
Annual Report

and

Accounts

2007-2008

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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
2454-1892/1893

Fax : 2474-7674, 2454-1961

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. Dibakar Chatterjee
Mr. Chinmoy Mazumder
Mr. Shanti Ranjan Paul
Mr. Sisir Kumar Saha (Whole-time Director)
Mr. Mahiruha Mukherji (Whole-time Director)

Secretary : Mr. T. K. Bhattacharya
Auditors : G. Basu & Co.
Chartered Accountants
Bankers : State Bank of India
Registered Office : ETERNITY Building
DN-1, Sector-V
Salt Lake
Kolkata - 700 091

NOTICE

Notice is hereby given that the Thirty-fifth 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 23rd September, 2008 at 11.00 A.M. to transact the following business: -

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008 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. Chinmoy Mazumder and Mr. Dibakar Chatterjee 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, 2008

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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. 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. For subsequent years, the unpaid/unclaimed dividends 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, whereupon, 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2008 to 23rd September, 2008 (both days inclusive).
4. If any member, who will attend the meeting, desires to have any information on the Accounts, he/she 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.
5. 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-fifth Annual Report with the audited Accounts of your Company for the year ended 31st March, 2008.

1. SUMMARISED FINANCIAL RESULTS AND PROPOSED APPROPRIATIONS :

		2007- 2008
		Rs.
i)	Net Profit before taxation	30,26,779/-
ii)	Balance brought forward from previous year	34,10,469/-
		<u>64,37,248/-</u>
Provisions		Rs.
i)	Provision for Taxation	
a)	Income Tax	
	Deferred Tax	(5,89,944/-)
	b) Fringe Benefit Tax	<u>2,14,859/-</u>
ii)	Proposed Dividend @ 5%	17,82,931/-
iii)	Tax on proposed dividend	3,03,900/-
iv)	Balance carried to Balance Sheet	47,25,502/-
		<u>64,37,248/-</u>

2. MANAGEMENT DISCUSSION & ANALYSIS REPORT :

(a) Industry Structure & Developments

The Infrastructure Construction Industry in which your company is mainly involved, is now in a peak position. Infrastructural constructions, particularly road segment, have assumed great importance.

(b) Opportunities, Threats, Risks & Concerns

With the increased opportunities, the cut-throat competition has set in encroaching upon the realizable return. Moreover, the extraordinary rate of inflation is taking its toll. Though Central Government has initiated precautionary steps to arrest the rate of inflation, immediate relief may not be expected having regard to the global scenario.

(c) Segment-wise Performance

Item	Capital Employed	Revenues	(Rs. in Lakh) Results
Construction Activities	27.26	1582.38	(+)105.42
Rental	615.52	238.72	(+)203.70
Total :	<u>642.78</u>	<u>1821.10</u>	<u>(+)309.12</u>
Less : Interest			189.88
Other un-allocable expenditure net off un-allocable Income			(-) 41.45
			<u>160.69</u>

(d) Outlook

Judging the all-round scenario of infrastructure industry development and progress, it is visualized that a rapid growth in the infrastructure construction industry will sustain.

(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 now engaged in construction works for seven Projects including construction of Four Laning of Siliguri-Islampur Section of NH-31 with construction of Major Bridges/ Rehabilitation of Existing Bridges etc. and construction of Rural Roads in Bihar under Prime Minister's Gramin Sarak Yojna (PMGSY) under NHPC Limited (6 projects).

As a matter of business expansion, your Company is constantly exploring possibilities for more work orders.

During the financial year, a turnover of Rs. 2225.92 Lac has been achieved by your Company compared to Rs. 1261.47 Lac. The works under construction of (i) 5-storied MIG Apartment Buildings at East Horizon Housing Project, New Town, Rajarhat under West Bengal Housing Board, (ii) Four Laning of Siliguri-Islampur Section of NH-31, (iii) 5 projects of Rural Roads under PMGSY in Bihar and (iv) Manderhill – Dumka B.G. Rail Line have been considered in the Profit and Loss Account under report.

Your Directors report that one Project for construction of Four Laning of Siliguri-Islampur Section of NH-31 including construction of Major Bridges/Rehabilitation of Existing Bridges etc. has been determined as the authorities were unable to provide the required land. The financial impact due to determination of the contract together with accounting for of the award money of DVC Arbitration case in the year under report, stated elsewhere in this report, has weakened the liquidity strength of the Company. To bolster the position, your Directors are exploring the possibilities of bringing partners in the business, having resources both financially and market potentiality. Your Directors further report that in the current year the project for construction of 5-storied MIG Apartment Buildings at Rajarhat has been determined. The tail-end work of Manderhill-Dumka B.G. Railway Line Project was suspended by the authorities in consultation with your Company owing to un-surmountable difficulties during the year under report. However, the balance portion has been re-tendered at a much higher rate. Your Company has submitted tender for the same and emerged as the lowest bidder. The Company expects to get this job valued at approx. Rs. 19 crores.

(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 29 heads. 9 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 :

Your Directors are pleased to recommend payment of dividend of 5% in respect of the year ended on 31st March, 2008. The dividend, if approved by the Members at the Annual General Meeting, will be paid to those shareholder's registered in the books of the Company and the Depositories on 23rd September, 2008.

4. UNPAID DIVIDEND :

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

	As on 31.3.2008
2000-01	Rs. 1,49,842.80
2001-02	Rs. 2,08,155.60
2002-03	Rs. 3,24,132.50
2003-04	Rs. 2,32,247.00
2004-05	Rs. 3,43,254.80
2005-06	Rs. 3,74,562.00
2006-07	No dividend was declared

As per the Companies Act, 1956, unpaid dividends for 2000-2001 will be transferred to Investor Education and Protection Fund of Central Government in October, 2008 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. 1,53,167.00 for the year 1999-2000 had been deposited to the Investor Education and Protection Fund of Central Government on 20th November, 2007.

5. FUTURE PROSPECTS :

As stated earlier in this report, your Company is presently engaged in seven project works most of which is expected to be completed by the current year. Your Company is bidding for new projects on a selective way so that the resources can be utilized to the optimum.

6. POSSIBLE DIVERSIFICATION :

In the earlier reports you were advised that the Company took up a project on the Company's 7 bigha plot of land at Barasat, West Bengal for construction of a commercial-cum-residential complex and

some progress of first phase was done. Your Directors now report that owing to various constraints including cash crunch, the project has been abandoned and the entire property has been sold out in the year under review.

7. **ARBITRATION :**

- a) Your Directors stated in the last report that the appeal filed by DVC to the Division Bench of Hon'ble High Court at Calcutta against the award published in favour of your Company for the work of construction of Intake Pump House etc. for DVC's Mejia Thermal Plant, had not been in favour of the Company and the Company made an appeal to the appropriate authority for review.

Your Directors now report that since the Hon'ble Supreme Court of India has not admitted the review petition, the Company has accounted for in the year under report, the money being 50% of the award money, withdrawn by your Company from the Hon'ble High Court at Calcutta which was kept deposited with the said High Court by DVC.

- b) In regard to determination of contracts by the authorities of the Project for construction of Four Lining of Siliguri – Islampur Section of NH – 31 and the Project for construction of 5 – Storied Apartment Buildings at Rajarhat under West Bengal Housing Board, your Company is in the process of preferring claims to Arbitration.

8. **DIRECTORS :**

Your Board appointed Mr. Dibakar Chatterjee, M. Com., LL.B., FCA, AICWA, ACS, 54 years of age, a member in the Board with effect from 29th September, 2007 in the casual vacancy created by Mr. Sujit Bhattachary's resignation on 1st June, 2007. Mr. Chatterjee has been appointed a member of the Audit Committee of Directors and a member of the Remuneration Committee of Directors also. He is a financial expert and has 24 years of experience in private and public sector companies in various fields such as in-charge of finance, secretarial, legal, internal audit and treasury functions of listed companies. He has no shareholding in the Company. He is a Director of Sagarittans International Ltd. Mr. Chatterjee retires by rotation in the forthcoming Annual General Meeting and is eligible for re-appointment. Your Board recommends his reappointment.

Mr. Monoj Ghose, who continued as a part-time Director after relinquishing the office of whole-time Director, has resigned from the Board with effect from 1st October, 2007. During the tenure of his office, the Company was benefited by his expert guidance.

Mr. Chinmoy Mazumder also retires by rotation and is eligible for re-appointment. The Board recommends his re-appointment.

Mr. Chinmoy Mazumder, BCE, MIE, LLB, 67 years of age is a reputed Civil Engineer and was associated with the Public Works (Roads) Department, Government of West Bengal. He held the position of Chief Engineer, Durgapur Expressway as well as Housing Commissioner of West Bengal Housing Board. He has expertise in construction of Hill Roads and Bridges as well as construction of high-rise multistoried buildings. He has no shareholding in the Company. He is a Director of Broadway Realtors Pvt. Ltd.

In the casual vacancy of Mr. Monoj Ghose, your Directors appointed Mr. Shanti Ranjan Paul, aged 46 years, a member in the Board with effect from 16th June, 2008. Mr. Paul is a vastly experienced businessman particularly in the field of civil constructions including infrastructure construction. He is also involved in the manufacture of special panels for highrise constructions which is earthquake

resistant. His business expertise also covers rubber industry, tea industry, laying of HDPE pipe/cable line using no-dig method, etc.

9. **SHAREHOLDING OF NON-EXECUTIVE DIRECTORS :**

Mr. C. Mukherji	-	5,92,413 equity shares
Mr. A. Mitra	-	2,07,468 equity shares
Mr. D. Chatterjee	-	Nil
Mr. C. Mazumder	-	Nil
Mr. S.R. Paul	-	Nil

10. **CODE OF CONDUCT :**

As required by clause 49 of the Listing Agreements with the Stock Exchanges (Corporate Governance), the Board has laid down a Code of Conduct for all Board members and senior management personnel. A declaration by the CEO in regard to affirmation of compliance of the Code of Conduct by the Board members and senior management personnel, has been set out in the Corporate Governance Report.

11. **CORPORATE GOVERNANCE :**

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

12. **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 13) 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.

13. **AUDITORS :**

G. Basu & Co., Chartered Accountants, Auditors of the Company for the year 2007-2008, being eligible, have offered themselves for reappointment as Auditors of the Company for the year 2008-2009. Your Directors recommend reappointment of G. Basu & Co.

14. **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/ lump sum progress payments. Revenue is recognized 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 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.

15. PARTICULARS U/S 217(1)(e) of COMPANIES ACT, 1956

a) Conservation of Energy

The nature of activities of your Company being execution of works contracts, energy conservation measures are not applicable.

b) Research and Development

Your Company's work activities do not necessitate research and development.

c) Technology absorption, adaptation and innovation

Not applicable in respect of the activities of your Company.

d) Foreign Exchange earnings and outgo

Your Company was not engaged in any export activities during the year under review.

16. 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.

17. 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.

C. Mukherji
Director

A. Mitra
Director

S.K. Saha
Director

M. Mukherji
Director

S.R. Paul
Director

Kolkata

Dated, the 28th June, 2008