



32nd ANNUAL REPORT 2011 – 2012



LABORATORY EQUIPMENTS



MOTORS

REMI ELEKTROTECHNIK LIMITED

Board of Directors	Shri Vishwambhar C. Saraf Shri Shri Rajendra C. Saraf Shri Sunil Saraf Shri Shyam Jatia Shri Ashish Kanodia Shri Mahendra Chirawawala Shri Harkishan Zaveri Shri Ritvik Saraf	Chairman and Managing Director Executive Director Executive Director
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	Survey No.65, Village Waliv, Vasai (East), Thane – 401 208	

NOTICE

To
The Members,
REMI ELEKTROTECHNIK LIMITED

NOTICE is hereby given that the 32nd Annual General Meeting of the Company will be held at the Company's Registered Office on **Saturday, the 29th September, 2012**, at 11.00 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, 2012.
2. To re-appoint as Director Shri Harkishan Zaveri, who retires by rotation.
3. To re-appoint as Director Shri Ritvik V. Saraf, who retires by rotation.
4. To re-appoint as Director Shri Vishwambhar C. Saraf, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following special resolution:

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

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

For **REMI ELEKTROTECHNIK LIMITED**

Registered Office

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

Dated : 14th August, 2012

Sd/-

(VISHWAMBHAR C.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 21st September, 2012** to **Friday, the 28th September, 2012**, both days inclusive.
3. **Green initiative in Corporate Governance:**

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

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

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

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

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

All the Directors are to be deemed to be interested in this item of business.

Your Directors commend this resolution for your approval.

DIRECTORS' REPORT

To
The Members,
REMI ELEKTROTECHNIK LIMITED

Dear Shareholders,

We present herewith the Annual Report and Audited Statements of accounts of the Company for the year ended 31st March, 2012.

(₹ in Lacs)

Financial Results	2011 – 2012	2010 – 2011
Gross Turnover	7230.88	7541.90
Profit before Finance Cost, Depreciation and Tax (EBIDTA)	820.42	710.03
Finance Cost	345.11	184.38
Depreciation	97.55	97.42
Taxation	124.58	143.52
	567.24	425.32
Profit for the period	253.18	284.71
Balance brought forward	696.46	51176
	949.64	796.46
<u>Appropriations</u>		
Transfer to General Reserve	50.00	100.00
Balance carried to Balance Sheet	899.64	696.46
	949.64	796.46

OPERATIONS:

The sales of the products of the Company during the year are less due to stiff competition and the recessionary trend. The increase in the input cost and the loss of business in international bid for domestic supply of laboratory instruments have also contributed to the reduced net sales. Profit for the year has also gone down as a consequence.

The Company has already developed new type of laboratory products which are generally imported in the country and upgraded existing laboratory products as new models. It has also planned to start production of Flame Proof Motors and Mounon Gear Boxes. These will reflect in the profitability of the current financial year 2012-13.

DIRECTORS:

As provided in Section 255 of the Companies Act, 1956, Shri Harkishan Zaveri, Shri Ritvik V. Saraf and Shri Vishwambhar C. Saraf retire by rotation and being eligible, offer themselves for re-election.

AUDITORS:

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

AUDITORS' REPORT:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

All efforts are being made to conserve energy. The Company is continuously modernizing and improving its products in quality and is having ISO 9001/2000, ISO 13485-2003 and WHO GMP Certification.

FOREIGN EXCHANGE OUTGO/ EARNINGS INCLUDING DEEMED EXPORTS:

Earnings	₹ 157.91 Lacs (including deemed exports & supplies to SEZ)
Outgo	₹ 71.73 Lacs

PARTICULARS OF EMPLOYEES:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) 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) 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) 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 and SIDBI. 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:

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

Dated: 14th August, 2012

ON BEHALF OF THE BOARD

Sd/-

**VISHWAMBHAR C. SARAF
CHAIRMAN**

MANAGEMENT DISCUSSION AND ANALYSIS:

Instrument Division products are for medical, hospital, health organizations, all types of testing laboratories and research organizations. The demand for these traditional products has now shifted to high-tech global quality and standards.

The Company is continuously developing new products and upgrading the existing ones to global quality and standard, to meet ever-increasing demand presently met by import. The Company has been growing with this philosophy. We expect growth in demand of the products to continue.

Motor Division's expansion programme of increasing range and production of Mouton Gear Boxes and Electric Motors, which started in the previous year, was completed by December 2011, with installation of new machinery, equipment and wider range of these motors. Improved sales are expected to be achieved during the year.

CORPORATE GOVERNANCE :

1. COMPANY'S BASIC PHILOSOPHY:

The Company's philosophy – Remi for Reliability – 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. The manufacturing is quality and customer focus.

2. BOARD OF DIRECTORS:

During the year, the Board of Directors met 4 (Four) times on 30/05/2011, 12/08/2011, 11/11/2011 and 14/02/2012.

COMPOSITION AND CATEGORY OF DIRECTORS:

Name of Director	Category	Attendance Particulars		Other Boards		
		Annual General Meeting	Board Meetings	Directorship	Committee Chairmanship	Committee Membership
Mr. V. C. Saraf	Promoter	Yes	4	3	1	---
Mr. R. C. Saraf	Promoter	Yes	2	5	---	3
Mr. Sunil Saraf	Executive	No	4	1	---	---
Mr. Ritvik V. Saraf	Promoter Executive	Yes	3	3	---	---
Mr. Sandeep Shriya	Executive	No	3	5	---	---
Mr. Shyam Jatia	Independent Non-Executive	No	4	10	---	---
Mr. Ashish Kanodia	Independent Non-Executive	No	4	-	---	---
Mr. Mahendra Chirawawala	Independent Non-Executive	No	3	2	---	---
Mr. Harkishan Zaveri	Independent Non-Executive	No	2	1	---	---

3. AUDIT COMMITTEE:

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

The functions of the audit committee include:

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

Attendance of the members at the Audit Committee Meetings held during 2011-2012.

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. Ashish Kanodia	Chairman	4	4
Mr. V. C. Saraf	Member	4	4
Mr. Shyam Jatia	Member	4	4

4. SHAREHOLDERS/ INVESTORS GRIEVANCES COMMITTEE:

The Members of the Committee comprise of Shri. V.C. Saraf, Mahendra Chirawawala and Shri Sunil S. Saraf. Shri V. C. Saraf is the Chairman of the Committee.

The Company had not received any complaints during the year 2011-2012.

5. GENERAL BODY MEETINGS:

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

DATE	VENUE	TIME	NO. OF SPECIAL RESOLUTIONS
30/09/2009	Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063	11.00 A.M.	One
30/09/2010	- do -	- do -	One
30/09/2011	- do -	- do -	----

6. POSTAL BALLOT:

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

7. DISCLOSURES:

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.	:	Transactions with related parties are disclosed in Note No. 26.6 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
V. C. Saraf	Chairman and Managing Director	34.91	-	-
R. V. Saraf	Executive Director	22.52	-	-
Sunil Saraf	Executive Director	24.14	-	-
R. C. Saraf		-	3.07	0.04
Sandeep Shriya		-	-	0.06
Shyam Jatia		-	-	0.12
Mahendra Chirawawala		-	-	0.06
Ashish Kanodia		-	-	0.12
Harkishan Zaveri		-	-	0.04

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

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

- i) Mr. Harikishan Zaveri is a graduate. He joined his family business of gems and jewellery in the year 1957. He is having work experience of nearly 51 years to his credit in various business areas. He is a Director of Prahar Jewellery Impex Pvt. Ltd.
- ii) Shri Ritvik V. Saraf had, after his primary schooling in Mumbai, had a stint of five years' secondary education in England and 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. He is very young and enthusiastic and has an inclination to learn more about his business. He is on Board of Remi Edelstahl Tubulars Ltd., Aura Realfinvest Pvt. Ltd. and Calplus Trading Pvt. Ltd.
- iii) Shri Vishwambhar C. Saraf is a commerce graduate of the University of Bombay and after graduation he joined the family business. He has 48 years of business experience. He is Non-Executive Chairman of two listed Companies i.e. Remi Edelstahl Tubulars Ltd., Remi Process Plant and Machinery Ltd. and on Board of Magnificent Trading Pvt. Ltd.

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 32nd Annual General Meeting of the Company will be on **Saturday, the 29th September, 2012**, at Company's Registered Office, REMI House, Plot No. 11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063 at 11.00 A. M.

Financial year of the Company is from 1st April, 2011 to 31st March, 2012.

The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, the 21st September, 2012** to **Friday, the 28th September, 2012**, both days inclusive.

➤ Listing on Stock Exchange:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	512487

➤ **Market Price Data:**

MONTH	HIGH PRICE (₹)	LOW PRICE (₹)
April – 2011	13.20	13.07
May – 2011	13.20	13.07
June – 2011	13.20	13.07
July – 2011	13.20	13.07
August – 2011	13.20	13.07
September – 2011	13.20	13.07
October – 2011	13.20	13.07
November – 2011	13.20	13.07
December – 2011	13.20	13.07
January – 2012	13.72	13.72
February – 2012	13.72	13.72
March – 2012	14.40	14.40

➤ **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

➤ **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 Shares:**

Distribution of Shareholding as on 31st March, 2012.

No. of Equity Shares Held	No. of Shareholders	% of Total Holders	Total No. of Shares	% of total Capital
Upto 5000	126	91.30	16676	0.34
5001 – 10000	-	-	-	-
10001 – 20000	-	-	-	-
20001 – 30000	-	-	-	-
30001 – 40000	1	0.73	36680	0.75
40001 – 50000	-	-	-	-
50001 – 100000	2	1.45	170988	3.52
100001 & Above	9	6.52	4640656	95.39
TOTAL :	138	100.00	4865000	100.00

Categories of Shareholders as on 31st March, 2012

CATEGORY	NO OF HOLDERS	NO OF SHARES	% OF TOTAL SHARE HOLDING
Individuals	127	1821566	37.44
Companies	11	3043434	62.56
FII's, NRIs & OCBs	-	-	-
Mutual Funds, Banks & FIs	-	-	-
TOTAL :	138	4865000	100

➤ **Dematerialization of Shareholding:**

As on 31st March, 2012, 4855610 equity shares constituting 99.81% have been dematerialized.

➤ **Plant Location:**

The manufacturing facility of the Company is located at the following address:
Survey No. 65, Village Waliv, Vasai (East), Thane – 401 208

➤ **Address for Correspondence:**

<p><u>Registered & Corporate Office:</u></p> <p>REMI HOUSE Plot No. 11, Cama Industrial Estate, Goregaon (E) Mumbai – 400 063 Ph. No. 022-4058 9888 Fax No. 022-26850888 Email: vsiyer@remigroup.com rei_igrd@remigroup.com</p>	<p><u>Registrar and Share Transfer Agent:</u></p> <p>Bigshare Services Private Limited E-2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Ph. No.: 022-2847 0652/ 4043 0200 Fax No.:022-2847 5207 Email: investor@bigshareonline.com</p>
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ON BEHALF OF THE BOARD

Sd/-

Place: Mumbai

Dated: 14th August, 2012

**VISHWAMBHAR C. SARAF
CHAIRMAN**

CERTIFICATE OF CORPORATE GOVERNANCE

The Members,
REMI ELEKTROTECHNIK LIMITED

We have examined the compliance of conditions of Corporate Governance by **REMI ELEKTROTECHNIK LIMITED**, for the year ended on March 31, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited, Mumbai.

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

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

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

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

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

Sd/-

PLACE : MUMBAI

DATED : 14th August, 2012

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

Independent auditors' report to the members of Remi Elektrotechnik Limited.

Report on the financial statements

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

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

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:

- a. In the case of the balance sheet, of the state of affairs of the company as at 31 March 2012.
- b. In the case of the statement of profit and loss, 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.

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 31 March 2012, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2012, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For SUNDARLAL, DESAI AND KANODIA,
CHARTERED ACCOUNTANTS,
Registration Number.110560W**

Sd/

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

Membership Number 33978

**Place : Mumbai
Date: 30th May, 2012**

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF REMI ELEKTROTECHNIK LIMITED AS AT 31st March, 2012)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations give to us, all the assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) (a) In our opinion and according to information and explanations given to us, the Company has not granted loans, secured or unsecured to Companies, Firm or other parties covered in register maintained under section 301 of the Companies Act, 1956 and hence sub-clause (b) and (c) are also not applicable.
- (b) According to the information and explanations given to us, the Company has taken unsecured loan form two companies covered in the register maintained under section 301 of the Companies Act, 1956. Amount involved during the year was ₹ 586.70 Lacs and closing balance was ₹ 239.25 Lacs.
- (c) In our opinion the rate of interest and other terms & conditions of unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- (d) In our opinion payment of the principal amount and interest are also regular.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

Contd.....2.

- (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 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations provided to us, the company is *Generally* regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax Custom Duty, Excise Duty, Cess and Other Statutory dues applicable to it. There were no arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, and Cess, as at 31st March, 2012, which have not been deposited on account of any dispute are as follows:

Sr. No.	Name of the Statute	Nature of dues	Period	Amt. (₹)	Forum where dispute is pending
1.	Service Tax	Service Tax & Penalty	2008-2009	82,143	Commissioner (Appeal)

- (x) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the informations and explanations given to us, the Company has not granted any 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.

- (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 Companies (auditor's Report) Order, 2003 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 is not prejudicial to the interest of the company.
- (xvi) In our opinion and according to explanation given to us the Company has utilised the term loans for the purpose for which the same 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, the company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, the Company has neither issued any debentures during the year nor issued earlier are outstanding. 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) 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,
Registration Number.110560W**

Sd/-

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

Membership Number 33978

PLACE : MUMBAI
DATED : 30TH MAY, 2012

REMI ELEKTROTECHNIK LIMITED
BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Notes	Figures at the end of Current Reporting Period Ended on 31.03.2012	Figures at the end of Previous Reporting Period Ended on 31.03.2011
		(₹)	(₹)
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	1	48,650,000	48,650,000
(b) Reserves and Surplus	2	550,059,677	524,741,883
		598,709,677	573,391,883
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	162,920,190	137,478,148
(b) Deferred Tax Liabilities (Net)		12,816,000	11,167,058
(c) Other Long term Liabilities	4	134,032,968	6,383,424
		309,769,158	155,028,630
(3) Current Liabilities			
(a) Short-Term Borrowings	5	109,975,557	99,985,419
(b) Trade Payables	6	79,276,523	106,115,878
(c) Other Current Liabilities	7	35,690,337	16,587,796
(d) Short-Term Provisions	8	6,065,504	7,105,977
		231,007,921	229,795,070
Total		1,139,486,756	958,215,583
II. ASSETS:			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9	157,463,462	153,554,651
(ii) Intangible Assets	9	2,046,647	289,230
(b) Non-Current Investments	10	448,330	448,330
(c) Long Term Loans and Advances	11	26,384,788	24,818,825
		186,343,227	179,111,036
(2) Current Assets			
(a) Inventories	12	743,678,534	584,676,343
(b) Trade Receivables	13	178,884,203	182,976,514
(c) Cash and Cash Equivalents	14	2,118,623	2,226,709
(d) Short-term Loans and Advances	15	28,309,667	9,157,753
(e) Other Current Assets	16	152,502	67,228
		953,143,529	779,104,547
Total		1,139,486,756	958,215,583

Summary of Significant Accounting Policies and notes on financial statements 1 to 26
The accompanying notes are an integral part of the financial statements

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

FOR AND ON BEHALF OF BOARD

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

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

PLACE : MUMBAI
DATED : 30TH MAY, 2012

REMI ELEKTROTECHNIK LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

Particulars	Notes	For the Year Ended	For the Year Ended
		31.03.2012	31.03.2011
		(₹)	(₹)
I. Revenue from Operations	17	723,087,936	754,189,673
Less: Excise Duty		66,258,862	58,617,845
		656,829,074	695,571,828
II. Other Income	18	1,814,951	1,156,484
III. Total Revenue (I +II)		658,644,025	696,728,312
IV. <u>Expenses:</u>			
Cost of Materials Consumed	19	400,636,200	443,528,162
Purchases for Property Development and conversion of Land into Stock in T	20	63,674,246	388,028,774
Purchase of Traded Goods	21	14,752,591	7,717,432
Changes in Inventories of Finished Goods & Work-in-Progress	22	(162,287,836)	(487,425,336)
Employee Benefit Expenses	23	63,979,685	61,018,575
Other Expenses	24	195,847,393	212,856,985
Depreciation		9,755,108	9,742,079
Finance Costs	25	34,511,235	18,438,494
V. Total Expenses		620,868,622	653,905,165
VI. Profit before Tax (III - V)		37,775,403	42,823,147
VII. <u>Tax Expenses</u>			
(a) Current tax		10,800,000	12,500,000
(b) Deferred tax		1,648,942	1,865,875
(c) Excess/(Short)Provision of taxation of earlier Years W/Back		(8,667)	13,610
VIII. Profit for the period (VI - VII)		25,317,794	28,470,882
IX. Earning per Equity Share [Nominal Value of Share Rs. 10]			
(1) Basic		5.20	5.85
(2) Diluted		5.20	5.85

Summary of Significant Accounting Policies and notes on financial statements 1 to 26
The accompanying notes are an integral part of the financial statements

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

FOR AND ON BEHALF OF BOARD

Sd/-

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

Sd/-

**V.C. SARAF SUNIL SARAF
DIRECTOR DIRECTOR**

PLACE : MUMBAI
DATED : 30TH MAY, 2012

REMI ELEKTROTECHNIK LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2011-2012

	(₹ in Lacs)	
	2011-2012	2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extra-ordinary item	377.75	428.23
Adjustment for :		
Depreciation	97.55	97.42
Interest	345.11	184.38
Loss on sale of Fixed Assets	2.72	-
Profit on sale of Investments	-	(8.59)
Other Income	(18.15)	(11.56)
Operating profit before working capital changes	804.99	689.88
Adjustment for :		
Trade and Other Receivables	(167.11)	(134.32)
Inventories	(1,590.02)	(1,271.22)
Trade Payable and Provision	1,078.80	28.84
Cash Generated from Operations	126.66	(686.82)
Direct Taxes Paid	(108.00)	(125.00)
Cash Flow before Extra-ordinary items	18.66	(811.82)
Extra-ordinary items	(0.09)	0.14
Net Cash from Operating Activities (A)	18.58	(811.68)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(160.03)	(150.37)
Sales of Fixed Assets	3.10	19.83
Other Income	18.15	11.56
Net Cash used in Investing Activities (B)	(138.79)	(118.98)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(345.11)	(184.38)
Repayment of Short Term Loan	99.90	-
Proceeds from Long Term Loan	364.34	829.24
Proceeds from Short Term Loan	-	296.46
Net Cash used in Financial Activities (C)	119.13	941.32
Net Increase in Cash and Cash Equivalents (A+B+C)	(1.08)	10.66
Cash as at (Closing Balance)	21.19	22.27
Cash as at (Opening Balance)	22.27	11.61
Increase/Decrease in Cash Balance	(1.08)	10.66

NOTES:

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

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS

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

Sd/-
V.C. SARAF
DIRECTOR

Sd/-
SUNIL SARAF
DIRECTOR

PLACE : MUMBAI
DATED : 30TH MAY, 2012

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

	31-03-2012	31-03-2011
	(₹)	(₹)
NOTE - 1		
SHARE CAPITAL		
AUTHORISED:		
55,00,000 (55,00,000) Equity Shares Of Rs. 10/- Each	55,000,000	55,000,000
ISSUED, SUBSCRIBED AND PAID UP :		
48,65,000 (48,650,000) Equity Shares of Rs. 10/- each	48,650,000	48,650,000
TOTAL	48,650,000	48,650,000

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

The company has only one class of equity shares having par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing annual general meeting.

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

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

Sr. No.	Name of the Shareholder	No. of shares as on 31-03-2012	No. of shares as on 31-03-2011
	Remi Securities Limited	389,124	389,124
	Fulidevi Saraf Family Trust	462,988	462,988
	Rishabh R. Saraf	500,110	500,110
	Vishwambharlal Chiranjilal H.U.F.	550,000	549,770
	Bajrang Finance Limited	1,144,640	1,144,640
	Hanuman Forging & Engineering Pvt.Ltd.	690,000	690,000
	Hanuman Freight & Carriers Pvt.Ltd.	688,900	688,900

(c) There is no change in share capital during the year

Particulars	31-03-2012	31-03-2011
	(₹)	(₹)
NOTE - 2		
RESERVES AND SURPLUS		
(a) Revaluation Reserve	386,997,996	386,997,996
(b) Securities Premium Account	8,000,000	8,000,000
(c) General Reserve:		
Opening Balance	60,097,451	50,097,451
Add: Transferred from surplus balance in statement of profit & loss	5,000,000	10,000,000
Closing Balance	65,097,451	60,097,451
(d) Surplus:		
Opening Balance	69,646,436	51,175,554
Add: Profit for the period	25,317,794	28,470,882
Less: Appropriations:		
Transferred to General reserve	5,000,000	10,000,000
Net surplus in the statement of profit & loss	89,964,230	69,646,436
Total reserves and surplus	550,059,677	524,741,883

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

Particulars	31-03-2012	31-03-2011
	(₹)	(₹)
NOTE - 3		
LONG TERM BORROWING		
(a) Secured Loans :		
Term Loans:		
From State Bank of India	6,678,708	-
(Secured by equitable mortgage of the co's immovable property situated at Vasai hypothecation of Stocks of Raw materials, Stock in Process, Finished Goods, Stores and Spares and Book Debts and all other Current Assets, and further guaranteed by two of the Directors)		
(Repayable in 55 monthly installment of Rs.8,80,00/- each. and 5 installment of Rs.9,80,000/- each.Total number of installments - 60, applicable rate of interest - 15.50 % p.a.)		
From SIDBI	-	13,308,000
(Secured by equitable mortgage of the co.'s immovable property at Vasai & hypothecation of Plant & Machinery,Die & Tools etc. and further guaranteed by two of the Directors)		
Vehicle Loans :		
From Reliance Capital Limited	218,207	-
(Secured against hypothecation of the Vehicle purchased from such loans & repayable in EMI of Rs.15,850/- each(including interest). Total number of installments - 36, applicable rate of interest - 12 % p.a.)		
From Kotak Mahindra Prime Limited	46,768	223,500
(Secured against hypothecation of the Vehicle purchased from such loans & repayable in EMI of Rs.15,828/- each(including interest). Total number of installments - 35, applicable rate of interest - 12.60 % p.a.)		
	6,943,683	13,531,500
(b) Unsecured Loans		
Intercorporate Deposit from Others	116,305,929	116,635,871
Intercorporate Deposit from Related Parties	36,702,360	4,342,559
Deferred Sales Tax Liabilities	2,968,218	2,968,218
	155,976,507	123,946,648
	162,920,190	137,478,148
NOTE - 4		
OTHER - LONG TERM LIABILITIES		
Advance against Booking of Property	133,907,144	6,300,000
Deposit Received	125,824	83,424
	134,032,968	6,383,424
NOTE - 5		
SHORT TERM BORROWING		
Secured Loans		
From State Bank of India:		
Cash Credit Facility Repayable on Demand	109,975,557	99,985,419
(Secured by equitable mortgage of the Co.'s immovable property situated at Andheri Mumbai and at Vasai, hypothecation of Stocks of Raw materials, Stock in Process, Finished Goods, Stores and Spares and Book Debts and all other Current Assets, and further guaranteed by two of the Directors & carries interest @ 15.25 % p.a.)		
	109,975,557	99,985,419
NOTE - 6		
TRADE PAYABLES (Refer Note no.26.9 for payable to MSME)	79,276,523	106,115,878
	79,276,523	106,115,878
NOTE - 7		
OTHER CURRENT LIABILITIES		
- Advance from Customers	6,251,024	3,081,395
- Excise Duty Payable on BSR Stock	3,776,583	2,792,605
- Other Liabilities	14,441,761	10,516,113
- Current Maturity of Long Term Loans	10,991,898	161,291
-Interest Accrued and Due on Borrowings	229,071	36,392
	35,690,337	16,587,796
NOTE - 8		
SHORT TERM PROVISIONS		
(a) For Employee Benefit:		
Provision For Gratuity	750,401	3,093,567
Provision For Leave Encashment	4,122,664	3,588,004
(b) Other Provisions:		
Provision for Taxation (net of taxes paid)	1,192,439	424,406
	6,065,504	7,105,977

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

NOTE - 9

Particular	GROSS CARRYING AMOUNT			DEPRECIATION					NET CARRYING AMOUNT	
	As on 01.04.2011	Addition/ adjustment	Deduction	As on 31.03.2012	Upto 31.03.2011	For the Year	Deduction	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
(a) TANGIBLE ASSETS:										
Land	24,430,832	-	-	24,430,832	-	-	-	-	24,430,832	24,430,832
Residential Premises	20,000	-	-	20,000	10,756	326	-	11,082	8,918	9,244
Factory Building	76,124,496	-	-	76,124,496	9,671,605	2,542,558	-	12,214,163	63,910,333	66,452,891
Plant And Machinery	59,857,665	9,997,129	108,953	69,745,841	25,320,964	3,518,889	103,505	28,736,348	41,009,493	34,536,701
Mould & Dies	16,037,624	2,076,868	-	18,114,492	11,015,645	1,009,786	-	12,025,431	6,089,061	5,021,979
Electric Installation	11,551,261	-	-	11,551,261	2,203,427	528,641	-	2,732,068	8,819,193	9,347,834
Office Equipment	2,160,385	-	-	2,160,385	850,458	97,616	-	948,074	1,212,311	1,309,927
Furniture & Fixture	7,911,803	159,053	-	8,070,856	2,420,467	473,230	-	2,893,697	5,177,159	5,491,336
Air Conditioner	1,380,259	329,816	-	1,710,075	616,824	65,841	-	682,665	1,027,410	763,435
Vehicles	6,856,203	625,938	1,697,044	5,785,097	2,447,855	544,971	1,120,554	1,872,272	3,912,825	4,408,348
Fire Extinguisher	95,332	17,460	-	112,792	60,078	2,463	-	62,541	50,251	35,254
Testing Equipments	348,447	25,875	-	374,322	106,521	14,082	-	120,603	253,719	241,926
Computers	3,745,439	491,099	-	4,236,538	2,329,065	431,026	-	2,760,091	1,476,447	1,416,374
Borewell	91,630	-	-	91,630	3,060	3,060	-	6,120	85,510	88,570
Total (a)	210,611,376	13,723,238	1,805,997	222,528,617	57,056,725	9,232,489	1,224,059	65,065,155	157,463,462	153,554,651
(b) INTANGIBLE ASSETS:										
Computer Software	902,443	2,280,036	-	3,182,479	613,213	522,619	-	1,135,832	2,046,647	289,230
Goodwill	4,200,000	-	-	4,200,000	4,200,000	-	-	4,200,000	-	-
Total (b)	5,102,443	2,280,036	-	7,382,479	4,813,213	522,619	-	5,335,832	2,046,647	289,230
Total (a + b)	215,713,819	16,003,274	1,805,997	229,911,096	61,869,938	9,755,108	1,224,059	70,400,987	159,510,109	153,843,881
Previous Year	212,728,133	15,037,311	12,051,625	215,713,819	61,377,358	9,742,078	9,249,498	61,869,938	153,843,881	151,350,775

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

Particulars	31-03-2012	31-03-2011
	(₹)	(₹)
NOTE - 10		
NON -CURRENT INVESTMENTS		
(a) Non Trade & Quoted		
i) Investment in Equity Shares of Related Parties:		
40000 Equity shares of Rs.10/- each fully paid up of Remi Edelsthl Tubulers Ltd.	295,000	295,000
400 Equity shares of Rs.10/- each fully paid up of Bajrang Finance Ltd.	2,950	2,950
9500 Equity shares of Rs.10/- each fully paid up of Kuber Kamal Inds. Investment Ltd.	29,080	29,080
ii) Investment in Equity Shares of Others:		
900 Equity shares of Rs.10/- each fully paid up of Dena Bank	27,000	27,000
(b) Non Trade & Unquoted		
Investment in Equity Shares of Related Parties:		
2450 Equity shares of Rs.10/- each fully paid up of Rajendra Finance Pvt. Ltd.	41,650	41,650
2700 Equity shares of Rs.10/- each fully paid up of Remi Finance & Investment Pvt. Ltd.	39,150	39,150
675 Equity shares of Rs.100/- each fully paid up of Remi Engg. Fans Ltd.	13,500	13,500
TOTAL	448,330	448,330
i) Aggregate Cost of Quoted Investments	354,030	354,030
ii) Market value of Quoted Investments	854,300	664,125
iii) Aggregate Cost of Unquoted Investments	94,300	94,300
NOTE - 11		
LONG -TERM LOANS AND ADVANCES		
(Unsecured & Considered good)		
Security Deposits	26,213,538	24,818,825
Capital Advances	171,250	-
TOTAL	26,384,788	24,818,825
NOTE - 12		
INVENTORIES		
(As taken, Valued & certified by Management)		
(a) Raw Materials (including goods in transit Rs. 5,50,334/-)(P.Y Rs.Nil)	39,259,305	42,551,901
(b) Work-In -Process	36,473,767	36,199,837
(c) Finished goods	28,934,093	21,867,676
(d) Work-in-Process - Property development	638,898,158	483,950,669
(e) Fuel	113,211	106,260
TOTAL	743,678,534	584,676,343
NOTE - 13		
TRADE RECEIVABLES		
(Unsecured & Considered good)		
Outstanding for more than 6 months	4,506,044	4,563,071
Others	174,378,159	178,413,443
TOTAL	178,884,203	182,976,514
NOTE - 14		
CASH AND BANK BALANCES:		
CASH AND CASH EQUIVALENTS:		
(a) Balance with Banks:		
On current account	274,277	152,867
(b) Cash on Hand	247,386	257,086
	521,663	409,953
OTHER BANK BALANCES:		
(a) Fixed Deposits with maturity of more than 3 months and less than 12 months (Pledged with bank as margin against B/Gs)	525,731	648,202
(b) Fixed Deposits with maturity of more than 12 months (Pledged with bank as margin against B/Gs)	1,071,229	1,168,554
	1,596,960	1,816,756
TOTAL	2,118,623	2,226,709
NOTE - 15		
SHORT TERM LOANS AND ADVANCES		
(Unsecured & Considered good)		
Advance recoverable in cash or in kind for value to be received	1,105,446	622,769
Advance to Suppliers/Contractors	22,382,356	2,234,155
Balances in Central Excise	346,995	1,174,634
Central Excise Duty & Service Tax Refundable	693,373	1,055,959
Prepaid Expenses	1,649,700	1,792,692
Advance to Staff	697,787	858,689
Sales Tax Refundable	1,434,010	1,418,855
TOTAL	28,309,667	9,157,753
NOTE - 16		
OTHER CURRENT ASSETS		
Interest Accrued but not Due	152,502	67,228
TOTAL	152,502	67,228

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

PARTICULARS	Figures at the end of Current Reporting Period ended on 31.03.2012	Figures at the end of Current Reporting Period ended on 31.03.2011
	(₹)	(₹)
NOTE - 17		
Revenue from Operations:		
(a) Sale of Products:		
Local Sales	701,807,994	724,348,116
Export Sales	16,689,383	24,942,055
	718,497,377	749,290,171
(b) Other Operating Revenues:		
Sale of scrap	4,471,596	4,569,376
Duty Drawback	118,963	228,994
Labour Charges	-	101,132
	4,590,559	4,899,502
	723,087,936	754,189,673
Products Sold		
Lab Equipments	365,065,891	424,037,001
Electric Motors	300,811,869	280,636,188
Others	52,619,617	44,616,982
	718,497,377	749,290,171
NOTE - 18		
Other Income		
(a) Interest Income on:		
Bank deposits	165,387	109,150
Interest from Customers	51,896	7,765
(b) Foreign Exchange Gain	401,716	79,569
(c) Rent Received	223,296	217,296
(d) Dividend Income on Long Term Investments	1,980	1,800
(e) Other non operating Income	970,676	740,904
	1,814,951	1,156,484
NOTE - 19		
(a) Cost of materials Consumed:		
Inventory at the beginning of the year	42,551,901	33,589,966
Add: Purchase	448,726,695	506,444,785
	491,278,596	540,034,751
Less: Excise Cenvat & VAT set off	51,383,091	53,954,688
Less: Inventory at the end of the year	39,259,305	42,551,901
Cost of materials consumed	400,636,200	443,528,162
Consumption of Materials - Itemwise details:-		
Silicon Sheet	36,109,581	33,291,893
Copper Wire	50,482,582	40,279,394
Castings	43,979,610	36,040,158
M.S.Goods	87,070,651	106,918,194
Ball Bearings	17,698,061	18,029,243
Electric Goods	103,318,325	122,280,719
Others	113,360,481	140,643,249
	452,019,291	497,482,850
Less: Excise Cenvat & VAT set off	51,383,091	53,954,688
Total	400,636,200	443,528,162
NOTE-20		
Purchases for Property Development		
Steel Goods	28,214,492	451,458
Cement & R.M.C. Concret	31,989,552	-
Others	3,470,202	579,320
Conversion of Land into Stock in Trade	-	386,997,996
	63,674,246	388,028,774
NOTE - 21		
Purchase of Traded Goods		
Laboratory Equipments	14,752,591	7,717,432
	14,752,591	7,717,432

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

PARTICULARS	For the Year Ended 31.03.2012	For the Year Ended 31.03.2011
	(₹)	(₹)
NOTE - 22		
(a) <u>(Increase)/Decrease in Inventories</u>		
<u>Inventories at the end of the Year</u>		
Finished goods	28,934,093	21,867,676
Work-in-process	36,473,767	36,199,837
Work-in-process Property Development	638,898,158	483,950,669
	704,306,018	542,018,182
(b) <u>Inventories at the beginning of the year</u>		
Finished goods	21,867,676	28,118,611
Work-in-process	36,199,837	26,474,235
Work-in-process Property Development	483,950,669	-
	542,018,182	54,592,846
Change in Inventories for Finished Goods & WIP	(162,287,836)	(487,425,336)
NOTE - 23		
<u>Employee Benefit Expenses:</u>		
Salaries, wages and bonus etc.	56,941,195	52,012,004
Contribution to provident & Gratuity funds	6,094,895	8,131,889
Staff welfare expenses	943,595	874,682
	63,979,685	61,018,575
NOTE - 24		
<u>Other Expenses:</u>		
Power and fuel	10,693,465	11,207,291
<u>Repairs and maintenance:</u>		
Building	1,334,437	1,820,941
Plant & Machinery	3,373,298	3,515,407
Others	2,332,794	2,114,553
Labour Charges	77,096,705	51,386,406
Excise duty on increase/(decrease) in Finished Goods	1,196,471	(185,756)
Other Manufacturing Expenses	9,100,617	4,155,320
Rent	1,884,329	2,016,046
Insurance	194,202	157,245
Government fees duty etc.	28,970,949	88,425,628
Commission on Sales	5,009,815	6,739,019
Royalty Charges	1,277,176	748,276
Directors Commission	306,618	355,326
Director sitting fees	44,000	66,000
Legal & Professional Fees	13,218,405	4,216,208
Loss/(Gain) on sale of fixed assets	272,328	(858,708)
Bad Debts Written off	436,561	217,539
Advertisement & Sales Promotion	5,343,268	4,177,334
<u>Payment to Auditor</u>		
(a) <u>As auditors:</u>		
Audit fee	250,000	250,000
(b) <u>In other capacity:</u>		
Certification fees	35,500	26,000
Freight and Forwarding Charges	15,044,014	18,295,239
Donation	351,000	351,000
Service Tax	222,570	584,823
Miscellaneous Expenses	17,858,871	13,075,848
Total	195,847,393	212,856,985
NOTE - 25		
<u>Finance Costs</u>		
Interest expenses	33,802,773	17,695,958
Other borrowing costs	708,462	742,536
TOTAL	34,511,235	18,438,494

REMI ELEKTROTECHNIK LIMITED

Notes on Financial Statements for the year ended 31st March, 2012.

NOTE – 26:

26.1. SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of Accounting

The Financial Statements are prepared under historical cost convention and generally on accrual basis and are in accordance with the requirement of the Companies Act, 1956.

ii. Fixed Assets

Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in acquisition and construction/installation and other related expenses. Cenvat and vat credit taken in respect of purchase of plant and machinery has been reduced from the cost of respective plant and machinery and depreciation has been provided on net cost. Assets which have been revalued are accounted for at values determined on the basis of such revaluation made by professional valuers. Surplus arising on revaluation has been credited to Revaluation Reserve Account.

iii) Depreciation

a) Depreciation has been provided on Straight line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deduction during the year is provided on prorata basis except for low value items up to Rs.5,000/- on which the company has provided 100% depreciation.

b) In respect of revalued assets, depreciation is provided for on the revalued figures and an amount equal to the additional depreciation consequent on revaluation is transferred annually from the Revaluation Reserve to the Profit and Loss Account.

c) **Leasehold land:** Amortised over the period of lease.

iv) Intangible Assets

a) Expenditure incurred for acquiring software is stated at acquisition cost and they are amortised over their useful life not exceeding five years.

b) Goodwill has been amortised over a period of five years.

v) Inventories

a) Raw materials and General Stores are valued at cost or realizable 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 realizable value, whichever is less but excluding Cenvat and VAT credit.

c) Finished Goods valued at cost including estimated overheads or net realizable value whichever is less. The value includes excise duty paid/payable on such goods.

d) Scrap is valued at realizable value. This value includes excise duty payable thereon.

vi) **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 statement of profit and Loss 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 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 year are recognized in the statement of Profit and Loss of the year without resorting to any amortization.

vii) **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.

viii) **Sales**

Sales are inclusive of excise duty and net of sales tax, sales returns, claims and discount, etc. Domestic sale is recognised at the point of billing & exports sale is recognised on date of Bill of lading.

ix) **Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition of fixed assets are capitalised for the period until the asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

x) **Taxes on Income**

Income Tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief's, deduction 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 laws that have been enacted or substantively enacted on Balance Sheet Date. Deferred Tax asset is recognized only to the extent there is virtual certainty that assets will be realized in future.

xi) Foreign Currency Transaction

- a) Foreign currency transactions are recorded at exchange rate prevailing on the date of transaction.
- b) Foreign currency receivable/payables at the year end are translated at exchange rates applicable as on that date.
- c) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the statement of Profit & Loss.

xii) Impairment of Assets

Impairment of assets are assessed at each balance sheet date and loss is recognized wherever the receivable amount of an assets is less than its carrying amount.

xiii) Provisions, Contingent Liabilities and Contingent Assets:

Provision 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) 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 statement of Profit and Loss under "Other Expenses".

26.2. Contingent liabilities not provided for:

- i) Guarantee to bank on behalf of other Companies Rs.6,65,00,000/- (P.Y. Rs.6,65,00,000/-).
- ii) Guarantee issued by bank on behalf of the company Rs.1,11,02,307/- (P.Y. Rs.1,32,43,930/-).
- iii) Service tax liability disputed in appeal Rs.82,143/- (P.Y. Rs.82,143/-)
- iv) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs.3,22,100/- (P.Y. Rs.2,61,938/-)

Contd.....4.

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

		As At 31-03-2012 (₹)	As At 01-04-2011 (₹)
a)	Deferred Tax Assets: On account of retirement benefits On account of long term loss	13,37,598 5,98,700	11,64,128 5,98,700
b)	Deferred Tax Liability: On account of Depreciation	(1,47,52,298)	(1,29,29,886)
c)	Net deferred tax Assets/(liability) on account of timing difference	(1,28,16,000)	(1,11,67,058)

26.4. Earning per Share:		2011-2012 (₹)	2010-2011 (₹)
a)	Weighted average number of equity shares		
	i) Number of shares at the beginning of the year	48,65,000	48,65,000
	ii) Number of shares considered as basic weighted average shares outstanding for computing basic earning per shares	48,65,000	48,65,000
	iii) Number of shares considered as weighted average shares outstanding for computing diluted earning per shares	48,65,000	48,65,000
	Computation of basic and diluted earning per share:		
b)	Net profit after tax distributable to share holders	2,53,17,794	2,84,70,882
c)	Basic earning per equity share of Rs.10/- each	5.20	5.85
d)	Diluted earnings per equity share of Rs.10/-each	5.20	5.85

26.5. Information about business Segments: (₹ in Lacs)

Revenue	Electrical Motors	Instruments	Real Estate	Total
External	3,027.09 (2,821.00)	4,216.64 (4,733.49)	-- (--)	7,243.73 (7,554.49)
Less: Inter Segment	12.85 (12.59)	-- (--)	-- (--)	12.85 (12.59)
Total Revenue	3,014.24 (2,808.41)	4,216.64 (4,733.48)	-- (--)	7,230.88 (7,541.90)

Contd.....5.

<u>Result</u>				
Segment Result	377.31 (190.65)	345.55 (383.82)	-- (--)	722.86 (574.47)
Financial Charges				345.11 (146.24)
Profit Before tax				377.75 (428.23)
Provision for current taxation				108.00 (125.00)
Provision for deferred taxation/credit				16.49 (18.66)
Profit after taxation				253.26 (284.57)
<u>Other Information</u>				
Segment Assets	2,510.31 (3,381.87)	2,295.20 (2,330.31)	2,719.38 (1,083.81)	7,524.89 (6,795.99)
Segment Liabilities	1,214.34 (2,234.58)	1,097.00 (1,209.40)	1,339.07 (--)	3,650.41 (3,443.98)
Capital Expenditure	105.91 (131.72)	54.12 (18.65)	-- (--)	160.03 (150.37)
Depreciation	62.51 (66.32)	35.04 (31.10)	-- (--)	97.55 (97.42)
Non Cash Expenses-other than depreciation	-- (--)	-- (--)	-- (--)	-- (--)

Note:-**Management has identified three separate segments namely:**

- a) **Electrical Motors** – Comprising of electrical motors of all types.
- b) **Instruments** – Comprising of laboratory instruments and equipments and parts thereof.
- c) **Real Estate** – Comprising of development of Commercial property.

26.6. Related parties disclosures:

- i) (a) **Key Management Personal:**
Shri V.C.Saraf- Managing Director
Shri Ritvik.V.Saraf- Executive Director
Shri Sunil Saraf – Executive Director
- (b) **Associate companies:**
Bajrang Finance Ltd., Remi Edelstahl Tubulars Ltd., Remi Process Plant & Machinery Ltd., Remi Metal Gujarat Ltd., Rajendra Finance Pvt. Ltd., Remi Finance & Investment Pvt. Ltd., Kuber Kamal Industrial Investments Ltd., Calplus Trading Pvt. Ltd. & Remi Securities Ltd.
- (c) **Relatives of key management personal and their enterprises where transactions have taken place:**
Rajendra Electric Motor Industries

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

ii) **Transactions carried out with related parties referred in i) above, are in ordinary course of business:**

Nature of Transaction	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Sales	(₹)	(₹)	(₹)
Goods and Materials	-- (--)	44,93,135 (32,75,479)	-- (--)
Rent Received	-- (--)	1,20,000 (96,000)	-- (--)
Royalty Charges	-- (--)	-- (--)	12,77,176 (7,48,276)
Remuneration	81,57,170 (70,92,387)	-- (--)	-- (--)
Purchase Raw Material	-- (--)	8,39,117 (25,70,238)	-- (--)
Rent Paid	-- (--)	18,14,400 (18,14,000)	-- (--)
Interest	--	77,21,562 (30,88,729)	-- (--)
Reimbursement of Expenses	-- (--)	5,19,870 (9,05,087)	-- (--)
Vehicle Hiring Charges	-- (--)	-- (--)	5,37,713 (--)
Loan taken during the year	-- (--)	19,70,95,000 (19,74,35,000)	-- (--)
<u>Closing Balances as on 31.03.2012</u>			
Payable	-- (--)	3,35,26,165 (61,76,195)	1,61,168 (2,48,830)
Receivable	-- (--)	1,38,826 (1,02,181)	-- (--)

26.7. Percentage of Consumption of Imported Goods with Total Consumption:

	Value (₹)	% of Total Consumption
Imported	- (40,32,496)	- (0.92)
Indigenous	40,06,36,200 (43,94,95,666)	100 (99.08)
TOTAL	40,06,36,200 (44,35,28,162)	100.00 (100.00)

26.8. Disclosures in accordance with Revised AS – 15 on “Employee Benefits” :**(A) Defined Contribution Plans:**

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

For the year ended March 31, 2012 (₹)

Contribution to Employees' Provident Fund	36,90,763 (34,55,921)
---	---------------------------------

(B) Defined Benefits Plans:**(i) Changes in the Present Value of Obligation****For the year ended March 31, 2012**

	Gratuity	Leave Encashment	Total
(a) Present Value of Obligation as at April 1, 2011	1,06,51,419 (80,99,664)	35,88,004 (26,26,968)	1,42,39,423 (1,07,26,632)
(b) Interest Cost	8,78,742 (6,68,222)	2,96,010 (2,16,725)	11,74,752 (8,84,947)
(c) Past Service Cost	-- (--)	-- (--)	-- (--)
(d) Current Service Cost	9,49,865 (8,22,439)	5,49,119 (6,83,261)	14,98,984 (15,05,700)
(e) Benefits Paid	(2,04,116) (10,40,488)	(1,71,691) (2,34,143)	(3,75,807) (12,74,631)
(f) Actuarial (Gain)/Loss	(3,26,128) (21,01,582)	(1,38,778) (2,95,193)	(4,64,906) (23,96,775)
(g) Present Value of Obligation as at 31-03-2012	119,49,782 (106,51,419)	41,22,664 (35,88,004)	1,60,72,446 (1,42,39,423)

(ii) Changes in the Fair value of Plan Assets:**For the year ended March 31, 2012 (₹)**

	Gratuity	Leave Encashment
(a) Present Value of Plan Assets as at April 1, 2011	75,57,852 (46,40,108)	-- (--)
(b) Expected Return on Plan Assets	8,24,675 (5,45,705)	-- (--)
(c) Actuarial (Gain)/Loss	-- (--)	-- (--)
(d) Employers' Contributions	30,20,970 (34,12,527)	-- (--)
(e) Employees' Contributions	-- (--)	-- (--)
(f) Benefits Paid	(2,04,116) (10,40,488)	-- (--)
(g) Fair Value of Plan Assets as at March 31, 2012	1,11,99,381 (75,57,852)	-- (--)

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets:-**For the year ended March 31, 2012 (₹)**

	Gratuity	Leave Encashment	Total
(a) Present Value of Funded Obligation as at March 31, 2012	1,19,49,782 (106,51,419)	41,22,664 (35,88,004)	1,60,72,446 (1,42,39,423)
(b) Fair Value of Plan Assets as at March 31, 2012	1,11,99,381 (75,57,852)	-- (--)	1,11,99,381 (75,57,852)
(c) Present Value of Unfunded Obligation as at March 31, 2012	7,50,401 (30,93,567)	-- (--)	7,50,401 (30,93,567)
(d) Net Liability recognized in the Balance Sheet	7,50,401 (30,93,567)	41,22,664 (35,88,004)	48,73,065 (66,81,571)

(iv) Expenses recognized in the Profit and Loss Account**For the year ended March 31, 2012 (₹)**

	Gratuity	Leave Encashment	Total
(a) Current Service Cost	9,49,865 (8,22,439)	5,49,119 (6,83,261)	14,98,984 (15,05,700)
(b) Past Service Cost	-- (--)	-- (--)	-- (--)
(c) Interest Cost	8,78,742 (6,68,222)	2,96,010 (2,16,725)	11,74,752 (8,84,947)
(d) Expected Return on Plan Assets	8,24,675 (5,45,705)	-- (--)	8,24,675 (5,45,705)
(e) Net actuarial (Gain)/Loss	(3,26,128) (21,01,582)	(1,38,778) (2,95,193)	(4,64,906) (23,96,775)
(f) Employees' Contribution	-- (--)	-- (--)	-- (--)
(g) Total Expenses recognized in the Profit and Loss Account	6,77,804 (30,46,538)	7,06,351 (11,95,179)	13,84,155 (42,41,717)

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

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

Particulars	(%)
Actual return on plan assets	9.15% (9.15%)

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

Sr. No.	Particulars	Gratuity	Leave Encashment
(a)	Rate of Interest	8.75% (8.25%)	8.75% (8.25%)
(b)	Salary Growth	6% (5.50%)	6% (5.50%)
(c)	Withdrawal Rate	1% (1%)	1% (1%)
(d)	Mortality Rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates

Contd.....9.

- 26.9. The company has not received details from its suppliers as to whether any of them are micro small and medium enterprises and hence any overdue amount payable to such enterprises cannot be compiled. However, the company is paying to its suppliers as per agreed terms.
- 26.10. a) Imports of goods on CIF basis Rs.52,76,360/- (P.Y.Rs.2,07,355/-)
b) Expenses in Foreign Currency : Travelling Rs.12,02,466/- (P.Y.Rs.13,24,959/-)
: Sales Promotion Rs.6,94,323/- (P.Y. - Rs.9,28,057/-)
- 26.11. Earning in foreign Currency : FOB value of Exports Rs.1,57,91,354/- (P.Y. - Rs.2,36,60,666/-)
- 26.12. Closing Stock of finished goods includes consignment stock of Rs. Nil/- (P.Y. - Rs.76,988/-) with various consignees.
- 26.13 Till the year ended 31st March,2011, the Company was using pre- revised Schedule – VI to the Companies Act,1956, for preparation and presentation of its Financial Statements. During the Year ended 31st March,2012, the revised Schedule – VI notified under the Companies Act, 1956, has become applicable to Company. The Company has reclassified previous year's figure to conform to this year's classification.
- 26.14 Figures within brackets are for previous year.
- 26.15 Figures have been rounded off to the nearest rupee.

Signature to Notes 1 to 26.

As per our Annexed Report

For **SUNDARLAL, DESAI & KANODIA,**
CHARTERED ACCOUNTANTS
Registration Number 110560W

FOR AND ON BEHALF OF BOARD

Sd/-

Sd/-

(M.B.DESAI)
PARTNER

V.C. SARAF SUNIL SARAF
DIRECTORS

Membership Number 33978

PLACE : MUMBAI.

DATED: 30TH MAY, 2012

REMI ELEKTROTECHNIK LIMITED

Regd. Office: 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 No.

Client ID No.

DPID No.

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 32nd ANNUAL GENERAL MEETING to be held at the Company's Registered Office on **Saturday**, the **29th September, 2012**, at 11.00 A.M.

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

Member's/ Proxy's Signature

REMI ELEKTROTECHNIK LIMITED

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

PROXY FORM

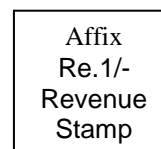
Member's Folio No. _____ Client ID No. _____ DPID No. _____

I/ We _____ of _____ being a Member/ Members of the above-named Company, hereby appoint _____ of _____ as my/ our proxy to attend and vote for me/ us on my/ our behalf at the 32nd ANNUAL GENERAL MEETING to be held at the Company's Registered Office on **Saturday**, the **29th September, 2012** at 11.00 A.M

Signed

Date:

Notes:



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

BOOK – POST

If undelivered, please return to:

REMI ELEKTROTECHNIK LIMITED

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