



## 38<sup>TH</sup> ANNUAL REPORT 2011 – 2012



# REMI PROCESS PLANT AND MACHINERY LTD.

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

## **NOTICE**

To  
The Members,

### **REMI PROCESS PLANT AND MACHINERY LIMITED**

**NOTICE** is hereby given that the 38<sup>th</sup> 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 **Saturday, the 29<sup>th</sup> September 2012**, at 12.00 Noon to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Statement of Profit and Loss for the year ended, 31<sup>st</sup> March, 2012.
2. To declare a dividend.
3. To re-appoint as Director Shri Ramkrishna Shriya, who retires by rotation.
4. To re-appoint as Director Shri Vishwambhar C. Saraf, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To pass the following special resolution:

“Resolved that the Company hereby authorises 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.

“Further Resolved that this arrangement will enure for five years form April, 2011.”

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

#### **Registered Office:**

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

Dated : 30<sup>th</sup> May, 2012.

**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 **Friday, the 21<sup>st</sup> September, 2012, to Friday, the 28<sup>th</sup> September, 2012**, 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. The Explanatory statement relating to the item of special business at item No.6 is set out below:

**Explanatory statement – Pursuant to Section 173 of the Companies Act, 1956 -  
Annexure to the notice.**

It is proposed to renew the arrangement for payment of commission to its Directors, in terms of the provisions contained in Section 309(4) of the Companies Act, 1956. This special resolution achieves this purpose.

All the Directors are to be deemed to be interested in this item of business.

Your Directors commend this resolution for your approval.

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## **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 31<sup>st</sup> March, 2012.

(₹ in Lacs)

<b>Financial Results</b>	<b>2011-2012</b>	<b>2010-2011</b>
Gross Turnover	<b>1794.96</b>	1700.01
Profit before Finance Cost, Depreciation and Tax (EBIDTA)	<b>308.86</b>	187.99
Less: Finance Cost	<b>65.39</b>	7.60
Depreciation	<b>51.99</b>	49.00
Taxation	<b>64.24</b>	42.68
Net Profit	<b>127.24</b>	88.71
Balance brought forward	<b>372.41</b>	346.01
Profit available for appropriations	<b>499.65</b>	434.72
<u>Appropriations</u>		
Transferred to General Revenue	<b>50.00</b>	50.00
Proposed Dividend	<b>10.56</b>	10.56
Tax on dividend	<b>1.71</b>	1.75
Balance carried to Balance Sheet	<b>437.38</b>	372.41
	<b>499.65</b>	434.72

### **DIVIDEND:**

Your Directors are pleased to recommend a dividend of ₹ 0.60 (6%) per equity share for the year ended 31<sup>st</sup> March 2012. The proposed dividend including dividend distribution tax will absorb ₹12.27 Lakhs.

### **WORKING:**

The Company could not achieve any growth in revenue during the year in view of the overall slowdown in the economy and particularly in the capital goods industry, in which the Company operates. However, net profit during the year was higher at ₹127.24 Lacs compared to ₹88.71 Lacs during the previous year.

The Company is hopeful to improve its performance during current financial year in spite of slowdown in the economy and bad monsoon.

**DIRECTORS:**

As provided in Section 255 of the Companies Act, 1956, Shri Ramkrishna Shriya and Shri Vishwambhar C. Saraf retire by rotation and being eligible, offer themselves for re-election.

**AUDITORS:**

The retiring Auditors M/s. Shankarlal Jain & Associates, Chartered Accountants, are eligible for re-appointment and have expressed their willingness to accept the re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be approved by the members and their remuneration has to be fixed.

**AUDITORS' REPORT:**

The Auditors' Report to the Shareholders does not contain any reservation, qualification or adverse remark.

**CONSERVATION OF ENERGY:**

All efforts for conservation of energy are being taken.

**TECHNOLOGY ABSORPTION:**

Technology absorption is complete.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

Earnings	₹ 148.09 Lacs
Outgo	₹ 715.89 Lacs

**PARTICULARS OF EMPLOYEES:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

On the basis of compliance certificates received from the concerned executives of the respective Divisions of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, we state that:

- (i) the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) 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) 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) 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 : 30<sup>th</sup> May, 2012.

**ON BEHALF OF THE BOARD**

**Sd/-**

**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 **31<sup>st</sup> March, 2012**, Statement of 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, the statement of Profit and Loss 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012;
  - (b) in the case of the Statement of Profit and Loss , 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: 30<sup>TH</sup> MAY, 2012

## **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 31<sup>ST</sup> MARCH 2012)**

- (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 ₹ 823.40 Lakhs and the balance outstanding at the end of the year was ₹ 351.16 Lakhs.
- (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 unsecured loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence relevant para is not applicable to the Company.

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