



**REMI GROUP**

# REMI PROCESS PLANT AND MACHINERY LTD.



**39<sup>TH</sup> ANNUAL REPORT  
2012 – 2013**

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

## NOTICE

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

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

1. To consider the audited Balance Sheet as at, and the Statement of Profit and Loss for the year ended, 31<sup>st</sup> March, 2013.
2. To declare a dividend.
3. To re-appoint as Director Shri Rajendra C. Saraf, who retires by rotation.
4. To re-appoint as Director Shri Rishabh R. Saraf, who retires by rotation.
5. To appoint Auditors and to fix their remuneration.
6. To appoint Shri Detlef Ernst Hans Klatt as Director.
7. To pass the following special resolution:

“RESOLVED THAT Shri Rajendra C. Saraf, be and is hereby re-appointed as the Managing Director of the Company, for a further term of 3 (Three) years from the 1<sup>st</sup> April, 2013, to manage the affairs of the Company, on the following terms and conditions:

- i) A monthly salary of Rs.2,25,000/-.
- ii) Reimbursement of actual medical expenses incurred for self and family.
- iii) Reimbursement of actual electricity and gas expenses at residence.
- iv) Leave Travel Concession for self and family once a year, in accordance with the rules of the Company.
- v) Annual fees to not more than two clubs.
- vi) Free use of one or more Company car with driver for official purpose only.
- vii) Telephone at residence for official purpose only.
- viii) Company's contribution to Provident Fund as per the rules of the Company.
- ix) Gratuity as per the rules of the Company.
- x) Encashment of Leave at the end of the tenure.”

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

**Registered Office:**

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

Dated : 13<sup>th</sup> August, 2013.

**Sd/-**

**RAJENDRA C. SARAF  
MANAGING DIRECTOR**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING WILL BE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday the 20<sup>th</sup> September, 2013, to Friday, the 27<sup>th</sup> September, 2013, both days inclusive.

3. **Green initiative in Corporate Governance:**

The Ministry of Corporate Affairs vide its circular bearing No.17/2011 dated 21/04/2011 and 18/2011 dated 29/04/2011 has taken a “**Green Initiative in Corporate Governance**” by allowing paperless compliances by Companies through electronic mode. Companies can now send various notices/ documents to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

In this regard please register your email address and changes therein from time to time with the Company/ Registrar and Transfer Agent or with the concerned depositories.

4. The Explanatory statement, relating to the items of special business, is set out below:

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

**Item No.6**

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

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

**Item No.7**

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

His remuneration package has been fixed as per Schedule XIII, Part II (B) of the Companies Act, 1956 and hence, the following information is to be given herein:

- (i) The Remuneration Committee of Directors had approved of this remuneration.
- (ii) The Company has not made any default in repayment of its debts.
- (iii) Your approval is sought to be obtained by a Special Resolution.
- (iv) Attached hereto is a statement containing the following information:-

**I. General Information:**

- (1) Nature of Industry : Manufacture of various items of machinery and equipments.
- (2) Commencement of commercial production : 1974
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not a new Company
- (4) Financial performance : The Company has a turnover of Rs.2975.38 Lacs and net profit of Rs.141.94 Lacs for the financial year ended 31<sup>st</sup> March, 2013.
- (5) Export performance : Export earning Rs.2.18 Lacs.
- (6) Foreign investments or collaborations : None

## II. Information about the Appointee:

- (1) The appointee hails from a family of business people of fifty years' standing. After his college education here, he joined his family business and has received from his elders in the family very good training in business management. He was the Managing Director of Remi Edelstahl Tubulars Ltd.
- (2) Past remuneration : Rs.2.25 Lacs per month plus perquisites
- (3) Recognition or awards : ----
- (4) Job profile and his suitability : He is in full charge of production, sales, finance, accounts and other administrative matters.  
  
With more than twenty-five years of management experience, he has become the right person for managing the affairs of the Company.
- (5) Remuneration Proposed : As set out in the Special Resolution.
- (6) Comparative Remuneration profile : In similar Companies, this package is the norm.
- (7) Pecuniary relationship : He has a good financial stake in the Company.

**III. Other information** : Not Applicable

**IV. Disclosure** :

- (1) Remuneration Package : Set out in the Special Resolution
- (2) Report under the heading 'Corporate Governance' in Directors' Report
  - (i) Salary etc. of all other Directors : Not Applicable.
  - (ii), (iii) and (iv) : Not Applicable.

Shri R. C. Saraf, his brother, Shri V. C. Saraf, and Shri Rishabh R. Saraf, his son, also Directors of this Company, are to be deemed to be interested in this item of business.

Your Directors commend the resolution for your approval.

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## DIRECTORS' REPORT

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

Your Directors are pleased to present to you herewith the audited accounts of the Company for the year ended 31<sup>st</sup> March, 2013.

(₹ in Lacs)

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

### DIVIDEND:

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

### WORKING:

The working of the Company has improved during the year.

### DIRECTORS:

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

### AUDITORS:

The Auditors M/s. Shankarlal Jain & Associates, Chartered Accountants, are to be re-appointed. They have expressed their willingness to accept the re-appointment. In terms of Section 224A of the Companies Act, 1956, their re-appointment needs to be made by the members and their remuneration has to be fixed.

### CONSERVATION OF ENERGY:

All efforts for conservation of energy are being taken.

**TECHNOLOGY ABSORPTION:**

Technology absorption is complete.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

Earnings	₹ 2.18 Lacs
Outgo	₹ 523.79 Lacs

**PARTICULARS OF EMPLOYEES:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

On the basis of compliance certificates received from the concerned executives of the respective Divisions of the Company and subject to disclosures in the annual accounts, as also on the basis of the discussion with the Auditors of the Company from time to time, the Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENT**

Your directors place on record their appreciation for the co-operation received from Company's customers, suppliers, bankers, stakeholders and Govt. Agencies. The Directors also sincerely acknowledge the contribution made by the employees at all levels.

**Registered Office:**

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

Dated : 13<sup>th</sup> August , 2013.

**ON BEHALF OF THE BOARD**

**Sd/-**

**VISHWAMBHAR C. SARAF  
CHAIRMAN**

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## **AUDITORS' REPORT**

To,

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

### **Report on the financial statements**

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

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

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

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

### **Report on other legal and regulatory requirements**

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

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2. As required by section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - c. The balance sheet, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**Opinion**

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

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

**For SHANKARLAL JAIN & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Registration No. 109901W**

**Sd/-**

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

PLACE : MUMBAI  
DATED : 30<sup>TH</sup> MAY, 2013

## 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 2013)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) According to the information and explanations given to us, all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (c) The company has not disposed off substantial part of fixed assets during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) (a) In our opinion and according to the information and explanations given to us, the Company granted loans to two Companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was ₹ 940.00 Lakhs and the balance outstanding at the end of the year was ₹ Nil .
- (b) In our opinion, the rate of interest and other terms and conditions of loans given by the Company to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, are not prima facie prejudicial to the interest of the Company.
- (c) In our opinion and according to the information and explanations given to us, the parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) In our opinion and according to the information and explanations given to us, there is no overdue amount of loans granted to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken unsecured loan from parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence relevant para is not applicable to the Company.

Contd.....2.

- (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, 2013, 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	2006-2007	13,483.00	The Dy. Comm. Of Sales Tax (Appeals)
2.	Central Excise Act	2008-2009	19,584.00	The Commissioner of Central Excise (Appeals)

- (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.
- (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.

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- (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, 2013

# REMI PROCESS PLANT AND MACHINERY LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Notes	31-03-2013	31-03-2012
		( ₹ )	( ₹ )
<b>I. EQUITY AND LIABILITIES:</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	17,600,000	17,600,000
(b) Reserves and Surplus	3	110,007,905	97,225,964
		<b>127,607,905</b>	114,825,964
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		9,694,873	9,765,062
(b) Other Long term Liabilities	4	13,577,636	13,360,494
		<b>23,272,509</b>	23,125,556
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	5	45,622,567	37,101,976
(b) Trade Payables	6	30,709,311	12,286,714
(c) Other Current Liabilities	7	69,676,204	54,703,007
(d) Short-Term Provisions	8	4,036,115	3,437,739
		<b>150,044,197</b>	107,529,436
<b>Total</b>		<b>300,924,611</b>	245,480,956
<b>II. ASSETS:</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	9		
Tangible Assets		82,867,565	87,284,339
Intangible Assets		541,506	722,008
(b) Long Term Loans and Advances	10	2,191,742	2,119,775
		<b>85,600,813</b>	90,126,122
<b>(2) Current Assets</b>			
(a) Current Investments	11	85,000,000	47,499,800
(b) Inventories	12	46,990,659	47,002,909
(c) Trade Receivables	13	64,000,875	7,073,204
(d) Cash and Cash Equivalents	14	4,658,618	7,563,794
(e) Short-term Loans and Advances	15	14,432,934	45,566,090
(f) Other Current Assets	16	240,712	649,037
		<b>215,323,798</b>	155,354,834
<b>Total</b>		<b>300,924,611</b>	245,480,956

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR SHANKARLAL JAIN AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
Registration Number 109901W

FOR AND ON BEHALF OF BOARD

Sd/-  
(S.L. AGRAWAL)  
PARTNER  
Membership No.72184

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

PLACE : MUMBAI  
DATED : 30TH MAY, 2013

## REMI PROCESS PLANT AND MACHINERY LIMITED

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Notes	For the Year Ended 31.03.2013	For the Year Ended 31.03.2012
		( ₹ )	( ₹ )
I. Revenue from Operations	17	<b>321,099,532</b>	179,495,608
Less: Excise Duty		<b>23,561,348</b>	11,154,583
		<b>297,538,184</b>	168,341,025
II. Other Income	18	<b>18,639,951</b>	28,067,867
<b>III. Total Revenue (I +II)</b>		<b>316,178,135</b>	196,408,892
IV. <u>Expenses:</u>			
Cost of Materials Consumed	19	<b>85,455,473</b>	70,944,265
Purchase of Stock-in-Trade	20	<b>105,059,266</b>	41,418,480
Changes in Inventories (Increase)/Decrease	21	<b>11,901,809</b>	(15,504,886)
Employee Benefit Expenses	22	<b>35,637,144</b>	34,985,097
Other Expenses	23	<b>44,355,577</b>	33,679,182
Depreciation and Amortization Expenses		<b>5,232,573</b>	5,199,190
Finance Costs	24	<b>8,060,097</b>	6,539,363
<b>Total Expenses</b>		<b>295,701,939</b>	177,260,691
V. <b>Profit before Tax (VII - VIII)</b>		<b>20,476,196</b>	19,148,201
VI. <u>Tax Expense:</u>			
(a) Current Tax		<b>6,360,000</b>	5,760,000
(b) Deferred Tax/(Credit)		<b>(70,189)</b>	56,782
(c) Excess/(Short) provisions of Taxations of earlier year		<b>7,700</b>	(606,963)
VII. <b>Profit/(Loss) for the Period</b>		<b>14,194,085</b>	12,724,456
VIII. Earning per Equity Share [Nominal Value of Share ₹10] (31st March 2012 - ₹ 10)			
(1) Basic		<b>8.06</b>	7.23
(2) Diluted		<b>8.06</b>	7.23

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

**1**

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

**FOR SHANKARLAL JAIN AND ASSOCIATES,**

**CHARTERED ACCOUNTANTS**

**Registration Number 109901W**

**FOR AND ON BEHALF OF BOARD**

Sd/-

(S.L. AGRAWAL)

PARTNER

Membership No.72184

Sd/-

V.C. SARAF R.C. SARAF

DIRECTORS

PLACE : MUMBAI

DATED : 30TH MAY, 2013

**REMI PROCESS PLANT AND MACHINERY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR 2012-2013**

	(₹ in Lacs)	
	2012-2013	2011-2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before Tax and Extra-ordinary item	204.76	191.48
<b>Adjustment for :</b>		
Depreciation	52.33	51.99
Interest	74.41	65.39
Loss/(Gain) on sale of Fixed Assets	-	1.67
Other Miscellaneous Expenditure	-	0.23
Capital Loss/(Gain) on sale of Investments	(4.86)	1.90
Interest Income	(104.44)	(74.86)
Other Income	(77.10)	(206.40)
<b>Operating profit before working capital charges</b>	<b>145.10</b>	<b>31.40</b>
<b>Adjustment for :</b>		
Trade and Other Receivables	(254.58)	(195.39)
Inventories	0.12	(174.65)
Trade Payable and Provision	342.11	96.03
<b>Cash Generated from Operations</b>	<b>232.75</b>	<b>(242.61)</b>
Interest Paid	(74.41)	(65.39)
Direct Taxes Paid	(63.60)	(57.60)
<b>Cash Flow before Extra-ordinary items</b>	<b>94.74</b>	<b>(365.60)</b>
Extra-ordinary items	0.07	(6.07)
<b>Net Cash from Operating Activities (A)</b>	<b>94.81</b>	<b>(371.67)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8.12)	(38.90)
Sale of Fixed Assets	-	1.11
Purchase of Investments	(850.00)	(475.00)
Sale of Investments	475.70	543.10
Interest, Dividend and Other Income	185.70	281.26
<b>Net Cash used in Investing Activities (B)</b>	<b>(196.72)</b>	<b>311.57</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short Term Loan	-	-
Increase in Short Term Borrowing	85.21	84.27
Repayment of Long Term Loan	-	-
Dividend	(10.56)	(10.56)
Additional Income Tax on Dividend Paid	(1.79)	(1.71)
<b>Net Cash used in Financial Activities (C)</b>	<b>72.86</b>	<b>72.00</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>(29.05)</b>	<b>11.90</b>
Cash as at (Closing Balance)	46.59	75.64
Cash as at (Opening Balance)	75.64	63.74
<b>Increase/Decrease in Cash Balance</b>	<b>(29.05)</b>	<b>11.90</b>

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1

AS PER OUR REPORT OF EVEN DATE  
FOR SHANKARLAL JAIN AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
Registration Number 109901W

FOR AND ON BEHALF OF BOARD

Sd/-  
(S.L. AGRAWAL)  
PARTNER

Membership No.72184

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

PLACE : MUMBAI

DATED : 30TH MAY, 2013



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

### **NOTE – “1” – ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

#### **1.1 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.

- 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.

- 1.2** 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 ₹ 14,77,325/- (PY ₹ 16,54,002/-)

Contd.....4.

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

	As At 31-03-2013 (₹)	As At 01-04-2012 (₹)
<u>Deferred Tax Assets:</u>		
Retirement Benefits	8,06,966	8,22,467
Capital Loss	20,48,798	20,48,798
	28,55,764	28,71,265
<u>Deferred Tax Liability:</u>		
Depreciation	(1,25,50,637)	(1,26,36,327)
Net deferred tax asset/(liability) on account of timing difference	(96,94,873)	(97,65,062)

**1.4** Earning per Shares

	2011–2013 (₹)	2010–2012 (₹)
a) <u>Weighted average number of equity shares of ₹10/- each</u>		
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	1,41,94,085	1,27,24,456
c) Basic and diluted earnings per equity share	8.06	7.23

**1.5** Related parties disclosures: -

- 1) (a) Key Management Personnel:  
Shri Rajendra C. Saraf.
- (b) Associate Concerns:  
Remi Edelstahl Tubulars Ltd., Remi Elektrotechnik 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.

Contd.....5.

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	-- (--)	376.54 (197.77)	-- (--)
Fixed Assets	-- (--)	-- (--)	-- (--)
<b>Sales</b>			
Goods & Services	-- (--)	1157.90 (400.11)	-- (--)
<b>Expenses</b>			
Rent and other service charges	-- (--)	4.03 (4.51)	6.30 (4.39)
Testing Charges & Labour Charges	-- (--)	5.22 (4.95)	-- (--)
Remuneration	35.19 (35.11)	-- (--)	-- (--)
Royalty	-- (--)	-- (--)	4.69 (3.79)
Directors' Commission	-- (--)	-- (--)	1.88 (1.60)
Sales Commission	-- (--)	-- (--)	-- (--)
Miscellaneous Expenses/ Reimbursement	-- (--)	-- (--)	-- (--)
<b>Income</b>			
Rent and other service charges	-- (--)	36.18 (33.47)	15.78 (13.70)
Interest Received	-- (--)	36.02 (66.69)	-- (--)
Reimbursement of Expenses	-- (--)	9.99 (9.00)	3.15 (2.44)
<b>Finance</b>			
Loans and Advances given	-- (--)	940.00 (923.40)	-- (--)
Loans and Advance taken	-- (--)	-- (--)	-- (--)

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	-- (--)	1.36 (0.48)	-- (0.27)
Receivable	-- (--)	1.57 (5.69)	0.91 (0.18)
Loans and Advances	-- (--)	940.00 (351.16)	-- (--)
Property Deposit paid	-- (--)	1.00 (1.00)	4.00 (3.00)
Property Deposit taken	-- (--)	16.86 (15.17)	8.10 (6.21)

**1.6 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, 2013 (₹)**

Contribution to Employees' Provident Fund	21,77,061.00 (22,13,747.00)
<b>Total</b>	<b>21,77,061.00</b> <b>(22,13,747.00)</b>

(B) Defined Benefits Plans:

## (i) Changes in the Present Value of Obligation

**For the year ended March 31, 2013 (₹)**

		Gratuity	Leave Encashment	Total
(a)	Present Value of Obligation as at April 1, 2012	1,11,52,930 (99,73,751)	25,34,955 (25,21,366)	1,36,87,885 (1,24,95,117)
(b)	Interest Cost	9,75,881 (8,22,826)	2,21,809 (2,08,013)	11,97,690 (10,30,839)
(c)	Past Service Cost	-- (--)	-- (--)	-- (--)
(d)	Current Service Cost	5,57,599 (5,87,755)	4,32,960 (41,962)	9,93,747 (6,29,717)
(e)	Benefits Paid	24,77,163 (4,74,952)	5,37,877 (2,52,179)	30,15,040 (7,27,131)
(f)	Actuarial (Gain)/Loss	40,405 (2,43,650)	2,87,556 (17,793)	3,27,961 (2,61,443)
(g)	Present Value of Obligation as at 31-03-2013	1,01,68,842 (1,11,52,930)	29,39,403 (25,34,955)	1,31,11,433 (1,36,87,885)

Contd.....7.

(ii) <u>Changes in the Fair value of Plan Assets:</u>		<b>For the year ended March 31, 2013</b>
		Gratuity (₹)
(a)	Present Value of Plan Assets as at April 1, 2012	1,03,79,226 (95,90,798)
(b)	Expected Return on Plan Assets	8,56,864 (8,80,611)
(c)	Actuarial (Gain)/Loss	-- (--)
(d)	Employers' Contributions	7,73,794 (3,82,769)
(e)	Employees' Contributions	-- (--)
(f)	Benefits Paid	24,77,163 (4,74,952)
(g)	Fair Value of Plan Assets as at March 31, 2013	95,32,721 (1,03,79,226)

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

<b>For the year ended March 31, 2013 (₹)</b>				
	Gratuity	Leave Encashment	Total	
(a)	Present Value of Funded Obligation as at March 31, 2012	1,01,68,842 (1,11,52,930)	29,39,403 (25,34,955)	1,36,87,885 (1,36,87,885)
(b)	Fair Value of Plan Assets as at March 31, 2012	95,32,721 (1,03,79,226)	-- (--)	1,03,79,226 (1,03,79,226)
(c)	Present Value of Unfunded Obligation as at March 31, 2013	6,36,121 (7,73,620)	-- (--)	7,73,620 (7,73,620)
(d)	Net Liability recognized in the Balance Sheet	6,36,121 (7,73,704)	29,39,403 (25,34,955)	33,08,659 (33,08,659)

(iv) Expenses recognized in the Profit and Loss Account

<b>For the year ended March 31, 2013 (₹)</b>				
	Gratuity	Leave Encashment	Total	
(a)	Current Service Cost	5,57,599 (5,87,755)	4,32,960 (41,962)	9,93,747 (6,29,717)
(b)	Past Service Cost	-- (--)	-- (--)	-- (--)
(c)	Interest Cost	9,75,881 (8,22,826)	2,21,809 (2,08,013)	11,97,690 (10,30,839)
(d)	Expected Return on Plan Assets	8,56,864 (8,80,611)	-- (--)	8,56,864 (8,80,611)
(e)	Net actuarial (Gain)/Loss	40,405 (2,43,650)	2,87,556 (15,793)	3,27,961 (2,59,443)
(f)	Employees' Contribution	-- (--)	-- (--)	-- (--)
(g)	Total Expenses recognized in the Profit and Loss Account	6,36,211 (7,73,620)	9,42,325 (2,65,768)	13,77,895 (10,39,388)

Contd.....8.

(v) Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31, 2013

	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

Particulars	(₹)
(a) Actual return on plan assets	8,56,864 (8,80,611)

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

Particulars	Gratuity	Leave Encashment
(a) Discount Rate	8.25% (8.75%)	8.25% (8.75%)
(b) Expected Rate of Return on Plan Assets	9.25% (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.

## 1.7 Segment information for the year ended 31<sup>st</sup> March, 2013.

a) Information about Primary Business Segments

(₹ in Lacs)

<u>Revenue</u>	<b>Engineering Division</b>	<b>Wind Power Generation</b>	<b>Total</b>
External	3160.64 (1751.47)	50.36 (43.49)	3211.00 (1,794.96)
Inter Segment	-- (--)	-- (--)	-- (--)
Total Revenue	3160.64 (1751.47)	50.36 (43.49)	3211.00 (1,794.96)

Contd.....9.



(₹ in Lacs)

<b>Result</b>	<b>Engineering Division</b>	<b>Wind Power Generation</b>	<b>Total</b>
Segment Result	184.15 (178.85)	20.61 (12.63)	204.76 (191.48)
Profit Before Tax			204.76 (191.48)
Provision for current Taxation			63.60 (57.60)
Provision for deferred Taxation/(Credit)			(0.70) (0.57)
Excess/(Short) provision for taxation of earlier year w/back			0.08 (6.07)
Profit after Tax			141.94 (127.24)

<b>Other Information</b>	<b>Engineering Division</b>	<b>Wind Power Generation</b>	<b>Total</b>
Segment Assets	2774.79 (2201.11)	234.46 (253.70)	3009.25 (2454.81)
Segment Liabilities	1636.22 (1204.74)	-- (4.16)	1636.22 (1208.90)
Capital Expenditure	8.12 (38.90)	-- (--)	8.12 (38.90)
Depreciation	33.75 (30.31)	18.58 (18.58)	52.33 (51.99)

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

#### 1.8 **Contingent Liabilities not provided for:**

- Guarantees given by the Bankers on behalf of the Company ₹ 87,89,889/- (P.Y. ₹ 76,60,478/-).
- Letters of Credit ₹ 15,72,050/- (P.Y. ₹ 2,16,42,703/-)
- Sales Tax demands disputed in appeals ₹ 13,483/- (P.Y. ₹ 63,148/-).
- Liability in respect of Lease rent including interest thereon disputed by the Company ₹ 2,34,86,874/- (P.Y. ₹ 2,34,86,874/-)
- Demand of Excise Duty and penalty disputed in appeal ₹19,584/- (P.Y. ₹NIL)
- Bills discounting of ₹ 88,59,364/- (P.Y. ₹ 17,96,890/-)
- Show cause notice in respect of excise duty amounting to ₹ 5,23,617/- (P.Y ₹ NIL)

Contd.....10.

**1.9** 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.

**1.10** 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.

<b>1.11</b> <u>Managerial Remuneration</u>	Current Accounting	Previous Accounting
	Year ended 31.03.2013	Year ended 31.03.2012
	Value ( ₹ )	Value ( ₹ )
i) Directors' Sitting Fees	34,000	30,000
ii) Directors' Commission (Calculated @ 1% of the Net Profit u/s349/198(1) of the Companies Act. 1956	1,82,096	1,60,180
iii) Remuneration (incl. contribution to Provident Fund and estimated value of perquisites of ₹ 5,94,367/-; P.Y. ₹ 5,53,098/-)	35,04,367	35,11,493
Total	37,20,463	37,01,673

**1.12** Value of Raw Material Consumed:

	Value ( ₹ )	% of Total Consumption
Imported	27,73,784 (33,26,610)	3.25 (4.69)
Indigenous	8,26,81,689 (6,76,17,655)	96.75 (95.31)
<b>TOTAL</b>	<b>8,54,55,473</b> <b>(7,09,44,265)</b>	<b>100.00</b> <b>(100.00)</b>

**1.13** Details of Micro, Small and Medium Enterprises are not available. As per the management payment to Micro, Small and Medium Enterprises are made in accordance with the agreed credit terms and to the extent ascertained from available information. There is no overdue payable to MSME units beyond the period specified in Micro, Small and Medium Enterprises Development Act, 2006.

**1.14** a) - Imports of Materials on C.I.F basis ₹ 1,78,71,232/- (P.Y. ₹ 2,61,39,983/-)

b) Foreign Exchange Earnings:

- FOB Value of Exports ₹ 2,17,795/- (P.Y. ₹ 1,48,09,466/-)

c) Expenditure in Foreign Currency:

- Travelling Expenses ₹ 6,14,125/- (P.Y. ₹ 5,23,211/-)

- Payment for Material ₹ 3,38,94,034/- (P. Y. ₹ 4,49,25,619/-)

**1.15** Figures within brackets are for previous year and in case of loss same has been shown double brackets.

**1.16** Figures have been rounded off to the nearest rupee.



Particulars	31-03-2013 ( ₹ )	31-03-2012 ( ₹ )
<b>NOTE - 4</b>		
<b><u>OTHER - LONG TERM LIABILITIES</u></b>		
(a) Deposit Received	10,794,000	10,545,600
(b) Deferred Payment Liabilities - Sales Tax (Payable from April 2014 in five annual equal instalments)	1,716,664	1,716,664
(c) Provision for Leave Encashment	1,066,972	1,098,230
	<b>13,577,636</b>	<b>13,360,494</b>
<b>NOTE - 5</b>		
<b><u>SHORT TERM BORROWING</u></b>		
<b><u>Loans Repayable on Demand:</u></b>		
<b><u>Secured Loans:</u></b>		
Working Capital from 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]	45,622,567	37,101,976
<b>Total</b>	<b>45,622,567</b>	<b>37,101,976</b>
<b>NOTE - 6</b>		
<b><u>TRADE PAYABLES</u></b>		
Trade Payable (Includes payable to MSME ₹ 7,21,389/- P.Y. ₹ 4,05,504/-) [Refer Note No.1.13]	30,709,311	12,286,714
	<b>30,709,311</b>	<b>12,286,714</b>
<b>NOTE - 7</b>		
<b><u>OTHER CURRENT LIABILITIES</u></b>		
<b><u>Other Payables:</u></b>		
- Advance from Customers	30,441,528	26,808,753
- Other Statutory Dues Payable	479,607	832,938
- Lease Rent And Interest thereon	33,128,510	21,120,299
- Other Liabilities	5,626,559	5,941,017
	<b>69,676,204</b>	<b>54,703,007</b>
<b>NOTE - 8</b>		
<b><u>SHORT TERM PROVISION</u></b>		
<b><u>Provision for Income Tax (Net)</u></b>	292,096	-
<b><u>For Employee's Benefit:</u></b>		
Provision For Gratuity	636,121	773,704
Provision For Leave Encashment	1,872,431	1,436,725
	<b>2,800,648</b>	<b>2,210,429</b>
<b><u>For Others:</u></b>		
Provision for Dividend	1,056,000	1,056,000
Provision for Tax on Dividend	179,467	171,310
	<b>1,235,467</b>	<b>1,227,310</b>
<b>TOTAL</b>	<b>4,036,115</b>	<b>3,437,739</b>
<b>NOTE - 10</b>		
<b><u>LONG -TERM LOANS AND ADVANCES (Unsecured, Considered good)</u></b>		
Security Deposits	1,130,920	994,953
Advance towards Lease Rent	1,060,822	1,124,822
	<b>2,191,742</b>	<b>2,119,775</b>
<b>NOTE - 11</b>		
<b><u>CURRENT INVESTMENTS NON TRADE -UNQUOTED.</u></b>		
(a) <b><u>Investment in Mutual Funds</u></b> 32,833.314 (20,007.3776) Units of LO86G SBI Magnum Insta Cash - Regular Option of SBI-M.F. of ₹ 10/- each (NAV as 31.03.13 ₹ 8,50,87,786/-; P.Y. ₹4,75,29,434)	85,000,000	47,499,800
<b>TOTAL</b>	<b>85,000,000</b>	<b>47,499,800</b>

**REMI PROCESS PLANT AND MACHINERY LIMITED.**

**NOTE -9**

Particular	GROSS CARRYING AMOUNT				DEPRECIATION				NET CARRYING AMOUNT	
	As on 01.04.2012	Addition/ adjustment	Deduction	As on 31.03.2013	Upto 31.03.2012	For the Year	Deduction	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
<b>(a) TANGIBLE ASSETS:</b>										
1. Land	9,451,760.00	-	-	<b>9,451,760.00</b>	-	-	-	-	<b>9,451,760.00</b>	9,451,760.00
2. Factory Building	39,436,220.00	-	-	<b>39,436,220.00</b>	9,464,488.00	1,235,469.00	-	<b>10,699,957.00</b>	<b>28,736,263.00</b>	29,971,732.00
3. Plant And Machinery	24,305,788.00	490,621.00	-	<b>24,796,409.00</b>	11,392,410.00	1,214,340.00	-	<b>12,606,750.00</b>	<b>12,189,659.00</b>	12,913,378.00
4. Computers	2,260,972.00	210,778.00	-	<b>2,471,750.00</b>	1,956,599.00	90,231.00	-	<b>2,046,830.00</b>	<b>424,920.00</b>	304,373.00
5. Office Equipment	1,898,130.00	80,362.00	-	<b>1,978,492.00</b>	759,754.00	84,173.00	-	<b>843,927.00</b>	<b>1,134,565.00</b>	1,138,376.00
6. Wind Mill	35,188,472.00	-	-	<b>35,188,472.00</b>	11,612,194.00	1,857,951.00	-	<b>13,470,145.00</b>	<b>21,718,327.00</b>	23,576,278.00
7. Electrical Instalation	7,634,793.00	-	-	<b>7,634,793.00</b>	2,097,537.00	298,176.00	-	<b>2,395,713.00</b>	<b>5,239,080.00</b>	5,537,256.00
8. Air Conditioners	930,377.00	30,213.00	-	<b>960,590.00</b>	274,103.00	44,302.00	-	<b>318,405.00</b>	<b>642,185.00</b>	656,274.00
9. Furniture & Fixture	2,680,361.00	-	-	<b>2,680,361.00</b>	1,548,595.00	91,875.00	-	<b>1,640,470.00</b>	<b>1,039,891.00</b>	1,131,766.00
10. Vehicles	3,286,649.00	-	-	<b>3,286,649.00</b>	683,503.00	312,231.00	-	<b>995,734.00</b>	<b>2,290,915.00</b>	2,603,146.00
<u>ASSETS GIVEN ON RENT</u>										
11 Plant And Machinery	300,000.00	-	-	<b>300,000.00</b>	300,000.00	-	-	<b>300,000.00</b>	-	-
<b>Total (a)</b>	<b>127,373,522.00</b>	<b>811,974.00</b>	<b>-</b>	<b>128,185,496.00</b>	<b>40,089,183.00</b>	<b>5,228,748.00</b>	<b>-</b>	<b>45,317,931.00</b>	<b>82,867,565.00</b>	<b>87,284,339.00</b>
<b>(b) INTANGIBLE ASSETS:</b>										
Computer Software	1,510,510.00	-	-	<b>1,510,510.00</b>	788,502.00	180,502.00	-	<b>969,004.00</b>	<b>541,506.00</b>	722,008.00
<b>Total (b)</b>	<b>1,510,510.00</b>	<b>-</b>	<b>-</b>	<b>1,510,510.00</b>	<b>788,502.00</b>	<b>180,502.00</b>	<b>-</b>	<b>969,004.00</b>	<b>541,506.00</b>	<b>722,008.00</b>
<b>Total (a) + (b)</b>	<b>128,884,032.00</b>	<b>811,974.00</b>	<b>-</b>	<b>129,696,006.00</b>	<b>40,877,685.00</b>	<b>5,409,250.00</b>	<b>**</b>	<b>46,286,935.00</b>	<b>83,409,071.00</b>	<b>88,006,347.00</b>
PREVIOUS YEAR TOTAL	125,632,699.00	3,890,043.00	638,710.00	<b>128,884,032.00</b>	35,846,076.00	5,391,910.00	**	360,301.00	<b>40,877,685.00</b>	<b>88,006,347.00</b>

\*\* Include Depreciation on Revalued Asstes of ₹1,76,677/- (P.Y. ₹1,92,720/-) which is reduced from Revaluation Reserve A/c.

Particulars	31-03-2013 ( ₹ )	31-03-2012 ( ₹ )
<b>NOTE - 12 ( As taken, valued and Certified by the Management)</b>		
Raw Materials (including goods in transit ₹ 2,38,635/- P.Y. ₹ 6,57,310/-)	<b>30,737,939</b>	18,848,380
Work-In -Process	<b>15,891,412</b>	12,742,079
Stock-in-Trade (Trading Goods) (incl. goods in transit ₹ Nil P.Y. ₹ 1,52,78,497)	-	15,278,497
Scrap	<b>361,308</b>	133,953
<b>TOTAL</b>	<b>46,990,659</b>	47,002,909
<b>NOTE - 13</b>		
<b>TRADE RECEIVABLE</b>		
<b>(Unsecured, Considered good)</b>		
Outstanding for more than 6 months	<b>1,104,946</b>	221,974
Others	<b>62,895,929</b>	6,851,230
<b>TOTAL</b>	<b>62,895,929</b>	6,851,230
<b>TOTAL</b>	<b>64,000,875</b>	7,073,204
<b>NOTE - 14</b>		
<b>CASH AND BANK BALANCES:</b>		
<b>CASH AND CASH EQUIVALENTS:</b>		
(a) <u>Balance with Scheduled Banks:</u>		
On current account	<b>75,404</b>	80,338
On fixed deposits with maturity of less than 3 months (pledged against Bank Guarantees and L/cs as margin)	-	5,000,000
(b) Cash on Hand	<b>83,214</b>	265,456
<b>OTHER BANK BALANCES:</b>		
(a) Fixed Deposits with maturity of more than 3 months and less than 12 months (pledged against Bank Guarantees and L/cs as margin)	<b>4,500,000</b>	2,218,000
<b>TOTAL</b>	<b>4,658,618</b>	7,563,794
<b>NOTE - 15</b>		
<b>SHORT TERM LOANS AND ADVANCES (Unsecured, Considered good)</b>		
(a) Loans and advance to related parties	<b>1,509,545</b>	35,115,794
	<b>1,509,545</b>	35,115,794
(b) <b>Others :</b>		
Excise And Service Tax Balance	<b>7,106,168</b>	764,243
Advance Income Tax & TDS ( Net of Provisions)	-	778,222
Prepaid Expenses	<b>627,977</b>	1,211,650
Advance to Suppliers	<b>611,358</b>	4,367,107
Other Advances Recoverable in cash or kind (including recoverable from related parties of ₹ 6,96,187/- P.Y. ₹ 1045/-)	<b>363,581</b>	604,119
Sales Tax Receivable	<b>4,214,305</b>	2,724,955
	<b>12,923,389</b>	10,450,296
<b>TOTAL</b>	<b>14,432,934</b>	45,566,090
<b>NOTE - 16</b>		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued but not due	<b>240,712</b>	649,037
<b>TOTAL</b>	<b>240,712</b>	649,037

## REMI PROCESS PLANT AND MACHINERY LIMITED

PARTICULARS	For the Year Ended 31.03.2013 ( ₹ )	For the Year Ended 31.03.2012 ( ₹ )
<b>NOTE - 17</b>		
<b>Revenue from Operations:</b>		
(a) <u>Sale of Products:</u>		
Local Sales	179,332,524	136,425,259
Export Sales	217,795	14,809,466
Trading Sales	140,249,152	26,662,784
	<b>319,799,471</b>	<b>177,897,509</b>
(b) <u>Other Operating Revenues:</u>		
Sale of scrap	913,238	461,099
Labour & Service Charges	386,823	1,137,000
	<b>1,300,061</b>	<b>1,598,099</b>
<b>Revenue from operations</b>	<b>321,099,532</b>	<b>179,495,608</b>
<b>Details of products sold:</b>		
1. Process Plant and Machinery	174,512,838	146,872,898
2. Wind Power Generation	5,036,281	4,348,801
3. Steel Goods	109,338,656	26,662,784
4. Agro Commodities	30,910,496	-
5. Others	1,200	13,026
	<b>319,799,471</b>	<b>177,897,509</b>
<b>NOTE - 18</b>		
<b>Other Income</b>		
<b>Interest Income on:</b>		
(a) Bank deposits	449,998	735,795
(b) Other Loan & Advances	9,395,518	6,706,883
(c) From Customers	598,447	43,016
Net Gain on Sale of current investments	486,459	109,560
Foreign Exchange Gain/(Loss)	490,783	(41,232)
Conditioning Charges	-	13,750,000
<b>Other Non-Operating Income</b>		
Rent Received	6,405,852	6,091,200
Rent On Plant & Machinery	60,000	60,000
Sundry Credit Balances W/back	-	615,397
Profit /(Loss) on Sale of Fixed Assets	-	(167,298)
Miscellaneous Income	752,894	164,546
	<b>18,639,951</b>	<b>28,067,867</b>
<b>NOTE - 19</b>		
(a) <b>Cost of raw materials and components consumed</b>		
Inventory at the beginning of the year	18,848,380	16,888,196
Add: Purchases	97,345,032	72,904,449
	<b>116,193,412</b>	<b>89,792,645</b>
Less: Inventory at the end of the year	30,737,939	18,848,380
Cost of raw materials and components consumed	<b>85,455,473</b>	<b>70,944,265</b>
(b) <b>Details of raw materials and components consumed:</b>		
1. Electric Motors	7,479,832	7,886,729
2. Gear Box	11,102,454	10,061,985
3. Steel Goods	39,361,097	36,257,216
4. Others	27,512,090	16,738,335
	<b>85,455,473</b>	<b>70,944,265</b>
<b>NOTE - 20</b>		
<b>Purchase of traded goods</b>		
Steel Goods	74,709,955	41,418,480
Agro Commodities	30,349,311	-
	<b>105,059,266</b>	<b>41,418,480</b>

**REMI PROCESS PLANT AND MACHINERY LIMITED**

PARTICULARS	For the Year	For the Year
	Ended	Ended
	31.03.2013	31.03.2012
	(₹)	(₹)
<b>NOTE - 21</b>		
<b>Change in Inventories</b>		
(a) <b>(Increase) / decrease in inventories</b>		
<b>Inventories at the end of the year</b>		
Scrap	361,308	133,953
Work-in-progress	15,891,412	12,742,079
Stock in Trade (in Transit)	-	15,278,497
	<b>16,252,720</b>	<b>28,154,529</b>
(b) <b>Inventories at the beginning of the year</b>		
Scrap	133,953	49,655
Stock in Trade (in Transit)	15,278,497	-
Work-in-progress	12,742,079	12,599,988
	<b>28,154,529</b>	<b>12,649,643</b>
	<b>11,901,809</b>	<b>(15,504,886)</b>
<b>NOTE - 22</b>		
<b>Employees' benefit expenses:</b>		
Salaries, wages and bonus	32,116,350	31,359,752
Contribution to provident and Gratuity Funds	2,813,272	2,987,451
Staff welfare expenses	707,522	637,894
	<b>35,637,144</b>	<b>34,985,097</b>
<b>NOTE - 23 Other Expenses</b>		
(a) <b>Manufacturing Expenses</b>		
Power and fuel	1,778,064	1,497,410
Labour Charges	6,998,179	5,625,179
Royalty	419,686	344,966
Repairs and maintenance:		
(a) Building	817,080	752,423
(b) Machinery	921,878	1,213,058
(c) Others	777,629	737,960
(b) <b>Other expenses:</b>		
Insurance	421,911	391,043
Rents Rates and taxes	7,325,118	6,402,449
Director's sitting fees	34,000	30,000
Director;s Commission	182,096	160,180
Legal and professional fees	1,345,981	1,320,364
Loss on sale of Long Term Investment	-	300,000
S.T.T.	-	4,250
Rent	720,000	540,000
Late Delivery Charges W/off	126,898	112,832
Bad Debts	183,311	-
Sales Tax & VAT	9,192,484	4,378,960
Donations	-	251,000
<b>Payment to auditors</b>		
(a) Audit fee	60,000	60,000
(b) Tax audit fee	15,000	15,000
(c) Other services (certification fees)	19,000	33,500
(d) Reimbursement of Expenses	4,560	2,550
Deferred Revenue exp. Amortised	-	23,200
Freight and Forwarding Charges (Net)	1,161,900	145,055
Miscellaneous Expenses	11,850,802	9,337,803
<b>Total</b>	<b>44,355,577</b>	<b>33,679,182</b>
<b>NOTE - 24</b>		
<b>Finance Costs</b>		
Interest expenses	7,441,069	5,880,740
Other borrowing costs	619,028	568,415
Exchange difference to the extent considered as an adjustment to borrowing costs	-	90,208
<b>Total</b>	<b>8,060,097</b>	<b>6,539,363</b>

SIGNATURE TO NOTES 1 TO 24.

AS PER OUR REPORT OF EVEN DATE ANNEXED  
FOR SHANKARLAL JAIN AND ASSOCIATES,  
CHARTERED ACCOUNTANTS  
Registration Number 109901W

Sd/-  
(S.L. AGRAWAL)  
PARTNER  
Membership No.72184

FOR AND ON BEHALF OF BOARD

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

PLACE : MUMBAI

DATED : 30TH MAY, 2013



**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 **39<sup>TH</sup> ANNUAL GENERAL MEETING** to be held on **Monday, the 30<sup>th</sup> September, 2013**, at its Registered Office at 12.00 Noon.

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. \_\_\_\_\_

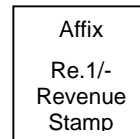
I/ We \_\_\_\_\_ of \_\_\_\_\_ being a Member/ Members of the above-named Company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as my/ our proxy to attend and vote for me/ us on my/ our behalf at the **39<sup>TH</sup> ANNUAL GENERAL MEETING** to be held on **Monday, the 30<sup>th</sup> September, 2013**, at its Registered Office at 12.00 Noon.

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.



**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