



30TH ANNUAL REPORT 2009 – 2010



LABORATORY EQUIPMENTS



MOTORS

REMI ELEKTROTECHNIK LIMITED

Board of Directors	Shri Vishwambhar C. Saraf Shri Shri Rajendra C. Saraf Shri Sunil Saraf Shri Sandeep Shriya Shri Shyam Jatia Shri Ashish Kanodia Shri Mahendra Chirawawala Shri Harkishan Zaveri Shri Ritvik Saraf	Chairman and Managing Director Executive Director Executive Director
Bankers	STATE BANK OF INDIA	
Auditors	M/s. Sundarlal, Desai & Kanodia Chartered Accountants 903, Arcadia, 195, N.C.P.A. Road, Mumbai- 400 021	
Registered Office	REMI House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063	
Works	Survey No.65, Village - Waliv, Vasai (East), Thane – 401 208	

NOTICE

To
The Members,
REMI ELEKTROTECHNIK LIMITED

NOTICE is hereby given that the 30th Annual General Meeting of the Company will be held at the Company's its Registered Office, on **Thursday, the 30th September, 2010** at 11.00 A.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31st March, 2010.
2. To re-appoint as Director Shri Rajendra C. Saraf who retires by rotation.
3. To re-appoint as Director Shri Sandeep Shriya who retires by rotation.
4. To re-appoint as Director Shri Sunil Saraf who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following resolutions:

a) As special resolution:

"Resolved that Shri Vishwambhar C. Saraf, be and is hereby re-appointed as the Managing Director of the Company, for a further term of 3 years from the 1st January, 2010, to manage the affairs of the Company, on the following terms and conditions:

- i) A monthly salary of Rs.2,25,000/-.
- ii) Reimbursement of actual medical expenses incurred for self and family.
- iii) Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- iv) Annual fees to not more than two clubs.
- v) Free use of one or more Company car with driver for official purpose only.
- vi) Telephone at residence for official purpose only.
- vii) Company's contribution to Provident Fund as per the rules of the Company.
- viii) Gratuity as per the rules of the Company.
- ix) Encashment of Leave at the end of the tenure."

b) As ordinary resolution:

"Resolved that Shri Sunil Saraf be and is hereby re-appointed as the Whole - Time Director of the Company, for 3 (Three) years from the 1st October, 2010, on the following terms and conditions:

- a) Basic Salary Rs.100,000/- per month.
- b) House Rent Allowance within a ceiling of 25% of the basic salary per month.
- c) Reimbursement of out of pocket expenses incurred by him on Company's Account.
- d) Reimbursement of Medical Expenses not exceeding one month's basic salary per annum.
- e) Bonus as per the rules of the Company with a ceiling of 20% of the annual basic salary.

- f) Children's Education allowance not exceeding one month's basic salary per annum
- g) Leave Travel allowance not exceeding one month's basic salary per annum
- h) Telephone at residence including Mobile Phone on Company's Account.
- i) Leave and encashment of leave as per the rules of the Company.
- j) Gratuity as per the rules of the Company.
- k) Car for office use without driver.
- l) Provident Fund as per the rules of the Company.

"FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant increments to the Whole-Time Director within a limit of 20% of the total emoluments of the previous financial year."

Registered Office

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

Dated : 12TH AUGUST, 2010

For **REMI ELEKTROTECHNIK LIMITED**

(VISHWAMBHAR C.SARAF)
MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING WILL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 24th September, 2010 to Thursday the 30th September, 2010, both days inclusive.
3. An explanatory statement relating to the item of special business set out in item 6 accompanies.

Explanatory Statement - Annexure to the Notice

Item No.6 – a)

Shri Vishwambhar C. Saraf has been the Managing Director of the Company from the 1st January, 2007 to 31st Dec, 2009 and he is being re-appointed for another term.

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

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

I. General Information:

- (1) Nature of Industry: Manufacture of Electrical motors and allied items
- (2) Commencement of commercial production: 1970
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not a new Company
- (4) Financial Performance: Sales Rs.548 Lacs and profit Rs.265 Lacs.

- (5) Export Performance : The Company has good exports.
(6) Foreign Investments or collaborations : None

II. Information about the Appointee:

- (1) The appointee hails from a family of business people of fifty years' standing. He joined his family business and has received from his elders in the family very good training in business management.
(2) Past Remuneration : Rs.2.25 Lacs plus usual perquisites.
(3) Recognition or award : None
(4) Job profile and his suitability: He is in full charge of production, sales, export, accounts and other administrative matters. His experience has proved that he fits well for this position.
(5) Remuneration Proposed: As set out in the Special Resolution.
(6) Comparative Remuneration profile: In similar Companies, this package is the norm.
(7) Pecuniary relationship: He has a good financial stake in the Company.

III. Other Information: Not Applicable.

IV. Disclosure:

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

Shri Vishwambhar C. Saraf, his brother Shri Rajendra C. Saraf and his son Shri Ritvik V. Saraf are deemed to be interested in this item of business.

Item No.6 -b)

Shri Sunil Saraf has been working with this Company since many years and had been promoted as a Whole – Time Director. His appointment is due to end by December, 2010. it is now proposed to re-appoint him for a further period of three years form the 1st October, 2010, on a revised pay scale as set out in the resolution.

He is to be deemed to be interested in this item of business.

DIRECTORS' REPORT

To
The Members,
REMI ELEKTROTECHNIK LIMITED

Dear Shareholders,

We present herewith the Annual Report and Audited Statements of accounts of the Company for the year ended 31st March, 2010.

(Rs. in Lacs)

Financial Results	2009 – 2010		2008 - 2009	
Net Sales		5484.62		4806.28
Other Income		111.81		45.54
		5596.43		4851.82
Profit before Interest & Depreciation		631.33		416.80
Interest	125.34		163.69	
Depreciation	90.23	215.57	84.41	248.10
Gross Profit		415.76		168.70
Provision for Taxation		120.00		41.25
Provision for Deferred Taxation/ (Credit)		27.02		20.61
Net Profit		268.74		106.84
Excess/(Short) provision of taxation of earlier years		(3.25)		2.70
Balance brought forward		296.27		236.73
		561.76		346.27
Transfer to General Reserve		50.00		50.00
Balance carried to Balance Sheet		511.76		296.27
		561.76		346.27

OPERATIONS:

The Company has changed its name to Remi Elektrotechnik Limited during the year.

The working of the Company during the year was satisfactory. Net Sales increased by more than 14% and net profit increased by 150% as compared to previous year. With growth in economy, we expect growth in demand of our products to continue.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT 1956:

Sub-Sec. (1)(e) :

A. CONSERVATION OF ENERGY:

All efforts are being made to conserve energy.

B. TECHNOLOGY ABSORPTION:

The Company is continuously modernizing and improving its products in quality and is having ISO 9001/2000, ISO 13485-2003 and WHOGMP Certification.

C. FOREIGN EXCHANGE OUTGO/ EARNINGS INCLUDING DEEMED EXPORTS:

Outgo - Rs.74.96 Lacs

Earnings - Rs157.18 Lacs (including deemed exports & supplies to SEZ)

Sub-Sec. (2A) :

The particulars of employee who received remuneration above Rs.24 Lacs in this year are given below.

(i) Name	: Vishwambhar C. Saraf- He is a relative of Directors, Shri Rajendra C. Saraf and Shri Ritvik V. Saraf.
(ii) Designation	: Managing Director
(iii) Remuneration	: Rs.32.45 Lacs
(iv) Nature of employment	: Contractual for 3 (Three) years
(v) Other terms and Conditions	: ---
(vi) Nature of Duties	: Entire Management of the Company
(vii) Qualification	: B. Com. Mumbai University
(viii) Experience	: More than 49 years
(ix) Date of commencement	: 31 st October, 1991
(x) Age	: 71 years
(xi) Last employment	: None
(xii) Percentage of equity shares held	: 0.0% (100 Shares)

Sub-Sec. (2AA) :

Your Directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

APPRECIATION:

Your Directors place on record their sincere thanks for the financial support from State Bank of India and SIDBI. They also place on record their appreciation for the dedicated services of the executives, staff and workers of the Company. Your Directors also appreciate the faith you have reposed in the Company and are confident that the Company can depend upon your continued support in its endeavour to grow.

Registered Office:

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

Dated: 12TH AUGUST, 2010

ON BEHALF OF THE BOARD

VISHWAMBHAR C. SARAF
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS:

The Company's two Divisions, Laboratory Instruments Division and Electric Motor Division, are two different industries. Laboratory Instruments Industry is dominated by unorganized sectors of small volume and organized sector is mostly of Medium Scale Industries with exception of a few. The Company's Laboratory Division is having potentiality of very good growth in the domestic market, and has good start up in exports as alternative to high-tech and high cost products manufactured in developed countries. The Company achieved growth of 20% for the last year and hope to achieve substantial growth over 30% in the current year.

Motor Industry is dominated by large companies manufacturing motors along with other products of electrical, engineering with extensive market presence and large turnover. Motor Division is catering mostly to niche market of OEMs for Electric Motors, Geared Motors and special purpose motors in the competitive market. Expansion programme of increasing Geared Motor production by 50% is under implementation, and necessary plant and machinery are being installed, which will reflect growth in the current year.

CORPORATE GOVERNANCE :

1. COMPANY'S BASIC PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

During the year, the Board of Directors met 5 (Five) times on 30/06/2009, 30/07/2009, 30/10/2009, 29/01/2010 and 29/03/2010.

COMPOSITION AND CATEGORY OF DIRECTORS:

Name of Director	Category	Attendance Particulars		Other Boards		
		Annual General Meeting	Board Meetings	Director-ship	Committee Chairmanship	Committee Membership
Mr. V. C. Saraf	Promoter	Yes	5	3	1	2
Mr. R. C. Saraf	Promoter	No	5	6	---	3
Mr. Sunil Saraf	Executive	No	2	2	---	1
Mr. Ritvik V. Saraf	Promoter Executive	Yes	2	2	---	---
Mr. Sandeep Shriya	Executive	No	2	5	---	---
Mr. Shyam Jatia	Independent Non-Executive	Yes	4	10	---	---
Mr. Ashish Kanodia	Independent Non-Executive	No	4	-	---	---
Mr. Mahendra Chirawawala	Independent Non-Executive	No	3	2	---	---
Mr. Harkishan Zaveri	Independent Non-Executive	No	5	1	---	---

3. AUDIT COMMITTEE:

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

The functions of the audit committee include:

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

Attendance of the members at the Audit Committee Meetings held during 2009-2010.

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. V. C. Saraf	Member	4	4
Mr. Ashish Kanodia	Chairman	4	3
Mr. Shyam Jatia	Member	4	4

4. **SHAREHOLDERS COMMITTEE:**

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

The Company had not received any complaints during the year 2009-2010.

5. **GENERAL BODY MEETINGS:**

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

DATE	VENUE	TIME	NO. OF SPECIAL RESOLUTIONS
29.09.2007	Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063	11.00 A.M.	One
30.09.2008	- do -	- do -	One
30.09.2009	- do -	- do -	One

POSTAL BALLOT:

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

6. **DISCLOSURES:**

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.	:	Transactions with related parties are disclosed in Note No 9 of Schedule 21 to the accounts. These transactions are not in conflict with the interests of the Company
Details of non-compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	:	Nil
Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.	:	The Company has complied with all mandatory requirements of Clause 49 of Listing Agreement.

REMUNERATION TO DIRECTORS:

(Rs. in Lacs)

NAME	DESIGNATION	SALARY	BENEFITS	SITTING FEES
V. C. Saraf	Chairman and Managing Director	32.45	-	-
R. V. Saraf	Executive Director	8.54	-	-
Sunil Saraf	Executive Director	13.78	-	-
Sandeep Shriya	Executive Director	4.50	-	0.02
R. C. Saraf	Director	-	3.42	0.06
Shyam Jatia	Director	-	-	0.12
Mahendra Chirawawala	Director	-	-	0.05
Ashish Kanodia	Director	-	-	0.09
Harkishan Zaveri	Director	-	-	0.06

BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

Shri Rajendra C. Saraf, Shri Sandeep R. Shriya and Sunil Saraf, Directors, who are retiring by rotation, are to be re-appointed. The brief resume of these Directors is given herebelow:-

- i. Shri Rajendra C. Saraf is a commerce graduate of the University of Bombay. After graduation, he joined the family business in year 1990. He was the Managing Director of Rajendra Mechanical Industries Limited and Remi Metals Gujarat Limited. Now he is the Managing Director of Remi Process Plant and Machinery Limited.
- ii. Shri Sandeep Shriya is a commerce graduate of Bombay University. He joined his family business – Transportation and trading in steel – since 25 years. He was a Whole – Time Director for some years, ably assisting the Managing Director in important matters. He left some two years back to resume the management of his family business. He is a Director in some other companies also.
- iii. Shri Sunil Saraf is commerce graduate of Nagpur University. Then came to Bombay and Joined REMI Group where he has been all these 30 years. From the lower position in the office, by sheer ability and concentration on the duties assigned to him, he rose to this position of the Company. The Company is rewarding him for his sincere contribution to the growth of the Company by giving a very high remuneration package as set out in the accompanying notice of the Annual General Meeting.

7. MEANS OF COMMUNICATION:-

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