

***ANNUAL REPORT
FOR THE
YEAR ENDED
31ST MARCH 2006***

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REMI PROCESS PLANT AND MACHINERY LIMITED

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

NOTICE

To
The Members,
REMI PROCESS PLANT AND MACHINERY LIMITED

NOTICE is hereby given that the Thirty-Second Annual General Meeting of the Company will be held at the Company's Registered Office, 11, Cama Industrial Estate, Goregaon (East), Mumbai-400 063, on **Saturday, the 30th September, 2006** at 12.15 P.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31st March, 2006.
2. To declare a dividend.
3. To re-appoint as Director Shri R.C. Saraf who retires by rotation.
4. To appoint Auditors and to fix their remuneration.
5. To pass the following ordinary resolution:

"Resolved that the remuneration being paid to Shri Rajendra C. Saraf, the Managing Director of the Company, be and is hereby revised as follows, with effect from the 1st April, 2006.

- a. A monthly salary of Rs.75,000/-.
- b. Reimbursement of actual medical expenses incurred for self and family.
- c. Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- d. Annual fees to not more than two clubs.
- e. Free use of one or more Company car with driver for official purpose only.
- f. Telephone at residence for official purpose only.
- g. Company's contribution to Provident Fund as per the rules of the Company.
- h. Gratuity as per the rules of the Company.
- i. Encashment of Leave at the end of the tenure.

"FURTHER RESOLVED THAT the Board of Directors of the Company shall have power to grant increments to the Managing Director within a limit of 25% of the total emoluments of the previous financial year, effective from the 1st April, 2007."

6. To pass the following special resolution:

"Resolved that the Company hereby authorizes the payment of remuneration to its Directors, excluding its Managing Director, by way of commission at one per cent of the net profits of the Company.

REMI PROCESS PLANT AND MACHINERY LIMITED

Cash Flow statement annexed to the Balance Sheet for the period April, 2005 to March, 2006

		(Rupees in Lakhs)	
		2005 - 2006	2004 - 2005
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax and Extra-ordinary items	132.42		86.29
<u>Adjustment for :</u>			
Depreciation	14.74		8.79
Interest	2.43		2.16
Profit on sale of Fixed Assets	-		(0.23)
Loss on sale of Fixed Assets	0.79		-
Capital Gain on Sale of Investments (Net)	(1.10)		(6.47)
Interest and Dividend Income	(27.15)		(18.89)
Other Income	(48.96)		(30.77)
Operating profit before working capital charges	73.17		40.88
<u>Adjustment for :</u>			
Trade and Other Receivables	308.12		(250.53)
Inventories	32.36		(75.17)
Trade Payable and Provision	(221.49)		229.03
Cash Generated from Operations	192.16		(55.79)
Interest Paid	(2.43)		(2.16)
Direct Taxes	(4.03)		(28.50)
Cash Flow before Extra-ordinary items	185.70		(86.45)
Extra-ordinary items	0.35		0.59
Net Cash from Operating Activities - (A)		186.05	(85.86)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(371.54)		(17.19)
Sales of Fixed Assets	0.92		3.66
Sale of Investments	-		136.04
Purchase of Investments	(60.00)		-
Profit on Sale of Investments	1.10		6.47
Interest, Dividend and Other Income	76.11		49.66
Net Cash from Investing Activities - (B)		(353.41)	178.64
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Short Term Loans	54.25		(40.43)
Proceeds from Long Term Loans	50.52		-
Dividend	(22.00)		(22.00)
Additional Income Tax on Dividend Paid	(3.09)		(3.09)
Net Cash from Financial Activities - (C)		79.68	(65.52)
Net Increase in Cash and Cash Equivalents		(87.68)	27.26
Cash as at (Closing Balance)	38.88		126.56
Cash as at (Opening Balance)	126.56		99.30
Increase/Decrease in Cash Balance		(87.68)	27.26

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

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AS PER OUR REPORT OF EVEN DATE ANNEXED

For SHANKARLAL JAIN AND ASSOCIATES,
CHARTERED ACCOUNTANTSFOR AND ON BEHALF OF
BOARD OF DIRECTORS(S.L. AGRAWAL)
PARTNERV. C. SARAF R. C. SARAF
DIRECTORSPLACE : MUMBAI
DATED : 25/08/2006

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REMI PROCESS PLANT AND MACHINERY LTD.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
(ANNEXURE TO NOTE NO.18 OF SCHEDULE 19)
(IN TERMS OF AMENDMENT TO SCHEDULE VI PART IV)

I. Registration details

Registration No.	17683	State Code	11
Balance Sheet Date	31.03.2006		

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	62,750	Total Assets	62,750
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Sources of Funds

Paid-up Capital	4400	Reserves & Surplus	41,358
Secured Loans	10,477	Unsecured Loans	1,717
Deferred Tax Liability (Net)	4,798		

Application of Funds

Net Fixed Assets	45,319	Investments	16,008
Net Current Assets	1,422	Misc. Expenditure	NIL

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	131,581	Total Expenditure	118,339
Profit before tax	13,242	Profit after tax	8,603

+	-
+	

+	-
+	

(Please mark Appropriate box "+" for Profit "-" for Loss)

Earning Per Share in Rs. (Basic and diluted)	19.55	Dividend rate %	50
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V. General Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC)	841989.08
Product Description	Process Plant and Machinery
Item Code No. (ITC)	271600
Product Description	Power Generation

FOR AND ON BEHALF OF BOARD

PLACE : MUMBAI.
 DATED: 25/08/2006

V. C. SARAF R. C. SARAF
 DIRECTORS

: 8 :

12. Quantitative and value-wise information in regard to class of goods manufactured by the Company:

- a. Licenced Capacity : N.A.
- b. Installed Capacity : The Company does not manufacture any standard item and therefore the installed capacity cannot be quantified.

13. a) Details of Quantity and value in respect of Stock, Production & Turnover:

Particulars	Opening Stock		Purchases		Production	Sales		Closing Stock	
	Qty. in (Nos.)	Value (Rs.)	Qty. in (Nos.)	Value (Rs.)	Qty. in (Nos.)	Qty. in (Nos.)	Value (Rs.)	Qty. in (Nos.)	Value (Rs.)
Agitators	2 (2)	30902 (30902)	-- (--)	-- (--)	905 (785)	907 (785)	117337427 (138493906)	-- (2)	-- (30902)
Fabricated Items & Spares	-- (--)	-- (--)	-- (--)	-- (--)	509 (542)	509 (542)	25204611 (21882388)	-- (--)	-- (--)
Scrap Resale	-- (--)	-- (--)	-- (1000 M.T.)	-- (13982780)	-- (--)	-- (1000M.T.)	-- (14761549)	-- (--)	-- (--)
Electricity (Net of transmission loss of units)	-- (--)	-- (--)	-- (--)	-- (--)	64444Units (--)	64444Units (--)	225554 (--)	-- (--)	-- (--)
Others	-- (--)	10725 (80025)	-- (--)	-- (469202)	-- (--)	-- (--)	456778 (1619849)	-- (--)	25200 (10725)
TOTAL		41627 (110927)		-- (14452072)			143224370 (176757692)		25200 (41627)

(Note: Sales does not include Job Work done for other parties.)

14. Consumption of Raw Material with value and quantity:

Particulars	Unit	Qty.	Value (Rs.)
Electric Motors	Nos.	741	88,65,252
	Nos.	(763)	(85,45,641)
Gear Box	Nos.	207	82,51,063
	Nos.	(235)	(1,31,13,811)
Steel Goods	M.T.	336.957	5,22,26,513
	M.T.	(392.180)	(6,17,55,653)
Others (Net of excise Modvat & Sales Tax set off)			71,45,405 (1,11,81,951)
TOTAL			7,64,88,233 (9,45,97,056)

15. Value of Raw Material Consumed:

	Value (Rs.)	% of Total Consumption
Imported	NIL (1,42,76,444)	NIL (15.09)
Indigenous	7,64,88,233 (8,03,20,612)	100.00 (84.91)
TOTAL	7,64,88,233 (9,45,97,056)	100.00 (100.00)

Contd.....9.

: 9 :

16. Payments to Small Scale ancillary undertakings are made in accordance with the agreed credit terms and to the extent ascertained from available information, the Company does not owe a sum exceeding Rs.1 Lakh to any Small Scale undertaking which outstanding for more than 30 days.
17. a) - Imports of Raw Materials on C.I.F basis Rs.NIL (P.Y. Rs.1,15,51,181/-)
 - Purchase for Resale on C.I.F basis Rs.NIL (P.Y.Rs.1,39,82,870/-)
- b) Foreign Exchange Earnings:
 - FOB Value of Exports Rs.2,96,862/- (Rs. 12,21,644/-)
- c) Expenditure in Foreign Currency:
 - Travelling Expenses Rs.7,04,724/- (P.Y. Rs. 4,11,878/-)
 - Payment for Material Rs.1,42,08,301/- (P. Y. Rs.1,07,06,683/-)
18. Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956 are as per Annexure enclosed.
19. Previous Year's figures are re-grouped and re-arranged wherever necessary.
20. Figures within brackets are for previous year.
21. Figures have been rounded off to the nearest rupee.

AS PER OUR ANNEXED REPORT

For **SHANKARLAL JAIN AND ASSOCIATES**
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

(S. L. AGRAWAL)
PARTNER

V. C. SARAF R. C. SARAF
DIRECTORS

PLACE : MUMBAI.
 DATED: 25/08/2006

Sub-Sec. (2A):

The Company does not have any employee who is paid remuneration of Rs.24 Lacs in a year.

Sub-Sec. (2AA):

Your Directors state:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

Registered Office:

11, Cama Industrial Estate
Goregaon (E), Mumbai-400 063

ON BEHALF OF THE BOARD

Place : Mumbai
Dated : 25th August, 2006.

VISHWAMBHAR C. SARAF
CHAIRMAN

V. SAHASRANAMAN IYER
M.A., LL.B., F.C.S.

Company Secretary in
Whole-time Practice

12, VANI, Road No.17,
Plot No.54, Chembur,
Mumbai - 400 071.

Tel.: 2528 0920

FORM
[See Rule 3]
COMPLIANCE CERTIFICATE

To
The Members,
REMI PROCESS PLANT AND MACHINERY LIMITED (Name of the company)

I have examined the registers, records, books and papers of **REMI PROCESS PLANT AND MACHINERY LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2006. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in *Annexure 'A'* to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in *Annexure 'B'* to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company being private limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year was _____ excluding its present and past employees and the Company, during the year under scrutiny; **NOT APPLICABLE**
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 6 (Six) times on 29/04/2005, 29/07/2005, 25/08/2005, 28/10/2005, 21/12/2005 and 11/02/2006 (dates) in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members, ~~and/or Debenture holders~~ from 23/09/2005 to 30/09/2005 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31/03/2005 was held on 30/09/2005 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. TWO extra ordinary meeting(s) ~~was/~~ were held during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose
8. The Company has advanced loan amounting to Rs. _____/- to its directors and/or persons or firms or companies referred in the Section 295 of the Act after complying with the provisions of the Act. **NOT APPLICABLE**
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section. **NOT APPLICABLE**

(2)

10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors, members and previous approval of the Central Government pursuant to Section 314 of the Act wherever applicable. **NOT APPLICABLE**
12. The Board of Directors or duly constituted Committee of Directors has approved the issue of duplicate share certificates. **NOT APPLICABLE**
13. The Company has :
 - (i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act; **NOT APPLICABLE**
 - (ii) deposited the amount of dividend declared including interim dividend in a separate Bank Account on _____ which is within five days from the date of declaration of such dividend; **NOT APPLICABLE**
 - (iii) ~~paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration. and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with _____ Bank on _____~~
 - (iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection fund; **NOT APPLICABLE**
 - (v) duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The appointment of Managing Director/Whole-time Director/ Manager has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act. and approval of the Central Government has been obtained in respect of appointment of _____ not being in terms of Schedule XIII. **NOT APPLICABLE**
16. The appointment of sole-selling agents was made in compliance of the provisions of the Act. **NOT APPLICABLE**
17. The Company has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act as detailed below:- **NOT APPLICABLE**
18. The Directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued _____ shares/debentures/other securities during the financial year and complied with the provisions of the Act. **NOT APPLICABLE**
20. The Company has bought back _____ shares during the financial year ended _____ after complying with the provisions of the Act. **NOT APPLICABLE**
21. The Company has redeemed _____ preference shares/debentures during the year after complying with the provisions of the Act. **NOT APPLICABLE**
22. The Company wherever necessary has kept in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act. **NOT APPLICABLE**

(3)

23. The Company has complied with the provisions of Sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975/the applicable directions issued by the Reserve Bank of India/any other authority in respect of deposits accepted including unsecured loans taken, amounting to Rs. _____/- raised by the Company during the year and the Company has filed the copy of Advertisement/Statement in lieu of Advertisement/necessary particulars as required with the Registrar of Companies _____ on _____. The Company has also filed return of deposit with the Registrar of Companies/Reserve Bank of India/other authorities. **NOT APPLICABLE**
24. The amount borrowed by the Company from directors, members, public financial institutions, banks and others during the financial year ending 31/03/2006 is ~~are~~ within the borrowing limits of the Company and that necessary resolutions as per Section 293(1)(d) of the Act have been passed in duly convened annual/~~extraordinary~~ general meeting
25. The Company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. **NOT APPLICABLE**
26. The Company has altered the provisions of the memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny after complying with the provisions of the Act. **NOT APPLICABLE**
27. The Company has altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny and complied with the provisions of the Act. **NOT APPLICABLE**
29. The Company has altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny and complied with the provisions of the Act. **NOT APPLICABLE**
30. The Company has altered its articles of association after obtaining approval of members in the general meeting held on _____ and the amendments to the articles of association have been duly registered with the Registrar of Companies. **NOT APPLICABLE**
31. A list of prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company in such cases is attached. **NOT APPLICABLE**
32. The Company has received Rs. _____/- as security from its employees during the year under certification and the same has been deposited as per provisions of Section 417(1) of the Act. **NOT APPLICABLE.**
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

Note: The Qualification, reservation or adverse remarks, if any, may be stated at the relevant place(s).

Signature _____
(V. SAHASRANAMAN IYER)
C.P. NO. 194

Date: 25th August, 2006.