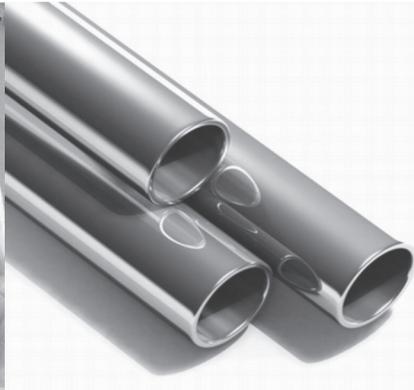
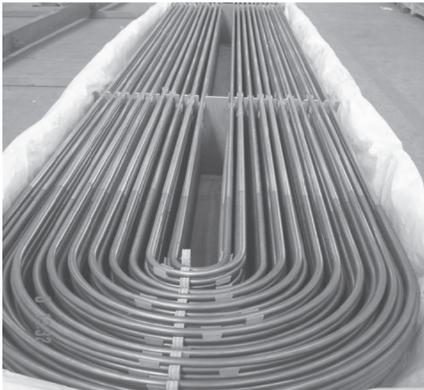




# REMI EDELSTAHL TUBULARS LIMITED

## 40<sup>th</sup> Annual Report 2010-2011



### Stainless Steel Welded and Seamless Pipes & Tubes



**Wind Power  
Promoting Green Energy**

## **Board of Directors**

Shri Vishwambhar C. Saraf

Chairman

Shri Mahabir Prasad Jatia

Shri Rajendra C. Saraf

Shri Kamal Kumar Dujodwala

Shri Rishabh R. Saraf

Managing Director

Shri Ritvik V. Saraf

Shri Shankar Lal Jain

Shri Gopikishan Biyani

## **Bankers**

STATE BANK OF INDIA

## **Auditors**

M/s. Sundarlal, Desai & Kanodia

Chartered Accountants

903, Arcadia, 195, N.C.P.A. Road,

Mumbai- 400 021

## **Registered Office**

REMI HOUSE

Plot No.11, Cama Industrial Estate,

Goregaon (East),

Mumbai – 400 063

## **Works**

Plot No. N-211/1

M.I.D.C.

Tarapur, Maharashtra

**NOTICE**

To  
The Members,  
REMI EDELSTAHL TUBULARS LIMITED

**NOTICE** is hereby given that the 40th 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, 2011, at 11.30 A.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31st March, 2011.
2. To re-appoint as Director Shri Ritvik V. Saraf who retires by rotation.
3. To re-appoint as Director Shri Rajendra C. Saraf who retires by rotation.
4. To re-appoint as Director Shri Mahabir Prasad Jatia who retires by rotation.
5. To appoint Auditors and to fix their remuneration.

For **REMI EDELSTAHL TUBULARS LIMITED**

Sd/-

Place : Mumbai  
Dated : 12th August, 2011

**RISHABH R.SARAF**  
**MANAGING DIRECTOR**

**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.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, the 24th September, 2011 to Friday, the 30th September, 2011, both days inclusive.
3. **Green initiative in Corporate Governance:**

The Ministry of Corporate Affairs vide its circular bearing No.17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011 has taken a “**Green Initiative in Corporate Governance**” by allowing paperless compliances by Companies through electronic mode. Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

In this regard please register your email address and changes therein from time to time with the Company/ Registrar and Transfer Agent or with the concerned depositories.

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**DIRECTORS' REPORT**

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

Your Directors have immense pleasure in presenting 40th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2011.

**PERFORMANCE REVIEW:**

The performance for the financial year ended 31st March, 2011 is summarized below:-

|                                       | (₹ In Lacs) |         |           |  |
|---------------------------------------|-------------|---------|-----------|--|
|                                       | 2010-2011   |         | 2009-2010 |  |
| Gross Income                          | 13860.03    |         | 8323.42   |  |
| Profit before Depreciation & Taxation | 364.16      |         | 287.29    |  |
| Depreciation                          | 268.70      | 257.45  |           |  |
| Taxation                              | 6.70        | (17.13) | 240.32    |  |
| Net Profit for the year               | 88.76       |         | 46.97     |  |
| Less: Prior year adjustments          | (0.26)      | 33.32   |           |  |
|                                       | 88.50       | 80.29   |           |  |
| Add: Balance brought forward          | 1191.26     |         | 1210.97   |  |
| Available for appropriation           | 1279.76     |         | 1291.26   |  |
| Transfer to General Reserve           | 100.00      |         | 100.00    |  |
| Balance carried to Balance Sheet      | 1179.76     | 1191.26 |           |  |
|                                       | 1279.76     | 1291.26 |           |  |

**OPERATIONS:**

The Stainless Steel Tubes and Pipes Industry was recovering from a weak economic period. Your Company's marketing and product development efforts initiated recently have fructified and are reflected in the Company's financial performance, i.e. revenue increase by 34.5%, growth in sales volume, 43.5% growth in value resulting in an EBIDTA growth of 43.72% over the previous year. The Company's order book reflects a healthy ₹121 crores at the beginning of the year end which indicates growth performance for the forthcoming year also.

The company has the distinction of being the first to commission the state-of-art cage-forming large diameter automatic Stainless Steel Pipe Forming Mill. The benefit of this equipment will partly accrue in the current year and would fully reflect in the coming years.

Your company is embarking on an expansion programme [of approx 13 Crores] to meet the increasing technological requirements of the expanding sophisticated market. The expansion project is funded by internal accruals and term loans already sanctioned by the Company's bankers.

**INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956:****Sub-Section (1) (e):****a. CONSERVATION OF ENERGY:**

All efforts are being made to conserve energy.

**b. TECHNOLOGY ABSORPTION:**

The Company does not have any foreign collaboration for manufacture. The Company is continuously modernizing and improving its products in quality and is having ISO 9001/PED Certification (which is required for Export Sales).

**c. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

|          |   |  |
|----------|---|--|
| Outgo    | - | ₹39.53 Lacs  |
| Earnings | - | ₹1323.23 Lacs (including deemed exports & supplies to SEZ & EOU of ₹905.79 Lacs) |

**Sub-Section (2A):**

No employee of the Company was in receipt of remuneration equal to or exceeding prescribed limits.

**Sub-Section (2AA):**

Your Directors state:

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

**APPRECIATION:**

Your Directors place on record their sincere thanks for the financial support from State Bank of India. They also place on record their appreciation for the dedicated services of the executives, staff and workers of the Company. Your Directors also appreciate the faith you have reposed in the Company and are confident that the Company can depend upon your continued support in its endeavor to grow.

**Registered Office:**

REMI HOUSE  
Plot No. 11, Cama Industrial Estate,  
Goregaon (East),  
Mumbai - 400 063

**ON BEHALF OF THE BOARD**

Sd/-

**VISHWAMBHAR C. SARAF  
CHAIRMAN**

Dated: 12th August, 2011

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

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. 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. There has been a revival in demand in the Fertilizer sector owing to the governments focus on increasing the agricultural produce.

**(b) Opportunities and Threats:**

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. The effect of Nuclear disaster in Japan can have an impact on the global view of operating and constructing nuclear power plants which can delay the growth plans of the Company.

**(c) Outlook:**

The Company has viewed the economic downturn as an opportunity to reinvent its product portfolio over the past year. The company and the management believed in the fundamentals of the sector it operates in and continues to believe that the fundamentals of the stainless steel tubular industry remain strong. The approvals received by the company are reflected in the increased order book. The Company is continuing the process of product enhancement and expects further approvals for critical products from the user industries. The expansion programme undertaken will ensure that the products can be adequately developed.

**(d) Risk and Concerns:**

The current orders received by the Company are to be delivered over the next 12 months or so whereas the raw material pricing is volatile and it is difficult to enter into fixed long term contracts with the suppliers. The company is taking adequate steps to control this phenomenon by stocking material to protect its margin. The increase in interest rates can have an overall adverse effect in the economy. However, the Company is taking adequate preventive measures to ensure reduced interest cost. The volatility in the US Dollar can have an impact since bulk of the Company's input cost is derived from the US Dollar. The company is covering US Dollar exposure as and when required to ensure protection of margins.

**(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 has improved with better capacity utilization and product mix.

**(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 or productions 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:**

During the year, the Board of Directors met 4 (Four) times on 21/05/2010, 12/08/2010, 11/11/2010 and 11/02/2011.

**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                  | No                     | 4              | 3            | 1                      | ---                  |
| Mr. M.P. Jatia     | Independent Non-Executive | No                     | 3              | 7            | ---                    | 3                    |
| Mr. K.K. Dujodwala | Independent Non-Executive | No                     | 2              | 4            | ---                    | ---                  |
| Mr. R. C. Saraf    | Promoter                  | Yes                    | 4              | 5            | ---                    | 3                    |
| Mr. R.R. Saraf     | Promoter Executive        | Yes                    | 4              | 4            | ---                    | ---                  |
| Mr. R.V. Saraf     | Promoter                  | Yes                    | 4              | 3            | ---                    | ---                  |
| Mr. S.L. Jain      | Independent Non-Executive | No                     | 3              | 1            | ---                    | ---                  |
| Mr. G. Biyani      | Independent Non-Executive | No                     | 1              | 7            | ---                    | ---                  |

**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 2010-11.

| Committee Members  | Designation | No. of Meetings |          |
|--------------------|-------------|-----------------|----------|
|                    |             | Held            | Attended |
| Mr. K.K. Dujodwala | Member      | 3               | 3        |
| Mr. S.L. Jain      | Chairman    | 3               | 3        |
| Mr. R.C. Saraf     | Member      | 3               | 3        |

**4. SHAREHOLDERS/ INVESTORS GRIEVANCES COMMITTEE:-**

The Members of the Committee comprise of Shri. V. C. Saraf and Shri. R. C. Saraf. Shri V. C. Saraf is the Chairman of the Committee. The Company had received 12 complaints during the year 2010-2011. All the complaints had been disposed off. There are no Shareholders' complaints pending.

**5. GENERAL BODY MEETINGS:-**

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

| Date      | Venue   | Time       | No. of special resolutions |
|-----------|---|------------|----------------------------|
| 30/9/2008 | Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063. | 11.30 A.M. | One                        |
| 30/9/2009 | - do -  | - do -     | Two                        |
| 30/9/2010 | - do -  | - do -     | One                        |

**6. POSTAL BALLOT:**

During the last year, no resolution was passed through Postal Ballot and no resolution is proposed to be passed through Postal Ballot.

**7. 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 8 of Schedule 20 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 year | : 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 Clause 49 of Listing Agreement.   |

**8. REMUNERATION TO DIRECTORS :**

(₹ in Lacs)

| Name & Designation                 | Salary | Commis-sion | Sitting fees |
|------------------------------------|--------|-------------|--------------|
| Shri R.R. Saraf -Managing Director | 39.00  | -           | --           |
| Shri V.C.Saraf - Chairman          | --     | --          | 0.08         |
| Shri R.C. Saraf                    | --     | --          | 0.11         |
| Shri K. K. Dujodwala               | --     | --          | 0.06         |
| Shri M. P.Jatia                    | --     | --          | 0.07         |
| Shri S. L. Jain                    | --     | --          | 0.07         |
| Shri G. K. Biyani                  | --     | --          | 0.04         |
| Shri R.V. Saraf                    | --     | --          | 0.06         |

**9. BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:**

Shri Ritvik V. Saraf , Shri Rajendra C. Saraf and Mahabir Prasad Jatia, Directors, who are retiring by rotation, are to be re-appointed. The brief resume of these Directors is given herebelow:

- Shri Ritvik V. Saraf, after his primary schooling in Mumbai, had a stint of five years' secondary education in England. Thereafter took an Engineering degree from the University of Leeds, England.  
He hails from a family of business house of long standing and after his return, has joined his family business.
- Shri Rajendra C. Saraf is a commerce graduate of the University of Bombay. After graduation, he joined the family business.
- Shri Mahabir Prasad Jatia is an industrialist of repute and is the Managing Director of Pudumjee Pulp and Paper Mills Limited. He is a Director of some other companies also.

**10. 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.

**11. GENERAL SHAREHOLDER INFORMATION:**

The 40th Annual General Meeting of the Company will be held on Friday the 30th September, 2011, 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 1st April, 2010 to 31st March, 2011

The Register of Member and the Share Transfer Books of the Company will remain closed from Saturday, the 24th September, 2011 to Friday, the 30th September, 2011, 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 – 2010     | 28.85             | 22.45            |
| May – 2010       | 29.00             | 21.55            |
| June – 2010      | 28.85             | 22.85            |
| July – 2010      | 27.45             | 23.00            |
| August – 2010    | 27.15             | 23.00            |
| September – 2010 | 30.95             | 23.35            |
| October – 2010   | 26.75             | 21.60            |
| November – 2010  | 25.55             | 20.00            |
| December – 2010  | 24.90             | 19.00            |
| January – 2011   | 23.90             | 18.35            |
| February – 2011  | 21.90             | 16.30            |
| March – 2011     | 21.00             | 14.10            |

**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: 22 28470652/ 40430200 / 28470653, Fax: 22 28475207

E-mail: investor@bigshareonline.com

Website: www.bigshareonline.com

“Our RTA, Bigshare Services Private Limited has launched Gen-Next Investor Interface Module “iBoss” the most advanced tool to interact with investors. Please login into iBoss (www.bigshareonline.com) and help them to serve you better.”

**Share Transfer system:**

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

**Distribution of Share:**

Distribution of shareholding as on 31st March, 2011 is as follows: -

| No. of Equity Shares held | No. of Share holders | % of Total holders | Total No. of Shares | % of Total Capital |
|---------------------------|----------------------|--------------------|---------------------|--------------------|
| Upto 5000                 | 3,274                | 80.82              | 727,725             | 7.59               |
| 5001 – 10000              | 524                  | 12.94              | 380,749             | 3.97               |
| 10001 – 20000             | 136                  | 3.36               | 204,640             | 2.14               |
| 20001 – 30000             | 28                   | 0.69               | 71,756              | 0.75               |
| 30001 – 40000             | 18                   | 0.44               | 66,213              | 0.69               |
| 40001 – 50000             | 16                   | 0.39               | 74,342              | 0.78               |
| 50001 – 100000            | 19                   | 0.47               | 137,655             | 1.44               |
| 100001 & Above            | 36                   | 0.89               | 7,919,320           | 82.64              |
| <b>TOTAL</b>              | <b>4,051</b>         | <b>100.00</b>      | <b>9,582,400</b>    | <b>100.00</b>      |

Categories of shareholders as on 31st March, 2011.

| Category                  | No. of holders | No. of Shares  | % of Total Shareholding |
|---------------------------|----------------|----------------|-------------------------|
| Individuals               | 3955           | 4505251        | 47.02                   |
| Companies                 | 77             | 4891449        | 51.05                   |
| FIs, NRIs & OCBs          | 16             | 175700         | 1.83                    |
| Mutual Funds, Banks & FIs | 3              | 10000          | 0.10                    |
| <b>TOTAL</b>              | <b>4051</b>    | <b>9582400</b> | <b>100.00</b>           |

**Dematerialization of Shareholding:**

As on 31st March, 2011, 8928026 equity shares constituting 93.17% have been dematerialized

**Plant Location:**

The manufacturing facility of the Company is located at the following address:

Plot No. N – 211/1, M. I. D. C., Tarapur, Maharashtra

**Registered & Corporate Office:**

REMI HOUSE

Plot No. 11, Cama Industrial

Estate, Goregaon (E),

Mumbai – 400 063

Ph. No. 022-40589888

Fax No. 022-26852335

Email: vsiyer@remigroup.com

: rmi\_igrd@remigroup.com

**Registrar and Share Transfer Agent:**

Bigshare Services Pvt. Ltd.

E-2&3, Ansa Industrial Estate,

Saki Vihar Road, Andheri (E),

Mumbai – 400 072

Ph. No.: 22 28470652/40430200

Fax No.: 22 28475207

Email: investor@bigshareonline.com

ON BEHALF OF THE BOARD

Sd/-

PLACE : MUMBAI

DATED : 12th August, 2011

**VISHWAMBHAR C. SARAF**

**CHAIRMAN**

**CERTIFICATE OF 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, 2011 as stipulated in clause 49 of the Listing Agreement of the said 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 Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investors Grievance 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/-

PLACE : MUMBAI

DATED : 12th August, 2011

**(M. B. DESAI)**

**PARTNER**

## AUDITORS' REPORT

To,

The Members of **Remi Edelstahl Tubulars Ltd.**

1. We have audited the attached Balance Sheet of REMI EDELSTAHL TUBULARS LTD. as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) 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;
  - (ii) 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;
  - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) on the basis of written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon, gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
  - (b) in the case of the Profit and Loss Account, of the **PROFIT** for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SUNDARLAL, DESAI AND KANODIA,  
CHARTERED ACCOUNTANTS,  
Registrarion No. 110560W**

PLACE : **MUMBAI**  
DATED : 30<sup>th</sup> May, 2011

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

**ANNEXURE TO THE AUDITORS' REPORT****[REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF  
REMI EDELSTAHL TUBULARS LTD., AS AT 31ST MARCH 2011]**

- (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 Company has not disposed off substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. 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.
- (iii) (a) According to the information and explanations given to us, the Company has granted unsecured loans to two Companies covered in the register maintained under section 301 of the Companies Act, 1956. Amount involved during the year was ₹ 61.00 Lacs and closing balance was ₹ 2.04 lacs.
- (b) In our opinion the rate of interest and other terms and conditions of the unsecured loans given by the Company are not prima-facie prejudicial to the interest of the Company.
- (c) In our opinion receipt of the principal amount and interest are also regular.
- (d) According to the information and explanations given to us, the Company has taken unsecured loans from two companies covered in the register maintained under section 301 of the Companies Act, 1956. Amount involved during the year was ₹ 572.30 Lacs and closing balance was ₹ 10.20 Lacs.
- (e) In our opinion the rate of interest and other terms & conditions of unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- (f) In our opinion payment of the principal amount and interest are also regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices except for items of specialized nature, where a question of comparison does not arise.
- (vi) 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 sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 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.
- (ix) (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, Investor Education Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, cess and other material statutory dues as applicable to it with appropriate authorities and there were no undisputed arrears as at 31st March, 2011 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, Wealth tax, Service tax, Sales tax, Customs Duty, Excise Duty and Cess as at 31st March, 2011, which have not been deposited on account of a dispute, are as follows: -

| Sr. No. | Name of the Statute      | Nature of dues      | Amount (₹) | From where dispute is pending    |
|---------|--------------------------|---------------------|------------|----------------------------------|
| 1       | Central Excise Act, 1944 | Central Excise Dues | 70,94,153  | Comm. Of Central Excise (Appeal) |

- (x) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) 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 institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society and therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

- (xvi) According to the information and explanations given to us, the Company has applied the term loans for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, there was no preferential allotment of shares to parties covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause (xix) of the order are not applicable to the Company.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) 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.

**For SUNDARLAL, DESAI AND KANODIA,  
CHARTERED ACCOUNTANTS,  
Registrarion No. 110560W**

Sd/

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

PLACE : **MUMBAI**

DATED : 30<sup>th</sup> May, 2011

Membership Number 33978

## BALANCE SHEET AS AT 31ST MARCH, 2011

|  | SCH.<br>NOS. | AS AT<br>31-03-2011<br>In Rupees | AS AT<br>31-03-2010<br>In Rupees |
|--|--------------|----------------------------------|----------------------------------|
| <b>I. SOURCES OF FUNDS</b>                       |              |                                  |                                  |
| <b>(1) Shareholders' Funds</b>                   |              |                                  |                                  |
| a) Share Capital                                 | 1            | 95,824,000                       | 95,824,000                       |
| b) Reserves and Surplus                          | 2            | 339,196,582                      | 330,345,888                      |
|  |              | <u>435,020,582</u>               | <u>426,169,888</u>               |
| <b>(2) LOAN FUNDS</b>                            |              |                                  |                                  |
| a) Secured Loans                                 | 3            | 348,192,242                      | 254,655,160                      |
| b) Unsecured Loans                               | 4            | 177,447,658                      | 106,023,827                      |
|  |              | <u>525,639,900</u>               | <u>360,678,987</u>               |
| <b>(3) DEFERRED TAX LIABILITY</b>                |              |                                  |                                  |
|  |              | <u>68,335,607</u>                | <u>67,688,343</u>                |
| <b>TOTAL</b>                                     |              | <u>1,028,996,089</u>             | <u>854,537,218</u>               |
| <b>II. APPLICATION OF FUNDS</b>                  |              |                                  |                                  |
| <b>(1) Fixed Assets</b>                          |              |                                  |                                  |
| a) Gross Block                                   | 5            | 631,940,762                      | 554,985,885                      |
| b) Less: Depreciation                            |              | <u>212,410,034</u>               | <u>185,684,563</u>               |
| <b>c) NET BLOCK</b>                              |              | <u>419,530,727</u>               | <u>369,301,323</u>               |
| d) Add : Capital WIP                             |              | <u>6,845,572</u>                 | <u>63,238,395</u>                |
|  |              | <u>426,376,299</u>               | <u>432,539,718</u>               |
| <b>(2) INVESTMENT</b>                            |              |                                  |                                  |
|  | 6            | <u>476,800</u>                   | <u>476,800</u>                   |
| <b>(3) CURRENT ASSETS, LOANS AND ADVANCES</b>    |              |                                  |                                  |
| <b>Current Assets</b>                            |              |                                  |                                  |
| a) Inventories                                   | 7            | 441,674,641                      | 299,409,588                      |
| b) Sundry Debtors                                | 8            | 273,629,676                      | 192,992,344                      |
| c) Cash and Bank Balances                        | 9            | 24,824,395                       | 14,673,197                       |
| d) Loans and Advances                            | 10           | 114,412,732                      | 55,289,781                       |
| <b>TOTAL</b>                                     |              | <u>854,541,444</u>               | <u>562,364,910</u>               |
| <b>LESS : CURRENT LIABILITIES AND PROVISIONS</b> |              |                                  |                                  |
| a) Liabilities                                   | 11           | 246,621,417                      | 137,255,685                      |
| b) Provisions                                    | 12           | 5,777,037                        | 3,588,525                        |
|  |              | <u>252,398,454</u>               | <u>140,844,210</u>               |
| <b>NET CURRENT ASSETS</b>                        |              | <u>602,142,990</u>               | <u>421,520,701</u>               |
| <b>TOTAL</b>                                     |              | <u>1,028,996,089</u>             | <u>854,537,218</u>               |
| <b>NOTES TO ACCOUNTS</b>                         | 20           |                                  |                                  |

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
(M. B. DESAI)  
PARTNER

Membership No. 33978

Sd/-  
V. C. SARAF  
DIRECTOR

Sd/-  
R. R. SARAF  
MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May, 2011

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2011**

|  | SCH<br>NOS | For the<br>year ended<br>31.03.2011<br>(IN RUPEES) | For the<br>year ended<br>31.03.2010<br>(IN RUPEES) |
|--|------------|--|--|
| <b>INCOME</b>  |            |  |  |
| Sales and Services   | 13         | 1,401,175,707                                      | 976,462,752  |
| <b>Less:</b> Excise Duty & Cess                              |            | 112,431,497  | 61,880,006   |
|  |            | <u>1,288,744,210</u>                               | <u>914,582,746</u>                                 |
| Other Income   | 14         | 10,185,842   | 25,677,475   |
| Increase/(Decrease) in Stocks                                | 15         | 87,100,107   | (107,918,254)                                      |
| <b>TOTAL</b>   |            | <u><u>1,386,030,159</u></u>                        | <u><u>832,341,967</u></u>                          |
| <b>EXPENDITURE</b>   |            |  |  |
| Consumption of Raw Material                                  |            | 1,049,013,602                                      | 579,495,755  |
| Purchase for Resale  |            | 18,690,798   | 26,500,505   |
| Manufacturing Expenses                                       | 16         | 91,648,152   | 61,599,492   |
| Employees' Remuneration and Benefits                         | 17         | 61,954,775   | 56,105,245   |
| Administrative, Selling and Other Expenses                   | 18         | 83,765,124   | 52,177,956   |
| Financial Charges  | 19         | 44,540,551   | 27,733,400   |
| Depreciation   |            | 26,870,464   | 25,745,375   |
| <b>TOTAL</b>   |            | <u><u>1,376,483,466</u></u>                        | <u><u>829,357,727</u></u>                          |
| <b>PROFIT</b>  |            |  |  |
| Profit/(Loss) before taxation                                |            | 9,546,693  | 2,984,240  |
| Provision for current taxation                               |            | 1,705,000  | 479,170  |
| Provision for deferred taxation/(Credit)                     |            | 647,264  | (1,731,182)  |
| Mat Credit Entitlement                                       |            | (1,682,264)  | (461,065)  |
| Profit after taxation  |            | <u>8,876,693</u>                                   | <u>4,697,317</u>                                   |
| Excess/(Short) Provision of taxation of earlier years W/Back |            | (25,999)   | 3,331,635  |
| Profit after tax available                                   |            | <u>8,850,694</u>                                   | <u>8,028,952</u>                                   |
| Balance brought forward from last year                       |            | 119,126,010  | 121,097,058  |
| <b>PROFIT AVAILABLE FOR APPROPRIATION</b>                    |            | <u><u>127,976,704</u></u>                          | <u><u>129,126,010</u></u>                          |
| <b>APPROPRIATIONS</b>  |            |  |  |
| Transfer to General Reserve                                  |            | 10,000,000   | 10,000,000   |
| <b>BALANCE CARRIED FORWARD</b>                               |            | <u><u>117,976,704</u></u>                          | <u><u>119,126,010</u></u>                          |
| <b>EARNING PER SHARE</b>                                     |            |  |  |
| Basic (Face Value of ₹10/- per share)                        |            | 0.92   | 0.84   |
| Diluted (Face Value of ₹10/- per share)                      |            | 0.92   | 0.84   |

NOTES TO ACCOUNTS

20

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
(M. B. DESAI)  
PARTNER

Membership No. 33978

Sd/-  
V. C. SARAF  
DIRECTOR

Sd/-  
R. R. SARAF  
MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May, 2011

## CASH FLOW STATEMENT FOR THE YEAR 2010-2011

|  | (Rupees in Lakhs) |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 2010-2011         |                   | 2009-2010         |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>            |                   |                   |                   |
| Net Profit/(Loss) before Tax and Extra-ordinary item     | 95.47             |                   | 29.84             |
| <b>Adjustment for :</b>                                  |                   |                   |                   |
| Depreciation   | 268.70            |                   | 257.45            |
| Interest   | 445.41            |                   | 277.33            |
| Loss on sale of Fixed Assets                             | 0.29              |                   | 1.58              |
| Profit on sale of Investments                            | --                |                   | (23.76)           |
| Other Income   | (101.86)          |                   | (233.01)          |
| <b>Operating profit before working capital charges</b>   | <b>708.01</b>     |                   | <b>309.43</b>     |
| <b>Adjustment for :</b>                                  |                   |                   |                   |
| Trade and Other Receivables                              | (1,397.60)        |                   | 198.25            |
| Inventories  | (1,422.65)        |                   | 689.10            |
| Trade Payable and Provision                              | 1,115.54          |                   | 440.93            |
| <b>Cash Generated from Operations</b>                    | <b>(996.70)</b>   |                   | <b>1,637.71</b>   |
| Interest Paid  | (445.41)          |                   | (277.33)          |
| Direct Taxes Paid  | (0.23)            |                   | (0.18)            |
| Dividend & Tax thereon                                   | -                 |                   | -                 |
| <b>Cash Flow before Extra-ordinary items</b>             | <b>(1,442.34)</b> |                   | <b>1,360.20</b>   |
| Extra-ordinary items                                     | (0.26)            |                   | 33.32             |
| <b>Net Cash from Operating Activities (A)</b>            |                   | <b>(1,442.60)</b> | <b>1,393.52</b>   |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>            |                   |                   |                   |
| Purchase of Fixed Assets                                 | (207.63)          |                   | (827.63)          |
| Sales of Fixed Assets                                    | 0.27              |                   | 3.20              |
| Sale of Investments                                      | --                |                   | 93.70             |
| Other Income   | 101.86            |                   | 233.01            |
| <b>Net Cash used in Investing Activities (B)</b>         |                   | <b>(105.50)</b>   | <b>(497.72)</b>   |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>            |                   |                   |                   |
| Repayment of Long Term Loan                              | (442.94)          |                   | (490.54)          |
| Repayment of Short Term Loan                             | --                |                   | (1,060.03)        |
| Proceeds from Long Term Loan                             | --                |                   | 532.68            |
| Proceeds from Short Term Loan                            | 2,092.55          |                   | --                |
| Repayment of State Government Subsidy                    | --                |                   | (10.00)           |
| <b>Net Cash used in Financial Activities (C)</b>         |                   | <b>1,649.61</b>   | <b>(1,027.89)</b> |
| <b>Net Increase in Cash and Cash Equivalents (A+B+C)</b> |                   | <b>101.51</b>     | <b>(132.09)</b>   |
| Cash as at (Closing Balance)                             | 248.24            |                   | 146.73            |
| Cash as at (Opening Balance)                             | 146.73            |                   | 278.82            |
| <b>Increase/Decrease in Cash Balance</b>                 |                   | <b>101.51</b>     | <b>(132.09)</b>   |

## Notes:-

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-  
(M. B. DESAI)  
PARTNER

Sd/-  
V. C. SARAF  
DIRECTOR

Sd/-  
R. R. SARAF  
MANAGING DIRECTOR

Membership No. 33978

PLACE : MUMBAI

DATED : 30<sup>th</sup> May 2011

**SCHEDULES 1 TO 20 ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011**

|  | AS AT<br>31.03.2011<br>(IN RUPEES) | AS AT<br>31.03.2010<br>(IN RUPEES) |
|--|------------------------------------|------------------------------------|
| <b><u>SCHEDULE - "1"</u></b>   |                                    |                                    |
| <b><u>SHARE CAPITAL</u></b>  |                                    |                                    |
| Authorise<br>1,00,00,000 (1,00,00,000) Equity Shares of ₹10/- each   | 100,000,000                        | 100,000,000                        |
| <b>TOTAL</b>   | <b>100,000,000</b>                 | 100,000,000                        |
| <br><u>Issued, subscribed and paid-up</u>  |                                    |                                    |
| 95,82,400 (95,82,400) equity shares of ₹10/- each fully paid-up<br>(NOTE: of the above 49,39,700 equity shares of ₹10/- each were issued as fully paid bonus shares by capitalisation of reserves) | 95,824,000                         | 95,824,000                         |
| <b>TOTAL</b>   | <b>95,824,000</b>                  | 95,824,000                         |
| <br><b><u>SCHEDULE - "2"</u></b>   |                                    |                                    |
| <b><u>RESERVES AND SURPLUS</u></b>   |                                    |                                    |
| i) <u>Capital Reserve</u>  |                                    |                                    |
| As per last Balance Sheet  | 3,501,000                          | 4,501,000                          |
| Less: Capital Subsidy Refunded to MSEDCL   | ---                                | 1,000,000                          |
|  | <b>3,501,000</b>                   | 3,501,000                          |
| ii) <u>General Reserve</u>   |                                    |                                    |
| As per last Balance Sheet  | 207,718,878                        | 197,718,878                        |
| Add : Transferred from Profit & Loss Account   | 10,000,000                         | 10,000,000                         |
|  | <b>217,718,878</b>                 | 207,718,878                        |
| iii) <u>Profit and Loss Account</u>  | <b>117,976,704</b>                 | 119,126,010                        |
| <b>TOTAL</b>   | <b>339,196,582</b>                 | 330,345,888                        |
| <br><b><u>SCHEDULE - "3"</u></b>   |                                    |                                    |
| <b><u>SECURED LOANS</u></b>  |                                    |                                    |
| <b>(As per Note No.3 of Schedule 20)</b>   |                                    |                                    |
| 1. <b>Loans from SBI on Cash Credit Accounts</b>   | <b>294,721,385</b>                 | 147,245,522                        |
| 2. <b>Buyers' Credit From Bank</b>   | ---                                | 16,866,598                         |
| 3. <b>Term Loan from S.B.I.</b>  |                                    |                                    |
| - In Foreign Currency  | <b>5,078,762</b>                   | 36,751,769                         |
| - In Indian Rupees   | <b>48,392,096</b>                  | 53,268,182                         |
| 4. <b>Loan from other Banks</b>  | ---                                | 523,090                            |
| <b>TOTAL</b>   | <b>348,192,242</b>                 | 254,655,160                        |

|   | AS AT              | AS AT       |
|---|--------------------|-------------|
| <b>SCHEDULE - "4"</b>   | <b>31.03.2011</b>  | 31.03.2010  |
| <b>UNSECURED LOANS</b>  | <b>(IN RUPEES)</b> | (IN RUPEES) |
| Interest-free Loans under Sales Tax Deferral Scheme (Payable within one year ₹ 73,92,310/-, P.Y. ₹ 71,27,966/-) | <b>98,802,304</b>  | 106,023,827 |
| Loan from Corporates  | 78,645,354         | --          |
| <b>TOTAL</b>  | <b>177,447,658</b> | 106,023,827 |

**SCHEDULE - "5"**

**FIXED ASSETS**

| Sr. No. | Description of Assets         | GROSS BLOCK        |                           |                         |                    | DEPRECIATION       |                      |                         |                    | NET BLOCK          |                    |
|---------|-------------------------------|--------------------|---------------------------|-------------------------|--------------------|--------------------|----------------------|-------------------------|--------------------|--------------------|--------------------|
|         |                               | As at 01/04/10     | Additions during the year | Deductions/ Adjustments | As at 31/03/11     | Upto 31/03/10      | For the Current Year | Deductions/ Adjustments | Upto 31/03/11      | As at 31/03/11     | As at 31/03/10     |
|         |                               | (₹)                | (₹)                       | (₹)                     | (₹)                | (₹)                | (₹)                  | (₹)                     | (₹)                | (₹)                | (₹)                |
| 1       | Leasehold Land                | 5,300,020          | -                         | -                       | 5,300,020          | 1,092,548          | 55,790               | -                       | 1,148,338          | 4,151,682          | 4,207,472          |
| 2       | Leasehold Land - Wind Mill    | 4,720,000          | -                         | -                       | 4,720,000          | 1,009,228          | 188,800              | -                       | 1,198,028          | 3,521,972          | 3,710,772          |
| 3       | Factory Building              | 73,786,573         | -                         | 135,956                 | 73,650,617         | 29,883,978         | 2,460,859            | -                       | 32,344,836         | 41,305,781         | 43,902,595         |
| 4       | Plant and Machinery           | 276,655,354        | 73,757,717                | 645,679                 | 349,767,393        | 91,973,558         | 13,891,636           | -                       | 105,865,194        | 243,902,199        | 184,681,797        |
| 5       | Plant and Machinery Wind Mill | 136,313,308        | -                         | 690,947                 | 135,622,361        | 33,100,137         | 7,173,447            | -                       | 40,273,583         | 95,348,778         | 103,213,171        |
| 6       | Dies and Moulds               | 11,963,743         | 3,235,572                 | -                       | 15,199,315         | 7,172,316          | 429,748              | -                       | 7,602,065          | 7,597,250          | 4,791,427          |
| 7       | Electrical Installation       | 17,247,972         | 360,127                   | 16,530                  | 17,591,569         | 9,197,592          | 817,318              | -                       | 10,014,910         | 7,576,659          | 8,050,380          |
| 8       | Office Equipments             | 1,437,403          | 164,480                   | -                       | 1,601,883          | 748,680            | 55,866               | -                       | 804,546            | 797,337            | 688,723            |
| 9       | Air Conditioners              | 1,626,542          | 179,357                   | -                       | 1,805,899          | 536,388            | 78,184               | -                       | 614,573            | 1,191,326          | 1,090,153          |
| 10      | Computers                     | 4,152,588          | 109,328                   | -                       | 4,261,916          | 2,914,234          | 364,382              | -                       | 3,278,616          | 983,300            | 1,238,354          |
| 11      | Furniture and Fixtures        | 4,411,669          | -                         | -                       | 4,411,669          | 2,442,075          | 230,543              | -                       | 2,672,618          | 1,739,051          | 1,969,594          |
| 12      | Vehicles                      | 8,127,758          | 838,407                   | 201,000                 | 8,765,165          | 3,318,017          | 716,157              | 144,992                 | 3,889,181          | 4,875,984          | 4,809,741          |
|         | <b>Leased Assets</b>          |                    |                           |                         |                    |                    |                      |                         |                    |                    |                    |
| 13      | Office Premises               | 4,728,738          | -                         | -                       | 4,728,738          | 481,373            | 77,078               | -                       | 558,451            | 4,170,287          | 4,247,365          |
| 14      | Plant & Machinery             | 2,883,857          | -                         | -                       | 2,883,857          | 753,408            | 136,983              | -                       | 890,391            | 1,993,466          | 2,130,449          |
|         | <b>Intangible Assets</b>      |                    |                           |                         |                    |                    |                      |                         |                    |                    |                    |
| 15      | Computer Software             | 1,630,360          | -                         | -                       | 1,630,360          | 1,061,035          | 193,672              | -                       | 1,254,707          | 375,653            | 569,325            |
|         | <b>TOTAL</b>                  | <b>554,985,885</b> | <b>78,644,988</b>         | <b>1,690,112</b>        | <b>631,940,761</b> | <b>185,684,563</b> | <b>26,870,464</b>    | <b>144,992</b>          | <b>212,410,034</b> | <b>419,530,726</b> | <b>369,301,322</b> |
|         | <b>Previous Year Total</b>    | <b>537,544,841</b> | <b>23,920,384</b>         | <b>6,479,340</b>        | <b>554,985,884</b> | <b>158,722,602</b> | <b>25,954,675</b>    | <b>2,573,855</b>        | <b>182,103,421</b> | <b>372,882,463</b> | <b>378,822,239</b> |
|         | <b>Capital WIP</b>            |                    |                           |                         |                    |                    |                      |                         |                    | <b>6,845,572</b>   | <b>63,238,395</b>  |

**Note:-** \* Adjustment in these assets of ₹ 14,89,112/- is on account of foreign exchange gain for the Current Year arising on foreign currency loan availed for purchase of Fixed Assets.

**SCHEDULE - "6"**

**INVESTMENTS**

**Long Term Investment -Trade**

i) Unquoted, Fully Paid-up, at Cost

4,768 (4,768) equity shares of ₹100/- each of Tarapur Environment Protection Society Ltd.

**TOTAL**

|   | AS AT              | AS AT       |
|---|--------------------|-------------|
| <b>INVESTMENTS</b>  | <b>31.03.2011</b>  | 31.03.2010  |
| <b>Long Term Investment -Trade</b>  | <b>(IN RUPEES)</b> | (IN RUPEES) |
| 4,768 (4,768) equity shares of ₹100/- each of Tarapur Environment Protection Society Ltd. | 476,800            | 476,800     |
| <b>TOTAL</b>  | <b>476,800</b>     | 476,800     |

|  | AS AT<br>31.03.2011<br>(IN RUPEES) | AS AT<br>31.03.2010<br>(IN RUPEES) |
|--|------------------------------------|------------------------------------|
| <b><u>SCHEDULE - "7"</u></b>   |                                    |                                    |
| <b><u>INVENTORIES</u></b>  |                                    |                                    |
| (As per Inventory taken, valued and certified by Management)   |                                    |                                    |
| Finished Goods   | 30,638,544                         | 27,020,059                         |
| Work-in-Process  | 212,576,403                        | 130,459,645                        |
| Raw Materials  | 182,786,214                        | 131,439,442                        |
| Stores, Spares & etc.  | 12,651,635                         | 8,833,461                          |
| Scrap  | 3,021,845                          | 1,656,982                          |
| <b>TOTAL</b>   | <b>441,674,641</b>                 | <b>299,409,588</b>                 |
| <b><u>SCHEDULE - "8"</u></b>   |                                    |                                    |
| <b><u>SUNDRY DEBTORS</u></b>   |                                    |                                    |
| (Unsecured & Considered Good)  |                                    |                                    |
| Outstanding Over Six Months  | 49,468,496                         | 27,608,448                         |
| Others   | 224,161,180                        | 165,383,896                        |
| <b>TOTAL</b>   | <b>273,629,676</b>                 | <b>192,992,344</b>                 |
| <b><u>SCHEDULE - "9"</u></b>   |                                    |                                    |
| <b><u>CASH AND BANK BALANCES</u></b>   |                                    |                                    |
| Cash in hand   | 156,611                            | 88,533                             |
| Balances with Scheduled Banks:   |                                    |                                    |
| In Current Accounts  | 1,450,272                          | 1,059,663                          |
| In Fixed Deposits (Pledged with Bankers as Margin)   | 23,217,512                         | 13,525,000                         |
| <b>TOTAL</b>   | <b>24,824,395</b>                  | <b>14,673,197</b>                  |
| <b><u>SCHEDULE - "10"</u></b>  |                                    |                                    |
| <b><u>LOANS AND ADVANCES</u></b>   |                                    |                                    |
| (Unsecured and considered good)  |                                    |                                    |
| Advances recoverable in cash or in kind or for value to be received  | 25,499,404                         | 22,784,960                         |
| MAT Credit Entitlement   | 2,146,031                          | 461,065                            |
| Payment of Advance Income Tax, TDS and FBT (Net)   | 10,454,972                         | 14,873,366                         |
| Balances with Central Excise and Cenvat Refundable   | 63,005,464                         | 14,101,198                         |
| Interest Accrued but not due   | 471,263                            | 96,280                             |
| Deposits   | 12,835,597                         | 2,972,912                          |
| <b>TOTAL</b>   | <b>114,412,732</b>                 | <b>55,289,781</b>                  |
| <b><u>SCHEDULE - "11"</u></b>  |                                    |                                    |
| <b><u>CURRENT LIABILITIES</u></b>  |                                    |                                    |
| Sundry Creditors   | 182,360,875                        | 95,695,916                         |
| Advances Received  | 26,783,455                         | 3,632,511                          |
| Deposits Received  | 4,912,500                          | 4,505,000                          |
| Interest Accrued but not due   | 541,080                            | 759,885                            |
| Other Liabilities (Include unpaid Dividend of ₹ 7.61 lacs, P.Y. ₹ 7.66 lacs, which is not due for deposit to Investors' Education & Protection Fund) | 32,023,508                         | 32,662,373                         |
| <b>TOTAL</b>   | <b>246,621,417</b>                 | <b>137,255,685</b>                 |
| <b><u>SCHEDULE - "12"</u></b>  |                                    |                                    |
| <b><u>PROVISIONS</u></b>   |                                    |                                    |
| Leave Salaries   | 3,015,162                          | 3,471,495                          |
| Gratuity Liability   | 2,761,875                          | 117,030                            |
| <b>TOTAL</b>   | <b>5,777,037</b>                   | <b>3,588,525</b>                   |

|  | For the year ended<br>31.03.2011<br>(IN RUPEES) | For the year ended<br>31.03.2010<br>(IN RUPEES) |
|--|---|---|
| <b><u>SCHEDULE - "13"</u></b>                          |   |   |
| <b><u>SALES AND SERVICES</u></b>                       |   |   |
| Sales - Local  | 1,345,537,106                                   | 905,384,098                                     |
| - Export   | 43,183,217                                      | 55,418,664                                      |
| Income from Wind Power                                 | 11,998,358                                      | 13,181,712                                      |
| Others (Gross - TDS ` Nil lacs; P.Y. ₹ 0.42 lacs)      | 457,026   | 2,478,278                                       |
| <b>TOTAL</b>   | <b>1,401,175,707</b>                            | <b>976,462,752</b>                              |
| <b><u>SCHEDULE - "14"</u></b>                          |   |   |
| <b><u>OTHER INCOME</u></b>                             |   |   |
| Rent Received (Gross-TDS ₹ 0.35 lacs;P.Y. ₹ 1.39 lacs) | 1,485,000                                       | 2,546,500                                       |
| Long Term Capital Gain on Sale of Investments          | ---   | 2,375,901                                       |
| Keyman Insurance Policy Maturity Value                 | ---   | 14,002,500                                      |
| Excess Provision of Leave Salary and Bonus W/Back      | 557,652   | 793,718   |
| Sundry Credit Balances W/off                           | 5,864,151                                       | ---   |
| Miscellaneous Income                                   | 2,279,039                                       | 5,958,856                                       |
| <b>TOTAL</b>   | <b>10,185,842</b>                               | <b>25,677,475</b>                               |
| <b><u>SCHEDULE - "15"</u></b>                          |   |   |
| <b><u>INCREASE/(DECREASE) IN STOCK</u></b>             |   |   |
| <b><u>Opening Stock</u></b>                            |   |   |
| Finished Goods   | 27,020,059                                      | 61,154,187                                      |
| Work-in-Process  | 130,459,645                                     | 204,631,908                                     |
| Scrap  | 1,656,982                                       | 1,268,843                                       |
|  | <b>159,136,685</b>                              | <b>267,054,939</b>                              |
| <b><u>Closing Stock</u></b>                            |   |   |
| Finished Goods   | 30,638,544                                      | 27,020,059                                      |
| Work-in-Process  | 212,576,403                                     | 130,459,645                                     |
| Scrap  | 3,021,845                                       | 1,656,982                                       |
| <b>TOTAL</b>   | <b>246,236,792</b>                              | <b>159,136,685</b>                              |
| <b><u>INCREASE/(DECREASE) IN STOCK</u></b>             | <b>87,100,107</b>                               | <b>(107,918,254)</b>                            |
| <b><u>SCHEDULE - "16"</u></b>                          |   |   |
| <b><u>MANUFACTURING EXPENSES</u></b>                   |   |   |
| Stores and Spare-parts consumed                        | 36,063,482                                      | 26,031,282                                      |
| Electricity and Water charges                          | 14,412,945                                      | 9,675,889                                       |
| Labour Charges   | 24,762,260                                      | 14,542,235                                      |
| Royalty  | 1,027,744                                       | 733,795   |
| Variation in Excise Duty on Finished Stock             | 467,878   | (1,820,701)                                     |
| <b><u>Repairs &amp; Maintenance</u></b>                |   |   |
| a) Building  | 1,441,126                                       | 1,336,545                                       |
| b) Plant and Machinery                                 | 7,108,056                                       | 5,534,302                                       |
| c) Others  | 1,606,495                                       | 1,371,098                                       |
| Property Tax and Lease Rent                            | 208,187   | 270,636   |
| Other Manufacturing Expenses                           | 4,549,980                                       | 3,924,410                                       |
| <b>TOTAL</b>   | <b>91,648,152</b>                               | <b>61,599,492</b>                               |

|  | For the year ended<br>31.03.2011<br>(IN RUPEES) | For the year ended<br>31.03.2010<br>(IN RUPEES) |
|--|---|---|
| <b>SCHEDULE - "17"</b>   |   |   |
| <b>EMPLOYEES' REMUNERATION AND BENEFITS</b>                        |   |   |
| Salaries, Wages and Bonus etc.                                     | 56,960,182                                      | 51,094,613                                      |
| Contribution to Provident Fund                                     | 3,846,207                                       | 4,145,518                                       |
| Welfare Expenses   | 1,148,386                                       | 865,114   |
| <b>TOTAL</b>   | <b>61,954,775</b>                               | <b>56,105,245</b>                               |
| <b>SCHEDULE - "18"</b>   |   |   |
| <b>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>                |   |   |
| Packing & Forwarding Expenses                                      | 12,821,985                                      | 8,129,654                                       |
| Travelling & Conveyance  | 7,188,165                                       | 5,838,894                                       |
| Rent   | 1,625,400                                       | 1,116,895                                       |
| Insurance  | 1,619,756                                       | 2,080,725                                       |
| Rates & Taxes  | 407,995   | 441,812   |
| <b>Payment to Auditors</b>   |   |   |
| Audit Fees   | 275,000.00                                      | 225,000   |
| In Other Capacity  | 21,500.00                                       | 24,000  |
| Commission on Sales  | 866,073   | 491,460   |
| Late Delivery Charges  | 5,983,690                                       | ---   |
| Diff. in Foreign Exchange  | 9,781,514                                       | 1,688,423                                       |
| Directors Sitting Fees   | 49,000  | 66,000  |
| Sales Tax & VAT  | 33,484,776                                      | 21,431,316                                      |
| Service Tax Payment  | 209,028   | 494,324   |
| Directors Commission   | 10,760  | ---   |
| Loss on Sale of Fixed Assets                                       | 29,341  | 158,427   |
| Miscellaneous Expenses   | 9,391,140                                       | 9,991,026                                       |
| <b>TOTAL</b>   | <b>83,765,124</b>                               | <b>52,177,956</b>                               |
| <b>SCHEDULE - "19"</b>   |   |   |
| <b>FINANCIAL CHARGES</b>   |   |   |
| <b>Interest:</b>   |   |   |
| On Fixed Term Loans  | 5,177,605                                       | 4,059,815                                       |
| On Working Capital Facilities to Bank                              | 13,633,601                                      | 5,377,550                                       |
| To Others  | 21,429,469                                      | 14,861,846                                      |
|  | 40,240,675                                      | 24,299,210                                      |
| Less: Interest Received (Gross, Tds ₹ 2.40 Lacs; P.Y. ₹ 2.73 Lacs) | 6,853,502                                       | 4,457,746                                       |
|  | 33,387,173                                      | 19,841,464                                      |
| Bank Charges & Commission  | 11,153,378                                      | 7,891,936                                       |
| <b>TOTAL</b>   | <b>44,540,551</b>                               | <b>27,733,400</b>                               |

**SCHEDULE – “20” – NOTES TO ACCOUNTS****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, 1956, 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 31st March, 2009.
- b) Depreciation for the year has been provided on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to and deductions from assets during the year is provided on a pro-rata basis.
- c) Leasehold Land is amortised over the lease period.

**(iii) INTANGIBLE ASSETS**

Expenditure incurred for acquiring Software is stated at acquisition cost less accumulated amortisation. 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 has been provided for on assets given on operating lease on straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to and deductions from assets during the year is provided on pro-rata basis.

**(v) VALUATION OF INVENTORY**

- a) Raw Materials and General Stores are valued at cost or 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 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 Profit and Loss Account 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 Profit and Loss Account 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 or fair value, whichever is less, temporary fall in market value, if any, is not 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 Profit and Loss Account except, as referred in para (d) below.
- d) Company has exercised option as per Notification dated 31st March, 2009 to account for gain/loss in foreign exchange liability for fixed assets acquired in foreign currency.

**(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 assets 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**

Impairment of assets are assessed at each Balance Sheet date and loss is recognized whenever the recoverable amount of an asset is less than its carrying 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 Profit and Loss account under schedule of "Manufacturing Expenses".

| Current Accounting Year<br>Ended 31-03-2011<br>(₹ in Lacs) | Previous Accounting Year<br>Ended 31-03-2010<br>(₹ in Lacs) |
|--|---|
|--|---|

2. **Contingent Liabilities not provided for :**

|   |        |   |
|---|--------|---|
| a) Bank Guarantees given by bankers on behalf of the Company  | 864.86 | 890.31  |
| b) Guarantee given by the Company to Bankers on behalf of associate Company   | 665.00 | 465.00  |
| c) Bills Discounted   | 487.27 | 432.45  |
| d) Claim of Collector   | 353.47 | 353.47  |
| e) Sales Tax (Disputed in Appeal)   | --     | 116.23  |
| f) Show Cause Notice in respect of Central Excise   | --     | 3.18  |
| g) Central Excise (Disputed in Appeal)  | 70.94  | 271.81  |
| h) Subletting Charges   | 1.37   | 1.37  |
| i) In respect of Custom Duty  | 10.67  | --  |
| j) Income Tax matters   | 6.02   | 1.15  |
| 3. i) Loans from State Bank of India (SBI) on Cash Credit account are 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 and machinery situated at Tarapur, Distt. Thane and at Brahmanwel, Distt. Dhule. The loans are also guaranteed by two of the directors. |        | Stock-in-Process, Finished Goods, Stores & Spares, Other Consumables, Book debts, both present and future. The term loan is also guaranteed by two of the directors. (Repayment in next one year is ₹ 174.04 lacs; P.Y. ₹ 422.15 lacs). |
| ii) Term loan from State Bank of India is secured by mortgage charge on land & building at Tarapur, land at Dhule for Wind Power Project and hypothecation charge on Plant & Machinery and extension of hypothecation charge on the entire current assets of the Company consisting of Raw Materials,   |        | iii) Loans from other banks are secured by hypothecation of the Vehicles purchased from such loans. Repayment due in next one year is ₹ Nil lacs (P.Y. ₹ 5.46 lacs).  |
| 4. Rent receivable in respect of assets given on operating lease in next one year is ₹ 21.50 Lacs (P.Y. ₹ 4.03 Lacs), beyond one year to five years ₹ 93.02 Lacs (P.Y. ₹ 15.00 Lacs) and beyond five years ₹ 0.25 Lacs (P.Y. ₹ 0.25 Lacs).  |        |   |

5. **The significant component and classification of deferred tax assets and liabilities on account of timing differences are: -**

**Deferred Tax Assets:**

Provision for Retirement Benefits  
Business Loss  
Long Term Capital Loss

**Deferred Tax Liability:**

Depreciation

**Net deferred tax liability on account of timing difference**

| As At<br>31-03-2011<br>(₹ in Lacs) | As At<br>31-03-2010<br>(₹ in Lacs) |
|------------------------------------|------------------------------------|
| 9.78                               | 11.53                              |
| 110.79                             | 137.22                             |
| 41.14                              | 42.12                              |
| 161.71                             | 190.87                             |
| 845.07                             | 867.75                             |
| 683.36                             | 676.88                             |

**6. a) Information about business segments: -**

(₹. in Lacs)

| <b>Revenue</b>                            | <b>S. S. Pipes &amp; Tubes</b> | <b>Wind Mill Division</b> | <b>Total</b>      |
|---|--------------------------------|---------------------------|-------------------|
| External                                  | 13,891.78                      | 104.47                    | 13,996.25         |
| Inter Segment                             | (9,632.81)                     | (115.11)                  | (9,747.92)        |
|   | --                             | 15.51                     | 15.51             |
|   | (--)                           | (16.71)                   | (16.71)           |
| <b>Total Revenue</b>                      | <b>13,891.78</b>               | <b>119.98</b>             | <b>14,011.76</b>  |
|   | <b>(9,632.81)</b>              | <b>(131.82)</b>           | <b>(9,764.63)</b> |
| <b>Result</b>                             |                                |                           |                   |
| Segment Result                            | 518.69                         | 22.19                     | 540.88            |
|   | (276.35)                       | (30.82)                   | (307.17)          |
| Financial Charges (Net)                   |                                |                           | 445.41            |
| Profit/(Loss) Before Tax                  |                                |                           | (277.33)          |
| Provision for current Taxation            |                                |                           | 95.47             |
| Provision for deferred Taxation/(Credit)  |                                |                           | (29.84)           |
| Mat Credit Entitlement                    |                                |                           | 17.05             |
| Profit/(Loss) after Tax                   |                                |                           | (4.79)            |
|   |                                |                           | 6.47              |
|   |                                |                           | (17.31)           |
|   |                                |                           | (16.82)           |
|   |                                |                           | (4.61)            |
|   |                                |                           | 88.77             |
|   |                                |                           | (46.97)           |
| <b>Other Information</b>                  |                                |                           |                   |
| Segment Assets                            | 11,732.60                      | 1,081.35                  | 12,813.95         |
|   | (8,867.81)                     | (1,086.00)                | (9,953.81)        |
| Segment Liabilities                       | 6,245.71                       | 11.94                     | 6,257.65          |
|   | (3,049.53)                     | (0.03)                    | (3,049.56)        |
| Capital Expenditure                       | 854.91                         | --                        | 854.91            |
|   | (792.91)                       | (78.68)                   | (871.59)          |
| Depreciation                              | 195.03                         | 73.67                     | 268.70            |
|   | (184.20)                       | (73.25)                   | (257.45)          |
| Non-cash expenses other than depreciation | --                             | --                        | --                |
|   | (—)                            | (—)                       | (—)               |

**b) Information about Secondary Business Segments Revenue by geographical market**

|                      | <b>Domestic</b>   | <b>International</b> | <b>Total</b>      |
|----------------------|-------------------|----------------------|-------------------|
| External             | 13,564.42         | 431.83               | 13,996.25         |
|                      | (9,193.73)        | (554.19)             | (9,747.92)        |
| Inter Segment        | 15.51             | --                   | 15.51             |
|                      | (16.71)           | (--)                 | (16.71)           |
| <b>Total</b>         | <b>13,579.93</b>  | <b>431.83</b>        | <b>14,011.76</b>  |
|                      | <b>(9,210.44)</b> | <b>(554.19)</b>      | <b>(9,764.63)</b> |
| Segment Assets       | 12,813.95         | --                   | 12,813.95         |
|                      | (9,761.88)        | (191.93)             | (9,953.81)        |
| Capital Expenditures | 854.91            | --                   | 854.91            |
|                      | (871.59)          | (--)                 | (871.59)          |

**c) Notes**

- i) Management has identified two reportable segments, namely: -
  - a) S.S. Pipes & Tubes -- Comprising of Stainless Steel Welded & Seamless Pipes & Tubes.
  - b) Wind Mill Division -- Comprising of Wind Turbines at Dhule.
- ii) The Segment Revenue in the geographical segments considered for disclosure are as follows: -
  - a) Domestic -- Comprising of sales to customers located within India and earning in India.
  - b) International -- Comprising of sales to customers located outside India.
- iii) Figures in brackets are for previous year.

**7. Earning per Share**

**Reconciliation of basic and diluted earning per share**

- a) Number of shares considered as basic weighted average shares outstanding
- Number of shares considered as basic weighted average shares outstanding for computing basic earning per share
- Number of shares considered as weighted average shares outstanding for computing diluted earning per share.

**Computation of basic & diluted earning per share**

- b) Net profit after tax attributable to equity share-holders (₹. in Lacs)
- c) Basic earnings per equity share of ₹.10/- each (₹ Rupees)
- d) Diluted earnings per equity share of ₹.10/- each (₹ Rupees)

|  | <b>2010-2011</b> | <b>2009-2010</b> |
|--|------------------|------------------|
|  | <b>95,82,400</b> | 95,82,400        |
|  | <b>95,82,400</b> | 95,82,400        |
|  | <b>95,82,400</b> | <b>95,82,400</b> |
|  | <b>88.51</b>     | 80.29            |
|  | <b>0.92</b>      | 0.84             |
|  | <b>0.92</b>      | 0.84             |

**8. Related Parties disclosures: -**

- i) (a) Key Management Personnel:  
Shri. V. C. Saraf - Chairman, Shri. Rajendra C. Saraf - Director, Shri. Rishabh R. Saraf - Managing Director, Shri. Ritvik V. Saraf - Director
- (b) Associates:  
Remi Process Plant and Machinery Ltd., Rajendra Electrical Industries Ltd., Remi Metals Gujarat Ltd., Remi Finance & Investments Pvt. Ltd., Remi Sales & Engineering Ltd., Remi Anupam Mixie Ltd., Bajrang Finance Ltd., Remi Securities Ltd., Rajendra Finance Pvt. Ltd. and Calplus Trading Pvt. Ltd. & Aura Gems Pvt. Ltd.
- (c) Relatives of key management personnel and other related parties  
Smt. Vandana V. Saraf, Rajendra Electrical Motor Industries, Minakshi R. Saraf, Vishwambharlal Chiranjilal H.U.F., Shruti Trust, Rishabh Trust, Ritvik Trust.

**Note:** Related party relationship is as identified by the Company and relied upon by the Auditors.

- ii) Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(₹. in Lacs)

| Nature of Transactions         | Related Parties        |                        |                        |
|--------------------------------|------------------------|------------------------|------------------------|
|                                | Referred in 1(a) above | Referred in 1(b) above | Referred in 1(c) above |
| <b>Purchases</b>               |                        |                        |                        |
| Fixed Assets                   | --                     | 57.83                  | --                     |
|                                | (--)                   | (20.45)                | (--)                   |
| Goods & Materials              | --                     | 298.16                 | --                     |
|                                | (--)                   | (--)                   | (--)                   |
| <b>Sales</b>                   |                        |                        |                        |
| Goods and Materials            | --                     | --                     | --                     |
|                                | (--)                   | (13.94)                | (--)                   |
| Investments                    | --                     | --                     | --                     |
|                                | (--)                   | (93.70)                | (--)                   |
| <b>Expenses</b>                |                        |                        |                        |
| Rent and other service charges | 1.20                   | 16.01                  | --                     |
|                                | (1.20)                 | (10.04)                | (--)                   |
| Royalty Charges                | --                     | --                     | 11.29                  |
|                                | (--)                   | (--)                   | (8.04)                 |
| Remuneration                   | 39.00                  | --                     | --                     |
|                                | (47.35)                | (--)                   | (--)                   |
| Repairs & Maintenance          | --                     | 1.65                   | --                     |
|                                | (--)                   | (0.91)                 | (--)                   |
| General Expenses               | --                     | 1.17                   | --                     |
|                                | (--)                   | (0.21)                 | (--)                   |
| Interest paid                  | --                     | 108.03                 | --                     |
|                                | (--)                   | (77.05)                | (--)                   |
| Reimbursement of Expenses      | --                     | 9.98                   | --                     |
|                                | (--)                   | (6.88)                 | (--)                   |
| Directors Commission           | 0.27                   | --                     | --                     |
|                                | (--)                   | (--)                   | (--)                   |
| Directors' Fees                | 0.25                   | --                     | --                     |
|                                | (0.22)                 | (--)                   | (--)                   |
| <b>Income</b>                  |                        |                        |                        |
| Interest Received              | --                     | 2.27                   | --                     |
|                                | (--)                   | (--)                   | (--)                   |
| Rent and other service charges | --                     | 13.49                  | --                     |
|                                | (--)                   | (13.49)                | (--)                   |
| Testing Charges                | --                     | 1.35                   | --                     |
|                                | (--)                   | (1.01)                 | (--)                   |
| Job Work Charges               | --                     | --                     | --                     |
|                                | (--)                   | (16.47)                | (--)                   |
| <b>Finance</b>                 |                        |                        |                        |
| Loans and Advances taken       | --                     | 5479.47                | --                     |
|                                | (--)                   | (3,703.95)             | (--)                   |
| Loans and Advances Given       | --                     | 161.00                 | --                     |
|                                | (--)                   | (--)                   | (--)                   |
| Payable                        | --                     | 127.27                 | 3.51                   |
|                                | (--)                   | (2.89)                 | (2.19)                 |
| Receivable                     | 1.25                   | 115.04                 | --                     |
|                                | (1.25)                 | (16.20)                | (--)                   |
| Loans taken                    | --                     | 451.94                 | --                     |
|                                | (--)                   | (68.80)                | (--)                   |
| Loans given                    | --                     | 2.04                   | --                     |
|                                | (--)                   | (--)                   | (--)                   |

**9. Disclosures in accordance with Revised AS - 15 on "Employee Benefits" :**

**(A) Defined Contribution Plans:**

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

| <b>For the year ended March 31, 2011</b>  |  |
|---|--|
| Contribution to Employees' Provident Fund | 38,46,207<br>(41,45,518)               |
| <b>Total</b>                              | <b>38,46,207</b><br><b>(41,45,518)</b> |

**(B) Defined Benefits Plans:**

(i) Changes in the Present Value of Obligation:

**For the year ended March 31, 2011**

|  | Gratuity                     | Leave Encashment         | Total                        |
|--|------------------------------|--------------------------|------------------------------|
| (a) Present Value of Obligation as at April 1, 2009  | 1,23,87,037<br>(1,28,13,458) | 34,71,395<br>(40,95,136) | 1,58,58,532<br>(1,69,08,594) |
| (b) Interest Cost                                    | 9,90,963<br>(10,25,077)      | 2,77,720<br>(3,27,611)   | 12,68,683<br>(13,52,688)     |
| (c) Past Service Cost                                | --<br>(--)                   | (--)<br>--               | --<br>(--)                   |
| (d) Current Service Cost                             | 11,30,824<br>(10,02,033)     | (98,485)<br>(513)        | 10,32,339<br>(10,02,546)     |
| (e) Benefits Paid                                    | (24,80,191)<br>(16,24,292)   | (5,88,387)<br>(6,74,280) | (30,68,578)<br>(22,98,572)   |
| (f) Actuarial (Gain)/Loss                            | 19,35,714<br>(8,29,239)      | (47,181)<br>(2,77,485)   | (18,88,533)<br>(11,06,724)   |
| (g) Present Value of Obligation as at March 31, 2011 | 1,39,64,347<br>(1,23,87,037) | 30,15,162<br>(34,71,495) | 1,69,79,509<br>(1,58,58,532) |

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

**For the year ended March 31, 2011**

|  | Gratuity                    |
|--|-----------------------------|
| (a) Present Value of Plan Assets as at April 1, 2010 | 1,22,70,007<br>(96,60,190)  |
| (b) Expected Return on Plan Assets                   | 10,37,501<br>(10,31,078)    |
| (c) Actuarial (Gain)/Loss                            | --<br>(--)                  |
| (d) Employers' Contributions                         | 3,75,155<br>(32,03,031)     |
| (e) Employees' Contributions                         | --<br>(--)                  |
| (f) Benefits Paid                                    | (24,80,191)<br>(16,24,292)  |
| (g) Fair Value of Plan Assets as at March 31, 2011   | 1,12,02,472<br>(12,270,007) |

(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, 2011**

|   | Gratuity                     | Leave Encashment         | Total                        |
|---|------------------------------|--------------------------|------------------------------|
| (a) Present Value of Funded Obligation as at March 31, 2011   | 1,39,64,347<br>(1,23,87,037) | --<br>(--)               | 1,39,64,347<br>(1,23,87,037) |
| (b) Fair Value of Plan Assets as at March 31, 2011            | 1,12,02,432<br>(1,22,70,007) | --<br>(--)               | 1,12,02,472<br>(1,22,70,007) |
| (c) Present Value of Unfunded Obligation as at March 31, 2011 | 27,61,875<br>(1,17,030)      | 30,15,162<br>(34,71,495) | 57,77,037<br>(35,88,525)     |
| (d) Net Liability/(Asset) recognized in the Balance Sheet     | 27,61,875<br>(1,17,030)      | 30,15,162<br>(34,71,495) | 57,77,037<br>(35,88,525)     |

(iv) Expenses recognized in the Profit and Loss Account:

**For the year ended March 31, 2011**

|  | Gratuity                   | Leave Encashment       | Total                      |
|--|----------------------------|------------------------|----------------------------|
| (a) Current Service Cost                                     | 11,30,824<br>(10,02,033)   | (98,485)<br>(513)      | 10,32,339<br>(10,02,546)   |
| (b) Past Service Cost  | --<br>(--)                 | --<br>(--)             | --<br>(--)                 |
| (c) Interest Cost  | 9,90,963<br>(10,25,077)    | 2,77,720<br>(3,27,611) | 12,68,683<br>(13,52,688)   |
| (d) Expected Return on Plan Assets                           | (10,37,501)<br>(10,31,078) | --<br>(--)             | (10,37,501)<br>(10,31,078) |
| (e) Net actuarial Gain/Loss                                  | 19,35,714<br>(8,29,239)    | (47,181)<br>(2,77,485) | 18,88,533<br>(11,06,724)   |
| (f) Employees' Contribution                                  | --<br>(--)                 | --<br>(--)             | --<br>(--)                 |
| (g) Total Expenses recognized in the Profit and Loss Account | 30,20,000<br>(1,66,793)    | 1,32,054<br>(50,639)   | 31,52,054<br>(2,17,432)    |

(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2011

|                                       | 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%<br>(100%) |
| (g) Others                            | --             |

(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

| S. No. | Particulars                  | (₹)                      |
|--------|------------------------------|--------------------------|
| (a)    | Actual return on plan assets | 10,37,501<br>(10,31,078) |

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

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

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

**10. Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 341.36 Lacs (P.Y. ₹ 21.53 Lacs)**

| Current Accounting Year Ended 31.03.2011 |                   | Previous Accounting Year ended 31.3.2010 |                   |
|--|-------------------|--|-------------------|
| Qty. (Tons)                              | Value (₹ in Lacs) | Qty. (Tons)                              | Value (₹ in Lacs) |

**11. Details of licensed capacity, installed capacity and actual production:**

|  |          |          |  |
|--|----------|----------|--|
| <b>a) Licensed Capacity:</b>             |          |          |  |
| Stainless Steel Welded & Seamless Pipes. | N.A.     | N.A.     |  |
| <b>b) Installed Capacity:*</b>           |          |          |  |
| i) Stainless Steel Pipes & Tubes         | 10445    | 7445     |  |
| ii) Wind Power                           | 2.25 MW  | 2.25 MW  |  |
| <b>c) Actual Production:</b>             |          |          |  |
| i) Stainless Steel Pipes & Tubes         | 4894.014 | 3518.169 |  |
| ii) Wind Power (Units)                   | 2940650  | 3355393  |  |

- \* Notes:
- The Company manufactures wide range of small & big diameter stainless steel welded and Seamless pipe & tubes and installed capacity in tons is based on Standard size of diameter.
  - Installed capacity is as certified by the management and relied by auditors being a technical matter.

**12. Details of Opening Stock, Purchases, Sales & Closing Stock:**

|  | Current Accounting Year Ended 31.03.2011 |                     | Previous Accounting Year Ended 31-3-2010 |                     |
|--|--|---------------------|--|---------------------|
|  | Qty. (Tons)                              | Value (Rs. in Lacs) | Qty. (Tons)                              | Value (Rs. in Lacs) |
| <b>a) Opening Stock:</b>   |  |                     |  |                     |
| i) Stainless Steel Pipes & Tubes   | 93.779                                   | 270.20              | 199.448                                  | 611.54              |
|  | 93.779                                   | 270.20              | 199.448                                  | 611.54              |
| <b>b) Purchase for Resale</b>  |  |                     |  |                     |
| S.S. Coils, Plates etc.  | 102.417                                  | 186.91              | 541.293                                  | 265.01              |
|  | 102.417                                  | 186.91              | 541.293                                  | 265.01              |
| <b>c) Sales:</b>   |  |                     |  |                     |
| Stainless Steel Pipes & Tubes  | 4873.556                                 | 13335.42            | 3,623.838                                | 96157.91            |
| S.S. Coils, Plates etc. (Net of Tax)                                     | 102.417                                  | 199.14              | 541.293                                  | 278.42              |
| Power (Including Captive Consumption of ₹ 15.51 lacs; P.Y. ₹ 16.71 lacs) | --                                       | 119.98              | --                                       | 131.82              |
| Others   | --                                       | 357.22              | --                                       | 196.48              |
|  |  | 14011.76            |  | 9,764.63            |
| <b>d) Closing Stock:</b>   |  |                     |  |                     |
| i) Stainless Steel Pipes & Tubes   | 114.237                                  | 306.39              | 93.779                                   | 270.20              |
|  | 114.237                                  | 306.39              | 93.779                                   | 270.20              |

|            |   |   |                      |  |                       |
|------------|---|---|----------------------|--|-----------------------|
| <b>13.</b> | <b><u>Raw Material Consumption:</u></b>   |   |                      |  |                       |
|            | i) S.S.Sheets and Plates  | 4163.886  | 7,054.77             | 2785.835   |                       |
|            | ii) S.S.Mother Pipes  | <u>1397.556</u>   | <u>3,435.37</u>      | <u>929.258</u>   |                       |
|            |   | <u>5,561.442</u>  | <u>10,490.14</u>     | <u>3,715.093</u>   |                       |
| <b>14.</b> | <b><u>Value of Imports calculated on C.I.F. basis in respect of:</u></b>  |   |                      |  |                       |
|            | i) Raw Material   |   | 8,223.72             | 3,091.36   |                       |
|            | ii) Stores and Spare Parts  |   | 7.03                 | --   |                       |
|            | iii) Fixed Assets   |   | 50.65                | 524.49   |                       |
| <b>15.</b> | <b><u>Value of Raw Materials and Stores &amp; Spare Parts consumed &amp; percentage of total consumption:</u></b>   |   |                      |  |                       |
|            |   | Value   | % of total           | Value  |                       |
|            |   | (₹ in Lacs)   | consumption          | (₹ in Lacs)  |                       |
|            | <b>a) <u>Raw Materials:</u></b>   |   |                      |  |                       |
|            | i) Imported   | 8,317.18  | 79.29                | 2,914.07   |                       |
|            | ii) Indigenous  | <u>2,172.96</u>   | <u>20.71</u>         | <u>2,880.89</u>  |                       |
|            |   | <u>10,490.14</u>  | <u>100.00</u>        | <u>5,794.96</u>  |                       |
|            | <b>b) <u>Stores and Spare Parts:</u></b>  |   |                      |  |                       |
|            | i) Imported   | 8.83  | 2.45                 | --   |                       |
|            | ii) Indigenous  | <u>351.80</u>   | <u>97.55</u>         | <u>260.32</u>  |                       |
|            | <b>Total</b>  | <u><b>360.63</b></u>  | <u><b>100.00</b></u> | <u><b>260.32</b></u>   |                       |
|            |   |   |                      | <u><b>100.00</b></u>   |                       |
| <b>16.</b> | <b><u>(a) Computation of Net Profit under Section 349/198(1) of the Companies Act, 1956 for the purpose of Directors' Commission: -</u></b>   | <b>Current Accounting<br/>Year Ended 31-03-2011<br/>Value (₹ in Lacs)</b> |                      | <b>Previous Accounting<br/>Year Ended 31-03-2010<br/>Value (₹ in Lacs)</b> |                       |
|            | Profit before Taxation as per Profit & Loss Account: -  |   | 95.47                |  | 29.84                 |
|            | <u>Less:</u> Depreciation as per Section 350  | 353.81  |                      | 342.34   |                       |
|            | Capital Gain on Sale of Investments   | --  | (353.81)             | 23.76  | (366.10)              |
|            |   |   | <u>(258.34)</u>      |  | <u>(336.26)</u>       |
|            | <u>Add:</u> Depreciation as per accounts  |   | 268.70               |  | 257.45                |
|            | Loss on Sale of Fixed Assets  |   | 0.29                 |  | 1.58                  |
|            | Commission to Directors   |   | 0.11                 |  | --                    |
|            | Net Profit/(Loss)   |   | <u><b>10.76</b></u>  |  | <u><b>(77.23)</b></u> |
|            | Directors' Commission 1% of Net Profit/(Loss)   |   | <u>0.11</u>          |  | <u>Nil</u>            |
|            | <b><u>(b) Managerial Remuneration</u></b>   |   |                      |  |                       |
|            | i) Directors' Fees  |   | 0.49                 |  | 0.66                  |
|            | ii) Directors' Commission   |   | 0.11                 |  | --                    |
|            | iii) Remuneration (incl. contribution to Provident Fund and estimated value of perquisites)   |   | <u>39.00</u>         |  | <u>47.35</u>          |
|            |   |   | <u>39.60</u>         |  | <u>48.01</u>          |
| <b>17.</b> | <b><u>Expenditure in Foreign Currency:</u></b>  |   |                      |  |                       |
|            | i) Travelling expenses  |   | 17.31                |  | 12.57                 |
|            | ii) Interest & Bank Charges   |   | 19.01                |  | 57.71                 |
|            | iii) Other Expenses   |   | <u>3.21</u>          |  | <u>22.89</u>          |
|            |   |   | <u>39.53</u>         |  | <u>93.17</u>          |
| <b>18.</b> | <b><u>Earning in Foreign Exchange:</u></b>  |   |                      |  |                       |
|            | Export of S.S. Pipes (at F.O.B. Value)  |   | 1323.23              |  | 1217.01               |
|            | (Including value of Deemed Exports & Supplies to SEZ & EOU of ₹ 905.79 lacs; P.Y. ₹ 703.77 lacs)  |   |                      |  |                       |
| <b>19</b>  | 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. |   |                      |  |                       |
| <b>20</b>  | The Balance Sheet extract and Company's general business profile as required by Part IV of Schedule VI to the Companies Act, 1956, are given in the annexure.   |   |                      |  |                       |
| <b>21</b>  | Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with current years figures.   |   |                      |  |                       |

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

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

Membership No. 33978

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May 2011

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

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

**ANNEXURE REFERRED TO IN NOTE 18 OF THE NOTES ANNEXED TO AND FORMING  
PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND THE  
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. Registration details**

|                    |            |            |    |
|--------------------|------------|------------|----|
| Registration No.   | 14746      | State Code | 11 |
| Balance Sheet Date | 31.03.2011 |            |    |

**II. Capital raised during the year (Amount in Rs. Thousands)**

|              |     |                   |     |
|--------------|-----|-------------------|-----|
| Public Issue | NIL | Rights Issue      | NIL |
| Bonus Issue  | NIL | Private Placement | NIL |

**III. Position of Mobilisation and Deployment of Funds (Amount in ₹ Thousands)**

|                   |         |              |         |
|-------------------|---------|--------------|---------|
| Total Liabilities | 1281395 | Total Assets | 1281395 |
|-------------------|---------|--------------|---------|

**Sources of Funds**

|                        |        |                    |        |
|------------------------|--------|--------------------|--------|
| Paid-up Capital        | 95824  | Reserves & Surplus | 339197 |
| Secured Loans          | 348192 | Unsecured Loans    | 177448 |
| Deferred Tax Liability | 68336  |                    |        |

**Application of Funds**

|                    |        |                   |     |
|--------------------|--------|-------------------|-----|
| Net Fixed Assets   | 426376 | Investments       | 477 |
| Net Current Assets | 602143 | Misc. Expenditure | NIL |

**IV. Performance of Company (Amount in ₹ Thousands)**

|                            |         |                           |         |
|----------------------------|---------|---------------------------|---------|
| Turnover                   | 1386030 | Total Expenditure         | 1376483 |
| Profit / (Loss) before tax | 9547    | Profit / (Loss) after tax | 8877    |

|   |   |
|---|---|
| + | - |
| + |   |

|   |   |
|---|---|
| + | - |
| + |   |

(Please mark Appropriate box "+" for Profit "-" for Loss)

|  |      |                 |     |
|--|------|-----------------|-----|
| Earning Per Share in ₹<br>(Annualised) | 0.92 | Dividend rate % | NIL |
|--|------|-----------------|-----|

**V. Generic Names of Three Principal Products/Services of Company  
(as per monetary terms)**

|                     |                     |
|---------------------|---------------------|
| Item Code No. (ITC) | 730640.00           |
| Product Description | S. S. WELDED PIPE   |
| Item Code No. (ITC) | 730410.01           |
| Product Description | S. S. SEAMLESS PIPE |
| Item Code No. (ITC) |                     |
| Product Description | POWER GENERATION    |

FOR AND ON BEHALF OF THE BOARD OF

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May 2011

Sd/-  
V. C. SARAF  
DIRECTOR

Sd/-  
R. R. SARAF  
MANAGING DIRECTOR

**REMI EDELSTAHL TUBULARS LIMITED**

Regd. Office : Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai - 400 063.

**ATTENDANCE SLIP**

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

Full Name of Member (in BLOCK LETTERS).....

Member's Folio Number .....Client ID :.....DP ID :.....

Name of proxy (in BLOCK LETTERS) .....

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

No. of Shares Held .....

I hereby record my presence at the **40th ANNUAL GENERAL MEETING** held on **Friday**, the **30th September, 2011** at Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai - 400 063.

Note : To be signed at the time of handing over this slip.

Member's / Proxy's Signature

**REMI EDELSTAHL TUBULARS LIMITED**

Regd. Office : Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai - 400 063.

**PROXY FORM**

Member's Folio Number .....Client ID :.....DP ID:.....

I/We .....of .....

..... being a Member/members of the above-named Company, hereby appoint ..... of ..... as my / our proxy to attend and vote for me/us on my/our behalf at the **40th ANNUAL GENERAL MEETING** to be held on **Friday**, the **30th September, 2011** at its Regd. Office: Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai-400 063. at 11.30 a.m.

Signed

Date :

Notes :

Affix  
Re. 1/-  
Revenue  
Stamp

1. The instrument of Proxy shall be deposited at the Reg. Office of the Company not less than 48 hours before the time fixed for the holding of the Meeting.
2. The Form should be signed across the stamp as per specimen signatures registered with the Company.

BOOK – POST

If undelivered, please return to:

**REMI EDELSTAHL TUBULARS LIMITED**

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