

35TH ANNUAL REPORT 1996-97





SYED K. HUSAIN
Whole-time Director &
Chief Executive



R. A. PODDAR
Director

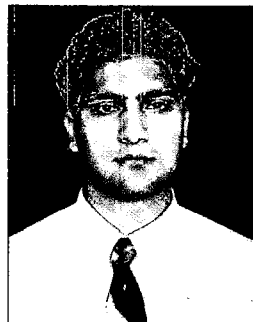
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J. J. GANDEVIA
Director



A. S. PATEL
Chairman



A. A. PATEL
Director



NOTICE

NOTICE is hereby given that the 35TH ANNUAL GENERAL MEETING of the members of PATEL ROADWAYS LIMITED will be held at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz(West), Mumbai-400 049 on Monday, the 29th day of September, 1997 at 10.30 a.m. to transact the following business.

1. To receive, consider and adopt the audited Balance Sheet, and the Profit and Loss Account as at and for the year ended 31st March, 1997, and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Cumulative Convertible Preference Shares.
3. To declare a dividend on Equity Shares.
4. To appoint a Director in place of Mr. Asgar S. Patel who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that the Authorised Share Capital of the Company be and is hereby altered from Rs.10,00,00,000 (Rupees Ten Crores) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs.10 (Rupees Ten) each and 30,00,000 (Thirty lacs) Cumulative Convertible Preference Shares of Rs.10 (Rupees Ten) each to Rs.10,00,00,000 (Rupees Ten Crores) divided into 85,00,000 (Eighty Five Lacs) Equity Shares of Rs.10 (Rupees Ten) each and 15,00,000 (Fifteen Lacs) Cumulative Convertible Preference Shares of Rs.10 (Rupees Ten) each, by:

- (i) cancellation of 15,00,000 (Fifteen Lacs) Cumulative Convertible Preference Shares of Rs.10 (Rupees Ten) each (of Series-I), and
 - (ii) simultaneous creation of a further 15,00,000 (Fifteen lacs) Equity shares of Rs.10 (Rupees Ten) each."
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that clause (iii), on page 7 of the Company's Memorandum of Association, be and is hereby deleted and the following new Clause(iii) be and is hereby substituted in place and stead thereof :

"(iii) The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten crores) divided into 85,00,000 (eighty five lacs) Equity Shares of Rs.10 (Rupees Ten) each and 15,00,000 (Fifteen lacs) Cumulative Convertible Preference Shares of Rs.10 (Rupees Ten) each with such ordinary or preferential privileges and other conditions attaching thereto as may be provided by the Articles of the Company for the time being in force with power to increase or reduce the capital of the Company and to divide the Shares in the capital for the time being original or increased into different classes and to consolidate or sub-convert the stock into shares and to attach to such shares or stock such ordinary/preferential rights, privileges and other conditions as may be provided by the Articles of the Company for the time being in force and operation.' "

8. To consider and, if thought fit, to pass, the following resolution as a Special Resolution:

" RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956, existing Article 3 be and is hereby deleted and the following new Article 3 be and is hereby substituted in place and stead thereof :

'3. The Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores) divided into 85,00,000 (Eighty Five lacs) Equity Shares of Rs.10 (Rupees Ten) each and 15,00,000 (Fifteen lacs) Cumulative Convertible Preference Shares of Rs.10 (Rupees Ten) each.' "

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution :

"RESOLVED that Clause III of the Memorandum of Association of the Company be and is hereby amended by inserting the following new sub-clause as sub-clause (7A) after the existing sub-clause(7) appearing therein :

'(7A) To carry on the business as domestic and international couriers by any mode of transport, by land, sea, inland waterway and air anywhere in India and throughout the world.' "



NOTICE (Contd...)

10. To consider and, if thought fit, to pass the following resolution as a Special Resolution :

“RESOLVED that in accordance with the provisions of Section 149 (2-A) of the Companies Act, 1956, the Company hereby approves of the commencement and execution of the business covered by the new sub-clause (7A) of Clause III of the Memorandum of Association of the Company as and when the Directors think fit.”

Registered Office :

Patel House,
100, Sheriff Deoji Street,
Mumbai - 400 003.
Dated : 20th August, 1997

By Order of the Board
For PATEL ROADWAYS LIMITED

(NAVIN P. JOSHI)
ASST. COMPANY SECRETARY

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 A PROXY NEED NOT BE A MEMBER.
2. The relevant Explanatory Statement as required by Section 173 of the Companies Act, 1956, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 1997 to 29th September, 1997 (both days inclusive).
4. Dividend when declared will be paid on or after 30th September, 1997 to those Members whose names appear on the Register of Members at the close of working hours on 29th September, 1997.

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ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

(As required by Section 173 of the Companies Act, 1956)

Item No.6, 7 & 8:

The present Authorised Share Capital of the Company is Rs.10,00,00,000 (Rupees Ten Crores) divided into 70,00,000 (Seventy Lacs) Equity Shares of Rs.10 (Rupees Ten) each, and 30,00,000 (Thirty Lacs) Cumulative Convertible Preference Shares of Rs.10 (Rupees Ten) each, while the issued subscribed and paid-up capital is Rs.8,00,00,000 (Rupees Eight Crores) divided into 65,00,000 (Sixty Five Lacs) Equity shares of Rs.10 each and 15,00,000 CCPS of Series-II. Pursuant to the authority vested in terms of the Special Resolution passed at the Extra-Ordinary General Meeting held on 20th September, 1993, the Company's Board of Directors had allotted, on 14th October, 1993, 15,00,000 10% CCPS of Rs.10 each (of Series-I) and a further 15,00,000 10% CCPS of Rs.10 each (of Series-II). Under the terms of the issue, the 15,00,000 CCPS (of Series-I) were converted into 15,00,000 Equity Shares of Rs.10 each at the expiry of 36 months from the date of allotment i.e. on 14th October, 1996 while the CCPS (of Series-II) are to be converted into 15,00,000 Equity Shares of Rs.10 each at the expiry of 48 months from the date of allotment i.e. on 14th October, 1997.

It is now proposed to cancel the said 15,00,000 (Fifteen Lacs) CCPS of Rs.10 (Rupees Ten) each of Series-I which were converted into equity shares on 14th October, 1996. Section 94(e) of the Companies Act, 1956 permits such cancellation of shares with consequential diminishment in the Company's authorised capital with regard to Shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person.

It is also sought to create a further 15,00,000 Equity Shares of Rs.10 each. Accordingly, it is proposed to alter the authorised share capital by :

- i) cancellation of the said 15,00,000 Cumulative Convertible Preference Shares of Rs.10 each (of Series-I), and
- ii) simultaneous creation of a further 15,00,000 Equity Shares of Rs.10 each.

Hence the resolution at item No.6 of the Notice. After the proposed alteration of the authorised share capital as stated above, the authorised share capital will be Rs.10,00,00,000 divided into 85,00,000 equity shares of Rs.10 each and 15,00,000 Cumulative Convertible Preference Shares of Rs.10 each, while the issued, subscribed and paid-up capital will be Rs.8,00,00,000 (Rupees Eight Crores) divided into 65,00,000 (Sixty Five Lacs) Equity Shares of Rs.10 each and 15,00,000 CCPS of Rs.10 each.

The resolutions at items 7 & 8 of the Notice are consequential resolutions to record, in the capital clause (iii) of the Company's Memorandum of Association and Article 3 of the Company's Articles of Association respectively, the said alteration in the authorised capital set out at resolution No.6.

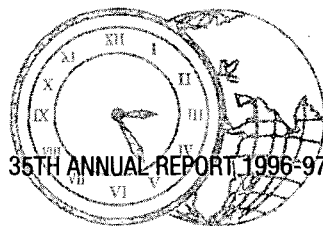
None of the Directors is concerned or interested in the passing of this resolution.

Item No.9

Members will recall that a special resolution was passed in the 34th Annual General Meeting of the Company held on 26th September, 1996 authorising the Company to diversify its activities into other fields, namely, commencement of business as domestic and international couriers, in the long term interests of the Company. The said resolution, when passed, was subject to the confirmation of the Company Law Board in terms of the provisions of section 17 of the Companies Act, 1956 ("the Act"). Subsequent to passing of the said resolution, section 17 of the Act has been amended by the Companies (Amendment) Act, 1996 whereby the earlier requirement of obtaining the confirmation of the Company Law Board has been dispensed with so that alteration of the objects clause can now be carried out by passing a special resolution in general meeting. In the circumstances and in line with good corporate practice, the Company has been advised to pass a fresh special resolution for amendment of Clause III of the Memorandum of Association; hence the resolution.

The business of couriers is expanding and, being allied to the Company's transport business, the same may be conveniently and advantageously carried on by the Company. Your Directors believe that commencement of the proposed new activity will give a boost to the Company's turnover and generate a healthy income to the Company and, accordingly, commend the passing of the resolution at item 9 of the Notice.

None of the Directors of the Company is concerned or interested in the passing of the resolution at item 9 of the Notice.



ANNEXURE TO THE NOTICE (Contd...)

Item No. 10

Members will have seen that the resolution at item No.9 of the Notice seeks to amend Clause III of the Memorandum of Association by including therein a new sub-clause (7A), as set out in the said resolution, with a view to enable the Company to diversify into new business which, inter alia, may conveniently and advantageously be combined with the existing business of the Company.

As the business proposed to be commenced under the said sub-clause (7A) may be deemed to be not germane to the business carried on by the Company, it is deemed necessary to obtain Members approval thereto under Section 149 (2-A) of the Companies Act, 1956 and, hence, this Special Resolution.

None of the Directors of the Company is concerned or interested in the passing of the said resolution.

Registered Office :

Patel House,
100, Sheriff Deoji Street,
Mumbai - 400 003.

Dated : 20th August, 1997

By Order of the Board
For PATEL ROADWAYS LIMITED

(NAVIN P. JOSHI)
ASST. COMPANY SECRETARY





Registered Office : Patel House, 100, Sheriff Deoji Street, Mumbai - 400 003.
Corporate Office : 'Natasha', 52, Hill Road, Bandra (West), Mumbai - 400 050.

L. F. No.	
No. of Shares Held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the Thirty Fifth Annual General Meeting of the Company held at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai - 400 049 on Monday, September 29, 1997 at 10.30 a.m.

Name of the Shareholder (In Block Letters)	
Signature of the Shareholder	
Name of the Proxy (In Block Letters)	
Signature of the Proxy	

NOTES :

1. You are requested to sign and hand over this slip at the entrance to the meeting Venue.
2. If you intend to appoint proxy to attend the Meeting instead of yourself, the proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding Meeting.

TEAR HERE



Registered Office : Patel House, 100, Sheriff Deoji Street, Mumbai - 400 003.
Corporate Office : 'Natasha', 52, Hill Road, Bandra (W), Mumbai - 400 050.

L. F. No.	
No. of Shares Held	

FORM OF PROXY

I/We _____ of _____
in the district of _____ being a member/members of PATEL ROADWAYS LIMITED
hereby appoint _____ of _____
in the district of _____ or failing him _____
of _____ in the district of _____ as my/our proxy to
vote for me/us on my/our behalf at the Thirty Fifth Annual General Meeting of the Company to be
held on September 29, 1997 and at any adjournment thereof

Signed this _____ day of _____ 1997.

Please
affix 30 p.
Revenue
Stamp

Signature





BOARD OF DIRECTORS

Asgar S. Patel
Syed K. Husain
Ravi Poddar
Arif A. Patel
Jehanbux J. Gandevia

Chairman
Whole-time Director & Chief Executive
Director
Director
Director

ASSISTANT COMPANY SECRETARY

Navin P. Joshi

AUDITORS

Kuvelker, Naik & Gandhi
Ratan S. Mama & Co.

Mumbai
Mumbai

LEGAL ADVISORS

Crawford Bayley & Co.
F.S. Broacha

Mumbai
Mumbai

BANKERS

Bank of Baroda
Vijaya Bank
Union Bank of India
The Shamroa Vithal Co-opetative Bank Ltd.
Development Credit Bank Ltd.
State Bank of India
Dena Bank

REGISTERED OFFICE

Patel House,
100, Sheriff Deoji Street,
Mumbai - 400 003.

CORPORATE OFFICE

'NATASHA'
52, Hill Road,
Bandra (West),
Mumbai - 400 050.

SHARE TRANSFER AGENTS


COMPUTRONICS FINANCIAL SERVICES (INDIA) LTD.

1, Mittal Chambers,
Nariman Point,
Mumbai - 400 021.

MD	✓	BKC	✓
CS	✓	DPY	✓
RO	✓	DIV	✓
TRA	✓	AC	✓
AGM	✓	SHI	✓
YE	✓		

35th Annual General Meeting : Monday, the 29th day of September 1997, at 10.30 a.m. at the Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai- 400 049.

Members are requested to bring their copy of the Annual Report to the Annual General Meeting.


 35TH ANNUAL REPORT 1996-97

DIRECTORS' REPORT

To,
The Members of
Patel Roadways Limited.

The Directors have pleasure in presenting their 35th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 1997.

FINANCIAL RESULTS :

The financial results are as under :

	(Rs. in lacs) Year ended 31st March 1997	(Rs. in lacs) Year ended 31st March 1996
Profit before Interest & Depreciation	800.18	692.02
Less : Interest	236.23	228.42
Profit before Depreciation	563.95	463.60
Less : Depreciation	248.22	145.23
Profit before tax	315.73	318.37
Less : Provision for tax	40.00	67.00
Profit after tax	275.73	251.37
Excess/(Short) Provisions for taxation of earlier years	2.19	(8.02)
Balance of Profit from previous year	327.38	216.53
TOTAL	605.30	459.88

APPROPRIATIONS OF PROFITS

Proposed Dividend on Cumulative Convertible Preference Shares	9.18	7.50
Proposed Dividend on Equity Shares	85.42	75.00
Proposed tax on dividend	9.46	—
Transfer to General Reserve	100.00	50.00
Balance carried to Balance Sheet	401.24	327.38
TOTAL	605.30	459.88

OPERATIONS :

The overall performance of your Company in terms of Profits during the financial year 1996-97 was satisfactory.

The Profit before depreciation and tax during the financial year 1996-97 was Rs.563.95 lacs as compared to Rs.463.60 lacs in the previous year. Similarly, the Profit after depreciation and tax during the financial year 1996-97 was Rs.275.73 lacs as compared to Rs.251.37 lacs in the previous year.

During the Financial Year 1996-97, the Indian Economy was passing through a phase of mild recession which affected the working of the industries. This in turn, affected the industrial production and consequently the transporters also. Inspite of such adverse factors, your Company was able to achieve a Net Freight Turnover of Rs.9530.25 lacs.

The recession continues in the current Financial Year as well. This coupled with Nationwide Transporters' Strike in the early April, 1997, is likely to affect the working of the transport sector. However, your Company expects to maintain the level of Turnover and Profit during the current Financial Year.