



36TH ANNUAL REPORT 2009 – 2010



REMI PROCESS PLANT AND MACHINERY LTD.

Board of Directors	Shri Vishwambhar C. Saraf Shri Shri Rajendra C. Saraf Shri Ramkrishna Shriya Shri Mukul B, Desai	Chairman Managing Director
Bankers	STATE BANK OF INDIA	
Auditors	M/s. Shankarlal Jain & Associates Chartered Accountants 12, Engineering Building, 265, Princes Street, Mumbai- 400 002	
Registered Office	REMI House, Plot No.11, Cama Industrial Estate, Goregaon (East), Mumbai – 400 063	
Works	Survey No.18 1/2 & 27/2, Village - Shelavali, Manor Road, Taluka Palghar, Thane – 401 404	

NOTICE

To

The Members,

REMI PROCESS PLANT AND MACHINERY LIMITED

NOTICE is hereby given that the 36th Annual General Meeting of the Company will be held at its Registered Office, Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai - 400 063, on **Thursday the 30th September, 2010** 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, 2010.
2. To declare a dividend.
3. To re-appoint as Director Shri Rajendra C. Saraf who retires by rotation.
4. To appoint Auditors and to fix their remuneration.
5. To pass the following special resolution:

“RESOLVED THAT Shri Rajendra 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 April, 2010, to manage the affairs of the Company, on the following terms and conditions:

- i) A monthly salary of Rs.2,25,000/-.
- ii) Reimbursement of actual medical expenses incurred for self and family.
- iii) Reimbursement of actual electricity and gas expenses at residence.
- iv) Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- v) Annual fees to not more than two clubs.
- vi) Free use of one or more Company car with driver for official purpose only.
- vii) Telephone at residence for official purpose only.
- 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 PROCESS PLANT AND MACHINERY LTD.**

Registered Office:

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

Dated : 12th August, 2010.

RAJENDRA C. SARAF
MANAGING DIRECTOR

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 24th September, 2010 to Thursday, the 30th September, 2010, 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.2407.70 Lacs and net profit of Rs.193.26 Lacs for the financial year ended 31 st March, 2010. |
| (5) Export performance | : | Export earning Rs.7.46 Lacs. |
| (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 Remi Edelstahl Tubulars Ltd. (Formerly known as Rajendra Mechanical Industries Ltd.) and of Remi Metals Gujarat Limited.
- (2) Past remuneration : Rs.2.25 Lacs per month plus perquisites
- (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-five 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 are pleased present to you herewith the audited accounts of the Company for the year ended 31st March, 2010.

	(Rs. In Lacs)	
Financial Results	2009-2010	2008-2009
Gross Turnover	2407.70	1683.54
Gross Profit	347.37	154.01
Less: Depreciation	41.33	29.31
Taxation	<u>94.54</u>	<u>42.15</u> 71.46
Add: Excess retirement provision written back	0.00	4.36
Net Profit	211.50	86.91
Balance brought forward	<u>205.03</u>	<u>163.71</u>
Profit available for appropriations	<u>416.53</u>	<u>250.62</u>
<u>Appropriations</u>		
Transferred to General Revenue	50.00	25.00
Proposed Dividend	17.60	17.60
Tax on Distribution of dividend	2.92	2.99
Balance carried to Balance Sheet	<u>346.01</u>	<u>205.03</u>
	416.53	250.62

DIVIDEND

Your Directors are pleased to recommend a dividend of Re.1/- (10%) per equity share for the year ended 31st March 2010. The proposed dividend including dividend distribution tax will absorb Rs20.52 lakhs.

OPERATION/ PROSPECTS

Your Company's turnover has increased by about 50% and the G.P by about 100% mainly due to supply of special mixing equipments for metallurgical process. The Company is keen to develop such markets to obtain regular and long term benefits. Your Company has procured land in Palghar and has constructed its factory building there, to expand its manufacturing operations to meet the growing demand of the Indian economy.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

SUB-SECTION (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 Earnings	Rs.7.46 Lacs
Foreign Exchange Outgo	Rs.36.37 Lacs

SUB-SECTION (2A):

The particulars of employee who received remuneration above Rs.24 Lacs in this year are given below.

(i) Name	: Rajendra C. Saraf- He is a relative of a Director, Shri Vishwambhar C. Saraf
(ii) Designation	: Managing Director
(iii) Remuneration	: Rs.36.20 Lacs
(iv) Nature of employment	: Contractual for 3 (Three) years
(v) Other terms and Conditions	: ---
(vi) Nature of Duties	: Entire Management of the Company
(vii) Qualification	: Bachelor of Commerce
(viii) Experience	: More than 30 years
(ix) Date of commencement	: 19 th November, 1983
(x) Age	: 56 years
(xi) Last employment	: None
(xii) Percentage of equity shares held	: 0.02% (400 Shares)

SUB-SECTION (2AA): DIRECTORS' RESPONSIBILITY STATEMENT

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.

ACKNOWLEDGEMENT

Your directors place on record their appreciation for the co-operation received from Companies customers, suppliers, bankers, stakeholders and Govt. Agencies. The Directors also sincerely acknowledge the contribution made by the employees at all levels.

Registered Office:

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

Dated : 12th August, 2010.

ON BEHALF OF THE BOARD

**VISHWAMBHAR C. SARAF
CHAIRMAN**

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, 2010**, 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;

Contd.....2.

- (v) On the basis of written representations received from the Directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010;
 - (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
Registration No. 109901W**

PLACE: MUMBAI
DATED: 21ST MAY, 2010