

**ANNUAL REPORT
FOR THE
YEAR ENDED
31ST MARCH 2012**

REMI SALES AND ENGINEERING LIMITED
Regd. Office : REMI House, Plot No.11, Cama Industrial Estate,
Goregaon (East), Mumbai – 400 063

NOTICE

To
The Members,
REMI SALES AND ENGINEERING LIMITED

NOTICE is hereby given that the 32nd Annual General Meeting of the Company will be held at its Registered Office, on **Saturday, the 29th September, 2012**, at 1.30 P.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the year ended, 31st March, 2012.
2. To re-appoint as Director Shri Vonod C. Jalan, who retires by rotation.
3. To appoint Auditors and to fix their remuneration.
4. To pass the following ordinary resolution:

“RESOLVED THAT Shri Sandeep Kasera be and is hereby re-appointed as the Whole-Time Director of the Company for a term of 3 years from the 1st February, 2012, to manage the affairs of the Company, on the following terms and conditions: -

- 1) Basic Salary Rs.88,000/- per month.
- 2) House Rent Allowance being 10% of the basic salary per month.
- 3) Free use of the Company's Car with driver.
- 4) Telephone at residence
- 5) Reimbursement of Medical Expenses Rs.1250/- per month.
- 6) Bonus as per the rules of the Company with a ceiling of 20% of the annual basic salary.
- 7) Leave Travel allowance not exceeding one month's basic salary per annum.
- 8) Provident Fund, Leave and Gratuity as per the rules of the Company.

“FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant increments to the Whole-Time Director within a limit of

20% of the total emoluments of the previous financial year, effective from the 1st April, 2012.”

For **REMI SALES AND ENGINEERING LTD.**

Regd. Office

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

Date: 3rd September, 2012.

Sd/-

VINOD C. JALAN
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 Wednesday, the 26th September, 2012 to Friday, the 28th September, 2012, both days inclusive.
3. An explanatory statement relating to the item of special business in item 4 is set out below:

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

Shri Sandeep Kasera has been the Whole – Time Director of the Company. His had been ended on the 31st January, 2012. He has been re-appointed by the Board of Directors of the Company at its meeting held on the 28th February, 2012 for a further period of three years form the 1st February, 2012, on a revised pay scale as set out in the resolution. This appointment is to be approved at this Meeting.

He is 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 SALES AND ENGINEERING LIMITED

Your Directors present to you herewith the audited accounts of the Company for its financial year ended 31st March, 2012.

(₹ in Lacs)

Financial Results	2011 – 2012	2010 – 2011
Sales	10478.29	10077.77
Other Income	20.58	15.47
	10498.87	10093.24
Profit before Finance Costs, Depreciation and Tax (EBIDTA)	368.36	457.43
Finance Costs	40.14	48.10
Depreciation	30.42	29.98
Taxation	97.52	168.08
Net Profit	200.28	252.63
Balance brought forward	551.79	349.16
	752.07	601.79
Transfer to General Reserve	50.00	50.00
Net surplus in the statement of Profit & Loss	702.07	551.79
	752.07	601.79

DIRECTORS:

As provided in Section 255 of the Companies Act, 1956, Shri Vinod C. Jalan retire by rotation and being eligible, offer himself 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 AND TECHNOLOGY ABSORPTION:

The Company is not manufacturing company; hence the particulars relating to conservation of energy and technology absorption are not applicable.

FOREIGN EXCHANGE EARNING AND OUTGO:

Earnings	Nil
Outgo	₹37.22 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) 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.

ACKNOWLEDGEMENT

Your directors place on record their appreciation for the co-operation received from Company's customers, suppliers, bankers, stakeholders and Govt. Agencies. The Directors also sincerely acknowledge the contribution made by the employees at all levels.

ON BEHALF OF THE BOARD,

Regd. Office

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

Date: 3rd September, 2012.

**VINOD C. JALAN
CHAIRMAN**

AUDITORS' REPORT

To,

The Members of Remi Sales And Engineering Limited,

- 1) We have audited the attached Balance Sheet of Remi Sales And Engineering Ltd. as at 31st March, 2012, the statement of Profit and Loss 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 and the statement of Profit and Loss as of 31st March 2012, from all branches situated at Ahmedabad, Bangalore, Kolkata, New Delhi, Chennai, Hyderabad, Kochi, Nagpur, Indore, Kanpur and Margaon and prepared the consolidated Balance Sheet and the statement of Profit and Loss and Cash Flow Statement 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 disclosures in the financial statements. An audit also includes assessing the accounting principles used 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 Companies (Auditor's Report) Order, 2003 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;
 - iii) The Balance Sheet, the statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv) In our opinion, the Balance Sheet, the statement of Profit and Loss dealt and Cash Flow Statement 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, 2012, and taken on record by the Board of Directors,

we report that none of the Director is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) Of sub-section (1) of section 274 of the Companies Act, 1956;

vi) 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 Balance Sheet, of the State of affairs of the Company as at 31st March, 2012;

(b) in the case of the statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement of the cash flows for the year ended on that date.

*For SUNDARLAL, DESAI AND KANODIA,
CHARTERED ACCOUNTANTS,
Registration Number.110560W*

Sd/-

*(M.B.DESAI)
PARTNER
Membership Number 33978*

PLACE : MUMBAI

DATED : 3RD SEPTEMBER, 2012

ANNEXURE TO THE AUDITORS REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF REMI SALES AND ENGINEERING LIMITED AS AT 31st March, 2012)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations give to us, all the assets have not been physically verified by the management during the year but there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, No material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year.
- ii) (a) The inventory has been physically verified during the year by the management. in our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- iii) a) In our opinion and according to information and explanations given to us, the Company has not granted loans, secured or unsecured to Companies, Firm or other parties listed in the register maintained under section 301 of the Act and hence sub clause (b), (c) and (d) are not applicable.
- (e) In our opinion and according to the information and explanations given to us, the Company has not taken any secured or unsecured loans from Companies, firm or other parties listed in the register maintained under section 301 of the Companies Act and hence sub clause (f) and (g) are also not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) As the Company is not a manufacturing Company, the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the companies Act, 1956 are not applicable to it.
- (ix) (a) According to the information and explanations given to us, The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it and there were no dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, no disputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Service tax, Customs duty, Excise duty and Cess were in arrears, as at 31st March, 2012 except demand of Rs.59,47,031/- in respect of sales tax interest & penalty thereon pertaining to F.Y. 2008-09, disputed before Commissioner of Sales Tax (Appeals).
- (x) The Company does not have accumulated Losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the informations and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund / society.