are also guaranteed by two of the Directors.]

**Unsecured Loans**

Inter Corporates Loans

-	1,868.54
<b>2,073.97</b>	<b>4,409.96</b>

NOTE - 7

TRADE PAYABLES (Including ₹ 44.37 Lacs; P.Y. ₹ 468.41 Lacs Payable to MSME Units)

869.65	1,466.66
<b>869.65</b>	<b>1,466.66</b>

NOTE - 8

OTHER CURRENT LIABILITIES

Income Received in Advance	0.36	19.07
Unpaid Dividend	-	1.92
Current Maturities of long term debts	96.61	288.22
<b>Other Payables:</b>		
- Advance from Customers	262.06	164.90
- TDS Payable	64.39	63.19
- Sales Tax Payable	21.91	35.62
- Other Statutory Dues Payable - PF etc.	6.15	4.51
- Other Creditors	19.85	51.79
- Excise Duty Payable	28.22	95.67
- Other Liabilities	216.21	153.54
	<b>618.79</b>	<b>569.22</b>
	<b>715.76</b>	<b>878.43</b>

NOTE - 9

SHORT TERM PROVISION

For Employee Benefit:

Provision For Leave Encashment

5.95	4.30
<b>5.95</b>	<b>4.30</b>

NOTES TO FINANCIAL STATEMENT

NOTE - 10

(₹ in Lacs)

Particular	GROSS CARRYING AMOUNT				DEPRECIATION					NET CARRYING AMOUNT	
	As on 01.04.2015	Addition/ Adjustment	Deduction/ Adjustment	As on 31.03.2016	Upto 31.03.2015	For the Year	Effect of Change in Useful Lives of Asset	Deduction	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
(a) <b>TANGIBLE ASSETS:</b>											
Land	53.00	-	-	53.00	13.71	0.56	-	-	14.27	38.73	39.28
Leasehold Land - Wind Mill	12.00	-	-	12.00	6.26	0.48	-	-	6.74	5.26	5.74
Factory Building	1,086.68	-	-	1,086.68	431.39	32.55	-	-	463.94	622.74	655.29
Plant And Machinery	6,073.18	45.26	28.84	6,089.60	2,056.66	390.53	-	16.27	2,430.92	3,658.67	4,016.53
Plant And Machinery - Wind Mill	333.12	12.55	-	345.67	199.59	13.73	-	-	213.32	132.35	133.53
Dies & Moulds	191.77	-	-	191.77	105.52	8.01	-	-	113.53	78.24	86.25
Electrical Installation	303.40	23.69	-	327.09	162.24	19.51	-	-	181.75	145.34	141.16
Office Equipments	18.69	3.09	-	21.78	15.78	1.33	-	-	17.11	4.67	2.91
Air Conditioners	28.35	0.46	-	28.81	14.57	2.33	-	-	16.90	11.91	13.78
Computers	48.83	0.42	0.01	49.24	43.84	1.57	-	-	45.41	3.84	5.00
Furniture & Fixtures	60.12	-	-	60.12	44.54	2.65	-	-	47.19	12.93	15.59
Vehicles	100.87	-	5.61	95.26	53.74	9.82	-	4.37	59.19	36.06	47.13
<b>Total (a)</b>	<b>8,310.01</b>	<b>85.47</b>	<b>34.46</b>	<b>8,361.02</b>	<b>3,147.84</b>	<b>483.07</b>	<b>-</b>	<b>20.64</b>	<b>3,610.27</b>	<b>4,750.75</b>	<b>5,162.17</b>
<b>Capital WIP</b>										4.86	19.48
(b) <b>INTANGIBLE ASSETS:</b>											
Computer Software	27.35	-	-	27.35	24.98	0.69	-	-	25.67	1.68	2.38
<b>Total (b)</b>	<b>27.35</b>	<b>-</b>	<b>-</b>	<b>27.35</b>	<b>24.98</b>	<b>0.69</b>	<b>-</b>	<b>-</b>	<b>25.67</b>	<b>1.68</b>	<b>2.38</b>
<b>Grand Total ( a+b )</b>	<b>8,337.36</b>	<b>85.47</b>	<b>34.46</b>	<b>8,388.37</b>	<b>3,172.82</b>	<b>483.76</b>	<b>-</b>	<b>20.64</b>	<b>3,635.94</b>	<b>4,752.43</b>	<b>5,164.55</b>
<b>Previous Year Total</b>	7,989.57	347.79	-	8,337.36	2,618.02	491.64	63.16	-	3,172.82	5,164.55	5,371.55

Particulars	AS AT 31.03.2016	AS AT 31.03.2015
	(₹ in Lacs)	

NOTE - 11

NON -CURRENT INVESTMENTS

(valued at cost unless stated otherwise):

**Unquoted & Trade Investment - Equity Shares**

Tarapur Environment Protection Society.

5.82

5.82

5816 (5816) shares of ₹ 100 each

**Unquoted & Non-Trade Investment - Equity Shares**

Vastupurna Property Holding Pvt. Ltd.

250000 shares of ₹ 10/- each

25.00

25.00

Vishwakarma Jobworks Ltd.

9350 shares of ₹ 333/- each

31.13

31.13

**61.95**

**61.95**

(Aggregate amount of Unquoted investment)

**61.95**

**61.95**

NOTE - 12

LONG -TERM LOANS AND ADVANCES

(Unsecured and considered good)

Capital Advances

85.16

5.23

Security Deposits

40.60

136.93

**125.76**

**142.16**

NOTE - 13

INVENTORIES [ Refer note 1 ( v ) ]

( As per Inventory taken, valued and certified by management)

(a) Raw Materials (including goods in transit ₹ 115.73 Lacs; P.Y. ₹ 250.95 Lacs)

520.90

1,633.29

(b) Work-In -Process

2,940.82

3,554.62

(c) Finished goods

253.96

860.99

(d) Stores and Spares (including goods in transit ₹ 1.89 Lacs; P.Y. ₹ 5.94 Lacs)

115.05

149.47

**TOTAL**

**3,830.73**

**6,198.37**

NOTES TO FINANCIAL STATEMENT

Particulars	AS AT	AS AT
	31.03.2016	31.03.2015

(₹ in Lacs)

**NOTE - 14**

**TRADE RECEIVABLE**

**(Unsecured and considered good)**

Outstanding Over Six Months from due date	147.83	42.29
Others	1,496.86	1,864.72
<b>TOTAL</b>	<b>1,644.69</b>	<b>1,907.01</b>

**NOTE - 15**

**CASH AND BANK BALANCES:**

**CASH AND CASH EQUIVALENTS:**

(a) Balance with Banks:		
On current account	3.54	3.97
(b) Cash on Hand	1.63	1.86
	<u>5.17</u>	<u>5.83</u>

**OTHER BANK BALANCES:**

(a) Balance in Unpaid Dividend Account	-	1.92
(b) Fixed Deposits with maturity of more than 12 months (Pledged with bank as margin against B/Gs' & L/Cs')	201.95	182.70
	<u>201.95</u>	<u>184.62</u>
<b>TOTAL</b>	<b>207.12</b>	<b>190.45</b>

**NOTE - 16**

**SHORT TERM LOANS AND ADVANCES**

**(Unsecured and considered good)**

**Others**

(a) Advances recoverable in cash or in kind for value to be received	88.69	143.49
(b) MAT Credit Entitlement	96.17	96.16
(c) Payment of Advance Income Tax, TDS and FBT ( Net )	51.20	32.41
(d) Balances with Central Excise and Cenvat Refundable	78.10	490.02
(e) Prepaid Expenses	75.19	91.84
(f) Advance to Staff	4.83	18.56
	<u>394.18</u>	<u>872.48</u>

**NOTE - 17**

**OTHER CURRENT ASSETS**

Interest accrued and not due	16.22	20.68
<b>TOTAL</b>	<b>16.22</b>	<b>20.68</b>

**NOTE - 18**

**Revenue from Operations:**

(a) Sale of Products:		
Local Sales	9,638.32	17,288.36
Export Sales	390.25	646.26
Trading Sales	442.88	294.62
Income from Wind Power	81.18	32.72
	<u>10,552.63</u>	<u>18,261.96</u>
(b) Other Operating Revenues:		
Sale of scrap	112.38	183.60
Labour & Service Charges	109.59	80.53
Income from Renewable Energy Certificates	-	3.32
	<u>221.97</u>	<u>267.45</u>
<b>Revenue from operations</b>	<b>10,774.60</b>	<b>18,529.41</b>
<b>Product wise details</b>		
1. Sale of S.S.Pipes & Tubes	10,028.57	17,934.62
2. Sale of Wind Power	81.18	32.72
3. Others	442.88	294.62
	<u>10,552.63</u>	<u>18,261.96</u>



NOTES TO FINANCIAL STATEMENT

PARTICULARS	For the year ended 31.03.2016	For the year ended 31.03.2015
	( ₹ in Lacs )	

**NOTE - 19**

**Other Income**

(a) Excess Provision of Bonus W/Back	3.09	0.16
Sundry Credit Balance W/back	-	10.24
Compensation Received	-	25.00
Commission Received	89.51	58.77
Miscellaneous Income	0.17	0.72
<b>(b) Other Non - Operating Income</b>		
Rent Received	60.00	56.05
Other Miscellaneous Income	16.11	-
Short Term Gain on Sales of Investments	157.14	-
Long Term Gain on Sales of Fixed Assets ( Net )	2.49	-
	<u>328.51</u>	<u>150.94</u>

**NOTE - 20**

(a) **Cost of Materials consumed**

Inventory at the beginning of the year	1,633.29	1,096.45
Add: Purchase	<u>4,831.50</u>	<u>13,626.93</u>
	6,464.79	14,723.38
Less: Inventory at the end of the year	<u>520.90</u>	<u>1,633.29</u>
Cost of Materials Consumed	<u>5,943.89</u>	<u>13,090.09</u>

**Product wise details**

1. Consumption of S.S. goods	5,805.44	12,927.39
2. Others	<u>138.45</u>	<u>162.70</u>
	<u>5,943.89</u>	<u>13,090.09</u>

**NOTE - 21**

**Details of purchase of traded goods**

1. Stainless Steel goods	428.07	244.39
2. Others	<u>2.43</u>	<u>0.54</u>
	<u>430.50</u>	<u>244.93</u>

**NOTE - 22**

(a) **(Increase) / decrease in inventories**

**Inventories at the end of the year**

Work-in-progress	2,940.82	3,554.62
Finished goods	<u>253.96</u>	<u>860.99</u>
	<u>3,194.78</u>	<u>4,415.61</u>

(b) **Inventories at the beginning of the year**

Work-in-progress	3,554.62	3,011.85
Finished goods	<u>860.99</u>	<u>947.56</u>
	<u>4,415.61</u>	<u>3,959.41</u>
<b>Net ( Increase )</b>	<u>1,220.83</u>	<u>(456.22)</u>

**NOTE - 23**

**Employee Benefit expenses:**

Salaries, wages and bonus etc.	699.42	734.63
Contribution to provident & Gratuity funds	44.89	44.45
Staff welfare expenses	<u>13.80</u>	<u>14.86</u>
	<u>758.11</u>	<u>793.94</u>

NOTES TO FINANCIAL STATEMENT

PARTICULARS	For the year ended 31.03.2016	For the year ended 31.03.2015
	( ₹ in Lacs )	

**NOTE - 24**

**Other Expenses:**

**Manufacturing Expenses :**

Consumption of stores and spares parts	365.49	467.68
Power and fuel	341.95	387.33
Job Work Charges	333.33	408.41
Royalty	9.76	16.22
Excise duty on increase / (decrease) in Closing Stock of Finished Goods	(57.35)	(8.54)

**Repairs and maintenance:**

Building	34.38	19.77
Machinery	80.38	60.70
Others	11.69	13.58
Other Manufacturing Expenses	36.81	32.59

**Administrative, Selling & Other Expenses :**

Rent	18.84	30.81
Insurance	14.73	17.64
Property Tax and Lease Rent	4.76	4.76
Rates and taxes	4.77	19.12
Travelling & Conveyance	65.84	69.18
Director Sitting Fees	0.85	1.07
Legal and professional fees	35.23	52.23
Brokerage & Commission	4.75	4.87
Late Delivery Charges	22.62	130.35
Bad Debts Written off	39.99	56.28
Sales Tax & VAT	270.20	471.72
Loss on Foreign Currency translation	(11.76)	65.99

**Payment to auditors:**

(a) **As auditors:**

Audit fee	3.00	3.00
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(b) **In other capacity:**

Certification fees	0.36	0.21
Taxation	-	0.25
Freight and Forwarding Charges	53.39	121.96
Licence Fee & Service Tax	19.55	7.60
Bank Charges & Commission	76.04	102.81
Miscellaneous Expenses	91.90	86.38

<b>TOTAL</b>	<b>1,871.50</b>	<b>2,643.95</b>
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**NOTE - 25**

**Finance Costs**

Interest expenses	643.17	840.08
Processing Charges of Cash Credit	8.95	12.22
Less : Interest Income	55.11	45.91
<b>TOTAL</b>	<b>597.01</b>	<b>806.39</b>

Signature to Notes 1 to 25

**AS PER OUR REPORT OF EVEN DATE  
FOR SUNDARLAL, DESAI & KANODIA,  
CHARTERED ACCOUNTANTS**

Sd/-  
**(M.B. DESAI)**  
**PARTNER**  
**Membership No.33978**

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

Sd/-  
**V.C. SARAF**  
**CHAIRMAN**

Sd/-  
**R.R. SARAF**  
**MANAGING DIRECTOR**

Sd/-  
**P.C. JALAN**  
**CHIEF FINANCIAL OFFICER**

Sd/-  
**H.H. JOSHI**  
**COMPANY SECRETARY**

PLACE : MUMBAI  
DATED : 30<sup>TH</sup> MAY, 2016

## REMI EDELSTAHL TUBULARS LIMITED

Regd. Office: Remi House, Plot No.11, Cama Industrial Estate, Goregaon(E), Mumbai- 400 063  
CIN: L28920MH1970PLC014746, Web.: www.remigroup.com, Email: rmi\_igrd@remigroup.com,  
Ph.: 022-40589888, Fax: 022-26852335

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

DPID No.		Name & Address of the Registered Shareholder
Client ID No./Folio No.		
No. of Shares Held		

(To be filled in if the Proxy attends instead of the Member/s)

I hereby record my presence at the **45<sup>th</sup> ANNUAL GENERAL MEETING** to be held at the Company's Registered Office on **Friday, the 30<sup>th</sup> September, 2016, at 11.30 A.M.**

Note: Please complete this and signed at the time of handing over this slip.

Member's/ Proxy's Signature

## REMI EDELSTAHL TUBULARS LIMITED

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Ph.: 022-40589888, Fax: 022-26852335

### Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :			
Registered address :			
E-mail Id :			
Folio No/ Client Id :		DP ID	

I/We, being the member (s) of \_\_\_\_\_ shares of the above named company, hereby appoint

1.	Name :			
	Address :			
	E-mail Id :		Signature:	, or failing him
2.	Name :			
	Address :			
	E-mail Id :		Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **45<sup>th</sup> Annual General Meeting** of the Company, to be held on **Friday, the 30<sup>th</sup> September, 2016, at 11.30 A.M.** at the Company's Registered Office, **Remi House, Plot No.11, Cama Industrial Estate, Goregaon(E), Mumbai - 400 063** and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolutions

No.	Description
1.	To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2016, together with the reports of the Board of Directors and the Auditors thereon.
2.	To re-appoint as Director Shri Rajendra C. Saraf, who retires by rotation.
3.	To ratify the appointment of Auditors and to fix their remuneration
4.	To ratify the remuneration of Cost Auditors.
5.	To reappoint Shri Rishabh R. Saraf as Managing Director.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Signature of shareholder: \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_

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

# REMI EDELSTAHL TUBULARS LIMITED

Regd. Office: Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai- 400 063,  
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Web.: www.remigroup.com, Ph.: 022-40589888, Fax: 022-26852335

## Postal Ballot Form

Name & Address of the Registered Shareholder:

DPID/Client ID/ Folio No. :

No. of Shares Held :

I/We hereby exercise my/ our vote in respect of the following resolutions stated in the notice of the 45<sup>th</sup> Annual General Meeting of the Company to be held on **Friday, the 30<sup>th</sup> September, 2016** by sending my/our assent or dissent to the said resolutions by placing a tick (√) mark in the appropriate box below:

Item No.	Resolution summary	No. of shares held by me	I assent to the resolution Please tick (√)	I dissent to the resolution Please tick (√)
1.	To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2016, together with the reports of the Board of Directors and the Auditors thereon.			
2.	To re-appoint as Director Shri Rajendra C. Saraf (DIN:00161412) who retires by rotation.			
3.	To ratify the appointment of Auditors and to fix their remuneration.			
4.	To ratify the remuneration of Cost Auditors.			
5.	To reappoint Shri Rishabh R. Saraf as Managing Director.			

E-mail ID: \_\_\_\_\_

Place: \_\_\_\_\_

Date : \_\_\_\_\_

Signature of the Member

## Electronic Voting Particulars

The e-voting facility is available at the link <https://www.evoting.nsdl.com>. The electronic voting particulars are set out below:

EVEN (E-voting Event Number)	User ID	Password/ PIN
104913		

The e-voting facility will be available during the following voting period;

Commencement of e-voting	End of e-voting
From 9.00 a.m. of <b>26<sup>th</sup> September, 2016</b>	Upto 5 p.m. of <b>29<sup>th</sup> September, 2016</b>

### Notes :

- Please read the instructions **printed overleaf** carefully before filling this Form and for remote e-voting. Please refer to the instructions for voting through electronic means provided in the AGM Notice sent herewith. These details and instructions form integral part of the Notice for the Annual General Meeting to be held on the **30<sup>th</sup> September, 2016**.
- The last date for the receipt of Postal Ballot Forms by the Scrutinizer is **29<sup>th</sup> September, 2016** up to 5:00 P.M.

**Instructions:**

1. A Member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached postage-prepaid self-addressed Business Reply Envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if deposited in person or sent by courier / speed post at the expense of the Member, will also be accepted.
2. Alternatively, a Member may vote through electronic mode as per the instructions for remote e-voting through electronic means provided in the AGM Notice sent herewith.
3. This form should be completed and signed by the Shareholder. In case of joint holding, this form should be completed and signed by the first named Member and in his / her absence, by the next-named Member.
4. The self-addressed envelope attached to this Notice bears the address to which the duly completed Postal Ballot Form is to be sent.
5. Consent must be accorded by placing a tick mark [√] in the column 'I assent to the resolution' or dissent must be accorded by placing a tick mark [√] in the column 'I dissent to the resolution'.
6. Duly completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours on or before **Thursday, 29<sup>th</sup> September, 2016 by 5.00 P.M.** If any Postal Ballot Form is received after this date, it will be considered that no reply from such Member has been received.
7. A Member may request for a duplicate Postal Ballot Form, if so required through email at **rmi\_igrd@remigroup.com**. However, the duly filled in duplicate Postal Ballot Forms should reach the Scrutinizer not later than the date and time specified in Item (6) above.
8. Members are requested to fill the Postal Ballot form in indelible ink (and avoid filling it by using erasable writing mediums like pencil).
9. Unsigned, incomplete, improper Postal Ballot Form or the form in which any other material information is missing or postal ballot containing misleading information will be rejected.
10. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member on the cut off date, i.e. **23<sup>rd</sup> September, 2016**.
11. There will be one Postal Ballot Form for every Folio/ Client ID, irrespective of the number of Joint holders.
13. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board resolution/ authorization giving requisite authority to the person voting on the Postal Ballot Form, together with the duly attested specimen signature(s) of the authorized signatories and are required to send scan (PDF format) of the relevant board resolutions to the Scrutinizer through e-mail to **retlscrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**.
14. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
15. The Result along with consolidated Scrutinizer's Report of the Postal Ballot shall be placed on the Website of the Company i.e **www.remigroup.com**, website of NSDL and also on website of Bombay Stock Exchange.

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**Note: Kindly fill the below mentioned "E-mail Registration Form" along with the Postal Ballot Form and send in the self-address envelop.**

**E-mail Registration Form**

**REMI EDELSTAHL TUBULARS LIMITED**

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Ph.:022-40589888, Fax: 022-26852335

**Registration of e-mail address for future communication**

Name of Shareholder: \_\_\_\_\_

e-mail id: \_\_\_\_\_

Client ID No./Folio No. (in case physical holding): \_\_\_\_\_ DP ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to registered their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants. Member who hold shares in physical form are requested to registered their e-mail address with the Company.

**REMI GROUP**