



37TH ANNUAL REPORT 2010 – 2011



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 Shri Rishabh R. Saraf | 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 37th Annual General Meeting of the Company will be held at the Company's Registered Office, Remi House, Plot No.11, Cama Industrial Estate, Goregaon (E), Mumbai - 400 063, on **Friday, the 30th September, 2011**, 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, 2011.
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 appoint Shri Rishabh R. Saraf as a Director.

Registered Office:

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

Dated : 12th August, 2011.

For **REMI PROCESS PLANT AND MACHINERY LTD.**

Sd/-

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 Saturday, the 24th September, 2011, to Friday, the 30th September, 2011, both days inclusive.

3. Green initiative in Corporate Governance:

The Ministry of Corporate Affairs vide its circular bearing No.17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011 has taken a "**Green Initiative in Corporate Governance**" by allowing paperless compliances by Companies through electronic mode. Companies can now send various notices/documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

In this regard please register your email address and changes therein from time to time with the Company/Registrar and Transfer Agent or with the concerned depositories.

4. An explanatory statement relating to the item 5 accompanies.

Explanatory Statement - Annexure to the Notice

Shri Rishabh R. Saraf was appointed on the 30th May, 2011, as an additional Director and he holds office only upto the date of this Meeting. He is a Bachelor of Arts in Business Administration from the University of Nottingham, England. He is the Managing Director of REMI EDELSTAHL TABULARS LIMITED. He is the son of Shri Rajendra C. Saraf, the Managing Director of this Company.

DIRECTORS' REPORT

To
The Members,
REMI PROCESS PLANT AND MACHINERY LIMITED

Your Directors are pleased to present to you herewith the audited accounts of the Company for the year ended 31st March, 2011.

| | (` in Lacs) | | | |
|-------------------------------------|--------------|-------|-----------|--------|
| Financial Results | 2010-2011 | | 2009-2010 | |
| Gross Turnover | 1700.01 | | 2407.70 | |
| Gross Profit | 173.43 | | 347.37 | |
| Less: Depreciation | 59.00 | | 41.33 | |
| Taxation | 25.72 | 84.72 | 94.54 | 135.87 |
| Net Profit | 88.71 | | 211.50 | |
| Balance brought forward | 346.01 | | 205.03 | |
| Profit available for appropriations | 434.72 | | 416.53 | |
| <u>Appropriations</u> | | | | |
| Transferred to General Revenue | 50.00 | | 50.00 | |
| Proposed Dividend | 10.56 | | 17.60 | |
| Tax on Distribution of dividend | 1.75 | | 2.92 | |
| Balance carried to Balance Sheet | 372.41 | | 346.01 | |
| | 434.72 | | 416.53 | |

DIVIDEND :

Your Directors are pleased to recommend a dividend of ` 0.60 (6%) per equity share for the year ended 31st March 2011. The proposed dividend including dividend distribution tax will absorb ` 12.31 Lakhs.

OPERATION :

The current year's performance was adversely affected primarily due to an unforeseen event, where one major order of approximately ` 10 crores, could not be executed due to High Court stay order arising out of the environmental issues of the client. The client has assured us that the said stay order will be vacated and the order can be executed in the near future. The Company's performance barring this unforeseen event is satisfactory. The Company's operations at its new spacious location have now stabilised and the Company is poised to improve its performance with the growth in the Indian economy. The Company is also on the look out for technology tie-up/ additional products to optimize utilization of the potential capacity.

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 | ` 61.57 Lacs |
| Foreign Exchange Outgo | ` 564.64 Lacs |

SUB-SECTION (2A):

No employee of the Company was in receipt of remuneration equal to or exceeding the prescribed limits.

SUB-SECTION (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.

ACKNOWLEDGEMENT

Your directors place on record their appreciation for the co-operation received from Company's 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, 2011.

ON BEHALF OF THE BOARD

Sd/-

**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, 2011**, 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
 - (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
Registration No. 109901W**

Sd/-

**(S. L. AGRAWAL)
PARTNER
Membership Number 72184**

PLACE: MUMBAI
DATED: 30TH MAY, 2011

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 2011)**

- (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 maximum balance outstanding during the year was ` 6.65 Lakhs 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.

Contd.....2.

- (e) According to the information and explanations given to us, the Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956 amounting to ₹ 10 lacs.
- (f) In our opinion the rate of interest and other terms & conditions of unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- (g) In our opinion payment of the principal amount and interest are also regular.
- (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.

Contd.....3.

- (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, 2011, which have not been deposited on account of a dispute, are as follows: -

| Sr. No. | Name of the Statute | Relevant period | Amount (`) | Form where dispute is pending |
|---------|------------------------------------|-------------------------------|--------------|------------------------------------|
| 1. | Central Sales Tax Act | 1998-1999 | 63,148.00 | Sales Tax Tribunal |
| 2. | Central Excise Act | 2007-2008 | 19,615.00 | Commissioner (Appeals) |
| 3. | Service Tax | November 2008 to January 2010 | 34,851.00 | Dy. Commissioner of Central Excise |
| 4. | Maharashtra Land Revenue Act, 1966 | 2006 to 2010 | 1,06,589.00 | Tahsildar, Borivali, Mumbai. |

- (x) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. According the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to information and explanations given to us, the Company has applied the term loans for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

Contd.....4.