

For COASTAL ROADWAYS LIMITED

K K T Ch

Director



COASTAL ROADWAYS LIMITED

# annual report



2010-2011



**Shri Madan Gopal Todi - Founder Chairman & Mentor**

## **BOARD OF DIRECTORS**

**Shri Kanhaiya Kumar Todi - Chairman & Managing Director**

**Dr. V.C Shah**

**Shri Dipak Dey**

**Shri Ravi Agarwalla**

**Shri Beni Gopal Daga**

**Shri Om Prakash Kanoria**

**Shri Sushil Kumar Todi**

**Shri Ashok Kumar Todi**

**Shri Udit Todi**

## **EXECUTIVE**

**Shri Raja Saraogi - President**

## **AUDITORS**

**Agarwal Maheswari & Co.**

**Chartered Accountants**

**2B, Grant Lane**

**Kolkata-700 012**

## **SHARE TRANSFER AGENTS & REGISTRARS**

**S. K. Computers**

**34/1A Sudhir Chatterjee Street**

**Kolkata-700 006**

**Tel No. : 2219-6797**

## **REGISTERED OFFICE**

**4 Black Burn Lane**

**Kolkata-700 012**

## **CORPORATE OFFICE**

**1/1 Camac Street**

**Kolkata-700 016**

**Tel. No. : 2217-2222 (3 lines)**

**E-mail : coastalgroup@vsnl.net**

## CONTENTS

	PAGES
Notice	3
Report of the Board of Directors	6
Secretarial Compliance Certificate	20
Auditors' Report	24
Balance Sheet	29
Profit & Loss Account	30
Cash Flow Statement	31
Schedule to the Accounts	32
Balance Sheet Abstract & Company's General Business Profile	40

REGISTERED OFFICE  
4 Block B, 1st Floor  
Kolkata-700 012

CORPORATE OFFICE  
1st Camac Street  
Kolkata-700 016  
Tel. No. : 2217-2222 (3 lines)  
E-mail : coastalgroup@vsnl.net



**Notes :**

- a) A member entitled 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 time of the meeting.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 4<sup>th</sup> August, 2011 to Wednesday, 10<sup>th</sup> August, 2011 (both days inclusive).
- c) Brief resume of Directors proposed to be re-appointed at the 43rd Annual General Meeting:
  1. Sri Ravi Agarwalla, B.Com. aged about 59 years has pioneered the growth of an engineering conglomerate Company having business of Excavation, Evacuation, Mining and Transportation etc. on Indian soils as well as on foreign lands. He has very deep insight of transportation and excavation business, which will help the Company to reach new altitudes. The Board recommends the re-appointment of Sri Ravi Agarwalla as a Director of the Company.
  2. Sri Om Prakash Kanoria, B.Com, (LLB), MBA an industrialist, aged about 56 years has vast experience of 35 years of managing various, industries like Flour Mills, edible oil refineries, Tea Gardens and Paper Industry. He is on the Board of several Companies and is also a committee member of Tea Association of India, the Apex body representing Tea Industry in India. The Board recommends the re-appointment of Sri Om Prakash Kanoria as a Director of the Company.
- d) Members desiring any information about accounts or otherwise, are requested to write to the Company, at least 10 days in advance of the Annual General Meeting, to facilitate compilation thereof.
- e) Those Members who have so far not encashed their dividend warrants for the financial years ended 31.03.2008, 31.03.2009 & 31.03.2010 may claim or approach the Company for the payment thereof as the same will be transferred to the 'Investor Education and Protection Fund' of the Central Government, pursuant to Section 205C of the Companies Act, 1956 on 11.09.2015, 01.09.2016 & 09.09.2017 respectively. Please note that as per Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the aforesaid Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date dividend became due for payment and no payment shall be made in respect of such claims.



- f) **Notify** immediately, change of address, if they are holding shares in physical form and to update such details with their respective Depository Participants (DPs), if they are holding shares in electronic form.
- g) Bring the copy of the Annual Report along with them and to produce the Attendance Slip at the entrance of the Meeting Hall.
- h) Members / Beneficial owners are requested to quote their Folio No./DP and Client ID Nos., as the case may be, in all correspondence with the Company.

Regd. Office:

4, Black Burn Lane  
Kolkata - 700 012

By Order of the Board of Directors  
**(Raja Saraogi)**  
**President**  
For **Coastal Roadways Limited**

The 27<sup>th</sup> day of May, 2011

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 43rd Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011

**OPERATING RESULTS**

	<b>2010- 2011</b> <b>(Rs. In Lacs)</b>	<b>2009-2010</b> <b>(Rs. In Lacs)</b>
Freight Earnings	<b>8854.32</b>	7837.20
Net Earnings from operations	<b>112.16</b>	85.69
Provision for Taxation	<b>35.22</b>	16.96
Net Surplus	<b>86.94</b>	68.73
Gains from extraordinary items (net of taxes)	<b>202.12</b>	-
Balance brought forward from previous year	<b>13.06</b>	13.18
	<b>302.12</b>	81.91
Appropriations :		
Transfer to General Reserve	<b>245.00</b>	35.00
Proposed Dividend & Tax thereon	<b>43.37</b>	33.85
Balance carried forward to next year	<b>13.75</b>	13.06
	<b>302.12</b>	81.91

**PERFORMANCE :**

With the Indian economy posting a strong GDP growth of 8.2%, it's just a matter of time when our nation emerges as one of the leading economies of the world.

Taking full advantage of this surge across sectors, and with constant effort of your directors' and their team, your company has posted an impressive growth of 13% in business volumes and thereby recording its Freight Earnings at Rs. 8854 lacs as against Rs. 7837 lacs. Further in order to maximise full advantage in this growing market, your company remains committed in expanding its fleet strength and has increased it by another 14% compared to the year before. Such initiatives clubbed in with efficient cost management and careful reverse logistic planning has led to a phenomenal growth in the PBT by 42% which recorded at Rs. 122 lacs as against Rs. 86 lacs.

Human lives and their safety still tops amongst the priority list of your company and the due diligence carried out through the year has paid rich dividends in terms of incidents going down to



ignorable levels. This once again has been recognized and appreciated by various reputed companies in very many sectors. Proceeding towards the upcoming financial year 2011-12 increasing fuel and auto components prices still remain a concern and may affect the margins in an adverse way. Further to this the unorganized players who still continue to dominate the market only add to the menace which makes providing quality and innovative services like end to end solutions a challenge. Going ahead your company focuses to establish its presence in the 3PL market and take advantage of this booming concept.

#### **DIVIDEND :**

The Directors recommend, for consideration of the shareholders at ensuing annual general meeting, payment of Dividend @ 9% for the year ended 31<sup>st</sup> March 2011. The amount of dividend and the tax thereon aggregates to Rs.43 lacs.

#### **FINANCE AND ACCOUNTS :**

The company's performance during the year reflects the constant focus of the management which led to savings in both direct and indirect operational costs. The average working capital requirements was higher compared to the previous year due to tighter liquidity conditions prevalent. The company could cope up with the adverse situation by effectively managing disbursement norms of its trade payables. Borrowings from institutional lenders for fleet acquisition was serviced in committed manner. The shareholders funds recorded for Rs.1413 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 wrt absorption of Technology and Development of R & D :
- Research and Development - The Company do not have any R & D Division and Company's Operations do not require this type of establishment.
  - Technology absorption, adoption and innovation - The Company has not imported any technology due to its nature of operation.

#### **DIRECTORS :**

Shri Ravi Agarwalla and Shri Om Prakash Kanoria retire from the board by rotation at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Information on the Directors eligible for reappointment as required under clause 49 of the Listing Agreement with Stock Exchanges is disclosed in the profiles of Directors under item Nos. 3 and 4 forming part of Notice dated 27th May 2011.

#### **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.2,00,000/- a month or Rs. 24,00,000/- 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 :

- the applicable accounting standards have been followed and wherever required, proper explanations relating to material departures have been given.
- 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.

### CORPORATE GOVERNANCE :

Corporate Governance Report and Management Analysis and Discussion Report pursuant to Clause 49 of the Listing Agreement with Stock Exchanges are provided in separate annexures to this report.

### ACKNOWLEDGMENTS :

The Board wish to place on record their appreciation towards the contributions made by all employees of the company and their gratitude to the Company's valued customers, bankers, vendors, and shareholders for their continued support and confidence in the company.

On behalf of the Board of Directors

*K K Todi*

Place : Kolkata

Date : the 27<sup>th</sup> day of May, 2011

( K K Todi )

Chairman & Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC PERSPECTIVE

The industrial economy is expected to look down, with growth paring from 10 percent in 2009-10 to 9.2 percent in 2010-11, the growth in agriculture & allied services and services is forecast to trun in a better performance. The GDP growth for the year under review is estimated at 8.2%. There are areas that caused concern. Inflationary pressures, particularly of food prices hampered growth prospects. Operating conditions were highly competitive and margins were under tremendous pressure. A combination of reviving economic growth and forecast about normal monsoons is to certainly translate into significant growth in the Road Transport Industry.

### ROAD FREIGHT TRANSPORT SECTOR

The Indian Road freight transport sector continues to remain unorganised and fragmented. The poor road infrastructure conditions, multiple check post for octroi and sales tax and unnecessary barrier in various states, delays, bureaucratic hurdles and other numerous problems make the freight industry unproductive and outmoded. The implementation of Service Tax on goods transport agencies have further compounded the problems.

The freight rates in the country were severely affected by the political disturbances in various states, and above average production of certain agricultural products. Intense competition from unorganised players, the growing trend of reverse auctions and high operating costs had an adverse impact on the working of the road transport segments.

The road freight sector is poised for major changes in the coming years due to construction of a National Highway network, the road density and quality are on the rise. The two major sections — the Golden Quadrilateral and the North-South-East-West corridors are expected to serve as new life line for road transport industry. However during the past financial years there has been a nation-wide slowdown in road development work and it is expected to continue till 2012. As such the benefits of running heavy payload vehicles and better road qualities that could help in reducing per tonne-km transportation cost are still far.

### BUSINESS STRATEGY & OPPORTUNITIES

The process of economic reforms has brought the global markets closer to the Indian economy. The customers now have access to better quality products & services at competitive rates. Globalisation and competition have given emphasis to better supply chain management, which in turn has created a market for third party logistics (3PL) service providers. A growing number of customers are outsourcing their Logistic to 3PL providers in order to concentrate on their core competencies. Your company offers integrated logistics solutions using multi-modal transportation including state of the art warehousing facilities, customised customer services and other value added services. Your Company's advanced internet based consignment tracking and enterprise wide on-line computerised systems gives it a superior edge over its rivals.