



ENGINEERING



Annual Report

Report Junction

53rd annual report
Pate Engineering Ltd



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Annual Report 2002
Patel ENGINEERING Ltd





PATEL ENGINEERING

PATEL ENGINEERING Ltd.

Regd. Office: Patel Estate Road, Jogeshwari (West), MUMBAI 400 102

NOTICE

NOTICE is hereby given that the Fifty third Annual General Meeting of the Members of Patel Engineering Ltd. will be held on Friday the 27th September 2002 at 4.00p.m. at the Registered Office of the Company to transact the following business.

A. ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2002 and the Profit and Loss Account for the year ended on that date and the Reports of the Auditors and that of the Directors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Sri Dinesh V Patel, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri Shamit Majmudar who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

B. SPECIAL BUSINESS:

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

"RESOLVED THAT Sri Srichand M Shroff, whose terms of office as a Director expires by virtue of provisions under Section 260 of the Companies Act and in respect of whom a notice in writing from a member has been received together with a deposit of Rs.500/- proposing him as a candidate for the post of a Director be and he is hereby appointed as a Director"

7. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions contained in Sub Section 1(e) to Section 293 of the Companies Act or relevant stipulations in any other law for the time being in force regulating the affairs of Donations etc. and subject to Sub article 15 to Article 140 of the Articles of Association of the Company, consent of the Company be and it is hereby accorded to the Board of Directors to contribute to Charitable Trusts and other institutions primarily functioning for the welfare of the employees, common public and for enlistment of mankind an amount not exceeding 1% (One percent) of the net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act in a financial year whether the Directors of the Company involved in its affairs or not."

"ALSO RESOLVED THAT the action of the Board of Directors in granting an amount of Rs.6.00 lacs only (Rupees Six lacs) in anticipation of the approval of the members in their ensuing meeting, to World Renewal Spiritual Trust, a public charitable trust established for promoting and propagating ancient Indian culture, yoga and philosophy with special emphasis on its revival and practice in day to day life to uplift lives of all human beings be and hereby approved and ratified."

8. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT in partial modification to the special resolution passed in the 50th Annual General Meeting of the members held on 30th September 1999 and pursuant to Section 309(3) read with Section 198(4) of the Act including any ordinance, enactment there to if any, the remuneration payable to Sri RUPEN PATEL, Managing Director be revised."

"FURTHER RESOLVED THAT the revised scale of pay will be effective on and from 1st April, 2002 to 31st August, 2004 i.e. during the balance period of his contractual appointment and that the tax on non-monetary perquisites be borne by the Company subject to the provisions contained in the Income Tax Act and Rules either in force for the time being or that may be modified/amended/enacted as the case may be."

"ALSO RESOLVED THAT all other conditions of employment and remuneration will remain unaltered."

9. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 314 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions including Ordinance, enactment if any, to the Act, approval is hereby granted for the reappointment of Sri NIMISH PATEL as a Whole Time Director of the company for a period of three years with effect from 1st September, 2002 on such remuneration and perquisite as set out in the draft agreement as placed before this meeting and initialed by the Chairman of the Board, for the sake of identification, with authority to the Board or to any Committee thereof be and is hereby authorised in its absolute discretion and from time to time to fix within the band of Rs. 65,000 to Rs.2,00,000 p.m. and to determine the annual increment for each period or for financial year as may be recommended by the Compensation/Remuneration Committee be and the same are hereby approved."

"FURTHER RESOLVED THAT during the period of his contractual appointment tax on non-monetary perquisites that may be payable by the appointee be borne by the Company subject to the provisions contained in the Income Tax Act and Rules either in force for the time being or that may be modified/amended/enacted as the case may be."

"RESOLVED FURTHER THAT the Board of Directors of the company be and it is hereby authorised to do and perform all such acts, deeds, matters and things and take steps as may be necessary, expedient or desirable to give effect to this resolution."

10. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and 314 read with Schedule XIII to the Companies Act, 1956 and other applicable provisions including Ordinance, enactment if any, to the Act, approval is hereby granted for the reappointment of Ms. SILLOO PATEL as a Whole Time Director of the company for a period of three years with effect from 1st September, 2002 on such remuneration and perquisite as set out in the draft agreement placed before this meeting and initialed by the Chairman of the Board, for the sake of identification, with authority to the Board or to any Committee thereof be and is hereby authorised in its absolute discretion and from time to time to fix within the band of Rs. 65,000 to Rs.2,00,000 p.m. and to determine the annual increment for each period or for financial year as may be recommended by the Compensation/Remuneration Committee be and the same are hereby approved."

"FURTHER RESOLVED THAT during the period of her contractual appointment tax on non-monetary perquisites that may be payable by the appointee be borne by the Company subject to the provisions contained in the Income Tax Act and Rules either in force for the time being or that may be modified/amended/enacted as the case may be."

"RESOLVED FURTHER THAT the Board of Directors of the company be and it is hereby authorised to do and perform all such acts, deeds, matters and things and take steps as may be necessary, expedient or desirable to give effect to this resolution."

11. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT consent of the Company be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members/Debenture holders together with the Index of Members, Index of Debenture holders and copies of all returns prepared under Section 159 & 160 of the Companies Act 1956, as also copies of certificates and documents required to be annexed thereto under Section 160 and 161 of the said Act, at "M/s ADROIT CORPORATE SERVICES PRIVATE LIMITED, 19, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol, MUMBAI 400 059".

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

"RESOLVED THAT the consent of the Company be and it is hereby accorded in terms of Sec.293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 including any enactment, notification, modification issued and being present for the time being, to the Board of Directors to create charge, pledge, mortgage, alienate the company's properties for an amount of Rs .30.00 crores (Rupees thirty crores only) with an authority to decrease or increase the same as the circumstances warranted, in favour of Bank of India, Andheri, Corporate Banking Branch at Andheri (West), Mumbai for the working capital arrangements viz. issuing of guarantees including guarantees for overseas financial arrangements, letters of credit, foreign currency loan etc. for an amount of roughly Rs.250-00 crores and that the action of the Directors in creating exclusive charge on the company's immoveable properties located at Jogeshwari (W) Mumbai and residential flats at Bandra, Santacruz and at Bangalore besides hypothecating selected equipments and machineries."

"RESOLVED FURTHER THAT the Board of Directors of the company be and they are hereby authorised and empowered to decide the financial terms, documentations thereof and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution."

13. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions u/s 295 of the Companies Act, read with any other applicable provisions, enactment, modifications including ordinance thereof either in force as of date or maybe brought into force in course of time and subject to the approval of Govt. of India, Reserve Bank of India wherever necessary, consent of the Company be and it is hereby granted to the Board of Directors to take on hire and to pay thereof charges, if any, either monthly or annually as the case may be agreed either in part or of a whole building either from a director of the Company or from a relative of a director or from an organisation in which the director is an interested party as the case may be, for an amount not exceeding US\$ 3, 000/- per month with the power to pay deposit and to incur expenses, if needed, in the name of the Company or in the name of its subsidiaries initially for a period of three years."

"RESOLVED FURTHER THAT the action of the Board in anticipation of the approval of the members in hiring the accommodation and incurring the expenses be and they are hereby approved and ratified."

By order of the Board

Place: Mumbai
Date : 09-08-2002

Rupen Patel
Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxies in order to be effective must be deposited 48 hours prior to the date of meeting at the Registered office of the Company.
3. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 wherever necessary is attached to the notice.,
4. Members are requested to bring their Annual Reports along with them to the General Meeting since no extra copies will be supplied.
5. The Register of Members and Share Transfer Books will remain closed from 23rd September to 27th September, 2002 (both the days inclusive)
6. The dividend if approved at the Annual General Meeting will be paid to those shareholders whose name appear in the Register of Members as on 27th September, 2002. In respect of shares held in electronic form, the dividend will be payable to the beneficial owners of shares as at the close of business on 27th September, 2002 as per details furnished by the Depositories viz. NSDL & CDSL, for this purpose.
7. Members are advised to furnish their bank account details which will be printed on their dividend warrants as per mandatory guidelines of SEBI.
8. As per provisions of the Income Tax Act 1961, as amended by the Finance Act 2002, tax @ 10.5% is required to be deducted at source if the gross amount of dividend payable to a resident individual shareholder exceeds Rs.2,500/-. Whereas such shareholders, whose estimated income from dividend and sources as provided in Section 197 (A) (1B) of the Income Tax Act during such financial year is not likely to exceed Rs.50,000/- can claim so by submitting a declaration in Form 15G (in duplicate) so as to reach us on or before 27th September, 2002. Receipt of Form 15G beyond 27th September, 2002 will not be considered for exemption at any cost.
9. Members are requested to note the Change in the Registrars Viz: M/s Adroit Corporate Services Pvt. Ltd., 19 Jaferbhoy Ind. Estate Makwana Road, Marol, Andheri, Mumbai 400 059.
10. The Dividend for the year ended on 31st March 1995 is due to be remitted to Govt account in November, 2002. Members are therefore requested to claim giving reference to their folios on or before 15th October 2002 and there after their claim will not be entertained.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173 [2]
OF THE COMPANIES ACT 1956.

Item No. 6 : Sri Srichand M. Shroff is a Chartered Accountant. He was appointed by the Board as a Director with effect from 31st July, 2002 as per Article 106 of the Articles of Association of the Company. He has specialized in Finance, Auditing and Taxation for nearly four decades. He is a Director in Advani Oertikon Ltd. He also holds the Chairmanship of Audit Committee and a Member of Remuneration Committee of that company. Holds Directorship in a few private limited companies. The management thought his vast experience in the field of finance and taxation will be of immense help to your company.

None of the Directors except Sri Srichand M Shroff, neither concerned nor interested personally.

Item No. 7 : Company's contribution to Charitable and other funds fall well within limit prescribed under Sub section 1(e) to Section 293 of the Act. During the year under report the Company has donated an amount of Rs.6.00 (Rupees Six lacs only) to World Renewal Spiritual Trust, Mumbai, who imparts Yoga, spiritual and ancient Indian culture. Thus they cause to improve the lives of human beings. Though this donation is well within the limit prescribed in the Act, to be in abundant caution, the management seeks approval of the members as a few shareowners of the company either directly or indirectly associated with the Trust.

None of the Directors neither concerned nor interested in the resolution.

Item No. 8: Sri Rupen Patel was appointed as an Executive Director in 1996 and was elevated to the post of Managing Director in September 1999. At the time of his elevation an amount of Rs. 35,000/- per month was his remuneration besides perquisites. His remuneration was revised in the scale of Rs. 50,000 - 5,000 - 70,000/- p.m. per members' approval in their meeting held on 17-08-2001. Considering the quantum of responsibility that he has to shoulder on account of increase in volume of business and profitability, the management feels it prudent to revise and pay such revised remuneration in the band of Rs. 75,000/- to 2,00,000/- per month effective April 2002, which has been duly reviewed by the Remuneration Committee, in anticipation of and subject to the approval of the shareholders in their ensuing Annual General Meeting.

Further as reviewed by the Remuneration Committee, the appointee is eligible for a bonus @ 20% besides, incentive @ 30% and commission @ 100% per annum on the salary drawn subject to the provisions contained in Section 198 read with Section 309 [3] of the Companies Act 1956. The company shall bear the applicable taxes on the non-monetary perquisites subject to the provisions in the Income Tax Act in force. Rest of the conditions in the agreement remain unaltered.

Sri Rupen Patel is interested in this resolution since this pertains to him. Also Sri Pravin Patel, Ms. Sonal Patel and Sri Nimish Patel are deemed to be the Directors interested in this resolution as they are his relatives.

Item No. 9: Sri Nimish Patel was appointed as a Whole Time Director in September 1999 with a remuneration of Rs.25,000/- per month with usual perquisites. His remuneration was revised with the approval of the members in their Annual General Meeting held on 17th August 2001 in the scale of Rs. 35,000 - 4,000 - 47,000/- p.m. Taking in to consideration his involvement, responsibility and contribution, the management is pleased to revise his remuneration and to pay @ Rs.65,000/- p.m. effective April 2002 in the band of Rs.65,000 to Rs.2,00,000 with an authority to the Board or to any Committee thereof with absolute discretion to grant increment either annual or for a period as they deem fit and proper, duly reviewed by the Remuneration Committee and as approved by the Board in its meeting held on 31st July, 2002 on the following terms and conditions.

Period	:: 3 years from September, 2002
Remuneration	:: Rs.65,000 to a maximum of Rs.2,00,000 p.m. which is inclusive of allowances otherwise stated else where but effective April 2002.
Incentive/ Commission	:: Computed under Section 309[5] of the Companies Act 1956 subject to a ceiling of 30% as incentive and 100% as Commission on the salary drawn for the year.
Bonus	:: Maximum @ 20% of the salary drawn subject to provisions in the payment of Bonus Act.
Incentives	:: Maximum @ 30% on the drawn salary .

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PATEL ENGINEERING PVT. LTD.

Also eligible for such benefits like Provident Fund, Gratuity, Superannuation or Annuity Fund, Medical, Insurance and Leave Travel Concession as per rules applicable to all the employees of the Company.

The company shall provide a Chauffeur driven car and telephone at residence.

Furnished Accommodation or 33% of the salary as the case may be. Tax applicable, on perquisite will be borne by the Company as per provisions in the Income Tax Act in force.

28 days privilege leave for every completed 11 months service with a right to encash the unutilized leave.

Sri Nimish Patel is deemed to be the Director interested in this resolution since it pertains to him.

Sri Rohit Patel, Sri Rupen Patel and Ms. Sonal Patel, are also deemed to be the Directors interested in this resolution as they are his relatives.

Item No. 10:

Ms. Silloo Patel was appointed as a Whole Time Director in September 1999 with a remuneration of Rs. 15,000/- per month with usual perquisites. Her remuneration was revised with the approval of the members in their Annual General Meeting held on 17th August 2001 in the scale of Rs. 35,000 - 4,000 - 47,000/- p.m. Taking in to consideration her involvement, responsibility and contribution, the management is pleased to revise her remuneration and to pay @ Rs. 65,000/- p.m. effective April 2002 in the band of Rs.65,000 to Rs.2,00,000 with an authority to the Board or to any Committee thereof with absolute discretion to grant the increment either annual or for a period as they deem fit and proper, duly reviewed by the Remuneration Committee and as approved by the Board in its meeting held on 31st July, 2002 on the following terms and conditions.

Period	:: 3 years from September, 2002
Remuneration	:: Rs.65,000 to a maximum of Rs.2,00,00 p.m. which is inclusive of allowances otherwise stated else where but effective April 2002.
Incentive/ Commission	:: Computed under Section 309(5) of the Companies Act 1956 subject to a ceiling of 30% as incentive and 100% as Commission on the salary drawn for the year.
Bonus	:: Maximum @ 20% of the salary drawn subject to provisions in the payment of Bonus Act.

Also eligible for such benefits like Provident Fund, Gratuity, Superannuation or Annuity Fund, Medical, Insurance and Leave Travel Concession as per rules applicable to all the employees of the Company.

The company shall provide a Chauffeur driven car and telephone at residence.

Furnished Accommodation owned by the company. Applicable tax on non-monetary perquisite will be borne by the Company as per provisions in the Income Tax Act in force.

28 days privilege leave for every completed 11 months service with a right to encash the unutilized leave.

None of the directors are either concerned or interested except that of Ms. Silloo Patel since this resolution pertains to her appointment.

Item No.11:

Section 163 of the Companies Act 1956 requires the members approval by a Special Resolution to keep the Index of Members, the register and index of Debenture holders and copies of all annual returns etc. at other place within the City than at the Registered Office. Members are aware that consequent to the appointment of Registrars and Transfer Agent, the records, registers and documents were kept in the custody of Registrars. Since M/s. Adroit Corporate Services Pvt. Ltd. has been appointed as Registrar in place of M/s. Sharepro Services, there arose a necessity to keep the records at place other than at the registered office and hence this resolution.

None of the Directors neither concerned nor interested except that of business necessities.