

MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	
AGM			SII	
YE				

CPEC

Report  junction.com

CPEC LIMITED
54th Annual Report
1996-97

BOARD OF DIRECTORS

T. R. Dalal Chairman
A. J. Shamji
M. P. Bharucha
Ryaz Shamji
Alim Shamji
Mrs. S. H. Master
(Alternate Director to A.J. Shamji)
S. Gandhi
(Additional Director)

Bankers

Indian Bank

Auditors

Modi & Vijay
Chartered Accountants

Report  Junction.com

Registered Office

1, Industrial Estate,
Lalbag, Muambai - 400 012.

Works

1, Industrial Estate,
Lalbag, Mumbai - 400 012.

C-101, T.T.C. Industrial Area,
Pawne Village, Thane.

C-26, M.I.D.C. Industrial Area,
Taloja, Dist. Raigad.

FIFTY-FOURTH ANNUAL REPORT 1996-97

NOTICE

NOTICE is hereby given that the Fifty-fourth Annual General Meeting of the Shareholders of CPEC LIMITED will be held at Walchand Hirachand Hall of the Indian Merchants' Chamber, 76, Indian Merchants' Chamber Marg, Churchgate, Mumbai 400 020, on Friday, 5th September, 1997 at 10.30 a.m. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date as well as the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Abdul Shamji who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint retiring Auditors M/s. Modi & Vijay, Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the next Annual General Meeting.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"To appoint Mr. Suresh Gandhi as a wholetime Director. Mr. Gandhi who was appointed as an Additional Director of the Company under Article 136 of the Company's Articles of Association and who holds office upto the date of the Annual General Meeting by reason of Section 260 of the Companies Act, 1956 but being eligible, offers himself for reappointment and in respect of whom the company has received, pursuant to Section 257 of the Act, a notice in writing from some of the members signifying their intention to propose Mr. Suresh Gandhi as a candidate for the office of Director."

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the appointment of Mr. Suresh Gandhi as a wholetime Director of the Company with effect from 1st November, 1996, on the terms and conditions and remuneration as approved by the Board of Directors at their meeting held on 26th October, 1996 and mentioned hereunder :

- A. Salary :
Salary Rs. 15,000/- per month
- B. Incentive Bonus :
Linked to Turnover upto a maximum of Rs. 2.25 lakhs per annum on Turnover of Rs. 9 crores thereafter 1.25% on a Turnover exceeding Rs. 9 crores.
- C. Perquisites And Other Allowances :
House Rent Allowance Rs. 2,500/- per month
Leave Travel Allowance at actuals upto a maximum of Rs. 10,000/-

- per annum.

Medical Allowance at actuals upto a maximum of Rs. 10,000/- per annum.

Provident Fund, Bonus and Gratuity as per the rules of the Company.

RESOLVED FURTHER THAT where in a financial year during the currency of tenure of the wholetime Director, the company has no profits or its profits are inadequate, the company will pay Mr. Suresh Gandhi remuneration by way of salary, perquisites and other allowances etc. not exceeding the limits specified under Section II of the Part II of Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to determine the period of appointment (not exceeding five years) and to alter and vary the terms and conditions of the said reappointment so as not to exceed the limits specified under Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force or amendments or modifications that may hereafter be made thereto by the Central Government), as may be agreed to between the Board of Directors and Mr. Suresh Gandhi.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary to give effect to the above resolution."

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company shall remain closed from 19th August, 1997 to 5th September, 1997 (both days inclusive).

On behalf of the Board of Directors

T. R. DALAL
COMMANDER I. N. (Retd.)
Chairman

Registered Office :
1, Industrial Estate,
Lalbaug, Mumbai 400 012.
Mumbai, 15th July, 1997.

EXPLANATORY STATEMENTS

Mr. Suresh Gandhi was appointed as an Additional Director of the Company by the Board of Directors on 26th October, 1996, pursuant to Section 260 of the Companies Act, 1956 and who holds office only upto the date of forthcoming Annual General Meeting of the Company and is eligible for reappointment. The Company has received notices in writing from some of the members proposing his candidature for the office of Director under the provision of Section 257 of the said Act.

In view of Mr. Suresh Gandhi's experience in business and industry, the Directors feel that his continued advice will be of great help to the company and recommend his appointment as a wholetime Director on the terms and conditions specified in the resolution.

In compliance with the provisions of Section 309 of the Act, the terms of remuneration specified in the resolution are now being placed before the Members in General Meeting for their approval.

The draft agreement between the Company and Mr. Suresh Gandhi is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company. This may be treated as an abstract of the draft agreement between the Company and Mr. Suresh Gandhi, pursuant to Section 302 of the Act.

Mr. Suresh Gandhi is interested in this Resolution as it concerns him. No other Director is interested in this item.

On behalf of the Board of Directors

T. R. DALAL
COMMANDER I. N. (Retd.)
Chairman

Mumbai, 15th July, 1997.

CPEC LIMITED**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors present Fifty-fourth Annual Report and the Audited Statement of Final Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS	1996-97 Rupees	1995-96 Rupees
The Gross Profit/(Loss) for the year was	43,43,666	86,14,011
Deduction therefrom/Addition thereto:		
Interest	18,59,338	14,31,970
Depreciation	18,99,499	14,87,249
	<u>5,84,829</u>	<u>56,94,792</u>
Provision for taxation	5,00,000	27,50,000
	<u>84,829</u>	<u>29,44,792</u>
Income Tax Adjustments for prior years	(2,82,649)	(41,081)
Add: Excess provision for earlier years written back	<u>73,190</u>	<u>30,089</u>
	<u>(1,24,630)</u>	<u>29,33,800</u>
Balance in Profit & Loss Account brought forward	81,26,659	56,92,859
	<u>80,02,029</u>	<u>86,26,659</u>
APPROPRIATIONS		
General Reserve	—	5,00,000
Leaving a balance to be carried forward	<u>80,02,029</u>	<u>81,26,659</u>
	<u>80,02,029</u>	<u>86,26,659</u>

DIVIDEND

Due to lower profits and to conserve funds for long term working capital, the Directors do not recommend payment of dividend.

OPERATION AND FUTURE PROSPECTS

Due to the general recessionary trends prevailing in the country your Company has been under considerable pressure with orders for our products declining at a very fast rate. The sales have consequently come down by 23% and the profit before tax down by 89% compared to previous year.

The current year has also started on the same note with no change in the situation anticipated in the immediate future to the prevailing recessionary trend. Your directors are trying to maximise the sale of their products by the planning of new marketing and product strategies.

FIFTY-FOURTH ANNUAL REPORT 1996-97

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Abdul Shamji, Director of the Company retires by rotation and being eligible, offers himself for reappointment.

Mr. Suresh Gandhi was appointed by the Board as an Additional Director with effect from 26th October, 1997, pursuant to Article 136 of the Articles of Association of the Company, Mr. Suresh Gandhi ceases to be a Director at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

PARTICULARS OF EMPLOYEES

There were no employees who were in receipt of a remuneration of Rs. 25,000/- per month or Rs. 3,00,000/- per annum during the year.

SECTION 217 (1)(e) OF THE COMPANIES ACT

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information is given below :

A. Conservation of Energy

The Company's operations involve low energy consumption, wherever possible energy conservation measures have already been implemented. The Company is making all efforts to optimise the use of energy through improved operational methods.

B. Research & Development.

The Company has no specific Research & Development Department. The Company has Quality Control departments to check the quality of different products manufactured.

C. Foreign Exchange Earnings/Outgoings

Our foreign exchange earnings and outgoings during the year were nil.

AUDITORS

M/s. Modi & Vijay, Chartered Accountants, the present Auditors of the Company retire at this Annual General Meeting and being eligible offer themselves for reappointment.

ACKNOWLEDGEMENT

Your Directors would like to thank the customers for their continued support to your Company's quality products. The Directors also thank the employees at all levels for their wholehearted support, co-operation and devotion to duty, as well as to the Bankers, Suppliers and Dealers for their continued patronage.

On behalf of the Board of Directors

T. R. DALAL
COMMANDER I. N. (Retd.)
Chairman

Mumbai, 15th July, 1997.