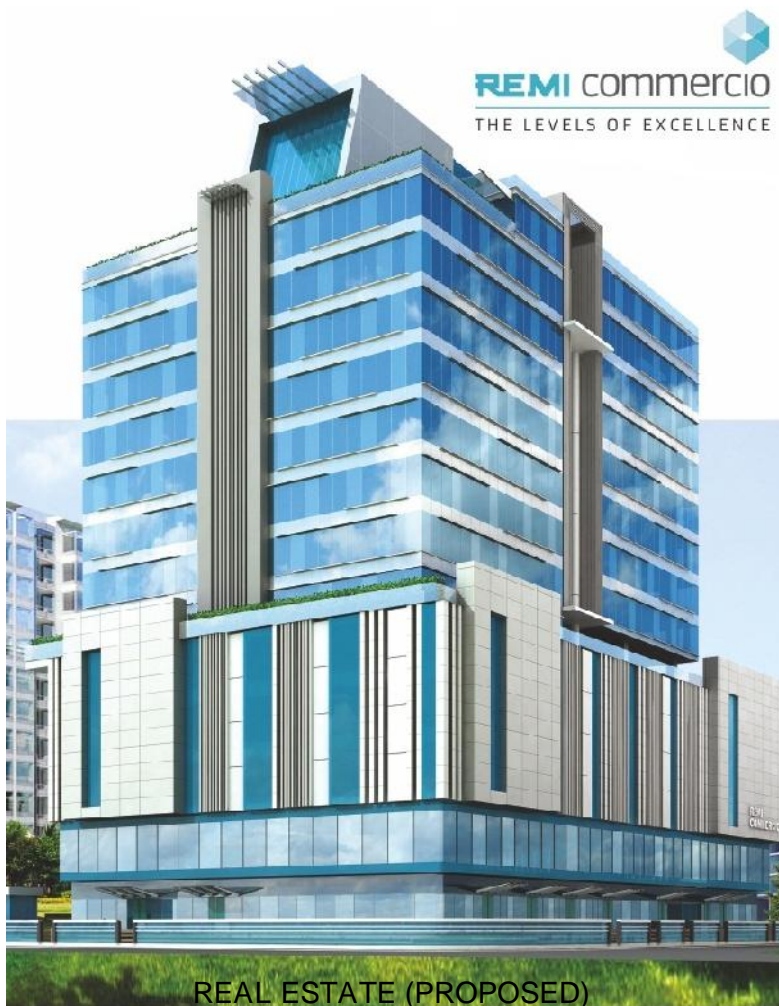


# REMI ELEKTROTECHNIK LIMITED

## 34<sup>TH</sup> ANNUAL REPORT 2013 - 14



MOTORS



REAL ESTATE (PROPOSED)

**REMI commercio**  
THE LEVELS OF EXCELLENCE



LABORATORY EQUIPMENTS



<b>Board of Directors:</b>	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 Smt. Archana Bajaj	Chairman and Managing Director  Executive Director  Executive Director
<b>Bankers:</b>	STATE BANK OF INDIA	
<b>Auditors:</b>	M/s. Sundarlal, Desai & Kanodia Chartered Accountants 903, Arcadia, 195, N.C.P.A. Road, Mumbai- 400 021	
<b>Registered Office:</b>	REMI House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063 Ph.: 022-40589888, Fax: 022-26852335	
<b>CIN:</b>	L51900MH1988PLC047157	
<b>Works:</b>	Survey No.65, Village Waliv, Vasai (East), Thane – 401 208	
<b>Wind Power:</b>	Village Brahmanwel, Taluka Sakri, District Dhule, Maharashtra	

## **NOTICE**

To  
The Members,  
**REMI ELEKTROTECHNIK LIMITED**

**NOTICE** is hereby given that the 34<sup>th</sup> Annual General Meeting of the Company will be held at the Company's Registered Office on **Tuesday, the 30<sup>th</sup> September, 2014**, at 12.30 P.M. to transact the following ordinary business:

- 1) To consider the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
- 2) To re-appoint as Director Shri Rajendra C. Saraf (DIN: 00161412), who retires by rotation.
- 3) To appoint Auditors and to fix their remuneration.

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No. 110560W), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company, to be held in the year 2017, subject to ratification by shareholders at each Annual General Meeting to be held hereafter, on a on such remuneration to be fixed by the Board of Directors of the Company.”

### **Special Business : Ordinary Resolutions**

- 4) To appoint Shri Shyam Jatia (DIN:00049457), as Independent Director of the Company.  
“RESOLVED THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 read with the Schedule IV and Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Shyam Jatia (DIN:00049457), as an Independent Director on the Board of the Company for a term of five years, effective from 30<sup>th</sup> September, 2014.”
- 5) To appoint Shri Mahendra Chirawawala (DIN:00340658), as Independent Director of the Company.  
“RESOLVED THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 read with the Schedule IV and Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Mahendra Chirawawala (DIN:00340658), as an Independent Director on the Board of the Company for a term of five years, effective from 30<sup>th</sup> September, 2014.”
- 6) To appoint Shri Harkishin Zaveri (DIN:00401107), as Independent Director of the Company.  
“RESOLVED THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 read with the Schedule IV and Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Harkishin Zaveri (DIN:00401107), as an Independent Director on the Board of the Company for a term of five years, effective from 30<sup>th</sup> September, 2014.”

- 7) To appoint Shri Ashish Kanodia (DIN:02591999), as Independent Director of the Company.

“RESOLVED THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 read with the Schedule IV and Rules made thereunder, approval be and is hereby accorded to the appointment of Shri Ashish Kanodia (DIN:02591999), as an Independent Director on the Board of the Company for a term of five years, effective from 30<sup>th</sup> September, 2014.”

- 8) To appoint Smt. Archana Bajaj (DIN:06957519), as Independent Director of the Company.

“RESOLVED THAT pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 read with the Schedule IV and Rules made thereunder, approval be and is hereby accorded to the appointment of Smt. Archana Bajaj (DIN:06957519), as an Independent Director on the Board of the Company for a term of five years, effective from 30<sup>th</sup> September, 2014.”

For **REMI ELEKTROTECHNIK LIMITED**

**Registered Office**

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

**(VISHWAMBHAR C.SARAF)**

Dated : 14<sup>th</sup> August, 2014

**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. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, the 23<sup>rd</sup> September, 2014** to **Tuesday, the 30<sup>th</sup> September, 2014**, both days inclusive.
3. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of Annual General Meeting and the Annual Report, including Financial Statements, Board Report, etc. by electronic mode.

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

4. Pursuant to provision of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members facility to exercise their rights to vote at General Meeting. The shareholders would therefore be able to exercise their voting rights on the items put up in this Notice of Annual General Meeting, through such e-voting method. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide e-voting facilities. The e-voting facility is available at the link **<https://www.evoting.nsdl.com>**. The details procedure for e-voting is set out below:

**(a) In case of Members receiving an e-mail from NSDL:**

- (i) Open the PDF file ‘ **REL-e-Voting.pdf** ’ attached to the e-mail with your Client ID/ Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an ‘Initial Password’.

- (ii) Launch an internet browser and open **<https://www.evoting.nsdl.com/>**
- (iii) Click on Shareholder - Login.
- (iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
- (v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password.  
It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
- (vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.
- (vii) Select 'EVEN (E-voting Event Number)' of **REMI ELEKTROTECHNIK LIMITED**.
- (viii) Now you are ready for e-voting as 'Cast Vote' page opens.
- (ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- (x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at **relscrutinizer@gmail.com** with a copy marked to **evoting@nsdl.co.in**.

**(b) In case of Shareholders receiving physical copy of the Notice of AGM .**

- (i) Initial Password is provided in the enclosed Form.

EVEN (E-voting Event Number)	User ID	Password/ PIN
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- (ii) Please follow all steps from Sr. No. (a) (ii) to Sr. No. (xii) above, to cast vote.

**(c) Other Instructions:**

- i. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of NSDL's e-voting website **[www.evoting.nsdl.com](http://www.evoting.nsdl.com)**.
- ii. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- iii. The voting rights shall be as per the number of equity share held by the Member(s) as on **14<sup>th</sup> August, 2014**. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- iv. The voting period shall commence at 9.00 a.m. on **22<sup>nd</sup> September, 2014** and will end at 5 p.m. on **24<sup>th</sup> September, 2014**. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- v. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- vi. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of NSDL within two days of the passing of the resolutions at AGM of the Company .
5. An Explanatory Statement relating to the item of special business set out in item No. 4 to 8 accompanies.

**EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT,  
2013 – ANNEXURE TO THE NOTICE**

**Item No. 4 to 8**

With the enactment of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board of Directors decided that Shri Shyam Jatia (DIN:00049457), Shri Mahendra Chirawawala (DIN:00340658), Shri Harkishin Zaveri (DIN:00401107), Shri Ashish Kanodia (DIN:02591999), and Smt. Archana Bajaj (DIN:06957519) be appointed as an Independent Directors of the Company for five years terms as per Companies Act, 2013.

❖ **Shri Shyam Jatia (DIN:00049457):**

Shri Shyam Jatia is an industrialist. He is having vast experience to his credit in diversified business activities. His appointment on the board of the company is of great help for the growth of the company.

❖ **Shri Mahendra Chirawawala (DIN:00340658):**

Shri Mahendra Chirawawala is an engineer with B.E. (Hons.) Degree. He is doing Business of Manufacturing of Packing Articles such as Card Board, Cartons. He is having vast amount of experience to his credit.

❖ **Shri Harkishin Zaveri (DIN:00401107):**

Shri Harkishin Zaveri is a graduate. He joined his family business of gems and jewellery in the year 1957. He is having work experience of nearly 52 years to his credit in various business areas. He is a Director of Prahar Jewellery Impex Pvt. Ltd.

❖ **Shri Ashish Kanodia (DIN:02591999):**

Shri Ashish Kanodia is a commerce graduate and he is Chartered Accountant in Practice. He is doing practice in Mumbai from last 13 years. He is the Chairman of the Audit Committee of the Company.

❖ **Smt. Archana Bajaj (DIN:06957519):**

Smt. Archana Bajaj is a Graduate from Mumbai University in Economic(Hons.), securing 1<sup>st</sup> Rank in the College. She has an excellent academic record. She has sound knowledge and work experience in the Mutual Funds, Equities, Govt. and PSU bonds, and various other important parameters of financial Market, Insurance and others. The Company will benefit from her experience. Notice has been received proposing candidature of the Director.

The Board recommends passing of ordinary resolutions as set out in item no. 4 to 8 of the Notice. None of the Directors of the Company is concerned or interested in the said resolutions except themselves.

Further, in the opinion of the Board, the proposed appointment of Independent Directors, fulfills the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of Independent Directors is independent of the management.

Your Directors commend the resolutions for your approval.

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## **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 31<sup>st</sup> March, 2014.

(₹ in Lacs)

Financial Results		2013 – 2014		2012 – 2013	
Gross Turnover		9351.88		11287.14	
Profit before Finance Cost, Depreciation and Tax (EBIDTA)		1022.48		1234.91	
Finance Cost		237.44		296.67	
Depreciation		131.70		103.94	
Taxation		212.93		272.39	
Profit for the period		440.41		561.91	
Balance brought forward		1411.55		899.64	
		1851.96		1461.55	
Appropriations					
Transfer to General Reserve		50.00		50.00	
Net surplus in the Statement of Profit & Loss		1801.96		1411.55	
		1851.96		1461.55	

### **OPERATIONS:**

The Laboratory Instrument Division's revenue increased to ₹50.04 Crores during the year from ₹43.25 Crores in previous year but margins were affected adversely due to slow down in the industry and competition.

Revenue as well as profitability of the Electrical Motor Division of the Company were affected adversely for last two years due to de-growth in user industries and severe competition.

Revenue from the Commercial real estate project at Andheri (West), Mumbai, was adversely affected during the year due to decline in demand of commercial real estate. The Company is hopeful that the demand will pick up for the project due to its strategic location and start of operation of Metro railway in the area.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

As stipulated under Section 135 of the Companies Act, 2013 the Company has constituted 'Corporate Social Responsibility Committee' (CSR Committee) comprising of Shri Vishwambhar Saraf(DIN:00161381), Shri Rajendra Saraf(DIN:00161412), and Shri Shyam Jatia(DIN:00049457).

### **DIRECTORS:**

Shri Rajendra Saraf (DIN :00161412) retires by rotation and is to be re-appointed.

### **AUDITORS:**

Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No.110560W) are eligible to hold the office for a period of three years, upto 2017.

The members are therefore requested to appoint M/s Sundarlal, Desai & Kanodia, Chartered Accountants as auditors for three years from the conclusion of the ensuing Annual General Meeting till the conclusion of the 37<sup>th</sup> Annual General Meeting, to be scheduled in 2017.

**COST COMPLIANCE REPORT:**

The Cost Compliance Report for financial year ended as on 31<sup>st</sup> March , 2013 was filed in XBRL format within prescribed time limit.

**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	₹ 390.75 Lacs (including deemed exports & supplies to SEZ)
Outgo	₹ 92.50 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 its bankers and Govt. Departments. 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: 14<sup>th</sup> August, 2014

**ON BEHALF OF THE BOARD**

**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 2013-14. 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 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 5 (Five) times on 30/05/2013, 13/08/2013, 24/09/2013, 13/11/2013 and 14/02/2014

### 3. 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	5	4	1	---
Mr. R. C. Saraf	Promoter	Yes	5	5	---	3
Mr. Sunil Saraf	Executive	No	5	1	---	---
Mr. Ritvik V. Saraf	Promoter Executive	Yes	4	3	---	---
Mr. Shyam Jatia	Independent Non-Executive	No	5	4	---	---
Mr. Ashish Kanodia	Independent Non-Executive	No	5	1	---	---
Mr. Mahendra Chirawawala	Independent Non-Executive	No	5	3	---	---
Mr. Harkishan Zaveri	Independent Non-Executive	No	5	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 2013-2014.

Committee Members	Designation	No. of Meetings	
		Held	Attended
Mr. Ashish Kanodia	Chairman	5	5
Mr. Vishwambhar C. Saraf	Member	5	5
Mr. Shyam Jatia	Member	5	5

### 5. SHAREHOLDERS/ INVESTORS GRIEVANCES COMMITTEE:

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

The Company had not received any complaints during the year 2013-14.