

CPEC



CPEC LIMITED
62nd Annual Report
2004-2005

BOARD OF DIRECTORS

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

Banker

Bombay Mercantile Co-operative Bank Ltd.

Auditors

VEDULA, VIJAY & RAMANATHAN

Chartered Accountants



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-Second 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 24th September, 2005 at 10.30 A.M. to transact the following business :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005 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. Vedula, Vijay & Ramanathan, 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 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 20th September, 2005 to Saturday, the 24th September, 2005 (both days inclusive).

On behalf of the Board of Directors
D. D. Deshpande
Director

Mumbai, 24th June, 2005

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors present Sixty-Second Annual Report and the Audited Statement of Final Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

	2004-2005 Rupees	2003-2004 Rupees
The Gross Operating Profit / (Loss) for the year	59,41,365	31,41,603
Deduction therefrom / Addition thereto :		
Interest	7,14,091	7,13,376
Depreciation	9,44,061	11,47,304
Operating Profit	42,83,213	12,80,923
Profit on sale of asset	66,168	45,27,770
	43,49,381	58,08,693
Provision for taxation	13,55,000	2,50,000
Add/(Less) Deferred Tax Provision	(2,89,290)	(3,63,000)
	27,05,091	51,95,693
Add : Income Tax Adjustments for prior years	—	(3,56,005)
Add / (Less) amount written off	—	(3,54,955)
	27,05,091	44,84,733
Balance in Profit & Loss Account brought forward	1,47,05,311	1,02,20,578
	1,74,10,402	1,47,05,311
APPROPRIATIONS		
General Reserves	—	—
Leaving a balance to be carried forward	1,74,10,402	1,47,05,311
	1,74,10,402	1,47,05,311

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, the production and sales in quantitative terms were higher by around 28% as compared to previous year. Presently Company has bagged good orders from Multi National Companies and our products will be exported to U.S.A. and U.K. Management has taken all possible steps to reduce the overhead costs and thereby increasing the profitability.

Your Directors are confident of achieving good results during the forthcoming financial year.

During the year, Company has exported their products to Kenya, Thailand, Saudi Arabia, Dubai and U.K. Export sales during the financial year 2004-2005 was Rs. 4,09,515/- During forthcoming year, your Directors are expecting good number of orders from Overseas Buyers.

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 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. 2,00,000/- per month or Rs. 24,00,000/- 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. 43,71,004/- 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, 24th June, 2005