

***ANNUAL REPORT  
FOR THE  
YEAR ENDED  
31<sup>ST</sup> MARCH 2007***



**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 33<sup>rd</sup> 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 29<sup>th</sup> September, 2007 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, 31<sup>st</sup> March, 2007.
2. To declare a dividend.
3. To re-appoint as Director Shri Mukul B. Desai who retires by rotation.
4. To appoint Auditors and to fix their remuneration.
5. To pass the following special resolution:

“RESOLVED THAT Shri Shri Rajendra C. Saraf be and is hereby re-appointed as the Managing Director of the Company for a term of 3 years from the 1<sup>st</sup> April, 2007, to manage the affairs of the Company, on the following terms and conditions:

1. A monthly salary of Rs.150,000/-.
2. Reimbursement of actual medical expenses incurred for self and family.
3. Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
4. Annual fees to not more than two clubs.
5. Free use of one or more Company car with driver for official purpose only.
6. Telephone at residence for official purpose only.
7. Company's contribution to Provident Fund as per the rules of the Company.
8. Gratuity as per the rules of the Company.
9. Encashment of Leave at the end of the tenure.

**For REMI PROCESS PLANT AND MACHINERY LIMITED**

**RAJENDRA C. SARAF**  
**MANAGING DIRECTOR**

Place : Mumbai

Dated : 30<sup>th</sup> July, 2007

**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 25<sup>th</sup> September, 2007, to Saturday the 29<sup>th</sup> September, 2007, both days inclusive.
3. An explanatory statement relating to the item of special business set out in item no. 5 is annexed.

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**Explanatory statement – Annexure to the notice.**

The Board of Directors re-appointed Shri Rajendra C. Saraf as the Managing Director and fixed his remuneration in terms of the provisions contained in Schedule XIII, Part II (B) of the Companies Act, 1956 and hence, the following information has to be given herein.

**Item No.5:-**

Shri Rajendra C. Saraf has been the Managing Director of the Company from the 1<sup>st</sup> April 2002. His term of office having expired on the 31<sup>st</sup> March, 2007, 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 has 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 various items of machinery and equipments   |
| (2) Commencement of commercial production  | : | 1974   |
| (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.21.23 crores and net profit of Rs.17.73 crores for the financial year ended 31 <sup>st</sup> March, 2007. |

- (5) Export performance : Nil.
- (6) Foreign investments or collaborations : None

## II. Information about the Appointee:

- (1) The appointee hails from a family of business people of fifty years' standing. After his college education here, he joined his family business and has received from his elders in the family very good training in business management. He was the Managing Director of Rajendra Mechanical Industries Ltd., a group company, for 20 years.
- (2) Past remuneration : Rs.0.25 Lacs.
- (3) Recognition or awards : ---
- (4) Job profile and his suitability : He is in full charge of production, sales, finance, accounts and other administrative matters.  
With more than twenty years of management experience, he has become the right person for managing the affairs of the Company.
- (5) Remuneration Proposed : As set out in the Special Resolution
- (6) Comparative Remuneration : In similar Companies, this package is the norm.
- (7) Pecuniary relationship : He 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
- (i) 'Corporate Governance' Salary etc. of all other Directors – Not Applicable.
- (ii), (iii) and (iv) : Not Applicable.

Shri Rajendra C. Saraf and his brother, Shri Vishwambhar C. Saraf, are to be deemed to be interested in this item of business.

Your Directors commend the resolution for your approval.

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DIRECTORS' REPORT

To  
The Members,  
**REMI PROCESS PLANT AND MACHINERY LIMITED**

Your Directors present to you herewith the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2006.

	(Rs. In Lacs)			
<b>Financial Results</b>	<b>2006-2007</b>		<b>2005-2006</b>	
Gross Profit	213.71		147.16	
Less: Depreciation	29.27		14.74	
Taxation	46.77	76.04	46.68	61.42
Net Profit	137.67		85.74	
Short/ Excess Provision for taxation of earlier years	(0.7)		0.35	
Balance brought forward	84.92		73.98	
	222.66		160.07	
Less:				
Transferred to General Revenue	75.00		50.00	
Proposed Dividend/ Interim Dividend paid	22.00		22.00	
Tax on Distribution of dividend	3.09		3.09	
Balance carried to Balance Sheet	122.57		84.98	
	222.66		160.07	

**DIVIDEND:**

For this year interim dividend had already been paid and hence, no final dividend is proposed.

**INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:****Sub-Sec. (1)(e):****A. CONSERVATION OF ENERGY:**

All efforts for conservation of energy are being taken.

**B. TECHNOLOGY ABSORPTION:**

Technology absorption is complete.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Foreign Exchange Outgo	Rs.678.05 Lacs
(Previous Year)	Rs.149.13 Lacs
Foreign Exchange Earnings	Rs.113.45 Lacs
(Previous Year)	Rs.2.97 Lacs.

**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 : 30<sup>th</sup> July, 2007.

VISHWAMBHAR C. SARAF  
CHAIRMAN

**V. SAHASRANAMAN IYER**

M.A., LL.B., F.C.S.

Company Secretary in  
Whole-time Practice12, 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 31<sup>st</sup> March, 2007. 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 7 (Seven) times on 29/04/2006, 31/07/2006, 25/08/2006, 31/10/2006, 02/12/2006, 31/01/2007 and 14/03/2007 (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 26/09/2006 to 30/09/2006 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on **31<sup>st</sup> March, 2006** was held on 30/09/2006 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. ONE 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.

(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.
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 **31/03/2007** 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.
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.
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: 30<sup>th</sup> July, 2007.

(4)

**ANNEXURE A**

Registers as maintained by the Company

1. Minutes Books - Board and General Meetings	u/s	193
2. Register of Members	u/s	150
3. Register of Transfers of Shares	u/s	108
4. Register of Charges	u/s	143
5. Register of Contracts	u/s	301
6. Register of Directors	u/s	303
7. Register of Directors' Shareholdings	u/s	307
8. Register of Investments	u/s	372A

**ANNEXURE B**Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31<sup>st</sup> March, 2007.

1. Form No.	32 – Two	Filed u/s	303	for	Changes in Directorship
2. Form No.	20B	Filed u/s	159	for	Annual Return
3. Form No.	23AC, 23ACA	Filed u/s	220	For	Balance Sheet, Profit and Loss Account
4. Form No.	Compliance Certificate	Filed u/s	383A	for	_____
5. Form No.	25C	Filed u/s	269	for	Whole-Time Directors' remuneration
6. Form No.	23	Filed u/s	17	for	Change in Objects Clause
7. Form No.	23	Filed u/s	269	for	Managing Directors' remuneration
8. Form No.	23	Filed u/s	309	for	Commission to Directors