



# **REMI EDELSTAHL TUBULARS LIMITED**

## **41<sup>st</sup> Annual Report 2011-2012**



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



**Wind Power  
Promoting Green Energy**



# *National Energy Conservation Award*

*This commendation certificate is awarded to*

*M/s Remi Edelstahl Tubulars Limited*

*Tarapur, Boisar*

*(Maharashtra)*

*in appreciation of their efforts in*

*Energy Conservation in the*

*Steel-Re rolling Sector*

*for the year 2011*

*Uma Manika*

*Ministry of Power  
New Delhi  
14 December 2011*

*Secretary to the  
Government of India*

**Board of Directors**

Shri Vishwambhar C. Saraf	Chairman
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	
Shri Sandeep Shriya	

**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**

- (1) Plot No. N-211/1  
M.I.D.C.  
Tarapur, Maharashtra
- (2) Village Brahmanwel,  
Taluka Shakri,  
District Dhule, Maharashtra

**NOTICE**

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

**NOTICE** is hereby given that the 41<sup>st</sup> 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 **Saturday the 29<sup>th</sup> September, 2012** at 11.30 A.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the year ended, 31<sup>st</sup> March, 2012.
2. To re-appoint as Director Shri Vishwambhar C. Saraf, who retires by rotation.
3. To re-appoint as Director Shri Kamal Kumar Dujodwala, who retires by rotation.
4. To re-appoint as Director Rishabh R. Saraf, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following special resolution:

"Resolved that the Company hereby authorises the payment of remuneration to its Directors, excluding its Managing Director, by way of commission, at one per cent of the net profits of the Company.

"Further Resolved that this arrangement will enure for five years from April, 2011."

For **REMI EDELSTAHL TUBULARS LIMITED**

Place :Mumbai  
Dated : 14<sup>th</sup> August, 2012

**(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 **Friday, the 21<sup>st</sup> September, 2012** to **Friday, the 28<sup>th</sup> September, 2012**, 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.

4. Explanatory statement relating to the item of special business at item No.6 is set out below:

**Explanatory statement - Pursuant to Section 173 of the Companies Act, 1956 - Annexure to the notice.**

It is proposed to renew the arrangement for payment of commission to its Directors, in terms of the provisions contained in Section 309(4) of the Companies Act, 1956. This special resolution achieves this purpose.

Shri V.C. Saraf, Shri R.C. Saraf, Shri Rishabh R. Saraf and Shri Ritvik V. Saraf, Directors, are to be deemed to be interested in this item of business.

Your Directors commend this resolution for your approval.

**DIRECTORS' REPORT**

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

Your Directors have immense pleasure in presenting 41<sup>st</sup> Annual Report and Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

**PERFORMANCE REVIEW:**

The performance for the financial year ended 31<sup>st</sup> March, 2012 is summarized below:-

	(₹ in Lacs)	
	2011 -12	2010 -11
Gross Turnover	19731.68	14037.80
Profit before Finance Cost, Depreciation and Tax (EBIDTA)	1266.18	821.66
Finance Cost	799.37	457.68
Depreciation	290.03	268.70
Taxation	48.76	6.77
Profit for the period	128.02	88.51
Balance brought forward	1179.77	1191.26
	<u>1307.79</u>	<u>1279.77</u>
<b>Appropriations</b>		
Transfer to General Reserve	50.00	100.00
Balance carried to Balance Sheet	1257.79	1179.77
	<u>1307.79</u>	<u>1279.77</u>

**OPERATIONS:**

The year ended March, 2012 has been a turbulent year for the Global as well as the Indian Economy. The Indian Rupee was very volatile and has experienced new lifetime lows against the US Dollar. Apart from this phenomenon, the high interest rate regime in the Indian Economy has taken its toll on the Capital Goods Industry. In spite of these negatives, the Company has achieved higher production by volume, registering a growth of 30% which helped to achieve an EBIDTA growth of 54% over the last year. The NP of the Company increased by 44.64% on the strength of higher EBIDTA. The benefit of the increased volume and sales did not reflect in the profitability due to the depreciating Rupee/higher interest burden.

The adverse market conditions were tackled by the Company by its continuous effort of focussing on speciality product sectors, especially in the Energy Sectors. The management believes that further focus on these sectors is imperative for the Company's growth and continues to focus on these speciality sectors. The expansion programme initiated in the previous year is under implementation. Certain up-gradations have been completed by March while the remaining would be completed in the coming year. The benefits of this would be accrued partially in the coming year and thereafter reflect in the future performance. The Company has received approval from the American Petroleum Institute (API) which would help selling its products in the Petroleum sector in India and overseas.

The management believes that the product portfolio up-gradation (derived from the expansion programme undertaken) coupled with the measures to control the financial cost would help in achieving a better performance in the coming year.

**DIRECTORS:**

Under Article 64 of the Articles of Association of the Company, Shri Vishwambhar C. Saraf, Shri Kamal Kumar Dujodwala and Shri Rishabh R. Saraf retire by rotation and being eligible, offer themselves for re-election.

**AUDITORS:**

The retiring Auditors M/s. Sundarlal, Desai & Kanodia, Chartered Accountants, are eligible for re-appointment and have expressed their willingness to accept the re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be approved by the members and their remuneration has to be fixed.

**AUDITORS' REPORT:**

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

**COST AUDITORS AND AUDIT REPORT:**

Pursuant to the directives of the Central Government under the provisions of Section 233B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct cost audits relating to several products manufactured by the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

On the basis of compliance certificates received from the concerned executives of the respective Divisions of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, we state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and with proper explanation Provided relating to material departures, if any;
- (ii) the Directors have followed appropriate 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) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

"National Energy Conservation Award received by the Company for their effort in energy conservation in the Steel-Rerolling Section for the year 2011. 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).

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Earnings	₹2212.76 Lacs (including deemed exports & supplies to SEZ & EOU of ₹1603.80 Lacs)
Outgo	₹9388.30 Lacs

**PARTICULARS OF EMPLOYEES:**

In accordance with the provisions of Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' report, as an addendum thereto. However, as required by the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and accounts as set out therein, are being sent to all members of the Company excluding the aforesaid information about the employees. Any member, who is interested in obtaining such particulars about employees, may write to the Company Secretary at the Registered Office of the Company, and the same will be forwarded by post.

**UNPAID DIVIDEND:**

The unpaid dividend relating to the financial year ended 31<sup>st</sup> March, 2005, will be transferred to Investor Education and Protection Fund, in the prescribed time limit.

**APPRECIATION:**

The Board place on record its deep appreciation of the devoted services of the loyal workers, executives and other staff of the Company, who have contributed in no small measure to the performance and the Company's continued inherent strength. It also extends grateful thanks to the Central and various State Governments, the investors, the banking circles, financial institutions and district level authorities for their continued support extended to the Company from time to time. Shareholders' appreciation of the managements' efforts expressed at the general meetings of the Company and otherwise, is a grate fillip to strive for better performance year after year.

**Registered Office:**

REMI House, Plot No.11,  
Cama Industrial Estate,  
Goregaon (East),  
Mumbai - 400 063  
Dated: 14<sup>th</sup> August, 2012

**ON BEHALF OF THE BOARD**

**VISHWAMBHAR C. SARAF**  
**CHAIRMAN**

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

**(d) Risk and Concerns:**

The uncertainty created by the Euro crisis may affect demand of Euro area. It may also have a further impact on the Indian Rupee, which would make imports more expensive. The Company however, is taking suitable steps to ensure protection of its margins as and when required. The high rate of interest and lower monsoons may continue to dampen the investment scenario in India

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

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

**(f) Financial Performance:**

The Financial Performance of the Company 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 30/05/2011, 12/08/2011, 11/11/2011 and 14/02/2012.

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

## Remi Edelstahl Tubulars Limited

### 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 2011-12.

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. K.K. Dujodwala	Member	4	4
Mr. S.L. Jain	Chairman	4	4
Mr. R.C. Saraf	Member	4	2

### 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 4 complaints during the year 2011-2012. 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
30/9/2009	Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063.	11.30 A.M.	Two
30/9/2010	- do -	- do -	One
30/9/2011	- do -	- do -	-

### 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 1.7 to the accounts. These transactions are not in conflict with the interests of the Company
Details of non-compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	Nil
Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.	The Company has complied with all mandatory requirements of Clause 49 of Listing Agreement.

### 8. REMUNERATION TO DIRECTORS:

(₹ in Lacs)

Name & Designation	Salary	Commission	Sitting fees
R. R. Saraf - Managing Director	31.55	-	-
V. C. Saraf - Chairman	-	0.80	0.08
R. C. Saraf	-	-	0.06
K. K. Dujodwala	-	-	0.12
M. P. Jatia	-	-	0.08
S. L. Jain	-	-	0.12
G. K. Biyani	-	-	0.02
R. V. Saraf	-	-	0.04

### 9. BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE APPOINTMENT:

Shri Vishwambhar C. Saraf, Shri Kamal Kumar Dujodwala and Shri Rishabh R. Saraf, Directors, who are retiring by rotation, are to be re-appointed. The brief resume of these Directors is given herebelow:

- i) Shri Vishwambhar C. Saraf is a commerce graduate of the University of Bombay and after graduation he joined the family business. He is Managing Director of Remi Elektrotechnik Ltd. and is on the Board of Remi Process Plant and Machinery Ltd. and Magnificent Trading Pvt. Ltd.
- ii) Shri Kamal Kumar Dujodwala is a B.Sc. Graduate. He has a vast experience of nearly 29 years in various sectors of business. He is on the Board of Dujodwala Resins & Terpenes Ltd., Dujodwala Products Ltd., Indo Euro Securities Ltd. and Dujodwala Exports Pvt. Ltd.
- iii) Shri Rishabh. R. Saraf has obtained a Bachelor of Arts in Business Administration from the University of Nottingham, England. After his return, he joined his family business and has received from his elders in the family very good training in business management. He is the Managing Director of the Company since April, 2002, in full charge of the manufacturing and export activities of the Company.

### 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 41st Annual General Meeting of the Company will be held on Saturday the 29th September, 2012, 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, 2011 to 31st March, 2012.

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 21st September, 2012 to Friday, the 28th September, 2012, 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(₹)	Low Price(₹)
April - 2011	20.45	14.15
May - 2011	22.45	18.45
June - 2011	22.20	18.20
July - 2011	21.80	17.50
August - 2011	23.40	18.00
September - 2011	22.70	18.50
October - 2011	19.10	15.60
November - 2011	19.80	15.15
December - 2011	16.95	11.40
January - 2012	13.90	10.25
February - 2012	17.70	13.87
March - 2012	20.55	15.65

**Registrar and Transfer Agents:**

Bigshare Services Private Limited  
E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,  
Andheri (East), Mumbai - 400 072  
Tel: 22 28470652/ 40430200 / 28470653, Fax: 22 28475207  
E-mail: investor@bigshareonline.com  
Website: www.bigshareonline.com

**Share Transfer System:**

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

**Distribution of Shares:**

Distribution of Shareholding as on 31<sup>st</sup> March, 2012.

No. of Equity Shares Held	No. of Share holders	% of Total Holders	Total No. of Shares	% of total Capital
Upto 500	3,234	80.97	710,357	7.41
501 - 1000	506	12.67	368,890	3.85
1001 - 2000	140	3.50	208,974	2.18
2001 - 3000	28	0.70	71,309	0.74
3001 - 4000	18	0.45	66,375	0.70
4001 - 5000	17	0.43	79,798	0.83
5001 - 10000	19	0.48	137,695	1.44
10001 & Above	32	0.80	7,939,002	82.85
<b>TOTAL:</b>	<b>3,994</b>	<b>100.00</b>	<b>9,582,400</b>	<b>100.00</b>

Categories of Shareholders as on 31<sup>st</sup> March, 2012

Category	No. of Holders	No. of Shares	% of total Share Holding
Individuals	3902	4513038	47.10
Companies	72	4882462	50.95
FIs, NRIs & OCBs	17	176900	1.85
Mutual Funds, Banks & FIs	3	10000	0.10
<b>TOTAL:</b>	<b>3994</b>	<b>9582400</b>	<b>100.00</b>

**Dematerialization of Shares:**

As on 31<sup>st</sup> March, 2012, 8938564 equity shares constituting 93.28% have been dematerialized.

**Plant Locations:**

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

**Address for Correspondence:**

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

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

**CERTIFICATE OF CORPORATE GOVERNANCE**

The Members,  
**REMI EDELSTAHL TUBULARS LIMITED**

We have examined the compliance of conditions of Corporate Governance by REMI EDELSTAHL TUBULARS LIMITED, for the year ended on March 31, 2012 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,**

PLACE : MUMBAI  
DATED : 14<sup>th</sup> August, 2012

(M. B. DESAI)  
PARTNER

**AUDITORS' REPORT**

To,  
The Members of Remi Edelstahl Tubulars Limited.

**Report on the financial statements**

We have audited the accompanying financial statements of Remi Edelstahl Tubulars Limited (the company), which comprise the balance sheet as at 31<sup>st</sup> March 2012, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

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

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

**Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms

of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
  - In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - On the basis of written representations received from the directors as on 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**Opinion**

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

- In the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2012;
- In the case of the statement of profit and loss, of the profit for the year ended on that date, and
- 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, 2012

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

**ANNEXURE TO THE AUDITORS' REPORT**

[REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF  
REMI EDELSTAHL TUBULARS LIMITED, AS AT 31<sup>ST</sup> MARCH 2012]

- (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 not granted any unsecured loans to Companies/Firm/Other Persons covered in the register maintained under section 301 of the Companies Act, 1956..
- (b) 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 ₹990.31 Lacs and closing balance was ₹153.56 Lacs.
- (c) 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.
- (d) 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 31<sup>st</sup> March, 2012 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

## Remi Edelstahl Tubulars Limited

31<sup>st</sup> March, 2012, 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.	The Central Excise Act, 1944	Central Excise	70,94,153/-	Comm. Of Central Excise (Appeal)
2.	The Customs Act	Interest & Penalty	33,00,507/-	Comm. (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**

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May, 2012

**(M. B. DESAI)  
PARTNER.**  
Membership Number. 33978

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2012**

Particulars	Notes	Figures at the end of Current Reporting Period ended on <b>31-03-2012</b> ₹ in lacs	Figures at the end of previous Reporting Period ended on 31-03-2011 ₹ in lacs
<b>I. SOURCES OF FUNDS</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	958.24	958.24
(b) Reserves and Surplus	3	3,519.99	3,391.97
<b>Total - 1</b>		<b>4,478.23</b>	<b>4,350.21</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	2,657.04	2,060.51
(b) Deferred Tax Liabilities (Net)	1.4	721.74	683.36
(c) Other Long term Liabilities	5	49.65	49.08
<b>Total - 2</b>		<b>3,428.43</b>	<b>2,792.95</b>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	6	3,486.48	2,947.21
(b) Trade Payables	7	1,402.22	1,699.21
(c) Other Current Liabilities	8	1,235.12	966.60
(d) Short-Term Provisions	9	37.05	57.77
<b>Total - 3</b>		<b>6,160.87</b>	<b>5,670.79</b>
<b>Grand Total ( 1 to 3 )</b>		<b>14,067.53</b>	<b>12,813.95</b>
<b>II. ASSETS:</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	4,293.75	4,191.54
(ii) Intangible Assets		9.14	3.76
(iii) Capital Work-in-Progress		542.38	68.46
(b) Non-Current Investments	11	5.82	4.77
(c) Long Term Loans and Advances	12	168.45	235.57
<b>Total - 1</b>		<b>5,019.54</b>	<b>4,504.10</b>
<b>(2) Current Assets</b>			
(a) Inventories	13	3,614.60	4,416.75
(b) Trade Receivables	14	4,213.74	2,736.30
(c) Cash and Cash Equivalents	15	238.64	248.25
(d) Short-term Loans and Advances	16	969.84	903.84
(e) Other Current Assets	17	11.17	4.71
<b>Total - 2</b>		<b>9,047.99</b>	<b>8,309.85</b>
<b>Grand Total ( 1 to 2 )</b>		<b>14,067.53</b>	<b>12,813.95</b>

Summary of Significant accounting policies

Notes to Financial Statements

1 to 25

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

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

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

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

Membership No. 33978

**R. C. SARAF  
DIRECTOR**

**R. R. SARAF  
MANAGING DIRECTOR**

PLACE : MUMBAI

DATED : 30<sup>th</sup> May, 2012

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2012**

Particulars	Notes	Figures at the end of Current Reporting Period ended on <b>31-03-2012</b> (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-03-2011 (₹ in lacs)
<b>I. Revenue from Operations</b>	18	<b>19,731.68</b>	14,037.80
Less: Excise Duty		<b>1,577.96</b>	1,124.31
		<b>18,153.72</b>	12,913.49
<b>II Other Income</b>	19	<b>87.61</b>	80.16
<b>III Total Revenue (I +II)</b>		<b>18,241.33</b>	12,993.65
<b>IV Expenses:</b>			
Cost of Materials Consumed	20	<b>14,201.78</b>	10,569.62
Purchase of Stock-in-Trade	21	<b>207.81</b>	186.91
Changes in Inventories of Finished Goods & Work-in-Progress	22	<b>(497.56)</b>	(870.99)
Employee Benefit Expenses	23	<b>645.24</b>	619.54
Other Expenses	24	<b>2,417.88</b>	1,666.92
Depreciation and Amortization Expenses		<b>290.03</b>	268.70
Finance Costs	25	<b>799.37</b>	457.67
<b>Total Expenses</b>		<b>18,064.55</b>	12,898.37
<b>V Profit before Tax (III - IV)</b>		<b>176.78</b>	95.28
<b>VI Tax Expense:</b>			
(a) Current Tax (MAT)		<b>35.44</b>	16.86
Less: MAT Credit Entitlement		<b>25.32</b>	16.82
Net Current Tax		<b>10.12</b>	0.04
(b) Deferred Tax		<b>38.38</b>	6.47
(c) Excess/ (Short) Provision of taxation of earlier years W/Back		<b>(0.26)</b>	(0.26)
<b>VII Profit for the Period (V-VI)</b>		<b>128.02</b>	88.51
<b>VIII Earning per Equity Share [Nominal Value of Share Rs. 10 ]</b>			
(1) Basic		<b>1.34</b>	0.92
(2) Diluted		<b>1.34</b>	0.92

Summary of Significant accounting policies

Notes to Financial Statements

1 to 25

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

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

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

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

**R. C. SARAF  
DIRECTOR**

**R. R. SARAF  
MANAGING DIRECTOR**

PLACE : MUMBAI

DATED : 30<sup>th</sup> May, 2012

## CASH FLOW STATEMENT FOR THE YEAR 2011-2012

	(₹ in Lacs)			
	2011-2012		2010-2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit/(Loss) before Tax and Extra-ordinary item	176.78		95.28	
<b>Adjustment for :</b>				
Depreciation	290.03		268.70	
Interest	799.37		457.67	
Loss on sale of Fixed Assets	1.32		0.29	
Other non-operating Income	(23.90)		(5.40)	
<b>Operating profit before working capital charges</b>	<b>1,243.60</b>		<b>816.54</b>	
<b>Adjustment for :</b>				
Trade and Other Receivables	(1,549.90)		(1,397.60)	
Inventories	802.15		(1,422.65)	
Trade Payable and Provision	(49.18)		1,115.54	
<b>Cash Generated from Operations</b>	<b>446.67</b>		<b>(888.17)</b>	
Interest Paid	(799.37)		(457.67)	
Direct Taxes Paid	(10.38)		(0.30)	
<b>Cash Flow before Extra-ordinary items</b>	<b>(363.08)</b>		<b>(1,346.14)</b>	
Extra-ordinary items	-		-	
<b>Net Cash from Operating Activities (A)</b>		<b>(363.08)</b>		<b>(1,346.14)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(1,017.25)		(207.62)	
Sales of Fixed Assets	144.40		0.27	
Purchase of Investments	(1.05)		-	
Other non-operating Income	23.90		5.40	
<b>Net Cash used in Investing Activities (B)</b>		<b>(850.00)</b>		<b>(201.95)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Repayment of Long Term Loan	-		(442.94)	
Proceeds from Long Term Loan	596.52		-	
Proceeds from Short Term Loan	539.26		2,092.55	
Decrease in Long Term Loans & Advances	67.12		-	
Increase in Long Term Liabilities	0.57		-	
<b>Net Cash used in Financial Activities (C)</b>		<b>1,203.47</b>		<b>1,649.61</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		<b>(9.61)</b>		<b>101.52</b>
Cash as at (Closing Balance)	238.64		248.25	
Cash as at (Opening Balance)	248.25		146.73	
<b>Increase/Decrease in Cash Balance</b>		<b>(9.61)</b>		<b>101.52</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

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

R. C. SARAF  
DIRECTOR

R. R. SARAF  
MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May, 2012

**Remi Edelstahl Tubulars Limited**

Particulars	Figures at the end of Current Reporting Period ended on 31-3-2012 (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-3-2011 (₹ in lacs)
-------------	--	---

**NOTE - 2**

**SHARE CAPITAL**

**AUTHORISED:**

1,00,00,000 (1,00,00,000) Equity Shares of Rs.10/- each

	<u>1,000.00</u>	1,000.00
<b>TOTAL</b>	<u>1,000.00</u>	<u>1,000.00</u>

**ISSUED, SUBSCRIBED AND PAID-UP**

95,82,400 (95,82,400) equity shares of Rs.10/- each fully paid-up  
(of these 49,39,700 equity shares were allotted by way of bonus shares)

	<u>958.24</u>	958.24
<b>TOTAL</b>	<u>958.24</u>	<u>958.24</u>

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

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

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

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

Sr. No.	Name of the Shareholder	No. of shares as on 31-03-2012	No. of shares as on 31-03-2011
1	Vandana V. Saraf	485,972	485,972
2	Vishwambharlal Chiranjilal HUF	501,264	501,264
3	Minakshi R. Saraf	552,580	552,580
4	Rajendra Finance Pvt. Ltd.	625,000	625,000
5	Remi Finance & Investment Pvt. Ltd.	625,000	625,000
6	Remi Securities Ltd.	1,209,390	1,209,390
7	Hanuman Forging & Engineering Pvt. Ltd.	1,000,000	1,000,000
8	Hanuman Freight & Carriers Pvt. Ltd.	1,000,000	1,000,000

d) There is no change in share Capital during the year.

**NOTE - 3**

**RESERVES AND SURPLUS**

a) <b>Capital Reserve</b>	35.01	35.01
b) <b>General Reserve:</b>		
Opening Balance	2,177.19	2,077.19
Add: Transferred from surplus balance in statement of profit & loss	<u>50.00</u>	<u>100.00</u>
<b>Closing Balance</b>	<u>2,227.19</u>	<u>2,177.19</u>
c) <b>Surplus:</b>		
Opening Balance	1,179.77	1,191.26
Add: Profit for the period	128.02	88.51
Less: Appropriations		
Transferred to General reserve	<u>50.00</u>	<u>100.00</u>
<b>Net surplus in the statement of profit &amp; loss</b>	<u>1,257.79</u>	<u>1,179.77</u>
<b>Total Reserves and Surplus</b>	<u>3,519.99</u>	<u>3,391.97</u>

**NOTE - 4**

**LONG TERM BORROWING**

Term Loans:

**- Secured Loans**

From State Bank of India:

a) <b>Rupee Term Loan - I</b>	242.59	359.96
[Secured by equitable mortgage of land & building at Tarapur, land at Dhule for Wind Power Project and hypothecation of Plant & Machinery and extension of hypothecation charge on the entire current assets of the Company, consisting of Raw Materials, Stock-in-Process, Finished Goods, Stores & Spares, other Consumables, Book Debts, both Present & Future. The term loan is also guaranteed by two of the Directors.) (Repayable in monthly installment of ₹ 10,33,000/- each. Total number of installments - 60 ) (Applicable rate of interest - 15.50 % p.a)		

**41<sup>st</sup> Annual Report 2011-2012**

Particulars	Figures at the end of Current Reporting Period ended on <b>31-3-2012</b> (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-12-11 (₹ in lacs)
b) <b>Rupee Term Loan - II</b> [Secured by equitable mortgage of land & building at Tarapur, land at Dhule for Wind Power Project and hypothecation of Plant & Machinery and extension of hypothecation charge on the entire current assets of the Company consisting of Raw Materials, Stock-in-Process, Finished Goods, Stores & Spares, other Consumables, Book Debts, both Present & Future. The term loan is also guaranteed by two of the Directors.) (Repayable in monthly installment of ₹ 15,00,000/- each. Total number of installments - 60) (Applicable rate of interest - 15.75 % p.a)	455.01	-
c) <b>Vehicle Loan</b> (Secured against hypothecation of the Vehicle purchased from such loans repayable in 36 EMI's of ₹ 63,400/- each)	8.90	-
	<b>706.50</b>	359.96
<b>Unsecured Loans</b>		
Inter Corporate Loans	562.77	426.93
Deferred Sales Tax Liabilities	843.20	914.09
Inter Corporate Loans from Related Parties	544.57	359.53
	<b>1,950.54</b>	1,700.55
<b>Total Long Term Borrowing</b>	<b>2,657.04</b>	2,060.51
<b>NOTE - 5</b> <b>Long Term Liabilities</b> Deposit Received	49.65	49.08
	<b>49.65</b>	49.08
<b>NOTE - 6</b> <b>SHORT TERM BORROWING</b> <b>Loans Repayable on Demand:</b> <b>Secured Loans:</b> From State Bank of India: Cash Credit Facility [Secured by first hypothecation charge on entire current assets consisting of raw material, semi finished, finished goods and receivables. Extension of first charge on entire fixed assets of the Company consisting of land, building, plant & machinery situated at Tarapur, Distt. Thane and at Brahmanwel, Distt. Dhule. The Loans are also guaranteed by two of the Directors.)	3,486.48	2,947.21
	<b>3,486.48</b>	2,947.21
<b>NOTE - 7</b> <b>TRADE PAYABLES</b>	1,402.22	1,699.21
	<b>1,402.22</b>	1,699.21
<b>NOTE - 8</b> <b>OTHER CURRENT LIABILITIES</b> Interest accrued but not Due on Borrowings Income Received in Advance Unpaid Dividend Current Maturities of Long term debts <b>Other Payables:</b> - Advance from Customers - TDS Payable - Sales Tax Payable - Other Statutory Dues Payable - Other Creditors - Excise Duty Payable - Other Liabilities	11.67 4.56 6.53 381.22 50.27 43.08 16.22 4.43 170.72 88.70 457.72 831.14 1,235.12	5.41 13.01 7.61 248.67 267.83 24.37 28.78 7.03 124.40 31.43 208.06 691.90 966.60
<b>NOTE - 9</b> <b>SHORT TERM PROVISION</b> <b>For Employee Benefit:</b> Provision For Gratuity Provision For Leave Encashment	- 37.05 37.05	27.62 30.15 57.77

**Remi Edelstahl Tubulars Limited**

**NOTE 10**

**REMI EDELSTAHL TUBULARS LIMITED.**

Particular	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As on 1/04/2011	Addition/ Adjustment	Deduction/ Adjustment	As on 31/03/12	Upto 31/03/11 Year	For the Year	Deduction	Upto 31/03/12	As on 31/03/12	As on 31/03/11
<b>(a) TANGIBLE ASSETS:</b>										
Leasehold Land	5,300,020	-	-	5,300,020	1,036,759	55,790	-	1,092,549	4,207,471	4,263,261
Land	53.00	-	-	53.00	11.48	0.56	-	12.04	40.96	41.52
Leasehold Land - Wind Mill	47.20	-	-	47.20	11.98	1.89	-	13.87	33.33	35.22
Factory Building	736.51	17.96	0.06	754.41	323.45	25.02	-	348.47	405.94	413.06
Plant And Machinery	3,497.67	348.98	0.31	3,846.34	1,058.65	157.50	0.02	1,216.13	2,630.22	2,439.02
Plant And Machinery - Wind Mill	1,356.22	112.03	140.78	1,327.47	402.74	69.98	7.85	464.87	862.60	953.49
Dies & Moulds	151.99	10.20	-	162.19	76.02	5.67	-	81.69	80.50	75.97
Electrical Installation	175.92	-	0.01	175.91	100.15	8.23	-	108.38	67.53	75.77
Office Equipments	16.02	0.47	-	16.49	8.05	0.57	-	8.62	7.87	7.97
Air Conditioners	18.06	2.00	-	20.06	6.15	0.81	-	6.96	13.10	11.91
Computers	42.62	1.46	-	44.08	32.79	3.22	-	36.01	8.07	9.83
Furniture & Fixtures	44.12	5.19	-	49.31	26.73	2.38	-	29.11	20.20	17.39
Vehicles	87.65	36.87	30.30	94.22	38.89	8.60	17.20	30.29	63.93	48.76
<b>Leased Assets :</b>										
Office Premises	47.29	-	-	47.29	5.58	0.77	-	6.35	40.94	41.70
Plant & Machinery	28.84	-	-	28.84	8.90	1.37	-	10.27	18.57	19.93
<b>Total (a)</b>	<b>6,303.11</b>	<b>535.16</b>	<b>171.46</b>	<b>6,666.81</b>	<b>2,111.56</b>	<b>286.57</b>	<b>25.07</b>	<b>2,373.06</b>	<b>4,293.75</b>	<b>4,191.54</b>
<b>Capital WIP</b>									<b>542.38</b>	<b>68.46</b>
<b>(b) INTANGIBLE ASSETS:</b>										
Computer Software	16.30	8.88	-	25.18	12.55	3.49	-	16.04	9.14	3.76
<b>Total (b)</b>	<b>16.30</b>	<b>8.88</b>	<b>-</b>	<b>25.18</b>	<b>12.55</b>	<b>3.49</b>	<b>-</b>	<b>16.04</b>	<b>9.14</b>	<b>3.76</b>
<b>Grand Total ( a+b )</b>	<b>6,319.42</b>	<b>544.04</b>	<b>171.46</b>	<b>6,691.99</b>	<b>2,124.11</b>	<b>290.06</b>	<b>25.07</b>	<b>2,389.10</b>	<b>4,302.89</b>	<b>4,195.30</b>
<b>Previous Year Total</b>	5,549.85	786.45	16.90	6,319.40	1,856.85	268.70	1.45	2,124.10	4,195.30	3,693.01

**Note:** Deduction / Adjustment includes Rs.70,874/- on account of foreign exchange gain for the current year arising on foreign currency loan availed for purchase of Fixed Assets.

PARTICULARS	Figures at the end of Current Reporting Period ended on 31-3-2012 (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-3-2011 (₹ in lacs)
-------------	--	---

**NOTE - 11**

**NON -CURRENT INVESTMENTS - Unquoted & Trade Investment**

**(valued at cost unless stated otherwise):**

**Equity Shares :**

Tarapur Environment Protection Society  
[5816 (4768) shares of ₹ 100 each]

5.82                      4.77

5.82                      4.77

**(Aggregate amount of Unquoted investment)**

5.82                      4.77

**(Provision made for diminution of investment)**

-                      -

**NOTE - 12**

**LONG -TERM LOANS AND ADVANCES**

**(Unsecured and considered good)**

Capital Advances

40.52                      107.20

Security Deposits

127.93                      128.37

168.45                      235.57

**NOTE - 13**

**INVENTORIES [ Refer note 1 ( v ) ]**

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

(a) Raw Materials (including goods in transit ₹ 282.61 Lacs)

540.06                      1,844.52

(b) Work-In -Progress

2,153.62                      2,125.76

(c) Finished goods

806.30                      336.60

(d) Stores and Spares (including goods in transit ₹ 0.64 Lacs)

114.62                      109.87

**TOTAL**                      3,614.60                      4,416.75

Particulars	Figures at the end of Current Reporting Period ended on 31-3-2012 (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-3-2011 (₹ in lacs)
<b>NOTE - 14</b>		
<b>TRADE RECEIVABLE</b>		
<b>(Unsecured and considered good)</b>		
Outstanding Over Six Months	61.76	249.51
Others	4,151.98	2,486.79
<b>TOTAL</b>	<b>4,213.74</b>	<b>2,736.30</b>
<b>NOTE - 15</b>		
<b>CASH AND BANK BALANCES:</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
(a) Balance with Banks:		
On current account	2.11	6.79
(b) Cash on Hand	2.00	1.57
	<b>4.11</b>	<b>8.36</b>
<b>OTHER BANK BALANCES:</b>		
(a) Balance in Unpaid Dividend Account	6.53	7.71
(b) Fixed Deposits with maturity of more than 3 months and less 12 months (Pledged with bank as Margin against B/G & L/C)	70.00	137.18
(c) Fixed Deposits with maturity of more than 12 months (Pledged with bank as Margin against B/G & L/C)	158.00	95.00
	<b>234.53</b>	<b>239.89</b>
<b>TOTAL</b>	<b>238.64</b>	<b>248.25</b>
<b>NOTE - 16</b>		
<b>SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured and considered good)</b>		
<b>OTHERS</b>		
(a) Advances recoverable in cash or in kind for value to be received	63.53	58.57
(b) MAT Credit Entitlement	46.78	21.46
(c) Payment of Advance Income Tax, TDS and FBT (Net of provision ₹ 35.78 Lacs)	10.68	104.55
(d) Balances with Central Excise and Cenvat Refundable	790.95	630.05
(e) Prepaid Expenses	49.50	79.77
(f) Advance to Staff	8.40	9.44
	<b>969.84</b>	<b>903.84</b>
<b>NOTE - 17</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on fixed deposits	11.17	4.71
<b>TOTAL</b>	<b>11.17</b>	<b>4.71</b>
<b>NOTE - 18</b>		
<b>Revenue from Operations:</b>		
(a) <b>Sale of Products:</b>		
Local Sales	18,224.83	12,909.23
Export Sales	607.22	431.83
Trading Sales	199.23	199.14
Income from Wind Power	166.60	119.98
	<b>19,197.88</b>	<b>13,660.18</b>
(b) <b>Other Operating Revenues:</b>		
Sale of scrap	491.22	351.29
Export benefits	12.83	20.05
Labour & Service Charges	29.75	6.28
	<b>533.80</b>	<b>377.62</b>
<b>Revenue from operations</b>	<b>19,731.68</b>	<b>14,037.80</b>
<b>Product wise details</b>		
1. Sale of S.S.Pipes & Tubes	18,984.83	13,341.06
2. Sale of Wind Power	166.60	119.98
3. Others	46.45	199.14
	<b>19,197.88</b>	<b>13,660.18</b>

**Remi Edelstahl Tubulars Limited**

Particulars	Figures at the end of Current Reporting Period ended on 31-3-2012 (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-3-2011 (₹ in lacs)
<b>NOTE - 19</b>		
<b>Other Income</b>		
(a) Rent Received	33.35	14.85
(b) <b>Other Non - Operating Income</b>		
Excess Provision of Gratuity Liability W/Back	22.66	-
Excess Provision of Leave Salary & Bonus W/Back	0.54	5.58
Sundry Credit Balance W/back	19.84	58.64
Miscellaneous Income	11.22	1.09
	<b>87.61</b>	<b>80.16</b>
<b>NOTE - 20</b>		
(a) <b>Cost of Materials consumed</b>		
Inventory at the beginning of the year	1,844.52	1,322.17
Add: Purchase	12,897.32	11,091.97
	14,741.84	12,414.14
Less: Inventory at the end of the year	540.06	1,844.52
Cost of Materials Consumed	<b>14,201.78</b>	<b>10,569.62</b>
<b>Product wise details</b>		
1. Consumption of S.S.goods	14,056.51	10,490.14
2. Others	145.27	79.48
	<b>14,201.78</b>	<b>10,569.62</b>
<b>NOTE - 21</b>		
<b>Details of purchase of traded goods</b>		
1. Stainless Steel goods	207.81	186.91
<b>NOTE - 22</b>		
(a) <b>(Increase) / decrease in inventories</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	2,153.62	2,125.76
Finished goods	806.30	336.60
	<b>2,959.92</b>	<b>2,462.36</b>
(b) <b>Inventories at the beginning of the year</b>		
Work-in-progress	2,125.76	1,304.60
Finished goods	336.60	286.77
	<b>2,462.36</b>	<b>1,591.37</b>
<b>Net ( Increase )</b>	<b>(497.56)</b>	<b>(870.99)</b>
<b>NOTE - 23</b>		
<b>Employee benefit expenses:</b>		
Salaries, wages and bonus etc.	596.02	539.40
Contribution to provident & Gratuity funds	38.15	68.66
Staff welfare expenses	11.07	11.48
	<b>645.24</b>	<b>619.54</b>
<b>NOTE - 24</b>		
<b>Other expenses:</b>		
<b>Manufacturing Expenses :</b>		
Consumption of stores and spares parts	385.83	267.18
Power and fuel	316.71	237.59
Labour Charges	238.19	247.62
Royalty	17.61	10.28
Excise duty on increase / (decrease) in Closing Stock of Finished Goods	57.88	4.68
<b>Repairs and maintenance:</b>		
Building	31.38	13.60
Machinery	82.78	71.08
Others	23.04	16.06
Other Manufacturing Expenses	46.24	45.50

Particulars	Figures at the end of Current Reporting Period ended on 31-3-2012 (₹ in Lacs)	Figures at the end of previous Reporting Period ended on 31-3-2011 (₹ in Lacs)
<b>Adminstrative,Selling &amp; Other Expenses :</b>		
Rent	24.04	16.25
Insurance	17.49	16.20
Property Tax and Lease Rent	3.56	2.08
Rates and taxes	4.17	3.97
Travelling & Conveyance	47.54	71.88
Director sitting fees	0.52	0.49
Director Commission	0.80	0.11
Legal and professional fees	23.09	18.09
Loss on sale of fixed assets ( Net )	1.32	0.29
Brokerage & Commission	25.54	8.87
Late Delivery Charges	100.89	59.84
Bad Debts Written off	216.28	-
Sales Tax & VAT	511.72	334.85
Loss on Foreign Currency translation	65.67	85.54
Payment to auditors:		
(a) <b>As auditors:</b>		
Audit fee	2.75	2.75
(b) <b>In other capacity:</b>		
Certification fees	2.02	0.22
	4.77	2.97
Freight and Forwarding Charges	57.95	48.74
Licence Fee & Service Tax	3.98	3.03
Miscellaneous Expenses	108.89	80.13
<b>Total</b>	<b>2,417.88</b>	<b>1,666.92</b>
<b>NOTE - 25</b>		
<b>Finance Costs</b>		
Interest expenses	737.48	402.41
Bank Charges & Commission	102.12	111.53
Exchange difference to the extent considered as an adjustment to borrowing costs	41.49	12.27
<b>Less : Interest Income</b>	<b>81.72</b>	<b>68.54</b>
<b>Total</b>	<b>799.37</b>	<b>457.67</b>

**NOTE - 1****1.1 SIGNIFICANT ACCOUNTING POLICIES****(i) BASIS OF ACCOUNTING**

The financial statements are prepared under historical cost convention on accrual basis and are in accordance with the requirements of the Companies Act, 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 31<sup>st</sup> 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 31<sup>st</sup> 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 Ended 31-03-2012 (₹ in Lacs)	Previous Accounting Year Ended 31-03-2011 (₹ in Lacs)
--	---

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

a) Bank Guarantees given by bankers on behalf of the Company	728.49	864.86
b) Guarantee given by the Company to Bankers on behalf of associate Company	665.00	665.00
c) Bills Discounted	312.60	487.27
d) Claim of Collector	353.47	353.47
e) Central Excise (Disputed in Appeal)	70.94	70.94
f) Subletting Charges	—	1.37
g) In respect of Custom Duty	33.01	10.67
h) Income Tax matters	—	6.02

**1.3** Rent receivable in respect of assets given on operating lease in next one year is ₹ 23.23 Lacs (P.Y. ₹ 21.50 Lacs), beyond one year to five years ₹ 82.94 Lacs (P.Y. ₹ 93.02 Lacs) and beyond five years ₹ 0.25 Lacs (P.Y. ₹ 0.25 Lacs).

AS AT 31-03-2012 (₹ in Lacs)	AS AT 31-03-2011 (₹ in Lacs)
------------------------------------	------------------------------------

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

**Deferred Tax Assets:**

Provision for Retirement Benefits	12.02	9.78
Business Loss	71.25	110.79
Long Term Capital Loss	41.14	41.14
	<b>124.41</b>	<b>161.71</b>

**Deferred Tax Liability:**

Depreciation	846.15	845.07
<b>Net deferred tax liability on account of timing difference</b>	<b>721.74</b>	<b>683.36</b>

**1.5 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	19,565.08 (13,917.82)	134.12 (104.47)	19,699.20 (14,022.29)
Inter Segment	— (—)	32.48 (15.51)	32.48 (15.51)
<b>Total Revenue</b>	<b>19,565.08 (13,917.82)</b>	<b>166.60 (119.98)</b>	<b>19,731.68 (14,037.80)</b>
<b>Result</b>			
Segment Result	931.78 (530.76)	44.37 (22.19)	976.15 (552.95)
Financial Charges (Net)			799.37 (457.67)
Profit/(Loss) Before Tax			176.78 (95.28)
Provision for current Taxation			35.44 (16.86)
Provision for deferred Taxation/(Credit)			38.38 (6.47)
Mat Credit Entitlement			(25.32) ((16.82))
Profit/(Loss) after Tax			128.28 (88.77)

## Remi Edelstahl Tubulars Limited

### Other Information

	S. S. Pipes & Tubes	Wind Mill Division	Total
Segment Assets	13,152.20	915.33	14,067.53
	(11,732.60)	(1,081.35)	(12,813.95)
Segment Liabilities	6,160.61	0.26	6,160.87
	(5,658.85)	(11.94)	(5,670.79)
Capital Expenditure	974.40	112.02	1,086.42
	(854.91)	(—)	(854.91)
Depreciation	218.14	71.89	290.03
	(195.03)	(73.67)	(268.70)
Non cash expenses other than depreciation	—	—	—
	(—)	(—)	(—)

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

	Domestic	International	Total
External	19,091.98	607.22	19,699.20
	(13,590.46)	(431.83)	(14,022.29)
Inter Segment	32.48	—	32.48
	(15.51)	(—)	(15.51)
<b>Total</b>	<b>19,124.46</b>	<b>607.22</b>	<b>19,731.68</b>
	<b>(13,605.97)</b>	<b>(431.83)</b>	<b>(14,037.80)</b>
Segment Assets	14,067.53	—	14,067.53
	(12,813.95)	(—)	(12,813.95)
Capital Expenditures	1,086.42	—	1,086.42
	(854.91)	(—)	(854.91)

### 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.

### 1.6. 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.

	2011–2012	2010–2011
	<b>95,82,400</b>	95,82,400
	<b>95,82,400</b>	95,82,400
	<b>95,82,400</b>	95,82,400
	<b>128.02</b>	88.51
	<b>1.34</b>	0.92
	<b>1.34</b>	0.92

#### 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 (in Rupees)
- d) Diluted earnings per equity share of ₹10/- each (in Rupees)

### 1.7. 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 - Executive Director

- (b) Associates:

Remi Process Plant and Machinery Ltd., Remi Elektrotechnik Ltd., Remi Metals Gujarat Ltd., Remi Finance & Investment Pvt. Ltd., Remi Sales & Engineering Ltd., Bajrang Finance Ltd., Remi Securities Ltd., Rajendra Finance Pvt. Ltd. Calplus Trading Pvt. Ltd. and Aura Realinvest Pvt. Ltd.

- (c) Relatives of key management personnel and other related parties:

Rajendra Electrical Motor Industries.

**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	—	86.35	—
	(—)	(57.83)	(—)
Goods & Materials	—	310.40	—
	(—)	(298.16)	(—)
<b>Sales</b>			
Goods and Materials	—	152.84	—
	(—)	(—)	(—)
Investments	—	—	—
	(—)	(—)	(—)
<b>Expenses</b>			
Rent and other service charges	1.20	23.06	—
	(1.20)	(16.01)	(—)
Royalty Charges	—	—	19.23
	(—)	(—)	(11.29)
Remuneration	31.55	—	—
	(39.00)	(—)	(—)
Repairs & Maintenance	—	3.36	—
	(—)	(1.65)	(—)
General Expenses	—	0.62	—
	(—)	(1.17)	(—)
Interest paid	—	195.23	—
	(—)	(108.03)	(—)
Reimbursement of Expenses	—	10.13	—
	(—)	(9.98)	(—)
Director's Commission	0.80	—	—
	(0.27)	(—)	(—)
Directors' Fees	0.18	—	—
	(0.25)	(—)	(—)
<b>Income</b>			
Interest Received	—	—	—
	(—)	(2.27)	(—)
Rent and other service charges	—	14.15	—
	(—)	(13.49)	(—)
Testing Charges	—	1.28	—
	(—)	(1.35)	(—)
Job Work Charges	—	9.43	—
	(—)	(—)	(—)
<b>Finance</b>			
Loans and Advances taken	—	4,665.01	—
	(—)	(5,479.47)	(—)
Loans and Advances given	—	—	—
	(—)	(161.00)	(—)
Payable	—	6.77	0.36
	(—)	(127.27)	(3.51)
Receivable	—	119.31	—
	(1.25)	(115.04)	(—)
Loans taken	—	580.28	—
	(—)	(451.94)	(—)
Loans Given	—	—	—
	(—)	(2.04)	(—)

Figures in bracket represent previous year figures.

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

**(A) Defined Contribution Plans:**

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

	For the year ended March 31, 2012
Contribution to Employees' Provident Fund	38.15
	(38.46)
<b>Total</b>	<b>38.15</b>
	<b>(38.46)</b>

**(B) Defined Benefits Plans:**

(i) Changes in the Present Value of Obligation:

	For the year ended March 31, 2012		
	Gratuity	Leave Encashment	Total
(a) Present Value of Obligation as at April 1, 2011	139.64	30.15	169.80
	(123.87)	(34.71)	(158.59)
(b) Interest Cost	11.17	2.41	13.58
	(9.91)	(2.78)	(12.69)
(c) Past Service Cost	—	(—)	—
	(—)	—	(—)
(d) Current Service Cost	9.00	2.99	11.99
	(11.31)	((0.98))	(10.32)
(e) Benefits Paid	(9.29)	(3.34)	(12.63)
	((24.80))	((5.88))	((30.69))
(f) Actuarial (Gain)/Loss	(31.95)	(4.84)	(27.11)
	((19.36))	((0.47))	((18.89))
(g) Present Value of Obligation as at March 31, 2012	118.58	37.05	155.63
	(139.64)	(30.15)	(169.80)

**Remi Edelstahl Tubulars Limited**

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

**For the year ended March 31, 2012**

	Gratuity
(a) Present Value of Plan Assets as at April 1, 2011	112.02
(b) Expected Return on Plan Assets	(122.70)
(c) Actuarial (Gain)/Loss	11.45
(d) Employers' Contributions	(10.38)
(e) Employees' Contributions	—
(f) Benefits Paid	(—)
(g) Fair Value of Plan Assets as at March 31, 2012	27.06
	(3.75)
	—
	(—)
	(9.29)
	((24.80))
	141.24
	(112.02)

(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, 2012**

	Gratuity	Leave Encashment	Total
(a) Present Value of Funded Obligation as at March 31, 2012	118.58	—	118.58
(b) Fair Value of Plan Assets as at March 31, 2012	(139.64)	(—)	(139.64)
(c) Present Value of Unfunded Obligation as at March 31, 2012	141.24	—	141.24
(d) Net Liability/(Asset) recognized in the Balance Sheet	(112.02)	(—)	(112.02)
	(22.66)	37.05	14.39
	(27.62)	(30.15)	(57.77)
	(22.66)	37.05	14.39
	(27.62)	(30.15)	(57.77)

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

**For the year ended March 31, 2012**

	Gratuity	Leave Encashment	Total
(a) Current Service Cost	9.00	2.99	11.99
(b) Past Service Cost	(11.31)	((0.98))	(10.32)
(c) Interest Cost	—	—	—
(d) Expected Return on Plan Assets	(—)	(—)	(—)
(e) Net actuarial Gain/Loss	11.17	2.41	13.58
(f) Employees' Contribution	(9.91)	(2.78)	(12.69)
(g) Total Expenses recognized in the Profit and Loss Account	(11.45)	—	(11.45)
	((10.38))	(—)	((10.38))
	(31.95)	(4.84)	(27.11)
	(19.36)	((0.47))	(18.89)
	—	—	—
	(—)	(—)	(—)
	(23.22)	10.25	(12.98)
	(30.20)	(1.32)	(31.52)

(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2012

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

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

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

Particulars	(₹ in Lacs)
Actual return on plan assets	11.45 (10.38)

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

Sr. No.	Particulars	Gratuity	Leave Encashment
(a)	Discount Rate	8% (8%) 9.25	8% (8%) —
(b)	Expected Rate of Return on Plan Assets	(9.25) 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.

1.9 Estimated amount of contracts remaining to be executed on Capital Account and not provided for ₹ 347.14 Lacs (P.Y. ₹ 341.36 Lacs)

Current Accounting Year Ended 31-03-2012	Previous Accounting Year ended 31-3-2011
Value (₹ in Lacs)	Value (₹ in Lacs)

1.10 **Details of Sales**

**Sales:**

Stainless Steel Pipes & Tubes	18,984.82	13,341.06
Stainless Steel Goods.	46.45	199.14
Power (Including Captive Consumption of ₹ 32.48 lacs; P.Y. ₹ 15.51 lacs)	166.60	119.98
Others	533.81	377.62
	<u>19,731.68</u>	<u>14,037.80</u>

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

i) Raw Material	9,273.39	8,223.72
ii) Stores & Spare Parts	25.03	7.03
iii) Fixed Assets	71.67	50.65

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

	Value (₹.in Lacs)	% of total consumption	Value (₹.in Lacs)	% of total consumption
<b>a) Raw Materials:</b>				
i) Imported	10850.49	77.19	8317.18	79.29
ii) Indigenous	3206.02	22.81	2172.96	20.71
	14056.51	100.00	10,490.14	100.00
<b>b) Stores and Spare Parts:</b>				
i) Imported	31.07	8.05	8.83	3.20
ii) Indigenous	354.76	91.95	267.27	96.80
<b>Total</b>	385.83	100.00	276.10	100.00

1.13 **Expenditure in Foreign Currency:**

i) Travelling expenses	11.63	17.31
ii) Interest & Bank Charges	6.23	19.01
iii) Other Expenses	0.36	3.21
	<u>18.22</u>	<u>39.53</u>

1.14 **Earning in Foreign Exchange:**

Export of S.S. Pipes (at F.O.B. Value)	2,212.76	1,323.23
--	----------	----------

(Including value of Deemed Exports & Supplies to SEZ & EOU of ₹ 1,603.80 lacs; P.Y. ₹ 905.79 lacs)

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

1.16 Till the year ended 31<sup>st</sup> March, 2011, the Company was using pre-revised Schedule VI to the Companies Act, 1956, for preparation and presentation of its Financial Statements. During the year ended 31<sup>st</sup> March, 2012, the revised Schedule VI to the Companies Act, 1956 has become applicable to the Company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of the revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements.

Signature to Notes 1.1 to 1.16

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

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

R. C. SARAF  
DIRECTOR

R. R. SARAF  
MANAGING DIRECTOR

PLACE : MUMBAI  
DATED : 30<sup>th</sup> May, 2012

**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 **41<sup>st</sup> ANNUAL GENERAL MEETING** held at Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai - 400 063, on **Saturday**, the **29<sup>th</sup> September, 2012**, at 11.30 a.m.

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

..... 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 **41<sup>st</sup> ANNUAL GENERAL MEETING** to be held at its Regd. Office: Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai-400 063, on **Saturday**, the **29<sup>th</sup> September, 2012**, at 11.30 a.m.

Signed

Date :

Notes :

Affix  
Re. 1/-  
Revenue  
Stamp

1. The instrument of Proxy shall be deposited at the Regd. 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