

ANNUAL REPORT
FOR THE
YEAR ENDED
31st MARCH 1999

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REMI PROCESS PLANT AND MACHINERY LTD.

Regd. Office : 52 Mittal Court 'A', Nariman Point, MUMBAI 400 021.

REMI PROCESS PLANT & MACHINERY LTD.

NOTICE

To,

The Members,
REMI PROCESS PLANT & MACHINERY LTD.

NOTICE is hereby given that the Twenty-Fifth Annual General Meeting of the Company will be held at its Registered Office, 52-A, Mittal Court, Nariman Point, Mumbai - 400 021, on Thursday, the 30th September, 1999 at 5.15 p.m. to transact the following business :-

1. To adopt the audited Balance Sheet as at, and Profit and Loss Account for the year ended 31st March, 1999.
2. To re-appoint as Director Shri Vishwambhar C. Saraf who retires by rotation.
3. To re-appoint as Director Shri Rajendra C. Saraf who retires by rotation.
4. To appoint Auditor and to fix their remuneration.

For REMI PROCESS PLANT & MACHINERY LTD.

(V.S. IYER)
DIRECTOR

Place : Mumbai

Dated : August 27, 1999

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 Tuesday, the 28th, to Thursday, the 30th September, 1999, both days inclusive.

REMI PROCESS PLANT & MACHINERY LTD.**DIRECTORS' REPORT**

To,

The Members

REMI PROCESS PLANT & MACHINERY LTD.

Your Directors present to you herewith the audited accounts of the Company for the year ended 31st March, 1999.

	Rs. in Lacs	Rs. in Lacs
Financial Results	1998-99	1997-98
Gross Profit	57.62	56.70
Less: Depreciation	8.12	7.01
Taxation	<u>9.00</u>	<u>13.50</u>
	<u>17.12</u>	<u>20.51</u>
Net Profit	40.50	36.19
Add: Excess provision for Taxation written back	0.00	0.24
Less: Foreign Project Reserve A/c.	0.00	11.75
Add: Balance brought forward	<u>51.65</u>	<u>61.17</u>
	<u>92.15</u>	<u>85.85</u>
Less: Transferred to General Reserve	15.00	10.00
Proposed Dividend	0.00	22.00
Additional tax on Dividend	<u>0.00</u>	<u>2.20</u>
Balance Carried to Balance Sheet	<u>77.15</u>	<u>51.65</u>
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INFORMATION PURSUANT TO SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:

A. CONSERVATION OF ENERGY

All efforts for conservation of energy are being taken.

B. TECHNOLOGY ABSORPTION

Technology absorption is complete.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Outgo	Rs. 12,09,829
(Previous Year)	Rs. 14,02,384
Foreign Exchange Earnings	Rs. 25,370
(Previous Year)	Rs. 49,92,481

You are requested to appoint Auditors and fix their remuneration.

Registered Office:

52-A, Mittal Court,
Nariman Point,
Mumbai - 400 021.

ON BEHALF OF THE BOARD

Place : Mumbai

Dated : 27th August, 1999

CHIRANJILAL SARAF
CHAIRMAN

REMI PROCESS PLANT & MACHINERY LTD.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of REMI PROCESS PLANT AND MACHINERY LIMITED as at 31st March, 1999 together with the Profit and Loss Account of the Company for the year ended on that dated annexed thereto.

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, 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 the books ;
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account ;
 - d. In our opinion, the Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ;
 - e. In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read with the Accounting Policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view subject to change in accounting in pursuance to Sec. 145-A of the Income Tax, 1961 as stated in Note No.6 of Schedule '18' annexed herewith.
 - i. In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 1999; and
 - ii. In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.

For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

(D.S. AGARWAL)
PARTNER

Place : Mumbai

Dated : 27th August, 1999

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in Paragraph 1 thereof)

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, on the basis of such checks as we have considered appropriate, we report that :-

1. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets. We are informed that Fixed Assets were verified by the Management at the end of the year and no material discrepancies were notified on such verification by the management.
2. The Fixed Assets of the Company have not been revalued during the year.
3. The stocks of finished goods semi-finished goods, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
4. In our opinion, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book stocks, which were not significant, have been properly dealt with in the books of account.
6. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper, in accordance with the normally accepted accounting principles and is on the same basis as in the preceeding year except changes made in pursuance to Sec. 145-A of Income Tax Act 1961. Please refer Note No.6.
7. The Company has not taken any loan from Companies, Firms or others as listed in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
8. In our opinion, the rate of interest and other terms and conditions on which loans have been granted to the bodies corporate listed in the Register maintained under Section 301 of the Companies Act, 1956, are not prima-facie prejudicial to the interest of the Company.
9. Advances in the nature of loans given to employees are being repaid as stipulated and no interest is charged on such advances.

10. 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 purchase of stores, raw materials including components, plant and machinery, and other assets and with regard to the sale of goods.
11. In our opinion and according to the explanations given to us, the transactions of purchase of goods, materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices for such goods, materials or services or the prices at which transactions for goods, materials or service have been made with other parties as price lists are available with the Company.
12. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
13. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit during the year falling under the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
14. In our opinion, the Company has no by-products or significant realisable scrap.
15. The Company has an internal audit system commensurate with the size and nature of its business.
16. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
17. According to the records of the Company, the Company has been regular in depositing Provident Fund and Employees State Insurance dues with the appropriate authorities.
18. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Wealth tax, Sales tax, Customs duty and Excise Duty were outstanding, as at 31st March, 1999 for a period of more than six months from the date they became payable.

: 3 :

19. According to the information and explanations given to us, no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a Sick Industrial Company within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

**For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**(D.S. AGARWAL)
PARTNER**

Place : Mumbai

Dated : 27th August, 1999

REMI PROCESS PLANT & MACHINERY LTD.BALANCE SHEET AS AT 31ST MARCH, 1999

	<u>SCHEDULE NO.</u>	<u>AS AT 31.03.99 (Rs.)</u>	<u>AS AT 31.03.98 (Rs.)</u>
<u>SOURCES OF FUNDS</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	1	4,400,000	4,400,000
Reserves And Surplus	2	32,175,198	28,523,567
		-----	-----
		36,575,198	32,923,567
		=====	=====
<u>LOAN FUNDS</u>			
Secured Loans	3	5,816,077	2,428,681
		-----	-----
		5,816,077	2,428,681
		=====	=====
T O T A L :		42,391,275	35,352,248
		=====	=====
<u>APPLICATION OF FUNDS</u>			
<u>FIXED ASSETS</u>			
Gross Block	4	24,882,230	21,589,516
Less: Depreciation		9,571,453	8,380,888
		-----	-----
NET BLOCK		15,310,777	13,208,628
		=====	=====
<u>INVESTMENTS</u>	5	3,036,800	3,036,800
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	6	10,107,009	7,234,753
Sundry Debtors	7	3,585,472	2,434,598
Cash and Bank Balances	8	1,564,469	1,888,921
Loans and Advances	9	33,458,351	30,059,836
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		48,715,301	41,618,108
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