

ANNUAL REPORT

2001-2002



**COASTAL ROADWAYS
LIMITED**

BOARD OF DIRECTORS

Shri Madan Gopal Todi — Chairman
 Dr. V. C. Shah
 Shri Dipak Dey
 Shri Krishna Kumar Todi
 Shri Lallan Kumar Todi
 Shri Sushil Kumar Todi
 Shri Ashok Kumar Todi
 Shri Kanhaiya Kumar Todi — Managing Director

EXECUTIVES

Shri Dushyant Todi—Sr. Vice President
 Shri Raja Saraogi—Asst. Company Secretary

AUDITORS

Agarwal Maheswari & Co.
 Chartered Accountants
 2B, Grant Lane
 Kolkata – 700 012

SOLICITORS & ADVOCATES

Dey & Associates
 Temple Chambers
 6, Old Post Office
 Kolkata – 700 001

SHARE TRANSFER AGENTS

S. K. Computers
 34/1A, Sudhir Chatterjee Street
 Kolkata – 700 006
 Tel : 219-4815

REGISTERED OFFICE

4, Black Burn Lane
 Kolkata – 700 012

CORPORATE OFFICE

1/1, Camac Street
 Kolkata – 700 016

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NOTICE

Notice is hereby given that the thirty-fourth Annual general meeting of **COASTAL ROADWAYS LTD.** will be held at :

Venue	Calcutta Chamber of Commerce Stephen Court 18H, Park Street Kolkata-700 071
Day	Friday
Date	August 23, 2002
Time	11:00 A.M.

To transact the following business :

Ordinary Business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2002 together with the Balance Sheet as at that date, the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Dipak Dey who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors for the current year and to authorise the Board of Directors to fix their remuneration.

Regd. Office :
4, Black Burn Lane
Kolkata - 700 012

By Order of the Board of Directors

(Raja Saraogi)

The 27th day of June, 2002.

Asst. Company Secretary

NOTES :

- a) A member entitle to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
- b) The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company will remain closed from Monday, 19th August 2002 to Friday, 23rd August 2002 (both days inclusive).
- c) Information Under Section 205A read with the Companies unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978 as amended is given below :
 - i. Pursuant to section 205A of the Companies Act, 1956 all Unclaimed/Unpaid Dividends upto the Financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not yet encashed their Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, West Bengal, 234/ 4 A. J. C. Bose Road, Kolkata-700 020 by submitting an application in the prescribed Form.
 - ii. Consequent upon amendment in Section 205A of the Companies Act, 1956 and introduction of Section 205C by the Companies (Amendment) Act, 1999 the amount of Dividend for the subsequent years remaining unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims by the Fund.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report together with the Audited statement of Accounts for the year ended 31st March, 2002.

OPERATING RESULTS

	2001-2002 (Rs./Lacs)	2000-2001 (Rs./Lacs)
Working during the year shows a surplus of	149.25	133.67
From which is deducted		
Finance Charges	29.12	16.57
Depreciation	80.81	59.06
Provision for Taxation	11.52	8.00
	<u>121.45</u>	<u>83.63</u>
Leaving a Net Profit of	27.80	50.04
To which is added Balance brought forward from previous year	1.31	2.82
Which is appropriated as under :		
Transfer to General Reserve	28.00	15.00
Proposed Dividend	--	33.17
Tax on proposed Dividend	--	3.38
Balance carried forward to next year	1.11	1.31

PERFORMANCE :

The outlook of the Indian economy in terms of major macro-economic indices for the year 2001-02 continued to be seemingly going slow. Negligible expansion in various public sector projects followed by frequent oil price increase disbalanced the measures adopted in several sectors of the economy and caused noticeable slowdown in certain Industries and in this process the Transport & Logistic services were also substantially affected. To overcome this crisis, and as reported last year, the Company however successfully entered the arena of Logistics and Supply Chain Solutions. The Company made extensive survey and introduced the concept of 3PL services to its customers, in view of current economic slow down the focus being shifted to logistics solutions. The survey revealed that manufacturers of Garments, FMCG and Consumer goods are already outsourcing the benefits of Supply Chain Management. It is fairly expected that the Company will get substantial compliment in this new service concept which also is very much in practice in Western Countries.

In order to have lesser dependence on hired vehicles and to have the advantage of maximum cargo space utilisation, the Company has made huge investments during the year by acquiring container body heavy vehicles. These containers will not only provide dedicated and personalised services to the customers but will also be very much cost effective to them by providing return cargo and in the coming time ahead the Turnover of the Company is expected to rise to a fairly good level. In order to study and experience the working operations of heavy duty and built-in compartment cargo containers specially for perishable products, e.g., milk, butter, hatchery products, life saving drugs and sophisticated high precision medical equipments etc., the directors made extensive survey by visiting Western Countries. The negotiation are in advance stage for introducing refrigerated containers and low bed articulated PVC body containers for movement of fruits, vegetables and flowers which will also give new fillip to exports and agro based Industry, thereby giving an adequate boost to the Company's Turnover. The total Freight earnings of the Company was recorded for Rs. 2831 lacs as against Rs. 3286 lacs in the previous year.

DIVIDEND :

In view of steep decline in Gross Revenue earnings, the Directors have not recommended any dividend for the year ended March 31, 2002.

FINANCE AND ACCOUNTS :

The profit after tax has resulted in an internal cash generation of Rs. 109 lacs as against Rs. 107 lacs in the previous year. The shareholders fund recorded for Rs. 1048 lacs.

DEPOSIT :

No Public Deposits were invited or accepted during the year under report.

AUDITORS :

M/s. Agarwal Maheswari & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

AUDITORS' REPORT :

The report of the Auditors' is self-explanatory and does not call for any further comments from the Directors.

INFORMATION REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULE 1988**A. Conservation of Energy :**

The Company's operation involve no energy consumption

B. Form of Disclosure of particulars with respect to absorption of Technology and Development of R & D :

- i) Research and Development – The Company do not have any R & D Division and Company's Operations do not require this type of establishment.
- ii) Technology absorption, adoption and innovation – The Company has not imported any technology due to its nature of operation.

DIRECTORS :

Sri Anand Kumar Agarwal and Dr. T. S. Sethurathnam, Directors of the Company retired from the Board. The Board wishes to place on record its appreciation for the valuable contribution made by them during their tenure in the Company. Sri Dipak Dey retire by rotation and being eligible offer himself for re-appointment.

PERSONNEL :

The true index to a Company's success is not only its turnover and quantum of profits but its ultimate resource. The Directors sincerely thank the employees at all levels for their dedicated services and co-operation which enabled the Company to perform satisfactorily. There are no employees drawing remuneration of Rs. 1,00,000/- a month or Rs. 12,00,000/- a year and therefore, no particulars in terms of Section 217(2A) of the Companies Act, 1956 are attached to this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Statement under sub-section (2AA) of Section 217 of the Companies Act, 1956 :

In the preparation of the Annual Accounts :

- i) the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given.
- ii) the Directors have 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 or loss of the Company for that period.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the Accounts have been prepared on a going concern basis.

DEPOSITORY SYSTEM :

The company has signed an agreement with National Securities Depository Limited and also made necessary application to the Central Depository Services (India) Limited for joining the depository system. With this, the members have the option to hold their shares in a dematerialised form. The number allotted to the Companies Equity Shares is ISIN INE229E01019.

ACKNOWLEDGEMENT :

The Board acknowledges the support given by employees, shareholders and bankers and looks forward for their continued support.

On behalf of the Board of Directors

Place : Kolkata

Date : the 27th June, 2002

(M. G. Todi)
(Chairman)

AUDITORS' REPORT

To

The Members Coastal Roadways Limited.

1. We have audited the attached Balance Sheet of **M/s. Coastal Roadways Ltd.**, as at 31st March, 2002 and the relative Profit and Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a 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. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Schedules 1 to 14 give the information required by the Companies Act, 1956, in the manner so required and subject to Note No. 14B(2) regarding non-provision of gratuity liabilities for Rs. 10, 20, 736/-, Note No. 14B(3) for non-provision of doubtful debts for Rs. 36,38,847/-, give a true and fair view :
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 ; and
 - (b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
4. 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. 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. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
5. In our opinion, these accounts have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act.
6. Based on the representations made by all the Directors of the Company as on 31st March, 2002, and taken on record by the Board of Directors of the Company and in accordance with the information and explanations as made available, the Directors of the Company do not, prima facie, have any disqualification as referred to in clause (g) of subsection (1) of section 274 of the Act.
7. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988 dated 7th September, 1988 issued by the Central government of India in terms of Section 227(4A) of the Act and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a Statement on the matters specified in paragraphs 4 and 5 of the said order.

For **AGARWAL MAHESWARI & CO.**
Chartered Accounts.

(D. R. Agarwal)
Partner

Dated : The 27th day of June, 2002.

Annexure

Referred to in paragraph 1 of our report of even date.

1. The Company has maintained records showing full particulars including quantitative details and situation of its fixed assets. The fixed assets of the Company have been physically verified at reasonable intervals and proper accounting effects have been given to the discrepancies noticed between the book records and the physical inventory.
2. None of the fixed assets have been revalued during the year.
3. The stocks of stores and operating supplies have been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
4. In our opinion, the procedures of physical verification of stores and other materials 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 the books stocks have been properly dealt with in the books of accounts.
6. There is no closing stock of inventories and therefore question of valuation does not arise.
7. The company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or from the companies under the same management as defined under sub-section (1B) of Section 370 of the Companies Act, 1956.
8. The Company has granted unsecured loans and advances in the nature of loans to companies, listed in the register maintained under Section 301 of the Companies Act, 1956. The rate of interest, wherever applicable, and other terms and conditions of such loans were not prima-facie prejudicial to the interest of the Company. We have been informed that there is no Company under the same management as defined under Section 370 (1-B) of the Companies Act, 1956.
9. Subject to Note 14B(6), for doubtful loan, the other parties including employees to whom loans or advances in the nature of loans have been given by the company are generally repaying the principal amount as stipulated and are also regular in payment of interest, wherever applicable.
10. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for purchase of stores items for jobs work, plant and machinery, equipment, vehicles and other similar assets.
11. In our opinion, services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000/- or more in value in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such services or the prices at which the services have been made with other parties.
12. No unserviceable or damaged stores were found at the time of their physical verification.
13. The Company has not accepted any deposit from the public under section 58A of the Companies Act, 1956 and Rules framed thereunder.