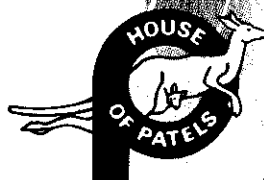


# 38th Annual Report 1999-2000

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THE SYMBOL OF TRUST

**PATEL  
ROADWAYS  
LIMITED®**

Patel House, 48 Gazdar Bandh, Santacruz (W), Mumbai - 400 054.

# BOARD OF DIRECTORS



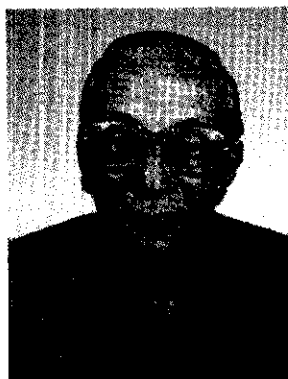
**A. S. Patel**  
Chairman



**Arif A. Patel**  
Managing Director



**Ravi A. Poddar**  
Director



**J.J. Gandevia**  
Director



**Farrokh S. Wadia**  
Director

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**BOARD OF DIRECTORS**

Asgar S. Patel  
Arif A. Patel  
Ravi Poddar  
Jehanbux J. Gandevia  
Farrokh S.Wadia

Chairman  
Managing Director  
Director  
Director  
Director

**ASSISTANT COMPANY SECRETARY**

Navin P. Joshi

**AUDITORS**

Kuvelker, Naik & Gandhi  
R S M & Co.

Mumbai  
Mumbai

**LEGAL ADVISOR**

F.S. Broacha

Mumbai

**BANKERS**

Bank of Baroda  
Vijaya Bank  
Union Bank of India

**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.

38th Annual General Meeting : Monday, the 25th day of September 2000, at 10.30 a.m. at the  
Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road,  
Santacruz, Mumbai- 400 049.

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





## 38TH ANNUAL REPORT 1999-2000

### NOTICE

NOTICE is hereby given that the 38TH 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, Mumbai-400 049 on Monday, the 25th day of September, 2000 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, 2000, and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Asgar S. Patel who retires by rotation and, being eligible, offers himself for reappointment.
4. 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.
5. To consider and if thought fit, to pass the following resolution as a Special Resolution :  
 "RESOLVED that approval of the Company be and is hereby accorded to :  
 (i) the investment by Foreign Institutional Investors (exclusive of investments by Non-Resident Indians, Persons of Indian Origin and Overseas Corporate Bodies) upto a maximum aggregate limit of 40% of the paid up Equity Share Capital of the Company or such higher limit as may from time to time be prescribed by the Reserve Bank of India/Government of India, and  
 (ii) the individual investment by Foreign Institutional Investor upto a maximum limit of 10% of the paid up Equity Share Capital of the Company or such higher limit as may from time to time be prescribed by the Reserve Bank of India/Government of India,  
 Subject to applicable and necessary approvals and/or guidelines prescribed by the Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or any other concerned Authority in that behalf and subject to such terms and conditions as may be prescribed in granting such approvals and agreed to by the Board of Directors of the Company which term shall be deemed to include any Committee which the Board of Directors may constitute to exercise its powers including the powers conferred by this resolution."

Registered Office :  
 Patel House,  
 100, Sheriff Deoji Street,  
 Mumbai-400 003

By Order of the Board  
 For PATEL ROADWAYS LIMITED

(NAVIN P. JOSHI)  
 ASST. COMPANY SECRETARY

Dated : 10th August, 2000

### NOTES :

1. The relevant explanatory statement as required by section 173 of the Companies Act, 1956 is annexed hereto.
2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th September, 2000 to 25th September, 2000 (both days inclusive).
4. In order to be effective, proxies must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

### ANNEXURE TO THE NOTICE

#### EXPLANATORY STATEMENT

(as required by section 173 of the Companies Act, 1956)

#### Item No.5 :

The Reserve Bank of India has enhanced the aggregate limits of investments in shares of Indian Companies by Foreign Institutional Investors.

Foreign Institutional Investors (exclusive of Non-Resident Indians/Persons of Indian Origin / Overseas Corporate Bodies) are now allowed to invest in shares of Indian Companies upto a limit of 40% of the Equity Share Capital of the Company. Individual investment limit by Foreign Institutional Investors remains pegged at 10%.

In view of the above, the Board of Directors of your Company, recommend the enabling resolution at Item No.5 of the Notice for your approval as a Special Resolution.

Mr. A.S. Patel, a Director and promoter of the company, may be deemed concerned or interested in this resolution to the extent of the investments made if any, by Foreign Institutional Investors, in which he or his relatives are Directors or members.

Registered Office :  
 Patel House,  
 100, Sheriff Deoji Street,  
 Mumbai-400 003

By Order of the Board  
 For PATEL ROADWAYS LIMITED

(NAVIN P. JOSHI)  
 ASST. COMPANY SECRETARY

Dated : 10th August, 2000



## DIRECTORS' REPORT

To,  
The Members of  
Patel Roadways Limited.

The Directors have pleasure in presenting their 38th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2000.

### FINANCIAL RESULTS :

The financial results are as under :

|  | (Rs. in lacs)<br>Year ended<br>31st March<br>2000 | (Rs. in lacs)<br>Year ended<br>31st March<br>1999 |
|--|---|---|
| Profit before Interest & Depreciation                      | 624.99  | 576.89  |
| Less : Interest  | 225.36  | 245.66  |
| Profit before Depreciation                                 | 399.63  | 331.23  |
| Less : Depreciation  | 197.57  | 268.98  |
| Profit before tax  | 202.06  | 62.25   |
| Less : Provision for tax                                   | 98.00   | 52.00   |
| Excess/(Short) Provisions for taxation<br>of earlier years | 22.80   | (2.96)  |
| Profit after tax   | 126.86  | 7.29  |
| Balance of Profit from previous year                       | 410.91  | 403.62  |
| <b>TOTAL</b>   | <b>537.77</b>                                     | <b>410.91</b>                                     |
| <b>APPROPRIATIONS OF PROFITS</b>                           |   |   |
| Proposed Dividend on Equity Shares                         | 40.00   | -   |
| Proposed tax on dividend                                   | 8.80  | -   |
| Balance carried to Balance Sheet                           | 488.97  | 410.91  |
| <b>TOTAL</b>   | <b>537.77</b>                                     | <b>410.91</b>                                     |

### OPERATIONS :

The performance of your company for the year under review was very encouraging. The profit before tax increased substantially to Rs.202.06 lacs as compared to Rs.62.25 lacs of the previous year. The profit after tax increased to Rs.126.86 lacs from Rs.7.29 lacs of the previous year. Your Company's performance has been excellent considering the fact that due to the truck operators' strike in October 1999, the operations of the Company were disrupted.

The improvement in the bottom-line was made possible due to various measures taken by the management, like the curtailment and dropping of low margin businesses, prudent cost cutting and aggressive marketing and training efforts.

The fact that the economy showed signs of revival has also contributed to the impressive performance by the Company during the year under consideration.

The objective of the management in the next year will be to consolidate its position and re-look at the entire business process. The thrust area in future, will be establishing your company as the premier organisation giving total logistics solutions through value added services.

During the year under consideration, one more feather was added to the cap of your Company, when it was awarded the ISO 9002 Certificate by the American Quality Assessors. This will go a long way in giving us a distinct competitive edge in the market.

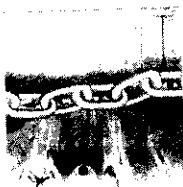
The management is optimistic of maintaining the steady pace of growth in the income and the profits of the Company in the years to come.

### DIVIDEND :

Your Directors recommend a dividend of 5.00% on Equity Shares of the Company.

### FIXED DEPOSITS :

Fixed Deposits accepted by the Company stood at Rs.428.69 lacs as on 31st March, 2000. There were no unpaid or overdue deposits as on 31st March, 2000, except unclaimed Deposits aggregating Rs.4.87 lacs, for which necessary intimation has already been sent.



## 38TH ANNUAL REPORT 1999-2000

### Y2K PREPAREDNESS :

We are pleased to report that the Y2K transition was smooth and uninterrupted. The measures taken by the Company to deal with Y2K related issues proved to be adequate.

### DIRECTORS :

Mr. Asgar S. Patel, a Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

### AUDITORS :

Your Auditors Kuvelker, Naik and Gandhi and RSM & Co. retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

### AUDITORS' REPORT :

Your Directors refer to the observations made by the Auditors in their Report and wish to state that the notes forming part of the Accounts are self-explanatory and hence do not require any further comments.

### PARTICULARS REQUIRED TO BE FURNISHED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

#### PART A - CONSERVATION OF ENERGY

The Company continues its in-house programme of enlightening and developing its commercial vehicle drivers for greater fuel efficiencies. All the vehicles owned by the Company undergo an intensive Planned Preventive Maintenance (PPM) drill to keep the vehicles in top running condition with special emphasis on fuel conservation.

#### PART B - TECHNOLOGY ABSORPTION : Not Applicable

#### PART C - FOREIGN EXCHANGE EARNINGS AND OUTGO :

|                                    | (Rs. in lacs)<br>Year ended<br>31st March, 2000 | (Rs. in lacs)<br>Year ended<br>31st March, 1999 |
|------------------------------------|---|---|
| Earnings in Foreign Exchange       | 2.58  | -   |
| Income from Money Transfer Service | 0.43  | 0.06  |
| Interest                           | 3.01  | 0.06  |
| <b>TOTAL</b>                       | <b>3.01</b>                                     | <b>0.06</b>                                     |
| Expenditure in Foreign Currency    | 2.48  | 6.58  |
| Travelling Expenses                | 2.48  | 6.58  |
| <b>TOTAL</b>                       | <b>2.48</b>                                     | <b>6.58</b>                                     |

### PERSONNEL & HUMAN RESOURCES :

The Directors sincerely appreciate the efforts put in by the employees of the Company at all levels and thank them for their contribution in achieving the overall results during the year.

A statement giving the particulars required under Section 217 (2A) read with the Companies (Particulars of Employees) Rules, 1975, as amended is annexed to this report.

### ACKNOWLEDGEMENTS :

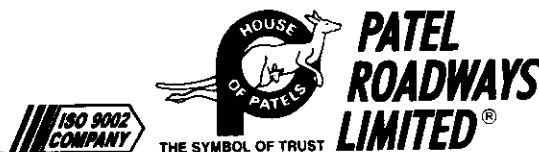
The Directors place on record their appreciation of the continued assistance and support received from the Bankers, Financial Institutions, Government Agencies, clients and also its Fixed Deposit Holders.

For and on behalf of the Board,  
For PATEL ROADWAYS LIMITED

Registered Office :  
Patel House,  
100, Sheriff Deoji Street,  
Mumbai-400 003

Dated : 10th August, 2000

(A.S. PATEL)  
CHAIRMAN



## ANNEXURE TO DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956, AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2000

| Sr.No. | NAME              | AGE (YEARS) | DESIGNATION & NATURE OF DUTIES | REMUNERATION (RS.) | QUALIFICATION                                       | EXPERIENCE (YEARS) | DATE OF COMMENCEMENT OF EMPLOYMENT | PARTICULARS OF LAST EMPLOYMENT            |
|--------|-------------------|-------------|--------------------------------|--------------------|---|--------------------|------------------------------------|---|
| 1.     | Mr. Arif A. Patel | 27          | Managing Director              | 9,46,493.00        | B.A. (Eco.)   | 6                  | 15-05-1998                         | Director, Natasha Constructions Limited   |
| 2.     | Mr. Salim Affendi | 46          | Chief Operating Officer        | 1,03,910.00        | -Diploma in Business Mgmt.<br>-Diploma in Air Cargo | 25                 | 21-02-2000                         | G.M. South Asia, UPS World Wide Logistics |

### NOTES :

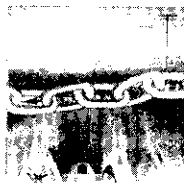
- Both employments were contractual.
- The employment is for part of the year for the employee at Sr.No.2.
- Remuneration received includes Salary, Company's contribution to Provident Fund, Medical, HRA and taxable value of perquisites computed in accordance with the provisions of Income-tax Act, 1961 and Rules thereunder, but does not include Gratuity.
- The employee at Sr.No.1 is related to Mr.Asgar S.Patel, a Director of the Company.

For and on behalf of the Board,  
For PATEL ROADWAYS LIMITED

Registered Office :  
Patel House,  
100, Sheriff Deoji Street,  
Mumbai-400 003

Dated : 10th August, 2000

(A.S. PATEL)  
CHAIRMAN



## 38TH ANNUAL REPORT 1999-2000

### AUDITORS' REPORT

#### TO THE MEMBERS OF PATEL ROADWAYS LIMITED

We have audited the attached balance sheet of **PATEL ROADWAYS LIMITED** as at 31st March, 2000 and the profit and loss account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and based on the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 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 purposes of our audit ;
  - b. 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 those books ;
  - c. the balance sheet and the profit and loss account referred to in this report are in agreement with the books of account ;
  - d. in our opinion, the profit and loss account and the balance sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e. attention is invited to Note No. 8 to Schedule "N" to the accounts, regarding provision that may be required on shortfall, if any, on completion of the recovery process in respect of overdue lease debts. The extent to which these debts are doubtful of recovery is not ascertainable and, accordingly, the effect thereof on financial statements cannot be ascertained.
  - f. in our opinion and to the best of our information and according to the explanations given to us, the said balance sheet and the profit and loss account read together with the notes thereon and subject to our comments in para 2(e) above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000  
and
    - ii. in the case of the Profit and Loss account, of the profit of the Company for the year ended on that date.

For **KUVELKER NAIK & GANDHI**  
Chartered Accountants

**K. S. NAIK**  
Partner

Mumbai, 10th August, 2000

For **RSM & CO.,**  
Chartered Accountants

**VIJAY N. BHATT**  
Partner

### ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The assets have been physically verified by the management during the year pursuant to a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. As explained to us, no material discrepancies were noticed on such verification as compared to the book records.
2. The Company has not revalued any of its fixed assets during the year.
3. We are informed that the stocks of stores and spares have been physically verified during the year by the management at reasonable intervals.
4. The procedures of physical verification of stocks of stores and spares followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. There are no material discrepancies noticed on such verification between physical stocks and the book records.
6. During the year, to conform to the requirements of Accounting Standard 2 - Valuation of Inventories issued by the Institute of Chartered Accountants of India, the Company has charged the value of stock of stores and spares to revenue (refer Note No. 6 to Schedule "N"). To this extent, there is a change in the basis of valuation of stores and spares in the current year as compared to the preceding year.