

CPEC



CPEC LIMITED
56th Annual Report
1998-99

BOARD OF DIRECTORS

Ryaz Shamji	Chairman
A. J. Shamji	Director
Alim Shamji	Director
Akbar Shamji	Director
Ramesh K. Taskar	Managing Director
Ramesh Makhija	Director
Mrs. S. H. Master	Alternate Director to Alim Shamji
D. H. Karnarkar	Alternate Director to Akbar Shamji

Bankers

Indian Bank

Auditors

Modi & Vijay
Chartered Accountants

Registered Office

1, Industrial Estate,
Lalbaug, Muumbai - 400 012.

Works

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

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

FIFTY-SIXTH ANNUAL REPORT 1998-99

CPEC LIMITED

NOTICE

NOTICE is hereby given that the Fifty-sixth Annual General Meeting of the Shareholders of CPEC LIMITED will be held at M. C. Ghia Hall, Association of Merchants & Manufacturers of Textile Stores & Machinery (India), Bhogilal Hargovindas Building, 18/20, Kaikhushru Dubash Marg, (behind Prince of Wales Museum), Mumbai 400-001, on Monday, the 6th September, 1999 at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999 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. Akbar Shamji who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ramesh K. Taskar who retires by rotation and being eligible, offers himself for reappointment.
4. 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.

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 Friday, the 3rd September, 1999 to Monday, the 6th September, 1999 (both days inclusive).

On behalf of the Board of Directors

R. K. TASKAR
Managing Director

Registered Office :

1, Industrial Estate,
Lalbaug, Mumbai 400 012.
Mumbai, 22nd July, 1999.

CPEC LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors present Fifty-sixth Annual Report and the Audited Statement of Final Accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS	1998-99	1997-98
	Rupees	Rupees
The Gross Operating Profit/(Loss) for the year	37,32,158	46,23,307
Deduction therefrom/Addition thereto:		
Interest	6,23,004	13,50,992
Depreciation	18,02,863	19,39,397
Operating Profit	13,06,291	13,32,918
Profit on Sale of Thane Plant	64,41,790	--
	77,48,081	13,32,918
Provision for taxation	14,50,000	7,00,000
	62,98,081	6,32,918
Income Tax Adjustments for prior years	(2,56,448)	--
Add: Excess provision for earlier years written back	15,101	1,15,501
	60,56,734	7,48,419
Balance in Profit & Loss Account brought forward	86,50,448	80,02,029
	1,47,07,182	87,50,448
APPROPRIATIONS		
General Reserves	5,00,000	1,00,000
Leaving a balance to be carried forward	1,42,07,182	86,50,448
	1,47,07,182	87,50,448

DIVIDEND

In order to conserve funds for long term working capital and expansion, the Directors do not recommend payment of dividend.

OPERATION AND FUTURE PROSPECTS

The general recessionary trends prevailed in the country for the whole year. In spite of this, your Company was successful in maintaining the sales turnover and profitability. This was achieved through better marketing, inventory management and cost controls. The current year has also started on the same note and turnover/ profitability for the first quarter are comparable to that of the previous year. Your Directors are making efforts to increase sales and barring the unforeseen circumstances your Directors are confident of achieving sales turnover of around Rs. 4.50 crores during the present financial year.

FIFTY-SIXTH ANNUAL REPORT 1998-99**Sale of Thane Plant**

Your Directors have sold the Thane Plant for Rs. 87,50,000/- resulting in the Capital Profit of Rs. 64,41,790/-. The Thane Plant has been inactive for the last several years since activities were moved to Lalbaug and Taloja Plants. Hence, there will be positive effect on profitability due to the reduction in overheads.

Y2K Preparedness

Your Company has taken all effective steps towards making its IT Systems Y2K compliant. Barring unforeseen circumstances, there is no risk to business continuity of your company. Similarly, in respect of the Company's non IT Systems such as plant and machinery, telecommunication equipment etc. a full review has been conducted to ensure that they do not pose any business continuity risk.

While it is not possible for your Company to completely assess Y2K readiness of its suppliers and service providers, it is taking all possible steps, including contingency plans, to protect business continuity and to manage possible disruptions resulting from Y2K failure.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Akbar Shamji and Mr. Ramesh K. Taskar, Directors of the Company retire by rotation and being eligible, offers themselves for reappointment.

PARTICULARS OF EMPLOYEES

There is no employee who was in receipt of a remuneration of Rs. 50,000/- per month or Rs. 6,00,000/- 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 been gearing up its Product Development activities to meet competition and during the year number of application - specific designs were developed. Emphasis is also being laid on value engineering and TQM.

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

R. K. TASKAR
Managing Director

Mumbai, 22nd July, 1999.