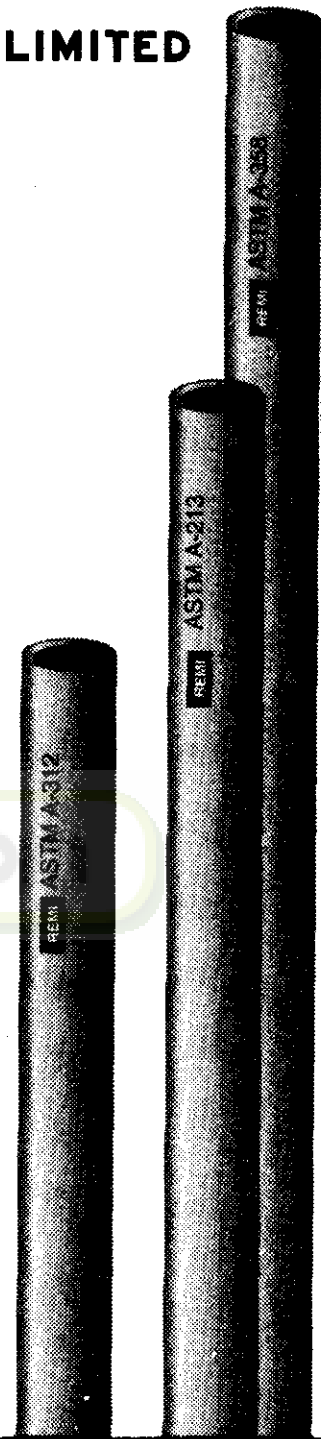


REMI GROUP

RAJENDRA MECHANICAL INDUSTRIES LIMITED

**28th ANNUAL REPORT
1998-1999**

Report  Junction.co



Board of Directors Shri Chiranjilal Saraf, *Chairman*
Shri Rajendra Prakash Goyal
Shri Mahabir Prasad Jatia
Shri Vishwambhar Saraf
Shri Rajendra Saraf, *Managing Director*
Shri Kamal Dujodwala

Bankers STATE BANK OF INDIA,

Auditors M/s. Sundarlal, Desai & Kanodia
Chartered Accountants,
59, Dr. V.B. Gandhi Marg,
Mumbai-400 023.

Registered Office 52, Mittal Court 'A',
Jamanlal Bajaj Marg,
Nariman Point,
Mumbai 400 021.

Works Plot No. N 211/1
M.I.D.C.
Tarapur,
Maharashtra

RAJENDRA MECHANICAL INDUSTRIES LIMITED**NOTICE**

To

The Members,

RAJENDRA MECHANICAL INDUSTRIES LIMITED

NOTICE is hereby given that the 28th Annual General Meeting of the Company will be held at the Company's Administrative Office, 11, Cama Industrial Estate, Groegaon East, Mumbai 400 063, on Thursday, the 30th September, 1999 at 2.30 p.m. to transact the following business :

1. To adopt the audited Balance Sheet as at, and Profit and Loss Account for the year ended, 31st March, 1999.
2. To re-appoint as Director Shri Rajendra Prakash Goyal who retires by rotation.

3. To re-appoint as Director Shri Mahabir Prasad Jatia who retires by rotation.
4. To appoint Auditors and to fix their remuneration.
5. To pass the following special resolution :

" Resolved that the Articles of Association of the Company be and is hereby altered by substituting in Article No.68, the words 'in accordance with the rules prescribed therefor' for 'Rs.500/-' appearing therein."

For Rajendra Mechanical Inds. Ltd.
(R.C.Saraf)
Managing Director

Place : Mumbai
Dated : August 23, 1999

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 Tuesday, the 28th, to Thursday, the 30th September, 1999, both days inclusive.
3. An Explanatory Statement in respect of the item No. 5 accompanies.

Explanatory Statement-Pursuant to the provisions of Section 173 of the Companies Act, 1956 - Annexure to the Notice.

It is proposed that the fees paid to the Directors of the Company shall be as prescribed under the Companies Act, 1956 and its Rules, so that the same can be fixed accordingly whenever the Board of Directors of the Company so decides. The Rules provide for a maximum of Rs. 2,000/- for each Director for each meeting attended.

Your Directors commend the resolution for your approval.

A copy of the Articles of Association is available for your inspection at the Registered office of the Company during business hours.

DIRECTORS' REPORT

To
The Members,
Rajendra Mechanical Industries Ltd.

Dear Shareholders,

We present herewith the Annual Report and Audited statement of accounts of the Company for the year ended 31st March, 1999.

	Rs. in Lacs	
Financial Results	1998-99	1997-98
Profit before	81.76	73.95
Depreciation & Taxation		
Depreciation	72.41	66.57
Taxation	1.00	0.80
	<u>73.41</u>	<u>67.37</u>
Net Profit for the year	8.35	6.58
Add: Sales Tax Deferred		
Liabilities of earlier years		
written back	-	230.17
Add: Balance brought forward	392.07	154.01
Add: Prior year's adjustments	<u>2.39</u>	<u>1.31</u>
Balance carried to Balance Sheet	402.81	392.07

OPERATIONS

Your Company's performance and capacity utilization continue to be under pressure on account of low domestic demand/prices and dumping of second quality material. Your Company has taken steps to curtail overheads and operational costs to reduce pressure on profits.

Andheri property development of "Commercial Complex" named as "REMI BIZCOURT" has begun on the auspicious day of Gudi Padva and is being developed in phases. The construction progress is satisfactory and the first phase is likely to be completed by mid 2000. The marketing of this complex would commence around December, 1999 when the property market sentiments are expected to improve.

PROSPECTS :

Your Company's efforts for developing export market have shown results. After obtaining ISO 9002 from TUV, the Company has executed trial export order for Seamless Pipes which have been well accepted by the buyers and they have placed bulk orders. After satisfactory execution there are good chances of entering into long term contract for regular supplies. Similarly, the Company has plans to develop export of Welded Pipes. This export market is expected to improve the capacity utilization and the performance of the Company for the second half period

and its full impact will be felt in the next year i.e. 2000 to 2001.

The revenues from the sale of "REMI BIZCOURT" will start in the last quarter of this year and it is expected that its full effect will be felt in the next year.

DIRECTORS :

Shri R.P. Goyal and Shri M.P. Jatia retire by rotation and are eligible for re-appointment.

AUDITORS :

You are requested to appoint Auditors and fix their remuneration.

The observations made in the Auditor's Report are self-explanatory and do not call for any further comments.

INFORMATION PURSUANT TO SECTION 217 (1) (E) OF THE COMPANIES ACT, 1956 :

A. Conservation of Energy

All efforts are being made to conserve energy.

B. Technology Absorption

Through the Company does not have any foreign collaboration for manufacture, the Company is continuously modernising and improving its products in quality and has obtained ISO 9002.

C. Foreign Exchange Earnings including Deemed exports and outgo

Out go Rs. 398.99 Lacs (Rs. 278.74 Lacs)
Earnings Rs. 209.83 Lacs (Rs. 220.40 Lacs)

APPRECIATION :

Your Directors place on record their sincere thanks for the financial support from State Bank of India. They also place on record their appreciation for the dedicated services of the executives, staff and workers of the Company. Your Directors also appreciate the faith you have reposed in the Company and are confident that the Company can depend upon your continued support in its endeavour to grow.

On Behalf of the Board
Chiranjilal Saraf
Chairman

Place : Mumbai

Dated : August 23, 1999

RAJENDRA MECHANICAL INDUSTRIES LIMITED**AUDITORS' REPORT**

To,

The Members of Rajendra Mechanical Industries Limited

We have audited the attached Balance Sheet of **RAJENDRA MECHANICAL INDUSTRIES LIMITED** as at 31st March, 1999 and also the Profit and Loss Account for the year ended on that date annexed thereto and report as under :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, 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 it appears from our examination of these books.
 - (c) the Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account.

(d) in our opinion, the Profit & Loss account and Balance Sheet comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956,

(e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to note No. 4 regarding sale of rights to construct additional area in respect of Andheri property and read together with other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999:

and

(ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.

For **SUNDARLAL, DESAI AND KANODIA**,
Chartered Accountants,

Place : Mumbai
Date : 23 Aug., 1999.

(M.B. Desai)
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date.)

- (i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, all the assets have been physically verified by the management during the year and no serious discrepancies have been noticed on such verification.
- (ii) None of the Fixed Assets have been revalued during the year.
- (iii) The stocks of finished goods, stores, spare parts and raw materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (iv) In our opinion and according to the information and explanations given to us, the procedures for the verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (v) The discrepancies noticed on verification between the physical stocks and book records were not significant and the same have also been properly dealt with in the books of account.
- (vi) In our opinion the valuation of the stocks is fair and proper and is in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.
- (vii) In our opinion, the rate of interest and the terms and conditions on which loans have been obtained from companies, firms, and other parties listed in the Register maintained under Section 301 and from Companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- (viii) The Company has not granted any secured or unsecured loans to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956 and to companies under the same management as defined under Section 370 (1-B) of the said Act.