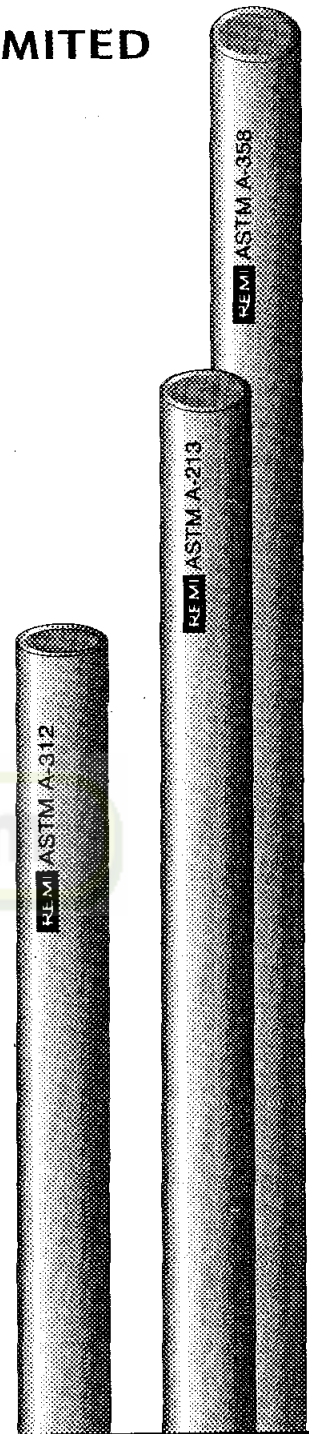


REMI GROUP

RAJENDRA MECHANICAL INDUSTRIES LIMITED

**31st ANNUAL REPORT
2001-2002**



Rajendra Mechanical Industries Limited

Board of Directors

Shri Vishwambhar C. Saraf

Chairman

Shri Rajendra Prakash Goyal

Shri Mahabir Prasad Jatia

Shri Rajendra C. Saraf

Shri Kamal Kumar Dujodwala

Shri Rishabh R. Saraf

Managing Director

Bankers

STATE BANK OF INDIA

Auditors

M/s. Sundarlal, Desai & Kanodia

Chartered Accountants

903, Arcadia, 195, N.C.P.A. 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

31st Annual Report 2001-2002

NOTICE

To
The Members,
RAJENDRA MECHANICAL INDUSTRIES LIMITED

NOTICE is hereby given that the Thirtyfirst 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 Monday, the 30th September, 2002 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, 2002.

2. To re-appoint as Director Shri Rajendra Prakash Goyal who retires by rotation.
3. To re-appoint as Director Shri Kamal Kumar Dujodwala who retires by rotation.
4. To appoint Auditors and to fix their remuneration.

For **RAJENDRA MECHANICAL INDS. LTD.**

(RISHABH R.SARAF)
MANAGING DIRECTOR

Place : Mumbai

Dated : August 27, 2002

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 24th September, 2002 to Monday, the 30th September, 2002, both days inclusive.
3. IN ACCORDANCE WITH THE NOTIFICATION ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FOR BRINGING ALL THE LISTED SECURITIES UNDER COMPULSORY ROLLING SETTLEMENT, YOUR COMPANY HAS APPLIED FOR ESTABLISHMENT OF CONNECTIVITY WITH NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) AND CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED (CDSL) THROUGH THE DEPOSITORY REGISTRAR, M/S R&D CONSULTANTS LIMITED, MUMBAI. ACCORDINGLY A TRIPARTITE AGREEMENT WILL BE ENTERED INTO BETWEEN THE ABOVE STATED DEPOSITORIES, THE DEPOSITORY REGISTRAR AND YOUR COMPANY. ON THE EXECUTION OF THE SAME YOUR COMPANY'S SECURITIES WILL BE ELIGIBLE FOR DEMATERIALISATION.

MEMBERS ARE REQUESTED TO GET IN TOUCH WITH THEIR DEPOSITORY PARTICIPANTS FOR FURTHER DETAILS.

Rajendra Mechanical Industries Limited**DIRECTORS' REPORT**

To
The Members,
RAJENDRA MECHANICAL INDUSTRIES LIMITED

Dear Shareholders,

We present herewith the Annual Report and Audited Statement of accounts of the Company for the year ended 31st March, 2002.

	(Rs. In Lacs)	
Financial Results	2001-2002	2000-2001
Profit before Depreciation & Taxation	223.45	354.86
Depreciation	79.37	72.70
Taxation	<u>15.14</u>	<u>22.25</u>
	<u>94.51</u>	<u>94.95</u>
Net Profit for the year	128.94	259.91
Add : Balance brought forward	130.49	248.80
Add : Prior year's adjustments	<u>0.59</u>	<u>(0.02)</u>
Profit available for appropriation	258.84	508.69
APPROPRIATION		
Transfer to General Reserve	25.00	25.00
Proposed Dividend on Preference Shares	---	14.45
Dividend Tax	---	1.47
Sale Tax Deferred Liability of earlier years	---	337.28
Balance carried to Balance Sheet	<u>233.84</u>	<u>130.49</u>
	258.84	508.69

OPERATIONS :

The Company's performance during the year had become restricted due to the continuing poor economic situation in the country and due to slackness in setting up of new projects. The Company has increased its exports to various international markets and is maintaining its share in the domestic market.

The property development at Andheri is complete. However, the realization of the entire premises is not reflected in the accounts due to weak real estate market.

DIRECTORS :

Shri Rajendra Prakash Goyal and Shri Kamal Kumar Dujodwala 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 comment.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:**Sub-Sec. (1)(e)****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 modernizing and improving its products in quality and has obtained ISO 9002.

C. FOREIGN EXCHANGE OUTGO/ EARNINGS INCLUDING DEEMED EXPORTS:

Outgo	656.07 Lacs.
Earnings	716.42 Lacs.

Sub-Sec. (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.

APPRECIATION :

Yours 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.

Registered Office:

52-A, Mittal Court,
Nariman Point,
Mumbai-400 021

ON BEHALF OF THE BOARD

VISHWAMBHAR C. SARAF
CHAIRMAN

Place : Mumbai

Dated : 27th August, 2002

31st Annual Report 2001-2002

AUDITOR'S 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, 2002** and also the Profit and Loss Account 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.

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.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 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.

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 and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2002, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 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 read together with notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with 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, 2002; and
 - (b) 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: 27th August, 2002

Rajendra Mechanical Industries Limited

ANNEXURE TO THE AUDITORS' REPORT

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

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| <p>(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.</p> <p>(ii) None of the Fixed Assets have been revalued during the year.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(viii) In our opinion and according to explanation given to us the Company has not granted any loans to the bodies corporate listed in the Register maintained under Section 301 of the Companies Act, 1956.</p> <p>(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 of loans have been paying the principal amounts as stipulated and are also regular in payment of interest. In case of interest-free loans or advances in nature of loans granted to its employees, we have been informed that they are generally repaying the principal amount as stipulated.</p> <p>(x) 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 the purchase of raw materials including components, stores and spare parts, plant and machinery, equipment, other assets and for the sale of goods.</p> <p>(xi) In our opinion and according to the information and explanations given to us, the transactions of purchase</p> | <p>of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs.50,000/- or more during the period in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services.</p> <p>(xii) As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising thereout.</p> <p>(xiii) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public as per the provisions of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.</p> <p>(xiv) In our opinion reasonable records have been maintained by the Company for the sale and disposal of scrap, wherever applicable and significant and there are no by-products.</p> <p>(xv) In our opinion the Company's present internal audit system is commensurate with its size and nature of business.</p> <p>(xvi) On the basis of the records produced, we are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, have been maintained. However, we have not carried out any detailed examination of such accounts and records.</p> <p>(xvii) According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited during the year with the appropriate authorities.</p> <p>(xviii) There are no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty outstanding as on 31st March, 2002, for a period of more than six months from the date they became payable.</p> <p>(xix) In our opinion and according to the information and explanations given to us, no personal expenses have been charged to revenue account.</p> <p>(xx) The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-section (i) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.</p> |
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**For SUNDARLAL, DESAI AND KANODIA,
CHARTERED ACCOUNTANTS,**

**M. B. DESAI)
PARTNER.**

PLACE : MUMBAI.
DATED: 27th August, 2002