



**REMI GROUP**

## **REMI EDELSTAHL TUBULARS LIMITED**



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



**Wind Power  
Promoting Green Energy**

**47<sup>th</sup> Annual Report  
2017-2018**

<b>Board of Directors:</b>	Mr. Vishwambhar C. Saraf	Chairman
	Mr. Rishabh R. Saraf	Managing Director
	Mr. Rajendra C. Saraf	Director
	Mr. Shankar Lal Jain	Director
	Mr. Kamal Kumar Dujodwala	Independent Director
	Mr. Gopikishan Biyani	Independent Director
	Mr. Sandeep Shriya	Independent Director
	Mrs.Anita Bhartiya	Independent Director
<b>Chief Financial Officer:</b>	Shri Vinod C. Jalan	
<b>Bankers:</b>	STATE BANK OF INDIA	
<b>Auditors:</b>	M/s. Yatin Kumar Shah Chartered Accountant 903, Arcadia, 195, N.C.P.A. Road, Mumbai- 400 021	
<b>Registered Office:</b>	REMI HOUSE Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063 Ph.: 022-40589888, Fax: 022-26852335	
<b>CIN:</b>	L28920MH1970PLC014746	
<b>Works:</b>	(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 47th Annual General Meeting of the Company will be held at the Company's Registered Office, Remi House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063, on **Saturday, the 29th September, 2018**, at 10.30 A.M. to transact the following ordinary business:

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2018, together with the reports of the Board of Directors and the Auditors thereon;
2. To re-appoint as Director Shri Shankarlal Jain (DIN:00174609), who retires by rotation.

### Special Business - Ordinary Resolution:

3. To ratify the remuneration of Cost Auditors.

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, remuneration payable to M/s Kejriwal & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company for the year 2018-19, to conduct the audit of the cost records of the Company, on a remuneration of Rs.45,000/- (Rupees Forty Five thousand only) be and is hereby ratified and confirmed.

### Special Business - Special Resolution:

4. To reappoint Shri Rishabh R. Saraf (DIN: 00161435) as Managing Director of the company.

**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, 2019, to manage the affairs of the Company, on the following terms and conditions:

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

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

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

Registered Office,  
Remi House, Plot No.11,  
Cama Industrial Estate,  
Goregaon (East), Mumbai – 400 063  
Dated : 14<sup>th</sup> August, 2018

Sd/-

**(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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Saturday, the 22nd September, 2018 to Saturday, the 29th September, 2018**, both days inclusive.
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, during 4.00 P.M to 6 P.M up to the date of the Meeting.
4. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Registrar M/s. Bigshare Services Private Limited / Company.
5. **Green Initiative :**

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

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

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

6. Pursuant to provision of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members facility to exercise their rights to vote on the resolution proposed to be considered at the 47th Annual General Meeting by the electronic means (remote e-voting) / postal Ballot and voting by ballot paper at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL) The e-voting facility is available at the link <https://www.evoting.nsdl.com>.
7. The Notice of the AGM is available on website of the Company. The self-addressed envelope enclosed to this Notice, bears the address to which the duly completed Postal Ballot Form is to be sent. Shareholders desiring to exercise vote by physical Postal Ballot are requested to carefully read the instructions printed in the

postal ballot Form and return the Postal Ballot Form duly completed and signed in the enclosed self-addressed business reply envelope to the scrutinizer so as to reach the Scrutinizer on or before the close of 5.00 p.m. on the **28th September, 2018**. Any Postal Ballot received from the member beyond the said date will not be valid and voting by whether by post or by electronic means shall not be allowed beyond the said date.

**8. Kindly send duly filled “E-mail Registration Form” along with the Postal Ballot Form in the self-address envelope.**

9. In case a Member is desirous of obtaining a printed Postal Ballot Form or a duplicate, he or she may send an e-mail to [rmi\\_igrd@remigroup.com](mailto:rmi_igrd@remigroup.com).
10. In case of joint holding, this form should be completed and signed by the first named Member and in his / her absence, by the next-named Member.
11. Unsigned, incomplete, improperly or incorrectly ticked Postal Ballot Forms shall be rejected.
12. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting / postal ballot shall be able to exercise their right at the meeting through ballot paper. A member may participate in the AGM even after exercising his/ her right to vote through remote e-voting/ postal ballot but shall not be allowed to vote again at the AGM. In case Members cast their vote through all these modes, voting done by e-voting shall prevail and votes cast through Ballot form/ postal ballot shall be treated as invalid.
13. The remote e-voting period shall commence at 9.00 a.m. on the **25th September, 2018** and will end at 5 p.m. on **28th September, 2018**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/ she shall not be allowed to change it subsequently or cast the vote again.

**14. The details procedure for remote e-voting is set out below :**

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

- (i) Open email and open PDF file viz; “**RETL remote e-voting.pdf**” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login.
- (iv) put ‘User ID’ and Password’ as initial password/PIN as noted in step (i) above and click ‘Login’.
- (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select ‘EVEN’ (E-voting Event Number) of **REMI EDELSTAHL TUBULARS LIMITED**.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on ‘Submit’. Click on ‘Confirm’ when prompted.

(x) Upon confirmation, the message ‘Vote cast successfully’ will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [retlscrutinizer@gmail.com](mailto:retlscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

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

EVEN (Remote E-voting Event Number)	User ID	Password/ PIN
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(ii) Please follow all steps from Sr. No. (a) (ii) to Sr. No. (xii) above, to cast vote.

**(c) Other Instructions:**

- i. In case of any queries, you may refer to the ‘Frequently Asked Questions’ (FAQs) and ‘e-voting user manual’ available in the downloads section of NSDL’s e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll free no. 1800-222-990.
- ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
15. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. on **22nd September, 2018**. Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date.
16. Any persons who have acquired shares after the dispatch of the Notice and holding shares as on cut-off date i.e. **22nd September, 2018** may obtain the user ID and Password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
17. Shareholders who forgot the User Details/Password can use “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No.+Folio No.).
18. The Company has appointed Shri Vishal Mehra, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire ballot voting /e-voting process in a fair and transparent manner.
19. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting/ postal ballot facility.

20. The scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
21. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website i.e. www.remigroup.com and on the website of NSDL after the result is declared by the chairman or a person authorized by him. The result shall also be forwarded to The Bombay Stock Exchange Limited.
22. An Explanatory Statement relating to the item of special business set out in item Nos. 3 & 4 accompanies.

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

**Item No. 3**

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

**Item No. 4**

Shri Rishabh R. Saraf to be reappointed as Managing Director of the Company from the 1st April, 2019 as per Schedule V, Part II section II (A) of the Companies Act, 2013 and hence, the following information is to be given herein:

- The Remuneration Committee of Directors had approved of this remuneration.
- The Company has not made any default in repayment of its debts.
- Your approval is sought to be obtained by a Special Resolution.
- 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.6033.87 Lacs and net loss of Rs.188.39 Lacs for the financial year 2017-18.
(5) Foreign investments or collaborations	None

**II. Information about the Appointee:**

- Shri Rishabh R. Saraf (40) hails from a family of business people of fifty years' standing. After his college education, he obtained a Bachelor's degree in Business Management from the University of Nottingham in England. After his return, he joined his family business and has received from his elders in the family very good training in business management. He was first appointed on the board of directors on the 1st April, 2002. He attended 5 (Five) meetings of the Board of Directors during the year 2017-18. He is on Board of Remi Proces Plant and Machinery Limited, Magnificent Trading Private Limited and Aura Realinvest Private Limited. He is Member of Nomination and Remuneration Committee in Remi Proces Plant and Machinery Limited.

(2) (Past remuneration	Rs.3 Lacs per month plus perquisites
(3) Recognition or awards	National Energy Conservation.
(4) Job profile and his suitability	He is in full charge of production, sales, export, finance and other administrative matters. After his training and experience during these 13 years, he has become the right person for managing the affairs of the Company.
(5) Remuneration Proposed	As set out in the Special Resolution.
(6) Comparative Remuneration profile	In similar Companies, this package is the norm.
(7) Pecuniary relationship	He has a good financial stake in the Company by way of holding 354846 equity shares, 3.23% of the paid up capital. His father and the latter's brother are Directors of this Company.

**III. Other information:**

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

**IV. Disclosure:**

- Remuneration Package: Set out in the Special Resolution.
- Report under the heading 'Corporate Governance' in Directors' Report.
  - 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  
The Members  
**REMI EDELSTAHL TUBULARS LIMITED**

Your Directors have immense pleasure in presenting the 47th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2018.

### PERFORMANCE REVIEW:

The performance for the financial year ended 31st March, 2018 is summarized below:-

(₹ in Lacs)

	2017 – 2018	2016 – 2017
Gross Turnover	6033.87	7205.06
Profit / (Loss) before Finance Cost, Depreciation and Tax (EBIDTA)	425.23	(28.04)
Finance Cost	242.50	284.25
Depreciation	478.25	470.89
Taxation	(101.63)	(348.59)
Profit/ Loss for the period	(193.89)	(434.59)
Other comprehensive income	5.50	(3.32)
Profit/ Loss for the period (after other comprehensive income)	(188.39)	(437.91)
Balance brought forward	33.91	471.82
	(154.48)	33.91
<b>Appropriations</b>		
Transfer to General Reserve	--	--
Balance carried to Balance Sheet	(154.48)	33.91
	(154.48)	33.91

### OPERATIONS :

The Company has achieved turnover of Rs.60.34 crores during the current financial year as against Rs.72.06 crores during the previous year. The previous turnover is inclusive of excise duty whereas current year's turnover is net of GST after 30th June, 2017. The Company has achieved EBIDTA of Rs.4.25 crores during the year as against Rs.(0.28) crores during the previous year. Net loss during the year has decreased to Rs.1.88 crores from Rs.4.38 crores in the previous year.

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

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

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

There are no amounts proposed to reserves.

The Authorised Share capital during the year has increased from Rs.15.00 Crores to Rs.20.00 Crores and Issued, Subscribed and the Fully Paid-Up capital has increased from Rs.14.98 Crores to Rs.19.98 Crores.

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

### DIRECTORS:

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

Shri Shankarlal Jain (DIN:00174609 ) retire by rotation and is to be re-appointed.

### BOARD MEETINGS:

During the year, 6 (Six) Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and committee meetings held during the year are given in the Corporate Governance Report.

### POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

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

### FINANCIAL STATEMENT:

Audited Financial Statement are prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Companies act , 2013 read with the rules made thereof.

### AUDITORS:

Mr. Yatin Kumar Shah (Membership No.159796) Chartered Accountant was appointed as the statutory auditor of the Company for a term of consecutive five years i.e. from the conclusion of the 46th annual general meeting till the conclusion of the 51st Annual General Meeting by the shareholders of the Company.

He has confirmed that he is not disqualified from continuing as auditor of the Company.

The statutory audit report for the financial year ended 31st March, 2018 does not contain any qualification, reservation or adverse remark or disclaimer made by statutory auditors.

### COST AUDITORS AND COST AUDIT REPORT :

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company are required to be audited by cost auditors. The Board has on the recommendation of the Audit Committee, appointed M/s. Kejriwal & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2018-19, on a remuneration of Rs.45,000/- (Rupees Forty Five Thousand only), subject to ratification by members. Accordingly, a resolution seeking Members' ratification for the remuneration payable to M/s. Kejriwal & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

### SECRETARIAL AUDITOR:

Shri Vishal Mehra, Practicing Company Secretary, was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2017-18 forms part of the Annual Report as "Annexure - A" to the Board's report. There is no qualification, reservation or adverse remark in the report.

### LOANS, GUARANTEES OR INVESTMENTS:

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

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

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

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

Your Directors draw attention of the members to Note 39 to notes to accounts, which sets out related party disclosures.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:**

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

**A) Conservation of energy:**

- |   |   |
|---|---|
| i. the steps taken or impact on conservation of energy;                       | Replacement of 250W HPSV High Bay Height Fixtures with 100 W LED in plant sheds and modification in annealing furnace for improving its thermal efficiency. |
| ii. the steps taken by the company for utilizing alternate sources of energy; | Windmill generation at Dhule is supplied to plant through open access scheme of Govt. of Maharashtra.   |
| iii. the capital investment on energy -- conservation equipments;             | --  |

**(B) Technology absorption:**

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

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Earnings	Rs.193.61 Lacs (including value of deemed exports & supplies to SEZ & EOU of Rs.193.61 Lacs)
Outgo	Rs.137.45 Lacs

**AUDIT COMMITTEE:**

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

**RISK MANAGEMENT:**

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

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

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

**DEPOSITS:**

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

**INTERNAL CONTROL SYSTEM:**

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

**SIGNIFICANT AND MATERIAL ORDERS:**

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

**VIGIL MECHANISM:**

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

**EXTRACT OF THE ANNUAL RETURN:**

The extract of the Annual Return in form MGT-9 is placed on the Company's website at [www.remigroup.com](http://www.remigroup.com).

**MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES:**

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

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

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a. in the preparation of the annual accounts for the year ended 31st March 2018, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b. the Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2018 and of the loss of the Company for that period;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors have prepared the annual accounts /financial statements on a going concern basis;

- e. that proper internal financial controls were in place and that the financial controls are adequate and were operating effectively ; and
- f. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **APPRECIATION:**

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

## **ON BEHALF OF THE BOARD**

### **Registered Office:**

REMI House, Plot No.11,  
Cama Industrial Estate,  
Goregaon (East), Mumbai – 400 063  
Dated: 14<sup>th</sup> August, 2018

Sd/-

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **(a) Industry Structure and Development:**

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

### **(b) Opportunities and Threats:**

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

### **(c) Outlook:**

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

### **(d) Risk and Concerns:**

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

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

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

### **(f) Financial Performance:**

The Financial Performance of the Company was under pressure during the year due to slow down in manufacturing sector, Indian economy as a whole and capital goods industry in particular.

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

The Company has maintained good industrial relations and has maintained harmonious relations with the employees.

### **(h) Cautionary Statement:**

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



## CORPORATE GOVERNANCE

### 1. COMPANY'S BASIC PHILOSOPHY:

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

### 2. BOARD OF DIRECTORS:

During the year, the Board of Directors met 6 (Six) times on 30/05/2017, 28/08/2017, 30/11/2017, 15/01/2018, 14/02/2018 and 06/03/2018.

#### COMPOSITION AND CATEGORY OF DIRECTORS:

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

### 3. AUDIT COMMITTEE:

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

The functions of the audit committee include:

- Overseeing of the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Discussing the adequacy of internal control systems, the scope of audit, internal audit reports and the compliance thereof.
- Recommending the fixation of the audit fee and also approval for payment for any other services of the Auditors.
- Reviewing with management the quarterly and annual financial statements, before submission to the Board

Attendance of the members at the Audit Committee Meetings held during 2017-18.

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

### 4. NOMINATION AND REMUNERATION COMMITTEE:

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

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. Kamal Kumar Dujodwala	Chairman	1	1
Mr. Rajendra C. Saraf	Member	1	1
Mr. Gopikishan Biyani	Member	1	1

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

In terms of the Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Remuneration Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management of the Company had been formulated by the N&RC of the Company and approved by the Board of Directors. The Nomination and Remuneration Committee, has designed the remuneration policy in order to attract, motivate and retain the executive talent needed to achieve superior performance in a competitive market. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is as below:

The Managing Director is paid remuneration by way of salary, perquisites, incentives and allowances, as recommended by the Committee and the Board of Directors and approved by the Members of the Company from time to time. Non-Executive Independent Directors are paid sitting fees for attending meetings of the Board of Directors.

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

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

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

(Rs.in Lacs)

NAME AND DESIGNATION	SALARY	SITTING FEES
Mr. Vishwambhar C. Saraf - Chairman	--	0.10
Mr. Rishabh R. Saraf- Managing Director	41.15	--
Mr. Rajendra C. Saraf	--	0.19
Mr. Kamal Kumar Dujodwala	--	0.24
Mr. Shankar Lal Jain	--	0.15
Mr. Gopikishan Biyani	--	0.18
Mr. Sandeep. Shriya	--	0.24
Mrs. Anita Bhartiya	--	0.20

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:-**

The Members of the Committee comprise of Shri Vishwambhar C. Saraf and Shri Rajendra C. Saraf. Shri Vishwambhar C. Saraf is the Chairman of the Committee.

The Company had received only 1 (One) complaint during the year 2017-2018. The complaint had been disposed off. There are no Shareholders' complaints pending.

**7. POSTAL BALLOT:-**

During the last year, following resolutions were passed through Postal Ballot. Shri Vishal Mehra, Practicing Company Secretary, has scrutinized the voting process in fair and transparent manner as per prescribed procedure.

- Alteration in Main objects of the Company
- Increase in authorized share capital of the Company
- Alteration of capital clause of Memorandum of Association
- Alteration of Articles of Association for increase in Share Capital.
- issue of 5,00,000 - 8% Non-Cumulative, Non-convertible preference shares of Rs.100/- each.

**8. GENERAL BODY MEETINGS:-**

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

DATE	VENUE	TIME	NO. OF SPECIAL RESOLUTIONS
30/09/2015	Remi House, Plot No.11, Cama Industrial Estate, Goregaon(E), Mumbai - 400 063	11.30 A.M.	One
30/09/2016	- do -	- do -	One
29/09/2017	- do -	10.30 A.M.	--

**9. DISCLOSURES:**

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.	:	Transactions with related parties are disclosed in Note No. 39 to the accounts. These transactions are not in conflict with the interests of the Company
Details of non-compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	:	Nil
Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.	:	The Company has complied with all mandatory requirements of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as applicable from time to time.

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

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

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

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

**11. INDEPENDENT DIRECTOR'S FAMILIARISATION PROGRAMME:**

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

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

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

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

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

Shri Shankarlal Jain (DIN:00174609), Director, who is retiring by rotation, is to be re-appointed. The brief resume of the Directors is given herebelow:

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.

**14. MEANS OF COMMUNICATION:**

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

**15. GENERAL SHAREHOLDER INFORMATION:**

The 47th Annual General Meeting of the Company will be held on **Saturday, the 29th September, 2018**, at its Registered Office, Remi House, Plot No. 11, Cama Industrial Estate, Goregaon (East), Mumbai - 400 063, at **10.30 A.M.**

Financial year of the Company is from 1st April, 2017 to 31st March, 2018.