



## **37<sup>TH</sup> ANNUAL REPORT 2010 - 2011**



# **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>	Survey No.18 1/2 & 27/2, Village - Shelavali, Manor Road, Taluka Palghar, Thane – 401 404	

## NOTICE

To  
The Members,  
**REMI PROCESS PLANT AND MACHINERY LIMITED**

**NOTICE** is hereby given that the 37<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 **Friday, the 30<sup>th</sup> September, 2011**, at 12.15 P.M. to transact the following business:

1. To adopt the audited Balance Sheet as at, and the Profit and Loss Account for the year ended, 31<sup>st</sup> March, 2011.
2. To declare a dividend.
3. To re-appoint as Director Shri Mukul B. Desai, who retires by rotation.
4. To appoint Auditors and to fix their remuneration.
5. To appoint Shri Rishabh R. Saraf as a Director.

**Registered Office:**

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

Dated : 12<sup>th</sup> August, 2011.

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

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 Saturday, the 24<sup>th</sup> September, 2011, to Friday, the 30<sup>th</sup> September, 2011, 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. An explanatory statement relating to the item 5 accompanies.

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### **Explanatory Statement - Annexure to the Notice**

Shri Rishabh R. Saraf was appointed on the 30<sup>th</sup> May, 2011, as an additional Director and he holds office only upto the date of this Meeting. He is a Bachelor of Arts in Business Administration from the University of Nottingham, England. He is the Managing Director of REMI EDELSTAHL TABULARS LIMITED. He is the son of Shri Rajendra C. Saraf, the Managing Director of this Company.

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## DIRECTORS' REPORT

To  
The Members,  
**REMI PROCESS PLANT AND MACHINERY LIMITED**

Your Directors are pleased present to you herewith the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2011.

( ₹ in Lacs)

<b>Financial Results</b>	<b>2010-2011</b>	<b>2009-2010</b>
Gross Turnover	<u>1700.01</u>	<u>2407.70</u>
Gross Profit	<b>173.43</b>	347.37
Less: Depreciation	<b>59.00</b>	41.33
Taxation	<b>25.72</b>	94.54
	<b>84.72</b>	135.87
Net Profit	<b>88.71</b>	211.50
Balance brought forward	<u>346.01</u>	<u>205.03</u>
Profit available for appropriations	<u>434.72</u>	<u>416.53</u>
<u>Appropriations</u>		
Transferred to General Revenue	<b>50.00</b>	50.00
Proposed Dividend	<b>10.56</b>	17.60
Tax on Distribution of dividend	<b>1.75</b>	2.92
Balance carried to Balance Sheet	<u>372.41</u>	<u>346.01</u>
	<b>434.72</b>	416.53

### **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 2011. The proposed dividend including dividend distribution tax will absorb ₹ 12.31 Lakhs.

### **OPERATION :**

The current year's performance was adversely affected primarily due to an unforeseen event, where one major order of approximately ₹ 10 crores, could not be executed due to High Court stay order arising out of the environmental issues of the client. The client has assured us that the said stay order will be vacated and the order can be executed in the near future. The Company's performance barring this unforeseen event is satisfactory. The Company's operations at its new spacious location have now stabilised and the Company is poised to improve its performance with the growth in the Indian economy. The Company is also on the look out for technology tie-up/ additional products to optimize utilization of the potential capacity.

**INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:**

**SUB-SECTION (1)(e):**

**A. CONSERVATION OF ENERGY:**

All efforts for conservation of energy are being taken.

**B. TECHNOLOGY ABSORPTION:**

Technology absorption is complete.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

Foreign Exchange Earnings	` 61.57 Lacs
Foreign Exchange Outgo	` 564.64 Lacs

**SUB-SECTION (2A):**

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

**SUB-SECTION (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.

**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 : 12<sup>th</sup> August, 2011.

**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 **31st March, 2011**, 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, Profit and Loss Account 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;

Contd.....2.

: 2 :

- (v) On the basis of written representations received from the Directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011;
  - (b) in the case of the Profit and Loss Account, 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, 2011

## 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 2011)

- (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 ₹ 6.65 Lakhs and the said loans were received back during the year.
- (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.

Contd.....2.



- (e) According to the information and explanations given to us, the Company has taken unsecured loan from a Company covered in the register maintained under section 301 of the Companies Act, 1956 amounting to ` 10 lacs.
- (f) In our opinion the rate of interest and other terms & conditions of unsecured loans taken by the Company are not prima facie prejudicial to the interest of the Company.
- (g) In our opinion payment of the principal amount and interest are also regular.
- (iv) 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 purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) In our opinion and according to information and explanations given to us, the maintenance of cost records has not been prescribed, for the products of the Company, by the Central Govt. under clause (a) of sub-section (1) of section 209 of the Companies Act, 1956.
- (ix) (a) According to the information and explanations provided to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. And there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they become payable.

Contd.....3.

- (b) According to the information and explanations given to us, the particulars of dues of Income tax, Wealth tax, Service tax, Sales Tax, Customs Duty, Excise Duty and Cess as at 31st March, 2011, which have not been deposited on account of a dispute, are as follows: -

Sr. No.	Name of the Statute	Relevant period	Amount ( ` )	Form where dispute is pending
1.	Central Sales Tax Act	1998-1999	63,148.00	Sales Tax Tribunal
2.	Central Excise Act	2007-2008	19,615.00	Commissioner (Appeals)
3.	Service Tax	November 2008 to January 2010	34,851.00	Dy. Commissioner of Central Excise
4.	Maharashtra Land Revenue Act, 1966	2006 to 2010	1,06,589.00	Tahsildar, Borivali, Mumbai.

- (x) The Company does not have accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. According the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to information and explanations given to us, the Company has applied the term loans for the purposes for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

Contd.....4.

- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
- (xix) According to the information and explanations given to us, the Company has neither issued any debentures during the year nor issued earlier are outstanding. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
- (xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**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, 2011

# REMI PROCESS PLANT AND MACHINERY LIMITED

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2011**

	SCH. NO.	AS AT 31.03.2011 ( ` )	AS AT 31.03.2010 ( ` )
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a) Share Capital	1	17,600,000	17,600,000
b) Reserves and Surplus	2	85,921,538	78,490,207
		<b>103,521,538</b>	96,090,207
<b>2. LOAN FUNDS</b>			
a) Secured Loans	3	28,675,374	21,881,601
b) Unsecured Loans	4	1,716,664	1,716,664
		<b>30,392,038</b>	23,598,265
3. Deferred Tax Liability		<b>9,708,280</b>	9,761,762
<b>TOTAL</b>		<b>143,621,856</b>	129,450,234
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	5	125,632,699	125,149,032
b) <u>Less</u> : Depreciation		<b>35,846,076</b>	31,935,402
c) <b>NET BLOCK</b>		<b>89,786,623</b>	93,213,630
<b>2. INVESTMENTS</b>			
3. <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a) Inventories	7	29,537,839	20,846,295
b) Sundry Debtors	8	25,264,687	15,639,101
c) Cash and Bank Balance	9	6,373,648	10,525,344
d) Loans and Advances	10	10,604,118	7,527,344
<b>TOTAL</b>		<b>71,780,292</b>	54,538,084
<b>4. LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
a) Current Liabilities	11	68,332,652	39,885,378
b) Provisions	12	4,135,607	6,771,814
<b>TOTAL</b>		<b>72,468,259</b>	46,657,192
5. <b>NET CURRENT ASSETS</b>		<b>(687,967)</b>	7,880,892
<b>6. MISCELLANEOUS EXPENDITURE</b>			
<u>(To the extent not written off or adjusted)</u>	13	23,200	46,400
<b>TOTAL</b>		<b>143,621,856</b>	129,450,234

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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AS PER OUR REPORT OF EVEN DATE ANNEXED

For SHANKARLAL JAIN AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
Registration Number 109901W

FOR AND ON BEHALF OF THE BOARD

Sd/-  
( S. L. AGRAWAL )  
PARTNER  
Membership Number 72184

Sd/-  
V.C. SARAF R.C. SARAF  
DIRECTORS

PLACE : MUMBAI

DATED : 30TH MAY, 2011

## REMI PROCESS PLANT AND MACHINERY LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2011

	SCH. NO.	For the year ended 31.03.2011 ( ` )	For the year ended 31.03.2010 ( ` )
<b><u>INCOME</u></b>			
Sales and Services	14	170,001,536	240,770,853
<b>Less:</b> Excise Duty Collection		11,007,891	16,605,353
		<b>158,993,645</b>	224,165,500
Other Income	15	12,786,145	16,391,595
Increase/(Decrease) in Stocks	16	2,644,967	(24,528,930)
<b>TOTAL</b>		<b>174,424,757</b>	216,028,165
<b><u>EXPENDITURE</u></b>			
Consumption of Raw Materials		55,148,978	107,699,612
Purchase for Resale		29,194,580	-
Manufacturing Expenses	17	19,149,223	17,910,282
Employees' Remuneration & Benefits	18	32,961,041	32,598,829
Administrative, Selling and Other Expenses	19	19,172,246	23,595,472
Interest	20	759,817	1,309,259
Depreciation		5,093,974	4,327,691
Less: Transferred from Revaluation Reserve		(194,199)	(194,199)
<b>TOTAL</b>		<b>161,285,660</b>	187,246,946
<b>Profit Before Taxation</b>		<b>13,139,097</b>	28,781,219
Provision for Current Taxation		2,925,000	7,350,000
Provision for Deferred Taxation/(Credit)		(53,482)	2,104,930
<b>Profit After Taxation</b>		<b>10,267,579</b>	19,326,289
Excess/(Short) Provision for Taxation of earlier years w/back		(1,396,949)	1,824,136
Profit after Tax available		<b>8,870,630</b>	21,150,425
Balance brought forward		<b>34,601,298</b>	20,503,187
<b>TOTAL</b>		<b>43,471,928</b>	41,653,612
<b><u>APPROPRIATION</u></b>			
Transfer to General Reserve		5,000,000	5,000,000
Proposed Dividend		1,056,000	1,760,000
Tax on Distribution of Profit		175,388	292,314
Balance Carried to Balance Sheet		<b>37,240,540</b>	34,601,298
<b>TOTAL</b>		<b>43,471,928</b>	41,653,612
<b><u>EARNING PER SHARE</u></b>			
Basic & Diluted (Face value - Rs.10/- per share)		5.04	12.02

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

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AS PER OUR REPORT OF EVEN DATE ANNEXED

For SHANKARLAL JAIN AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
Registration Number 109901W

FOR AND ON BEHALF OF THE BOARD

Sd/-  
(S.L. AGRAWAL)  
PARTNER  
Membership Number 72184

Sd/-  
V.C. SARAF R.C. SARAF  
DIRECTORS

PLACE : MUMBAI

DATED : 30TH MAY, 2011

**REMI PROCESS PLANT AND MACHINERY LIMITED**

**Cash Flow statement annexed to the Balance Sheet for the period April, 2010 to March, 2011**

	( ` in Lakhs)	
	2010 - 2011	2009 - 2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary items	131.39	287.81
<u>Adjustment for :</u>		
Depreciation	49.00	41.33
Interest	7.60	13.09
Gain on sale of Fixed Assets	(6.51)	-
Other Miscellaneous Expenditure	0.23	0.23
Capital Gain on Sale of Investments	(2.07)	(18.08)
Interest Income	(18.50)	(11.49)
Other Income	(100.78)	(134.34)
Operating profit before working capital charges	60.36	178.55
<u>Adjustment for :</u>		
Trade and Other Receivables	(127.02)	30.62
Inventories	(86.92)	351.79
Trade Payable and Provision	258.11	(138.48)
Cash Generated from Operations	104.53	422.48
Interest Paid	(7.60)	(13.09)
Direct Taxes	(29.25)	(73.50)
Cash Flow before Extra-ordinary items	67.68	335.89
Extra-ordinary items	(13.97)	18.24
<b>Net Cash from Operating Activities - (A)</b>	<b>53.71</b>	<b>354.13</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(17.28)	(176.43)
Sales of Fixed Assets	6.98	-
Purchase of Investments	(545.00)	(213.09)
Sale of Investments	285.17	406.13
Interest, Dividend and Other Income	119.28	145.84
<b>Net Cash from Investing Activities - (B)</b>	<b>(150.85)</b>	<b>162.45</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short Term Loans	69.26	(94.77)
Repayment of Long Term Loans	(1.32)	(389.51)
Dividend	(10.56)	(17.60)
Additional Income Tax on Dividend Paid	(1.75)	(2.92)
<b>Net Cash from Financial Activities - (C)</b>	<b>55.63</b>	<b>(504.80)</b>
Net Increase in Cash and Cash Equivalentents	<b>(41.51)</b>	<b>11.78</b>
Cash as at (Closing Balance)	63.74	105.25
Cash as at (Opening Balance)	105.25	93.47
Increase/Decrease in Cash Balance	<b>(41.51)</b>	<b>11.78</b>

**ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

21

**AS PER OUR REPORT OF EVEN DATE ANNEXED**

For **SHANKARLAL JAIN AND ASSOCIATES,**  
**CHARTERED ACCOUNTANTS**  
 Registration Number 109901W

FOR AND ON BEHALF OF  
**BOARD OF DIRECTORS**

Sd/-  
**(S.L. AGRAWAL)**  
**PARTNER**

Membership Number 72184

Sd/-  
**V.C. SARAF R.C. SARAF**  
**DIRECTORS**

PLACE : MUMBAI

DATED : 30TH MAY, 2011

**REMI PROCESS PLANT AND MACHINERY LIMITED**

	AS AT 31.03.2011 ( ` )	AS AT 31.03.2010 ( ` )
<b><u>SCHEDULE - 1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<u>Authorised</u>		
18,00,000 (18,00,000) Equity Shares of Rs.10/- each	<b>18,000,000</b>	18,000,000
	<b>18,000,000</b>	18,000,000
<u>Issued, Subscribed and Paid-up</u>		
17,60,000 (17,60,000) Equity Shares of Rs.10/- each fully paid-up (including 15,40,000 Equity Shares allotted as fully paid-up Bonus shares by Capitalisation of General Reserve)	<b>17,600,000</b>	17,600,000
<b>TOTAL</b>	<b>17,600,000</b>	17,600,000
<b><u>SCHEDULE - 2</u></b>		
<b><u>RESERVES AND SURPLUS</u></b>		
<u>Capital Reserve (Revaluation)</u>		
As per last Balance Sheet	<b>2,054,633</b>	2,248,832
<u>Less : Transferred to Profit and Loss Account</u>	<b>207,911</b>	194,199
	<b>1,846,722</b>	2,054,633
<u>General Reserve</u>		
As per last Balance Sheet	<b>40,315,276</b>	35,315,276
<u>Add : Transferred from Profit and Loss Account</u>	<b>5,000,000</b>	5,000,000
	<b>45,315,276</b>	40,315,276
<u>Foreign Project Reserve Account</u>		
As per last Balance Sheet	<b>1,519,000</b>	1,519,000
<u>Profit and Loss Account</u>		
Balance as per Profit and Loss Account	<b>37,240,540</b>	34,601,298
<b>TOTAL</b>	<b>85,921,538</b>	78,490,207
<b><u>SCHEDULE - 3</u></b>		
<b><u>SECURED LOANS</u></b>		
Cash Credit Facilities with State Bank of India (Secured by hypothecation of Company's entire current assets, movable plant & machinery, Furniture & Fixtures etc; and extension of equitable mortgage of Land & Building at Palghar and at Dhule and further guaranteed by two of the Directors)	<b>28,675,374</b>	21,749,388
Vehicle Loan from Reliance Capital Ltd (Secured by hypothecation of the vehicle purchased. (Repayment due in next one year Rs. Nil P.Y. Rs 1,32,213./-)	-	132,213
<b>TOTAL</b>	<b>28,675,374</b>	21,881,601

## REMI PROCESS PLANT AND MACHINERY LIMITED

	AS AT 31.03.2011 ( ` )	AS AT 31.03.2010 ( ` )
<b><u>SCHEDULE - 4</u></b>		
<b><u>UNSECURED LOANS</u></b>		
Sales Tax Deferred (Payable from April 2014 in five annual equal instalments)	1,716,664	1,716,664
	<b>1,716,664</b>	<b>1,716,664</b>
<b><u>SCHEDULE - 6</u></b>		
<b><u>INVESTMENTS</u></b>		
<b><u>LONG TERM INVESTMENTS - OTHERS</u></b>		
<b><u>UNQUOTED</u></b>		
NIL (1,00,000) Units of SBI One India Fund-Growth of Rs.10/- each	-	1,000,000
NIL (1,00,000) Units of SBI Infrastructure fund Growth of Rs.10/- each	-	1,000,000
	-	
2,00,000 (NIL) SBI Units of PSU Fund Growth of Rs.10/- each (NAV as on 31.03.11 Rs.19,68,000/-)	2,000,000	-
<b><u>CURRENT INVESTMENTS - OTHERS</u></b>		
<b><u>UNQUOTED</u></b>		
NIL (17,81,264.241) Units SHF-Ultra ST-Inst Plan-Growth of SBI - M.F. of Rs.10/- each.	-	21,309,312
41,02,493.822 (24,46,590.920) Units of SBI Magnum Insta Cash - Cash option of SBI-M.F. of Rs.10/- each (NAV as 31.03.11 Rs.5,25,18,484.91; P.Y. Rs.50,00,865/-)	52,500,000	5,000,000
<b>TOTAL</b>	<b>54,500,000</b>	<b>28,309,312</b>
Aggregate cost of Unquoted Investments	<b>54,500,000</b>	<b>28,309,312</b>
<b><u>SCHEDULE - 7</u></b>		
<b><u>INVENTORIES</u></b>		
<i>(As taken, valued &amp; Certified by Management)</i>		
Raw Materials (incl.goods in transit Rs. 6,51,487/- P.Y. NIL )	16,888,196	10,841,619
Semi Finished Goods	12,599,988	9,634,272
Scrap	49,655	370,404
<b>TOTAL</b>	<b>29,537,839</b>	<b>20,846,295</b>
<b><u>SCHEDULE - 8</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
<i>(Unsecured and Considered Good)</i>		
Outstanding over six months	256,651	10,993,350
Others	25,008,036	4,645,751
<b>TOTAL</b>	<b>25,264,687</b>	<b>15,639,101</b>



**REMI PROCESS PLANT AND MACHINERY LIMITED**

	<b>AS AT 31.03.2011 ( ` )</b>	<b>AS AT 31.03.2010 ( ` )</b>
<b><u>SCHEDULE - 9</u></b>		
<b><u>CASH AND BANK BALANCES</u></b>		
<u>Cash Balance</u>		
Cash in Hand	<b>179,976</b>	174,694
<u>Balance with Scheduled Banks</u>		
In Current Accounts	<b>175,672</b>	184,632
In Fixed Deposits (pledged with Bankers as margin against Bank Guarantees and L/Cs)	<b>6,018,000</b>	10,166,018
<b>TOTAL</b>	<b>6,373,648</b>	10,525,344
<b><u>SCHEDULE - 10</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
(Unsecured & Considered good except stated otherwise)		
Advance recoverable in cash or in kind or for value to be received	<b>9,560,154</b>	4,998,466
Advance payment of Income-tax & TDS (Net of Provisions)	<b>46,141</b>	1,206,292
Deposits	<b>937,120</b>	977,120
Central Excise Balance/Refundable	<b>60,703</b>	345,466
<b>TOTAL</b>	<b>10,604,118</b>	7,527,344
<b><u>SCHEDULE - 11</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Sundry Creditors (Including Rs.2,11,722 /-; P.Y. Rs.2,09,464/- payable to Micro and Small Enterprises)	<b>28,554,721</b>	20,859,406
Advance from Customers	<b>14,185,096</b>	7,353,235
Deposits Received	<b>10,545,600</b>	3,045,600
Other Liabilities	<b>15,047,235</b>	8,627,137
<b>TOTAL</b>	<b>68,332,652</b>	39,885,378
<b><u>SCHEDULE - 12</u></b>		
<b><u>PROVISIONS</u></b>		
For Proposed Dividend	<b>1,056,000</b>	1,760,000
For Distribution Tax on Profits	<b>175,388</b>	292,314
For Leave Encashment	<b>2,521,366</b>	2,370,683
For Gratuity	<b>382,853</b>	2,348,817
<b>TOTAL</b>	<b>4,135,607</b>	6,771,814
<b><u>SCHEDULE - 13</u></b>		
<b><u>MISCELLANEOUS EXPENDITURE</u></b>		
(To the extent not written off or adjusted)		
Expenses for increase in authorised capital	<b>23,200</b>	46,400
<b>TOTAL</b>	<b>23,200</b>	46,400

**REMI PROCESS PLANT AND MACHINERY LIMITED**

**SCHEDULE - 5 - FIXED ASSETS**

Sr. No.	Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01/04/2010	Addition during the year	Deduction during the year	As on 31/03/2011	Upto 31/03/2010	Provided during the year	Deduction on A/c. of Transfer	Upto 31/03/2011	As at 31/03/2011	As at 31/03/2010
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	<b><u>TANGIBLE ASSETS</u></b>										
1	Land Freehold	9,451,760	-		<b>9,451,760</b>					<b>9,451,760</b>	9,451,760
2	Factory Building	39,436,220	-	-	<b>39,436,220</b>	6,939,898	1,289,121	-	<b>8,229,019</b>	<b>31,207,201</b>	32,496,322
3	Plant & Machinery	24,040,922	1,486,966	1,244,000	<b>24,283,888</b>	10,300,666	1,082,699	1,183,300	<b>10,200,065</b>	<b>14,083,823</b>	13,740,256
4	Wind Mill	35,188,472	-	-	<b>35,188,472</b>	7,896,292	1,857,951	-	<b>9,754,243</b>	<b>25,434,229</b>	27,292,180
5	Electrical Installation	7,634,793	-	-	<b>7,634,793</b>	1,406,657	353,500	-	<b>1,760,157</b>	<b>5,874,636</b>	6,228,136
6	Air Conditioners	659,021	53,788	-	<b>712,809</b>	206,427	30,852	-	<b>237,279</b>	<b>475,530</b>	452,594
7	Computer	2,102,068	108,876	-	<b>2,210,944</b>	1,737,558	126,584	-	<b>1,864,142</b>	<b>346,802</b>	364,510
8	Office Equipments	1,385,065	78,037	-	<b>1,463,102</b>	662,243	65,773	-	<b>728,016</b>	<b>735,086</b>	722,822
9	Furniture & Fixtures	2,680,361	-	-	<b>2,680,361</b>	1,302,355	129,571	-	<b>1,431,926</b>	<b>1,248,435</b>	1,378,006
10	Motor Car	1,609,821	-	-	<b>1,609,821</b>	565,326	152,933	-	<b>718,259</b>	<b>891,562</b>	1,044,495
11	Two Wheeler	52,529	-	-	<b>52,529</b>	9,980	4,990	-	<b>14,970</b>	<b>37,559</b>	42,549
	<b><u>ASSETS GIVEN ON RENT</u></b>										
12	Plant & Machinery	300,000	-	-	<b>300,000</b>	300,000	-	-	<b>300,000</b>	-	-
	<b><u>INTANGIBLE ASSETS</u></b>										
13	Computer Software	608,000	-	-	<b>608,000</b>	608,000	-	-	<b>608,000</b>	-	-
	<b>TOTAL</b>	<b>125,149,032</b>	<b>1,727,667</b>	<b>1,244,000</b>	<b>125,632,699</b>	<b>31,935,402</b>	<b>5,093,974</b>	<b>1,183,300</b>	<b>35,846,076</b>	<b>89,786,623</b>	<b>93,213,630</b>
	PREVIOUS YEAR TOTAL	75,932,077	49,216,955	-	125,149,032	27,607,711	4,327,691	-	31,935,402	93,213,630	48,324,366

<b>REMI PROCESS PLANT AND MACHINERY LIMITED</b>		
	For the year ended 31.03.2011 ( ` )	For the year ended 31.03.2010 ( ` )
<b><u>SCHEDULE - 14</u></b>		
<b><u>SALES AND SERVICES</u></b>		
Sales	<b>165,859,048</b>	236,742,216
Job Charges (TDS Rs.16,766/-; P.Y. Rs.68/-)	<b>184,000</b>	66,000
Electricity (Wind Mill)	<b>3,958,488</b>	3,962,637
<b>TOTAL</b>	<b>170,001,536</b>	<b>240,770,853</b>
<b><u>SCHEDULE - 15</u></b>		
<b><u>OTHER INCOME</u></b>		
Rent Received [TDS Rs.9,90,283/-; P.Y. Rs.3,91,932/-]	<b>9,357,329</b>	3,506,800
Interest Received [TDS Rs.2,48,044.-; P.Y. - Rs.91,669/-]	<b>1,850,216</b>	1,148,244
Dividend	-	650
Short Term Capital Gain on sale of Investments	<b>101,228</b>	555,709
Long Term Gain on Sale of Investments	<b>106,000</b>	1,252,330
Sundry Credit Balance w/back	<b>392,860</b>	31,333
Foreign Exchange Gain	<b>147,506</b>	78,588
Keyman Insurance Policy Matured	-	9,335,000
Profit on Sale of Fixed Assets	<b>651,012</b>	-
Rent on Plant and Machinery [TDS Rs.338/- P.Y.Rs.1,351/-]	<b>60,000</b>	61,200
Miscellaneous Income	<b>119,994</b>	421,741
<b>TOTAL</b>	<b>12,786,145</b>	<b>16,391,595</b>
<b><u>SCHEDULE - 16</u></b>		
<b><u>INCREASE/(DECREASE) IN STOCKS</u></b>		
<u>Opening Stock</u>		
Finished Goods	-	-
Semi Finished Goods	<b>9,634,272</b>	34,187,069
Scrap	<b>370,404</b>	346,537
	<b>10,004,676</b>	<b>34,533,606</b>
<u>Closing Stock</u>		
Finished Goods	-	-
Semi Finished Goods	<b>12,599,988</b>	9,634,272
Scrap	<b>49,655</b>	370,404
	<b>12,649,643</b>	<b>10,004,676</b>
<b>INCREASE/(DECREASE) IN STOCKS</b>	<b>2,644,967</b>	<b>(24,528,930)</b>
<b><u>SCHEDULE - 17</u></b>		
<b><u>MANUFACTURING EXPENSES</u></b>		
Power and Fuel	<b>1,734,438</b>	2,180,699
Water Charges	<b>17,938</b>	94,341
Labour Charges	<b>5,295,170</b>	7,941,097
Excise Duty Paid	<b>3,146</b>	1,371
Property Tax & Lease Rent	<b>6,528,990</b>	4,478,321
Royalty	<b>373,051</b>	831,344
Testing and Inspection Charges	<b>213,737</b>	208,752
<u>Repairs and Maintenance</u>		
Plant and Machinery	<b>1,665,002</b>	530,198
Building	<b>2,748,493</b>	930,098
Others	<b>569,258</b>	714,061
<b>TOTAL</b>	<b>19,149,223</b>	<b>17,910,282</b>

**REMI PROCESS PLANT AND MACHINERY LIMITED**

	<b>For the year ended 31.03.2011 ( ` )</b>	<b>For the year ended 31.03.2010 ( ` )</b>
<b><u>SCHEDULE - 18</u></b>		
<b><u>EMPLOYEES' REMUNERATION &amp; BENEFITS</u></b>		
Salaries, Wages, Bonus and Allowances	<b>29,745,136</b>	27,459,448
Contribution to Provident Fund and Other Funds	<b>2,198,286</b>	2,247,079
Contribution to Gratuity Fund	<b>382,853</b>	2,370,824
Staff Welfare Expenses	<b>634,766</b>	521,478
<b>TOTAL</b>	<b>32,961,041</b>	<b>32,598,829</b>
<b><u>SCHEDULE - 19</u></b>		
<b><u>ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</u></b>		
Rent	<b>468,000</b>	549,000
Packing, Forwarding and Late Delivery Charges	<b>2,537,612</b>	5,327,738
Commission on Sales	<b>1,448,489</b>	1,105,654
Insurance Charges	<b>367,001</b>	494,187
Legal and Professional charges	<b>666,027</b>	770,560
<u>Auditors' Remuneration</u>		
Audit Fees	<b>60,000</b>	60,000
Tax Audit Fee	<b>15,000</b>	15,000
In Other Capacity	<b>13,750</b>	12,000
Out of Pocket Expenses	<b>4,560</b>	6,050
Directors' Sitting Fees	<b>24,000</b>	36,000
Directors' Commission	<b>84,500</b>	241,267
Rates and Taxes	<b>86,108</b>	213,115
Travelling and Conveyance	<b>3,500,240</b>	3,151,194
Advertisement and Sales Promotion	<b>858,863</b>	627,316
Bank Charges	<b>1,687,184</b>	1,068,555
Donation	-	251,000
Bad Debts	-	179,837
Sales Tax	<b>4,880,572</b>	7,122,536
Service Tax Paid	<b>49,351</b>	83,430
STT Paid	<b>5,265</b>	19,179
Loss on Foreign Exchange Derivative Transaction	-	83,669
Deferred Revenue Expenses w/off	<b>23,200</b>	23,200
Miscellaneous Expenses	<b>2,392,524</b>	2,154,985
<b>TOTAL</b>	<b>19,172,246</b>	<b>23,595,472</b>
<b><u>SCHEDULE - 20</u></b>		
<b><u>INTEREST</u></b>		
On Term Loan	<b>5,293</b>	373,921
On Working Capital Facilities to Bank	<b>747,707</b>	669,162
To Others	<b>6,817</b>	266,176
<b>TOTAL</b>	<b>759,817</b>	<b>1,309,259</b>

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

### **SCHEDULE – “21” – ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **1. SIGNIFICANT ACCOUNTING POLICIES:**

##### **i) Basis of Accounting**

The Financial Statements are prepared under historical cost convention and generally on accrual basis and are in accordance with the requirement of the Companies Act, 1956.

##### **ii) Fixed Assets**

Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/ installation and other related expenses. Assets which have been revalued in the earlier years are accounted for at values determined on the basis of such revaluation made by professional valuers. Profit arising on revaluation has been credited to Capital Reserve Account.

##### **iii) Intangible Assets**

Expenditure incurred for acquiring software is stated at acquisition cost. They are amortised over their useful life not exceeding five years.

##### **iv) Depreciation**

a. Depreciation on fixed assets has been provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions/deductions on Assets during the year is provided on pro-rata basis and for low items costing up to ` 5,000/-, 100% depreciation has been provided.

b. In respect of revalued assets, depreciation is provided on the revalued figures and an amount equal to the additional depreciation consequent on such revaluation is charged to Capital reserve.

##### **v) Inventories**

a) Raw materials valued at cost or realisable value, whichever is less. Work-in-process is valued at direct cost plus estimated overheads. Scrap has been valued at realisable value.

b) Finished Goods – At direct cost plus estimated overheads or market value whichever is lower.

##### **vi) Investments**

Long Term investments are stated at cost, temporary fall in market value, if any, is not provided for.

Current investments are carried at lower of cost or fair value.

Contd.....2.

**(vii) EMPLOYEE RETIREMENT BENEFITS:**

**1) Post-Employment Employee Benefits**

a) Defined Contribution Plans:

The Company has Defined Contribution Plan for Post employment benefits in the form of Provident Fund for all employees which is administered by Regional Provident Fund Commissioner. Provident Fund is classified as defined contribution plan as the Company has no further obligation beyond making the contributions. The Company's contribution to Defined Contribution Plan is charged to the Profit and Loss Account as and when incurred.

b) Defined Benefit Plans:

**Funded Plan:** The Company has defined benefit plan for Post-employment benefit in the form of Gratuity for all employees which is administered through Life Insurance Corporation (LIC).

Liability for above defined benefit plan is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

2) Other Long-term Employee Benefit:

Liability for Compensated Absences (unutilized leave benefit) is provided on the basis of valuation, as at the Balance Sheet date, carried out by an independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method in respect of past service.

3) Termination benefits are recognized as an expense as and when incurred.

4) The actuarial gains and losses arising during the year are recognized in the Profit and Loss Account of the year without resorting to any amortization.

**viii) Impairment**

Impairment of assets are assessed at each Balance Sheet date and loss is recognized whenever the recoverable amount of an asset is less than its carrying amount.

**ix) Foreign Currencies Transactions**

a) Foreign currency transactions completed during the year are recorded at the exchange rate prevailing at the time of the transaction.

b) Foreign currency transactions remaining unsettled at the year end and not covered by forward contract are translated at the exchange rate prevailing at the year end. Premium/discount on forward contracts are amortized over the period of the contract.

Contd.....3.

- c) The difference in translation of monetary assets and liabilities and realised gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.

**x) Sales**

- a) Sales are inclusive of excise duty and Sales tax, and net of return, claims, discounts etc.
- b) Sale is recognized at the point of dispatch/billing to customer.
- c) Export Sales are shown on FOB basis.

**xi) Other Income**

- a) Service income is recognized on completion of job.
- b) Interest income is accounted for on time proportion basis.
- c) Rent income is accounted for on time proportion basis.

**xii) Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition of fixed assets are capitalized for the period until the asset is ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**xiii) Taxes**

Tax expense for the year comprises of current tax and deferred tax/(credit). Current tax provision has been determined on the basis of reliefs, deductions available under the Income Tax Act. Deferred Tax is recognised for all timing differences between taxable income and accounts income for the reporting period that originate in one period and capable of reversal in one or more subsequent periods, subject to the consideration of prudence, applying tax rates that are applicable on Balance Sheet date.

**(xiv) Provisions, Contingent Liabilities And Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

- 2. The Company revalued its factory building, plant & machinery and electric installation in earlier years. Consequently their gross values net of transfers, have increased by ` 52,89,706/-, ` 27,55,912/- and ` 3,68,880/- respectively. Depreciation on revalued amount has been directly charged to Capital Reserve account. Consequently Fixed Assets and Reserves & Surplus are still higher by ` 18,46,722/- (P.Y. ` 20,54,633/-)

Contd.....4.

3. The significant component and classification of deferred tax assets and liabilities on account of timing differences are as under: -

	As At 31-03-2011 ( ` )	As At 01-04-2010 ( ` )
<b><u>Deferred Tax Assets:</u></b>		
Retirement Benefits	8,18,057	6,40,818
Capital Loss	20,48,798	20,98,053
	<b>28,66,855</b>	<b>27,38,871</b>
<b><u>Deferred Tax Liability:</u></b>		
Depreciation	(1,25,75,135)	(1,25,00,633)
Net deferred tax asset/(liability) on account of timing difference	<b>(97,08,280)</b>	<b>(97,61,762)</b>

4. **Earning per Shares**

	2010–2011 ( ` )	2009–2010 ( ` )
a) <b><u>Weighted average number of equity shares of ` 10/- each</u></b>		
i) Number of shares at the beginning of the year	17,60,000	17,60,000
ii) Number of shares at the end of the year	17,60,000	17,60,000
iii) Weighted average number of equity shares outstanding During the year.	17,60,000	17,60,000
b) Net profit after tax available for equity share-holders	88,70,630	2,11,50,425
c) Basic and diluted earnings per equity share	5.04	12.02

5. **Details of purchase and sale of investments units during the year: -**

Sr. No.	Name of Scrip	Purchase Qty. (Nos.)	Purchase Value ( ` )	Sale Qty. (Nos.)	Sale Value ( ` )
1.	SBI Magnum Insta Cash Fund	244659.0920	50,00,000.00	244659.0920	50,04,208.14
2.	SBI SHF Ultra S. Term Fund IPG	1781264.241	2,13,09,311.77	1781264.241	2,13,91,892.77
3.	LIC MF Saving Plus Fund G	6,06,757.352	90,00,000.00	606757.352	90,14,438.74

6. **Related parties disclosures: -**

- 1) (a) **Key Management Personnel:**

Shri Rajendra C. Saraf.

- (b) **Associate Concerns:**

Remi Edlstahl Tubulars Ltd., Remi Elektrotechnik Ltd., Remi Sales and Engineering Ltd., Remi Securities Ltd., Remi Engineering Fans Ltd., Remi Metals Gujarat Ltd., Remi Anupam Mixie Ltd., Remi Cool Fans Ltd., Remi Finance & Investment Pvt. Ltd. and Rajendra Finance Pvt. Ltd.

- (c) **Relatives of key management personnel and their enterprises where transactions have taken place:**

Rajendra Electrical Motor Industries, Rishabh R. Saraf, Ritvik V. Saraf, Minakshi R. Saraf, Vishwambhar C. Saraf, Dholishakti International and Remi International.

**Note:** Related party relationship is as identified by the Company and relied upon by the Auditors.



2) Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(₹ in Lacs)

Nature of Transactions	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
<b>Purchases</b>			
Goods and Materials	-- (--)	29.87 (51.47)	97.34 (--)
Fixed Assets	-- (--)	0.24 (0.83)	-- (--)
<b>Sales</b>			
Goods & Services	-- (--)	357.26 (84.03)	-- (--)
<b>Expenses</b>			
Rent and other service charges	-- (--)	3.61 (3.61)	3.91 (3.91)
Testing Charges & Labour Charges	-- (--)	1.35 (17.48)	-- (--)
Remuneration	36.54 (36.21)	-- (--)	-- (--)
Royalty	-- (--)	-- (--)	4.10 (9.17)
Interest Paid	-- (--)	-- (1.82)	-- (--)
Directors' Commission	-- (--)	-- (--)	0.85 (2.41)
Sales Commission	-- (--)	2.17 (2.84)	-- (--)
Miscellaneous Expenses	-- (--)	0.14 (0.06)	0.08 (0.12)
Other Reimbursement	-- (--)	0.06 (1.24)	-- (--)
<b>Income</b>			
Rent and other service charges	-- (--)	54.16 (31.89)	13.70 (--)
Interest Received	-- (--)	15.03 (0.72)	-- (--)
Reimbursement of Expenses	-- (--)	17.81 (8.91)	2.17 (0.84)
<b>Finance</b>			
Loans and Advances given	-- (--)	1166.00 (313.00)	-- (--)
Loans and Advance taken	-- (--)	10.00 (350.00)	-- (--)

Contd.....6.

(₹ in Lacs)

Nature of Transactions	Related Parties		
	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
<b>Outstandings</b>			
Payable	-- (--)	3.13 (3.06)	0.84 (0.90)
Receivable	-- (--)	127.68 (9.62)	0.70 (--)
Loans and Advances	-- (--)	12.95 (--)	-- (--)
Property Deposit paid	-- (--)	-- (--)	3.00 (3.00)
Property Deposit taken	-- (--)	26.14 (26.14)	4.32 (4.32)

7. **Disclosures in accordance with Revised AS – 15 on “Employee Benefits” :**

(A) Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Account for the year:

**For the year ended March 31, 2011 (₹)**

Contribution to Employees' Provident Fund	21,98,286.00 (21,00,063.00)
<b>Total</b>	<b>21,98,286.00 (21,00,063.00)</b>

(B) Defined Benefits Plans:

(i) Changes in the Present Value of Obligation

**For the year ended March 31, 2011**

	Gratuity	Leave Encashment	Total
(a) Present Value of Obligation as at April 1, 2010	91,93,724 (70,22,827)	23,70,683 (16,84,389)	1,15,64,407 (87,07,216)
(b) Interest Cost	7,58,482 (5,61,826)	1,95,581 (1,34,751)	9,54,063 (6,96,577)
(c) Past Service Cost	-- (--)	-- (--)	-- (--)
(d) Current Service Cost	5,92,361 (5,81,395)	19,442 (3,92,442)	6,11,803 (9,73,837)
(e) Benefits Paid	3,62,300 (8,10,527)	3,34,048 (73,374)	6,96,348 (8,83,901)
(f) Actuarial (Gain)/Loss	2,08,616 (18,38,203)	2,69,708 (2,32,475)	4,78,324 (20,70,678)
(g) Present Value of Obligation as at 31-03-2011	99,73,651 (91,93,724)	25,21,366 (23,70,683)	1,24,95,017 (1,15,64,407)

Contd.....7.

(ii) Changes in the Fair value of Plan Assets: **For the year ended March 31, 2011**

		Gratuity
(a)	Present Value of Plan Assets as at April 1, 2010	68,44,907 (63,44,087)
(b)	Expected Return on Plan Assets	7,59,374 (6,10,600)
(c)	Actuarial (Gain)/Loss	-- (--)
(d)	Employers' Contributions	23,48,817 (7,00,747)
(e)	Employees' Contributions	-- (--)
(f)	Benefits Paid	(3,62,300) (8,10,527))
(g)	Fair Value of Plan Assets as at March 31, 2011	95,90,798 (68,44,907)

## (iii) Amount recognized in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets:-

**For the year ended March 31, 2011**

		Gratuity	Leave Encashment	Total
(a)	Present Value of Funded Obligation as at March 31, 2010	99,73,651 (91,93,724)	25,21,366 (23,70,683)	1,24,95,017 (1,15,64,407)
(b)	Fair Value of Plan Assets as at March 31, 2011	95,90,798 (68,44,907)	-- (--)	95,90,798 (68,44,907)
(c)	Present Value of Unfunded Obligation as at March 31, 2011	3,82,853 (23,48,817)	-- (--)	3,82,853 (23,48,817)
(d)	Net Liability recognized in the Balance Sheet	3,82,853 (23,48,817)	25,21,366 (23,70,683)	29,04,219 (47,19,500)

## (iv) Expenses recognized in the Profit and Loss Account

**For the year ended March 31, 2011**

		Gratuity	Leave Encashment	Total
(a)	Current Service Cost	5,92,361 (5,81,395)	19,442 (3,92,442)	6,11,803 (9,73,837)
(b)	Past Service Cost	-- (--)	-- (--)	-- (--)
(c)	Interest Cost	7,58,482 (5,61,826)	1,95,581 (1,34,751)	9,54,063 (6,96,577)
(d)	Expected Return on Plan Assets	7,59,374 (6,10,600)	-- (--)	7,59,374 (6,10,600)
(e)	Net actuarial (Gain)/Loss	2,08,616 (18,38,203)	2,69,708 (2,32,475)	4,78,324 (20,70,678)
(f)	Employees' Contribution	-- (--)	-- (--)	-- (--)
(g)	Total Expenses recognized in the Profit and Loss Account	3,82,853 (23,70,824)	4,84,731 (7,59,668)	8,67,584 (31,30,492)

Contd.....8.

- (v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2011

	Percentage
(a) Government of India Securities	-- (--)
(b) Corporate Bonds	-- (--)
(c) Special Deposit Scheme	-- (--)
(d) Equity Shares of Listed Companies	-- (--)
(e) Property	-- (--)
(f) Insurer Managed Funds	100% (100%)
(g) Others	-- (--)

- (vi) The overall expected rate of return on assets is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

- (vii) The Actual Return on Plan Assets is as follows

S. No.	Particulars	(`)
(a)	Actual return on plan assets	7,59,374 (6,10,600)

- (viii) Following are the Principal Actuarial Assumptions used as at the balance sheet date:

S. No.	Particulars	Gratuity	Leave Encashment
(a)	Discount Rate	8.25% (8.25%)	8.25% (8.25%)
(b)	Expected Rate of Return on Plan Assets	9.15% (9.15%)	-- (--)
(c)	Salary Escalation Rate	5.50% (5.50%)	5.50% (5.50%)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

## 8. Segment information for the year ended 31<sup>st</sup> March, 2011.

### a) Information about Primary Business Segments

(` in Lacs)

<u>Revenue</u>	<b>Engineering Division</b>	<b>Wind Power Generation</b>	<b>Total</b>
External	1660.43 (2,368.08)	39.59 (39.63)	1700.02 (2,407.71)
Inter Segment	-- (--)	-- (--)	-- (--)
Total Revenue	1660.43 (2,368.08)	39.59 (39.63)	1700.02 (2,407.71)

Contd.....9.

(` in Lacs)

<b>Result</b>	<b>Engineering Division</b>	<b>Wind Power Generation</b>	<b>Total</b>
Segment Result	128.00 (275.54)	3.39 (12.27)	131.39 (287.81)

Profit Before Tax	131.39 (287.81)
Provision for current Taxation	29.25 (73.50)
Provision for deferred Taxation/(Credit)	(0.54) (21.05)
Excess/(Short) provision for taxation of earlier year w/back	(13.97) (18.24)
Profit after Tax	88.71 (211.50)

<b>Other Information</b>	<b>Engineering Division</b>	<b>Wind Power Generation</b>	<b>Total</b>
Segment Assets	1886.70 (1,470.76)	273.51 (289.85)	2160.21 (1,760.61)
Segment Liabilities	1021.51 (700.93)	7.09 (1.62)	1028.60 (702.55)
Capital Expenditure	17.28 (176.43)	-- (--)	17.28 (176.43)
Depreciation	30.42 (22.75)	18.58 (18.58)	49.00 (41.33)

During the year there are no separately identifiable geographical segment hence disclosure as per geographical market is not required.

#### 9. **Contingent Liabilities not provided for:**

- Guarantees given by the Bankers on behalf of the Company ` 1,99,88,118/- (P.Y. ` 1,53,01,878/-).
- Letters of Credit ` 44,24,063/- (P.Y. ` NIL)
- Sales Tax demands disputed in appeals ` 63,148/- (P.Y. ` 1,09,403/-).
- Liability in respect of Lease rent disputed by the Company ` 2,37,44,721/- (P.Y. ` 1,94,36,295/-)
- Demand of Excise Duty and penalty disputed in appeal ` 19,615/- (P.Y. ` 19,615/-)
- Demand of Service Tax and penalty disputed in appeal ` 34,851/- (P.Y. ` 1,85,360/-).
- Demand in respect of N. A. Tax Disputed by company ` 1,06,589/- (P.Y. ` 1,06,589/-).

Contd.....10.

10. Confirmations have not been received of debit and credit balances of the parties' accounts. Hence, the said balances are as per books of account only.
11. In the opinion of the Board, the current assets, loans and advances are approximately of the values stated if realised in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amounts reasonably necessary. There are no contingent liabilities other than those stated hereinabove.
12. **Loans & Advances include loans given to Companies in which directors of the Company are interested as directors: -**

( ₹ in lacs)		
Name of the Company	Balance O/S	Maximum O/S at any day during the year
Remi Edelstahl Tubulars Ltd.	-- (--)	240.00 (108.00)
Remi Elektrotechnik Ltd.	-- (--)	120.00 (0.29)

13. (a) **Computation of Net Profit under Section 349/198(1) of the Companies Act, 1956 for the purpose of Directors' Commission: -**

	Current Accounting Year ended 31.03.2011 Value (₹)	Previous Accounting Year ended 31.03.2010 Value (₹)
Profit before Taxation as per Profit & Loss Account	1,31,39,097	2,87,81,219
<u>Add:</u> Depreciation as per accounts	48,99,775	41,33,492
Commission to Directors	84,500	2,41,267
	<u>1,81,23,372</u>	<u>3,31,55,978</u>
<u>Less:</u> Depreciation as per Section 350	95,59,513	77,76,947
Long term Capital gain	1,06,000	12,52,330
Net Profit	<u>84,57,859</u>	<u>2,41,26,701</u>
Directors' Commission 1% of Net Profit	<u>84,500</u>	<u>2,41,267</u>

	Current Accounting Year ended 31.03.2011 Value (₹)	Previous Accounting Year ended 31.03.2010 Value (₹)
<b>(b) <u>Managerial Remuneration</u></b>		
i) Directors' Sitting Fees	24,000	36,000
ii) Directors' Commission	84,500	2,41,267
iii) Remuneration (incl. contribution to Provident Fund and estimated value of perquisites of ₹ 9,54,024/-; P.Y. ₹ 9,20,830/-)	36,54,024	36,20,830
Total	<u>37,62,524</u>	<u>38,98,097</u>

Contd.....11.

**14. Quantitative and value-wise information in regard to class of goods manufactured by the Company:**

- a. Licenced Capacity : N.A.
- b. Installed Capacity :
- i) Process Plant & Machinery : The Company does not manufacture any standard item and therefore the installed capacity cannot be quantified.
- ii) Wind Power : 0.750 MW

**15. Consumption of Raw Material with value and quantity:**

Particulars	Unit	Qty.	Value ( ` )
Electric Motors	Nos.	584 (391)	47,79,723 (95,08,894)
Gear Box	Nos.	255 (259)	82,38,900 (1,36,69,019)
Steel Goods	Kgs.	2,08,812 (2,26,045)	2,98,31,196 (6,71,11,958)
Others			1,22,99,159 (1,74,09,741)
<b>TOTAL</b>			5,51,48,978 (10,76,99,612)

**16. Value of Raw Material Consumed:**

	Value ( ` )	% of Total Consumption
Imported	70,76,006 (37,15,049)	12.83 (3.45)
Indigenous	4,80,72,972 (10,39,84,563)	87.17 (96.55)
<b>TOTAL</b>	5,51,48,978 (10,76,99,612)	100.00 (100.00)

17. Details of Quantity and value in respect of Stock, Production & Turnover:

Particulars	Unit	Opening Stock		Purchase		Production	Captive use	Sales		Closing Stock	
		Qty.	Value	Qty.	Value	Qty.	Qty.	Qty.	Value	Qty.	Value
Agitators	No.	-- (--)	-- (--)	-- (--)	-- (--)	786 (800)	-- (--)	786 (800)	9,23,78,031 (21,61,29,027)	-- (--)	-- (--)
Fabricated Items & Spares	No.	-- (--)	-- (--)	-- (--)	-- (--)	461 (393)	-- (1)	461 (392)	4,27,17,644 (2,00,14,660)	-- (--)	-- (--)
Electricity (Net of transmission loss of units)	Units	-- (--)	-- (--)	-- (--)	-- (--)	* 9,58,606 (9,96,971)	-- (--)	9,58,606 (9,96,971)	39,58,488 (39,62,637)	-- (--)	-- (--)
Resale of Steel Goods	Ton	-- (--)	-- (--)	154 (--)	2,91,94,580 (--)	-- (--)	-- (--)	154 (--)	2,97,78,472 (--)	-- (--)	-- (--)
Others	Ton	-- (--)	3,70,404 (2,21,650)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	9,84,901 (5,98,528)	-- (--)	49,655 (3,70,404)
			3,70,404 (2,21,650)	154 (--)	2,91,94,580 (--)				16,98,17,536 (24,07,04,852)		49,655 (3,70,404)

Note: Sales include Job Work done for other parties ` 1,84,000/-; P.Y. ` 66,000/-)

\* Net of Captive consumed 3192 units.

Contd.....13.



18. Payments to Micro, Small and Medium Enterprises are made in accordance with the agreed credit terms and to the extent ascertained from available information, the overdue amount beyond the period specified in Micro, Small and Medium Enterprises Development Act, 2006 is ` 32,890/- (P.Y. ` 1,92,132/-) .
19. a) - Imports of Materials on C.I.F basis ` 3,90,60,334/- (P.Y. ` 15,09,348/-)
- b) Foreign Exchange Earnings:  
- FOB Value of Exports ` 61,57,029/- ( P.Y. ` 7,45,793/-)
- c) Expenditure in Foreign Currency:  
- Travelling Expenses ` 12,31,777/- (P.Y. ` 6,27,753/-)  
- Payment for Material ` 1,61,93,593/- (P. Y. ` 30,09,696/-)
20. Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956 are as per Annexure enclosed.
21. Previous Year's figures are re-grouped and re-arranged wherever necessary.
22. Figures within brackets are for previous year and in case of loss same has been shown double brackets.
23. Figures have been rounded off to the nearest rupee.

**AS PER OUR ANNEXED REPORT**

For **SHANKARLAL JAIN AND ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Registration Number 109901W**

**FOR AND ON BEHALF OF BOARD**

**Sd/-**

**(S.L. AGRAWAL)**  
**PARTNER**

Membership Number 72184

**Sd/-**

**V.C. SARAF R.C. SARAF**

**DIRECTORS**

PLACE : MUMBAI.

DATED: 30<sup>TH</sup> MAY, 2011

**REMI PROCESS PLANT AND MACHINERY LTD.**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
**(ANNEXURE TO NOTE NO.18 OF SCHEDULE 20)**  
**(IN TERMS OF AMENDMENT TO SCHEDULE VI PART IV)**

**I. Registration details**

Registration No.	17683	State Code	11
Balance Sheet Date	31.03.2011		

**II. Capital raised during the year (Amount in ` Thousands)**

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in ` Thousands)**

Total Liabilities	1,43,622	Total Assets	1,43,622
-------------------	----------	--------------	----------

**Sources of Funds**

Paid-up Capital	17,600	Reserves & Surplus	85,922
Secured Loans	28,675	Unsecured Loans	1,717
Deferred Tax Liability (Net)	9,708		

**Application of Funds**

Net Fixed Assets	89,787	Investments	54,500
Net Current Assets	(688)	Misc. Expenditure	23

**IV. Performance of Company (Amount in ` Thousands)**

Turnover	1,74,425	Total Expenditure	1,61,286
Profit before tax	13,139	Profit after tax	10,268

+	-
+	-

+	-
+	-

(Please mark Appropriate box "+" for Profit "-" for Loss)

Earning Per Share in ` (Basic and diluted)	5.04	Dividend rate %	6
--	------	-----------------	---

**V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)**

Item Code No. (ITC)	841989.08
Product Description	Process Plant and Machinery
Item Code No. (ITC)	271600
Product Description	Power Generation

**FOR AND ON BEHALF OF BOARD**

**Sd/-**

PLACE : MUMBAI.  
DATED: 30<sup>TH</sup> MAY, 2011

**V.C. SARAF    R.C. SARAF**  
**DIRECTORS**

## REMI PROCESS PLANT AND MACHINERY LIMITED

Regd. Office: Remi House, 11, Cama Industrial Estate, Goregaon(E), Mumbai- 400 063

### ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

Full Name of Member (in BLOCK LETTERS) \_\_\_\_\_

Member's Folio No. \_\_\_\_\_ Client ID No. \_\_\_\_\_ DPID No. \_\_\_\_\_

Name of proxy (in BLOCK LETTERS) \_\_\_\_\_

(To be filled in if the Proxy attends instead of the Member/s)

No. of Shares Held \_\_\_\_\_

I hereby record my presence at the **37<sup>TH</sup> ANNUAL GENERAL MEETING** to be held on **Friday** the **30<sup>th</sup> September, 2011**, at its Registered Office at 12.15 P.M.

Note: To be signed at the time of handing over this slip.

Member's/ Proxy's Signature

## REMI PROCESS PLANT AND MACHINERY LIMITED

Regd. Office: Remi House, 11, Cama Industrial Estate, Goregaon(E), Mumbai- 400 063

### PROXY FORM

Member's Folio No. \_\_\_\_\_ Client ID No. \_\_\_\_\_ DPID No. \_\_\_\_\_

I/ We \_\_\_\_\_ of \_\_\_\_\_ being a Member/ Members of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to attend and vote for me/ us on my/ our behalf at the **37<sup>TH</sup> ANNUAL GENERAL MEETING** to be held on **Friday** the **30<sup>th</sup> September, 2011**, at its Registered Office at 12.15 P.M.

Signed

Date:

Notes:

1. The instrument of Proxy shall be deposited at the Regd. Office of the Company not less than 48 hours before the time fixed for the holding of the Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.

Affix Re.1/- Revenue Stamp
-------------------------------------

BOOK – POST

If undelivered, please return to:

**REMI PROCESS PLANT AND MACHINERY LIMITED**

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