



REMI GROUP

REMI PROCESS PLANT AND MACHINERY LTD.



**39TH ANNUAL REPORT
2012 – 2013**

Board of Directors:	Shri Vishwambhar C. Saraf Shri Shri Rajendra C. Saraf Shri Ramkrishna R. Shriya Shri Mukul B. Desai Shri Rishabh R. Saraf Shri Detlef Ernst Hans Klatt	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	
Factory:	Survey No.18 1/2 & 27/2, Village - Shelavali, Manor Road, Taluka Palghar, Thane – 401 404	
Wind Power:	Village Brahmanwel, Taluka Sakri, District Dhule, Maharashtra	

NOTICE

To
The Members,
REMI PROCESS PLANT AND MACHINERY LIMITED

NOTICE is hereby given that the 39th 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 **Monday, the 30th September 2013**, at 12.00 Noon to transact the following business:

1. To consider the audited Balance Sheet as at, and the Statement of Profit and Loss for the year ended, 31st March, 2013.
2. To declare a dividend.
3. To re-appoint as Director Shri Rajendra C. Saraf, who retires by rotation.
4. To re-appoint as Director Shri Rishabh R. Saraf, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To appoint Shri Detlef Ernst Hans Klatt as Director.
7. 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 3 (Three) years from the 1st April, 2013, to manage the affairs of the Company, on the following terms and conditions:

- i) A monthly salary of Rs.2,25,000/-, subject to annual review and / or as per the new Companies Act.
- 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 : 13th August, 2013.

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 20th September, 2013, to Friday, the 27th September, 2013, 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 items of special business, is set out below:

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

Item No.6

Mr. Detlef Ernst Hans Klatt is a German National, owning and managing an Engineering unit in Germany. His association with the Company will benefit it in its manufacturing activities. The Company has received notice from a Member stating that he would be proposing a resolution at this Meeting for his appointment.

Mr. Detlef Ernst Hans Klatt is to be considered as interested in this item of business.

Item No.7

Shri Rajendra C. Saraf is the Managing Director of the Company since 1st April 2002. He continues to be the Managing Director and his remuneration package was revised and has been in force upto March, 2013. He is being re-appointed for another term of three years from 1st April, 2013, on the existing terms and conditions.

His remuneration package has been fixed as per Schedule XIII, Part II (B) of the Companies Act, 1956 and hence, the following information is 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.2975.38 Lacs and net profit of Rs.141.94 Lacs for the financial year ended 31 st March, 2013. |
| (5) Export performance | : | Export earning Rs.2.18 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.
- (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 'Corporate Governance' in Directors' Report
 - (i) Salary etc. of all other Directors : Not Applicable.
 - (ii), (iii) and (iv) : Not Applicable.

Shri R. C. Saraf, his brother, Shri V. C. Saraf, and Shri Rishabh R. Saraf, his son, also Directors 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 to present to you herewith the audited accounts of the Company for the year ended 31st March, 2013.

(₹ in Lacs)

Financial Results	2012-2013	2011-2012
Gross Turnover	3211.00	1794.96
Profit before Finance Cost, Depreciation and Tax (EBIDTA)	337.69	308.86
Less: Finance Cost	80.60	65.39
Depreciation	52.33	51.99
Taxation	62.82	64.24
Net Profit	141.94	127.24
Balance brought forward	437.38	372.41
Profit available for appropriations	579.32	499.65
<u>Appropriations</u>		
Transferred to General Revenue	50.00	50.00
Proposed Dividend	10.56	10.56
Tax on dividend	1.80	1.71
Net surplus in the Statement of Profit & Loss	516.96	437.38
	<u>579.32</u>	<u>499.65</u>

DIVIDEND:

Your Directors are pleased to recommend a dividend of ₹ 0.60 (6%) per equity share for the year ended 31st March 2013. The proposed dividend including dividend distribution tax will absorb ₹12.36 Lakhs.

WORKING:

The working of the Company has improved during the year.

DIRECTORS:

As provided in Section 255 of the Companies Act, 1956, Shri Rajendra C. Saraf and Shri Rishabh R. Saraf retire by rotation and are to be re-appointed. Mr. Detlef Ernst Hans Klatt, Additional Director, is also to be appointed.

AUDITORS:

The Auditors M/s. Shankarlal Jain & Associates, Chartered Accountants, are to be re-appointed. They 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 made by the members and their remuneration has to be fixed.

CONSERVATION OF ENERGY:

All efforts for conservation of energy are being taken.

TECHNOLOGY ABSORPTION:

Technology absorption is complete.

FOREIGN EXCHANGE EARNING AND OUTGO:

Earnings	₹ 2.18 Lacs
Outgo	₹ 523.79 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 Auditors of the Company from time to time, the Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have 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 have 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; and
- (iv) the directors have 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 : 13th August , 2013.

ON BEHALF OF THE BOARD

Sd/-

**VISHWAMBHAR C. SARAF
CHAIRMAN**

AUDITORS' REPORT

To,

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

Report on the financial statements

We have audited the accompanying financial statements of **Remi Process Plant and Machinery Limited** (the company), which comprise the balance sheet as at 31st March, 2013, and the statement of profit and loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on other legal and regulatory requirements

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

Contd.....2

2. As required by section 227(3) of the Act, we report that:
- a. 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.
 - b. 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.
 - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the balance sheet, of the state of affairs of the company as at 31st March, 2013;
- ii. In the case of the statement of profit and loss, of the profit for the year ended on that date; and
- iii. 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/-

PLACE : MUMBAI
DATED : 30TH MAY, 2013

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

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 2013)

- (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 ₹ 940.00 Lakhs and the balance outstanding at the end of the year was ₹ Nil .
- (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.

Contd.....2.