



# RAJENDRA MECHANICAL INDUSTRIES LIMITED

**29th ANNUAL REPORT  
1999-2000**

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**Board of Directors**

Shri Vishwambhar C. Saraf  
Shri Rajendra Prakash Goyal  
Shri Mahabir Prasad Jatia  
Shri Rajendra C. Saraf  
Shri Kamal Dujodwala

*Chairman**Managing Director***Bankers**

STATE BANK OF INDIA

**Auditors**

M/s. Sundarlal Desai & Kanodia  
Chartered Accountants  
903, Arcadia, 195, NCPA Road,  
Mumbai 400 021.

**Registered Office**

52, Mittal Court 'A',  
Jamnalal 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 29th Annual General Meeting of the Company will be held at the Company's Administrative Office, 11, Cama Industrial Estate, Goregaon East, Mumbai 400 063, on Saturday, the 30th September, 2000 at 11.30 a.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, 2000.

2. To declare Dividend on Preference Shares.

3. To reappoint as Director Shri Kamal K. Dujodwala who retires by rotation.

4. To re-appoint as Director Shri Rajendra C. Saraf who retires by rotation.

5. To appoint Auditors and to fix their remuneration.

For Rajendra Mechanical Industries Ltd.

(R.C. Saraf)

Managing Director

Place : Mumbai

Dated : August 28, 2000

**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 30th September, to Wednesday, the 4th October, 2000, both days inclusive.

**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, 2000.

|  | Rs. in Lacs      |                |
|--|------------------|----------------|
| <b>Financial Results</b>                         | <b>1999-2000</b> | <b>1998-99</b> |
| Profit before Depreciation & Taxation            | 144.06           | 81.75          |
| Depreciation                                     | 71.14            | 72.41          |
| Taxation   | 8.35             | 1.00           |
|  | <u>79.49</u>     | <u>73.41</u>   |
| Net Profit for the year                          | 64.57            | 8.34           |
| Add: Balance brought forward                     | 402.80           | 392.07         |
| Add: Prior year's adjustments                    | 1.70             | 2.39           |
| Profit available for appropriation               | 469.07           | 402.80         |
| <b>Appropriation :</b>                           |                  |                |
| Transfer to Preference Shares Redemption Reserve | 170.00           | 0.00           |
| Proposed Dividend on Preference Shares           | 41.30            | 0.00           |
| Dividend Tax                                     | 9.09             | 0.00           |
| Balance Carried to the Balance Sheet             | <u>248.68</u>    | <u>0.00</u>    |
|  | <u>469.07</u>    | <u>402.80</u>  |

**OPERATIONS :**

Your Company's performance and capacity utilization continue to be under pressure due to slack demand and liberalized economy. The measures taken by the Company to overcome this situation by reduction of overheads, interest, development of export market, etc. have shown marginal improvement.

The property development progress is satisfactory. The 1st phase of about 65,000 Sq.Ft. is under advanced stage of construction and is expected to be completed by December, 2000. Major portion of this has been sold and the realisation will improve the overall financial position of the Company in the year 2000-2001. The second phase of construction has begun which will be reflected in the year 2001-2002.

**PROSPECTS :**

The Company's efforts to reduce cost and increase capacity utilization by development of export market, are continuing and the management is hopeful of improved performance in the year 2000-2001. There was a constraint of raw material availability and pricing due to unstable Nickel prices in the international market which was an impediment in sales. The Nickel price has now substantially stabilised reducing the raw

material constraint, thus improving the prospects of sale of the products.

**DIVIDEND :**

Your Directors recommend a dividend on the Preference Shares from the date of allotment to 31st March, 2000, at 12%.

**DIRECTORS :**

With great regret, your Directors report to you about the sad demise of Shri Chiranjilal K. Saraf, the founder Chairman of the Company, on the night of 30th July, 2000. Your Directors place on record the great benefits they, and the Company, had derived from him from the date of incorporation of the Company.

Shri Kamal K. Dujodwala and Shri Rajendra C. Saraf 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 Auditors' 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**

Though 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 outgo/earnings including deemed exports**

|          |                                 |
|----------|---------------------------------|
| Outgo    | Rs.270.91 Lacs (Rs.398.99 Lacs) |
| Earnings | Rs.368.42 Lacs (Rs.209.83 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  
**V. C. SARAF**  
Chairman

Place : Mumbai  
Dated : August 28, 2000

**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, 2000** 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, 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, 2000; 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,

(M. B. DESAI)  
Partner.

PLACE : MUMBAI  
DATED : August 28, 2000

**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 except valuation of finished goods stock which has been changed as mentioned in Note No.5 of schedule 20.
- (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.
- (ix) In our opinion and according to information and explanations given to us, the parties to whom the Company has given loans or advances in the nature