

***ANNUAL REPORT
FOR THE
YEAR ENDED
31ST MARCH 2003***



REMI SALES AND ENGINEERING LIMITED

Regd. Office: 53, Mittal Court, 'A', Nariman Point, MUMBAI – 400 021

NOTICE

To
The Members,
REMI SALES AND ENGINEERING LIMITED

NOTICE is hereby given that the Twenty-third Annual General Meeting of the Company will be held at 11, Cama Industrial Estate, Goregaon (E), Mumbai - 400 063, on Tuesday, the 30th September, 2003, at 1.30 P.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and Profit and Loss Account for the year ended, 31st March, 2003.
2. To re-appoint as Director Shri Sharad Chaudhary who retires by rotation.
3. To appoint Auditors and to fix their remuneration.

For REMI SALES AND ENGINEERING LIMITED



SANDEEP KASERA
DIRECTOR

Place: Mumbai
Dated: 4th September, 2003

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 Wednesday, the 24th September, 2003 to Monday the 29th September, 2003, both days inclusive.

DIRECTORS' REPORT

To
The Members,
REMI SALES AND ENGINEERING LIMITED

Your Directors present to you herewith the audited accounts of the Company for its financial year ended 31st March, 2003.

(Rs. in Lacs)

Financial Results	2002 - 2003	2001 - 2002
Sales	2041.82	1670.60
Other Income	67.34	89.40
Gross Profit before Interest & Depreciation	46.85	60.37
Interest	3.42	4.10
Depreciation	<u>6.65</u>	<u>5.42</u>
Taxation	14.25	6.50
Deferred Taxation Provision/(Assets)	<u>(1.95)</u>	<u>7.38</u>
Net Profit	24.48	36.97
Short Provision for earlier years	0.03	0.77
Deferred Tax assets upto previous year	--	10.76
Balance brought forward	<u>73.99</u>	<u>37.04</u>
	98.44	84.00
Transfer to General Reserve	10.00	10.00
Balance carried to Balance Sheet	<u>88.44</u>	<u>74.00</u>
	98.44	84.00

Foreign Exchange Outgo: Rs.2.30 Lacs.

Section 217(2AA)

Your Directors state:

- I. that in the preparation of the annual accounts, all 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.

Regd. Office :

53-A, Mittal Court,
Nariman Point, Mumbai - 400 021,

ON BEHALF OF THE BOARD,

Date : 4th September, 2003.

**SANDEEP KASERA
CHAIRMAN**

A U D I T O R S' R E P O R T

To,
The members of REMI SALES AND ENGINEERING LIMITED.

- 1) We have audited the attached Balance Sheet of REMI SALES AND ENGINEERING LIMITED. as at 31st March 2003 and also the Trading, Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date and we have received the audited Balance Sheets as of 31st March 2003, from all branches situated at Ahmedabad, Bangalore, Calcutta, New Delhi, Chennai, Hyderabad, Kochi, Nagpur, Indore, Kanpur and Margao and prepared the consolidated Balance Sheet at Mumbai after considering the accounts of Head Office, Mumbai.

These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that :-
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit has been received from the branches not visited by us. The branch auditor's report have been forwarded to us and have been appropriately dealt with.
 - iii) The Balance Sheet, Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account and with the audited returns from the branches.

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- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v) On the basis of written representations received from the directors, as on 31st March 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2003 from being appointed as a director in terms of clause(g) of sub-section (1) of section 274 of the Companies Act, 1956;
- 5) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India :-
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2003;
 - (b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For SUNDARLAL, DESAI & KANODIA,
CHARTERED ACCOUNTANTS.

P A R T N E R

PLACE : MUMBAI

DATED : 4TH SEPTEMBER, 2003

ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 3 of our report of even date to the members of REMI SALES AND ENGINEERING LIMITED. on the accounts for the year ended 31st March, 2003.)

- i. The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets. As explained to us, all the assets have been physically verified by the management during the year. Having regard to the size of the operations and on the basis of explanations received in our opinion no serious discrepancies have been noticed.
- ii. None of Fixed Assets have been revalued during the year.
- iii. The stocks of finished goods have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and book records were not significant and the same have also been properly dealt with in the books of account. In our opinion the valuation of the stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same as in the earlier years.
- iv. In our opinion, and according to the information and explanations given to us the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation the size of the Company and the nature of its business.
- v. The discrepancies noticed between the physical stocks as verified and books records were not material.
- vi. In our opinion, on the basis of our examination of the stock records, the valuation of stocks is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
- vii. In our opinion, the rate of interest and the terms and conditions on which loans have been granted to the bodies corporate listed in the Register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the company.

- viii. The Company has not granted any secured or unsecured loans to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 and to the Companies under same management as defined under section 370 (IB) of the said Act.
- ix. In our opinion, the parties to whom the loans, or advances in the nature of loans, have been given by the company are repaying the principal amount as stipulated and are also regular in payment of the interest.
- x. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase and sale of goods.
- xi. In our opinion and according to the information and explanations given to us the transactions of purchase of goods and materials and services in pursuance of contracts of arrangements entered in the registers maintained under section 301 of the Companies Act, 1956 aggregating to Rs. 50,000/- or more during the period in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services.
- xii. As explained to us, the company has a regular procedure for the determination of unserviceable or damaged goods. Adequate provision has been made in the accounts for the loss arising in the items so determined.
- xiii. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits, during the year falling under provisions of section 58A of the Companies Act, 1956 and the Companies (Acceptances of Deposit) Rules, 1975.
- xiv. In our opinion and according to information and explanations given to us the Company is a trading Company and disposable scrap or by-products are not generated.
- xv. In our opinion the Company's present internal audit system for Mumbai Office is commensurate with its size and nature of business.

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- xvi. As the company is a trading company the maintenance of cost records under section 209 (1) of the companies Act, 1956 is not applicable.
- xvii. According to the records of the Company, Provident Fund, and Employees State Insurance dues have been regularly deposited during the year with the appropriate authorities except slight delay in few cases in branch offices.
- xviii. There are no undisputed amounts payable in respect of income tax, sales tax, customs duty and excise duty outstanding as at 31st March 2003 for a period of more than six months from the date they became payable.
- xix. In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.
- xx. In our opinion and according to the information and explanations given to us, the company has maintained proper records of the transactions and contracts and timely entries have been made therein. The shares have been held by the company in its own name except to the extent of the exemption under section 49 of the companies Act, 1956.
- xxi. The company is not a sick industrial company within the meaning of clause (c) of sub-section (1) Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 (1 of 1986).

For SUNDARLAL DESAI & KANODIA,
CHARTERED ACCOUNTANTS.

P A R T N E R

PLACE : MUMBAI

DATED : 4TH SEPTEMBER, 2003