

BOARD OF DIRECTORS

Ryaz Shamji	Chairman
Alim Shamji	Director
Akbar Shamji	Director
Mrs. S. H. Master	Alternate Director to Alim Shamji

Banker

Union Bank of India

Auditors

Vedula, Vijay & Ramanathan

Chartered Accountants

Registered office

505, Sai Samarth Business Park

Deonar Road, Deonar,

Mumbai - 400 088.

CPEC LIMITED
68th Annual Report
2010 - 2011

The Managing Director will not be entitled to sitting fees for meetings of the Board / Committee of the Board attended by him.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as may be deemed fit from time to time and for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper in the best interest of the Company."

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as may be deemed fit from time to time and for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient or proper in the best interest of the Company."

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

"RESOLVED THAT in supersession of the earlier resolutions passed by the Members at their General Meeting and pursuant to the provisions of Section 293(1)(d) and other enabling provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, hypothecation, charge, or lien or pledge of the Company's assets and properties, whether movable or immovable or stock - in process and debts, advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed Rs. 100.00 crores (Rupees one hundred crores only) at any point of time on account of the principal.

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

"RESOLVED THAT in supersession of all the earlier resolutions passed by the shareholders and pursuant to section 293(1)(a) and applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and or charge all immovable and movable properties of the Company, wherever situate, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing the financial assistance of the Company for the purpose of the business by way of Rupee term loans/ foreign currency loans not exceeding 100.00 crores (Rupees one hundred Crores Only) obtained or to be obtained from any Financial Institutions / Banks / Mutual Funds / Other Institutions / Bodies Corporate / Individuals or any other person together with interests, costs, charges, expenses, premium on redemption and any the mortgage / charge so created on such terms and conditions as may be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank pari passu with the mortgages and / or charges already created or to be created in future by the company or in such other manner and ranking as may be thought expedient by the Board of Directors as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise and execute any and all agreements and documents, necessary for creating mortgages and / or charges as aforesaid and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt relating thereto, or otherwise considered by the Board of Directors to be in the best interests of the Company."

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 the provisions of Section 372A and other applicable provisions, if any of the

None of the other Directors of the Company is in any way concerned or interested in this resolution other than Mr. Akbar Shamji himself and Mr. Alim Shamji and Mr. Ryaz Shamji, being relatives of Mr. Akbar Shamji.

The Board recommends the resolution set out at Item No. 4 for your approval.

ITEM NO.5

Section 293(1) (d) of the Companies Act, 1956, requires consent of the Members in General Meeting for borrowing any sums of monies from time to time for the business of the Company, if the monies to be borrowed together with the monies already borrowed by the Company will exceed the aggregate of the Paid up Share Capital and its free reserves, that is to say, reserves not set apart for any specific purpose.

Your Company has diversified into the field of renewable energy. The company's business plan is to be a solar developer and also get into manufacturing of hybrid systems either individually, subsidiaries, Joint ventures etc. For this purpose the company may require term loan and working capital for day to day working.

The Company would require substantial amount of funds for the operation of the business, it is proposed to borrow the necessary funds. For borrowing funds in excess of the aforesaid limit, Members approval is required under Section 293(1)(d) of the Companies Act, 1956.

Your Directors recommend the adoption of the Resolution at item No. 5. None of the Directors of the company is in any way concerned or interested in the said Resolution.

ITEM NO.6

For the purpose of borrowings, the Company may have to hypothecate and / or mortgage the land / moveable / immoveable property / other fixed and current assets to the lenders on such terms and conditions and in such manner as the Board may in its absolute discretion deem fit to be in the interest of the Company.

Under Section 293(1)(a) of the Companies Act, 1956, consent of the Members is required to authorise the Board of Directors to sell, transfer, lease or otherwise dispose of, as a going concern or otherwise the whole, substantially the whole or any part of the Company's undertaking.

Your Directors recommend the adoption of the Resolution at item No. 6. None of the Directors of the company is in any way concerned or interested in the said Resolution.

ITEM NO.7

The Company plans to invest money in subsidiaries/Joint ventures in order to achieve its business plans in solar energy and hybrid systems manufacturing

Further, the company may like to park surplus funds from time to time either for short term or long term, to maximize returns. Section 372A of the Companies Act, 1956, authorises the Company to make investments, in any Corporate Body(ies), whether under the same management or not, exceeding in aggregate 60 % of paid up capital and free reserves or 100 % of its free reserves, whichever is higher with previous authorisation by the Members through a Special Resolution.

The management is of the opinion such investments will exceed the limits set by Section 372A of the Companies Act, 1956.

The Board of Directors of the Company commends the Special Resolution for the approval of the Members.

None of the Directors are interested in the said Resolution.

By Order of the Board
Mr. Akbar Shamji
Director

Place: Mumbai
Date : 30 July, 2011

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Alim Shamji, Director of the Company retire by rotation and being eligible, offers himself for reappointment.

PARTICULARS OF EMPLOYERS

There is no employee who was in receipt of a remuneration of Rs. 2,00,000/- per month or Rs. 24,00,000/- per annum during the year.

SECTION 217 (1) (e) OF THE COMPANIES ACT

As required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, the relevant information is given below:

A. Conservation of Energy

The Company's operations involve low energy consumptions, wherever possible energy conservation measures have already been implemented. The Company is making all efforts to optimise the use of energy through improved operational methods.

B. Research & Development

The Company has been gearing up its Products Development activities to meet competition and during the year number of application-specific designs were developed. Emphasis is also being laid on value engineering an TQM.

C. Foreign Exchange Earnings/Outgoings

Our foreign exchange earnings during the year were Rs.0/- and outgoings Rs. 0/-

D. Directors' Responsibility Statement :

Your Directors state :

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 and loss of the company for that period.
- (iii) that 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) that the Directors had prepared the annual accounts on a going concern basis.

SUBSIDIARIES

In respect companies subsidiaries, i.e. Moulik Impex Pvt.Ltd., and S. J. Green Park Energy Pvt. Ltd., the audited statements together with particulars required under section 212 of the Companies Act, 1956 are annexed herewith. In case of S.J. Green Park Energy Pvt. Ltd., the company is implementing 5MW Solar Power Project in the State of Gujarat. In case of Moulik Impex Pvt.Ltd.the company is not engaged in any business activity.

AUDITORS

M/s. Vedula, Vijay & Ramanathan, Chartered Accountants, the present Auditors of the company retire at this Annual General Meeting and being eligible offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors would like to thank the Bankers, Consultants and Shareholders for the continues support and patronage to the company.

On behalf of the Board of Directors

Mr. Akbar Shaml
Director

Mumbai, 30th May, 2011 .

- (b) As informed to us, the company has not taken any advances in the nature of Loans from a company in which Directors are interested as listed in register maintained under section 301 of the Companies Act, 1956.
- (c) There is no stipulation for payment of interest. The other terms and Conditions of such loans are in our opinion, prima facie not prejudicial to the interest of the company
- (d) The payment of principal amount is on demand.
- (e) There is no stipulation of principal repayment. Hence there is no overdue amount .
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal procedures commensurate with the size of the company and the nature of its business. During the course of our audit, no major weakness has been observed in the internal controls.
- (v) (a) based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of opinion that all transactions that need to be entered in to the registers in pursuance of section 301 of the Act have been so entered.
- (b) In our opinion and according to the information and explanation given to us there are no transactions which need to be entered in the register maintained under section 301 of the companies act 1956 and exceeding the value of 5 lacs in respect of such parties during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any public deposits with in the meaning of sections 58 and 58AA of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the company has an adequate internal audit system commensurate with size and nature of its business.
- (viii) As informed to us, the maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub - section (1) of section 209 of the Act.
- (ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income - tax, Sales - tax, Custom Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities during the year except Payment of S.A Income Tax dues for A. Y.2011-12 provided but unpaid of Rs.3.64 Cr.
- (b) According to the information and explanations given to us, there are no dues payable on account of disputes with regards to sales tax, income tax, custom tax, wealth tax, excise duty, cess.
- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in such financial year and has cash loss in the financial year immediately preceding such financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not Chit fund or a Nidhi or Mutual benefit fund or society. Therefore the provisions of any special statutes are not applicable to the company.
- (xiv) According to the information and explanations given to us, the company does not deal or trade in shares, securities, debentures and other investments and hence this clause is not applicable.
- (xv) In our opinion, the terms and conditions on which the company has given guarantee for loan taken by others from bank, are prima facie, not prejudicial to the interest of the company.
- (xvii) In our opinion and overall examination of the Balance Sheet of the company, we report that no funds raised on Short term basis have been used for long term investment. Infact the company does not have bank borrowings.
- (xviii) The company has not made any preferential allotment of shares during the Year to parties and companies covered in the Register maintained under Section 301 of the Act .
- (xix) The company has not issued any debentures.
- (xx) The company has not raised any money through a public issue during the year.
- (xxi) Based on the audit procedures applied and information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For VEDULA VIJAY AND RAMANATHAN
Chartered Accountants

Place : Mumbai
Date : 30th May, 2011

S.Vedula
M'Sh.NO.38150
Firm Regd. 106472w

31/3/11

2010-2011
DIRECTORS

CPEC LIMITED

NOTES

These notes are to be read in conjunction with the 68th Annual Report of CPEC Limited for the year ended 31 March 2011.

GENERAL INFORMATION

CPEC Limited is a public company incorporated in the Republic of Ireland. The registered office of the company is at CPEC House, 100, North Wall Quay, Dublin 1, Ireland.

CPEC

FINANCIAL STATEMENTS

The financial statements of the company for the year ended 31 March 2011 are set out on pages 10 to 15. The financial statements have been audited by the auditors, PricewaterhouseCoopers Chartered Accountants, who have issued an unqualified audit opinion.

STATEMENT OF FINANCIAL POSITION

The statement of financial position of the company at 31 March 2011 is set out on page 10. The statement of financial position has been audited by the auditors, PricewaterhouseCoopers Chartered Accountants, who have issued an unqualified audit opinion.

STATEMENT OF INCOME

The statement of income of the company for the year ended 31 March 2011 is set out on page 11. The statement of income has been audited by the auditors, PricewaterhouseCoopers Chartered Accountants, who have issued an unqualified audit opinion.

STATEMENT OF CHANGES IN EQUITY

The statement of changes in equity of the company for the year ended 31 March 2011 is set out on page 12. The statement of changes in equity has been audited by the auditors, PricewaterhouseCoopers Chartered Accountants, who have issued an unqualified audit opinion.

STATEMENT OF CASH FLOWS

The statement of cash flows of the company for the year ended 31 March 2011 is set out on page 13. The statement of cash flows has been audited by the auditors, PricewaterhouseCoopers Chartered Accountants, who have issued an unqualified audit opinion.

Other Terms and Conditions

CPEC LIMITED 68th Annual Report 2010 - 2011

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PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011

	Schedules	Rupees	2010-2011 Rupees	2009-2010 Rupees
INCOME				
Sale of Products and Other Income (Net)	11		80,761	96,89,105
EXPENDITURE				
Material, Manufacturing and Other Operating Expenses	12	-		38,38,946
Personnel Expenses	13	-		-
Sales and Administration Expenses	14	1,11,17,638		27,65,555
Interest	15	7,14,934		98,49,776
Depreciation		21,340		4,75,716
Total			<u>1,18,53,912</u>	<u>1,69,29,993</u>
Add/(Less): Decrease/(Increase) in Work-in-Progress and Finished Goods	16		-	1,10,23,739
PROFIT/LOSS FROM OPERATION			<u>(-1,17,73,151)</u>	<u>(-1,82,64,627)</u>
Extra-ordinary Income in property			22,89,25,264	-
Extra-ordinary Loss in Investments			(- 60,01,340)	-
NET PROFIT BEFORE TAX			<u>21,11,50,773</u>	<u>(-1,82,64,627)</u>
PROVISION FOR TAXATION			-	-
INCOME TAX on extra ordinary Income			3,64,37,830	-
PROFIT AFTER TAX			<u>17,47,12,943</u>	<u>(-1,82,64,627)</u>
ADD/(LESS) INCOME TAX ASSESSED YEARS				
BALANCE BROUGHT FORWARD			<u>(-87,99,327)</u>	<u>94,65,300</u>
PROFIT AVAILABLE FOR APPROPRIATIONS			<u>16,59,13,616</u>	<u>(-87,99,327)</u>
APPROPRIATIONS				
General Reserve			-	-
Profit and Loss Account Carried forward			<u>16,59,13,616</u>	<u>(-87,99,327)</u>
EARNING PER SHARE				
Before Extra-ordinary income			(-7.85)	(-12.18)
After Extra-ordinary income			(140.77)	(-12.18)

Notes of Accounts 17
(including significant accounting policies)
The schedules referred to above form an integral part of the balance sheet.

As per our Report attached
For **VEDULA VIJAY & RAMANATHAN**
Chartered Accountants

Directors **Akbar Shamji**
S. H. Master

S. VEDULA
Partner.
M'Sh.NO.38150
Firm Regd. 106742w

Mumbai - 30th May, 2011

CPEC LIMITED

AUDITORS' REPORT

To,
The Shareholders of
CPECLIMITED,
MUMBAI.

1. We have audited the attached Balance Sheet of CPEC LIMITED, as at 31st March 2011 and also the Profit and Loss account and the Cash-Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether financial statements are free of material statements. An audit includes, examining on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to comments in the Annexure referred to 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 purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as it appears from our examination of the books of accounts.
 - c. The Balance sheet and the Profit & Loss Account dealt with by this Report are in agreement with the Books of Accounts.
 - d. In our opinion, the Balance sheet, the Profit & Loss Account and Cash-Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2010, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read 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 in conformity with the accounting principles generally accepted in India :
 - * In the case of the Balance Sheet of the state of affair of the company as at 31st March, 2011
 - * In the case of Profit & Loss account of the loss for the year ended on that date, and
 - * In the case of cash flow statement of the cash flow for the year ended on that date.

FOR VEDULA VIJAY AND RAMANATHAN
Chartered Accountants

(S.VEDULA)

Partner

M'Sh.NO.38150

Firm Regd. 106742w

Place : Mumbai
Date : 30th May, 2011

ANNEXURE REFERRED TO IN PARAGRAPHS 3 OF OUR REPORT OF EVEN DATE

- (i) The company had only one fixed asset being Leaschold Property at Laloaug, Mumbai which has been sold during the year and hence this clause is not applicable.
- (ii) There is no opening and closing inventory hence this clause is not applicable.
- (iii) (a) As informed to us, the company has granted advances in the nature of Loans to Subsidiaries companies and Associates in which Directors are interested as listed in register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding is Rs.829.02 lakhs and closing outstanding balance is Rs.807.70 lakhs.