

CPEC



CPEC LIMITED
59th Annual Report
2001-2002

BOARD OF DIRECTORS

Ryaz Shamji	Chairman
R. K. Taskar	Vice Chairman
A. J. Shamji	Director
Alim Shamji	Director
Akbar Shamji	Director
D. H. Karmarkar	Alternate Director to Akbar Shamji
Mrs. S. H. Master	Alternate Director to Alim Shamji

Bankers

Indian Bank

Auditors

VEDULA, VIJAY & RAMANATHAN

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.

CPEC LIMITED**FIFTY-NINTH ANNUAL REPORT 2001-2002****NOTICE**

NOTICE is hereby given that the Fifty-ninth Annual General Meeting of the Shareholders of **CPEC LIMITED** will be held at the Registered Office of the Company, 1, Industrial Estate, Lalbaug, Mumbai 400 012, on Saturday, the 28th September, 2002 at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2002 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. Alim Shamji, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint retiring Auditors M/s. Vedula, Vijay and Ramanathan, Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the next Annual General Meeting.
4. To pass the following ordinary resolutions:

"RESOLVED THAT Mr. Dhananjay H. Karmarkar, who is an Alternate Director of the Company, be and is hereby appointed as Whole Time Director for a term of three years from 1st June, 2002.

FURTHER RESOLVED that Mr. Karmarkar will be paid remuneration as follows during his three year term.

- a) A monthly basic salary of Rs. 20,000/- with power to the Board for granting annual increments not exceeding 20% of the basic salary.
- b) House Rent Allowance of Rs. 4,000/- per month.
- c) Leave Travel Concession of Rs. 10,000/- once in a year.
- d) Reimbursement of Medical Expenses incurred for self and family members not exceeding Rs. 10,000/- per year.
- e) Reimbursement of Telephone Expenses at residence at Rs. 2,000/- per month.
- f) Club membership fees.
- g) Provident Fund as per the rules of the Company.

"RESOLVED THAT Mrs. Shernaz Hosi Master, who is an Alternate Director of the Company, be and is hereby appointed as Whole Time Director for a term of three years from 1st June, 2002.

FURTHER RESOLVED that Mrs. Shernaz Hosi Master will be paid remuneration as follows during her three year term.

- a) A monthly basic salary of Rs. 10,000/- with power to the Board for granting annual increments not exceeding 20% of the basic salary.
- b) House Rent Allowance of Rs. 2,500/- per month.
- c) City Compensatory Allowance at Rs. 1000/- per month.
- d) Education Allowance at Rs. 400/ per month.
- e) Leave Travel Concession of Rs. 10,000/- once in a year.
- f) Reimbursement of Medical Expenses incurred for self and family members not exceeding Rs. 9,000/- per year.
- g) Reimbursement of Telephone Expenses at residence at Rs. 2,000/- per month.
- h) Provident Fund and Gratuity as per the rules of the Company.

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 will remain closed from Tuesday, the 24th September, 2002 to Saturday, the 28th September, 2002 (both days inclusive).

EXPLANATORY STATEMENTS - ANNEXURE TO THE NOTICE

Mr. Dhanajay H. Karmarkar and Mrs. Shernaz H. Master are Directors of the Company who will be drawing remuneration from the Company for their services. Section 269 of the Companies Act 1956, read with Schedule XIII thereto, become applicable.

Those two resolutions are required to be passed to comply with the provisions of the said Section and your Directors commend the resolution for your approval.

Mr. Dhananjay H. Karmarkar and Mrs. Shernaz H. Master are to be deemed to be interested in the respective items of business relating to their appointments and payment of remuneration.

On behalf of the Board of Directors

Registered Office:
1, Industrial Estate, Lalbaug,
Mumbai - 400 012.
Mumbai, 25th June, 2002.

R. K. TASKAR
VICE CHAIRMAN

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

Your Directors present Fifty-ninth Annual Report and the Audited Statement of Final Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	2001-02	2000-01
	Rupees	Rupees
The Gross Operating Profit / (Loss) for the year	(29,61,845)	10,41,889
Deduction therefrom / Addition thereto:		
Interest	8,43,137	8,28,454
Depreciation	12,66,435	15,91,039
Operating Profit	(50,71,417)	(13,77,604)
Provision for taxation	--	--
	(50,71,417)	(13,77,604)
Add: Income Tax Adjustments for prior years	1,961	--
Add: Deffered Tax Provision	19,77,595	--
	(30,91,861)	(13,77,604)
Balance in Profit & Loss Account brought forward	1,33,94,868	1,47,72,472
	1,03,03,007	1,33,94,868

APPROPRIATIONS

General Reserves	--	--
Leaving a balance to be carried forward	1,03,03,007	1,33,94,848
	1,03,03,007	1,33,94,848

DIVIDEND

In view of the loss, the Directors do not recommend payment of dividend.

OPERATION AND FUTURE PROSPECTS

During the year under review, your Company's sales were down, due to general recessionary trend prevailing in the country. The sales were down by 29% compared to previous year and net result a loss of Rs. 50,71,417 /- compared to the Loss of Rs.13,77,604/- in the previous year. Your Directors are making efforts to increase sales and reducing costs. As a first step, the Company has decided to integrate all manufacturing operations at Lalbaug unit, including the activities previously carried out at Taloja works. This integration shall reduce overheads and other costs.

DIRECTORS

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

FIFTY-NINTH ANNUAL REPORT 2001-2002

PARTICULARS OF EMPLOYEES

There is no employee who was in receipt of a remuneration of Rs. 1,00,000/- per month or Rs. 12,00,000/- 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.

The Company has been awarded the prestigious ISO-9001/2000 Certification by TUV-GERMANY in May, 2002, for a period of three years.

C. Foreign Exchange Earnings / Outgoings

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

D. Directors' Responsibility Statement :

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 judgements 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 as going concern basis.

AUDITORS

M/s.Vedula, Vijay & Ramanathan, Chartered Accountants, the present Auditors of the Company retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

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
VICE CHAIRMAN

Mumbai, 25th June, 2002.