
Annual Report

and

Accounts

2000-2001

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CCAP LIMITED

(formerly Central Concrete & Allied Products Limited)

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Computech International Ltd. of 77/2A, Hazra Road, Kolkata-700 029 has been appointed as Registrars and Share Transfer Agents of the Company. Shareholders may please contact them for any matters in connection with the shareholding in the Company.

Telephone : 476-7350/7351/7352/7353/7354

Fax : 474-7674

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Share Transfer

As per SEBI guidelines, trading of the Equity Shares in the Company has been compulsorily dematerialised with effect from 26th March, 2001. The Demat ISIN No. in NSDL & CDSL is INE 413C01013.

In case of any share transfer in physical form, after the transfer is effected, a letter is sent to the transferee offering option to demat the shares. If the demat option is exercised, the Company demats the Shares. Otherwise, the share certificates are despatched to the transferee after 30 days.

BOARD OF DIRECTORS :

Chairman : Mr. Chirantan Mukherji

Directors : Mr. Asamanja Mitra
Mr. Samir Ghosh
Mr. Monoj Ghose (Whole-time Director)
Mr. Chinmoy Mazumder

Secretary : Mr. T. K. Bhattacharya

Auditors : G. Basu & Company
Chartered Accountants

Bankers : State Bank of India
United Bank of India

Registered Office : 8, Camac Street
3rd Floor, Space - I
Kolkata - 700 017

Notice

Notice is hereby given that the Twenty-eighth Annual General Meeting of the Members of CCAP Limited will be held at Gyan Manch at 11, Pretoria Street, Kolkata -700 071 on Friday, the 14th September, 2001 at 11-00 A.M. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon (copies enclosed).
2. To declare a Dividend.
3. To appoint Directors in place of Mr. Chirantan Mukherji and Mr. Monoj Ghose who retire by rotation and being eligible offer themselves for re-appointment.
4. To appoint Auditors and fix their remuneration.

By order of the Board

T. K. Bhattacharya

Company Secretary

Kolkata

Dated, the 25th June, 2001

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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 of the Company.
2. The Dividend as recommended by the Board of Directors, if approved, will be payable to those Members whose names appear in the Company's Register of Members on 14th September, 2001.
3. Pursuant to section 205A of the Companies Act, 1956, all unpaid/unclaimed dividends up to the financial year ended 31st March, 1995, have been transferred to the General Revenue Account of the Central Government. Shareholders concerned are requested to submit their claims in the prescribed form to the Registrar of Companies, West Bengal, Nizam Palace 234/4, Acharya Jagadish Chandra Bose Road, Kolkata - 700 020. The unpaid/unclaimed dividends relating to the financial year ended 31st March, 1996 and thereafter, will have to be claimed by the shareholders from the Company within 7 (seven) years from the date of transfer of the money to the unpaid dividend account of the Company. Thereafter, the money will be transferred to the Investor Education and Protection Fund of the Central Government established under Section 205C of the said Act against which no claim will lie as per Section 205B of the said Act.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2001 to 14th September, 2001 (both days inclusive).

DIRECTORS' REPORT

To

The Shareholders

Your Directors have pleasure in presenting the Twenty-eighth annual Report with the audited Accounts of your Company for the year ended 31st March, 2001.

1. SUMMARISED FINANCIAL RESULTS AND PROPOSED APPROPRIATIONS :

2000 - 2001

	Rs.
i) Net profit before Taxation	71,24,630
ii) Balance brought forward from previous year	37,07,718
Total	<u>1,08,32,348</u>

Appropriations :

i) Provision for Taxation	
a) Income Tax	
i) For current year	Rs. 24,00,000
ii) For earlier years	Rs. 3,03,239
b) Tax on proposed dividend	Rs. 3,27,176
c) Wealth Tax	<u>Rs. 20,000</u>
	30,50,415
ii) Provision for diminution in value of investments	15,100
iii) Proposed Dividend @ 9%	32,07,610
iv) Balance carried to Balance Sheet	<u>45,59,223</u>
Total	<u>1,08,32,348</u>

2. DIVIDEND :

Your Directors are pleased to recommend payment of Dividend of 9% in respect of the year ended on 31st March, 2001. The Dividend, if approved by the members at the Annual General Meeting, will be paid to those shareholders registered in the books of the Company on 14th September, 2001.

3. OPERATIONS :

Your Directors Report with pleasure that during the year under review, the Company has received a work order for the following works from Eastern Railway (Construction Department) :

	Value (Rs. in Lac)
Earth-work, blanketing, construction of minor Bridges etc. in Section-I (From CH 0.410 KM to 24.559 KM) in connection with construction of new Broad Gauge Rail Line from Manderhill to Dumka (Phase-I)	<u>1886</u>

Your Directors further report that construction of Railway Bridge over river Ajoy has been completed and handed over to the Eastern Railway. The Bridge is now fully under operational use of the Indian Railways.

During the year ended 31st March 2001, your Company achieved a turnover of Rs. 1817.68 lac which is not up to the desired level. This may be attributed to the insufficient outlaying of fund by the Central Government in the infrastructure development of the country.

Trading results for the financial year under report show a profit of Rs. 71,24,630 before provision for taxation, compared to Rs. 74,81,306 in the previous year. The works under contracts for construction of (i) Railway Bridge over river Ajoy (taken up prior to this year) & (ii) the two works of road improvement (taken up prior to this year), have been considered in the Profit & Loss Account on the basis of works executed during the year under report. Since work on the Manderhill-Dumka BG Rail Line work has been taken up at the end of this year, it could not be considered in the Profit & Loss Account. In two areas of expenditure there is a substantial increase, one is Depreciation and the other is Interest. As regards reasons for increase in depreciation, your Directors state that on receipt of the two road

improvement jobs last year, the Company had to purchase a good number of machinery for which depreciation amount has gone up. For increase in interest amount, your Directors report that this is on account of interest on cash credits with the Company's bankers and interest on Advance from the Client and ascribe the reason of increase to the untimely and erratic release of fund by the P.W. (Roads) Department of Government of West Bengal owing to their cash crunch, against the works executed, leaving a continuous outstanding of considerable amount due from them, compelling the Company to utilise the cash credit limits to the brink and arrange for extra loan fund from the bankers over and above the usual cash credit limits.

4. **FUTURE PROSPECTS :**

Your Directors report that your Company is in the process of submitting bids for several jobs including -

- a) Construction of Belghoria Expressway, (Package - II & Package - III).
- b) Extension work of Circular Railway, Kolkata from Princep Ghat to Majerhat.
- c) Strengthening / Improvement of roads in different districts of West Bengal during 2000 - 2001.
- d) Major Bridge over River Sone.
- e) Construction of additional link including Road Work and Structures about 12.8 KM in Viskhapatnam Port area from port junction to NH-5 (near Ayyappan Temple) in the State of Andhra Pradesh.

5. **POSSIBLE DIVERSIFICATION :**

Your Directors reported last year that construction of a 4 storied modern office complex suitable for starting an Information Technology Organisation was commenced on the smaller plot of land of 7.26274 cottach at Salt Lake City, Kolkata. Your Directors now report that construction of the structural part of the building has been completed and the finishing works are in progress. As regards construction of the other sophisticated 10 storied office complex on the larger plot of land of 15 cottach at Salt Lake City, Kolkata within the zone of the Electronics Complex, your Directors report that foundation drawings of the building are in final stage of approval.

Your Company is also contemplating to construct a Housing Project at Barasat on the 7 Bigha plot of land owned by the Company. Since demand of housing in the area is increasing, your Directors feel that the Project will be viable. Presently, the Scheme is at preliminary stage.

6. **ARBITRATION :**

Your Directors reported last year that your Company received two Arbitration Awards towards price escalation on the two contracts relating to construction of Durgapur Expressway, against which the Government of West Bengal preferred suits in the High Court challenging the Awards. Your Directors now report that hearing of the cases has been completed in April, 2001 and the Court's Orders are awaited. Your Directors further report that an Arbitration Award has been published in favour of your Company in respect of the work of construction of Intake Pump House etc. for Mejia Thermal Power Plant of D.V.C. in District Bankura. However, D.V.C. has filed a petition before the High Court challenging the Award. Disposal of this case is likely to take some time.

7. **DIRECTORS :**

Mr. Chirantan Mukherji & Mr. Monoj Ghose retire by rotation and are eligible for re-appointment. The Board recommends their re-appointment.

Mr. Asamanja Mitra has resigned from the office of whole-time Director with effect from 1st March, 2001 but continues to be an ordinary Director on the Board.

Mr. Koushik Roy has resigned from the office of Director with effect from 1st April, 2001 after serving the Company for 7 years from 1st April, 1994. The Board records its appreciation for the valuable services rendered by Mr. Roy during the tenure of his office as a Director.

Mr. Chinmoy Mazumdar, a reputed Civil Engineer and ex-Housing Commissioner of West Bengal Housing Board, has been appointed a Director of the Company with effect from 2nd May, 2001 in the casual vacancy arising out of Mr. Koushik Roy's resignation.

8. **LISTING OF SECURITIES :**

Your Directors report that the equity shares in the Company are listed with the following stock exchanges to whom annual listing fees for the current year have been paid :-

- | | |
|--|---|
| i) The Calcutta Stock Exchange Association Ltd
7, Lyons Range, Kolkata - 700 001
(Regional Stock Exchange) | iii) The Stock Exchange, Ahmedabad
Kamdhenu Complex, Opp. Sahajanand College
Panjarapole, Ahmedabad-380 015 |
| ii) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400 001 | |

9. AUDITORS' OBSERVATIONS :

In regard to the Auditors' comments on the Accounting Standard (AS-7), your Directors have made disclosure as required under Section 211 (3B) of the Companies Act, 1956, in Note 4 in the Notes on Accounts (Schedule 14) under the heading "Disclosure Section 211 (3B) of the Companies Act, 1956"

10. AUDITORS :

G. Basu & Company, Chartered Accountants, Auditors of the Company for the Year 2000-2001, being eligible, have offered themselves for re-appointment as Auditors of the Company for the year 2001-2002. Your Directors - recommend re-appointment of G. Basu & Company.

11. RESPONSIBILITY STATEMENT U/S 217 (2AA) :

your Directors report that -

- i) In preparation of the Annual Accounts of the Company which is a Construction Company, the applicable accounting standards except accounting standard AS-7 - "Accounting for Construction Contracts" had been followed. The accounting policy for accounting the Company's Construction Contracts does not literally follow the percentage completion method as envisaged in AS-7 issued by the Institute of Chartered Accountants of India. The reasons for such departure are as follows :

All the Construction Contracts executed / under execution by the Company are Item Rate Contracts where specified rates are mentioned for each item of work. The Company raises bills on completion of such items which are not in any way treated as advance/ lumpsum progress payments. Revenue is recognised only on completion of any item which is either certified by the Client or awaiting certification at the year end and for which matching expenses are incurred / brought forward in an accounting year. The above accounting treatment does not materially deviate from that as per percentage completion method and at the same time allows revenue recognition on a more realistic basis. The Board feels that the financial effect of such deviation on revenue, which is not determined, would however be not material.

- ii) The Directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period.
- iii) 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) The Directors had prepared the annual accounts on a going concern basis.

12. PARTICULARS U/S 217 (1) (e) :

The particulars required in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956, are not set out in this report, as the Company's nature of activities, is execution of works contracts.

13. PARTICULARS OF EMPLOYEES :

The particulars required under Section 217 (2A) of the Companies Act, 1956 are not set out in this report, as no employee of the Company is coming under the provisions of the said Section.

14. ACKNOWLEDGEMENT :

The Company received fullest co-operation from United Bank of India and State Bank of India and your Board wishes to place on record its gratitude to the Banks.

Your directors wish to place on record their sincere appreciation of the contribution made by all the employees of the Company.

Kolkata
Dated, the 25th June, 2001

C. Mukherji
Director

A Mitra
Director

M. Ghose
Director

AUDITORS' REPORT

To

The Shareholders

We have audited the Balance sheet of CCAP Limited, as the 31st March, 2001 and the annexed Profit & Loss Account for the year ended on that date which are agreement with the books of account.

As in earlier years the Company has followed the policy of accounting for profit from construction contracts as per accounting policies stated in Note 1(h) (i) and (ii) in Schedule 14 to Accounts, which, in our opinion, is not fully in accordance with the Accounting Standard (AS-7) "Accounting for Construction Contracts" issued by the Institute of Chartered Accountants of India.

Further to our comments as 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 purposes of our audit.
 - b) In our opinion proper books of account, as required by law, have been kept by the Company so far as appears from our examination of these books.
 - c) In our opinion the Profit and Loss Account and Balance Sheet, subject to our comments as above, comply with accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.
 - d) On the basis of the written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Profit & Loss Account together 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 :
- i) In the case of Balance Sheet of the state of affairs of Company as at 31st March, 2001 and
 - ii) In the case of Profit & Loss Account of the profit for the year ended on that date.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we further report that -

- A 1(a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets of the Company have been physically verified by the Management at the year end and no material discrepancies were noticed on such verification.
2. The fixed assets of the Company have not been revalued during the year.
3. The stock of construction materials, stores and spares of the Company at all its locations have been physically verified by the Management during the year.
4. In our opinion the procedure of physical verification of the above stocks followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. The discrepancies between the physical stocks and book stocks, which have been properly dealt with in the books of account, were not material.
6. In our opinion the valuation of stock of stores and spares, construction materials has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.