

REMI ELEKTROTECHNIK LIMITED

33rd ANNUAL REPORT 2012 - 13



MOTORS



REMI *commercio*
THE LEVELS OF EXCELLENCE

REAL ESTATE (PROPOSED)



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,

(VISHWAMBHAR C.SARAF)
MANAGING DIRECTOR

Dated : 13th August, 2013

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	<u>272.39</u>	<u>673.00</u>	<u>124.58</u>	<u>567.24</u>
Profit for the period	561.91		253.18	
Balance brought forward	<u>899.64</u>		<u>696.46</u>	
	<u>1461.55</u>		<u>949.64</u>	
<u>Appropriations</u>				
Transfer to General Reserve	50.00		50.00	
Net surplus in the Statement of Profit & Loss	<u>1411.55</u>		<u>899.64</u>	
	<u>1461.55</u>		<u>949.64</u>	

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	Directorship	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 Edlestahl Tubulars Limited. Now he is the Managing Director of Remi Process Plant and Machinery Limited.

- ii. Shri Sunil Saraf is commerce graduate of Nagpur University. Then came to Bombay and Joined REMI Group where he has been all these 32 years. From the lower position in the office, by 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 by giving a very high remuneration package.
- iii. Shri Ashish Kanodia is a commerce graduate and he is Chartered Accountant in Practice. He is doing practice in Mumbai from last 14 years. He is the Chairman of the Audit Committee of the Company.

11. MEANS OF COMMUNICATION:-

The Company regularly intimates its financial results to the Bombay Stock Exchange Limited as soon as the same are approved and taken on record. These financial results are published in The Free Press Journal and Navshakti.

12. GENERAL SHAREHOLDER INFORMATION:

The 33rd Annual General Meeting of the Company will be on **Monday, the 30th September, 2013**, at Company's Registered Office, REMI House, Plot No. 11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063 at 11.00 A. M.

Financial year of the Company is from 1st April, 2012 to 31st March, 2013.

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.

➤ Listing on Stock Exchange:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited	512487

➤ Market Price Data:

MONTH	HIGH PRICE (₹)	LOW PRICE (₹)
April – 2012	15.87	15.12
May – 2012	15.87	15.12
June – 2012	15.87	15.12
July – 2012	15.87	15.12
August – 2012	15.87	15.12
September – 2012	15.87	15.12
October – 2012	15.87	15.12
November – 2012	15.87	15.12
December – 2012	15.87	15.12
January – 2013	16.60	16.60
February – 2013	16.60	16.60
March – 2013	16.60	16.60

➤ Registrar and Transfer Agents:

Bigshare Services Private Limited,
E-2&3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072
Tel: 22 28470652/ 40430200 / 28470653
Fax: 22 28475207 E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com

➤ **Share Transfer system:**

The transfers received by the Company or Registrar and Transfer agents in physical form are processed and Share Certificates are dispatched.

➤ **Distribution of Shares:**

Distribution of Shareholding as on 31st March, 2013.

Shareholding of Nominal (in Rs.)	No. of Shareholders	% of Total	Share Amount (in Rs.)	% of total
Upto 5000	121	87.68	121660	0.25
5001 – 10000	2	1.45	14100	0.03
10001 – 20000	1	0.72	13000	0.03
20001 & Above	14	10.15	48501240	99.69
TOTAL :	138	100.00	48650000	100.00

Categories of Shareholders as on 31st March, 2013

CATEGORY	NO OF HOLDERS	NO OF SHARES	% OF TOTAL SHARE HOLDING
Individuals	126	1821466	37.44
Companies	12	3043534	62.56
FII, NRIs & OCBs	-	-	-
Mutual Funds, Banks & FIs	-	-	-
TOTAL :	138	4865000	100.00

➤ **Dematerialization of Shareholding:**

As on 31st March, 2013, 4855610 equity shares constituting 99.81% have been dematerialized.

➤ **Plant Location:**

The manufacturing facility of the Company is located at the following address:
Survey No. 65, Village Waliv, Vasai (East), Thane – 401 208

➤ **Address for Correspondence:**

<u>Registered & Corporate Office:</u> REMI HOUSE, Plot No. 11, Cama Industrial Estate, Goregaon (E) Mumbai – 400 063 Ph. No. 022-4058 9888 Fax No. 022-26850888 Email: vsiyer@remigroup.com rei_igrd@remigroup.com	<u>Registrar and Share Transfer Agent:</u> Bigshare Services Private Limited E-2&3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Ph. No.: 022-2847 0652/ 4043 0200 Fax No.:022-2847 5207 Email: investor@bigshareonline.com
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ON BEHALF OF THE BOARD

Sd/-

Place: Mumbai
Dated: 13th August, 2013

VISHWAMBHAR C. SARAF
CHAIRMAN

CERTIFICATE OF CORPORATE GOVERNANCE

The Members,
REMI ELEKTROTECHNIK LIMITED

We have examined the compliance of conditions of Corporate Governance by **REMI ELEKTROTECHNIK LIMITED**, for the year ended on March 31, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited, Mumbai.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders/Investors Grievance Committee of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For SUNDARLAL, DESAI & KANODIA,
CHARTERED ACCOUNTANTS,**

Sd/-

PLACE : MUMBAI

DATED : 13TH AUGUST, 2013

**(M. B. DESAI)
PARTNER**

Independent auditors' report to the members of Remi Elektrotechnik Limited.

Report on the financial statements

We have audited the accompanying financial statements of Remi Elektrotechnik Limited (the company), which comprise the balance sheet as at 31 March 2013, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of the balance sheet, of the state of affairs of the company as at 31 March 2013.
- 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.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. 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.
 - b. 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.
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Sd/-

**(M.B. DESAI)
PARTNER**

Membership Number 33978

Place : Mumbai

Date : 30th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF REMI ELEKTROTECHNIK LIMITED AS AT 31st March, 2013)

- (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 covered in register maintained under section 301 of the Companies Act, 1956 and hence sub-clause (b) and (c) are also not applicable.
- (b) According to the information and explanations given to us, the Company has taken unsecured loan form two companies covered in the register maintained under section 301 of the Companies Act, 1956. Amount involved during the year was ₹ 340 Lacs and closing balance was ₹ 33.45 Lacs.
- (c) In our opinion the rate of interest and other terms & conditions of unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- (d) In our opinion payment of the principal amount and interest are also regular.
- (iv) In our opinion and according to the 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 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.

Contd.....2.

- (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 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) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations provided 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, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Other Statutory dues applicable to it. There were no arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the particulars of dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty, and Cess, as at 31st March, 2013, which have not been deposited on account of any dispute are as follows:

Sr. No.	Name of the Statute	Nature of dues	Amt. (₹)	Forum where dispute is pending
1.	Service Tax	Service Tax & Penalty	9,80,262	Commissioner (Appeal)

- (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.

- (xiv) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to information and explanation given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to explanation given to us the Company has utilised the term loans for the purpose for which the same were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) According to the information and explanations given to us, the Company has neither issued any debentures during the year nor issued earlier are outstanding. Accordingly, the provisions of clause (xix) of the order are not applicable to the Company.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

Sd/-

**(M.B. DESAI)
PARTNER**

Membership Number 33978

PLACE : MUMBAI

DATED : 30TH MAY, 2013

REMI ELEKTROTECHNIK LIMITED
BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Notes	Figures at the end of Current Reporting Period Ended on 31.03.2013	Figures at the end of Previous Reporting Period Ended on 31.03.2012
		(₹)	(₹)
I. EQUITY AND LIABILITIES:			
(1) Shareholders' Funds			
(a) Share Capital	2	48,650,000	48,650,000
(b) Reserves and Surplus	3	606,250,649	550,059,677
		654,900,649	598,709,677
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	4	40,878,869	162,920,190
(b) Deferred Tax Liabilities (Net)		12,755,183	12,816,000
(c) Other Long term Liabilities	5	151,648	134,032,968
(d) Long-Term Provisions	6	3,500,194	2,977,638
		57,285,894	312,746,796
(3) Current Liabilities			
(a) Short-Term Borrowings	7	279,852,338	109,975,557
(b) Trade Payables	8	116,322,214	79,276,523
(c) Other Current Liabilities	9	35,214,256	35,690,337
(d) Short-Term Provisions	10	11,575,268	3,087,866
		442,964,076	228,030,283
Total		1,155,150,619	1,139,486,756
II. ASSETS:			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		151,271,040	157,463,462
(ii) Intangible Assets		1,950,465	2,046,647
(b) Non-Current Investments	12	448,330	448,330
(c) Long Term Loans and Advances	13	6,583,646	26,384,788
		160,253,481	186,343,227
(2) Current Assets			
(a) Inventories	14	603,846,888	743,678,534
(b) Trade Receivables	15	214,718,186	178,884,203
(c) Cash and Cash Equivalents	16	111,997,531	2,118,623
(d) Short-term Loans and Advances	17	64,160,951	28,309,667
(e) Other Current Assets	18	173,582	152,502
		994,897,138	953,143,529
Total		1,155,150,619	1,139,486,756

The accompanying notes are an integral part of the financial statements

1

**AS PER OUR REPORT OF EVEN DATE
FOR SUNDARLAL, DESAI & KANODIA,
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF BOARD

**Sd/-
(M.B. DESAI)
PARTNER
Membership No.33978**

**Sd/-
SUNIL SARAF V.C. SARAF
DIRECTOR DIRECTOR**

PLACE : MUMBAI
DATED : 30TH MAY, 2013

REMI ELEKTROTECHNIK LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Notes	For the Year Ended	For the Year Ended
		31.03.2013	31.03.2012
		(₹)	(₹)
I. Revenue from Operations	19	1,128,714,164	723,087,936
Less: Excise Duty		75,947,312	66,258,862
Inter Unit Sales		1,052,766,852	656,829,074
II. Other Income	20	839,995	1,285,183
		1,935,912	1,814,951
III. Total Revenue (I +II)		1,055,542,759	659,929,208
IV. <u>Expenses:</u>			
Cost of Materials Consumed	21	399,044,515	400,636,200
Inter Unit Purchase		839,995	1,285,183
Purchases for Property Development and conversion of Land into Stock in Trade	22	74,869,032	63,674,246
Purchase of Traded Goods	23	24,643,695	14,752,591
Changes in Inventories of Finished Goods & Work-in-Progress	24	132,728,975	(162,287,836)
Employee Benefit Expenses	25	70,557,689	63,979,685
Other Expenses	26	229,368,800	195,847,393
Depreciation and amortisation		10,393,785	9,755,108
Finance Costs	27	29,666,713	34,511,235
V. Total Expenses		972,113,199	622,153,805
VI. Profit before Tax (III - V)		83,429,560	37,775,403
VII. <u>Tax Expenses</u>			
(a) Current tax		27,500,000	10,800,000
(b) Deferred tax		(60,817)	1,648,942
(c) Excess/(Short)Provision of taxation of earlier Years W/Back		200,595	(8,667)
VIII. Profit for the period (VI - VII)		56,190,972	25,317,794
IX. Earning per Equity Share [Nominal Value of Share Rs. 10]			
(1) Basic		11.55	5.20
(2) Diluted		11.55	5.20

The accompanying notes are an integral part of the financial statements

1

**AS PER OUR REPORT OF EVEN DATE
FOR SUNDARLAL, DESAI & KANODIA,
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF BOARD

**Sd/-
(M.B. DESAI)
PARTNER
Membership No.33978**

**Sd/-
SUNIL SARAF
DIRECTOR
V.C. SARAF
DIRECTOR**

PLACE : MUMBAI
DATED : 30TH MAY, 2013

REMI ELEKTROTECHNIK LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2012-2013

	(₹ in Lacs)	
	2012-2013	2011-2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extra-ordinary item	834.29	377.75
Adjustment for :		
Depreciation	103.94	97.55
Interest	296.67	345.11
Profit on sale of Fixed Assets	(0.18)	-
Profit on sale of Investments	-	2.72
Other Income	(19.36)	(18.15)
Operating profit before working capital changes	1,215.36	804.99
Adjustment for :		
Trade and Other Receivables	(519.05)	(167.11)
Inventories	1,398.32	(1,590.02)
Trade Payable and Provision	(885.11)	1,078.80
Cash Generated from Operations	1,209.52	126.66
Direct Taxes Paid	(275.00)	(108.00)
Cash Flow before Extra-ordinary items	934.52	18.66
Extra-ordinary items	2.01	(0.08)
Net Cash from Operating Activities (A)	936.53	18.58
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(46.12)	(160.03)
Sales of Fixed Assets	5.24	3.10
Other Income	19.36	18.15
Net Cash used in Investing Activities (B)	(21.52)	(138.78)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest Paid	(296.67)	(345.11)
Proceeds/(Repayment) from Long Term Loan	(1,218.32)	364.34
Proceeds/(Repayment) from Short Term Loan	1,698.77	99.90
Net Cash used in Financial Activities (C)	183.78	119.13
Net Increase in Cash and Cash Equivalents (A+B+C)	1,098.79	(1.08)
Cash as at (Closing Balance)	1,119.98	21.19
Cash as at (Opening Balance)	21.19	22.27
Increase/Decrease in Cash Balance	1,098.79	(1.08)

NOTES:

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard "Cash Flow Statement".
- 2) Cash and Cash equivalents includes Cash and Bank balances.
- 3) Figures in bracket represents Cash Outflow.

**AS PER OUR REPORT OF EVEN DATE
FOR SUNDARLAL, DESAI & KANODIA,
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Sd/-
(M.B. DESAI)
PARTNER
Membership No.33978**

**SUNIL SARAF
DIRECTOR**

**Sd/-
V.C. SARAF
DIRECTOR**

PLACE : MUMBAI
DATED : 30TH MAY, 2013

REMI ELEKTROTECHNIK LIMITED

Notes on Financial Statements for the year ended 31st March, 2013.

NOTE – 1

Company Profile:

Remi Elektrotechnik Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is an engineering company primarily engaged in manufacturing of electrical motors and laboratory equipments. The company is also developing commercial real estate property at Andheri (West), Mumbai. The Company is listed on BSE.

1.1. SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of Accounting

The Financial Statements are prepared under historical cost convention and generally on accrual basis and are in accordance with the requirement of the Companies Act, 1956.

ii. Fixed Assets

Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in acquisition and construction/installation and other related expenses. Cenvat and vat credit taken in respect of purchase of plant and machinery has been reduced from the cost of respective plant and machinery and depreciation has been provided on net cost. Assets which have been revalued are accounted for at values determined on the basis of such revaluation made by professional valuers. Surplus arising on revaluation has been credited to Revaluation Reserve Account.

iii) Depreciation

a) Depreciation has been provided on Straight line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deduction during the year is provided on prorata basis except for low value items up to Rs.5,000/- on which the company has provided 100% depreciation.

b) In respect of revalued assets, depreciation is provided for on the revalued figures and an amount equal to the additional depreciation consequent on revaluation is transferred annually from the Revaluation Reserve to the Statement of Profit and Loss.

c) **Leasehold land:** Amortised over the period of lease.

iv) Intangible Assets

a) Expenditure incurred for acquiring software is stated at acquisition cost and they are amortised over their useful life not exceeding five years.

b) Goodwill has been amortised over a period of five years.

v) Inventories

a) Raw materials and General Stores are valued at cost or realizable value whichever is less, excluding Cenvat and VAT credit, by FIFO method.

b) Work in Process is valued at raw material cost plus estimated overheads or realizable value, whichever is less but excluding Cenvat and VAT credit.

Contd.....2.

- c) Finished Goods valued at cost including estimated overheads or net realizable value whichever is less. The value includes excise duty paid/payable on such goods.
- d) Scrap is valued at realizable value. This value includes excise duty payable thereon.

vi) **Retirement Benefits**

1) **Post-Employment Employee benefits**

a) **Defined Contribution Plans:**

The company has Defined Contribution Plan for Post employment benefits in the form of Provident Fund for all employees which is administered by Regional provident Fund Commissioner. Provident Fund is classified as defined contribution plan as the Company has no further obligation beyond making the contributions. The Company's contribution to Defined Contribution Plan is charged to the statement of profit and Loss as and when incurred.

b) **Defined Benefit Plans:**

Funded Plan: The Company has defined benefit plan for Post-Employment benefit in the form of Gratuity for all employees which is administered through Life Insurance Corporation (LIC)

Liability for above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit method.

2) **Other Long-term Employee Benefit**

Liability for Compensated Absences (unutilized leave benefit) is provided on the basis of valuation, as at the Balance Sheet Date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit method in respect of past service.

- 3) Termination benefits are recognized as an expense as and when incurred.
- 4) The actuarial gains and losses arising during year are recognized in the statement of Profit and Loss of the year without resorting to any amortization.

vii) **Investments**

Long Term investments are stated at cost or fair value, whichever is less, temporary fall in market value, if any, is not provided for. Current Investments are carried at lower of cost and fair value.

viii) **Revenue Recognition**

Sales are inclusive of excise duty and net of sales tax, sales returns, claims and discount, etc. Domestic sale is recognised at the point of billing & exports sale is recognised on date of Bill of lading.

Revenue from property development is recognised as per Guidance Note on Accounting for Real Estate transactions (Revised 2012) issued by the ICAI, which is effective from 01.04.2012.

ix) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition of fixed assets are capitalised for the period until the asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

x) Taxes on Income

Income Tax expense for the year comprises of current tax and deferred tax. Current tax provision has been determined on the basis of relief's, deduction available under the Income Tax Act. Deferred Tax is recognized for all timing differences, subject to the consideration of prudence, applying the tax rates and laws that have been enacted or substantively enacted on Balance Sheet Date. Deferred Tax asset is recognized only to the extent there is virtual certainty that assets will be realized in future.

xi) Foreign Currency Transaction

- a) Foreign currency transactions are recorded at exchange rate prevailing on the date of transaction.
- b) Foreign currency receivable/payables at the year end are translated at exchange rates applicable as on that date.
- c) Any gains or losses arising due to exchange differences at the time of translation or settlement are accounted for in the statement of Profit & Loss.

xii) Impairment of Assets

Impairment of assets are assessed at each balance sheet date and loss is recognized wherever the receivable amount of an assets is less than its carrying amount.

xiii) Provisions, Contingent Liabilities and Contingent Assets:

Provision involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are disclosed separately.

xiv) Excise Duty:

Excise Duty payable on products is accounted for at the time of dispatch of goods from the factory but is accrued for stocks held at the year end.

Excise Duty related to the difference between the closing stock and opening stock of finished goods has been recognized separately in the statement of Profit and Loss under "Other Expenses".

1.2. Contingent liabilities not provided for:

- i) Guarantee to bank on behalf of other Companies Rs.Nil (P.Y. Rs.6,65,00,000/-).
- ii) Guarantee issued by bank on behalf of the company Rs.1,14,38,806 /- (P.Y. Rs.1,11,02,307/-).

- iii) Service tax liability disputed by the Company Rs.10,70,227/- (P.Y. Rs.82,143/-)
- iv) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) Rs.76,65,350 /- (P.Y. Rs.3,22,100/-)

1.3. The significant component and classification of deferred tax assets and liabilities on account of timing differences are:-

	As At 31-03-2013 (₹)	As At 31-03-2012 (₹)
a) <u>Deferred Tax Assets:</u>		
On account of retirement benefits	15,43,384	13,37,598
On account of long term loss	5,98,700	5,98,700
b) <u>Deferred Tax Liability:</u>		
On account of Depreciation	(1,48,97,268)	(1,47,52,298)
c) Net deferred tax Assets/(liability) on account of timing difference	(1,27,55,183)	(1,28,16,000)

1.4. <u>Earning per Share:</u>	2012-2013 (₹)	2011-2012 (₹)
a) <u>Weighted average number of equity shares</u>		
i) Number of shares at the beginning of the year	48,65,000	48,65,000
ii) Number of shares considered as basic weighted average shares outstanding for computing basic earning per shares	48,65,000	48,65,000
iii) Number of shares considered as weighted average shares outstanding for computing diluted earning per shares	48,65,000	48,65,000
<u>Computation of basic and diluted earning per share:</u>		
b) Net profit after tax distributable to share holders	5,61,90,972	2,53,17,794
c) Basic earning per equity share of Rs.10/- each	11.55	5.20
d) Diluted earnings per equity share of Rs.10/-each	11.55	5.20

1.5. **Information about business Segments:** (₹ in Lacs)

Revenue	Electrical Motors	Instruments	Real Estate	Total
External	2,573.07 (2,729.34)	4,321.80 (3,581.80)	3,641.20 (--)	10,536.07 (6,581.14)
Less: Inter Segment	8.40 (12.85)	-- (--)	-- (--)	8.40 (12.85)
Total Revenue	2,564.67 (2716.49)	4,321.80 (3,581.80)	3,641.20 (--)	10,527.67 (6,568.29)

Contd.....5.

Revenue	Electrical Motors	Instruments	Real Estate	Total
Result				
Segment Result	164.92 (182.41)	332.45 (345.55)	527.38 (--)	1,024.75 (527.96)
Financial Charges (Net of Interest & Financial Charges pertaining to Real Estate carried to WIP)				190.46 (150.21)
Profit Before tax				834.29 (377.75)
Provision for current taxation				272.99 (108.08)
Provision for deferred taxation/credit				-0.61 (16.49)
Profit after taxation				561.91 (253.18)
Other Information				
Segment Assets	2,135.81 (2,510.31)	2,618.93 (2,295.20)	6,796.76 (2,719.38)	11,551.50 (7,524.89)
Segment Liabilities	1,082.12 (1,214.34)	1,275.79 (1,097.00)	5,978.22 (1,339.07)	8,336.13 (3,650.41)
Capital Expenditure	16.65 (105.91)	29.47 (54.12)	-- (--)	46.12 (160.03)
Depreciation	66.94 (62.51)	37.00 (35.04)	-- (--)	103.94 (97.55)
Non Cash Expenses-other than depreciation	-- (--)	-- (--)	-- (--)	-- (--)

Note:-**Management has identified three separate segments namely:**

- Electrical Motors** – Comprising of electrical motors of all types.
- Instruments** – Comprising of laboratory instruments and equipments and parts thereof.
- Real Estate** – Comprising of development of Commercial property.

1.6. Related parties disclosures:

- (a) Key Management Personal:
Shri V.C.Saraf- Managing Director
Shri Ritvik.V.Saraf- Executive Director
Shri Sunil Saraf – Executive Director
- (b) Associate companies:
Bajrang Finance Ltd., Remi Process Plant & Machinery Ltd., Calplus Trading Pvt. Ltd. and Hanuman Forging & Engineering Pvt.Ltd.
- (c) Relatives of key management personal and their enterprises where transactions have taken place:
Rajendra Electric Motor Industries

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

ii) **Transactions carried out with related parties referred in i) above, are in ordinary course of business:**

Nature of Transaction	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Sales	(₹)	(₹)	(₹)
Goods and Materials	-- (--)	26,84,340 (44,93,135)	-- (--)
Rent Received	-- (--)	1,20,000 (1,20,000)	-- (--)
Royalty Charges	-- (--)	-- (--)	13,27,615 (12,77,176)
Remuneration	87,63,426 (81,57,170)	-- (--)	-- (--)
Rent Paid	-- (--)	19,32,000 (18,14,400)	-- (--)
Interest	--	47,26,025 (64,58,735)	-- (--)
Reimbursement of Expenses	-- (--)	6,06,615 (5,19,870)	-- (--)
Vehicle Hiring Charges	-- (--)	-- (--)	9,11,124 (5,37,713)
Loan taken during the year	-- (--)	16,38,25,000 (9,91,20,000)	-- (--)
Labour Charges Reieived	-- (--)	1,10,254 (--)	-- (--)
<u>Closing Balances as on 31.03.2013</u>			
Payable	-- (--)	77,88,031 (5,98,78,848)	1,78,198 (1,61,168)
Receivable	-- (--)	1,38,695 (1,38,826)	-- (--)

1.7. **Percentage of Consumption of Imported Goods with Total Consumption:**

	Value (₹)	% of Total Consumption
Imported	75,810 (-)	0.02 (-)
Indigenous	39,89,68,705 (40,06,36,200)	99.98 (100)
TOTAL	39,90,44,515 (40,06,36,200)	100.00 (100.00)

Contd.....7

1.8. Disclosures in accordance with Revised AS – 15 on “Employee Benefits” :**(A) Defined Contribution Plans:**

The Company has recognized the following amounts in the Statement of Profit and Loss for the year:

For the year ended March 31, 2013 (₹)

Contribution to Employees' Provident Fund	37,53,690 (36,90,763)
---	---------------------------------

(B) Defined Benefits Plans:**(i) Changes in the Present Value of Obligation****For the year ended March 31, 2013**

		Gratuity	Leave Encashment	Total
(a)	Present Value of Obligation as at 1 st April, 2012	1,19,49,782 (1,06,51,419)	41,22,664 (35,88,004)	1,60,72,446 (1,42,39,423)
(b)	Interest Cost	10,45,606 (8,78,742)	3,60,733 (2,96,010)	14,06,339 (11,74,752)
(c)	Past Service Cost	-- (--)	-- (--)	-- (--)
(d)	Current Service Cost	10,95,885 (9,49,865)	-50,125 (5,49,119)	10,45,760 (14,98,984)
(e)	Benefits Paid	-15,05,918 (2,04,116)	-16,09,709 (1,71,691)	-31,15,627 (3,75,807)
(f)	Actuarial (Gain)/Loss	16,09,263 (3,26,128)	19,33,362 (1,38,778)	35,42,625 (4,64,906)
(g)	Present Value of Obligation as at 31-03-2013	1,41,94,618 (119,49,782)	47,56,925 (41,22,664)	1,89,51,543 (1,60,72,446)

(ii) Changes in the Fair value of Plan Assets:**For the year ended March 31, 2013 (₹)**

		Gratuity	Leave Encashment
(a)	Present Value of Plan Assets as at April 1, 2012	1,11,99,381 (75,57,852)	-- (--)
(b)	Expected Return on Plan Assets	10,09,967 (8,24,675)	-- (--)
(c)	Actuarial (Gain)/Loss	-- (--)	-- (--)
(d)	Employers' Contributions	7,67,807 (30,20,970)	-- (--)
(e)	Employees' Contributions	-- (--)	-- (--)
(f)	Benefits Paid	-15,05,918 (2,04,116)	-- (--)
(g)	Fair Value of Plan Assets as at March 31, 2013	1,14,71,237 (1,11,99,381)	-- (--)

Contd.....8.

(iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets:-

For the year ended March 31, 2013 (₹)

	Gratuity	Leave Encashment	Total
(a) Present Value of Funded Obligation as at March 31, 2013	1,41,94,618 (1,19,49,782)	47,56,925 (41,22,664)	1,89,51,543 (1,60,72,446)
(b) Fair Value of Plan Assets as at March 31, 2013	-1,14,71,237 (1,11,99,381)	-- (--)	-1,14,71,237 (1,11,99,381)
(c) Present Value of Unfunded Obligation as at March 31, 2013	- (7,50,401)	-- (--)	- (7,50,401)
(d) Net Liability recognized in the Balance Sheet	27,23,381 (7,50,401)	47,56,925 (41,22,664)	74,80,306 (48,73,065)

(iv) Expenses recognized in the Statement of Profit and Loss

For the year ended March 31, 2013 (₹)

	Gratuity	Leave Encashment	Total
(a) Current Service Cost	10,95,885 (9,49,865)	-50,125 (5,49,119)	10,45,760 (14,98,984)
(b) Past Service Cost	-- (--)	-- (--)	-- (--)
(c) Interest Cost	10,45,606 (8,78,742)	3,60,733 (2,96,010)	14,06,339 (11,74,752)
(d) Expected Return on Plan Assets	-10,09,967 (8,24,675)	-- (--)	-10,09,967 (8,24,675)
(e) Net actuarial (Gain)/Loss	16,09,263 (3,26,128)	19,33,362 (1,38,778)	35,42,625 (4,64,906)
(f) Employees' Contribution	-- (--)	-- (--)	-- (--)
(g) Total Expenses recognized in the Statement of Profit and Loss	27,40,787 (6,77,804)	22,43,970 (7,06,351)	49,84,757 (13,84,155)

Contd.....9.

(v) **Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2013**

	Percentage
(a) Government of India Securities	-- (--)
(b) Corporate Bonds	-- (--)
(c) Special Deposit Scheme	-- (--)
(d) Equity Shares of Listed Companies	-- (--)
(e) Property	-- (--)
(f) Insurer Managed Funds	100% (100%)
(g) Others	-- (--)

(vi) **The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.**

(vii) The Actual Return on Plan Assets is as follows

Particulars	(%)
Actual return on plan assets	9.25% (9.15%)

(viii) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

Sr. No.	Particulars	Gratuity	Leave Encashment
(a)	Rate of Interest	8.25% (8.75%)	8.25% (8.75%)
(b)	Salary Growth	6.50% (6%)	6.50% (6%)
(c)	Withdrawal Rate	1% (1%)	1% (1%)
(d)	Mortality Rates	LIC (1994-96) ultimate Mortality Rates	LIC (1994-96) ultimate Mortality Rates

1.9. During the year Company has recognised revenue from Real Estate development activity in accordance with Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by ICAI. The Company has recognised revenue during the year ended 31.03.2013 of Rs. 3,641.20 lacs (P.Y. Rs. Nil) by following Percentage Completion Method. Further stage of completion of project is determined by dividing cost incurred till date of reporting period to total estimated cost of the project.

Till 31.03.2013, the company has incurred total cost of Rs. 8,196.11 lacs (P.Y.Rs.6,388.98 lacs) and recognised profit of Rs. 527.38 lacs (P.Y. Rs. Nil) in its financial statements and shown work in progress of Rs. 5,014.94 lacs (P.Y.Rs.6,388.98 lacs).

- 1.10. The company has not received details from its suppliers as to whether any of them are micro small and medium enterprises and hence any overdue amount payable to such enterprises cannot be compiled. However, the company is paying to its suppliers as per agreed terms.
- 1.11. a) Imports of goods on CIF basis Rs.96,88,068/- (P.Y.Rs.52,76,360/-)
b) Expenses in Foreign Currency : Travelling Rs.9,29,548/- (P.Y.Rs.12,02,466/-)
: Sales Promotion Rs.12,21,606/- (P.Y. -
Rs.6,94,323/-)
- 1.12. Earning in foreign Currency : FOB value of Exports Rs.3,97,69,926/- (P.Y. -
Rs.1,57,91,354/-)
- 1.13. Previous year figures are regrouped, rearranged and reclassified, wherever necessary, to conform to current year's presentation.
- 1.14. Figures within brackets are for previous year.
- 1.15. Figures have been rounded off to the nearest rupee.

Signature to Notes 1 to 27.

As per our Annexed Report

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

FOR AND ON BEHALF OF BOARD

Sd/-

(M.B.DESAI)
PARTNER

Membership Number 33978

Sd/-

SUNIL SARAF V.C. SARAF
DIRECTORS

PLACE : MUMBAI.

DATED: 30TH MAY, 2013

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

	31-03-2013	31-03-2012
	(₹)	(₹)
NOTE - 2		
SHARE CAPITAL		
AUTHORISED: 55,00,000 (55,00,000) Equity Shares Of Rs. 10/- Each	55,00,000	55,00,000
ISSUED, SUBSCRIBED AND PAID UP : 48,65,000 (48,650,000) Equity Shares of Rs. 10/- each	48,650,000	48,650,000
TOTAL	48,650,000	48,650,000

(a) **Terms/ Rights Attached to Equity Shares:**

The company has only one class of equity shares having par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) **Details of Shareholders Holding more than 5% Shares of the Company:**

Sr. No.	Name of the Shareholder	No. of shares as on 31-03-2013	No. of shares as on 31-03-2012
	Remi Securities Limited	389,124	389,124
	Fulidevi Saraf Family Trust	462,988	462,988
	Rishabh R. Saraf	500,110	500,110
	Vishwambharlal Chiranjilal H.U.F.	550,000	550,000
	Bajrang Finance Limited	1,144,640	1,144,640
	Hanuman Forging & Engineering Pvt.Ltd.	1,000,900	690,000
	Hanuman Freight & Carriers Pvt.Ltd.	-	688,900

(c) There is no change in share capital during the year

Particulars	31-03-2013	31-03-2012
	(₹)	(₹)
NOTE - 3		
RESERVES AND SURPLUS		
(a) Revaluation Reserve	386,997,996	386,997,996
(b) Securities Premium Account	8,000,000	8,000,000
(c) <u>General Reserve:</u>		
Opening Balance	65,097,451	60,097,451
Add: Transferred from surplus balance in statement of profit & loss	5,000,000	5,000,000
Closing Balance	70,097,451	65,097,451
(d) <u>Surplus:</u>		
Opening Balance	89,964,230	69,646,436
Add: Profit for the period	56,190,972	25,317,794
Less: <u>Appropriations:</u>		
Transferred to General reserve	5,000,000	5,000,000
Net surplus in the statement of profit & loss	141,155,202	89,964,230
Total reserves and surplus	606,250,649	550,059,677

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

Particulars	31-03-2013 (₹)	31-03-2012 (₹)
NOTE - 4		
LONG TERM BORROWING		
(a) Secured Loans :		
Term Loans:		
From State Bank of India (Secured by equitable mortgage of the co's immovable property situated at Vasai hypothecation of Stocks of Raw materials, Stock in Process, Finished Goods, Stores and Spares and Book Debts and all other Current Assets, and further guaranteed by two of the Directors) (Repayable in 55 monthly installment of Rs.8,80,00/- each. and 5 installment of Rs.9,80,000/- each.Total number of installments - 60, applicable rate of interest - 15.50 % p.a.)	1,323,315	6,678,708
Vehicle Loans :		
From Reliance Capital Limited (Secured against hypothecation of the Vehicle purchased from such loans & repayable in EMI of Rs.15,850/- each(including interest). Total number of installments - 36, applicable rate of interest - 12 % p.a.)	46,614	218,207
From Kotak Mahindra Prime Limited (Secured against hypothecation of the Vehicle purchased from such loans & repayable in EMI of Rs.15,828/- each(including interest). Total number of installments - 35, applicable rate of interest - 12.60 % p.a.)	-	46,768
From HDFC Bank Limited (Secured against hypothecation of the Vehicle purchased from such loans & repayable in EMI of Rs.34,895/- each(including interest). Total number of installments - 36, applicable rate of interest - 12 % p.a.)	690,795	-
	2,060,724	6,943,683
(b) Unsecured Loans		
Intercorporate Deposit from Others	29,083,867	116,305,929
Intercorporate Deposit from Related Parties	6,766,060	36,702,360
Deferred Sales Tax Liabilities	2,968,218	2,968,218
	38,818,145	155,976,507
	40,878,869	162,920,190
NOTE - 5		
OTHER - LONG TERM LIABILITIES		
Advance against Booking of Property	-	133,907,144
Deposit Received	151,648	125,824
	151,648	134,032,968
NOTE - 6		
LONG TERM PROVISIONS		
For Employee Benefit		
Provision for Leave Encashment	3,500,194	2,977,638
	3,500,194	2,977,638
NOTE - 7		
SHORT TERM BORROWING		
(a) Secured Loans		
From State Bank of India:		
Cash Credit Facility Repayable on Demand (Secured by equitable mortgage of the Co.'s immovable property situated at Andheri Mumbai and at Vasai, hypothecation of Stocks of Raw materials, Stock in Process, Finished Goods, Stores and Spares and Book Debts and all other Current Assets, and further guaranteed by two of the Directors)	279,852,338	109,975,557
	279,852,338	109,975,557
NOTE - 8		
TRADE PAYABLES	116,322,214	79,276,523
INTER UNIT BALANCE	-	-
	116,322,214	79,276,523
NOTE - 9		
OTHER CURRENT LIABILITIES		
- Advance from Customers	2,564,855	6,251,024
- Excise Duty Payable on BSR Stock	4,776,280	3,776,583
- Other Liabilities	15,495,770	14,441,761
- Current Maturity of Long Term Loans	11,201,036	10,991,898
- Interest Accrued and Due on Borrowings	1,176,315	229,071
	35,214,256	35,690,337
NOTE - 10		
SHORT TERM PROVISIONS		
(a) For Employee Benefit:		
Provision For Gratuity	2,723,381	750,401
Provision For Leave Encashment	1,256,731	1,145,026
(b) Other Provisions:		
Provision for Taxation (net of taxes paid)	7,595,156	1,192,439
	11,575,268	3,087,866

REMI ELEKTROTECHNIK LIMITED

Notes on Financial Statements

NOTE - 11

Particular	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As on 01.04.2012	Addition/ adjustment	Deduction	As on 31.03.2013	Upto 31.03.2012	For the Year	Deduction	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
(a) TANGIBLE ASSETS:										
Land	24,430,832	-	-	24,430,832	-	-	-	-	24,430,832	24,430,832
Residential Premises	20,000	-	-	20,000	11,082	326	-	11,408	8,592	8,918
Factory Building	76,124,496	-	-	76,124,496	12,214,163	2,542,558	-	14,756,721	61,367,775	63,910,333
Plant And Machinery	69,745,841	846,801	-	70,592,642	28,736,348	3,887,646	-	32,623,994	37,968,648	41,009,493
Mould & Dies	18,114,492	1,317,510	-	19,432,002	12,025,431	1,159,479	-	13,184,910	6,247,092	6,089,061
Electric Installation	11,551,261	-	-	11,551,261	2,732,068	528,641	-	3,260,709	8,290,552	8,819,193
Office Equipment	2,290,656	147,323	-	2,437,979	948,074	105,972	-	1,054,046	1,383,933	1,342,582
Furniture & Fixture	8,070,854	17,510	-	8,088,364	2,893,697	477,560	-	3,371,257	4,717,107	5,177,157
Air Conditioner	1,579,804	101,146	-	1,680,950	682,665	71,480	-	754,145	926,805	897,139
Vehicles	5,785,097	1,465,907	1,049,077	6,201,927	1,872,272	558,869	542,521	1,888,620	4,313,307	3,912,825
Fire Extinguisher	112,792	20,760	-	133,552	62,541	23,707	-	86,248	47,304	50,251
Testing Equipments	374,322	114,228	-	488,550	120,603	32,090	-	152,693	335,857	253,719
Computers	4,236,538	77,554	-	4,314,092	2,760,091	421,064	-	3,181,155	1,132,937	1,476,447
Borewell	91,630	18,000	-	109,630	6,120	3,211	-	9,331	100,299	85,510
Total (a)	222,528,615	4,126,739	1,049,077	225,606,277	65,065,155	9,812,603	542,521	74,335,237	151,271,040	157,463,460
(b) INTANGIBLE ASSETS:										
Computer Software	3,182,479	485,000	-	3,667,479	1,135,832	581,182	-	1,717,014	1,950,465	2,046,647
Goodwill	4,200,000	-	-	4,200,000	4,200,000	-	-	4,200,000	-	-
Total (b)	7,382,479	485,000	-	7,867,479	5,335,832	581,182	-	5,917,014	1,950,465	2,046,647
Total (a + b)	229,911,094	4,611,739	1,049,077	233,473,756	70,400,987	10,393,785	542,521	80,252,251	153,221,505	159,510,107
Previous Year	215,713,819	16,003,274	1,805,997	229,911,096	61,869,938	9,755,108	1,224,059	70,400,987	159,510,109	153,843,881

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

Particulars	31-03-2013	31-03-2012
	(₹)	(₹)
NOTE - 12		
NON -CURRENT INVESTMENTS		
(a) Non Trade & Quoted		
i) Investment in Equity Shares of Related Parties:		
40000 Equity shares of Rs.10/- each fully paid up of Remi Edelsthl Tubulers Ltd.	295,000	295,000
400 Equity shares of Rs.10/- each fully paid up of Bajrang Finance Ltd.	2,950	2,950
9500 Equity shares of Rs.10/- each fully paid up of Kuber Kamal Inds. Investment Ltd.	29,080	29,080
ii) Investment in Equity Shares of Others:		
900 Equity shares of Rs.10/- each fully paid up of Dena Bank	27,000	27,000
(b) Non Trade & Unquoted		
Investment in Equity Shares of Related Parties:		
2450 Equity shares of Rs.10/- each fully paid up of Rajendra Finance Pvt. Ltd.	41,650	41,650
2700 Equity shares of Rs.10/- each fully paid up of Remi Finance & Investment Pvt. Ltd.	39,150	39,150
675 Equity shares of Rs.100/- each fully paid up of Remi Engg. Fans Ltd.	13,500	13,500
TOTAL	448,330	448,330
i) Aggregate Cost of Quoted Investments	354,030	354,030
ii) Market value of Quoted Investments	967,760	854,300
iii) Aggregate Cost of Unquoted Investments	94,300	94,300
NOTE - 13		
LONG -TERM LOANS AND ADVANCES		
(Unsecured & Considered good)		
Security Deposits	2,634,138	26,213,538
Capital Advances	3,949,508	171,250
TOTAL	6,583,646	26,384,788
NOTE - 14		
INVENTORIES		
(As taken, Valued & certified by Management)		
(a) Raw Materials	32,269,845	39,372,516
(b) Work-In -Process	29,400,340	36,473,767
(c) Finished goods	40,683,087	28,934,093
(d) Work-in-Process - Property development	501,493,616	638,898,158
TOTAL	603,846,888	743,678,534
NOTE - 15		
TRADE RECEIVABLES		
(Unsecured & Considered good)		
Outstanding for more than 6 months	3,428,901	4,506,044
Others	211,289,285	174,378,159
TOTAL	214,718,186	178,884,203
NOTE - 16		
CASH AND BANK BALANCES:		
CASH AND CASH EQUIVALENTS:		
(a) Balance with Banks:		
On current account	110,289,903	274,277
(b) Cash on Hand	272,612	247,386
	110,562,515	521,663
OTHER BANK BALANCES:		
(a) Fixed Deposits with maturity of more than 3 months and less than 12 months (Pledged with bank as margin against B/Gs)	128,178	50,000
(b) Fixed Deposits with maturity of more than 12 months (Pledged with bank as margin against B/Gs)	1,306,838	1,546,960
	1,435,016	1,596,960
TOTAL	111,997,531	2,118,623
NOTE - 17		
SHORT TERM LOANS AND ADVANCES		
(Unsecured & Considered good)		
Advance recoverable in cash or in kind for value to be received	2,011,336	1,105,446
Advance to Suppliers/Contractors	56,545,569	22,382,356
Balances in Central Excise	210,916	241,532
Central Excise Duty & Service Tax Refundable	1,406,475	798,836
Prepaid Expenses	2,021,425	1,649,700
Advance to Staff	528,647	697,787
Sales Tax Refundable	1,436,583	1,434,010
TOTAL	64,160,951	28,309,667
NOTE - 18		
OTHER CURRENT ASSETS		
Interest Accrued but not Due	173,582	152,502
TOTAL	173,582	152,502

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

PARTICULARS	Figures at the end of Current Reporting Period ended on 31.03.2013	Figures at the end of Current Reporting Period ended on 31.03.2012
	(₹)	(₹)
NOTE - 19		
Revenue from Operations:		
(a) Sale of Products:		
Local Sales	718,990,374	701,807,994
Export Sales	41,171,703	16,689,383
Property Sales	364,120,400	-
	1,124,282,477	718,497,377
(b) Other Operating Revenues:		
Sale of scrap	3,776,226	4,471,596
Duty Drawback	498,707	118,963
Labour Charges	156,754	-
	4,431,687	4,590,559
	1,128,714,164	723,087,936
Products Sold		
Lab Equipments	400,938,943	365,065,891
Electric Motors	288,716,950	300,811,869
Others	70,506,184	52,619,617
Property Sales	364,120,400	-
	1,124,282,477	718,497,377
NOTE - 20		
Other Income		
(a) Interest Income on:		
Bank deposits	97,538	165,387
Interest from Others	416,757	51,896
(b) Foreign Exchange Gain	191,493	401,716
(c) Rent Received	309,376	223,296
(d) Dividend Income on Long Term Investments	2,700	1,980
(e) Profit on Sale of Fixed Assets	17,889	-
(f) Other non operating Income	900,159	970,676
	1,935,912	1,814,951
NOTE - 21		
(a) Cost of materials Consumed:		
Inventory at the beginning of the year	39,259,305	42,551,901
Add: Purchase	449,379,781	448,726,695
	488,639,086	491,278,596
Less: Excise Cenvat & VAT set off	57,555,003	51,383,091
Less: Inventory at the end of the year	32,039,568	39,259,305
Cost of materials consumed	399,044,515	400,636,200
Consumption of Materials - Itemwise details:-		
Silicon Sheet	28,282,243	36,109,581
Copper Wire	45,808,534	50,482,582
Castings	37,469,260	43,979,610
M.S.Goods	89,181,349	87,070,651
Ball Bearings	17,307,060	17,698,061
Electric Goods	117,796,964	103,318,325
Others	120,754,108	113,360,481
	456,599,518	452,019,291
Less: Excise Cenvat & VAT set off	57,555,003	51,383,091
Total	399,044,515	400,636,200
NOTE-22		
Purchases for Property Development		
Steel Goods	39,266,512	28,214,492
Cement & R.M.C. Concret	34,539,221	31,989,552
Others	1,063,299	3,470,202
	74,869,032	63,674,246
NOTE - 23		
Purchase of Traded Goods		
Laboratory Equipments	24,643,695	14,752,591
	24,643,695	14,752,591

REMI ELEKTROTECHNIK LIMITED
Notes on Financial Statements

PARTICULARS	For the Year Ended	For the Year Ended
	31.03.2013	31.03.2012
	(₹)	(₹)
NOTE - 24		
(a) (Increase)/Decrease in Inventories		
<u>Inventories at the end of the Year</u>		
Finished goods	40,683,087	28,934,093
Work-in-process	29,400,340	36,473,767
Work-in-process Property Development	501,493,616	638,898,158
	571,577,043	704,306,018
(b) Inventories at the beginning of the year		
Finished goods	28,934,093	21,867,676
Work-in-process	36,473,767	36,199,837
Work-in-process Property Development	638,898,158	483,950,669
	704,306,018	542,018,182
Change in Inventories for Finished Goods & WIP	132,728,975	(162,287,836)
NOTE - 25		
<u>Employee Benefit Expenses:</u>		
Salaries, wages and bonus etc.	61,334,231	56,883,446
Contribution to provident & Gratuity funds	8,277,107	6,144,508
Staff welfare expenses	946,351	951,731
	70,557,689	63,979,685
NOTE - 26		
<u>Other Expenses:</u>		
Power and fuel	11,497,020	10,506,443
<u>Repairs and maintenance:</u>		
Building	1,015,735	1,529,853
Plant & Machinery	2,863,124	3,373,298
Others	2,668,827	2,137,378
Labour Charges	94,203,069	77,096,705
Excise duty on increase/(decrease) in Finished Goods	999,697	983,978
Other Manufacturing Expenses	9,951,842	9,313,110
Rent	2,011,800	1,884,329
Insurance	420,267	194,202
Government fees duty etc.	26,133,441	26,594,959
Commission on Sales	8,374,812	5,009,815
Royalty Charges	1,327,615	1,277,176
Directors' Commission	787,435	306,618
Directors' sitting fees	50,000	44,000
Legal & Professional Fees	19,781,230	13,218,405
Loss/(Gain) on sale of fixed assets	-	272,328
Bad Debts Written off	113,135	436,561
Advertisement & Sales Promotion	5,404,372	5,343,268
<u>Payment to Auditor:</u>		
(a) <u>As auditors:</u>		
Audit fee	250,000	250,000
(b) <u>In other capacity:</u>		
Certification fees	46,251	35,500
Freight and Forwarding Charges	13,805,748	13,171,361
Donation	221,000	351,000
Service Tax	376,047	222,570
Profession Tax	2,500	2,500
Sales Tax Dues	1,437,797	-
Miscellaneous Expenses	25,626,036	22,292,036
Total	229,368,800	195,847,393
NOTE - 27		
<u>Finance Costs</u>		
Interest expenses	28,888,353	33,802,773
Other borrowing costs	778,360	708,462
TOTAL	29,666,713	34,511,235

Signature to notes 1 to 27

**AS PER OUR REPORT OF EVEN DATE
FOR SUNDARLAL, DESAI & KANODIA,
CHARTERED ACCOUNTANTS**

FOR AND ON BEHALF OF BOARD

**Sd/-
(M.B. DESAI)
PARTNER**

Membership No.33978

**SUNIL SARAF
DIRECTOR**

**Sd/-
V.C. SARAF
DIRECTOR**

PLACE : MUMBAI
DATED : 30TH MAY, 2013

REMI ELEKTROTECHNIK LIMITED

Regd. Office: Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full Name of Member (in BLOCK LETTERS) _____

Member's Folio No. _____ / Client ID No. _____ DPID No. _____

Name of proxy (in BLOCK LETTERS) _____

(To be filled in if the Proxy attends instead of the Member/s)

No. of Shares Held _____

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING to be held at the Company's Registered Office on **Monday**, the **30th September, 2013**, at 11.00 A.M.

Note: To be signed at the time of handing over this slip.

Member's/ Proxy's Signature

REMI ELEKTROTECHNIK LIMITED

Regd. Office: Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063

PROXY FORM

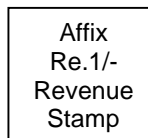
Member's Folio No. _____ / Client ID No. _____ DPID No. _____

I/ We _____ of _____ being a Member/ Members of the above-named Company, hereby appoint _____ of _____ as my/ our proxy to attend and vote for me/ us on my/ our behalf at the 33rd ANNUAL GENERAL MEETING to be held at the Company's Registered Office on **Monday** , the **30th September, 2013** at 11.00 A.M

Signed

Date:

Notes:



1. The instrument of Proxy shall be deposited at the Regd. Office of the Company not less than 48 hours before the time fixed for the holding of the Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.

BOOK – POST

If undelivered, please return to:

REMI ELEKTROTECHNIK LIMITED

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