



THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED

KILLICK HOUSE, KILLICK ESTATE,
BAJI PASALKAR MARG,
CHANDIVLI, MUMBAI - 400 072.

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**ANNUAL REPORT
AND**

ACCOUNTS 2001-2002

THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED

DIRECTORS :

Mr. T. B. Ruia
Chairman

Mr. P. J. Kapadia
Mr. P. F. Nagori
Mr. R. J. Paymaster
Mrs. Sudha Chobe
(The Financial Advisor and Chief Accounts Officer,
Central Rly., Govt. Director)

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BANKERS :

Allahabad Bank
Global Trust Bank

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ADVOCATES :

Messrs. Little and Co.

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AUDITORS :

Messrs. Jagtiani and Naik

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REGISTERED OFFICE :

Killick House, Killick Estate, Baji Pasalkar Marg,
Chandivli, Mumbai - 400 072.

THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED**DIRECTORS' REPORT**

The Directors present their Annual Report together with Audited Statement of Accounts for the Financial Year ended 31st March, 2002.

The following table indicates the earnings from Coaching Traffic and other income (including sundry receipts) for the last five years as per information received from the Railways :

Gross Earnings in Rupees.	1997-98 Rs.	1998-99 Rs.	1999-2000 Rs.	2000-01 Rs.	2001-02 Rs.
Coaching Traffic	36,35,666	40,98,243	47,09,562	49,69,671	31,97,030
Others	1,08,000	1,08,000	1,08,000	1,08,000	1,08,000

COACHING TRAFFIC : During the year under review, Coaching Receipts amounted to Rs. 31,97,030 showing a decrease of Rs. 17,72,641/-

OTHER INCOME : During the year under review, Sundry Receipts amounted to Rs. 1,08,000 showing no increase or decrease over the previous year.

ACCOUNTS

	12 months ended 31-3-2002 Rupees	12 months ended 31-3-2001 Rupees
The profit for the year before providing depreciation Diminution in value of Investments and taxation amounts to	9,41,028	13,19,213
Deducting therefrom provisions for :		
Depreciation	5,638	9,396
Diminution in value of investments	4,70,631	—
Taxation	3,25,168	4,67,500
Net profit for the year	1,39,591	8,42,317
Balance brought forward from previous year	1,83,309	13,30,792
Excess Tax provision of earlier years	26,271	—
Reversal of provision for loss on sale of Railway Stock	—	1,10,200
The amount available for appropriation.	3,49,171	22,83,309
Transferred to General Reserve	—	22,80,000
Proposed Dividend	—	—
Leaving balance to be carried forward to next year	3,49,171	3,309

The adverse results have been due to provision for diminution in the value of Investments in units of Unit Trust of India 1964



DIVIDEND :

In view of smallness of profit your directors regret that they are not in a position to recommend any dividend for the year ended 31st March, 2002.

NEW BUSINESS ACTIVITIES :

Your Directors have pleasure in reporting to you that the Ministry of Railways has granted permission to the Company to engage in other activities. Accordingly, the object clause of the Memorandum and Articles of Association of the Company has been amended to include several new business. Your Directors are examining the various opportunities and options and shall come back to you when the final decision in this behalf is taken.

RIGHTS ISSUE OF SHARES :

For funding the new business activities that may be undertaken by the Company, it is proposed to issue Rights Shares and the necessary letter of offer will be dispatched to the shareholders shortly. Your Directors hope that the shareholders will whole-heartedly respond to the offer and subscribe fully to the Rights shares offered to them.

DEPOSITORY SYSTEM:

In order to facilitate dealing in shares in the electronic mode, your Company's shares have also been admitted for demat by Central Depository Services (India) Ltd. (CDSL) with effect from 19.04.2001 and National Securities Depository Ltd. (NSDL) with effect from 9.2.2001. Thus, the equity shares are available for dematerialisation through Depository participants, on both the Depositories.

DIRECTOR'S RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement:

Pursuant to Section 217(2AA) of the Companies Act, 1956 :

- That in the preparation of Annual accounts for the year ended march 31, 2002, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- That they had selected such accounting policies and applied them consistently, and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2002 and of the profits of the company for the said year.
- That they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That they had prepared the accounts on a "going concern basis".

PARTICULARS OF EMPLOYEES :

Statement giving particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read

with the Companies (Particulars of Employees) Rules 1975, as amended, is not annexed to this report as no employee was in receipt of the remuneration in excess of the prescribed sum during the year.

STATEMENT UNDER SECTION 217(I)(E) :

Statement pursuant to Section 217(I)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is given below:

- a) The Company has no activities relating to conservation of energy.
- b) i) The Company has made no provision for research and development expenditure.
ii) The Company has no activity relating to technology absorption, adoption and innovation.
- c) The Company has no activity relating to foreign exchange and outgo.

DIRECTORATE :

Mr. Prakash F. Nagori retires by rotation and, being eligible, offers himself for reappointment.

Central Railway withdrew nomination of Mr. U.V. Acharya with effect from 31st October, 2001 as their nominee Director for the Company and Mr. S. Parthasarathy, the , then, Financial Advisor and Chief Accounts Officer, Central Railway, was nominated as their nominee Director in the place of Mr. U.V. Acharya. Subsequently, Central Railway withdrew nomination of Mr. S. parthasarathy with effect from 16th March, 2002 as their nominee Director and Mrs. Sudha Chobe, present Finanacial Advisor and Chief Accounts Officer, Central Railway, has been nominated as their nominee Director in his place.

The Board has placed on record its appreciation of the valuable services rendered by Mr. U.V. Acharya and Mr. S. Parthasarathy to the Board and to the Company during their tenure as Director.

AUDITORS :

At the 91st Annual General Meeting of the Company held on 28.9.2001, M/s. Jagtiani & Naik, Mumbai, were appointed as Audotors of the Company to hold the office until the conclusion of the next Annual General Meeting. The retiring auditors are eligible for reappointment.

On behalf of the Board,
The Central Provinces Railways Company Ltd.

T. B. Ruia
Chairman

REGISTERED OFFICE :

Killick House, Killick Estate,
Baji Pasalkar Marg,
Chandivli, Mumbai-400 072.

Dated : 5th September, 2002