

***ANNUAL REPORT
FOR THE
YEAR ENDED
31ST MARCH 2009***



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 35th Annual General Meeting of the Company will be held at the Company's Registered Office, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai - 400 063, on Wednesday, the 30th September, 2009 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, 2009.
2. To declare a dividend.
3. To re-appoint as Director Shri Vishwambhar C. Saraf who retires by rotation.
4. To appoint Auditors and to fix their remuneration.
5. To pass the following special 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 November, 2008.
 1. A monthly salary of Rs.2,25,000/-.
 2. Reimbursement of actual medical expenses incurred for self and family.
 3. Reimbursement of actual electricity and gas expenses at residence.
 4. Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
 5. Annual fees to not more than two clubs.
 6. Free use of one or more Company car with driver for official purpose only.
 7. Telephone at residence for official purpose only.
 8. Company's contribution to Provident Fund as per the rules of the Company.
 9. Gratuity as per the rules of the Company.
 10. Encashment of Leave at the end of the tenure."

For **REMI PROCESS PLANT AND MACHINERY LIMITED**

RAJENDRA C. SARAF
MANAGING DIRECTOR

Place : Mumbai

Dated : 30th July, 2009

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 25th September, 2009 to Wednesday, the 30th September, 2009, both days inclusive.
3. An explanatory statement relating to the item of special business set out in item no. 5 is annexed

Explanatory Statement – Annexure to the notice.

Shri Rajendra C. Saraf is the Managing Director of the Company since 1st April 2002, after ceasing to be in that position in another Company. His remuneration package was revised as from November, 2008 and this revision is brought to the notice of the Members of the Company for approval. This revision is as per Schedule XIII, Part II (B) of the Companies Act, 1956 and, as provided therein, this has been approved by the Remuneration Committee. Approval of the General Meeting is now sought and the requisite further information is set out below:

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.1.5 Crores and net profit of Rs.86 Lacs for the financial year ended 31 st March, 2009. |
| (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. and of Remi Metals Gujarat Limited.
- (2) Past remuneration : Rs.1.50 Lacs plus prerequisites
- (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 profile : 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, also a Director of this Company, are to be deemed to be interested in this item of business.

Your Directors commend the resolution for your approval.

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 31st March, 2009.

	(Rs. In Lacs)			
Financial Results	2008-2009		2007-2008	
Gross Profit	156.08		294.20	
Less: Depreciation	30.31		30.08	
Taxation	38.86	69.17	92.09	122.17
Net Profit	86.91		172.03	
Balance brought forward	163.71		122.57	
	250.62		294.60	
Less:				
Transferred to General Revenue	25.00		100.00	
Proposed Dividend	17.60		26.40	
Tax on Distribution of dividend	2.99		4.49	
Balance carried to Balance Sheet	205.03		163.71	
	250.62		294.60	

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. 526.30 Lacs
(Previous Year)	Rs.385.69 Lacs
Foreign Exchange Earnings	Rs. Nil
(Previous Year)	Rs.269.31 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:

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

ON BEHALF OF THE BOARD

Place : Mumbai

Dated : 30th July, 2009.

VISHWAMBHAR C. SARAF
CHAIRMAN

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Auditors' Report

The Members of **Remi Process Plant and Machinery Limited**,

1. We have audited the attached Balance Sheet of **REMI PROCESS PLANT AND MACHINERY LIMITED** as at **31st March, 2009**, Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Further to our comments in the Annexure referred to above, we report that:

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

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- (v) On the basis of written representations received from the Directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2009;
 - (b) in the case of the Profit and Loss Account, of the PROFIT for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For SHANKARLAL JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS**

**(SATISH JAIN)
PARTNER**
Membership Number **48874**

PLACE: MUMBAI
DATED: 30TH JUNE, 2009

ANNEXURE TO THE AUDITORS' REPORT

**(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF
REMI PROCESS PLANT AND MACHINERY LTD; AS AT 31ST MARCH 2009)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a 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 the information and explanations given to us, the Company granted loans to two Companies covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved during the year was Rs.395.22 Lacs and the said loans were received back during the year.
- (b) In our opinion, the rate of interest and other terms and conditions of loans given by the Company to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- (c) In our opinion and according to the information and explanations given to us, the parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) In our opinion and according to the information and explanations given to us, there is no overdue amount of loans granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken during the year any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii) (f) and (g) of paragraph 4 of the Order are not applicable to the Company.

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- (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 and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion and according to information and explanations given to us, the maintenance of cost records has not been prescribed, for the products of the Company, by the Central Govt. under clause (a) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) According to the information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. And there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.
- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Wealth tax, Service tax, Sales Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2009, which have not been deposited on account of a dispute, are as follows: -

Sr. No.	Name of the Statute	Relevant period	Amount (Rs.)	Form where dispute is pending
1.	Central Sales Tax Act	1998-1999	80,330.00	Sales Tax Tribunal
2.	Central Excise Act	2007-2008	19,615.00	Commissioner (Appeals)
3.	Service Tax	2004-2005 & 2005-06	1,85,360.00	Commissioner (Appeals)

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