



REMISONS
Industries Limited

**40TH
ANNUAL REPORT
2011 - 2012**

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Board of Directors

Mr. V. Harlalka	Chairman
Mr. K. Kejriwal	Managing Director
Mrs. C. Kejriwal	Whole-time Director
Mr. Ming Ching Tan	Director
Mr. S. B. Parwal	Director
Mr. S. Agarwal	Director
Mr. V. K. Mahtani	Director
Mrs. Saroj N. Rao	Director (up to August 11, 2012)
Mr. Anil Kumar Agrawal	Director - Finance (w.e.f. August 11, 2012)
Mr. Sukhdeo Purohit	Company Secretary
Kanu Doshi Associates Chartered Accountants	Auditors
State Bank of India	Bankers

Registered Office:

88-B, Government Industrial Estate, Kandivli (West), Mumbai-400067.

Works :

- 1/3 Mile Stone, Khandsa Road, Gurgaon – 122001
- 'Western House' A2/27, Somnath Industrial Estate, Daman-396210
- 'Diamond House' A2/4, Somnath Industrial Estate, Daman-396210
- 'Goodluck House', Survey No. 729 /1, Ringanwada, Village Dabhel, Daman
- 'Golden House' Survey No. 647 /1A at Village – Dunetha, Daman
- Survey No. 146, Village Khadki, Pardi – 396121

Registrar and Share Transfer Agents :

M/s. Sharex Dynamic (India) Private Limited

Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road,
Andheri (E), Mumbai - 400 072.

NOTICE

NOTICE is hereby given that the 40th Annual General Meeting of the Members of Remsons Industries Limited will be held on **Thursday, September 27, 2012** at 4.00 p.m. at the registered office of the Company at **88-B, Government Industrial Estate, Kandivli (West), Mumbai - 400 067** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2012 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ming Ching Tan, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. M/s. Kanu Doshi Associates, Chartered Accountants, the retiring Auditors are eligible for re-appointment.
5. To authorize the Board of Directors to appoint Branch Auditors for the Company's Gurgaon branch in consultation with the statutory auditors and to fix the branch auditor's remuneration. M/s. G. P. Agrawal & Co., Chartered Accountants, New Delhi, the retiring Branch Auditors are eligible for re-appointment.

SPECIAL BUSINESS

6. To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT Mr. Anil Kumar Agrawal, who was appointed by the Board of Directors as an Additional Director w.e.f. August 11, 2012 pursuant to the Article 82 of the Articles of Association of the Company and who holds office of Director up to the date of this

Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 ('Act') and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation.”

7. To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals and sanctions as may be necessary, the Company hereby accords its consent and approval to the appointment of Mr. Anil Kumar Agrawal as Director- Finance of the Company for a period of two (2) years with effect from August 11, 2012 on terms and conditions and remuneration as set out herein below, with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment (including authority, from time to time, to determine salary, perquisites and other benefits payable to Mr. Anil Kumar Agrawal) in such manner as may be agreed to between the Board of Directors and Mr. Anil Kumar Agrawal provided however that the remuneration payable to Mr. Anil Kumar Agrawal shall not exceed the limits prescribed under Schedule XIII to the Companies Act, 1956, including any amendment, modification, variation or re-enactment thereof :

1.	Salary (Basic)	₹ 55,000/- per month
2.	Accommodation	Rent free furnished accommodation with reimbursement of the cost of electricity, water maintenance etc, not exceeding Rs. 10,000/- per month. In case no accommodation is provided, the payment of House Rent Allowance (HRA) subject to a ceiling of fifty percent of basic salary.
3.	Servant Allowance	₹ 17,500/- p.m.
4.	Other Allowance	₹ 58,000/- p.m.
5.	Bonus	Not exceeding ₹ 12,000 per annum.
6.	Conveyance / Motor Car	Provision of motor car with driver or ₹ 20,000/- p.m. in lieu thereof.
7.	Medical	Reimbursement of medical expenses and insurance premium for self, spouse and dependent children, not exceeding ₹ 15,000/- per annum.
8.	Leave Travel Concession	As per rules of the Company not exceeding ₹ 24,000/- per annum.
9.	Provident and other funds including superannuation and gratuity	As per rules of the Company.
10.	Personal Accident Insurance	As per rules of the Company.
11.	Leave encashment	Encashment of accumulated leave as per the rules of the Company.

RESOLVED FURTHER THAT in event of absence or inadequacy of profits in any financial year during the term of office of Mr. Anil Kumar Agrawal as Director-Finance of the Company, the aforesaid salary, allowances, perquisites and other benefits as approved under this resolution shall be payable to him as Minimum Remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

8. To consider and if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the revision of the remuneration payable

to Mr. Rahul Kejriwal, Vice President- Marketing, a relative of Directors of the Company, with effect from April 1, 2012, with authority to the Board of Directors of the Company to increase such remuneration payable to him from time to time up to a maximum of ₹ 12,00,000 (Rupees Twelve Lacs) per annum, as follows:

- (a) Basic Salary: ₹ 45,000/- p.m.
- (b) House Rent Allowance: ₹ 10,000/- p.m.
- (c) Medical Reimbursement: up to ₹ 1,00,000/- p.a.
- (d) Leave encashment : As per rules of the Company
- (e) Provident Fund : As per rules of the Company
- (f) Gratuity : As per rules of the Company
- (g) Perquisites:
 - (i) Car with Driver for office use;
 - (ii) Mobile facility,



REMSONS INDUSTRIES LTD.

RESOLVED FURTHER THAT the Board of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolution.”

Mumbai,
August 11, 2012

By Order of the Board of directors
Sukhdeo Purohit
Company Secretary

Registered Office:

88B, Government Industrial Estate
Kandivli (West), Mumbai -400 067

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
- The proxy form duly completed and signed should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business under item nos. **6, 7 and 8** above, is annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered in to with the Stock Exchanges, of persons seeking appointment / re-appointment as Directors under item Nos. **2, 3, 6 and 7** of the Notice, are given in a separate annexure to this Notice.
- The Register of Members and the Share Transfer Books of the Company will remain closed from **Wednesday, 19th September 2012 to Thursday, 27th September 2012 (both days inclusive)**.
- Members attending the meeting are requested to bring their copies of the Annual Report, complete the attendance slip and deliver the same at the entrance of the meeting hall.
- Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- Members who hold shares in dematerialized form are requested to bring/ intimate their Client ID and DP ID numbers for easy identification at the time of attendance to the Annual General Meeting.
- Members seeking any further information about the Accounts are requested to write to the Company at least ten days before the date of the Annual General Meeting.
- 98.18% of the total equity shares of the Company were held in dematerialized form as on 31st March 2012. Members desiring to dematerialize/ rematerialize their shares may forward their request directly to the Depository Participant with whom they have opened the account.
- Pursuant to provisions of Section 205A (5) of the Companies Act, 1956, dividend remaining unpaid or unclaimed for a period of seven years has to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. Accordingly, the Company has transferred the unclaimed dividend declared for the year ended 31st March 2004 to the IEPF. The Company did not declare any dividend for the year ended 31st March 2005 and therefore no amount is required to be transferred to IEPF during the current year.
- The Ministry of Corporate Affairs, vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their e-mail address for the said purpose. Members are requested to support this Green Initiative by registering / updating their e-mail addresses for receiving electronic communications.

By Order of the Board of directors
Mumbai,
August 11, 2012

Sukhdeo Purohit
Company Secretary

Registered Office:
88B, Government Industrial Estate
Kandivli (West), Mumbai - 400 067

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

As required by Section 173 of the Companies Act, 1956 ('Act') the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 6, 7 and 8 of the accompanying Notice dated August 11, 2012:

Item Nos. 6 & 7

Mr. Anil Kumar Agrawal, aged 36 years is a Post Graduate in Commerce and a Chartered Accountant. He joined the Company on 16th August 2002 and has gained a rich experience in the accounts, finance, banking, taxation and overall administration of the Company. The Board of Directors of the Company in its meeting held on August 11, 2012 appointed him as an Additional Director of the Company w.e.f. August 11, 2012

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Anil Kumar Agrawal holds office of Director up to the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing from a Member along with the requisite deposit under Section 257 of the Companies Act, 1956 proposing candidature of Mr. Anil Kumar Agrawal for the office of Director.

Mr. Anil Kumar Agrawal is also appointed as Director – Finance of the Company for a period of 2 years w. e. f. August 11, 2012 on the terms and conditions as mentioned in the resolution at item no. 7 of the notice convening the Annual General Meeting.

The additional details required to be given pursuant to the proviso (iv) to Clause B of Part II of Schedule XIII to the Companies Act, 1956, are given below:

I		General Information	
	(1)	Nature of industry	The Company is engaged in the manufacture of Auto Control Cables and Gear Shifters.
	(2)	Date or expected date of commencement of commercial production	The company is an existing company and is in operation since 1971.
	(3)	In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus	N.A.
	(4)	Financial performance based on given indicators	EPS : ₹ 5.70 Return on networth : 21%
	(5)	Export performance and net foreign exchange collaborations	₹ 1080.45 Lacs (F.O.B.)
	(6)	Foreign investments or collaborators, if any	Nil



REMSONS

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II. Information about the appointee		
(1)	Background details	Mr. Anil Kumar Agrawal, aged 36 years, is a Post Graduate in Commerce and Chartered Accountant, a Fellow Member of The Institute of Chartered Accountants of India and has 10 years of experience in the field of accounts, finance, banking, taxation and overall administration. He has made significant contribution in the area of Finance & Business restructure and has gained extensive experience in costing of automotive products, analysis of product mix and planning / execution of Greenfield Projects.
(2)	Past Remuneration	₹ 17 Lacs per annum (approx.)
(3)	Recognition or awards	Mr. Anil Kumar Agrawal is a Gold Medalist from the University of Rajasthan.
(4)	Job profile and his suitability	Mr. Anil Kumar Agrawal will be responsible for the day to day financial affairs of the Company under supervision of Mr. K. Kejriwal, Managing Director and overall control of the Board of Directors of the Company. Considering the qualifications, experience, proven track record and performance of Mr. Anil Kumar Agrawal and efforts put in by him for the growth of the Company as well as his capacity to handle emerging challenges in the times to come, the appointment of Mr. Anil Kumar Agrawal as Director – Finance would be beneficial to the Company.
(5)	Remuneration proposed	₹ 21 Lacs per annum (approx.)
(6)	Comparative remuneration profile with respect to industry	Considering his rich experience as aforesaid, the terms of his remuneration are considered fair, just and reasonable, and are at par with the standards of the industry in which the Company operates.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Anil Kumar Agrawal does not have any pecuniary relationship directly or indirectly with the Company other than his appointment as Director – Finance of the Company
III. Other information		
(1)	Reasons of loss or inadequate profits	The Company has maintained healthy growth in operating income over the past three years coupled with the consistent profit margins and profitability. The Company has long standing experience in the auto ancillary industry and has established large client base in automobile industry. The Company also gets increasing share of revenue from the after-market which is likely to support operating margin as well as insulate the company from the volatility in demand from the OEM sector. The Company's business prospects mainly depends upon the growth and prospects of the automobile industry as a whole. The automotive component industry over the past few years has become extremely competitive following the entry of several players in the industry.

	(2)	Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms.	The Company has initiated several measures to improve its profitability in order to strengthen and consolidate operations of different manufacturing units at various locations and to ensure uniformity and better administration. Further to survive in the competitive era, more and more orders from the global as well as domestic OEM market are planned to be procured in addition to achieving higher production by deploying all its resources and capacities available and by choosing right product mix with application of various cost cutting measures without of course, compromising on the quality of its products.
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The Remuneration Committee of the Company, in its meeting held on August 11, 2012 has approved the appointment of and payment of remuneration to Mr. Anil Kumar Agrawal.

The above details may also be treated as an abstract of the terms of payment of Remuneration of Mr. Anil Kumar Agrawal, Director - Finance of the Company and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolutions mentioned in the item nos. 6 and 7 of notice to the members for their approval.

None of the Directors, except Mr. Anil Kumar Agrawal, is in any way concerned or interested in the resolutions.

Item No. 8

Mr. Rahul Kejriwal, a relative of Directors of the Company is working as Vice President – Marketing of the Company.

Considering his contribution to the company and based on the recommendations of the Remuneration committee, the Board of Directors of the Company revised the remuneration payable to Mr. Rahul Kejriwal as described in the Special Resolution set out at item No. 8 in the notice convening this Annual General Meeting.

Mr. Rahul Kejriwal is son of Mr. Krishna Kejriwal, the Managing Director and Mrs. C. Kejriwal, Whole Time Director of the Company. He is also related to Mr. V. Harlalka, Chairman of the Company. In terms of the provisions of section 314 of the Companies Act, 1956, no relative of a director can hold any office or place of profit in the Company, carrying remuneration in excess of ₹ 50,000/- per month except with the consent of the Company accorded by a

special resolution. Since the proposed monthly remuneration payable to Mr. Rahul Kejriwal, a relative of the Directors is in excess of the prescribed limit, approval of the members of the Company is sought for the aforesaid increase in the remuneration payable to Mr. Rahul Kejriwal.

Your directors recommend passing of the special resolution set out in resolution at item no. 8 of the accompanying notice.

Mr. V. Harlalka, Mr. Krishna Kejriwal and Mrs. C. Kejriwal being relatives of Mr. Rahul Kejriwal are deemed to be concerned or interested in the resolution. No other director of the Company is in any way concerned or interested in the resolution.

Mumbai,
August 11, 2012

By Order of the Board of directors
Sukhdeo Purohit
Company Secretary

Registered Office:
88B, Government Industrial Estate
Kandivli (West), Mumbai -400 067

ANNEXURE TO NOTICE
PARTICULARS OF THE DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT
AT THE 40TH ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 27, 2012

(In pursuance of Clause 49 (VI) (A) of the Listing Agreement)

Name of Director	Mr. S. Agarwal	Mr. Ming Ching Tan	Mr. Anil Kumar Agrawal
Date of Birth	06.04.1944	19.11.1962	05.08.1976
Date of Appointment	27.07.2001	26.09.1994	11.08.2012
Expertise in Specific Functional areas.	In the Business of Auto Parts sales since last 39 years	Technically qualified as GEO Singapore. Associated with Heng Hoe Motor Co., Singapore and Confirm Trading (S) Pte Ltd. for past several years.	Finance, accounts, banking, taxation and general administration
Qualifications	B. Com from University of Calcutta.	Graduate	Post graduate in commerce and Chartered Accountant
Directorships held in other Companies (Excluding Foreign Companies)	None	None	None
Chairman / Member of the Committees of the Board of Directors of the Company.	None	None	None
Chairman / Member of the Committee of the Board of Directors of other Companies in which he is Director.	None	None	None

DIRECTORS' REPORT

To Shareholders,

Your Directors are pleased to present their 40th Annual Report on the business and operations of the company and the Audited Accounts for the year ended 31st March 2012

FINANCIAL RESULTS

	₹ in Lacs	
	Year ended March 31, 2012	Year ended March 31, 2011
Sales & Other Income (Net)	11566.31	9631.02
Profit before interest, Depreciation, tax and extra ordinary items	979.77	716.40
Less : (i) Financial expenses	290.43	111.12
(ii) Depreciation	222.31	196.56
Profit / (Loss) before tax	467.03	408.72
Less: Tax-Provision:		
- Current Tax	93.48	83.25
- Deferred tax liabilities (Assets)	67.59	137.39
- Mat Credit Entitlement	(20.59)	(151.02)
Profit / (Loss) after tax	326.55	339.10
Add/ (Less): Excess (Short) tax provisions of earlier years	(0.84)	1.02
Add: Balance b/f from last year	590.37	250.25
Amount available for appropriation:	916.08	590.37
Appropriation:		
Transfer to / from General Reserve	0.00	0.00
Amount carried to Balance Sheet	916.08	590.37

OPERATIONS:

During the year under review your company was able to maintain a growth of over 20% in the sales and other income of the company. Profit before interest, depreciation and tax also recorded a jump of over 36%. However in view of greater financial costs, Profit after tax was marginally lower.

DIVIDEND:

In order to remain competitive, and to ensure that the company meets all quality requirements of its OEM customers, it has to keep investing in various balancing equipments with latest technology. To enable finance these equipments your company needs to plough back the funds and hence your Directors do not recommend any dividend.

EXPANSION

Expansion / modernization at Company's various units in Daman has been completed during the year. The Company hopes to derive benefits of the expansion in the coming years.

EXPORTS

Company's Exports (F.O.B.) during the year were marginally better at ₹ 1080 lacs, as compared to ₹ 1047 lacs in the previous year in rupee terms.

REMSONS (EUROPE), our Marketing set up in Europe, continues to provide excellent commercial & engineering support to the company's various European OEM customers. Mr. Geoffrey Hill, Director – Business Development also continues to explore new avenues for securing additional export business and hopefully your company will be able to further expand its export sales in the financial year 2013-2014. Mr. John Glover, Director - Engineering, along with Mr. Hill continues to provide essential engineering support, which is always required by our OEM customers. Mr. Ashok Goyal at USA is constantly exploring the North American market for good business opportunities.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to an Ordinary Resolution u/s 293 (1) (e) of the Companies Act, 1956 passed last year through Postal Ballots authorizing Board of Directors of the Company to contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, the Company made a further contribution of ₹ 30,00,000/- (Rupees Thirty Lacs only) during the year to 'Rajasthani Sammelan' which runs 'Durgadevi Saraf Institute of Management Studies'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Report on Management Discussion and Analysis, which is forming part of the Annual Report, *inter alia* adequately deals with the operations as also current and future outlook of the Company.

CORPORATE GOVERNANCE

A report on Corporate Governance along with the Auditors' Certificate regarding compliance of the mandatory requirements of the Corporate Governance is separately given in the Annual Report.

FIXED DEPOSITS

During the year, your company did not accept any deposits from the public under section 58A of the Companies Act, 1956.

LISTING

The Equity Shares of your company continue to be listed at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company has paid the requisite listing fees to the above stock exchanges for the financial year 2012-13.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of Companies Act, 1956, the directors hereby state and confirm that:

- i. In the preparation of annual accounts, the applicable accounting standards have been

followed along with proper explanations relating to material departures;

- ii. The Directors have 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 of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis.

DIRECTORS

In terms of Article 90 of the Articles of Association of the Company, Mr. S. Agarwal and Mr. Ming Ching Tan, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. Members are requested to re-appoint them.

Mrs. Saroj N. Rao, an Independent Director resigned from the directorship of the Company on 11th August 2012. The Board appreciates the valuable support and co-operation extended by her during the tenure of her association with the Company.

Mr. Anil Kumar Agrawal, CFO of the Company is appointed as an Additional Director and designated as Director – Finance of the Company on 11th August 2012. Pursuant to Section 260 of the Companies Act, 1956 (the Act), Mr. Anil Kumar Agrawal holds the office of Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member u/s 257 of the Act, proposing candidature of Mr. Anil Kumar Agrawal for the office of the Director. Necessary resolutions seeking Members' approval for the appointment of and the remuneration payable to Mr. Anil Kumar Agrawal are embodied in the Notice convening 40th Annual General Meeting of the Company. Members are requested to accord their approval by passing the said resolutions.

Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are given in an Annexure to the notice convening 40th Annual General Meeting of the Company.

AUDITORS

M/s. Kanu Doshi Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to appoint the statutory auditors.

Members are also requested to authorize the Board of Directors to appoint the branch auditors for the Company's Gurgaon branch in consultation with the statutory auditors and to fix the remuneration of the branch auditors.

COST AUDITORS

In terms of Order F. No. 52/26/CAB-2010 dated the 24th January 2012, issued by the Ministry of Corporate Affairs, M/s Ashwin Solanki & Associates, Cost Accountants have been appointed as 'Cost Auditors' of the Company for the year 2012-13 for conducting audit of cost accounts of the Company. The Central Government has also approved their appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956, read together with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988, the information relating to the foregoing matters is given as under:

a) Conservation of Energy

Considering nature of activities carried out by the Company, your directors have nothing to report regarding 'Conservation of Energy', however, the Management is conscious of the importance of conservation of energy and reviews the measures to be taken for reduction in the consumption of energy from time to time.

b) Technology Absorption

- (i) The company has adopted the "Cell System" production, which has resulted in improved productivity and product quality in line with International Standards.
- (ii) The company follows "Six Sigma Practices" in the context of developing process technology in the manufacture of Automotive Cables.
- (iii) The Company's engineering centre at Gurgaon with modern Testing and Validation Equipments has facilitated undertaking various validation tests for the auto control cables produced by the Company. These validation tests include among others, Life test under different climatic conditions from sub-zero to High temperatures to guarantee uniform functioning. Based on various tests, the Engineering team regularly suggests design modifications of the cables to further enhance the efficiency and Life of cables.

c) Foreign Exchange Earnings and Outgo

The information is contained in Notes 38, 40 and 41 in the Notes on accounts.

PARTICULARS OF EMPLOYEES AND OTHER ADDITIONAL INFORMATION

During the year, the Company did not have any employee covered under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and therefore no particulars are required to be furnished.

ACKNOWLEDGEMENTS

The Board of Directors express its appreciation and gratitude to the Bankers, Customers, Suppliers, employees and above all the Shareholders of the Company for their valuable support and co-operation at all times.

For and on behalf of the Board of Directors

Mumbai
Dated: August 11, 2012

V.Harlalka
(Chairman)

MANAGEMENT DISCUSSION & ANALYSIS REPORT**Annexure to the Directors Report****1. BUSINESS OVERVIEW**

We are passing through a very troubled phase of the World economy. There are still major concerns in the Euro zone where most of your company's exports are concentrated. While a weakening rupee may temporarily help the bottom line of the company, wide fluctuations hamper the overall competitiveness of the company. This slowing of global economy has also had its impact on the Indian economy and for the first time in many years our GDP is projected to be just around 6%. Inflationary trends continue to push up prices of all commodities as well as impact on the manufacturing costs of the company. The growth of the Indian Automobile Industry has slowed down considerably and with continuing high interest rates, expectations are that the growth will slow down even further. With the slowing down, comes the demand for even more competitive prices which affects the profitability of the company considerably. Your Company is gearing to face all these challenges with suitable steps being taken to continuously improve the quality, reliability and service level of its products.

2. INDUSTRY STRUCTURE & DEVELOPMENTS

While there is constant growth in public transportation, particularly in major metro cities of the country, it is still not able to keep pace with the growing demand for mobility. Hence there is still a lot of reasons for the Automobile Industry to continue to grow rapidly in all sectors, 2 wheelers, 3 wheelers, passenger cars and commercial vehicles. This augurs well for the auto component industry which should be equipped to grow along with the automobile Industry.

3. OPPORTUNITIES AND THREATS**Opportunities**

All major global automotive OEMs as well as Tier 1 and Tier 2 companies are making their presence felt in India. Most of these companies are constantly trying to source requirements for their global operations from India. This offers an excellent opportunity to all auto component suppliers who are well equipped to produce volumes with committed focus on product and systems quality.

Threats

Inflationary pressures continue to push up prices of all commodities besides impacting the cost of manufacturing. Steel products are one of the major raw material inputs of the company and prices continue to rise on account of inflation. The other major raw material inputs like plastics and rubber have also been rising constantly. It is very difficult to pass on these increase to the company's customers and hence the margins are constantly being squeezed.

Rising interest costs is another major threat. It not only slows down the growth of the Automobile Industry in general, it puts tremendous pressure on the profitability of the company.

Warranties, line stoppages, and quality problems have to be monitored very carefully or else they could become major threat to the company's operations.

4. OUTLOOK

Despite the present slow down in the economy, it is expected that the Indian automobile industry as well as auto component industry will continue to grow once conditions improve.

5. RISK AND CONCERNS

A general slowdown in the economy coupled with rising costs which cannot be altogether passed on to the customer, puts continuous pressure on the margins of the company. Though power is not a major cost in the total manufacturing cost of the company, constantly rising power & fuel prices largely affect the overall inflation which results in overall increase in all input costs.

6. PRODUCT WISE BUSINESS REVIEW

During the year the Company produced 33.55 million auto control cables as against 25.39 million in the previous year.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost cutting measures, efficiency of operation and protecting assets from their unauthorized use. The internal audit department of the Company reviews control measures in the management of risks and opportunity and ensures adherence to operating guidelines and compliance with regard to regulatory and legal requirements.

The Company's budgetary control system aims to ensure adequate control on the expenditure. The management reviews the actual performance with reference to the predetermined norms and standard on monthly basis.

The Company will have to work hard to maintain its market share without compromising on the quality of its products.

8. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

FINANCIAL HIGHLIGHTS WITH RESPECT TO OPERATIONAL PERFORMANCE

(₹ In Lacs except in EPS)

Particulars	2011-12	2010-11	% Changes
Total Revenue	11566.31	9631.02	20%
EBITDA	979.77	716.40	37%
Profit Before Tax	467.03	408.72	14%
Profit After Tax	326.55	339.10	-4%
EPS	5.70	5.95	-4%

9. HUMAN RESOURCES MANAGEMENT.

Human Resource base is the greatest asset of the Company. Shortages and challenges of retaining skilled manpower has to be addressed to on a continual basis.

The Company provides necessary training to all its employees and equips them to manage critical business processes to face the challenge of competitive Global market. As on 31st March 2012, the Company had total 305 (previous year 297) employees.

Cautionary Statement

Statement in this Management Discussion and Analysis report, describing the Company's objectives projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, cyclical demand and pricing in the Company's principal markets, raw material cost and availability, changes in the Government regulations tax regimes, economic development within India and the countries within which the Company conducts business and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT
I. Company's Philosophy on Corporate Governance

REMSONS' philosophy on corporate governance envisages achieving highest standards of accountability, transparency and equity in all its spheres and in all its dealings with its stakeholders. The Company strongly believes and practices the above sound principles of Corporate Governance. The Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, the disclosure requirements of which are given herein below.

II. Board Of Directors

As on 31st March 2012 the strength of the Board of Directors was eight, comprising of two Executive Directors and six Non-Executive Directors, five of which were independents.

During the Financial year 2011-12, five (5) Meetings of the Board of Directors were held on 27/05/2011, 26/07/2011, 03/11/2011, 30/12/2011 and 11/02/2012. The maximum time-gap between any two consecutive meetings did not exceed four months.

The composition of the Board, attendance of directors at the Board Meetings, Annual General Meeting and the number of companies and committees, where they are a director / member are given below:

Composition and category :

Sr. No.	Name of Director	Designation	Category of Directorship	Relationship with other directors	Director in other Companies including Pvt Ltd cos.	No. of other Companies in which Member or Chairman of any Committee	No. of shares held as on 31 st March 2012
1.	Mr. V. Harlalka	Chairman	Promoter, Non-Executive	Relative of Mrs. C. Kejriwal and Mr. K.Kejriwal	--	--	0
2.	Mr. K. Kejriwal	Managing Director	Promoter, Executive	Relative of Mrs. C. Kejriwal and Mr. V. Harlalka	--	--	1276374
3.	Mrs. C. Kejriwal	Whole-time Director	Promoter, Executive	Relative of Mr. K. Kejriwal and Mr. V. Harlalka	--	--	1160020
4.	Mr. Ming Ching Tan	Director	Independent, Non-Executive	--	--	--	0
5.	Mr. S.B. Parwal	Director	Independent, Non-Executive	--	1	--	157
6.	Mr. S. Agarwal	Director	Independent, Non-Executive	--	--	--	500
7.	Mr. V. K. Mahtani	Director	Independent, Non-Executive	--	--	--	0
8.	Mrs. Saroj N. Rao	Director	Independent, Non-Executive	--	--	--	50

Number of Meetings attended by the Directors

Sr. No.	Name of Director	No. of Board Meetings attended out of five meetings held during 2011-12	Whether attended previous AGM held on 25th August 2011
1	Mr. V. Harlalka	5	No
2	Mr. K. Kejriwal	4	Yes
3	Mrs. C. Kejriwal	5	No
4	Mr. Ming Ching Tan	0	No
5	Mr. S.B. Parwal	5	Yes
6	Mr. S. Agarwal	0	No
7	Mr. V. K. Mahtani	5	No
8	Mrs. Saroj N. Rao	2	No

Details / Particulars of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting is given in an Annexure to this Report.

All the members of the Audit Committee are leading businessmen / administrators and have fair accounting or related financial management expertise.

Shareholdings shown in the above table is the Directors' individual holding. Shares held in the name of their HUF are not considered.

(b) Meetings and Attendance:

During the year, FIVE (5) meetings of the Members of the Audit Committee were held on 27/05/2011, 26/07/2011, 03/11/2011, 30/12/2011 and 11/02/2012. Not more than four (4) months elapsed between two meetings.

All the Members attended all FIVE committee meetings held during the year.

III. Committees of the Board

A. Audit Committee:

(a) Composition:

The Audit Committee of the Board of Directors comprises of following Non – Executive / Independent Directors as on 31st March 2012:

- | | |
|----------------------|----------|
| 1. Mr. S. B. Parwal | Chairman |
| 2. Mr. V. K. Mahtani | Member |
| 3. Mr. V. Harlalka | Member |

Mr. Sukhdeo Purohit, Company Secretary, acts as the Secretary to the Committee.

Whereas Mr. S. B. Parwal, Chairman is a commerce graduate from University of Indore, Mr. V.K. Mahtani, Member of the Audit Committee is a commerce graduate from St. Joseph College of Yokohama, Japan and runs his own business. Mr. V. Harlalka, Member of the Audit Committee is Inter (Science) from University of Calcutta.

(c) Broad Terms of Reference:

The role of Audit Committee includes the following

- ◀ To oversee the Company's financial information disclosure, review the adequacy of internal control systems.
- ◀ Recommending the appointment and removal of external auditors, fixations of audit fees and also approval for payment for any other services.
- ◀ Discussions with External Auditors before the audit commences; the nature and the scope of Audit as well as have post audit discussion.

- ◀ Discussion with internal Auditors on any significant findings and follow up thereon.
- ◀ Reviewing the finding of any internal investigations by the internal auditors in to matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ◀ To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.
- ◀ To review the un-audited financial statements before submission to the Board.
- ◀ Reviewing the Company's financial and risk management policies.

Reviewing with management the annual financial statements before submission to the board, focusing primarily on;

- 1 Any changes in accounting policies and practices.
- 2 Major accounting entries based on exercise of judgment by management.
- 3 Qualifications in draft audit report.
- 4 Significant adjustments arising out of audit.
- 5 The going concern assumption.
- 6 Compliance with accounting standards
- 7 Compliance with stock exchange and legal requirements concerning financial statements.
- 8 Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

(d) Subsidiary Companies:

Provision regarding the above as stipulated under clause 49 was not applicable, as the Company has no subsidiary Company.

B. Remuneration Committee:

The Remuneration Committee of the Board of Directors comprises of following Directors as on 31st March 2012:

1. Mrs. Saroj N. Rao	Chairperson
2. Mr. V. K. Mahtani	Member
3. Mr. S. B. Parwal	Member

One meeting of the Remuneration Committee was held during the year on 27th May 2011 and two Members of the Committee were present in that meeting.

All the Members of the Remuneration Committee are Independent Directors.

The Remuneration Committee reviews the Company's policy on specific remuneration packages for Managing Director and Whole-time Directors and approves the managerial remuneration as per the policy.

The remuneration policy of the Company aims to ensure that the remuneration practices are competitive, thereby enabling the Company to attract and retain executives of high caliber.

While determining the remuneration consideration is given to:

1. Managerial compensation survey done by leading management consultants.
2. Inflation element.
3. Critical job attributes.
4. Capacity of the Company to pay.
5. Remuneration practices of companies of a size and standing, similar to the Company.
 - The compensation is determined at the time of hiring.
 - Personal attributes and suitability of the candidate for the post is given a preference.
 - The growth of employee depends on individual performance.
 - The performance is reviewed as per Performance Manual System. According to the Performance manual System, the goals are set for individual employee and are reviewed periodically.
 - The performance of the Executive Directors is reviewed on a monthly basis as per Business Plan.

Remuneration to Executive Directors :

Sr.No.	Name	Position	Salary & Perks (₹)
1.	Mr. K.Kejriwal	Managing Director	15,73,666
2.	Mrs. C. Kejriwal	Whole-time Director	10,37,087

Remuneration to Non-Executive Directors:

Sr.No.	Name	Position	Sitting Fees (₹)
1.	Mr. V. Harlalka	Chairman, Promotor - Non Executive Director	25,000
2.	Mr. Ming Ching Tan	Independent, Non Executive Director	-
3.	Mr. S. Agarwal	Independent, Non Executive Director	-
4.	Mr. V. K. Mahtani	Independent, Non-Executive Director	25,000
5.	Mr. S.B. Parwal	Independent, Non-Executive Director	25,000
6.	Mrs. Saroj N. Rao	Independent, Non-Executive Director	10,000

The Executive Directors are paid remuneration as per the Board Resolutions and/or Agreements entered between them and the Company. Main terms of the Board Resolutions or Agreements are placed for approval before the Board and the shareholders and such authorities as may be necessary. The remuneration structure of the Executive Directors may comprise of salary, perquisites, contributions to provident fund and gratuity. Executive Directors are not paid sitting fees for attending Board Meetings. The non-executive directors do not draw any remuneration from the Company except sitting fees.

No commission is paid to any director.

The company has not given any stock option to the Executive and Non Executive Directors.

Managerial Remuneration paid to Mr. K. Kejriwal, Managing Director and Mrs. C. Kejriwal, Whole-time Director of the Company has approval of the Remuneration Committee.

C. Share Transfer & Shareholders/Investors Grievance Committee

The Committee consists of following Directors as on 31st March 2012:

Mr. V. Harlalka	Chairman
Mr. K. Kejriwal	Member
Mr. S. B. Parwal	Member

The Board has designated Mr. Sukhdeo Purohit, Company Secretary as the Compliance Officer.

The Committee meets to look into the grievances of the shareholders and investors. The terms of reference as laid down by the Board of Directors are as follows:

- 1) To ensure that the application for registration of transfer, transmission, transposition of Equity Shares lodged by the Shareholders/Investors are disposed of in the stipulated time.

- 2) To look into the redressing of Shareholders' and Investors' complaints regarding non-receipt of Annual Report or dividend declared, change of address etc.

During the year two meetings of the Share Transfer & Shareholders' / Investors Grievances Committee were held on 3rd November 2011 and 11th February 2012. While all the members of the Committee were present in the meeting held on 3rd November 2011, two members were present in the meeting held on 11th February 2012.

M/s Sharex Dynamic (India) Pvt. Limited, RTA of the Company has certified that no complaints from shareholders / investors were received during the year under review. Further, there were no pending transfers or complaints with them as on 31.03.2012. Four complaints directly received by the Company for non-receipt of Annual Reports and change of address etc. were resolved to the satisfaction of the shareholders.

IV. General Body Meetings:

i) General Meetings

(a) Annual General Meeting

Particulars of last three Annual General Meetings;

Financial Year	Date & Time	Venue
2008-2009	30th September 2009 at 4 p.m.	88-B, Govt. Industrial Estate, Kandivli (W), Mumbai – 400 067
2009-2010	27th July 2010 at 4 p.m.	88-B, Govt. Industrial Estate, Kandivli (W), Mumbai – 400 067
2010-2011	25th August 2011 at 4 p.m.	88-B, Govt. Industrial Estate, Kandivli (W), Mumbai – 400 067

II) Postal Ballot

No Special resolution was passed through postal ballot during the financial year 2011-12. None of the business proposed to be transacted at the ensuing Annual General

Meeting require passing of a special resolution through Postal Ballot.

III) Special Resolutions

No special resolutions were passed at previous three Annual General Meetings of the Company held on 30th September 2009, 27th July 2010 and 25th August 2011.

V. Disclosures:

Disclosures on materially significant related party transactions:

Related parties Disclosures are made at Note 43 in the Notes on accounts. According to the Board of Directors, there were no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives, which may have potential conflict with the interest of the Company at large.

Code of Conduct

The Board has laid down a Code of Conduct for the members of the Board of Directors and Senior Management Personnel of the Company. The Code of Conduct has been posted on the website of the Company www.remsons.com.

In compliance with the code, directors and senior management of the Company have affirmed compliance with the code for year ended on March 31, 2012. A declaration signed by the Managing Director / CEO to this effect is given at the end of this Report.

CEO / CFO Certification

In terms of Clause 49 (V) of the Listing Agreement, the Managing Director and the Chief Financial Officer have furnished the requisite certificate to the Board of Directors for the year under review and the same was placed at the meeting of the Board of Directors held on 26th May 2012.

Cases of Non-compliance / Penalties

During the last three years, there were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the Capital Markets.

VI. Means of Communication:

The quarterly and yearly financial results of the Company are sent to the Stock Exchanges immediately after approval of the Board of Directors. Un-audited results are widely published in Economic Times (English), Nav Bharat Times (Hindi) and Mumbai Lakshadeep (Marathi) and put on Company's Website www.remsons.com. Notices for Board Meetings pursuant to Clause 41 of the Listing Agreements are published in Free Press Journal (English) and Nav Shakti (Marathi).

Management Discussion and Analysis Report is separately given in this Annual Report.

VII. General Shareholder Information:

A. Annual General Meeting

Date, Time & Venue

Date : 27.09.2012

Time : 4.00 p.m.

Venue : 88-B, Government Indl. Estate,
Kandivli (W), Mumbai – 400 067.

B. Financial Calendar:

Financial Year : 1st April 2012 to 31st March 2013:

Results for the Quarter ending 30th June 2012 :
In the Second week of August 2012 or within 45 days from the end of the quarter pursuant to the provisions of the Listing Agreements.

Results for the Quarter ending 30th Sept. 2012 :
By second week of November, 2012

Results for the Quarter ending 31st Dec. 2012 :
By second week of February, 2013

Results for the Quarter ending 31st March 2013 :
In the Last week of May, 2013 or within 60 days from the end of the quarter pursuant to the provisions of the Listing Agreements along with the duly audited accounts.

C. Book Closure : From 19.09.2012 to 27.09.2012 both days inclusive.

The Board of Directors has not recommended any dividend on equity shares for the year ended 31st March 2012.

D. Listing on Stock Exchange(s):

The Equity Shares of the Company are listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Listing fees for the year 2012-13 have been paid to both of them.

E. Stock Code

Trading Symbol at:

a) BSE Limited
530919 REMSONS INDS

b) National Stock Exchange of India Ltd
REMSONSIND EQ

Demat ISIN Number in NSDL and
CDSL **INE 474C01015**



REMSONS INDUSTRIES LTD.

F. Market Price Data

The details of high/low market price of the shares at BSE and NSE are as under:

Month 2011-2012	BSE		SENSEX		NSE		S & P CNX Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April 11	23.50	18.50	19811.14	18976.19	26.10	17.25	5944.45	5693.25
May 11	26.60	18.10	19253.87	17786.13	27.00	16.00	5775.25	5328.70
June 11	28.50	21.45	18873.39	17314.38	28.00	22.85	5657.90	5195.90
July 11	23.80	20.20	19131.70	18131.86	24.95	21.90	5740.40	5453.95
Aug. 11	25.20	21.00	18440.07	15765.53	25.40	22.00	5551.90	4720.00
Sept. 11	26.55	22.50	17211.80	15801.01	26.00	21.60	5169.25	4758.85
Oct. 11	28.40	21.30	17908.13	15745.43	24.30	21.85	5399.70	4728.30
Nov. 11	30.90	21.90	17702.26	15478.69	30.70	25.55	5326.45	4639.10
Dec.11	27.90	22.10	17003.71	15135.86	27.95	21.10	5099.25	4531.15
Jan. 12	27.75	21.00	17258.97	15358.02	23.30	20.10	5217.00	4588.05
Feb.12	27.15	24.05	18523.78	17061.55	27.50	21.85	5629.95	5159.00
March 12	27.00	23.65	18040.69	16920.61	26.80	23.90	5499.40	5135.95

Source : www.bseindia.com and www.nseindia.com

G. Share Transfer Agents:

M/s. Sharex Dynamic (India) Private Limited
Unit 1, Luthra Industrial Premises,
Andheri Kurla Road, Safed Pool,
Mumbai - 400 072.
Tel :- 022-28515606, 28515644,
Fax :- 022-22641349
E-Mail :- sharexindia@vsnl.com

authorities. In case of objections, the share certificates along with the transfer deeds are returned. A practicing Company Secretary periodically issues certificates under Clause 47(C) of the Listing Agreement. A Practicing Company Secretary also conducts Secretarial Audit periodically and the Reconciliation of Share capital (Secretarial Audit) Report issued by him showing total shareholding in physical and electronic mode is filed every quarter with the stock exchanges.

H. Share Transfer System:

Registrar and Transfer Agents (RTA) are authorized to process the application of transfer of shares in physical mode or in Electronic form. The RTA approves and disposes of all valid requests for dematerialization of shares within stipulated time. RTA also makes proper scrutiny of each application for transfer or transmission of physical shares and forwards all valid transfer deeds to the Company for approval. For speedy disposal of the matters, the Board has authorized Mr. Sukhdeo Purohit, Company Secretary to approve all valid share transfer / transmission applications, duly processed by RTA. The share certificates are transferred, dematerialized or returned within the time prescribed by the

I. Distribution of Shareholding

The Distribution Schedule on equity shares as on 31st March 2012 is given below:

Shareholding From	Range(s) To	Holders		Total Shares Held	
		Number	%	Number	%
1	100	679	51.48	48126	0.84
101	200	206	15.62	38856	0.68
201	500	230	17.44	90322	1.58
501	1000	86	6.52	70459	1.23
1001	5000	80	6.07	176522	3.09
5001	10000	16	1.21	113266	1.98
10001	100000	16	1.21	559654	9.80
100001	& above	6	0.45	4616152	80.80
Total		1319	100.00	5713357	100.00

2. Shareholding Pattern as on 31st March 2012

Category	No. of shares held	% of shareholding
A. Promoters' Holding		
1. Promoters		
Indian Promoters–		
Individuals, HUF	4166651	72.928
Bodies Corporates	118357	2.072
Foreign Promoters	--	--
Sub-Total (A)	4285008	75.000
B. Non-Promoters' Holding		
1. Institutional Investors		
Mutual Funds, UTI, FII	--	--
Banks, Financial Institutions,		
Insurance Companies	100	0.002
Venture Capital Fund	500	0.009
2. Others		
Private Corporate Bodies	647322	11.330
Indian Public	773939	13.546
NRI / OCBs	6160	0.108
Any Other – Clearing Members	328	0.006
Sub-Total (B1+ B2)	1428349	25.000
Grand Total	5713357	100.000

Note:

- None of the promoters have pledged their shares with any Bank or financial institution. The Company has been regularly filing returns with the prescribed authorities from time to time.
- All the shares held by Promoters and their Associates are in dematerialized mode.

J. Dematerialization of shares:

93.47% (53,40,390 Shares) of total equity is held in dematerialized form with NSDL and 4.71% (2,68,950 Shares) of total equity is held in dematerialized form with CDSL as on 31-03-2012.

K. Outstanding GDRs / ADRs / Warrants / Options:

The Company has not issued any ADRs or GDRs or Warrants or Convertible instruments.

L. Plant Locations:

- 1/3 Mile Stone, Khandsa Road, **Gurgaon** – 122001
- '**Western House**' A2/27, Somnath Industrial Estate, **Daman**-396210 – (Daman Unit No. 1)
- '**Diamond House**' A2/4, Somnath Industrial Estate, **Daman**-396210 – (Daman Unit No. 2)
- '**Goodluck House**', Survey No. 729 /1, Ringanwada, Village Dabhel, **Daman** – (Daman Unit No. 3)
- '**Golden House**' Survey No. 647 /1A at Village – Dunetha, Daman
- Survey No. 146, Villegge Khadki, **Pardi** – 396121

M. Investor Correspondence address:

- For transfer / dematerialisation of shares, payment of dividends etc :**

M/s. Sharex Dynamic (India) Private Limited
Unit-1, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road, Andheri (East)
Mumbai - 400 072.
Tel -: 022-28515606, 28515644, Fax -: 022-28512885
E-Mail :- sharexindia@vsnl.com

- For Annual Report and other queries :**

Secretarial Department,
Remsons Industries Limited,
88B, Govt. Indl. Estate, Kandivli (West),
Mumbai – 400 067.
Tel : 28683883, 28684452 Fax : 28682487
E-mail : remsons@vsnl.com

N. Non Mandatory Requirements:

The Company has adopted the following Non Mandatory Requirements on the Corporate Governance, recommended under Clause 49 of the Listing Agreements:

1. Chairman's Office:

The Company maintains Office of the Chairman at its Registered Office at 88-B, Government Industrial Estate, Kandivli (West), Mumbai – 400 067 and reimburses to him the expenses incurred in performance of his duties. There were however, no expenses incurred by the Chairman during the year.

2. Remuneration Committee:

The Company has constituted a Remuneration Committee. Terms of Reference of the Committee and other particulars have been described at above.

3. Shareholders Rights:

The quarterly financial results of the Company are published in the newspapers and also displayed on the website of the Company. These results are also available in the websites of BSE and NSE. However, the results are not separately circulated to the shareholders.

4. Postal Ballot:

No resolution was passed through Postal Ballots during the year. The Company shall follow the complete procedure laid down in Section 192A and other applicable provisions of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, while passing any resolution through Postal Ballots.

5. Whistle Blower Policy

Though, the Company has not yet established any formal Whistle Blower Policy, it affirms that no person has been denied access to the audit committee.

Declaration on Code of Conduct:

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which has been posted on the website of the Company.

In accordance with Clause 49 I (D) of the Listing Agreement with the stock exchanges, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance with the aforesaid code of conduct as applicable to them during the financial year ended on March 31, 2012.

For **Remsons Industries Limited**

Place: Mumbai
Date: May 26, 2012

K. Kejriwal
Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE OF THE CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)**

To the Members of
Remsons Industries Limited

We have examined the compliance of conditions of Corporate Governance by Remsons Industries Limited (the Company) for the year-ended March 31, 2012, as stipulated in Clause 49 of the Listing Agreements entered in to with the stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of 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 and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements.

We state that no investor grievances as at March 31, 2012 are pending for a period exceeding one month against the Company as per the records maintained by the Share Registrar & reviewed by the Shareholder / Investors Grievance Committee.

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

For **KANU DOSHI ASSOCIATES**
Chartered Accountants

Place: Mumbai
Date: 26th May, 2012

ANKIT PAREKH
Partner
Membership No.114622

AUDITOR'S REPORT

To the Members of

REMSONS INDUSTRIES LIMITED

1. We have audited the attached Balance sheet of Remsons Industries Limited as at March 31, 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, and according to the information and explanations given to us during the course of the audit and on the basis of such checks as we considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) The Branch Auditors' report of the Gurgaon branch has been forwarded to us and the same has been appropriately dealt with in the preparation of this report;
 - f) On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2012 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - g) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of the Balance sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii) in case of the Profit and Loss Account, of the profit for the year ended on that date and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For KANU DOSHI ASSOCIATES

Chartered Accountants
Firm Reg.No: 104746W

Place: Mumbai
Date: May 26, 2012

ANKIT PAREKH
Partner
Membership No.114622

**ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph 3 of our report of even date
on the accounts of REMSONS INDUSTRIES LIMITED
for the year ended March 31, 2012)**

- i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The company has not disposed off a substantial part of fixed assets during the year.
- ii) (a) We are informed that the physical verification of inventories has been conducted by the management at reasonable intervals except for stock-in-transit and materials lying with third parties.
- (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 are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. The discrepancies noticed during the physical verification of stocks as compared to the book records were not material and the same have been properly dealt with in the books of account.

- iii) (a) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and accordingly the sub-clauses (b), (c) and (d) of clause (iii) are not applicable to the company.
- (b) The company has taken unsecured loans from directors and other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the details of which are given below

Loan taken from	No. of Parties	Maximum Balance o/s (in ₹)	Closing Balance (in ₹)
Directors	2	71,933,886/-	71,933,886/-
Others	5	11,957,481/-	11,957,481/-

- (c) In our opinion, the rate of interest of these loans taken by the Company is not, prima facie, prejudicial to the interest of the Company. However, in the absence of any stipulations in respect of other terms and conditions of these loans, we are unable to comment in respect thereof.
- (d) In the absence of stipulations in respect of the terms of payment of principal amount of the aforesaid loans, we are unable to comment whether payment of principal is regular. Payment of Interest on such loans is 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 for the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we

have not observed any continuing failure to correct major weaknesses in internal control.

- v) (a) According to the information and explanations given to us, we are of the opinion that transactions that need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- vi) The Company has not accepted any deposits from the public within the meaning of the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules made there under. Hence, clause (vi) of the order is not applicable.
- vii) The internal audit functions of the company have been carried out during the year by a firm of Chartered Accountants appointed by the management and the same is commensurate with the size of the Company and nature of its business.

viii) The Central Government has prescribed under Section 209(1) (d) of the Companies Act, 1956 maintenance of cost record for auto ancillary products. As per the certificate issued by the Cost Accountant, the company has maintained the prescribed accounts and records. However, we have not examined the records to determine whether they are accurate or complete.

- ix) (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 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, details of dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess which have not been deposited as on March 31, 2012 on account of any disputes are given below:

Name of the statute	Nature of dues	Amount (₹)	Forum where the dispute is pending
Central Excise Act, 1944	Service Tax (Aug 2002 to April 2003)	52,687/-	Central Excise and Service Tax Appellate Tribunal, Mumbai.

x) The Company has no accumulated losses at the end of the year and it has not incurred cash losses in the current year or in the immediately preceding financial year.

xi) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to

- any financial institution or bank or debenture holders as at the balance sheet date.
- xii) According to the information 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 provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments hence the provisions of the clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantees for loans taken by others from any Bank or financial institution.
- xvi) To the best of our knowledge and belief and according to the information and explanation given to us, in our opinion, the term loan availed by the company, prima facie applied during the year for the purpose for which the loans were raised.
- xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investments.
- xviii) 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 and the records examined by us, no debentures were issued by the company during the year.
- xx) The Company has not raised any money by way of public issues during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For KANU DOSHI ASSOCIATES

Chartered Accountants
Firm Reg.No: 104746W

Place: Mumbai
Date: May 26, 2012

ANKIT PAREKH
Partner
Membership No.114622

BALANCE SHEET AS AT 31ST MARCH

	Notes	2012 ₹ in Lacs	2011 ₹ in Lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
a) Share capital	1	571.34	571.34
b) Reserves and surplus	2	932.33	606.62
		1,503.67	1,177.96
(2) Non-current liabilities			
a) Long-term borrowings	3	954.58	1,027.54
b) Deferred tax liabilities (Net)	27	213.21	145.61
c) Other Long term liabilities	4	17.64	14.51
d) Long-term provisions	5	10.82	14.10
		1,196.25	1,201.76
(3) Current liabilities			
a) Short-term borrowings	6	1,636.35	976.55
b) Trade payables (Refer Note 32)		1,325.05	1,720.89
c) Other current liabilities	7	291.63	252.37
d) Short-term provisions	8	14.59	84.16
		3,267.62	3,033.97
TOTAL		5,967.54	5,413.69
II. ASSETS			
(1) Non-current assets			
a) Fixed assets			
i) Tangible assets	9	2,123.86	1,633.01
ii) Intangible assets		0.79	4.25
iii) Capital work-in-progress (Refer Note 33)		-	330.27
b) Non-current investments	10	2.26	2.26
c) Long-term loans and advances	11	142.29	182.28
d) Other non-current assets	12	0.89	-
		2,270.09	2,152.07
(2) Current assets			
a) Inventories	13	1,588.87	1,244.88
b) Trade receivables	14	1,864.75	1,830.95
c) Cash & Bank Balances	15	75.03	29.84
d) Short-term loans and advances	16	168.26	126.70
e) Other current assets	17	0.54	29.25
		3,697.45	3,261.62
TOTAL		5,967.54	5,413.69
Significant accounting policies	25		
Notes to accounts	26-48		

As per our report of even date

For and on behalf of the Board

For Kanu Doshi Associates

 Chartered Accountants
 Firm Reg. No. 104746W

V.Harlalka

Chairman

Ankit Parekh
 Partner

K.Kejriwal

Managing Director

Mem. No. 114622

Sukhdeo Purohit

Company Secretary

Place : Mumbai

Anil Kumar Agrawal

Chief Financial Officer

Dated : 26th May, 2012

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH

	Notes	2012 ₹ in Lacs	2011 ₹ in Lacs
INCOME			
Revenue from operations	18	12,646.63	10,426.10
Less : Excise duty	45 (b)	1,127.90	887.63
Revenue from operations (net)		11,518.73	9,538.47
Other income	19	47.58	92.55
Total Revenue (I)		11,566.31	9,631.02
EXPENSES:			
Cost of materials consumed	20	7,005.04	5,811.09
Purchases of traded goods		33.87	25.76
(Increase)/decrease in inventories	21	(353.71)	(152.36)
Employee benefits expenses	22	1,420.51	1,199.83
Finance costs	23	290.43	111.12
Depreciation and amortization expense	9 & 37	222.31	196.56
Other expenses	24	2,480.83	2,030.30
Total expenses (II)		11,099.28	9,222.30
Profit before tax		467.03	408.72
Tax expense:			
Less : Current tax		93.40	83.25
Add : MAT Credit Entitlement		20.59	151.02
Less : Deferred tax Liabilities /(Assets)	27	67.59	137.39
Less : Wealth tax		0.08	-
Less : Short (Excess) provisions for Income Tax for earlier years		0.84	(1.02)
Profit after tax for the year		325.71	340.12
Earnings per equity share (Face value of share ₹ 10)	29		
Basic		5.70	5.95
Diluted		5.70	5.95
Number of shares used in computing earning per share		5713357	5713357
Significant accounting policies	25		
Notes to accounts	26-48		
As per our report of even date	For and on behalf of the Board		
For Kanu Doshi Associates			
Chartered Accountants			
Firm Reg. No. 104746W	V.Harlalka		Chairman
Ankit Parekh	K.Kejriwal		Managing Director
Partner	Sukhdeo Purohit		Company Secretary
Mem. No. 114622	Anil Kumar Agrawal		Chief Financial Officer
Place : Mumbai			
Dated : 26th May, 2012			

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March

	2012 ₹ in Lacs	2011 ₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax and extra-ordinary items :	467.03	408.72
Adjustment for:		
Depreciation and Amortisation Expenses	222.31	196.56
Finance Cost	287.63	65.28
Profit (Loss) on sale / Discard of fixed assets (Net)	0.29	7.10
Rent/Lease Rent received	-	(17.44)
Interest Income received	(2.37)	(2.44)
Sundry Balances W/Back	-	(8.58)
Dividend Received	(2.51)	(5.01)
Provision for doubtful debts	0.78	6.99
Finance Cost- Income Tax Intererst	2.80	-
Retirement Benefits	6.60	23.09
	<u>515.53</u>	<u>265.55</u>
Operating profit before working capital changes	982.56	674.27
Adjustments for:		
Trade and other receivables	(34.57)	(503.56)
Loan & Advances	45.77	(34.10)
Inventories	(343.99)	(483.41)
Trade and other payables	(406.12)	754.06
Retirement Benefits	(18.27)	(13.43)
	<u>(757.18)</u>	<u>(280.44)</u>
Cash generated from operations	225.38	393.83
Direct taxes paid	(127.55)	(75.01)
	<u>(127.55)</u>	<u>(75.01)</u>
Net cash from operating activities	97.83	318.82
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Advance Paid & Purchase of fixed asset	(381.37)	(757.97)
Sale of fixed assets	9.77	10.00
Interest Income Received	2.37	2.66
Dividend Received	2.51	5.01
Sale of Investments	-	17.74
Rent received	-	17.44
Net cash used in investing activities	<u>(366.72)</u>	<u>(705.12)</u>
	(268.89)	(386.31)

C. CASH FLOW FROM FINANCING ACTIVITIES:

Repayments of Long Term Borrowings (Net)	(72.95)		
Short Term Borrowings (Net)	681.72		456.04
Finance Cost	(287.63)		(65.28)
Net cash used in financing activities	321.14		390.76
Net increase in cash and cash equivalents	52.26		4.45
Cash and Cash equivalents at beginning of the year	21.69		25.39
Cash and cash equivalents at end of the year	73.95		29.84

Note :

1. Cash flow statement has been prepared under the indirect method as set out in the accounting standard-3" Cash flow statements" as specified in the companies (Accounting Standards) Rules,2006.
2. Figures in brackets indicates outflows.

As per our report of even date For Kanu Doshi Associates Chartered Accountants Firm Reg. No. 104746W Ankit Parekh Partner Mem. No. 114622 Place : Mumbai Dated : 26th May, 2012	For and on behalf of the Board V.Harlalka K.Kejriwal Sukhdeo Purohit Anil Kumar Agrawal	Chairman Managing Director Company Secretary Chief Financial Officer
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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

SHAREHOLDERS' FUND	2012		2011	
	Number	₹ in Lacs	Number	₹ in Lacs
Note 1				
SHARE CAPITAL				
i) Authorised Shares Capital				
Equity Shares of ₹ 10 each	<u>12,000,000</u>	<u>1,200.00</u>	<u>12,000,000</u>	<u>1,200.00</u>
ii) Issued, Subscribed & fully paid -up Capital				
Equity Shares of ₹ 10 each	57,13,357	571.34	57,13,357	571.34
Total	<u>57,13,357</u>	<u>571.34</u>	<u>57,13,357</u>	<u>571.34</u>

 iii) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares	2012		2011	
	Number	₹ in Lacs	Number	₹ in Lacs
Shares outstanding at the beginning of the year	5713357	571.34	5713357	571.34
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5713357	571.34	5713357	571.34

 iv) **Terms/ rights attached to the equity shares**

The company has only one class of equity shares having a par value of ₹ 10 per shares. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends (if any) in indian rupees. The dividends (if any) proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holder of 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.

 v) **Details of shareholders holding more than 5% shares in the company.**

Equity shares of ₹ 10 each fully paid	2012		2011	
	Name of Shareholders	No. of Shares held	% of Holding	No. of Shares held
Krishna Kejriwal	1276374	22.34%	1276374	22.34%
Rahul Kejriwal	1216213	21.29%	3740	0.07%
Chand Kejriwal	1160020	20.30%	1160020	20.30%
Sita V. Harlalka	-	0.00%	1212483	21.22%
Krish Automotive Sales & Services Pvt Ltd	451549	7.90%	451549	7.90%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares except in case of shareholding of Rahul Kejriwal to whom, 1212483 Equity shares held in the demat Account of late Smt Sita V. Harlalka were transferred as her nominee & effect is yet to be given according to her will for distribution of above equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 2

RESERVES & SURPLUS

	2012 ₹ in Lacs	2011 ₹ in Lacs
a. Capital Reserves	16.25	16.25
b. Surplus in the profit & loss statement		
Opening balance	590.37	250.25
Add : Profit for the current year	325.71	340.12
Closing Balance	916.08	590.37
Total	932.33	606.62

NON CURRENT LIABILITIES

Note 3

LONG TERM BORROWINGS

	2012 ₹ in Lacs	2011 ₹ in Lacs
a) Secured		
Term loans		
Indian rupees loan from banks	-	171.99
Foreign currency loan from banks	111.30	-
Vehicles loan from banks (#)	3.14	8.57
Vehicles loan from financial institutions (#)	1.23	8.07
	115.67	188.63
b) Unsecured		
Loans and advances from Directors / related parties	838.91	838.91
	838.91	838.91
Total	954.58	1,027.54

a) During the year indian rupees term loan has been converted to foreign currency term loan with validity till 26th July,2012. Loan may be continued in foreign currency at the option of lender after the above date. The loan is repayable in balance 24 installments of different amount in foreign and local currency. .Currently it carries interest rate of LIBOR plus 5.75%. The loan is secured by Hypothecation of entire assets acquire from said term loan and equitable Mortgage on Land and Building of various situated properties, charge over machinery/ moveables of the Company wherever situated. Further the loan has been guaranteed by Managing Director and it's a whole time director of the company.

b) # Vehicles loans is secured By Hypothecation of respective vehicles.

c) Unsecured Loan from Directors/ related parties carry interest @ 10% p.a and loans are repayable after 12 months.



REMSONS INDUSTRIES LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 4

OTHER LONG TERM LIABILITIES

	2012 ₹ in Lacs	2011 ₹ in Lacs
Deposits from Customers	17.64	14.51
Total	17.64	14.51

Note 5

LONG TERM PROVISIONS

	2012 ₹ in Lacs	2011 ₹ in Lacs
Provision for employee benefits		
Leave Encashment (unfunded) (Refer Note 42 (b))	10.82	14.10
Total	10.82	14.10

CURRENT LIABILITIES

Note 6

SHORT TERM BORROWINGS

	2012 ₹ in Lacs	2011 ₹ in Lacs
Secured		
<u>Loans repayable on demand</u>		
Indian rupees Cash Credit from banks	1,498.94	275.79
Foreign currency Cash Credit from banks	137.41	700.76
Total	1,636.35	976.55

- a) Indian rupees Cash Credit loan from banks carries interest @ 15.50% & 11.50% p.a. The loan is repayable on demand. The loan is secured by Hypothecation of Land and Building of various situated properties, charge over machinery and second charge on all trade receivable & all Inventories wherever situated. Further the loan has been guaranteed by Managing Director and a whole time director of the company.
- b) Foreign currency Cash Credit loan from banks carries interest @ LIBOR plus 5.50% & 3.50% p.a. The loan is repayable on demand. The loan is secured by Hypothecation of Land and Building of various situated properties, charge over machinery and second charge on all trade receivable & all Inventories wherever situated. Further the loan has been guaranteed by Managing Director and a whole time director of the company.

Note 7**OTHER CURRENT LIABILITIES**

	2012 ₹ in Lacs	2011 ₹ in Lacs
(a) Current maturities of long-term debt	185.87	163.95
(b) Other payables - advance from customers	16.58	7.53
(c) Other payables - Statutory Liabilities	89.18	80.89
Total	291.63	252.37

Note 8**SHORT TERM PROVISIONS**

	2012 ₹ in Lacs	2011 ₹ in Lacs
(a) Provision for employee benefits		
Gratuity (Funded) (Refer Note 42 a)	6.60	14.98
Leave Encashment (unfunded) (Refer Note 42 b)	7.19	7.20
(b) Other provisions		
Foreign Currency Forward Contract A/c (Net)	-	30.75
Provision for Taxation (Net)	0.80	31.23
Total	14.59	84.16



REMSONS INDUSTRIES LTD.

₹ in Lacs

NON CURRENT ASSETS Notes : 9 FIXED ASSETS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Description	Gross Block at Cost			Depreciation / Amortisations			Net Block		
	Balance as at 01.04.2011	Additions	Disposals	Total	Balance as at 01.04.2011	for the year	Ondisposals	As at 31.03.2012	As at 31.03.2011
9.1 Tangible Assets									
Land	69.83	-	-	69.83	-	-	-	69.83	69.83
Buildings	530.24	335.02	-	865.26	243.78	22.95	-	598.52	286.45
Leaseholds improvements	36.13	6.82	-	42.94	11.50	11.68	-	19.76	24.62
Plant and Equipment	2,372.22	345.76	10.83	2,707.15	1,247.53	149.22	0.78	1,311.19	1,124.69
Furniture and Fixtures	157.92	7.69	-	165.61	119.88	7.81	-	37.93	38.05
Vehicles	77.64	13.11	0.01	90.74	29.77	13.61	0.01	47.37	47.87
Office equipment	214.43	11.35	-	225.78	172.93	13.58	-	39.27	41.49
Total (A)	3,458.41	719.75	10.84	4,167.31	1,825.39	218.85	0.79	2,123.86	1,633.02
9.2 Intangible Assets									
Computer software	14.35	-	-	14.35	10.10	3.46	-	0.79	4.25
Total (B)	14.35	-	-	14.35	10.10	3.46	-	0.79	4.25
TOTAL (A+B)	3,472.76	719.75	10.84	4,181.67	1,835.49	222.31	0.79	2,124.65	1,637.26
Previous Year	3,073.65	456.47	57.36	3,472.76	1,679.20	196.56	40.26	1,637.27	
9.3 Capital Work In Progress									
									330.27

a) Capitalised borrowing costs :-
The borrowing cost capitalised during the year ended 31st March, 2012 was ₹ 22.24 Lacs (Previous year ₹ 6.73 Lacs).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 10

NON CURRENT INVESTMENTS (At Cost)

LONG TERM (Quoted/ Non-Trade) : Fully Paid up Equity Shares of Joint Stock Companies	Face Value ₹	No of Shares	2012	No of Shares	2011
			As on 31.3.2012 ₹ in lacs.		As on 31.3.2011 ₹ in lacs.
Value Industries Ltd	10	100	0.05	100	0.05
Videocon Industries Ltd	10	3	0.05	3	0.05
Reliance Industries Limited	10	96	0.20	96	0.20
			<u>0.30</u>		<u>0.30</u>
Less : Dimunation in value of investment.			0.09		0.09
Total			<u>0.21</u>		<u>0.21</u>
(Unquoted/Trade) :					
Fully Paid up Equity Shares of Investments in Body Corporates under the same Management					
Remsons Cables Industries Pvt Ltd	100	500	0.50	500	0.50
Goodluck Electronics Pvt Ltd (Formally known as Western Remsons Industries Pvt Ltd)	100	1,250	1.25	1,250	1.25
			<u>1.75</u>		<u>1.75</u>
NSC (Pledge with Central Sales Tax Authority)			0.30		0.30
Total Investment			<u>2.26</u>		<u>2.26</u>

Note :

- Market Value of quoted shares on aggregate basis ₹ 0.74 Lacs (Previous Year ₹ 1.03 Lacs).



REMSONS INDUSTRIES LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 11

LONG TERM LOANS AND ADVANCES

	2012 ₹ in Lacs	2011 ₹ in Lacs
a. Capital Advances		
Unsecured, considered good	28.70	36.82
	<u>28.70</u>	<u>36.82</u>
b. Security Deposits		
Unsecured, considered good	16.60	15.02
	<u>16.60</u>	<u>15.02</u>
c. Other unsecured, consider good		
Mat Credit Entitlement	96.99	130.44
	<u>96.99</u>	<u>130.44</u>
Total	<u><u>142.29</u></u>	<u><u>182.28</u></u>

Notes 12

OTHER NON-CURRENT ASSETS

	2012 ₹ in Lacs	2011 ₹ in Lacs
Non-Current Bank Deposits		
Unsecured, considered good (Original maturity of more than 12 months.)	0.89	-
	<u>0.89</u>	<u>-</u>

CURRENT ASSETS

Note 13

INVENTORIES

	2012 ₹ in Lacs	2011 ₹ in Lacs
a. Raw Materials and components :		
Goods-in transit ₹ 5.53 lacs (Previous year ₹ 4.02 lacs)	598.12	630.54
b. Work-in-progress	288.58	222.34
c. Finished goods	653.20	365.89
d. Stores and spares	32.90	8.67
e. Packing Materials	15.91	17.44
f. Scrap (Refer Note 25 (vi))	0.16	-
Total	<u><u>1,588.87</u></u>	<u><u>1,244.88</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 14

TRADE RECEIVABLES

	2012 ₹ in Lacs	2011 ₹ in Lacs
Trade receivables outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured, considered good	14.55	35.58
Unsecured, considered doubtful	<u>34.06</u>	<u>58.43</u>
	48.61	94.01
Less: Provision for doubtful debts	34.06	58.43
	<u>14.55</u>	<u>35.58</u>
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,850.20	1,795.37
	<u>1,850.20</u>	<u>1,795.37</u>
Total	<u><u>1,864.75</u></u>	<u><u>1,830.95</u></u>

Note : 15

CASH & BANK BALANCE

	2012 ₹ in Lacs	2011 ₹ in Lacs
Cash & Cash Equivalents		
Balances with banks		
Current accounts	26.16	17.94
Cheques, drafts on hand	45.38	-
Cash on hand	2.41	3.75
Other Bank Balances		
Deposit Accounts (In Margin Accounts) (original maturity of more than 3 months)	1.08	8.15
Total	<u><u>75.03</u></u>	<u><u>29.84</u></u>



REMSONS INDUSTRIES LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note : 16

SHORT-TERM LOANS AND ADVANCES

	2012 ₹ in Lacs	2011 ₹ in Lacs
Advance recoverable - others		
Unsecured, considered good	35.41	38.11
Loan & Advances - others		
Loan to employees	23.42	19.52
Balance with statutory/ government authorities	34.81	48.48
MAT Credit Entitlement	74.62	20.59
Total	<u><u>168.26</u></u>	<u><u>126.70</u></u>

Note : 17

OTHER CURRENT ASSETS

	2012 ₹ in Lacs	2011 ₹ in Lacs
Loan & Advances - others		
Foreign Currency deferred Premium	-	28.64
Interest accrued on Fixed Deposits	0.54	0.61
Total	<u><u>0.54</u></u>	<u><u>29.25</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 18

REVENUE FROM OPERATIONS

	2012 ₹ in Lacs	2011 ₹ in Lacs
Sale of products		
Finished Goods	12,579.61	10,324.81
Traded Goods	41.04	34.69
Sale of services	-	42.64
Other operating revenues		
Scrap Sales	15.07	15.57
Others	10.91	8.39
Total Revenue from operations (Gross)	12,646.63	10,426.10
Less : Excise duty (Refer Note 45 (b))	1,127.90	887.63
Total Revenue from operations (Net)	11,518.73	9,538.47
Details of products sold		
Finished goods sold		
Auto Control Cables	12,579.61	10,324.81
Traded goods sold		
Auto Control Cables	41.04	34.69
Details of services rendered		
Job work for Inner	-	42.64

Note 19

OTHER INCOME

	2012 ₹ in Lacs	2011 ₹ in Lacs
Interest Income on		
Bank Deposits	0.46	0.64
Others	1.91	1.80
Dividend Income on		
Long - term investments	2.51	5.01
Other non-operating income	4.92	52.06
Exchange differences (net)	37.78	33.04
Total	47.58	92.55



REMSONS INDUSTRIES LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 20

COST OF RAW MATERIAL CONSUMED

	2012 ₹ in Lacs	2011 ₹ in Lacs
Inventory at the beginning of the year	626.52	308.20
Add : Purchases	6,971.11	6,129.41
	7,597.63	6,437.61
Less : inventory at the end of the year	592.59	626.52
Cost of raw material and components consumed	7,005.04	5,811.09
a) Details of raw material and components consumed		
Wire	1,850.53	1,606.84
Auto Cords	565.58	485.26
PVC	701.14	503.75
Components	3,768.29	3,121.91
Non-Ferrous	119.50	93.33
Total	7,005.04	5,811.09
b) Details of inventory		
Wire	79.64	115.23
Auto Cords	109.69	149.69
PVC	89.30	30.25
Components	272.92	312.23
Non-Ferrous	2.87	3.52
Others	38.17	15.60
Total	592.59	626.52

Note 21

(INCREASE) / DECREASE IN INVENTORIES

	2012 ₹ in Lacs	2011 ₹ in Lacs
a) Opening Stocks :		
Semi Finished Goods	222.34	118.25
Finished Goods	365.89	317.54
Scrap	-	0.08
Total (a)	588.23	435.87
b) Closing Stocks :		
Semi Finished Goods	288.58	222.34
Finished Goods	653.20	365.89
Scrap	0.16	-
Total (b)	941.94	588.23
Total (a - b)	(353.71)	(152.36)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

Note 22

EMPLOYEE BENEFITS EXPENSES

	2012 ₹ in Lacs	2011 ₹ in Lacs
Salaries and Wages	1,314.04	1,092.74
Contribution to Provident & Other Funds	37.68	31.04
Gratuity Expenses (Refer Note 42 a)	6.60	14.37
Remuneration to Directors (Refer Note 35)	26.11	25.83
Staff Welfare Expenses	36.08	35.85
Total	1,420.51	1,199.83

Note 23

FINANCE COST

	2012 ₹ in Lacs	2011 ₹ in Lacs
Interest expenses	201.35	65.28
Bank Charges	20.82	15.41
Exchange difference to the extent considered as an adjustment to borrowing costs.	65.46	30.43
Other Interest	2.80	-
Total	290.43	111.12

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH
Note 24
OTHER EXPENSES

	2012 ₹ in Lacs		2011 ₹ in Lacs	
<u>Manufacturing expenses</u>				
Consumption of Stores & Spares	175.74		180.40	
Consumption of Packing Material	246.55		180.82	
Conversion Charges Paid	222.68		182.44	
Excise duty on (increase)/decrease on inventory (Refer Note 45(a))	21.88		(1.91)	
Power & Fuel	201.62		178.65	
Carriage Inward	42.65		46.04	
Repair & Maintenance Plant & Machinery	52.36		40.59	
Building	17.35		15.60	
Factory Rent	30.00		24.00	
Research and development Expenses	20.89	1,031.72	18.32	864.95
<u>Selling & distribution expenses</u>				
Carriage Outward	317.89		300.11	
Advertisement and Sales & Promotion Expenses	22.14		11.04	
Discounts & Rebates	209.11		99.59	
Warranty Charges	21.17		17.68	
Sales Commission	81.31		56.16	
Bad Debts W/off	25.15		5.69	
Less : Provision for Doubtful Debtors as Provided earlier	(25.15)		(5.69)	
Provision for Doubtful Debtors	0.78		(6.99)	
Sales Tax/ VAT Paid	461.87	1,114.27	406.85	884.44
<u>Establishment expenses</u>				
Rent	21.64		9.86	
Rates & Taxes	6.94		6.60	
Security Services Charges	32.67		20.10	
Insurance	12.68		11.66	
Traveling & Conveyance Expenses	52.03		41.82	
Vehicle Repair & Maintenance Expenses	27.44		21.38	
Repair & Maintenance others	22.49		18.24	
Communication Expenses	31.41		25.27	
Printing & Stationery	18.45		16.11	
Legal & Professional Charges	59.58		50.85	
Directors Sitting Fees Paid	0.85		0.50	
Payments to Auditors (Refer Note 36)	4.02		3.38	
Loss on Sale of Investments	-		40.03	
Less : Provision for Dimination in Investments as Provided earlier	-		(32.26)	
Loss on sale of Fixed Assets	0.29		7.10	
Donations Paid (Refer Note 47)	32.54		25.83	
Miscellaneous Expenditure	11.81	334.84	14.45	280.91
Total		2,480.83		2,030.30

NOTE “25”

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012.

SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES.

(i) Basis of Accounting :

The financial statements have been prepared under the historical cost convention, except where impairment is made and on accrual basis in accordance with accounting principles generally accepted in India and the provisions of the Companies Act, 1956. Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(ii) Presentation and disclosures under the revised Schedule VI :

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for presentation of its financial statements. The adoption of revised Schedule VI does not impact reorganization and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

(iii) Use of Estimates :

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Differences between actual results and estimates are recognized in the period in which the results get materialized.

(iv) Fixed Assets and Depreciation :

- a. Fixed Assets: All fixed assets are valued at cost less accumulated depreciation and impairments if any, (other than freehold land where no depreciation is charged) except that certain assets revalued are adjusted for revaluation.
- b. Capital-work-in-progress is carried at cost, comprising direct cost, related incidental expenses and attributable interest.
- c. Depreciation: Depreciation has been charged on straight line method on Buildings, Plants and Machineries, Electric Installations and Dies & Moulds, all other assets on written down value method at the rate and manner prescribed in Schedule XIV of the Companies Act, 1956.
- d. Depreciation on the increased cost of fixed assets due to revaluation is charged to profit & loss account.
- e. Depreciation on Leasehold Improvements is charged over the period of lease.
- f. All assets costing up to ₹ 5000/- are fully depreciated in the year of purchase.

(v) Investments :

Long term investments are stated at cost less other than temporary diminution in value if any. Current investments are stated at lower of cost and quoted/ fair value.

(vi) Inventories :

Raw materials, Packing materials, Stores and Spare parts are valued at Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. (FIFO Method) Semi finished goods are valued at lower of estimated cost and net realizable value & Finished goods are valued at lower of, cost or net realizable value (FIFO). Scrap is valued at net realizable value.

(vii) Accounting of Claims :

Claims / warranty payable are accounted for at the time of acceptance.

(viii) Provisions/ Contingencies :

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A contingent liability is disclosed, unless the possibility of an outflow of resources embodying the economic benefit is remote.

(ix) Revenue Recognition :

Sale of goods is recognized when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods. Conversion Charges Income is recognized as per the terms of contract with customers when the related services are rendered. DEPB/Dutydraw back income recognized as and when export gets completed.

(x) Dividend & Interest :

Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognized on accrual basis.

(xi) Foreign Exchange Transactions :

- a. Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of Monetary items at the end of the year, is recognized as income or expense.
- b. Any premium or discount arising at the inception of the forward exchange contract is recognized as income or expense over the life of the contract. Exchange difference on a forward exchange contract is the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting / settlement date and the said amount translated at the later date of inception of the contract / last reporting date.

(xii) Lease Rent Transactions :

Lease Rentals are accounted for on accrual basis as per the terms of the agreement. Lease transactions in respect of all assets leased after April 1, 2001 are classified as either finance lease or operating lease as the case may be in accordance with AS 19 issued by The Institute of Chartered Accountants of India and the accounting treatment and disclosure given/ made as prescribed therein.

(xiii) Research and Development Expenditure :

Revenue expenditure on Research and Development is charged against the profit of the year, in which it is incurred.

(xiv) Excise and Import duty :

- a. Excise duty in respect of goods manufactured by the Company is accounted on completion of manufacturing of goods.
- b. Import duty payable is accounted as and when the goods enter the territory waters of the country.

(xv) Employee Benefits :

- a. Short Term Employee Benefits - All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.
- b. Post Employment/Retirement Benefits - Defined Contribution Plans such as Provident Fund etc. are charged to

the Profit and Loss Account as incurred. Defined Benefit Obligation Plans - The present value of the obligation under such plans is determined based on an actuarial valuation, using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of gratuity, which is funded with the Life Insurance Corporation of India, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis.

c. Other Long Term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

(xvi) Taxation :

Provision for Income Tax, comprising of current tax and deferred tax, is made on the basis of the results of the year. In accordance with Accounting Standard 22- Accounting for Taxes on Income, issued by the Institute of Chartered Accountant of India Deferred tax resulting from timing difference between the book profits and the tax profits for the year is accounted for using the tax rate and laws that have been enacted or substantively enacted as of the balance sheet date. The Deferred tax assets are recognized & carried forward only to the extent that there is a reasonable certainty of its realization.

(xvii) Borrowing Cost :

Borrowing cost which is directly related to the acquisition, construction or production of qualifying assets are capitalized in accordance with AS-16 Borrowing Cost issued by the Institute of Chartered Accountants of India. All other borrowing cost charged to profit & loss statement.

(xviii) Expenditure During Construction Period :

In case of new projects and substantial expansion of existing factories, expenditure incurred including trial production expenses net of revenue earned, prior to commencement of commercial production are capitalized.

Segment Reporting Policies :

Primary Segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geographical area in which major operating divisions of the Company operate.

(xix) Intangibles / amortizations :

Intangible assets are recognized if it is probable that the future economic benefits attributable to the asset will flow to the enterprise and cost of the asset can be measured reliably in accordance with AS - 26 on Intangible assets issued by The Institute of Chartered Accountants of India.

Intangible assets are amortized on straight line basis over the useful lives determined on the basis of expected future economic benefits. The amortization period and method would be reviewed at the end of each financial year. Software's are amortized over a period of 36 Months.

(xx) Impairment of Assets :

At each balance sheet date the company assesses whether there is any indication that an asset may be impaired, If any such. Indications exists, the company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognized in the profit and loss account to the extent of carrying amount exceeds the recoverable amount.

(xxi) Provision for Bad & doubtful debts :

Provision is made in accounts for bad & doubtful debts which in the opinion of the Management are considered doubtful.

(xxii) Cash and cash equivalents :

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash at bank, in hand (including cheque in hand) and short term investment with an original maturity of three months or less.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH

SIGNIFICANT ACCOUNTING NOTES :

Note 26 Contingent Liabilities not provided for :

- Towards guarantees given by Bankers on behalf of the Company of ₹ 8.90 Lacs (Previous Year ₹ 0.75 Lacs).
- Estimated amounts of contracts remaining to be executed on capital account (net of advances) not provided for ₹ 36.12 Lacs (Previous Year ₹ 58.54 Lacs).
- In respect of Excise duty for ₹ NIL - (Previous year ₹ 9.48 Lacs).
- In respect of Service Tax for ₹ 0.52 Lacs (Previous year ₹ 0.52 Lacs). This is under appeal.
- In respect of Local Area development tax for ₹ 1.21 Lacs (Previous year ₹ 1.21 Lacs). This is under appeal.

Note 27 Deferred Tax :

- During the year ended 31st March, 2012, The Company has recognised Deferred Tax Liabilities/(assets) of ₹ 67.59 Lacs (Previous Year ₹ 137.39 Lacs).
- The break up of deferred tax assets and liabilities as at March 31, 2012 comprises of the following :

	As at 31.03.2012 ₹ in Lacs	2011-12 ₹ in Lacs	As at 31.03.2011 ₹ in Lacs
Deferred tax liability :			
Related to Fixed Assets	234.54	19.20	215.33
	A	19.20	215.33
Deferred tax assets :			
Provision for Doubtful debts	11.05	(7.91)	18.96
Business Losses/ Unabsorbed Depreciation	-	(20.87)	20.87
Others	10.28	(19.61)	29.89
	B	(48.39)	69.72
Net Deferred tax Liability (Assets).	B-A	67.59	145.61

Note 28 Segment :

 a) **Primary Segment :**

The company is in the business of manufacturing Automotive Components parts & all its products fall in the same segment as nature of the products, production process, methods used for distribution, the regulatory environment and the resulting risks & rewards associated business lines are not materially different hence, it operates in only one primary segment (Business). Secondary segmental reporting is based on the geographical location of customers. The following is the distribution of the company's sale by geographical markets and segment assets which can be attributed to customers in such markets.

b) Secondary : Geographic Segment :
Segment Revenue

	<u>2011-12</u>	<u>2010-11</u>
	₹ in Lacs	₹ in Lacs
India	11,503.53	9,243.22
Rest of world	1,143.10	1,182.88
	<u>12,646.63</u>	<u>10,426.10</u>

Segment Assets

	<u>2011-12</u>	<u>2010-11</u>
	₹ in Lacs	₹ in Lacs
India	5,643.92	4,979.62
Rest of world	323.62	434.07
	<u>5,967.54</u>	<u>5,413.69</u>

Note 29 Earning Per Share :

	<u>2011-12</u>	<u>2010-11</u>
Profit Attributable to equity shareholders	325.71	340.12
Number of equity shares (Face value ₹10/-each.)	5,713,357	5,713,357
Basic and diluted Earning Per Share, including extra ordinary items	5.70	5.95
Basic and diluted Earning Per Share, excluding extra ordinary items	5.70	5.95

Note 30 Sundry debtors, sundry creditors and loans and advances are subject to confirmation and reconciliation if any

Note 31 In the opinion of the management the current assets, loans and advances are of the value stated in the Balance Sheet if realised in the ordinary course of the business.

Note 32 In terms of Section 22 of Micro, Small and Medium Enterprises Development Act, 2006, the outstanding of these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the Enterprises under the above Act, the required information could not be furnished. In view of above and in absence of relevant informations, the Auditor have relied upon the same.

Note 33 Capital Work in Progress includes :

	<u>2011-12</u>	<u>2010-11</u>
	₹ in Lacs	₹ in Lacs
a) Opening Balance	330.27	9.04
b) Sundry Purchased	187.06	323.54
c) Bank Interest Capitalised	21.46	4.69
d) Finance Charges Capitalised	0.78	2.04
e) Less : Capitalised during the year	<u>539.57</u>	<u>9.04</u>
f) Closing Balance	<u>-</u>	<u>330.27</u>

Note 34 Operating Lease :

- a) Operating lease payment recognised in Profit & Loss Account amounting to ₹ 51.64 Lacs (Previous Year ₹ 33.86 Lacs).
- b) General description of the leasing arrangement:
 - i) Leased Assets: Factory Building, Adm offices & flat.
 - ii) Future lease rentals are determined on the basis of agreed terms.
 - iii) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

Note 35 Payment to the Managing Director and Whole time Director.	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
Salaries & Allowances	21.60	21.60
Perquisites	1.91	1.66
Contribution to Provident Funds	1.87	1.87
Medical Reimbursement	0.73	0.70
Total	26.11	25.83

Note 36 Payment to Auditors.	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
As Auditor :		
Audit Fees	1.50	1.50
Tax Audit Fees	0.50	0.50
Limited review Fees	0.30	0.23
In other Capacity		
Other services (certification fees)	0.63	0.28
Reimbursement of expenses	0.28	0.06
Branch Auditors fees	0.81	0.81
Total	4.02	3.38

Note 37 Depreciation / Amortisation :	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
Depreciation on fixed assets for the year	216.83	191.08
Depreciation on revalued assets for the year	5.48	5.48
Total	222.31	196.56

During the year ₹ 5.48 Lacs (Previous year ₹ 5.48 Lacs) depreciation of revalued assets charged to profit & loss account.

Note 38 C I F Value of Imports:	2011-12	2010-11
	₹ in Lacs	₹ in Lacs
i) Raw Materials	579.62	333.92
ii) Plant & Machineries	9.71	21.21
Total	589.33	355.13

Note 39 Total value of raw materials consumed:					
a) Raw Materials	2011-12			2010-11	
	₹ in Lacs	%	₹ in Lacs	%	
Imported	568.28	8.11%	324.90	5.59%	
Indigenous	6,436.76	91.89%	5,486.19	94.41%	
Total	7,005.04	100.00%	5,811.09	100.00%	
b) Stores	2011-12			2010-11	
	₹ in Lacs	%	₹ in Lacs	%	
Imported	-	0.00%	-	0.00%	
Indigenous	175.74	100.00%	180.40	100.00%	
Total	175.74	100.00%	180.40	100.00%	

Note 40 Expenditure in foreign currency :	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Reimbursement of Exp.	12.73	11.76
Consultancy charges	16.75	13.02
Rent	--	5.16
Fees & Subscription	0.31	0.24
Finance Charges	52.46	4.38
Commission	57.55	41.62
Total	139.80	76.18

Note 41 Earning in foreign currency	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
FOB Value of Export	1,080.45	1,047.28
Total	1,080.45	1,047.28

Note 42 EMPLOYEE BENEFITS :

- a) Defined benefit plans as per actuarial valuation on 31st March,2012.

	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
I Expenses recognised in the Statement of Profit & Loss for the year ended 31st March,2012.		
i) Current Service Cost	5.84	4.69
ii) Interest Cost	5.73	5.17
iii) Employee Contributions	-	-
iv) Expected return on plan assets	(5.31)	(5.41)
v) Net Actuarial (Gain) / Losses	0.34	9.92
vi) Past Service Cost	-	-
vii) Settlement Cost	-	-
viii) Total Expenses	6.60	14.37
II Net Assets/ (Liabilities) recognised in the Balance Sheet 2012.		
i) Present value of Defined Benefit Obligations as at end of year.	71.00	71.66
ii) Fair value of plan assets 2012.	64.40	56.68
iii) Funded status [Surplus/(Deficit)]	(6.60)	(14.98)
iv) Net assets / (liabilities) 2012.	(6.60)	(14.98)



REMSONS INDUSTRIES LTD.

III Change in obligation during the year ended 31st March, 2012.

i)	Present value of Defined Benefit Obligation at beginning of the year.	71.66	64.64
ii)	Current Service Cost	5.84	4.69
iii)	Interest Cost	5.73	5.17
iv)	Settlement Cost	-	-
v)	Past Service Cost	-	-
vi)	Employee Contributions	-	-
vii)	Actuarial (Gain) / Losses	0.34	9.92
viii)	Benefits Payments	(12.57)	(12.76)
ix)	Present value of Defined Benefit Obligation at the end of the year.	71.00	71.66

IV Change in Assets during the year ended 31st March, 2012.

i)	Plan assets at the beginning of the year.	56.68	53.92
ii)	Assets acquired on amalgamation in previous year	-	-
iii)	Settlements	-	-
iv)	Expected return on plan assets	5.31	5.41
v)	Contributions by Employer	14.98	10.11
vi)	Actual benefits Paid	(12.57)	(12.76)
vii)	Actuarial (Gain) / Losses	-	-
viii)	Plan assets at the end of the year.	64.40	56.68
ix)	Actual return on plan assets	5.31	5.41

V The major categories of plan assets as a percentage of total plan. Qualifying Insurance Policy

VI Actuarial Assumptions:

i)	Discount Rate	8.00%	8.00%
ii)	Salary Escalation	4.00%	4.00%

b) Leave Encashment :

The liabilities towards short term compensation absences is ₹ 7.19 Lacs & Long Term compensation absences is ₹ 10.82 Lacs (Previous year short term compensation absences is ₹ 7.20 Lacs & Long Term compensation absences is ₹ 14.10 Lacs).

Actuarial Assumptions:

Discount Rate	8.50%
Salary Escalation	5.00%

Note 43 RELATED PARTIES DISCLOSURE:

As per Accounting Standard-18 issued by the Institute of Chartered Accountants of India, the disclosure of parties & transactions during the year as deemed in the Accounting Standard are given below the related parties with whom the company had transactions and related parties where control exist/ none.

A	BODY CORPORATES/ FIRM.	Nature of Relationship
	Remsons Cables Industries Private Ltd.	Associate Company
	Orscheln Technologies Pvt Ltd (JV) (Formerly known as Orscheln Remsons Technologies Pvt Ltd)	Joint Venture Company *** (Till 9th February,2011)
	Goodluck Electronics Private Ltd.	Associate Company
	Orscheln Products LLC	Joint Venture partner *** (Till 9th February,2011)
	Krishna Industries	Partnership firm where Directors/Relatives are partners
B	KEY MANAGEMENT PERSONNEL.	
	Mr. V.Harlalka	
	Mr. Krishna Kejriwal	
	Mrs. Chand Kejriwal	
C	RELATIVE OF KEY MANAGEMENT PERSONS.	
	Mrs. Sita Harlalka	
	Mr. Basant Kejriwal	
	Mr. Rahul Kejriwal	
	Mrs. Ranee Khatkhate	
	Mrs. Shivani Kejriwal	
	V.Harlalka HUF	
	Krishna Kejriwal HUF	
	Rahul Kejriwal HUF	



DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31ST MARCH, 2012.

PARTICULARS	OTHER RELATED PARTIES		KEY MANAGEMENT PERSONNEL & RELATIVES	
	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Sale of investment in Shares	-	50.00	-	-
Orscheln Remsons Technologies Pvt Ltd	-	50.00	-	-
Sale of Goods/services	28.13	142.58	-	-
Remsons Cables Industries Pvt Ltd	28.13	132.29	-	-
Orscheln Products LLC	-	10.10	-	-
Orscheln Remsons Technologies Pvt Ltd	-	0.19	-	-
Purchase of goods/services	33.87	361.56	-	-
Remsons Cables Industries Pvt Ltd	33.87	333.01	-	-
Orscheln Remsons Technologies Pvt Ltd	-	9.30	-	-
Orscheln Products LLC-	-	19.25	-	-
Purchase of Fixed assets	12.83	7.50	-	-
Remsons Cables Industries Pvt Ltd	12.83	7.50	-	-
Sale of Fixed assets	10.18	-	-	-
Remsons Cables Industries Pvt Ltd	10.18	-	-	-
Rent paid	30.00	24.00	17.68	6.91
Goodluck Electronics Pvt Ltd	30.00	24.00	-	-
Mrs.Chand Kejriwal	-	-	15.52	4.75
Mrs.Shivani Kejriwal	-	-	2.16	2.16
Rent Received	-	17.44	-	-
Remsons Cables Industries Pvt Ltd	-	16.00	-	-
Orscheln Remsons Technologies Pvt Ltd	-	1.44	-	-
Conversion Charges Recd	-	42.64	-	-
Remsons Cables Industries Pvt Ltd	-	42.64	-	-
Conversion Charges Paid	53.12	29.49	-	-
Krishna Industries	53.12	29.49	-	-
Commission Paid	-	-	6.12	2.18
Mr.Basant Kejriwal	-	-	6.12	2.18
Remuneration	-	-	32.63	32.76
Mr.Krishna Kejriwal	-	-	15.74	15.60
Mrs.Chand Kejriwal	-	-	10.37	10.23
Mr.Rahul Kejriwal	-	-	6.52	6.93
Director Sitting Fees	-	-	0.85	0.50
Mr. V.Harlalka	-	-	0.25	0.15
Mr. S.B.Parwal	-	-	0.25	0.15
Others	-	-	0.35	0.20
Reimbursement of Expenses incurred/ Recovered	-	17.11	-	-
Remsons Cables Industries Pvt Ltd	-	17.11	-	-
Orscheln Remsons Technologies Pvt Ltd	-	-	-	-
Finance Cost Paid	-	-	83.89	-
Mr. V.Harlalka	-	-	4.19	-
Mr.Krishna Kejriwal	-	-	39.76	-
Mrs.Chand Kejriwal	-	-	32.18	-
Others	-	-	7.76	-
Payable	-	77.51	841.78	840.47
Remsons Cables Industries Pvt Ltd	-	77.51	-	-
Mr. V.Harlalka	-	-	55.82	-
Mr. Krishna Kejriwal	-	-	397.59	397.59
Mrs. Chand Kejriwal	-	-	321.75	321.75
Others	-	-	66.62	121.13

Related parties are identified by the Management & relied upon by the Auditors.

Note 44 Disclosure of Provision as required by Accounting Standard 29.

Particulars	Doubtful Debts	
	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Carrying amount at beginning	58.43	71.11
Additional Provision made during the year	0.78	-
Less : Net Amount paid/adjusted during the year	25.15	12.68
Carrying amount at the end of year	34.06	58.43

Note 45 a) Break-up of Excise Duty on Stocks of Finished Goods :

Particulars	2011-12 ₹ in Lacs	2010-11 ₹ in Lacs
Opening Balance	25.96	27.87
Closing Balance	47.84	25.96
Diff. Debit/ (Credit) to Profit & Loss Account	21.88	(1.91)

b) Excise Duty of ₹ 1127.90 Lacs (Previous year ₹ 887.63 lacs) pertains to Excise Duty of Sales only.

Note 46 a) Hedged foreign currency exposure

The hedged foreign currency exposure as on 31st March,2012 is given below :-

Currency	2011-12 (FC)	2011-12 ₹ in Lacs	2010-11 (FC)	2010-11 ₹ in Lacs
Payables (Cr) USD	-	-	12.00	572.43

b) Unhedged foreign currency exposure

The Un hedged foreign currency exposure as on 31st March,2012 is given below :-

Currency	2011-12 (FC)	2011-12 ₹ in Lacs	2010-11 (FC)	2010-11 ₹ in Lacs
Payables (Cr) USD	5.74	295.83	1.20	53.98
Payables (Cr) Euro	2.00	137.76	2.58	165.24
Payables (Cr) GBP	0.07	5.63	0.06	4.73
Receivables (Dr) USD	0.23	11.86	0.07	3.03
Receivables (Dr) Euro	4.60	310.21	6.91	431.02

Note 47 Donation paid of ₹ 70,000/- (Previous year NIL) to a political party - Bhartiya Janta Party.

Note 48 Previous year figures have been reclassified and regrouped to correspond with the figures of the current year wherever necessary.

SIGNATURE TO NOTES : 1 - 48

As per our report of even date
For Kanu Doshi Associates
 Chartered Accountants
 Firm Reg. No. 104746W
Ankit Parekh
Partner
 Mem. No. 114622
 Place : Mumbai
 Dated : 26th May, 2012

For and on behalf of the Board

V.Harlalka
K.Kejriwal

Sukhdeo Purohit

Anil Kumar Agrawal

Chairman
 Managing Director
 Company Secretary
 Chief Financial Officer

REMSONS INDUSTRIES LTD.

Registered Office : 88B-Govt. Indl. Estate, Kandivli (W), Mumbai - 400 067

Date : 28 th June, 2012

Dear Shareholder,

Sub : "GO GREEN" Initiative of the Ministry of Corporate Affairs ("MCA"), Government of India.

The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Companies Act 1956 if services of documents have been made through electronic mode. The companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Your company thus proposed to send in future all its documents/communications including AGM and General Meeting notices, Annual Report, Audited Financial Statements, Directors' Report, Auditors' Report to the shareholders by electronic mode to the respective email address of the shareholders in lieu of the physical mode.

Hence, we request all our shareholders to register their email address on or before 31st July, 2012 since your Company has decided to send their Annual Reports for the year ended March 31, 2012 by electronic mode to the respective email addresses of the shareholder.

For Shareholders holding shares in Electronic / D-Mat mode :-

Share holders holding shares in D-Mat mode are requested to register their email address and changes if any in their existing email address with their respective Depository Participants (DP). If the shareholders still wants to receive physical copy of documents/communications they should intimate by writing a letter or email to the Registrar and Share Transfer Agents of the Company at following address on or before 31st July, 2012, by mentioning their full name and DP/Client ID.

For Shareholders holding shares in Physical mode :-

Share holders are requested to register their email address and changes if any in their existing email address by writing a letter or email to the Registrar and Share Transfer Agents of the Company. If the shareholders still want to receive physical copy of documents/communications they should intimate by writing a letter or email to the Registrar and Share Transfer Agents of the Company at following address on or before 31st July, 2012 by mentioning their full name and Folio nos.

Mr. T. Sasikumar,
Registrar and Share Transfer Agents
Sharex Dynamic (India) Pvt. Ltd
UNIT : REMSONS INDUSTRIES LIMITED
Unit-1, Luthra Ind. Premises, E. M. Vasanji Marg, Safed Pool,
Andheri Kurla Road, Andheri East, Mumbai 400072
Tel. No. 022-28515606/5644 Fax : 91-22-28512885
Email : remsons.gogreen@sharexindia.in

We also ensure that all documents/communications shall be displayed on the Company's website www.remsons.com and shall be made available for inspection during the working hours at the registered office of the Company. We are sure that you will welcome the "Green Initiative" taken by the MCA and your company's desire to participate in the same. We look forward to your support in this initiative.

Thanking you,

Yours faithfully,

For REMSONS INDUSTRIES LIMITED

SUKHDEO PUROHIT
COMPANY SECRETARY



REMSONS INDUSTRIES LTD

88-B, Government Industrial Estate, Kandivli (W), Mumbai - 400 067.

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall).

Regd. Folio No. _____

DP ID: _____

Client ID No: _____

NAME OF THE MEMBER/PROXY*
ADDRESS:

NO. OF SHARES HELD :

I hereby record my presence at the 40th ANNUAL GENERAL MEETING of the Company held on Thursday, the 27th September, 2012 at 4.00 p.m. at 88B, Govt. Industrial Estate, Kandivli (W), Mumbai - 400 067.

SIGNATURE OF MEMBER/PROXY*

* Strike-out whichever is not applicable.



REMSONS INDUSTRIES LTD

88-B, Government Industrial Estate, Kandivli (W), Mumbai - 400 067.

PROXY FORM

Regd. Folio No. _____

DP ID: _____

Client ID No: _____

No. of Shares Held _____

I/We _____
of _____ being a Member/Members of
Remsons Industries Limited hereby appoint _____
of _____
or failing him _____
as my/our proxy to vote for me/us and on my/our behalf at the 40th ANNUAL GENERAL MEETING of the Company to be held on Thursday, the 27th September, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix
15 Paise
Revenue
Stamp

Note : The Proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.



REMSONS
Industries Limited

If undelivered please return to:
Regd. Off: 88-B, Government Industrial estate, Kandivli West, Mumbai - 400067
Tel: (022) 28683883 / 28684452
Email: remsons@vsnl.com Website: www.remsons.com