

CPEC



CPEC LIMITED
61st Annual Report
2003-2004

BOARD OF DIRECTORS

Ryaz Shamji	Chairman
A. J. Shamji	Director
Alim Shamji	Director
Akbar Shamji	Director
D. D. Deshpande	Alternate Director to Ryaz Shamji
D. H. Karmarkar	Alternate Director to Akbar Shamji
Mrs. S. H. Master	Alternate Director to Alim Shamji

Banker

Indian Overseas Bank

Auditors

VEDULA, VIJAY & RAMANATHAN

Chartered Accountants

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Registered Office

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

Works

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

CPEC LIMITED

NOTICE

NOTICE is hereby given that the Sixty-First 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, 17th July, 2004, at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2004 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. Ryaz Shamji who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint retiring Auditors M/s. Vedula, Vijay & 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 resolution :

“Resolved That Mr. Dipak D. Deshpande, who is an Alternate Director of the Company, be and is hereby appointed as Whole-Time Director of the Company for a term of three years from 11th March, 2004 for managing the affairs of the Company, on the following terms and conditions”.

- (a) Basic Salary Rs. 25,000/- per month, with annual increment not exceeding 20% of the basic salary.
- (b) House Rent Allowance of Rs. 2,000/- per month.
- (c) Reimbursement of Medical Expenses Rs. 10,000/- per annum.
- (d) Leave Travel Allowance Rs. 24,000/- per annum.
- (e) Reimbursement of Club Membership subscription upto Rs. 5,000/- per annum.
- (f) Provision of a car with driver for use of company's business.
- (g) Provident Fund contribution and leave as per the rules of the Company.”

On behalf of the Board of Directors

D. D. Deshpande
Director

28th May, 2004.

NOTES :

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF OF 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 Tuesday, the 13th July, 2004 to Saturday, the 17th July, 2004 (both days inclusive).
- (c) Explanatory Statement in respect of Item No. 4 accompanies.

EXPLANATORY STATEMENT - PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Mr. D. D. Deshpande was appointed as a Director of the Company on the 11th March, 2004.

At the Meeting of the Board of Directors of the Company held on the 28th May, 2004, he was appointed as the whole-time Director from the 11th March, 2004, for the period of three years on the terms and conditions set out in the resolution.

Your Directors commend the resolution for your approval.

Mr. D. D. Deshpande is to be deemed to be interested in this item of business.

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors present Sixty-First Annual Report and the Audited Statement of Final Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

	2003-2004	2002-2003
	Rupees	Rupees
The Gross Operating Profit / (Loss) for the year	31,41,603	23,87,818
Deduction therefrom / Addition thereto :		
Interest	7,13,376	8,41,500
Depreciation	11,47,304	8,79,705
Operating Profit	12,80,923	6,66,613
Profit on sale of asset	45,27,770	—
	58,08,693	6,66,613
Provision for taxation	2,50,000	—
	55,58,693	6,66,613
Add : Income Tax Adjustments for prior years	(3,56,005)	(3,03,272)
Add / (Less) amount written off	(3,54,955)	—
Add : Deferred Tax Provision	(3,63,000)	(4,45,770)
	44,84,733	(82,429)
Balance in Profit & Loss Account brought forward	1,02,20,578	1,03,03,007
	1,47,05,311	1,02,20,578
APPROPRIATIONS		
General Reserves	—	—
Leaving a balance to be carried forward	1,47,05,311	1,02,20,578
	1,47,05,311	1,02,20,578

DIVIDEND

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

OPERATION AND FUTURE PROSPECTS

During the year under review, the production and sales in quantitative terms were higher as compared to previous year. It was also possible to curtail costs and as a result the Company achieved a turnaround and mode of operating profit.

During the year, Company started exporting their products to foreign countries. For the coming financial year, the export sale is Rs.20,19,170/- Company expects to achieve good export orders.

Your directors are trying to maximise the sale of their products by planning of new marketing and product strategies and expect improvement in operations in the current year.

SALE OF TALOJA PROPERTY :

The Taloja property was idle and no manufacturing operations were carried out since the last two years. In order to improve liquidity, the said property was sold for Rupees One Crore during the year. The sale of the Taloja property will not effect the manufacturing operations of the Company since all the manufacturing operations are carried out at Lalbaug.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ryaz Shamji, Director of the Company retire by rotation and being eligible, offers himself 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 Products 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 during the year were Rs.20,19,170/- and outgoings 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 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.

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
D. D. Deshpande
Director

Mumbai, 28th May, 2004