



32nd ANNUAL REPORT 2011 – 2012



LABORATORY EQUIPMENTS



MOTORS

REMI ELEKTROTECHNIK LIMITED

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

NOTICE

To
The Members,
REMI ELEKTROTECHNIK LIMITED

NOTICE is hereby given that the 32nd Annual General Meeting of the Company will be held at the Company's Registered Office on **Saturday, the 29th September, 2012**, at 11.00 A.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31st March, 2012.
2. To re-appoint as Director Shri Harkishan Zaveri, who retires by rotation.
3. To re-appoint as Director Shri Ritvik V. Saraf, who retires by rotation.
4. To re-appoint as Director Shri Vishwambhar C. Saraf, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following special resolution:

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

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

For **REMI ELEKTROTECHNIK LIMITED**

Registered Office

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

Dated : 14th August, 2012

Sd/-

(VISHWAMBHAR C.SARAF)
MANAGING DIRECTOR

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING WILL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, the 21st September, 2012** to **Friday, the 28th September, 2012**, both days inclusive.
3. **Green initiative in Corporate Governance:**

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

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

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

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

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

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

Your Directors commend this resolution for your approval.

DIRECTORS' REPORT

To
The Members,
REMI ELEKTROTECHNIK LIMITED

Dear Shareholders,

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

(₹ in Lacs)

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

OPERATIONS:

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

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

DIRECTORS:

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

AUDITORS:

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

AUDITORS' REPORT:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

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

FOREIGN EXCHANGE OUTGO/ EARNINGS INCLUDING DEEMED EXPORTS:

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

PARTICULARS OF EMPLOYEES:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

APPRECIATION:

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

Registered Office:

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

Dated: 14th August, 2012

ON BEHALF OF THE BOARD

Sd/-

VISHWAMBHAR C. SARAF
CHAIRMAN

MANAGEMENT DISCUSSION AND ANALYSIS:

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

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

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

CORPORATE GOVERNANCE :

1. COMPANY'S BASIC PHILOSOPHY:

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

2. BOARD OF DIRECTORS:

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

COMPOSITION AND CATEGORY OF DIRECTORS:

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

3. AUDIT COMMITTEE:

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

The functions of the audit committee include:

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

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

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

4. SHAREHOLDERS/ INVESTORS GRIEVANCES COMMITTEE:

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

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

5. GENERAL BODY MEETINGS:

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

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

6. POSTAL BALLOT:

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

7. DISCLOSURES:

Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.	:	Transactions with related parties are disclosed in Note No. 26.6 to the accounts. These transactions are not in conflict with the interests of the Company
Details of non-compliances by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	:	Nil
Details of compliance with mandatory requirements and adoption of non-mandatory requirements of this clause.	:	The Company has complied with all mandatory requirements of Clause 49 of Listing Agreement.

8. REMUNERATION TO DIRECTORS:

(₹ in Lacs)

NAME	DESIGNATION	SALARY	COMMISSION	SITTING FEES
V. C. Saraf	Chairman and Managing Director	34.91	-	-
R. V. Saraf	Executive Director	22.52	-	-
Sunil Saraf	Executive Director	24.14	-	-
R. C. Saraf		-	3.07	0.04
Sandeep Shriya		-	-	0.06
Shyam Jatia		-	-	0.12
Mahendra Chirawawala		-	-	0.06
Ashish Kanodia		-	-	0.12
Harkishan Zaveri		-	-	0.04

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

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

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

10. MEANS OF COMMUNICATION:-

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

11. GENERAL SHAREHOLDER INFORMATION:

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

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

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

➤ Listing on Stock Exchange:

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

➤ **Market Price Data:**

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

➤ **Registrar and Transfer Agents:**

Bigshare Services Private Limited, E-2&3, Ansa industrial estate,
Saki Vihar road, SakiNaka, Andheri (E), Mumbai – 400 072
Tel: 22 28470652/ 40430200 / 28470653
Fax: 22 28475207
E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com

➤ **Share Transfer system:**

The transfers received by the Company or Registrar and Transfer agents in physical form are processed and Share Certificates are dispatched.

➤ **Distribution of Shares:**

Distribution of Shareholding as on 31st March, 2012.

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