

69th ANNUAL REPORT

2011-12

BOARD OF DIRECTORS

MR. AKBAR SHAMJI
MR. ALIM SHAMJI
MR. RYAZ SHAMJI
MRS. SHERNAZ HOSI MASTER

REGISTERED OFFICE

505, SAI SAMARTH BUSINESS PARK, DEONAR, MUMBAI 400088

Email : investor@cpowerec.com

BANKERS

UNION BANK

AUDITORS

VEDULA, VIJAY & RAMANATHAN
CHARTERED ACCOUNTANTS

C P E C LIMITED

Registered Office: 505, Sai Samarth Business Park, Deonar, Mumbai, PIN 400 088

NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY NINTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF C P E C LIMITED WILL BE HELD ON SATURDAY, THE 29TH DAY OF SEPTEMBER 2012 AT 10.00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT 505, SAI SAMARTH BUSINESS PARK, DEONAR, MUMBAI, PIN 400 088, TO TRANSACT THE FOLLOWING BUSINESS:-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet for the year ended 31st March, 2012, the Profit & Loss Account as on that date together with Reports of Directors and Auditors thereon.
2. To appoint a director in place of Shri Ryaz Shamji, Director, who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint M/s Vedula, Vijay & Ramanathan, Chartered Accountants, as auditors of the company to hold Office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Place: Mumbai

Date: 1st September 2012

By order of the Board of Directors of
C P E C Limited

Shernaz H. Master
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The enclosed proxy form, if intended to be used should reach the registered office of the company duly completed, stamped and signed not less than forty eight hours before the time fixed for the meeting.
3. The Register of Members of the Company shall remain closed from Saturday, 22nd September 2012 to 29th September 2012 (both days inclusive).
4. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies at the Meeting.

5. Members are requested to intimate immediately, any change in their address or bank mandates to the Compliance Officer of the Company.
6. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is a part of the annual report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance to the venue.
7. Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
8. Pursuant to Section 109A of the Companies Act, 1956, members are entitled to make a nomination in respect of shares held by them in physical form.
9. In terms of the circular Nos. 17/2011 and 18/2011, dated 21 and 29 April 2011, issued by the Ministry of Corporate Affairs (MCA), Government of India, allowing paperless compliance by the companies under the 'Green Initiative in Corporate Governance', the Company requests all its members to register their e-mail address with the Company.
10. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company. The members whose email id are registered with the company, will be entitled to a physical copy of the annual report for the financial year 2011-12, free of cost, upon sending a request to the Compliance Officer at 505, Sai Samarth Business Park, Deonar, Mumbai – 400088. The Annual Report for the year 2011-12 has also been uploaded on the website of the company "www.cpowerec.com"

By order of the Board of Directors of

Place: Mumbai

Date: 1st September 2012

C P E C Limited

Shernaz H. Master
Director

CPEC Limited**DIRECTORS` REPORT****TO THE MEMBERS**

Your Directors present Sixty-Ninth Annual Report and the Audited Statement of Final Accounts for the year ended 31st March 2012

FINANCIAL RESULTS

	2011-12 Rupees	2010-11 Rupees
The Gross Operating Profit / (Loss) for the year	(156.94)	(110)
Deduction therefrom / Addition thereto :		
Interest	0	7
Depreciation	0	0
	<hr/>	<hr/>
Operating Profit	(156.94)	(118)
Profit/loss from extra-ordinary items	79.00	2,229
Profit/loss from exceptional items	(227.63)	
Net Profit Before Tax	(305.57)	2,112
Provision for taxation		
Income Tax	0	364
Deferred Tax	0	-
Fringe Benefit Tax	0	-
	<hr/>	<hr/>
	-	(364)
Profit after Tax	(305.57)	1,747
Add : Income Tax Adjustments for prior years	4.99	-
Add / (Less) amount written off.	0	-
	<hr/>	<hr/>
	(310.56)	1,747
Balance in Profit & Loss Account brought forward	1,659	(88)
	<hr/>	<hr/>
	<u>1,348.58</u>	<u>1,659</u>

APPROPRIATIONS

General Reserves	<u>84</u>	<u>84</u>
Leaving a balance to be carried forward	<u>1,432.97</u>	<u>1,575</u>

DIVIDEND

In order to conserve funds for the solar business , the Directors do not recommend payment of dividend.

OPERATIONS AND FUTURE PROSPECTS

Solar Power

The Company has diversified into the solar power sector. The company plans to be a established player in this sector in the next few years. Towards this endeavor, the company is implementing a 5 MW's solar power projects through its associate company Euro Solar Power Pvt. Ltd. in which CPEC holds controlling interest.

The project is progressing satisfactorily.

DIRECTORS

In accordance with the provisions of the Companies Act. 1956 and Articles of Association of the Company, Mr. Akbar 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 consumptions, 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. 0/- and outgoings Rs.0/-

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 and 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.

SUBSIDIARIES

In respect of subsidiary company i.e. Moulik Impex Pvt.Ltd. the audited statements together with particulars required under section 212 of the Companies Act, 1956 are annexed herewith.

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 Bankers ,Consultants and Shareholders for the continues support and patronage to the company.

On behalf of the Board of Directors

Place: Mumbai.
Date: 30th May, 2012

Mrs. S.H. Master
(Director)

AUDITORS' REPORT

To,
The Shareholders of
CPEC LIMITED,
MUMBAI.

1. We have audited the attached Balance sheet of **CPEC LIMITED**, as at 31st March 2012 and also the Profit and Loss account and the Cash-Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material statements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts, as required by law have been kept by the company so far as it appears from our examination of the books of accounts.
 - c. The Balance sheet, the Profit & Loss Account and the Cash flow statement dealt with by this Report are in agreement with the Books of Accounts.
 - d. In our opinion, the Balance sheet, the Profit & Loss Account and Cash-Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, We report that none of the directors of the Company is disqualified as on 31st march 2012, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- In the case of the Balance sheet of the state of affairs of the company as at 31st March, 2012;
- In the case of Profit & Loss account of the loss for the year ended on that date, and
- In the case of cash flow statement of the cash flows for the year ended on that date.

***FOR VEDULA VIJAY AND RAMANATHAN
CHARTERED ACCOUNTANTS***

***K.BODA
PARTNER***

***Place: Mumbai
Date: 30th May, 2012***

***M'sh.NO. 106709
Firm no: 106472W***

Annexure referred to in paragraph 3 of our report of even date

- (i) (a) The company has only land as fixed assets and required records of the same are properly maintained.
- (ii) (a) There is no opening and closing inventory hence this clause is not applicable.
- (iii) (a) As informed to us, the company has granted advances in the nature of Loans to Associate Company and to companies in which Directors are interested
As per register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding is Rs.728.74 lakhs and closing outstanding balance is Rs.501.11 lakhs.

(b) As informed to us, the company has not taken any advances in the nature of Loans from persons in which Directors are interested as per register maintained under section 301 of the Companies Act, 1956.

(c) There is no stipulation for payment of interest. The other terms and Conditions of such loans are in our opinion, prima facie not prejudicial to the interest of the company.

(d) The payment of principal amount is on demand.

(e) There is no stipulation of principal repayment. Hence there is no overdue Amount .
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal procedures commensurate with the size of the company and the nature of its business. During the course of our audit no major weakness has been observed in the internal controls.
- (v) (a) the particulars of contracts or arrangements referred to in section 301 of the Companies Act have been so entered in the register maintained.

(b) In our opinion and according to the information and explanation given to us the company has purchased land from associate company and paid professional fees to director which exceeds Rs 5 lacs in respect of each such parties during the year . The same have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any public deposits within the meaning of sections 58 and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with size and nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub – section (1) of section 209 of the Act.
- (ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales – tax, Custom Duty, Excise Duty, cess and any other statutory dues with appropriate authorities during the year **except Payment of S.A Income Tax dues for A. Y.2011-12 provided but unpaid of Rs.3.64 Cr.**

(b) According to the information and explanations given to us, there are no dues payable on account of disputes with regards to sales tax, income tax, custom tax, wealth tax, excise duty, cess.

(x) The company has no accumulated losses at the end of the financial year and it has incurred cash losses in this financial year but not incurred cash loss in the preceding financial year .

(xi) According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution or bank. Infact the company has no such borrowings .

(xii) According to the information and explanations given to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) The company is not Chit fund or a Nidhi or Mutual benefit fund or society. Therefore the provisions of any special statutes are not applicable to the company.

(xiv) According to the information and explanations given to us the company does not deal or trade in shares, securities, debentures and other investments and hence this clause is not applicable.

(xv) In our opinion, the terms and conditions on which the company has given guarantee for loan taken by others from bank, are prima facie, not prejudicial to the interest of the company.

(xvii) In our opinion and overall examination of the Balance Sheet of the company, we report that no funds raised on Short term basis have been used for long term investment.

(xviii) The company has not made any preferential allotment of shares during the Year to parties and companies covered in the Register maintained under Section 301 of the Act .

(xix) The company has not issued any debentures.

(xx) The company has not raised any money through a public issue during the year.

(xxi) Based on the audit procedures applied and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**FOR VEDULA VIJAY AND RAMANATHAN
CHARTERED ACCOUNTANTS**

**K.BODA
PARTNER**

**Place: Mumbai
Date: 30th May, 2012**

**M'sh. NO. 106709
Firm no: 106472W**