



# THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED

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

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**95<sup>th</sup>**  
**ANNUAL REPORT**  
**AND**  
**ACCOUNTS 2004-2005**

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## **THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED**

### **DIRECTORS :**

Mr. Prakash. F. Nagori

Mr. Rajeev Kumar Agarwalla

Ms. Sushma Pande

Mr. K. S. Venkateswaran



### **SECRETARY**

S. R. Hemmady



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### **BANKERS :**

Allahabad Bank

UTI Bank Ltd.



### **AUDITORS :**

Messrs. Jagtiani and Naik



### **REGISTERED OFFICE :**

Killick Estate, Baji Pasalkar Marg,

Chandivli, Mumbai - 400 072.

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## NOTICE

**NOTICE** is hereby given that the NINETY FIFTH Annual General Meeting of the members of **THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED** will be held on Thursday, the 29th September, 2005, at 11.30 a.m. at the Registered Office of the Company situated at Killick Estate, Baji Pasalkar Marg, Chandivli, Mumbai - 400 072 to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2005 and Balance Sheet as at that date together with the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prakash F. Nagori who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint Auditors until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

**"RESOLVED THAT** Mr. K. S. Venkateswaran who was appointed by the Board of Directors of the Company as an Additional Director with effect from 29<sup>th</sup> September, 2004 and who holds office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom a notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. K. S. Venkateswaran as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ORDINARY RESOLUTION :

**"RESOLVED THAT** Mr. Rajeev Kumar Agarwalla who was appointed by the Board of Directors of the Company as an Additional Director with effect from 28<sup>th</sup> January, 2005 and who holds office upto the date of the ensuing Annual General Meeting of the Company and in respect of whom a notice under Section 257 of the Companies Act, 1956, has been received from a member signifying his intention to propose Mr. Rajeev Kumar Agarwalla as a candidate for the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board  
**For The Central Provinces Railways Company Limited,**

**S.R. HEMMADY**  
Company Secretary

Place : Mumbai

Dated : 2<sup>nd</sup> September, 2005

### **Registered Office :**

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

### **Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
  2. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not later than 48 HOURS before the commencement of the Meeting.
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3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 26<sup>th</sup> September, 2005 to Thursday, the 29<sup>th</sup> September, 2005, (both days inclusive) for the purpose of Annual General Meeting.
4. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividend for the financial year ended 31<sup>st</sup> March, 1998 will be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The last date for claiming unpaid dividend for the financial year ended 31.3.1998 is 06.11.2005, due date for transfer to IEP Fund is 05.12.2005.

#### 5. Nomination :

The Companies (Amendment) Act 1999 has introduced through Section 109 A, the facility of nomination to shareholders. Such facility is mainly useful for the investors holding the shares in single name. They are advised to avail this facility to avoid process of transmission by law. Investors holding shares in physical form may send the nomination form duly filled in and signed to the Company's Registrar and Transfer Agents (Prescribed form 2B). However, if shares are held in dematerialised form, the nomination has to be submitted to the depository participant of the National Securities Depository Ltd./Central Depository Services (India) Ltd. as the case may be as per format prescribed by them.

6. Members are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents viz., Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072. Telephone No. 2847 3474/0652/0653.
7. It is observed that despite repeated reminders, many shareholders have still not surrendered their old Share Certificates of the face value of Rs.100/- each for exchange with the new Share Certificates of face value of Rs.10/- each on subdivision. They are once again requested to surrender the old Share Certificates of Rs.100/- each to the Company's Register and Transfer Agent M/s. Bigshare Services Pvt. Ltd.
8. The Equity Shares of the Company are listed on the Bombay Stock Exchange Ltd., Mumbai, Sir. P. J. Towers, Dalal Street, Mumbai. The listing fee upto March 2006 has been paid by the Company. The ISIN No. of the Company is : INE631B01020

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#### ANNEXURE TO THE NOTICE

#### Explanatory Statement under Section 173(2) of the Companies Act, 1956

##### ITEM NO.4.

Mr. K. S. Venkateswaran was appointed as an Additional Director of the Company by the Board of Directors with effect from 29<sup>th</sup> September, 2004 under Section 260 of the Companies Act, 1956 and pursuant to Article 104 of the Articles of Association of the Company, he holds office as Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice from a Member proposing his candidature for the office of Director, retiring by rotation, along with a deposit of Rs.500/- under provisions of Section 257 of the Companies Act, 1956.

Mr. K. S. Venkateswaran, aged 53 years, B.Com., F.C.A., F. C. S., LL.M. has 3 decades of experience in finance, accounts and Company Law matters. He held Senior positions in several Companies. The Board is of the opinion that the Company will benefit from his vast experience and knowledge.

The Board commends the Resolution for acceptance by the Members.

None of the Directors, except Mr. K. S. Venkateswaran, is, in any way, interested or concerned in this Resolution.

##### ITEM NO.5.

Mr. Rajeev Kumar Agarwalla was appointed as an Additional Director of the Company by the Board of Directors with effect from 28<sup>th</sup> January, 2005 under Section 260 of the Companies Act, 1956 and pursuant to Article 104 of the Articles of Association of the Company, he holds office as Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice from a Member proposing his candidature for the office of Director, retiring by rotation, along with a deposit of Rs.500/- under provisions of Section 257 of the Companies Act, 1956.

Mr. Rajeev Kumar Agarwalla, aged 44 years, has experience of handling commercial matters. The Board is of the opinion that the Company will benefit from his experience and knowledge.

The Board commends the Resolution for acceptance by the Members.

None of the Directors, except Mr. Rajeev Kumar Agarwalla, is, in any way, interested or concerned in this Resolution.

## 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 31<sup>st</sup> March, 2005.

## ACCOUNTS

	2004 - 2005 Rupees	2003 - 2004 Rupees
The Profit/(Loss) for the year before Providing depreciation, Excess Provision for Diminution in value of Investments and taxation Amounts to	(3,42,307)	(2,71,443)
Deducting therefrom provisions for :		
Depreciation	—	2,029
Excess Provision for diminution In value of Investments written back	—	(3,13,125)
Deferred Tax against Adjustment	580	(2,620)
Net profit / loss for the year	(3,41,727)	37,033
Balance brought forward from previous year	7,90,722	7,37,511
Excess Tax provision of earlier years	12,706	16,178
<b>Balance carried forward</b>	<b>4,61,701</b>	<b>7,90,722</b>

## INCOME FROM RAILWAYS :

The Central Railway had demanded a sum of Rs. 18.72 crores towards repairs, rehabilitation, renewals and replacements of the railway assets.

The Company has disowned the liability on the ground that these liabilities being in the nature of replacement are to be borne by the Central Railway, as per the Contracts. But in spite of disowning the liability by your Company, the Central Railway has adjusted an amount of Rs. 33,19,630.16 being the railway earnings of your Company for the period from October, 2002 to 31<sup>st</sup> March, 2005. Hence, your Company thought it proper and as an abundant caution and not to harm the interest of shareholders of the Company decided not to include the said Income from railways amounting to Rs.13,76,810.12 in the Accounts for the year ended 31<sup>st</sup> March, 2005.

The Central Railway has also raised other issues such as depreciations etc. for which the Company is seeking legal opinion. This is without prejudice to any of the right of the Company in the matter.

## DEPOSITORY SYSTEM :

The equity shares of the Company are available for dematerialisation through Depository participants, on both the Depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 30.6.2005, 40.11% of shares have been dematerialized.

## DIRECTOR'S RESPONSIBILITY STATEMENT :

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statement, pursuant to Section 217(2AA) of the Companies Act, 1956 :

1. That in the preparation of Annual accounts for the year ended March 31, 2005, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
2. That the appropriate accounting policies had been selected and applied consistently, and judgements and estimates have been made 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, 2005 and of the profits of the company for the said year.



3. That the Directors 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.
4. That the accounts have been prepared 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(l)(e) :**

Statement pursuant to Section 217(l)(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 earnings and outgo.

#### **DIRECTORATE :**

Mr. K.S. Venkateswaran and Mr. Rajeev K Agarwalla were appointed as Additional Directors of the Company w.e.f. 29.9.2004 and 28.1.2005 respectively and will hold office upto the date of next Annual General Meeting. The Company has received two notices under section 257 of the Companies Act, 1956 proposing the candidature of Mr. K.S. Venkateswaran and Mr. Rajeev K Agarwalla, to the office of Director.

Mr. B.M. Jhaveri, was appointed as an Additional Director of the Company w.e.f. 29.9.2004 but resigned as Director w.e.f. 07.03.2005.

Central Railway nominated Ms. Shobhana Jain as Director on the Board of the Company w.e.f. 29.01.2004 in place of Ms. Sudha Chobe. Central Railway again nominated Ms. Sushma Pande as Director on the Board w.e.f. 4.5.2005 in place of Ms. Shobhana Jain.

Mr. R.J. Paymaster and Mr. P.J. Kapadia resigned as Directors of the Company w.e.f. 28.09.2004 and 1.8.2004 respectively. The company places on record its sincere appreciation of the service rendered by Mr. R.J. Paymaster and Mr. P.J. Kapadia during their tenure as a Directors. Mr. Prakash F Nagori retires by rotation and, being eligible offers himself for reappointment.

#### **CORPORATE GOVERNANCE**

Since the paid up capital of the Company is less than Rs. 3 Crores, particulars as mentioned in clause 49 of the Listing Agreement with Stock Exchange, Mumbai is not required to be given.

#### **AUDITORS :**

M/s. Jagtiani & Naik, Chartered Accountants, Statutory Auditor of the Company hold office until conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

#### **AUDITORS REMARKS :**

Auditors Remarks have been fully explained under para "Income from Railways" of this Report as well as in point No. 1(l) (c) in Notes to Accounts.

#### **REGISTERED OFFICE:**

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

For and on behalf of Board of Directors of  
**The Central Provinces Railways Co. Ltd.,**

**Rajeev Kumar Agarwalla**  
Director

Dated : 2nd September, 2005