

REMI ELEKTROTECHNIK LIMITED

36TH ANNUAL REPORT 2015 - 16



MOTORS



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THE LEVELS OF EXCELLENCE

REAL ESTATE



LABORATORY EQUIPMENTS



Board of Directors:	<p>Shri Vishwambhar C. Saraf</p> <p>Shri Shri Rajendra C. Saraf</p> <p>Shri Sunil Saraf</p> <p>Shri Ritvik V. Saraf</p> <p>Shri Shyam Jatia</p> <p>Shri Ashish Kanodia</p> <p>Shri Mahendra Chirawawala</p> <p>Shri Harkishan Zaveri</p> <p>Smt. Archana Bajaj</p>	<p>Chairman and Managing Director</p> <p>Director</p> <p>Whole-Time Director & Compliance Officer</p> <p>Whole-Time Director & Chief Financial Officer</p> <p>Independent Director</p> <p>Independent Director</p> <p>Independent Director</p> <p>Independent Director</p> <p>Independent Director</p>
Bankers:	STATE BANK OF INDIA	
Auditors:	<p>M/s. Sundarlal, Desai & Kanodia</p> <p>Chartered Accountants</p> <p>903, Arcadia,</p> <p>195, N.C.P.A. Road,</p> <p>Mumbai- 400 021</p>	
Registered Office:	<p>REMI House,</p> <p>Plot No.11, Cama Industrial Estate,</p> <p>Goregaon (East), Mumbai – 400 063</p> <p>Ph.: 022-40589888, Fax: 022-26852335</p>	
CIN:	L51900MH1988PLC047157	
Works:	<p>Survey No.65, Village Waliv,</p> <p>Vasai (East), Thane – 401 208</p>	
Wind Power:	<p>Village Brahmanwel,</p> <p>Taluka Sakri,</p> <p>District Dhule, Maharashtra</p>	

NOTICE

To

The Members,

REMI ELEKTROTECHNIK LIMITED

NOTICE is hereby given that the 36th Annual General Meeting of the Company will be held at the Company's Registered Office on **Friday, the 30th September, 2016**, at 12.30 P.M. to transact the following ordinary business:

- 1) To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2016, together with the reports of the Board of Directors and the Auditors thereon;
- 2) To confirm payment of interim dividend paid on equity shares for the financial year 2015-16 as final dividend for the year 2015-16.
- 3) To re-appoint as Director Shri Rajendra C. Saraf (DIN: 00161412), who retires by rotation.
- 4) To ratify the appointment of Auditors and to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, the appointment of M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No.110560W), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company, be and are hereby ratified and on such remuneration to be fixed by the Board of Directors of the Company."

Special Business : Ordinary Resolution

- 5) To ratify the remuneration of Cost Auditors.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time, remuneration payable to M/s Kejriwal & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors of the Company for the year 2016-17, to conduct the audit of the cost records of the Company, on a remuneration of Rs.50,000/- (Rupees fifty thousand only) be and are hereby ratified and confirmed."

Special Business : Special Resolutions

- 6) To revise the remuneration of Shri Sunil Saraf, Whole-Time Director of the Company.

"Resolved that the remuneration being paid to Shri Sunil Saraf, the Whole-Time Director of the Company, be and is hereby revised as follows, with effect from the 1st October, 2015.

- a) Basic Salary Rs.2,60,000/- per month.
- b) House Rent Allowance within a ceiling of 25% of the basic salary per month.
- c) Medical Expenses not exceeding 15 days of basic salary per annum.
- d) Bonus as per the rules of the Company with a ceiling of 20% of the annual basic salary.
- e) Children's Education allowance not exceeding 15 days of basic salary per annum.
- f) Leave Travel allowance not exceeding 15 days of basic salary per annum.
- g) Telephone at residence including Mobile Phone on Company's Account.
- h) Gratuity as per the rules of the Company.
- i) Car for office use without driver.
- j) Provident Fund as per the rules of the Company

"FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant annual increments to the Whole-Time Director upto a limit of 20% of the total emoluments of the previous financial year, effective from the 1st October, 2017. However the overall remuneration shall not exceed the limits specified in Section II, Part II of Schedule V to the Companies Act, 2013.

7) To reappoint Shri Sunil Saraf (DIN:00157244), as a Whole-Time Director of the Company.

“RESOLVED THAT Shri Sunil Saraf (DIN:00157244) be and is hereby re-appointed as the Whole-Time Director of the Company for three years from the 1st October, 2016, on the following terms and conditions:

- a) Basic Salary Rs.2,60,000/- per month.
- b) House Rent Allowance within a ceiling of 25% of the basic salary per month.
- c) Medical Expenses not exceeding 15 days of basic salary per annum.
- d) Bonus as per the rules of the Company with a ceiling of 20% of the annual basic salary.
- e) Children’s Education allowance not exceeding 15 days of basic salary per annum.
- f) Leave Travel allowance not exceeding 15 days of basic salary per annum.
- g) Telephone at residence including Mobile Phone on Company’s Account.
- h) Gratuity as per the rules of the Company.
- i) Car for office use without driver.
- j) Provident Fund as per the rules of the Company

“FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant annual increments to the Whole-Time Director upto a limit of 20% of the total emoluments of the previous financial year, effective from the 1st October, 2017. However the overall remuneration shall not exceed the limits specified in Section II, Part II of Schedule V to the Companies Act, 2013.

For **REMI ELEKTROTECHNIK LIMITED**

Registered Office

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

Dated : 12th August, 2016

Sd/-

(VISHWAMBHAR C. SARAF)
CHAIRMAN & MANAGING DIRECTOR
(DIN:00161381)

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 **Saturday, the 24th September, 2016 to Friday, the 30th September, 2016**, both days inclusive.
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered office of the Company on all working days, during 4.00 P.M to 6 P.M up to the date of the Meeting.
4. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Registrar M/s. Bigshare Services Private Limited / Company.

5. Green Initiative :

Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). Members who have not registered their email address with the Company can now register the same to the Company by sending email at rei_igrd@remigroup.com or to M/s. Bigshare Services Private Limited or with the concerned depositories.

YOUR INITIATIVE WILL SAVE FOREST WEALTH OF OUR COUNTRY.

6. Pursuant to provision of Section 108 of the Companies Act, 2013 read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide its members facility to exercise their rights to vote on the resolution proposed to be considered at the 36th Annual General Meeting by the electronic means/ remote e-voting) and/or voting by ballot paper at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL). The Notice is available on the website of the Company. The e-voting facility is available at the link <https://www.evoting.nsdl.com>.
7. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. A member may participate in the AGM even after exercising his/ her right to vote through remote e-voting but shall not be allowed to vote again at the AGM. Incase Members cast their vote through both the modes, voting done by e-voting shall prevail and votes cast through Ballot form shall be treated as invalid.
8. The remote e-voting period shall commence at 9.00 a.m. on **26th September, 2016** and will end at 5 p.m. on **29th September, 2016**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
9. As directed by SEBI, for payment of Dividend, Members are requested to provide the bank account number and the details required for making ECS payment to the respective depository participant in case of shares held in demat and to share transfer agent of the Company in case of shares held in physical.
10. **The detailed procedure for remote e-voting is set out below :**
 - (a) In case of Members receiving an e-mail from NSDL:
 - (i) Open email and open PDF file viz; "REL remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login.
 - (iv) put 'User ID' and Password' as initial password/PIN as noted in step (i) above and click 'Login'.
 - (v) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

- (vii) Select 'EVEN' (E-voting Event Number) of **REMI ELEKTROTECHNIK LIMITED**.
- (viii) Now you are ready for remote 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 (Remote 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 or call on Toll free no. 1800-222-990.
 - ii. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - iii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
11. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e on **23rd September, 2016** Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date.
 12. Any persons who have acquired shares after the dispatch of the Notice and holding shares as on cut-off date i.e. **23rd September, 2016**, may obtain the user ID and Password by sending a request at evoting@nsdl.co.in or to RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you have forgotten your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no. 1800-222-990.
 13. The Company has appointed Shri V.S.Iyer, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the entire ballot voting /e-voting process in a fair and transparent manner.
 14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 15. The scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

16. The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website i.e www.remigroup.com and on the website of NSDL after the result is declared by the chairman or a person authorized by him .The result shall also be forwarded to The Bombay Stock Exchange Limited.
17. An Explanatory Statement relating to the item of special business set out in items No. 5, 6 and 7 accompanies.

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

Item No. 5

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2016-17.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

Item No.6 & 7

The remuneration package of Shri Sunil Saraf was revised by the Board at its Meeting held on the 30th May, 2016. The remuneration being paid to him has been revised with effect from the 1st October, 2015 as per Schedule V, Part II section II (A) of the Companies Act, 2013.

Shri Sunil Saraf has been reappointed as Whole-Time Director of the Company from the 1st October, 2016 as per Schedule V, Part II section II (A) of the Companies Act, 2013 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, Laboratory and Medical Equipments 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.10874.78 Lacs and net profit of Rs.424.11 Lacs, for the financial year ended 31st March, 2016.
- (5) Foreign investments or collaborations : None

II. Information about the Appointee:

- (1) Shri Sunil Saraf (56), is a commerce graduate of Nagpur University, After his graduation he joined REMI Group where he has been all these years. From the position of Management Trainee, by his 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. He was first appointed on the board of the director on 31/01/2007. He holds 100 equity shares in the Company. He attended 5 (five) meetings of the Board of Directors during the year 2015-16. He is on Board of Rajendra Finance Private Limited. He has reappointed as Whole-Time Director of the Company from the 1st October, 2016 for term of 3 years.
- (2) Past remuneration : Rs.2.6 Lacs per month plus other benefits and perquisites.
- (3) Recognition or awards : ----
- (4) Job profile and his suitability : He is in-charge of production, sales and other administrative matters.
- (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 : ----

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 : Not Applicable.
 - (ii), (iii) and (iv) : Not Applicable.

Shri Sunil Saraf is to be deemed to be interested in the item of business at 6 and 7.

Your Directors commend the resolutions 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, 2016.

(₹ in Lacs)

Financial Results	2015 – 2016		2014 – 2015	
Gross Turnover		10874.78		12196.20
Profit before Finance Cost, Depreciation and Tax (EBIDTA)		1163.78		1746.62
Finance Cost	331.90		369.09	
Depreciation	194.24		184.11	
Taxation	213.53	739.67	402.70	955.90
Profit for the period		424.11		790.72
Balance brought forward		2458.40		1776.06
		2882.51		2566.78
<u>Appropriations</u>				
Transfer to General Reserve		50.00		50.00
Interim Dividend Paid		243.25		48.65
Distribution Tax on Interim Dividend		49.52		9.73
Net surplus in the Statement of Profit & Loss		2539.74		2458.40
		2882.51		2566.78

OPERATIONS:

The Company achieved a turnover of Rs.108.74 crores during the year as against Rs.121.96 crores in previous year. The Company achieved EBIDTA and net profit of Rs.11.64 crores and Rs.4.24 crores respectively during the year as against Rs.17.47 crores and Rs.7.90 crores respectively in previous year.

Revenue as well as profitability of electrical motor division continue to be affected adversely due to de-growth in user industries and severe competition. During the year revenue and profitability of instrument division has improved. The revenue and profitability of real estate division has affected substantially during the year due to slowdown in real estate sector.

During the year, the Company transferred a sum of Rs 50 lakhs to the General Reserves. There are no changes in the share capital during the year.

There are no Companies which have become or ceased to be its Subsidiaries, Joint Ventures or associate Companies.

INTERIM DIVIDEND:

The Company has paid interim dividend of ₹ 5/- (50%) per equity share during the year. The Board of Directors do not recommend any final dividend and the interim dividend to be considered as the final dividend, for the financial year 2015-16.

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 C. Saraf (DIN:00161381), Shri Rajendra C. Saraf (DIN:00161412), and Shri Shyam Jatia (DIN:00049457).

The Company has formulated a Corporate Social Responsibility policy. The Annual Report on CSR activities is annexed as “**Annexure A**” and forms part of this report and is also available at the website of the Company i.e www.remigroup.com.

DIRECTORS:

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and **Regulation of SEBI (LODR) Regulations, 2015.**

BRIEF DETAILS OF DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT:

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

Shri Rajendra C. Saraf (62) is a commerce graduate from the University of Bombay. He hails from a family of business people of fifty years' standing. After his college education, he joined his family business and has received from his elders in the family very good training in business management. He has more than 35 years of business experience.

BOARD MEETINGS:

During the year, five Board meetings were held, with gap between Meetings not exceeding the period prescribed under the Act. Details of Board and Committee meetings held during the year are given in the Corporate Governance Report.

POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS:

The Board has on the recommendation of the Nomination & Remuneration Committee, formulated criteria for determining qualifications, positive attributes and independence of a Director and also a policy for remuneration of Directors, Key Managerial Personnel and senior management. The details of criteria laid down and the Remuneration Policy are given in the Corporate Governance Report.

AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, the appointment of the auditors M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No.110560W) shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment M/s Sundarlal, Desai & Kanodia, Chartered Accountants (Firm Registration No.110560W) as Auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

COST AUDITORS:

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company required to be audited by cost auditors. The Board has on the recommendation of the Audit Committee, appointed M/s. Kejriwal & Associates, Cost Accountants to audit the cost records of the Company for the financial year 2016-17 on a remuneration of Rs.50,000/- (Rupees Fifty Thousand only) subject to ratification by members. Accordingly, a resolution seeking Member's ratification for the remuneration payable to M/s. Kejriwal & Associates, Cost Auditors is included in the Notice convening the Annual General Meeting.

SECRETARIAL AUDITOR:

Shri V.S.Iyer, Practicing Company Secretary, was appointed to conduct the secretarial audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2015-16 forms part of the Annual Report as “**Annexure - B**” to the Board's report. There is no qualification, reservation or adverse remark in the report.