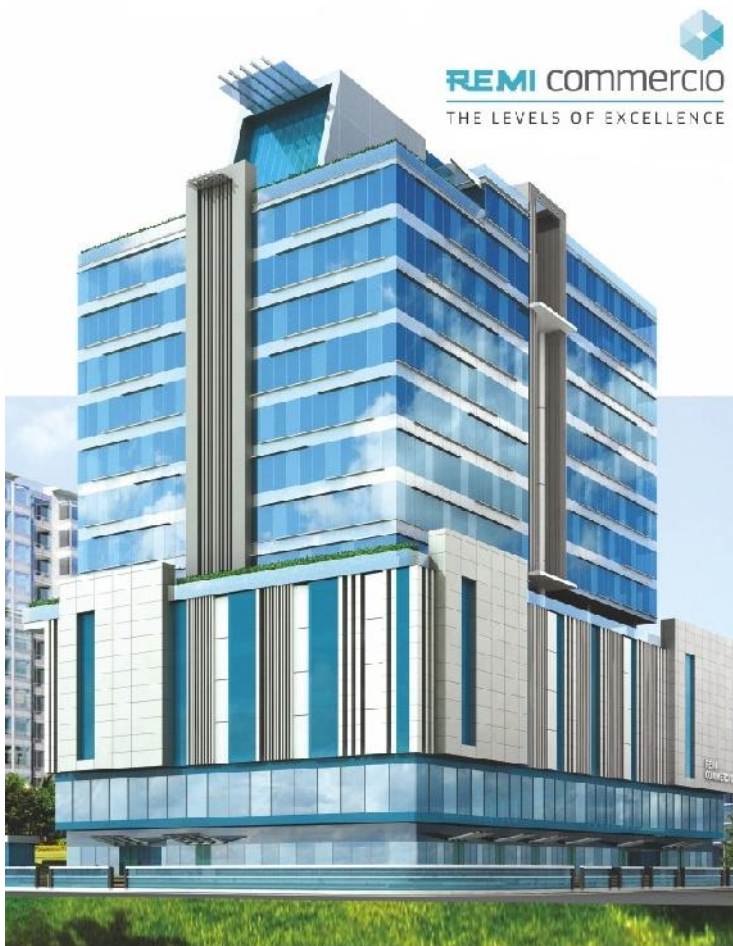


REMI ELEKTROTECHNIK LIMITED

33rd ANNUAL REPORT 2012 - 13



MOTORS



REAL ESTATE (PROPOSED)

REMI commercio
THE LEVELS OF EXCELLENCE



LABORATORY EQUIPMENTS



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 33rd Annual General Meeting of the Company will be held at the Company's Registered Office on **Monday, the 30th September, 2013**, at 11.00 A.M. to transact the following business:

1. To consider the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31st March, 2013.
2. To re-appoint as Director Shri Rajendra C. Saraf, who retires by rotation.
3. To re-appoint as Director Shri Sunil Saraf, who retires by rotation.
4. To re-appoint as Director Shri Ashish Kanodia, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following 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 three years from the 1st January, 2013, to manage the affairs of the Company, on the same terms and conditions.

"Resolved that the remuneration being paid to Shri Vishwambhar C. Saraf, the Managing Director of the Company, be and is hereby revised as follows, with effect from the 1st April, 2013.

- i) A monthly salary of Rs.2,85,000/-, subject to annual review and / or as per the new Companies Act.
- ii) Reimbursement of Medical Expenses Rs.15,000/- per annum.
- 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) Reimbursement of electricity charges at residence.
- vii) Telephone at residence and Mobile phone.
- viii) Company's contribution to Provident Fund as per the rules of the Company.
- ix) Gratuity as per the rules of the Company.
- x) Encashment of Leave at the end of the tenure."

For **REMI ELEKTROTECHNIK LIMITED**

Registered Office

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

Dated : 13th August, 2013

(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 20th September, 2013 to Friday, the 27th September, 2013, 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.

Item No.6

Shri Vishwambhar C. Saraf has been the Managing Director of the Company from the 1st January, 2010 to 31st December, 2012 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 : The Company has a turnover of Rs.10527.67 Lacs and net profit of Rs.561.91Lacs, for the financial year ended 31st March, 2013.
- (5) Export performance : The Company has good exports
- (6) Foreign investments or collaborations : None

II. Information about 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 per month plus perquisites
- (3) Recognition or awards : None
- (4) Job profile and his suitability : He is in full charge of production, sales, export, finance 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 and his family 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.

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, 2013.

(₹ in Lacs)

Financial Results	2012 – 2013	2011 – 2012
Gross Turnover	11287.14	7230.88
Profit before Finance Cost, Depreciation and Tax (EBIDTA)	1234.91	820.42
Finance Cost	296.67	345.11
Depreciation	103.94	97.55
Taxation	272.39	673.00
	124.58	567.24
Profit for the period	561.91	253.18
Balance brought forward	899.64	696.46
	1461.55	949.64
<u>Appropriations</u>		
Transfer to General Reserve	50.00	50.00
Net surplus in the Statement of Profit & Loss	1411.55	899.64
	1461.55	949.64

OPERATIONS:

The Company already started construction of Commercial Office Complex on its plot at Andheri (West), Mumbai, lying vacant after shifting manufacturing activities to Vasai, Dist. Thane. The Company has got sanction of construction loan of Rs.45 Crores from State Bank of India for the said project. The Company has received booking of about 40% of the total saleable area and the project is likely to be completed by end of 2014.

Laboratory Instrument Division's revenue increased to Rs.43.25 Crores during the year from Rs.35.82 Crores in previous year but margins were affected adversely due to slow down in the industry and competition.

The income as well as profitability of the Electrical Motor Division of the Company were affected adversely due to de-growth in user industries and severe competition.

DIRECTORS:

As provided in Section 255 of the Companies Act, 1956, Shri Rajendra C. Saraf, Shri Sunil Saraf and Shri Ashish Kanodia retire by rotation and are to be re-appointed.

AUDITORS:

The Auditors M/s. Sundarlal, Desai & Kanodia, Chartered Accountants, are to be re-appointed. They 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 made by the members and their remuneration has to be fixed.

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 WHOGMP Certification.

FOREIGN EXCHANGE OUTGO/ EARNINGS INCLUDING DEEMED EXPORTS:

Earnings	₹ 397.70 Lacs (including deemed exports & supplies to SEZ)
Outgo	₹ 118.40 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, the Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation 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 or loss 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors have 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: 13th August, 2013

ON BEHALF OF THE BOARD

Sd/-

**VISHWAMBHAR C. SARAF
CHAIRMAN**

MANAGEMENT DISCUSSION AND ANALYSIS:

a) Industry structure and Development, Opportunities and Threats, Performance, Outlook, Risks and Concerns:

The slowing down of the economy and the existing market conditions had a downward effect on the electrical motor division during the financial year 2012-13. Despite slowdown the Company's Laboratory Instrument Division was able to register growth in the revenue but profitability is affected due to severe competition. The Company's commercial real estate project has so far done well but due to continuous slowdown in the economy, the demand and prices are stagnant.

The revenue and profitability of the electrical motor division are expected to be under stress due to de-growth in user industries and capital goods industry which is the main consumer. The Laboratory Instrument Division is expected to maintain the level of working during the current year and improve in future due to focus of the Central and State Governments on the health sector. Demand for commercial real estate project of the Company is likely to improve in coming period due to its strategic location and infrastructure development i.e. Metro Rail, etc. in the area of the project.

b) Internal Control Systems and their adequacy:

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

c) Financial Performance:

The Financial Performance of the Company has improved with contribution from commercial real estate project of the Company during the year.

d) Human Resources/ Industrial Relations:

The Company has maintained good industrial relations and is continuously adding to the human resources of the Company.

e) Cautionary Statement:

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

CORPORATE GOVERNANCE :

1. COMPANY'S BASIC PHILOSOPHY:

The Company's philosophy – 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 30/05/2012, 14/08/2012, 10/11/2012 and 14/02/2013.

3. 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	4	3	1	---
Mr. R. C. Saraf	Promoter	Yes	4	5	---	3
Mr. Sunil Saraf	Executive	No	4	1	---	---
Mr. Ritvik V. Saraf	Promoter Executive	Yes	4	3	---	---
Mr. Shyam Jatia	Independent Non-Executive	No	3	11	---	---
Mr. Ashish Kanodia	Independent Non-Executive	No	4	1	---	---
Mr. Mahendra Chirawawala	Independent Non-Executive	No	3	3	---	---
Mr. Harkishan Zaveri	Independent Non-Executive	No	3	1	---	---

4. 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 2012-2013.

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	3

5. 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 2012-2013.

6. GENERAL BODY MEETINGS:

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

DATE	VENUE	TIME	NO. OF SPECIAL RESOLUTIONS
30/09/2010	Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai – 400 063	11.00 A.M.	One
30/09/2011	- do -	- do -	--
29/09/2012	- do -	- do -	One

7. POSTAL BALLOT:

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

8. 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. 27.6 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.

9. REMUNERATION TO DIRECTORS:

(₹ in Lacs)

NAME	DESIGNATION	SALARY	COMMISSION	SITTING FEES
V. C. Saraf	Chairman and Managing Director	31.46	-	-
R. V. Saraf	Executive Director	21.37	-	-
Sunil Saraf	Executive Director	30.96	-	-
R. C. Saraf		-	7.87	0.09
Sandeep Shriya		-	-	0.02
Shyam Jatia		-	-	0.10
Mahendra Chirawawala		-	-	0.07
Ashish Kanodia		-	-	0.14
Harkishan Zaveri		-	-	0.07

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

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

- 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 Remi Edelstahl Tubulars Limited. Now he is the Managing Director of Remi Process Plant and Machinery Limited.