
Annual Report

and

Accounts

2003-2004

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CCAP LIMITED

(formerly Central Concrete & Allied Products Limited)

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MCS Ltd. (formerly 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 : 2476-7350/7351/7352/7353/7354

Fax : 2474-7674

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, share certificates are despatched to the transferee within 15 days from the date of receipt of the transfer Deed.

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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 & Co.
Chartered Accountants

Bankers : State Bank of India

Registered Office : 8, Camac Street
3rd Floor, Space - 1
Kolkata - 700 017

NOTICE

Notice is hereby given that the Thirty-first Annual General Meeting of the Members of CCAP Limited will be held at Gyan Manch at 11, Pretoria Street, Kolkata – 700 071 on Tuesday, the 21st September, 2004 at 11-00 A.M. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2004 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. Asamanja Mitra 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 28th June, 2004

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 recommend by the Board of Directors, if approved, will be payable to those Members whose names appear in the Company's Register of Members as well as in the records of the Depositories on 21st September, 2004.
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 16th September, 2004 to 21st September, 2004 (both days inclusive).
5. If any member, who will attend the meeting, desires to have any information on the Accounts, he is requested to write to the Company at least seven days in advance of the date of the meeting in order to enable the Company to inform the meeting on the points appropriately.
6. Members are requested to bring their copy of the Annual Report and Accounts to the meeting.

DIRECTORS' REPORT

To
The Shareholders

Your Directors have pleasure in presenting the Thirty-first Annual Report with the audited Accounts of your Company for the year ended 31st March, 2004.

1. **SUMMARISED FINANCIAL RESULTS AND PROPOSED APPROPRIATIONS :**

2003 - 2004

	Rs.
i) Net Profit before Taxation	75,36,675/-
ii) Balance brought forward from previous year	69,60,314/-
iii) Provision for appreciation in value of Investment (Net)	2,097/-
Total :	<u>1,44,99,086/-</u>

Appropriations :

Rs.

i) Provision for Taxation	
a) Income Tax	
i) For current year	19,20,000/-
ii) Deferred Tax	6,36,100/-
b) Wealth Tax	<u>20,000/-</u>
ii) Short provision for Income Tax for earlier year	1,71,293/-
iii) Proposed Dividend @ 10%	35,64,211/-
iv) Tax on Proposed Dividend	4,56,664/-
v) Balance carried to Balance Sheet	<u>77,30,818/-</u>
Total :	<u>1,44,99,086/-</u>

2. **MANAGEMENT DISCUSSION & ANALYSIS REPORT :**

(a) **Industry Structure & Developments**

Infrastructure Construction Industry in which your Company is engaged can look forward to be encouraging as development activity in road and railway communication continues in a good pace.

(b) **Opportunities, Threats, Risks & Concerns**

The country has experienced good economy during last year. The new ministry in the Centre has declared that there will be no respite in the developmental activity in infrastructure construction in the country. The Company is also getting involved in the massive boom in the housing development industry.

The Company faces competition with competitors both national and foreign, which is part of a healthy economy. An element of risk remains in the business of the Company, which is dependent on the economic and political developments in the country.

(c) **Segment-wise Performance**

There is no segmented activities in the operation of the Company

(d) **Outlook**

In view of the Government's programme in developing the overall transport infrastructure, growth in the industry is expected to be steady.

(e) **Internal Control Systems**

Your Company maintains an internal control system in different areas like, purchases, billing for the jobs etc. Moreover, there are Internal Auditors who make a constant monitoring to have proper and sufficient care for maintenance of adequate accounting records required for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

(f) **Financial & Operational Performance**

Your company is presently busy with two projects. One is in Mizoram for rehabilitation and maintenance of M-1: Kawkulh Ngopa-Tuivai Road (96.625 KM) including culverts and other civil works and the other one is Manderhill-Dumka Broad Gauge Railway Line in Bihar and partly in Jharkhand. The project of improvement of 48.20 KM Berhampore (Chunakhali) –Jalangi Road in Murshidabad District in West Bengal has been completed during the year under review. For high value bids, the Company enters into joint venture agreements with reputed partners, as necessary.

During the financial year, a turnover of Rs. 1031 Lac has been achieved by your Company which falls short of the targeted turnover mainly due to the impediments faced by your Company in carrying out the project works. In Mizoram, non-availability of essential raw-materials locally is the reason for delaying the progress of work. In the Railway Project, the Authorities made considerable delay in handing over the required land for constructing the embankment. However, the loopholes have now been partially plugged and it is expected that the shortfall will be made up in the current year. The works under contracts of (i) Improvement of Berhampore (Chunakhali) – Jalangi Road (taken up prior to this year), (ii) Manderhill-Dumka B.G. Rail Line (taken up prior to this year) and (iii) Rehabilitation and maintenance of Kwalkulh Ngopa-Tuivai Road (taken up prior to this year) as well as (iv) Award money from Northern Railway received during the financial year against earlier completed Balawali bridge over river Ganga and (v) partial award money against Durgapur Expressway Package III & II as per decision of the management as well as on the advice of our counsel, have been considered in the Profit & Loss account under report.

(g) **Developments : Human Resources / Industrial Relations Front**

Your Board has nothing to report on the developments in human resources as well as industrial relations front which have a material bearing on the business of the Company. During the year, number of employees have been reduced by 3 heads. 5 persons have been employed by the Company during the year under review depending on the requirement.

(h) **Disclosures by the Management**

Your Board has not received any disclosure by the management relating to any material, financial and commercial transactions where any of the managerial staff has personal interest that may have a potential conflict with the interest of the Company at large.

3. DIVIDEND :

In spite of the constraints encountered by the Company in carrying out the project works your Directors are pleased to recommend payment of Dividend of 10% in respect of the year ended on 31st March, 2004. 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 and the Depositories on 21st September, 2004.

4. UNPAID DIVIDEND :

Last seven years' balances lying in the Company's Unpaid Dividend Accounts with its Bankers are shown below :-

	As on 31.3.2004
1996 - 97	Rs. 1,34,717.00
1997 - 98	Rs. 1,45,142.00
1998 - 99	Rs. 1,43,569.00
1999 - 00	Rs. 1,63,592.00
2000 - 01	Rs. 1,52,665.30
2001 - 02	Rs. 2,16,504.60
2002 - 03	Rs. 3,42,282.50

As per the Companies Act, 1956, unpaid dividends for 1996-97 will be transferred to Investor Education and Protection Fund of Central Government in December, 2004 after completion of seven years. Individual reminders have been sent to the concerned shareholders to take action for claiming the dividend from the Company before it is transferred to the said Fund. Some shareholders have got in touch with the Company and their claims are being attended to.

Unpaid / unclaimed dividend amounting to Rs.50,678.60 for the year 1995-96 had been deposited to the Investor Education and Protection Fund of Central Government on 14th November, 2003.

5. **Future Prospects :**

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

- a) Foundation, sub-structure and road work of 2nd Vivekananda Bridge.
- b) Railway Bridge near Shahjahanpur in U.P.
- c) Widening and strengthening of certain carriage-ways of National Highways in Rajasthan, U.P., Jammu and Kashmir, Punjab, Himachal Pradesh, Haryana, Karnataka, Tamilnadu and Kerala.
- d) Widening of Terminal Flyover at Mumbai Airport.
- e) Extension work of Circular Railway, Kolkata from Princep Ghat to Majerhat.

6. **Possible Diversification :**

Construction of the sophisticated 10-storied office complex on the 15 kottah plot of land at Salt Lake City, Kolkata within the Electronics Complex Zone, has progressed considerably. In point of fact, roof casting of the 4th Floor is likely to be completed when this report reaches you.

Housing project at Barasat on the Company's 7 bigha plot of land has got a temporary set back in plan sanction by the Municipal Authorities, as a person has disputed ownership of a small portion of the land and referred the matter to court.

7. **Arbitration :**

- i) Against the two contracts relating to construction of Durgapur Expressway, your Company has further preferred additional claims on the two jobs to arbitration and the Arbitrators have published their Awards in favour of the Company which have been challenged by the Government of West Bengal, in the Calcutta High Court. However, during the course of hearings in the court, Government of West Bengal has admitted certain claims. Accordingly, a part of the claim money has been considered in the Profit & Loss Account as the management has considered it as income.
- ii) Against the Arbitration Award published in favour of your Company in respect of the work of construction of Intake Pump House etc. for Mejia Thermal Power Plant of DVC in Bankura District of West Bengal, DVC filed a petition before the Calcutta High Court challenging the Award but the same was rejected. As the Award money was not paid, your Company moved an execution petition in the said Court whereupon DVC made another appeal to the Division Bench of the Calcutta High Court. The Division Bench has stayed the execution petition and hearing of the appeal is continuing. On instruction by the Division Bench, DVC deposited 50% of the Award Money in the High Court and the money had been withdrawn by your Company by furnishing a Bank Guarantee. Since the matter remains fluid, management has considered not to account for the money in the Profit & Loss Account for the financial year under review.
- iii) The arbitration proceedings in regard to certain claims of your Company referred to arbitration by Northern Railway in respect of construction of New Double Line Balawali Bridge over river Ganga in Moradabad-Saharanpur Section in Uttar Pradesh, have been concluded and the payment has been received by us in full.

8. Directors

Mr. Chirantan Mukherji and Mr. Asamanja Mitra retire by rotation and are eligible for re-appointment. The Board recommends their re-appointment.

Mr. Chirantan Mukherji, B.E. C.E. FIE. 69 years, is a Civil Engineer of repute and is one of the Promoters of the Company. He is a Fellow of the Institute of Engineers and is a specialist in Water Works, Steel Mill Erection, Industrial Structure and Public Health Engineering. He also worked as a Management Consultant for Major Highways and Industrial Projects and eminent Contracts Manager in Engineering & Commercial aspects since last 45 years. Mr. Mukherji is Managing Director of New Centralgroup Engineering Pvt. Ltd. and Directors of Banaphool Prakasani Pvt. Ltd. and CCAP Industries Ltd.

Mr. Asamanja Mitra, B.E. C.E. MIBE. 69 years, is a Professional Engineer and is one of the Promoters of the Company. He is a specialist having long experience of 47 years in Heavy Structural & Civil Engineering works like Railway Bridges, Roads & Rail Over-Bridges, Dock Yards, Steel Plants, Water Treatment Plants, Chemical & Cement Plants, Thermal Power Stations. He is a Director of CCAP Industries Ltd.

9. Corporate Governance :

Corporate Governance Report is set out as a separate annexure, which forms part of this Report.

10. 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 3 in the Notes on Accounts (Schedule 14) under the heading "Disclosure under Section 211 (3B) of the Companies Act, 1956."

For consent of Company's Bankers on declaration of dividend to the shareholders, the Company will write to the Bankers at the appropriate time.

11. Auditors

G. Basu & Co., Chartered Accountants, Auditors of the Company for the year 2003-2004, being eligible, have offered themselves for reappointment as Auditors of the Company for the year 2004-2005. Your Directors recommend reappointment of G. Basu & Co.

12. Responsibility Statement u/s 217 (2AA) of the Companies Act, 1956 :

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.

- 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 the Companies 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.

13. 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.

14. 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.

15. Acknowledgement :

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

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

Kolkata
Dated, the 28th June, 2004

C. Mukherji
Director

A. Mitra
Director

M. Ghose
Director

REPORT ON CORPORATE GOVERNANCE

[As per Clause 49 of the Listing Agreements with Calcutta, Mumbai & Ahmedabad Stock Exchanges]

(i) Company's Philosophy

The Company believes that growth of a Company largely depends on the confidence of investing people, shareholders and others with whom the Company interacts. The confidence is achieved by means of easy communication with them. Practicing Corporate Governance is a big step in communicating transparency of the activities/affairs of the Company to the concerned parties including investing people, shareholders, Government and lenders.

(ii) Board of Directors

The Board comprises a Non-Executive Chairman, one Executive Independent Director and three Non-Executive Independent Directors totaling five.

During the year under review, the Company did not have any pecuniary relationship or transactions with the Non-Executive Directors excepting Mr.C. Mukherji who received fees as Professional /Technical Advisor under Section 309(1) of the Companies Act, 1956.

Remuneration in the form of meeting fees of Non-Executive Directors is decided by the Board of Directors.

During the year eight Board Meetings were held on 24.4.2003, 26.6.2003, 28.7.2003, 29.8.2003, 29.10.2003, 28.11.2003, 29.1.2004 and 28.2.2004.

Attendance of the Directors at the Board Meetings during the year and at the last Annual General Meeting as also number of other Directorships are given below :

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance At last A.G.M.	No. of Other Directorships	Other Committee Memberships	
						Member	Chairman
1.	Mr.C. Mukherji	Non-Executive Chairman	7	Yes	3	0	0
2.	Mr. A. Mitra	Non-Executive and Independent Director	8	Yes	1	0	0
3.	Mr. S. Ghosh	Non-Executive and Independent Director	8	Yes	5	2	1
4.	Mr. M. Ghose	Executive and Independent Director	6	Yes	1	0	0
5.	Mr.C.Mazumder	Non-Executive and Independent Director	8	Yes	1	0	0