

**THE CENTRAL PROVINCES
RAILWAYS COMPANY, LIMITED**

**KILLICK ESTATE,
BAJI PASALKAR MARG,
CHANDIVALI, MUMBAI – 400 072.**



**96th
ANNUAL REPORT
AND
ACCOUNTS 2005-06**

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

DIRECTORS:

Shri Praksh F. Nagori
Shri Rajeev Kumar Agarwalla
Smt. Sushma Pande
Shri K. S. Venkateswaran



BANKERS:

Allahabad Bank
UTI Bank



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AUDITORS:

M/S Jagtiani & Naik
Chartered Accountants



REGISTERED OFFICE:

Killick Estate, Baji Pasalkar Marg,
Chandivali, Andheri (E), Mumbai – 400 072

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

NOTICE

NOTICE is hereby given that the NINETY SIXTH Annual General Meeting of the members of **THE CENTRAL PROVINCES RAILWAYS COMPANY LIMITED** will be held on Thursday, the 28th September, 2006, at 11.30 a.m. at the Registered Office of the Company situated at Killick Estate, Baji Pasalkar Marg, Chandivali, 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, 2006 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.K. S. Venkateswaran who retires by rotation, and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/S V. S. Paranjape & Co. , Chartered Accountants, be and are hereby appointed Auditors of the Company in place of the retiring Auditors, M/ S Jagtiani & Naik, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting at a remuneration plus out of pocket expenses to be fixed by the Board of Directors."

By Order of the Board of Directors
For THE CENTRAL PROVINCES RAILWAYS COMPANY LTD.

K. S. VENKATESWARAN
DIRECTOR

Registered Office :

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

Dated : 1st September, 2006

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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 26th September, 2006 to Thursday, the 28th September, 2006, (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 31st March, 1999 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 31.3.1999 is 08.11.2006 due date for transfer to IEP Fund is 07.12.2006.

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

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.



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

ITEM NO.3

M/S Jagtiani & Naik, Chartered Accountants, the retiring Auditors have informed the Company their inability to continue as the Statutory Auditors of the Company for the year ending March 31, 2006. The Company has received a letter dated August 28, 2006 from Mr. V. S. Paranjape & Co., Chartered Accountants, consenting to act as Auditors of the Company, if appointed.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution set out at Item no.3 of the Notice.

The Board recommends the Resolution set out at Item no. 3 of the Notice for your approval.

By Order of the Board of Directors
For THE CENTRAL PROVINCES RAILWAYS COMPANY LTD.

K. S. VENKATESWARAN
DIRECTOR

Registered Office :

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

Dated : 1st September, 2006

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, 2006.

ACCOUNTS

	2005 – 2006	2004 – 2005
	Rupees	Rupees
The Profit/(Loss) for the year before Excess Provision for Diminution in value of Investments and taxation Amounts to	(4,74,531)	(3,42,307)
Deducting therefrom provisions for Depreciation	---	-
Deferred Tax against Adjustment		580
Fringe Benefit Tax	8000	---
Net Profit/Loss for the year	(4,82,531)	(3,41,727)
Balance brought forward from previous year	4,61,701	7,90,722
Excess Tax provision of earlier years	---	12,706
Transfer From General Reserve	20,831	
Balance carried forward	-----	4,61,701

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. During the year also the dispute remains unresolved.

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.50,92,391.23 being the railway earnings of your Company for the period from October, 2002 to 31st March, 2006. Hence, your Company thought it proper and as an abundant caution and not to harm the interest of shareholders of the Company and therefore decided not to include the said Income from railways amounting to Rs.17,72,761.07 in the Accounts for the year ended 31st March, 2006.

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).

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

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, 2006, 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, 2006 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(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 earnings and outgo.

DIRECTORATE :

Mr. K.S. Venkateswaran 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.

THE CENTRAL PROVINCES RAILWAYS COMPANY, LIMITED

AUDITORS

M/S Jagtiani & Naik, Chartered Accountants, the retiring Auditors have informed the Company their inability to continue as the Statutory Auditors of the Company for the year ending March 31, 2006. The Company has received a letter dated August 28, 2006 from Mr. V. S. Paranjape & Co., Chartered Accountants, consenting to act as Auditors of the Company, if appointed. Members are requested to appoint them as Auditors.

AUDITORS REMARKS:

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

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

K. S. VENKATESWARAN
Director

REGISTERED OFFICE:

Killick House, Killick Estate,
Baji Pasalkar Marg,
Chandivli, Mumbai-400072.

Dated: 1st September, 2006