



NEPC INDIA LIMITED

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**A N N U A L
R E P O R T
2003-2004**



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**BOARD OF DIRECTORS**

Shri Ravi Prakash Khemka, Chairman
 Shri Raj Kumar
 Shri. Tirupathi Kumar
 Shri. K. Narasimhan
 Shri. Ramesh Jain
 Shri Venkatesh Dahima
 Shri V. Vasudevan

AUDITORS

M/s. SMNP & Co.
 Chartered Accountants
 304, Chartered House
 297/299, Dr. C.H. Street
 Near Marine Lines Church
 Mumbai - 400 002.

REGISTERED OFFICE

1678, Trichy Road
 Ramanathapuram
 Coimbatore 641 045.

CORPORATE OFFICE

35&36, Wallajah Road
 Chennai - 600 002

WORKS

Plot No. 34/20 (NP),
 Industrial Estate
 Ambattur
 Chennai - 600 098.

Rs No. 86/1, Thethampakkam Road
 Suthukeni village
 Mannadipet Commune
 Pondicherry - 605 502

BANKERS

Bank of Maharashtra
 State Bank of Patiala
 The Karnataka Bank Ltd.

AUDIT COMMITTEE

Shri. Rajkumar
 Shri. Venkatesh Dahima
 Shri. K. Ramesh Jain
 Shri V. Vasudevan

LISTING OF SHARES

The Company's Equity Shares are listed in the Stock Exchanges at Coimbatore, Chennai, Mumbai (NSE and BSE), Delhi, Kolkata and Ahmedabad.



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Fifteenth Annual General Meeting of the members of the Company will be held on Friday the 24th day of September 2004, at 10 A.M. at the Company's Registered Office at 1678, Trichy Road, Ramanathapuram, Coimbatore – 641 045 to transact the following business:

ORDINARY BUSINESS

1. To receive consider and adopt the audited Balance Sheet of the Company as at 31st March 2004 and the profit and loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. K. Narasimhan who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT the retiring Auditors M/s SMNP & Co., Chartered Accountants, Mumbai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual general meeting of the Company, on a remuneration of Rs. 210000/- (Rupees Two Lakhs and ten thousand only) exclusive of fees for taxation matters, certification work and other service charges and out of pocket expenses in connection with Company's Audit”.

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 in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act 1956, Mr K. Ramesh Jain, who was appointed by the Board of Directors as an Additional Director and who holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing proposing the candidature of Mr. K. Ramesh Jain for the office of Director, be and is hereby appointed 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 in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act 1956, Mr Venkatesh Dahima, who was appointed by the Board of Directors as an Additional Director and who holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing proposing the candidature of Mr. Venkatesh Dahima for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.



6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“RESOLVED THAT in accordance with the provisions of section 257 and all other applicable provisions, if any, of the Companies Act 1956, Mr V. Vasudevan, who was appointed by the Board of Directors as an Additional Director and who holds office upto the date of ensuing Annual General Meeting under section 260 of the Companies Act 1956, and in respect of whom the Company has received a notice in writing proposing the candidature of Mr. V. Vasudevan for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation.

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

“ RESOLVED THAT pursuant to section 192A of the Companies Act, 1956 the Articles of Association of the Company be altered by adding a new Article No. 89 (A) at the end of article 89 of the Articles of Association of the Company:

Article 89 (A):

PASSING OF RESOLUTION BY POSTAL BALLOT

“Notwithstanding anything contained in the Articles of Association of the Company, the Company do adopt the mode of passing a resolution by the members of the company by means of a postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of matters, particularly resolutions relating to such business as the Central Government or any statutory body authorized by the Central Government may by notification, declare to be conducted only by postal ballot.

The Company shall comply with the procedure for such postal ballot and/ or other ways as may be prescribed by the Central Government in this regard.”

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“ RESOLVED THAT pursuant to the provisions of Section 293(1)(e) of the Companies Act 1956 and other applicable provisions, if any, the Board of Directors of the Company be and are hereby authorized to contribute, from time to time, in any financial year to any charitable and other funds or general charities or other purposes not directly relating to the business of the Company or the welfare of its employees up to a total amount of Rs. 10,00,000/- (Rupees Ten lakhs only) in a financial year.

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“ RESOLVED THAT subject to the provisions of section 198, 269, 309, 310 & 311, Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government wherever necessary, sanction be and is hereby accorded to the payment of remuneration as set out herein to Mr. Tirupati Kumar, Managing Director of the Company, and as approved by the Board of Directors at its meeting held on 16th August 2004.. ”



REMUNERATION

A) SALARY

Rs. 75,000/- (Rupees Seventy five thousand only) per month.

B) PERQUISITES

In addition to the above salary, Mr. Tirupati Kumar shall also be entitled to perquisites like free furnished accommodation or house rent allowance including furnishing gas, electricity and water, medical reimbursement for self and family, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance etc. as per Company policy, subject to the condition that the value of these perquisites shall be restricted to an amount equal to the annual salary.

C) BENEFITS AND FACILITIES

- a) Leave : Mr. Tirupati Kumar shall be entitled to leave as per the rules of the Company. Encashment of unutilized leave shall not be considered as a perquisite for the purpose of ceiling on remuneration prescribed in the Companies Act, 1956.
- b) Provident fund, Superannuation and Group Insurance Schemes : Mr. Tirupati Kumar shall be eligible for the benefits under the Company's Provident Fund, Superannuation and Group Insurance Schemes in accordance with the Company's practices and rules in force from time to time.
- c) Gratuity: Mr. Tirupati Kumar shall be eligible for the benefits of gratuity equivalent to half month's salary for each year of service.
- d) Car and telephone: The Company shall provide Mr. Tirupati Kumar with a car and telephone at his residence to be used for company's business which will not be considered as perquisite.
- e) Exgratia Payment, if any, made to Mr Tirupati Kumar shall also be treated as salary for the purpose of contribution to Provident Fund/ Superannuation schemes of the Company and for payment of gratuity, if any.

D) ENTERTAINMENT EXPENSES

The Company shall reimburse all entertainment expenses actually and properly incurred by Mr Tirupati Kumar in the course of the business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

E) MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the managing director shall be paid salary, perquisites and other benefits as set out herein above, as the minimum remuneration.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to assent to any modifications in the remuneration that the Central Government may decide"

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:



“ RESOLVED THAT subject to the provisions of section 198, 269, 309, 310 & 311, Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government wherever necessary, Shri Raj Kumar be and is hereby appointed as a Wholetime Director for a period of five years from 24th September 2004 to 23rd September 2009 on the following terms and conditions and as approved by the Board of Directors at its meeting held on 16th August 2004”.

REMUNERATION

A) SALARY

Rs. 50,000/- (Rupees Fifty thousand only) per month.

B) PERQUISITES

In addition to the above salary, Mr. Raj Kumar shall also be entitled to perquisites like free furnished accommodation or house rent allowance including furnishing gas, electricity and water, medical reimbursement for self and family, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance etc. as per Company policy, subject to the condition that the value of these perquisites shall be restricted to an amount equal to the annual salary.

C) BENEFITS AND FACILITIES

- a) Leave : Mr. Raj Kumar shall be entitled to leave as per the rules of the Company. Encashment of unutilized leave shall not be considered as a perquisite for the purpose of ceiling on remuneration prescribed in the Companies Act, 1956.
- b) Provident fund, Superannuation and Group Insurance Schemes : Mr. Raj Kumar shall be eligible for the benefits under the Company's Provident Fund, Superannuation and Group Insurance Schemes in accordance with the Company's practices and rules in force from time to time.
- c) Gratuity: Mr. Raj Kumar shall be eligible for the benefits of gratuity equivalent to half month's salary for each year of service.
- d) Car and telephone: The Company shall provide Mr. Raj Kumar with a car and telephone at his residence to be used for company's business which will not be considered as perquisite.
- e) Exgratia Payment, if any, made to Mr Raj Kumar shall also be treated as salary for the purpose of contribution to Provident Fund/ Superannuation schemes of the Company and for payment of gratuity, if any.

D) ENTERTAINMENT EXPENSES

The Company shall reimburse all entertainment expenses actually and properly incurred by Mr Raj Kumar in the course of the business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

E) MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the whole time director shall be paid salary, perquisites and other benefits as set out herein above, as the minimum remuneration.



“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to assent to any modifications in the remuneration that the Central Government may decide”

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:

“ RESOLVED THAT subject to the provisions of section 198, 269, 309, 310 & 311, Schedule XIII and other applicable provisions of the Companies Act, 1956 and subject to the approval of the Central Government wherever necessary, Shri Ravi Prakash Khemka be and is hereby appointed as Chairman and Wholetime Director for a period of five years from 24th September 2004 to 23rd September 2009 on the following terms and conditions and as approved by the Board of Directors at its meeting held on 16th August 2004”.

REMUNERATION

A) SALARY

Rs. 50,000/- (Rupees Fifty thousand only) per month.

B) PERQUISITES

In addition to the above salary, Mr. Ravi Prakash Khemka shall also be entitled to perquisites like free furnished accommodation or house rent allowance including furnishing gas, electricity and water, medical reimbursement for self and family, leave travel concessions for self and family, club fees, medical insurance, personal accident insurance etc. as per Company policy, subject to the condition that the value of these perquisites shall be restricted to an amount equal to the annual salary.

C) BENEFITS AND FACILITIES

- a) Leave : Mr. Ravi Prakash Khemka shall be entitled to leave as per the rules of the Company. Encashment of unutilized leave shall not be considered as a perquisite for the purpose of ceiling on remuneration prescribed in the Companies Act, 1956.
- b) Provident fund, Superannuation and Group Insurance Schemes : Mr. Ravi Prakash Khemka shall be eligible for the benefits under the Company's Provident Fund, Superannuation and Group Insurance Schemes in accordance with the Company's practices and rules in force from time to time.
- c) Gratuity: Mr. Ravi Prakash Khemka shall be eligible for the benefits of gratuity equivalent to half month's salary for each year of service.
- d) Car and telephone: The Company shall provide Mr. Ravi Prakash Khemka with a car and telephone at his residence to be used for company's business which will not be considered as perquisite.
- e) Exgratia Payment, if any, made to Mr Ravi Prakash Khemka shall also be treated as salary for the purpose of contribution to Provident Fund/ Superannuation schemes of the Company and for payment of gratuity, if any.

D) ENTERTAINMENT EXPENSES

The Company shall reimburse entertainment expenses actually and properly incurred by



Mr Ravi Prakash Khemka in the course of the business of the Company subject to such annual limits as may be fixed by the Board of Directors of the Company.

F) MINIMUM REMUNERATION

In the event of loss or inadequacy of profits in any financial year during the tenure of appointment, the whole time director shall be paid salary, perquisite and other benefits as set out herein above, as the minimum remuneration.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to assent to any modifications in the remuneration that the Central Government may decide”

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

“ RESOLVED THAT consent of the Company be and is hereby given for delisting of securities from the following Stock Exchanges, other than the “BSE” and “NSE”:

1. Coimbatore Stock Exchange
2. Madras Stock Exchange
3. Delhi Stock Exchange
4. Calcutta Stock Exchange
5. Ahmedabad Stock Exchange

“ RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to execute and sign necessary documentation and comply with the formalities in connection with the delisting of securities with the above Stock Exchanges, other than the “BSE” and “NSE”:

By order of the Board of Directors

Ravi Prakash Khemka
Chairman

Place: Chennai
Date: 16.08.2004



NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead and the proxy need not be a member of the Company. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20.09.2004 to 24.09.2004 (both days inclusive)
3. Members are requested to notify immediately any change in their address to the Company
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Members are already informed that Securities and Exchange Board of India (SEBI) have made it compulsory for all investors to trade the Company's securities in dematerialisation form, effective 28.08.2000. Members are, therefore, requested to avail of dematerialisation facility.
7. Members with identical order of names who are holding in multiple Folios are requested to write to the Company to consolidate their holdings into one Folio.
8. Members who hold share in the physical form can nominate a person in respect of all the share held by them singly or jointly. Members who holds share in single name are advised, in their own interest, to avail of nomination facility by filling Form 2B. Members who holds share in the dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
9. The Explanatory Statement pursuant to Sec. 173(2) of the Companies Act, 1956, setting out all material facts in respect of items 4 to item No. 12 of the Notice is attached.
10. Mr. K. Narasimhan, Director of the Company retires by rotation and being eligible, offers himself for reappointment. Mr. K. Ramesh Jain, Mr Venkatesh Dahima and Mr. V. Vasudevan who were appointed as the additional directors by the Board of Directors are proposed to be appointed as directors by the shareholders at the ensuing Annual General Meeting, as required under the Companies Act 1956. The brief background and the functional expertise of the Directors proposed for reappointment/ appointment are furnished below along with the details of Directorship in other Companies.
 - a) Mr. K Narasimhan, aged about 53 years, has been associated with the Company as director from 1998. He is well experienced in Business and commerce.
Details of other Directorships held by him:-
Director in the Boards of NEPC Textiles Limited, NEPC Agro Foods Limited, Skyline NEPC Limited, Sai Television Limited and National Wind Power Corporation Limited.
 - b) Mr. K. Ramesh Jain, aged about 35 years, is an additional Director of the Company. He has wide and diverse experience in setting up and promotion of various business enterprises. Has sound knowledge and experience in financial aspects and commercial transactions of large business.