



REMI EDELSTAHL TUBULARS LIMITED

39th Annual Report 2009-2010



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

Remi Edelstahl Tubulars Limited

NOTICE

To
The Members,
REMI EDELSTAHL TUBULARS LIMITED

NOTICE is hereby given that the 39th 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 **Thursday, the 30th September, 2010** 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, 2010.
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 P. Jatia who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following special resolution:-

“RESOLVED THAT Shri Rishabh R. Saraf be and is hereby re-appointed as the Managing Director of the Company for a term of 3 years from the 1st April, 2010, to manage the affairs of the Company, on the following terms and conditions: -

- i) A monthly salary of Rs.2,75,000/-
- ii) Reimbursement of actual medical expenses incurred for self and family.
- iii) Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- iv) Annual fees to not more than two clubs.
- v) Free use of one or more Company car with driver for official purpose only.
- vi) Telephone at residence for official purpose only.
- vii) Company's contribution to Provident Fund as per the rules of the Company.
- viii) Gratuity as per the rules of the Company.
- ix) Encashment of Leave at the end of the tenure.”

For **REMI EDELSTAHL TUBULARS LIMITED**

Place : Mumbai
Dated : 12th August, 2010

(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 24th September, 2010** to **Thursday, the 30th September, 2010**, both days inclusive.
3. An Explanatory Statement relating to the item of special business set out in item 6 accompanies.

Explanatory Statement - Annexure to the Notice

Item No.6

Shri Rishabh R. Saraf has been the Managing Director of the Company from the 1st April, 2007 to 31st March, 2010, he is being re-appointed for another term.

His remuneration package has been fixed as per Schedule XIII, Part II (B) of the Companies Act, 1956 and hence, the following information is to be given herein:

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

I General Information:

- (1) Nature of Industry: Manufacture of Seamless Tubes and Pipes.
- (2) Commencement of commercial production: 1970
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not a new Company
- (4) Financial Performance: The Company has a turnover of Rs.9764.63 Lacs and net profit of Rs.46.97 Lacs, for the financial year ended 31st March, 2010.
- (5) Export Performance: The Company had exports of Rs.1217 Lacs.
- (6) Foreign Investments or collaborations: None

II Information about the Appointee:

- (1) The appointee hails from a family of business people of fifty years' standing. After his college education here, he obtained a Bachelor's degree in Business Management from the University of Nottingham in England. After his return, he joined his family business and has received from his elders in the family very good training in business management.
- (2) Past Remuneration: Rs.2.75 Lacs plus usual perquisites.
- (3) Recognition or award: ---
- (4) Job profile and his suitability: He is in full charge of production, sales, export, accounts and other administrative matters. After his training and experience during these 8 years, he has become the right person for managing the affairs of the Company.
- (5) Remuneration Proposed: As set out in the Special Resolution.
- (6) Comparative Remuneration profile: In similar Companies, this package is the norm.
- (7) Pecuniary relationship: He has a good financial stake in the Company by way of holding 204846 equity shares, 2.14% of the paid up capital. His father and the latter's brother are Directors of this Company.

III Other Information: Not Applicable.

IV. Disclosure:

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

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

DIRECTORS' REPORT

To
Members of,
REMI EDELSTAHL TUBULARS LIMITED

Your Directors have immense pleasure in presenting 39th Annual Report and Audited Statements of the Company for the year ended 31st March, 2010.

PERFORMANCE REVIEW:

The performance for the financial year ended 31st March, 2010 is summarized below:-

	(Rs. In Lacs)	
	2009-2010	2008-2009
Gross Income	8323.42	13896.76
Profit/(Loss) before Depreciation & Taxation	287.29	(102.19)
Depreciation	257.45	258.56
Taxation	(17.13)	(87.44)
Net Profit /(Loss) for the year	46.97	(273.31)
Add: Balance brought forward	1210.97	1577.94
	1257.94	1304.63
Less: Prior year adjustments Available for appropriation	33.31	6.34
APPROPRIATION:		
Transfer to General Reserve	100.00	100.00
Balance carried to Balance Sheet	1191.26	1210.97
	1291.26	1310.97

OPERATIONS:

Your Directors are pleased to inform you that the Company has changed its name to Remi Edelstahl Tubulars Limited. The word Edelstahl means Stainless Steel in German language. With this change the name itself reflects the products of the Company.

The year 2009-10 was a testing and challenging year for the Company. During the year, the turnover of the Company witnessed a sharp fall of 41% to Rs.97.64 Crores due to 23% lower volume of sales coupled with fall in prices. In spite of this, your Company has posted EBIDTA of Rs.564.63 a growth of 22% over the previous year, which helped the Company to break even in spite of recessionary business environment.

The Management still believes that the fundamentals and the prospects of the Company are positive. The Company has developed value added products e.g. Duplex Stainless Steel Grades and has also successfully executed trial orders during the year. Such product developments would help in improving utilization & profitability of the Company. The expansion programme initiated in the previous year is in the final stage of implementation and successful trial runs have been conducted. Commercial production benefits would commence in the coming years. The Company is also focusing on the growth in the power sector to optimize utilization of its capacity.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956:

Sub-Sec. (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 OUTGO:

Outgo - 93.17 Lacs
Earnings - 1217.01 Lacs (including deemed exports & supplies to SEZ & EOU of Rs. 703.77)

Sub-Sec. (2A):

(i) Name : Rishabh R. Saraf- He is a relative of a Director, Shri Rajendra C. Saraf
(ii) Designation : Managing Director
(iii) Remuneration : Rs.37.35 Lacs
(iv) Nature of employment : Contractual for 3 (Three) years
(v) Other terms and Conditions: ---
(vi) Nature of Duties : Entire Management of the Company
(vii) Qualification : Bachelor of Arts in Business Administration from the University of Nottingham, England
(viii) Experience : 8 years
(ix) Date of commencement : 1st April, 2002
(x) Age : 31 years
(xi) Last employment : None
(xii) Percentage of equity shares held : 2.14% (204846 Shares)

Sub-Sec. (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 endeavour to grow.

Registered Office:

REMIHOUSE
11, Cama Industrial Estate,
Goregaon (East),
Mumbai - 400 063

ON BEHALF OF THE BOARD

**VISHWAMBHAR C. SARAF
CHAIRMAN**

Dated: 12th August, 2010

Remi Edelstahl Tubulars Limited

MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry Structure and Development:

The stainless steel industry can be classified into the organized and unorganized sector. The organized sector, in which the Company operates, has witnessed a sharp growth in capacity over the recent years. The growth in demand has traditionally been witnessed in the oil and gas(refining) sectors. Now with the government aiming to provide electricity to all, the power sector (particularly thermal based power projects) has emerged as a major sector where the Company's products are used.

(b) Opportunities and Threats:

The high rate of growth in the Indian economy, particularly the oil, gas, power, fertilizer sectors, offer growth for the requirement of the Company's product range. The volatility in the non ferrous commodities (e.g. Nickel / Moly) can effect the usage and pricing patterns of the user industry. The threat of dumping of secondary quality products from foreign manufacturers can have an adverse effect on the industry.

(c) Outlook:

The Company has geared itself to meet the demand from the above mentioned sectors by getting major approvals within India. The Company is also looking at getting approvals overseas to further enhance the value added component of its business. The progress of India's approval within the Nuclear community will also result in huge demand of the Company's products in the coming years.

(d) Risk and Concerns:

The Company is making necessary arrangements to cover its raw material costs and protect the conversion margins. However, the imposition of duties/ restrictions (as witnessed for 3 months in this financial year) can affect the business model. Also a falling

Rupee against the US\$ can make imports cheaper for the commodity grade of pipes.

(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 Relations / 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 5 (five) times on 30/06/2009,30/07/2009,30/10/2009,29/01/2010 and 29/03/2010

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.

COMPOSITION AND CATEGORY OF DIRECTORS

Sr. No.	Name of Director	Category	Attendance Particulars		Other Boards		
			Annual General Meeting	Board Meetings	Directorship	Committee Chairmanship	Committee Membership
1.	Mr. V. C. Saraf	Promoter	Yes	5	3	1	2
2.	Mr. M.P. Jatia	Independent Non-Executive	No	4	7	---	3
3.	Mr. K.K. Dujodwala	Independent Non-Executive	No	5	4	---	---
4.	Mr. R. C. Saraf	Promoter	Yes	5	5	1	3
5.	Mr. R.R. Saraf	Promoter Executive	No	5	1	---	---
6.	Mr. R.V. Saraf	Promoter Non-Executive	Yes	5	2	---	---
7.	Mr. S.L. Jain	Independent Non-Executive	No	5	1	---	---
8.	Mr. G. K. Biyani	Independent Non-Executive	No	4	7	---	---

39th Annual Report 2009-2010

- 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 2009-2010.

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' 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 7 complaints during the year 2009-2010. 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
29/9/2007	Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063.	11.30 A.M.	One
30/9/2008	- do -	- do -	One
30/9/2009	- do -	- do -	Two

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 :

(Rs. in Lacs)

Name & Designation	Salary	Benefits	Sitting fees
Shri R.R. Saraf -Managing Director	37.35	-	--
Shri R.V. Saraf -Executive Director	9.98	-	0.02
Shri V.C.Saraf - Chairman	--	--	0.10
Shri R.C. Saraf - Director	--	--	0.10
Shri K. K. Dujodwala - Director	--	--	0.14
Shri M. P.Jatia - Director	--	--	0.08
Shri S. L. Jain - Director	--	--	0.14
Shri G. K. Biyani - Director	--	--	0.08

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

Shri Rajendra C. Saraf, Shri Ritvik V. 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 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.
- Shri Ritvik V. Saraf had, 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.

10. MEANS OF COMMUNICATION:

The Company regularly intimates its financial results to the Bombay Stock Exchange 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 39th Annual General Meeting of the Company will be on 30th September, 2010, at Remi House, Plot No. 11, Cama Industrial Estate, Goregaon (E) Mumbai – 400 063 at 11.30 A. M.

Financial year of the Company is from 1st April, 2009 to 31st March, 2010

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 24th September, 2010 to Thursday, the 30th September, 2010, both days inclusive.

Listing on Stock Exchange:

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

Remi Edelstahl Tubulars Limited

Market Price Data

Month	High Price(Rs.)	Low Price(Rs.)
April – 2009	24.00	18.50
May – 2009	33.35	21.00
June – 2009	37.35	28.55
July – 2009	32.40	24.00
August – 2009	28.90	24.00
September – 2009	31.20	26.00
October – 2009	31.35	25.10
November – 2010	27.95	23.05
December – 2009	29.60	24.50
January – 2010	34.90	25.60
February – 2010	29.95	24.95
March – 2010	29.35	20.05

Registrar and Transfer Agents:

Bigshare Services Private Limited

E-2&3, Ansa industrial estate, Saki Vihar road, SakiNaka, 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 recently 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, 2010 is as follows: -

No. of Equity Shares held	No. of Share holders	% of Total holders	Total No. of Shares	% of Total Capital
Upto 5000	3325	80.53	743250	7.76
5001 – 10000	547	13.25	395050	4.12
10001 – 20000	144	3.49	219347	2.29
20001 – 30000	28	0.68	72426	0.76
30001 – 40000	18	0.44	65693	0.69
40001 – 50000	15	0.36	71135	0.74
50001 – 100000	21	0.51	147641	1.54
100001 & Above	31	0.75	7867858	82.11
TOTAL	4129	100.00	9582400	100.00

Categories of shareholders as on 31st March, 2010

Category	No. of holders	No. of Shares	% of Total Shareholding
Individuals	4017	5877488	61.34
Companies	92	3518569	36.72
FII's, NRIs & OCBs	17	175543	1.83
Mutual Funds, Banks & FIs	3	10800	0.11
TOTAL	4129	9582400	100.00

Dematerialization of Shareholding:

As on 31st March, 2010, 8903469 equity shares constituting 92.91% 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

Address for Correspondence:

Registered & Corporate

Office:

REMI HOUSE

11, Cama Industrial Estate,

Goregaon (E),

Mumbai – 400 063

Ph. No. 022-40589888

Fax No. 022-26850888

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

PLACE : MUMBAI

DATED : 12th August, 2010

VISHWAMBHAR C. SARAF

CHAIRMAN

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, 2010 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 : 12th August, 2010

(M. B. DESAI)

PARTNER

AUDITORS' REPORT

To,

The Members of **Remi Edelstahl Tubulars Ltd. (Formerly Rajendra Mechanical Industries Limited)**

1. We have audited the attached Balance Sheet of **REMI EDELSTAHL TUBULARS LTD. (FORMERLY RAJENDRA MECHANICAL INDUSTRIES LIMITED)** as at **31st March, 2010**, 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, 2010, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 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 give 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, 2010;
 - (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 : 21st May 2010

(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. (FORMERLY RAJENDRA MECHANICAL
 INDUSTRIES LTD) AS AT 31ST MARCH 2010)

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| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>(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.</p> <p>(c) The Company has not disposed off substantial part of fixed assets during the year.</p> <p>(ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.</p> <p>(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.</p> <p>(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.</p> <p>(iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(iii)(a), (b), (c) and (d) of the Order are not applicable to the Company.</p> <p>(e) According to the information and explanations given to us, the Company has taken unsecured loans during the year from 4 companies covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs.3607.21 lacs.</p> <p>(f) 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.</p> <p>(g) In our opinion payment of the principal amount and interest are also regular.</p> <p>(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</p> | <p>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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.</p> <p>(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.</p> <p>(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, 2010 for a period of more than six months from the date they become payable.</p> <p>(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</p> |
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39th Annual Report 2009-2010

31st March, 2010, which have not been deposited on account of a dispute, are as follows: -

Sr. No.	Name of the Statute	Nature of dues	Amount (Rs.)	From where dispute is pending
1.	Central Sales Tax Act, 1956	Sales Tax of F.Y. 2001-02 & 2002-03	72,83,399	Dy. Comm. of Sales Tax (Appeals)
2.	Bombay Sales Tax Act, 1959	Sales Tax of F.Y. 2001-02 & 2002-03	43,40,005	Dy. Comm. of Sales Tax (Appeals)
3.	Central Excise Act, 1944	Central Excise Dues	2,07,23,712	Custom, Central Excise and Service Tax Appellate Tribunal
4.	Income Tax Act, 1961	Income Tax of F.Y. 2006-07	1,15,137	Comm. of Income Tax (Appeals)
5.	Central Excise Act, 1944	Central Excise Dues	64,57,453	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 however there was cash loss 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**

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

PLACE : **MUMBAI**
DATED : 21st May 2010

Membership Number. 33978

Remi Edelstahl Tubulars Limited

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH. NOS.	AS AT 31-03-2010 In Rupees	AS AT 31-03-2009 In Rupees
I. SOURCES OF FUNDS			
(1) Shareholders' Funds			
a) Share Capital	1	95,824,000	95,824,000
b) Reserves and Surplus	2	330,345,888	323,316,936
		<u>426,169,888</u>	<u>419,140,936</u>
(2) LOAN FUNDS			
a) Secured Loans	3	254,655,160	351,419,768
b) Unsecured Loans	4	106,023,827	111,047,760
		<u>360,678,987</u>	<u>462,467,527</u>
(3) DEFERRED TAX LIABILITY			
		<u>67,688,343</u>	<u>69,419,525</u>
TOTAL		<u>854,537,218</u>	<u>951,027,988</u>
II. APPLICATION OF FUNDS			
(1) Fixed Assets			
a) Gross Block	5	554,985,885	537,544,841
b) Less: Depreciation		<u>185,684,563</u>	<u>162,303,744</u>
c) NET BLOCK		<u>369,301,323</u>	<u>375,241,097</u>
d) Add : Capital WIP		<u>63,238,395</u>	<u>757,512</u>
		<u>432,539,718</u>	<u>375,998,609</u>
(2) INVESTMENTS			
	6	<u>476,800</u>	<u>7,470,651</u>
(3) CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets			
a) Inventories	7	299,409,588	368,320,451
b) Sundry Debtors	8	192,992,344	207,403,067
c) Cash and Bank Balances	9	14,673,197	27,882,308
d) Loans and Advances	10	55,289,782	60,703,619
		<u>562,364,910</u>	<u>664,309,444</u>
LESS : CURRENT LIABILITIES AND PROVISIONS			
a) Liabilities	11	137,255,685	89,502,312
b) Provisions	12	3,588,525	7,248,404
		<u>140,844,210</u>	<u>96,750,716</u>
NET CURRENT ASSETS		<u>421,520,701</u>	<u>567,558,728</u>
TOTAL		<u>854,537,218</u>	<u>951,027,988</u>
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

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

V. C. SARAF
DIRECTOR

R. R. SARAF
MANAGING DIRECTOR

PLACE : MUMBAI
DATED : 21st May 2010

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2010

	SCH NOS	For the year ended 31.03.2010 (IN RUPEES)	For the year ended 31.03.2009 (IN RUPEES)
INCOME			
Sales and Services	13	976,462,752	1,668,519,654
Less: Excise Duty & Cess		<u>61,880,006</u>	<u>131,668,249</u>
		914,582,746	1,536,851,405
Other Income	14	25,677,475	37,592,979
Increase/(Decrease) in Stocks	15	<u>(107,918,254)</u>	<u>(184,768,015)</u>
TOTAL		<u>832,341,967</u>	<u>1,389,676,368</u>
EXPENDITURE			
Consumption of Raw Material		579,495,755	1,082,310,751
Purchase for Resale		26,500,505	3,353,720
Manufacturing Expenses	16	61,516,005	76,107,033
Employees' Remuneration and Benefits	17	55,731,538	61,088,618
Administrative, Selling and Other Expenses	18	52,635,150	120,398,910
Financial Charges	19	27,733,400	56,636,016
Depreciation		<u>25,745,375</u>	<u>25,856,378</u>
TOTAL		<u>829,357,727</u>	<u>1,425,751,426</u>
PROFIT			
Profit/(Loss) before taxation		2,984,240	(36,075,058)
Provision for current taxation		479,170	54,000
Provision for deferred taxation/(Credit)		(1,731,182)	(9,798,106)
Provision for Fringe Benefit Tax		—	1,000,000
Mat Credit Entitlement		<u>(461,065)</u>	<u>—</u>
Profit after taxation		4,697,317	(27,330,952)
Prior Period Items		—	661,198
Excess/(Short) Provision of taxation of earlier years W/Back		<u>3,331,635</u>	<u>(27,485)</u>
Profit after tax available		8,028,952	(26,697,239)
Balance brought forward from last year		<u>121,097,058</u>	<u>157,794,298</u>
PROFIT AVAILABLE FOR APPROPRIATION		<u>129,126,010</u>	<u>131,097,058</u>
APROPRIATIONS			
Transfer to General Reserve		10,000,000	10,000,000
BALANCE CARRIED FORWARD		<u>119,126,010</u>	<u>121,097,058</u>
		<u>129,126,010</u>	<u>131,097,058</u>
EARNING PER SHARE			
Basic (Face Value of Rs.10/- per share)		0.84	(2.79)
Diluted (Face Value of Rs.10/- per share)		0.84	(2.79)

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

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

V. C. SARAF
DIRECTOR

R. R. SARAF
MANAGING DIRECTOR

PLACE : MUMBAI
DATED : 21st May 2010

Remi Edelstahl Tubulars Limited

SCHEDULES 1 TO 20 ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2010

	AS AT 31.03.2010 (IN RUPEES)	AS AT 31.03.2009 (IN RUPEES)
<u>SCHEDULE - "1"</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised</u> 1,00,00,000 (1,00,00,000) Equity Shares of Rs.10/- each	1,00,00,000	1,00,00,000
TOTAL	<u>1,00,00,000</u>	<u>1,00,00,000</u>
<u>Issued, subscribed and paid-up</u> 95,82,400 (95,82,400) equity shares of Rs.10/- each fully paid-up	95,824,000	95,824,000
(NOTE: of the above 49,39,700 equity shares of Rs.10/- each were issued as fully paid bonus shares by capitalisation of reserves)		
TOTAL	<u>95,824,000</u>	<u>95,824,000</u>
<u>SCHEDULE - "2"</u>		
<u>RESERVES AND SURPLUS</u>		
i) <u>Capital Reserve</u> As per last Balance Sheet	4,501,000	4,501,000
Less : Capital Subsidy Refunded to MSEDCL	<u>1,000,000</u>	<u>—</u>
	<u>3,501,000</u>	<u>4,501,000</u>
ii) <u>General Reserve</u> As per last Balance Sheet	197,718,878	197,718,878
Add : Transferred from Profit & Loss Account	<u>10,000,000</u>	<u>—</u>
	<u>207,718,878</u>	<u>197,718,878</u>
iii) <u>Share Premium Account</u> As per last Balance Sheet	—	43,931,200
Less : Capitalised by issue of Bonus Shares	<u>—</u>	<u>43,931,200</u>
	<u>—</u>	<u>—</u>
iv) <u>Profit and Loss Account</u>	119,126,010	121,097,058
TOTAL	<u>330,345,888</u>	<u>323,316,936</u>
<u>SCHEDULE - "3"</u>		
<u>SECURED LOANS</u>		
(As per Note No.3 of Schedule 20)		
1. Loans from SBI on Cash Credit Accounts	147,245,522	177,293,554
2 Buyers' Credit From Bank	16,866,598	92,821,672
3 Term Loan from S.B.I.		
- In Foreign Currency	36,751,769	71,647,125
- In Indian Rupees	53,268,182	—
4 Loan from other Banks	523,090	1,321,918
5 Loan from L.I.C.	—	8,335,500
TOTAL	<u>254,655,160</u>	<u>351,419,768</u>

39th Annual Report 2009-2010

SCHEDULE - "4"	AS AT	AS AT
UNSECURED LOANS	31.03.2010	31.03.2009
	(IN RUPEES)	(IN RUPEES)
Interest-free Loans under Sales Tax Deferral Scheme (Payable within one year Rs.71,27,966/-, P.Y. Rs.78,36,895/-)	106,023,827	111,047,760
TOTAL	106,023,827	111,047,760

SCHEDULE - "5"

FIXED ASSETS

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01/04/09	Additions during the year	Deductions/ Adjustments	As at 31/03/10	Upto 31/03/09	For the Current Year	Deductions /Adjust-ments	Upto 31/03/10	As at 31/03/10	As at 31/03/09
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Leasehold Land	5,300,020	-	-	5,300,020	1,036,759	55,790	-	1,092,549	4,207,471	4,263,261
2	Leasehold Land - Wind Mill	4,720,000	-	-	4,720,000	820,428	188,800	-	1,009,228	3,710,772	3,899,572
3	Factory Building	74,118,543	-	331,970	73,786,573	27,418,083	2,465,894	-	29,883,977	43,902,596	46,700,459
4	Plant and Machinery	265,390,098	15,192,815	3,927,559	276,655,354	81,615,319	12,648,240	2,153,019	92,110,541	184,544,814	183,774,779
5	Plant and Machinery Wind Mill	130,146,433	7,854,000	1,687,125	136,313,308	25,968,716	7,131,421	-	33,100,137	103,213,171	104,177,717
6	Dies and Moulds	11,559,176	404,567	-	11,963,743	6,813,556	358,760	-	7,172,316	47,91,427	4,745,621
7	Electrical Installation	17,264,847	23,486	40,361	17,247,972	8,378,043	819,548	-	9,197,591	8,050,381	8,886,804
8	Office Equipments	1,406,735	30,668	-	1,437,403	688,948	59,732	-	748,681	688,722	717,786
9	Air Conditioners	1,4,82,996	143,546	-	1,626,542	462,351	74,037	-	536,388	1,090,154	1,020,645
10	Computers	3,959,741	192,848	-	4,152,588	2,485,889	428,345	-	2,914,235	1,238,353	1,473,851
11	Furniture and Fixtures	4,333,214	78,455	-	4,411,669	2,189,996	252,078	-	2,442,074	1,969,595	21,43,219
12	Vehicles	8,620,083	-	492,325	8,127,758	2,740,758	788,795	211,537	3,318,016	4,809,742	5,879,325
	Leased Assets										
13	Office Premises	4,728,738	-	-	4,728,738	404,294	77,078	-	481,373	4,247,365	4,324,444
14	Plant & Machinery	2,883,857	-	-	2,883,857	479,442	136,983	-	616,425	2,267,432	24,04,415
	Intangible Assets										
15	Computer Software	1,630,360	-	-	1,630,360	801,163	259,872	-	1,061,035	569,325	829,197
	TOTAL	537,544,841	23,920,384	6,479,340	554,985,885	162,303,744	25,745,375	2,364,556	185,684,563	369,301,323	375,214,097
	Previous Year Total	531,594,318	35,852,836	29,902,313	537,544,841	150,695,255	25,856,378	14,247,890	162,303,744	375,241,097	380,899,063
	Capital WIP									63,238,395	757,512

Note:- * Deletion include Rs. 36,36.044/- on account of foreign exchange gain for the Current Year arising on foreign currency loan availed for purchase of Fixed Assesets.

SCHEDULE - "6"

INVESTMENTS

Long Term Investment -Trade

i) Quoted, Fully Paid-up,at Cost

--(3,34,634) equity shares of Rs.6/- each of Remi Metals Gujarat Ltd.

AS AT	AS AT
31.03.2010	31.03.2009
(IN RUPEES)	(IN RUPEES)
-	6,993,851

ii) Unquoted, Fully Paid-up, at Cost

4,768 (4,768) equity shares of Rs.100/- each of Tarapur

Environment Protection Society Ltd.

TOTAL

476,800	476,800
476,800	7,470,651

Cost of unquoted Invesments

476,800	476,800
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Cost of quoted Invesments

—	6,393,851
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Market Value of quoted Investments

—	6,993,851
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Remi Edelstahl Tubulars Limited

	AS AT 31.03.2010 (IN RUPEES)	AS AT 31.03.2009 (IN RUPEES)
SCHEDULE - "7"		
INVENTORIES		
(As per Inventory taken, valued and certified by Management)		
Finished Goods	27,020,059	61,154,187
Work-in-Process	130,459,645	204,631,908
Raw Materials (Incl. Goods-in-Transit Rs.542.26 lacs, P.Y.147.21 lacs)	131,439,442	92,921,911
Stores, Spares & etc.(Incl. Goods-in-Transit Rs.1.89 lacs, P.Y.Rs.0.41lacs)	8,833,461	8,343,601
Scrap	1,656,982	1,268,843
TOTAL	299,409,588	368,320,451
SCHEDULE - "8"		
SUNDRY DEBTORS		
(Unsecured & Considered Good)		
Outstanding Over Six Months	27,608,448	9,494,876
Others	165,383,896	197,908,191
TOTAL	192,992,344	207,403,067
SCHEDULE - "9"		
CASH AND BANK BALANCES		
Cash in hand	88,533	200,379
<u>Balances with Scheduled Banks:</u>		
In Current Accounts	1,059,663	1,444,438
In Fixed Deposits (Pledged with Bankers as Margin)	13,525,000	26,237,491
TOTAL	14,673,197	27,882,308
SCHEDULE - "10"		
LOANS AND ADVANCES		
(Unsecured and considered good)		
Advances recoverable in cash or in kind or for value to be received	22,784,960	24,544,702
MAT Credit Entitlement	461,065	—
Payment of Advance Income Tax, TDS and FBT (Net)	14,873,366	13,446,219
Balances with Central Excise and Cenvat Refundable	14,101,198	16,391,732
Interest Accrued but not due	96,280	1,482,503
Deposits	2,972,912	2,518,462
TOTAL	55,289,782	60,703,619
SCHEDULE - "11"		
CURRENT LIABILITIES		
Sundry Creditors	108,851,093	56,952,635
Advances Received	3,632,511	6,201,760
Deposits Received	4,505,000	4,505,000
Interest Accrued but not due	759,885	562,194
Other Liabilities (Include unpaid Dividend of Rs.7.66 lacs, P.Y.Rs.7.86 lacs, which is not due for deposit to Investors' education & Protection Fund)	19,507,196	21,280,723
TOTAL	137,255,685	89,502,312
SCHEDULE - "12"		
PROVISIONS		
Leave Salaries	3,471,495	4,095,136
Gratuity Liability	117,030	3,153,268
TOTAL	3,588,525	7,248,404

39th Annual Report 2009-2010

	For the year ended 31.03.2010 (IN RUPEES)	For the year ended 31.03.2009 (IN RUPEES)
<u>SCHEDULE - "13"</u>		
<u>SALES AND SERVICES</u>		
Sales - Local	905,384,098	1,357,422,847
- Export	55,418,664	297,308,129
Income from Wind Power	13,181,712	13,033,791
Others (Gross - TDS Rs.0.42 lacs; P.Y. Rs.0.16 lacs)	2,478,278	754,887
TOTAL	976,462,752	1,668,519,654
<u>SCHEDULE - "14"</u>		
<u>OTHER INCOME</u>		
Rent Received (Gross-TDS Rs.1.39 lacs;P.Y. Rs.2.88 lacs)	2,546,500	2,130,500
Long Term Capital Gain on Sale of Investments	2,375,901	1,499,869
Keyman Insurance Policy Maturity Value	14,002,500	—
Excess Provision of Leave Salary and Bonus W/Back	793,718	—
Capital Gain on Sale of Fixed Assets	—	21,530,683
Miscellaneous Income	5,958,856	12,431,927
TOTAL	25,677,475	37,592,979
<u>SCHEDULE - "15"</u>		
<u>INCREASE/(DECREASE) IN STOCK</u>		
<u>Opening Stock</u>		
Finished Goods	61,154,187	92,350,316
Work-in-Process	204,631,908	353,719,005
Scrap	1,268,843	5,753,633
	267,054,939	451,822,953
<u>Closing Stock</u>		
Finished Goods	27,020,059	61,154,187
Work-in-Process	130,459,645	204,631,908
Scrap	1,656,982	1,268,843
TOTAL	159,136,685	267,054,939
INCREASE / (DECREASE) IN STOCK	(107,918,254)	(184,768,015)
<u>SCHEDULE - "16"</u>		
<u>MANUFACTURING EXPENSES</u>		
Stores and Spare-parts consumed	26,031,282	35,063,415
Electricity and Water charges	9,675,889	11,042,769
Labour Charges	14,542,235	19,576,434
Royalty	733,795	959,062
Variation in Excise Duty on Finished Stock	(1,820,701)	(7,433,554)
<u>Repairs & Maintenance</u>		
a) Building	1,253,058	2,297,581
b) Plant and Machinery	5,534,302	9,706,424
c) Others	1,371,098	2,148,625
Property Tax and Lease Rent	270,636	433,207
Other Manufacturing Expenses	3,924,410	2,313,070
TOTAL	61,516,005	76,107,033

Remi Edelstahl Tubulars Limited

	For the year ended	For the year ended
	31.03.2010	31.03.2009
	(IN RUPEES)	(IN RUPEES)
<u>SCHEDULE - "17"</u>		
<u>EMPLOYEES' REMUNERATION AND BENEFITS</u>		
Salaries, Wages and Bonus etc.	50,720,906	56,024,328
Contribution to Provident Fund	4,145,518	4,412,811
Welfare Expenses	865,114	651,478
TOTAL	55,731,538	61,088,618
 <u>SCHEDULE - "18"</u>		
<u>ADMINISTRATIVE, SELLING & OTHER EXPENSES</u>		
Packing & Forwarding Expenses	8,129,654	16,908,296
Travelling & Conveyance	6,212,601	8,314,672
Rent	1,116,895	903,568
Insurance	2,080,725	3,042,632
Rates & Taxes	376,015	649,640
<u>Payment to Auditors</u>		
Audit Fees	225,000	225,000
In Other Capacity	24,000	77,000
Commission	491,460	4,844,733
Bad-Debt Written off	—	517,300
Late Delivery Charges	—	4,125,992
Diff. in Foreign Exchange	1,688,423	22,104,198
Directors Sitting Fees	66,000	63,000
Sales Tax	21,431,316	35,405,393
Service Tax Payment	494,324	56,011
Loss on Sale of Fixed Assets	158,427	—
Loss on Long Term Investments	—	13,084,147
Miscellaneous Expenses	10,140,310	10,077,330
TOTAL	52,635,150	120,398,910
 <u>SCHEDULE - "19"</u>		
<u>FINANCIAL CHARGES</u>		
<u>Interest:</u>		
On Fixed Term Loans	4,059,815	6,112,477
On Working Capital Facilities to Bank	5,377,550	22,857,602
To Others	14,861,846	16,525,936
	24,299,211	45,496,015
Less: Interest Received (Gross, TDS Rs.2.73 Lacs; P.Y.Rs.4.86 Lacs)	4,457,746	3,379,482
	19,841,464	42,116,533
Bank Charges & Commission	7,891,936	14,519,482
TOTAL	27,733,400	56,636,016

SCHEDULE – “20” – NOTES ON 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

Remi Edelstahl Tubulars Limited

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.

(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 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".

2. Contingent Liabilities not provided for :

- a) Bank Guarantees given by bankers on behalf of the Company
- b) Guarantee given by the Company to Bankers on behalf of associate Company
- c) Bills Discounted
- d) Claim of Collector
- e) Sales Tax (Disputed in Appeal)
- f) Show Cause Notice in respect of Central Excise
- g) Central Excise (Disputed in Appeal)
- h) Subletting Charges
- i) In respect of Custom Duty
- j) Income Tax matters

Current Accounting Year Ended 31-03-2010 (Rs.in Lacs)	Previous Accounting Year Ended 31-03-2009 (Rs.in Lacs)
-------------------------------------------------------------	--------------------------------------------------------------

890.31	1072.98
465.00	677.37
432.45	285.89
353.47	353.47
116.23	116.23
3.18	38.13
271.81	233.31
1.37	—
113.71	20.79
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.
- 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, 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 Rs.422.15 lacs; P.Y. Rs.296.21 lacs).

- iii) Loans from other banks are secured by hypothecation of the Vehicles purchased from such loans. Repayment due in next one year is Rs.5.46 lacs (P.Y. Rs.7.99 lacs).

- 4. Rent receivable in respect of assets given on operating lease in next one year is Rs.4.03 Lacs (P.Y. Rs.9.49 Lacs), beyond one year to five years Rs.15.00 Lacs (P.Y. 15.00 Lacs) and beyond five years Rs.0.25 Lacs (P.Y. Rs.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 31-03-2010 (Rs.in Lacs)	As At 31-03-2009 (Rs.in Lacs)
11.53	13.92
137.22	141.35
42.12	53.31
190.87	208.58
867.75	902.78
676.88	694.20

39th Annual Report 2009-2010

6. a) Information about business segments: -

(Rs. in Lacs)

Revenue	S. S. Pipes & Tubes	Wind Mill Division	Others	Total
External	9,625.74	122.18	—	9,747.92
Inter Segment	(16,554.86)	(88.55)	(—)	(16,643.41)
	—	16.71	—	16.71
	(—)	(41.79)	(—)	(41.79)
Total Revenue	9,625.74	138.89	—	9,764.63
	(16,554.86)	(130.34)	(—)	(16,685.20)
Result				
Segment Result	19.58	30.82	—	50.40
	(46.56)	(4.16)	(—)	(50.72)
Other Income (Net)	237.13	—	19.64	256.77
	(107.20)	(—)	(47.69)	(154.89)
Financial Charges (Net)				277.33
				(566.36)
Profit/(Loss) Before Tax				29.84
				(360.75)
Provision for current Taxation				4.79
				(0.54)
Provision for deferred Taxation/(Credit)				(17.31)
				(97.98)
Provision for Fringe Benefit Tax				—
				(10.00)
Mat Credit Entitlement				(4.61)
				(—)
Profit/(Loss) after Tax				46.97
				(273.31)
Other Information				
Segment Assets	8,813.54	1,086.00	54.27	9,953.81
	(9,234.64)	(1,116.17)	(126.98)	(10,477.79)
Segment Liabilities	3,004.53	0.03	45.00	3,049.56
	(3,622.15)	(0.40)	(46.11)	(3,668.66)
Capital Expenditure	792.91	78.68	—	871.59
	(285.95)	(72.58)	(—)	(358.53)
Depreciation	182.49	73.25	1.71	257.45
	(185.90)	(70.95)	(1.71)	(258.56)
Non-cash expenses other than depreciation	—	—	—	—
	(—)	(—)	(—)	(—)

b) Information about Secondary Business Segments Revenue by geographical market

	Domestic	International	Total
External	9,193.73	554.19	9,747.92
	(13,670.33)	(2,973.08)	(16,643.41)
	16.71	—	16.71
	(41.79)	(—)	(41.79)
Inter Segment			
Total	9,210.44	554.19	9,764.63
	(13,712.12)	(2,973.08)	(16,685.20)
Segment Assets	9,761.88	191.93	9,953.81
	(10,354.22)	(123.57)	(10,477.79)
Capital Expenditures	871.59	—	871.59
	(358.53)	(—)	(358.53)

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 (Rs. in Lacs)
- c) Basic earnings per equity share of Rs.10/- each (in Rupees)
- d) Diluted earnings per equity share of Rs.10/- each (in Rupees)

	2009-2010	2008-2009
	95,82,400	95,82,400
	95,82,400	95,82,400
	95,82,400	95,82,400
	80.29	(266.97)
	0.84	(2.79)
	0.84	(2.79)

Remi Edelstahl Tubulars Limited

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 - Executive 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. and Rajendra Finance Pvt. Ltd. and Caplus Trading 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:

(Rs. in Lacs)

Nature of Transactions	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Purchases			
Fixed Assets	--	20.45	--
	(--)	(30.57)	(--)
Goods & Materials	--	--	--
	(--)	(0.55)	(--)
Sales			
Goods and Materials	—	13.94	—
	(—)	(40.98)	(—)
Investments	—	93.70	—
	(—)	(—)	—
Fixed Assets	—	—	—
	(—)	(337.52)	(—)
Expenses			
Rent and other service charges	1.20	10.04	—
	(1.20)	(6.74)	(—)
Job Work Charges	—	—	—
	—	(3.20)	(—)
Royalty Charges	—	—	8.04
	(—)	(—)	(9.59)
Remuneration	47.35	—	—
	(47.76)	(—)	(—)
Repairs & Maintenance	—	0.91	—
	(—)	(3.48)	(—)
General Expenses	—	0.21	—
	(—)	(0.25)	(—)
Interest paid	—	77.05	—
	(—)	(140.51)	(—)
Reimbursement of Expenses	—	6.88	—
	(—)	(3.59)	(—)
Directors' Fees	0.22	—	—
	(0.29)	(—)	(—)
Income			
Interest Received	—	—	—
	(—)	(0.01)	(—)
Rent and other service charges	—	13.49	—
	(—)	(11.02)	(—)
Testing Charges	—	1.01	—
	(—)	(1.30)	(—)
Job Work Charges	—	16.47	—
	(—)	(7.09)	(—)
Finance			
Loans and Advances taken	—	3703.95	—
	(—)	(4,305.00)	(—)
Payable	—	2.89	2.19
	(—)	(3.64)	(1.76)
Receivable	1.25	16.20	—
	(1.25)	(361.62)	(—)
Loans taken	—	68.80	—
	(—)	(111.56)	(—)

39th Annual Report 2009-2010

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:

	For the year ended March 31, 2010
Contribution to Employees' Provident Fund	41,45,518 (44,12,811)
Total	41,45,518 (44,12,811)

(B) Defined Benefits Plans:

(i) Changes in the Present Value of Obligation:

For the year ended March 31, 2010

	Gratuity	Leave Encashment	Total
(a) Present Value of Obligation as at April 1, 2009	1,28,13,458 (1,03,50,070)	40,95,136 (33,20,402)	1,69,08,594 (1,36,70,472)
(b) Interest Cost	10,25,077 (8,28,006)	3,27,611 (265,632)	13,52,688 (10,93,638)
(c) Past Service Cost	— (—)	(—) (—)	— (—)
(d) Current Service Cost	10,02,033 (11,37,563)	513 (5,13,655)	10,02,546 (16,51,218)
(e) Benefits Paid	(16,24,292) (2,71,388)	(6,74,280) (2,39,545)	(22,98,572) (5,10,933)
(f) Actuarial (Gain)/Loss	(8,29,239) (7,69,207)	(2,77,485) (2,34,992)	(11,06,724) (10,04,199)
(g) Present Value of Obligation as at March 31, 2010	1,23,87,037 (1,28,13,458)	34,71,495 (40,95,136)	1,58,58,532 (1,69,08,594)

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

For the year ended March 31, 2010

	Gratuity
(a) Present Value of Plan Assets as at April 1, 2009	96,60,190 (54,73,803)
(b) Expected Return on Plan Assets	10,31,078 (7,76,086)
(c) Actuarial (Gain)/Loss	— (—)
(d) Employers' Contributions	32,03,031 (36,81,689)
(e) Employees' Contributions	— (—)
(f) Benefits Paid	(16,24,292) (2,71,388)
(g) Fair Value of Plan Assets as at March 31, 2010	1,22,70,007 (96,60,190)

(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, 2010

	Gratuity	Leave Encashment	Total
(a) Present Value of Funded Obligation as at March 31, 2010	1,23,87,037 (1,28,13,458)	— (—)	1,23,87,037 (1,28,13,458)
(b) Fair Value of Plan Assets as at March 31, 2010	1,22,70,007 (96,60,190)	— (—)	1,22,70,007 (96,60,190)
(c) Present Value of Unfunded Obligation as at March 31, 2010	— (—)	34,71,495 (40,95,136)	34,71,495 (40,95,136)
(d) Net Liability/(Asset) recognized in the Balance Sheet	1,17,030 (31,53,268)	34,71,495 (40,95,136)	35,88,525 (72,48,404)

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

For the year ended March 31, 2010

	Gratuity	Leave Encashment	Total
(a) Current Service Cost	10,02,033 (11,37,563)	513 (5,13,655)	10,02,546 (16,51,218)
(b) Past Service Cost	— (—)	— (—)	— (—)
(c) Interest Cost	10,25,077 (8,28,006)	3,27,611 (2,65,632)	13,52,688 (10,93,638)
(d) Expected Return on Plan Assets	(10,31,078) (7,76,086)	— (—)	(10,31,078) (7,76,086)
(e) Net actuarial Gain/Loss	(8,29,239) (7,69,207)	(2,77,485) (2,34,992)	(11,06,724) (10,04,199)
(f) Employees' Contribution	— (—)	— (—)	— (—)
(g) Total Expenses recognized in the Profit and Loss Account	1,66,793 (19,58,690)	50,639 (10,14,279)	2,17,432 (29,72,969)

Remi Edelstahl Tubulars Limited

(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2010

	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% (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	Rs.
(a)	Actual return on plan assets	10,31,078 (7,76,086)

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

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

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

10. Estimated amount of contracts remaining to be executed on Capital Account and not provided for Rs.21.53 Lacs (P.Y. Rs.519.13 Lacs)

Current Accounting Year Ended 31.03.2010		Previous Accounting Year ended 31.3.2009	
Qty. (Tons)	Value (Rs.in Lacs)	Qty. (Tons)	Value (Rs.in Lacs)

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

a) Licensed Capacity: Stainless Steel Welded & Seamless Pipes.	N.A.	N.A.
b) Installed Capacity:*		
i) Stainless Steel Pipes & Tubes	7445	6945
ii) Wind Power	2.25 MW	2.25 MW
c) Actual Production:		
i) Stainless Steel Pipes & Tubes	3518.169	4589.422
ii) Wind Power (Units)	3355393	3435105

* Notes: 1. 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.
2. 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 31.03.2010		Previous Accounting Year Ended 31.03.2009	
	Qty. (Tons)	Value (Rs. in Lacs)	Qty. (Tons)	Value (Rs. in Lacs)
a) Opening Stock:				
i) Stainless Steel Pipes & Tubes	199.448	611.54	294.107	923.50
	199.448	611.54	294.107	923.50
b) Purchase for Resale S.S. Coils, Plates etc.	541.293	265.01	19.560	33.54
	541.293	265.01	19.560	33.54
c) Sales:				
Stainless Steel Pipes & Tubes	3623.838	9,157.91	4,684.081	16,066.08
S.S. Coils, Plates etc. (Net of Tax)	541.293	278.42	19.560	49.16
Power (Including Captive Consumption of Rs.16.71 lacs; P.Y. Rs.41.79 lacs)	--	131.82	--	130.34
Others	--	196.48	--	439.62
		9,764.63		16,685.20
d) Closing Stock:				
i) Stainless Steel Pipes & Tubes	93.779	270.20	199.448	611.54
	93.779	270.20	199.448	611.54

39th Annual Report 2009-2010

13. Raw Material Consumption:				
i) S.S.Sheets and Plates	2785.835	3687.74	3184.758	6315.50
ii) S.S.Mother Pipes	<u>929.258</u>	<u>2107.22</u>	<u>1406.341</u>	<u>4507.61</u>
	<u>3715.093</u>	<u>5794.96</u>	<u>4591.099</u>	<u>10823.11</u>

14. Value of Imports calculated on C.I.F. basis in respect of:			
i) Raw Material		3091.36	6075.64
ii) Stores and Spare Parts		--	5.01
iii) Fixed Assets		524.49	81.71

15. Value of Raw Materials and Stores & Spare Parts consumed & percentage of total consumption:

	Value (Rs.in Lacs)	% of total consumption	Value (Rs.in Lacs)	% of total consumption
a) Raw Materials:				
i) Imported	2,914.07	50.29	7,408.99	68.46
ii) Indigenous	<u>2,880.89</u>	<u>49.71</u>	<u>3,414.12</u>	<u>31.54</u>
	5,794.96	100.00	10,823.11	100.00
b) Stores and Spare Parts:				
i) Imported	—	—	8.04	2.29
ii) Indigenous	<u>260.32</u>	<u>100.00</u>	<u>342.59</u>	<u>97.71</u>
Total	<u>260.32</u>	<u>100.00</u>	<u>350.63</u>	<u>100.00</u>

16.	Current Accounting Year Ended 31-03-2010 Value (Rs.in Lacs)	Previous Accounting Year Ended 31-03-2009 Value (Rs.in Lacs)
------------	----------------------------------------------------------------------------	--------------------------------------------------------------------

(a) Computation of Net Profit under Section 349/198(1) of the Companies Act, 1956 for the purpose of Directors' Commission: -

Profit before Taxation as per Profit & Loss Account: -	29.84	(360.75)
<u>Less:</u> Depreciation as per Section 350	342.34	(354.35)
Capital Gain on sale of Fixed Assets(Net)	—	(215.31)
Capital Gain on Sale of Investments	23.76	—
	<u>(336.26)</u>	<u>(930.41)</u>
<u>Add:</u> Depreciation as per accounts	257.45	258.56
Loss on Long Term Investments (Net)	—	115.84
Loss on Sale of Fixed Assets	1.58	—
Commission to Directors	—	—
Net Profit/(Loss)	<u>(77.23)</u>	<u>(556.01)</u>
Directors' Commission 1% of Net Profit/(Loss)	Nil	Nil

(b) Managerial Remuneration

i) Directors' Fees	0.66	0.63
ii) Directors' Commission	—	0.00
iii) Remuneration (incl. contribution to Provident Fund and estimated value of perquisites)	<u>47.35</u>	<u>47.76</u>
	<u>48.01</u>	<u>48.39</u>

17. Expenditure in Foreign Currency:		
i) Travelling expenses	12.57	22.68
ii) Interest & Bank Charges	57.71	106.12
iii) Other Expenses	<u>22.89</u>	<u>35.82</u>
	<u>93.17</u>	<u>164.62</u>

18. Earning in Foreign Exchange:		
Export of S.S. Pipes (at F.O.B. Value)	<u>1217.01</u>	<u>4070.46</u>

(Including value of Deemed Exports & Supplies to SEZ & EOU of Rs.703.77 lacs; P.Y. Rs. 1034.58 lacs)

19. Company does not have complete information to determine Micro, Small and Medium Enterprises as specified in Micro, Small and Medium Enterprises Development Act, 2006 hence it is not possible for us to verify the amount due to such enterprises.

20. 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.

21. 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.

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

V. C. SARAF
DIRECTOR

R. R. SARAF
MANAGING DIRECTOR

Membership No. 33978

PLACE : **MUMBAI**
DATED : 21st May 2010

**ANNEXURE REFERRED TO IN NOTE 18 OF THE NOTES ANNEXED TO AND FORMING
PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 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	31.03.2010		

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 Rs. Thousands)

Total Liabilities	995381	Total Assets	995381
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Sources of Funds

Paid-up Capital	95824	Reserves & Surplus	330346
Secured Loans	254655	Unsecured Loans	106024
Deferred Tax Liability	67688		

Application of Funds

Net Fixed Assets	432540	Investments	477
Net Current Assets	421521	Misc. Expenditure	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	832342	Total Expenditure	829358
Profit / (Loss) before tax	2984	Profit / (Loss) after tax	4697

+	-
+	

+	-
+	

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

Earning Per Share in Rs. (Annualised)	0.84	Dividend rate %	NIL
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**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 DIRECTORS

V. C. SARAF
DIRECTOR

R. R. SARAF
MANAGING DIRECTOR

PLACE : MUMBAI
DATED : 21st May 2010

CASH FLOW STATEMENT FOR THE YEAR 2009-2010

	(Rupees in Lakhs)	
	2009-2010	2008-2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before Tax and Extra-ordinary item	29.84	(360.75)
Adjustment for :		
Depreciation	257.45	258.56
Interest	277.33	566.36
Profit on sale of Fixed Assets	—	(215.31)
Loss on sale of Fixed Assets	1.58	—
Profit on sale of Investments	(23.76)	(15.00)
Loss on sale of Investments	—	130.84
Other Income	(233.01)	(21.31)
Operating profit before working capital charges	309.43	343.39
Adjustment for :		
Trade and Other Receivables	198.25	1,062.84
Inventories	689.10	2,620.77
Trade Payable and Provision	440.93	(1,466.77)
Cash Generated from Operations	1,637.71	2,560.23
Interest Paid	(277.33)	(566.36)
Direct Taxes Paid	(0.18)	(10.54)
Dividend & Tax thereon	-	-
Cash Flow before Extra-ordinary items	1,360.20	1,983.33
Extra-ordinary items	33.32	(0.27)
Net Cash from Operating Activities (A)	1,393.52	1,983.06
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment	—	(3.71)
Purchase of Fixed Assets	(827.63)	(279.92)
Sales of Fixed Assets	3.20	301.24
Sale of Investments	93.70	44.22
Other Income	233.01	21.31
Net Cash used in Investing Activities (B)	(497.72)	83.14
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Loan	(490.54)	(201.71)
Repayment of Short Term Loan	(1,060.03)	(2,019.02)
Proceeds from Long Term Loan	532.68	167.06
Repayment of State Government Subsidy	(10.00)	-
Net Cash used in Financial Activities (C)	(1,027.89)	(2,053.67)
Net Increase in Cash and Cash Equivalents (A+B+C)	(132.09)	12.53
Cash as at (Closing Balance)	146.73	278.82
Cash as at (Opening Balance)	278.82	266.29
Increase/Decrease in Cash Balance	(132.09)	12.53

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

V. C. SARAF
DIRECTOR

R. R. SARAF
MANAGING DIRECTOR

PLACE : MUMBAI
DATED : 21st May 2010

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 NumberClient 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 **39th ANNUAL GENERAL MEETING** held on **Thursday**, the **30th September, 2010** 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 NumberClient ID :.....DP ID:.....

I/Weof

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 **39th ANNUAL GENERAL MEETING** to be held on **Thursday**, the **30th September, 2010** 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