



REMI GROUP

REMI EDELSTAHL TUBULARS LIMITED



Stainless Steel Welded and Seamless Pipes & Tubes



**Wind Power
Promoting Green Energy**

**42nd Annual Report
2012-2013**

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 Sakri,
District Dhule, Maharashtra

NOTICE

To
The Members,
REMI EDELSTAHL TUBULARS LIMITED

NOTICE is hereby given that the 42nd 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 **Monday the 30th September, 2013** at 11.30 A.M. to transact the following business:

1. To consider the audited Balance Sheet as at, and the Statement of Profit and Loss for the year ended, 31st March, 2013.
2. To re-appoint as Director Shri Gopikishan Biyani, who retires by rotation.
3. To re-appoint as Director Shri Shankar Lal Jain, who retires by rotation.
4. To re-appoint as Director Shri Sandeep R. Shriya, 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 further term of 3 years from the 1st April, 2013, to manage the affairs of the Company, on the following terms and conditions:

- a) A monthly salary of Rs.1,95,000/-
- b) Free furnished residential accommodation.
- c) Reimbursement of actual medical expenses incurred for self and family.
- d) Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- e) Annual fees to not more than two clubs.
- f) Free use of one or more Company's Car with driver for official purpose only.
- g) Telephone at residence and Mobile phone for official purpose only.
- h) Company's contribution to Provident Fund as per the rules of the Company.
- i) Gratuity as per the rules of the Company.
- j) Encashment of Leave at the end of the tenure.”

For REMI EDELSTAHL TUBULARS LIMITED

Sd/-

Place :Mumbai
Dated : 13th August, 2013

(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 20th September, 2013 to Friday, the 27th September, 2013**, 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. An Explanatory Statement relating to the item of special business set out in item No. 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, 2010 to 31st March, 2013. 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 & Pipes and Generation of Wind Energy.
- (2) Commencement of commercial production : 1970
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not a new Company
- (4) Financial performance : The Company has a turnover of Rs.16192.61 Lacs and net profit of Rs.188.33 Lacs, for the financial year ended 31st March, 2013.
- (5) Export performance : Export earning Rs.2678.95 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.1.95 Lacs per month plus perquisites
- (3) Recognition or awards :-
- (4) Job profile and his suitability : He is in full charge of production, sales, export, finance and other administrative matters. After his training and experience during these 11 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.

Your Directors commend the resolution for your approval.

DIRECTORS' REPORT**To
The Members
REMI EDELSTAHL TUBULARS LIMITED**

Your Directors have immense pleasure in presenting the 42nd Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2013.

PERFORMANCE REVIEW:

The performance for the financial year ended 31st March, 2013 is summarized below:-

(₹ in Lacs)

	2012 - 2013	2011 - 2012
Gross Turnover	17743.00	19731.68
Profit before Finance Cost, Depreciation and Tax (EBIDTA)	1199.50	1266.18
Finance Cost	637.26	799.37
Depreciation	312.35	290.03
Taxation	61.56	48.76
	1011.17	1138.16
Profit for the period	188.33	128.02
Balance brought forward	1257.79	1179.77
	1446.12	1307.79
Appropriations		
Transfer to General Reserve	50.00	50.00
Net surplus in the Statement of Profit & Loss	1396.12	1257.79
	1446.12	1307.79

OPERATIONS:

The continuing drop in new investments coupled with unprecedented depreciation of the Indian currency against the US Dollar and high interest rate regime, has left the industrial scenario to be grim and poses to be challenging for the Company. Similarly the overseas markets continue to be sluggish. During the year, the Company has witnessed a drop of 10% in sales value and 9.62% in quantity, resulting in a reduction in EBIDTA by 5.21%. The management believes that in spite of the lower demand in short term resulting in lower production and profitability, the Company's products have a promising future in the long term.

The technology up-gradation initiated by the Company in first phase has been fully completed due to which the Company has bagged initial trial orders with key customers. However, there is still a need to further continue up-gradation in the current financial year. This up-gradation cost is estimated to be approx. Rs.11 Crores which would be financed by internal accruals and term loans. On completion of this up-gradation, your Company would be one of the few companies in India to offer complete power plant tubings from a single facility and in anticipation has initiated market development process for approval into the Nuclear industry.

The current order backlog is approx. Rs.70 Crores including trial orders from key users. The full benefit of the up-gradation/expansion will only be reflected subsequent to the execution of these trial orders during the current year. However, the current financial year is expected to be a more challenging period owing to the uncertainties, economic slowdown, market development etc.

DIRECTORS:

Under Article 64 of the Articles of Association of the Company, Shri Gopikishan Biyani, Shri Shankar Lal Jain and Shri Sandeep R. Shriya, retire by rotation and are to be re-appointed.

AUDITORS:

The Auditors M/s. Sundarlal, Desai & Kanodia, Chartered Accountants, are to be re-appointed. They 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 made by the members and their remuneration has to be fixed.

COST AUDITORS AND COST AUDIT REPORT:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

The Company has received again an energy conservation appreciation, third year in a row, given in the Steel Re-Rolling Section from Ministry of Power, Govt. of India.

The Company does not have any foreign collaboration for manufacturing. The Company is continuously modernizing its production and testing machineries and equipments.

The Company pursued certification for ISO 14001 & ISO 18001 in addition to existing ISO 9001 Certificate, now a combination of all of them in one as IMS - Integrated Management system.

Additionally, it already has API 5LC (American Petroleum Institute), PED 97/23 CE (Pressure Equipment Directive, CE Mark, for exports European Union Countries) and AD2000-Merkblatt W0 required for exports to Germany. It has also received EIL Enhancement cum revalidation certificate valid thru Dec 2015.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Earnings	₹ 2678.95 Lacs (including deemed exports & supplies to SEZ & EOU of ₹ 1822.14 Lacs)
Outgo	₹ 5163.90 Lacs

PARTICULARS OF EMPLOYEES:

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

UNPAID DIVIDEND:

The unpaid dividend relating to the financial year ended 31st March, 2006, will be transferred to Investor Education and Protection Fund, within prescribed time limit.

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 Auditors of the Company from time to time, the Directors state that:

- 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;
- 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;
- 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; and
- the Directors have prepared the annual accounts on a going concern basis.

APPRECIATION:

The Board places 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 its 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: 13th August, 2013

ON BEHALF OF THE BOARD

Sd/-

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 in the international and domestic markets may affect demand. It may also have a further impact on the Indian Rupee, which would make imports more expensive. The Company, however, is taking suitable steps to ensure protection of its margins as and when required. The high rate of interest and 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 was under pressure during the year due to slow down in Indian economy in general and capital goods industry in particular.

(g) Human Resources/ Industrial Relations:

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

(h) Cautionary Statement:

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations 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 30/05/2012, 14/08/2012, 10/11/2012 and 14/02/2013.

COMPOSITION AND CATEGORY OF DIRECTORS

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

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 2012-13.

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

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 only 3 complaints during the year 2012-2013. 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
30/9/2010	Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063.	11.30 A.M.	One
30/9/2011	- do -	- do -	—
29/9/2012	- do -	- do -	One

6. POSTAL BALLOT:

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

7. DISCLOSURES:

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large	:	Transactions with related parties are disclosed in Note No 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	30.32	-	-
V. C. Saraf - Chairman	-	0.30	0.09
R. C. Saraf	-	-	0.12
K. K. Dujodwala	-	-	0.13
S. L. Jain	-	-	0.13
G. Biyani	-	-	0.09
R. V. Saraf	-	-	0.09
S. Shriya	-	-	0.05

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

Shri Gopikishan Biyani, Shri Shankar Lal Jain and Shri Sandeep R. Shriya, Directors, who are retiring by rotation, are to be re-appointed. The brief resume of these Directors is given herebelow:

- Shri Gopikishan Biyani is a business man of long standing and he also will be of assistance to the other Directors and the Company.
- Shri Shankar Lal Jain is a Chartered Accountant in Whole-Time Practice and is a tax consultant of repute. His association with the Company will be of benefit to it and to its Directors.
- Shri Sandeep Shriya is a commerce graduate of Bombay University. He joined his family business - Transportation and Trading in steel - since 25 years. Entering into new line of business - calcination of limestone and dolomite.

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 42nd Annual General Meeting of the Company will be held on Monday the 30th September, 2013, 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, 2012 to 31st March, 2013.

The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 20th September, 2013 to Friday, the 27th September, 2013, 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 - 2012	16.00	13.40
May - 2012	17.25	12.15
June - 2012	16.00	12.45
July - 2012	16.26	11.26
August - 2012	13.17	11.00
September - 2012	14.00	11.00
October - 2012	13.85	10.50
November - 2012	15.87	13.31
December - 2012	18.45	15.60
January - 2013	20.55	18.35
February - 2013	21.20	19.40
March - 2013	20.75	17.75

Remi Edelstahl Tubulars Limited

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 31st March, 2013.

Shareholding of Nominal (in Rs.)	No. of Share holders	% of Total	Share Amount (in Rs.)	% of total
Upto 5000	3,200	80.88	6,993,850	7.31
5001 – 10000	504	12.74	3,655,340	3.81
10001 – 20000	136	3.44	2,021,250	2.11
20001 – 30000	31	0.78	797,810	0.83
30001 – 40000	18	0.45	661,330	0.69
40001 – 50000	17	0.43	797,980	0.83
50001 – 100000	18	0.45	1,258,130	1.31
100001 & Above	33	0.83	79,638,310	83.11
TOTAL:	3,957	100.00	95,824,000	100.00

Categories of Shareholders as on 31st March, 2013

Category	No. of Holders	No. of Shares	% of total Share Holding
Individuals	3876	4541952	47.40
Companies	60	5015492	52.34
FII, NRIs & OCBs	18	14956	0.16
Mutual Funds, Banks & FIs	3	10000	0.10
TOTAL:	3957	9582400	100.00

Dematerialization of Shares:

As on 31st March, 2013, 8947970 equity shares constituting 93.38% have been dematerialized.

Plant Locations:

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

Address for Correspondence:

Registered & Corporate Office: Registrar and Share Transfer Agent:

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

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

ON BEHALF OF THE BOARD

Sd/-

Mumbai - 400 063
Dated: 13th August, 2013

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, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited, Mumbai.

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

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

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

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

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

Sd/-

PLACE : MUMBAI
DATED : 13th August, 2013

(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 31st March, 2013, 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:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. 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.
 - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, 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:

- i. In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2013;
- ii. In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. In the case of the cash flow statement, of the cash flows for the year ended on that date.

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

Sd/-

PLACE : MUMBAI
DATED : 30th May, 2013

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