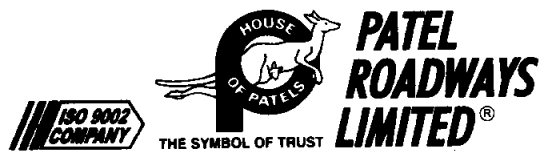


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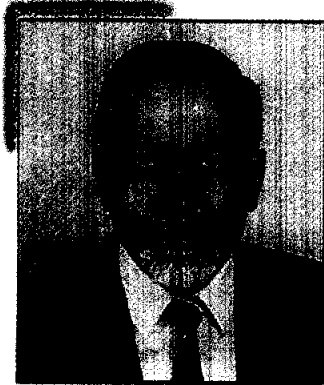


Patel House, 48 Gazdar Bandh, Santacruz (W), Mumbai - 400 054.

BOARD OF DIRECTORS



Asgar S. Patel
Chairman



Sushil Kumar
Vice-Chairman



Arif A. Patel
Managing Director



Ravi A. Poddar
Director



Jehanbux J. Gandevia
Director



Farrokh B. Wadia
Director



Ashok Kumar Mehra
Director

**BOARD OF DIRECTORS**

Asgar S. Patel	Chairman
Sushil Kumar	Vice-Chairman
Arif A. Patel	Managing Director
Ravi A. Poddar	Director
Jehanbux J. Gandevia	Director
Farrokh S. Wadia	Director
Ashok Kumar Mehra	Director

ASSISTANT COMPANY SECRETARY

Navin P. Joshi

AUDITORS

Kuvelker, Naik & Gandhi	Mumbai
R S M & Co.	Mumbai

LEGAL ADVISOR

F.S. Broacha	Mumbai
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BANKERS

Bank of Baroda
Vijaya Bank
Union Bank of India
Karnataka Bank Ltd.

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.

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39th Annual General Meeting : Thursday, the 27th day of September, 2001, 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.



39TH ANNUAL REPORT 2000-2001

NOTICE

NOTICE is hereby given that the 39th 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 Thursday, the 27th day of September, 2001 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, 2001 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Ravi A.Poddar, who retires by rotation, and being, eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.Farrokh S.Wadia, who retires by rotation, and being, eligible, offers himself for re-appointment.
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 and, for the purpose, to consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED that no person or persons be appointed as Auditors in lieu and stead of the retiring Auditors, Messrs RSM & Company, Chartered Accountants, who have given a notice in writing to the Company stating their unwillingness to be re-appointed as Auditors;

RESOLVED FURTHER that Messrs Kuvelker, Naik and Gandhi, Chartered Accountants, be and are hereby appointed as the sole Statutory Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration plus out-of-pocket expenses at actuals as may be agreed upon by the Board of Directors of the Company with the said Messrs Kuvelker, Naik and Gandhi."

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED that Mr.Sushil Kumar an Additional Director of the Company who, under section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 and other applicable provisions, if any, of the said Act proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED that Mr.Ashok Kumar Mehra an Additional Director of the Company who, under section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a Notice in writing from a member under Section 257 and other applicable provisions, if any, of the said Act proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED that consent of the members be and is hereby accorded pursuant to the provisions of Sections 269, 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (hereinafter referred to as "the Act") to the re-appointment of Mr.Arif A.Patel as the Managing Director of the Company for a period of three years with effect from 1st April, 2001 to 31st March, 2004, on the terms and conditions, including expressly the remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr.Arif A.Patel produced at this meeting and, for the purpose of identification, initialled by the Chairman hereof;

"RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to execute the Agreement, in terms of the said draft, with such alterations, changes and/or variations in the remuneration payable to Mr.Arif A.Patel as may be agreed between the Directors and Mr.Arif A.Patel provided that the said remuneration as altered, changed or varied shall be within the limits prescribed therefor under Schedule XIII of the Act for the time being and from time to time in force."

Registered Office :
'Patel House',
100 Sheriff Deoji Street,
Mumbai-400 003
Dated:30th July, 2001

By Order of the Board

(N. P. JOSHI)
ASST. COMPANY SECRETARY



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 Share Transfer Books of the Company will remain closed from 20th September, 2001 to 27th September, 2001 (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.
5. Pursuant to section 205A of the Companies Act, 1956, ("the Act") all unclaimed/unpaid dividends upto the Final Dividend for 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not yet encashed the dividend warrants for the said period are requested to claim their amounts from the Registrar of Companies, Maharashtra, at Mumbai. Shareholders are hereby also informed that pursuant to the amendment of the Act w.e.f. 31.10.1998, the Company will be obliged to transfer any money lying in the Unpaid Dividend Account, to the credit of the Investors' Education and Protection Fund ("the Fund") to be established by the Central Government. In accordance with section 205C of the Act, no claim shall lie against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.

INFORMATION ABOUT DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED

- | | | |
|---|--|--|
| 1. NAME | : Mr. SUSHIL KUMAR | |
| AGE | : 55 YEARS | |
| QUALIFICATIONS | : M.Sc. | |
| EXPERTISE | : Vast Experience in the fields of Logistics, Transportation of goods, Finance, Couriers, Construction, Management Consultancy and General Administration. | |
| PARTICULARS OF APPOINTMENT/RE-APPOINTMENT | : Appointed as the Additional Director of the Company with effect from 30th April, 2001, and is proposed to be appointed as the Director of the Company at the ensuing Annual General Meeting. | |
| OTHER DIRECTORSHIPS | NAME OF THE COMPANY
1) Wall Street Finance Ltd.
2) Patel On-Board Couriers Ltd.
3) Wall Street Securities & Investments (India) Ltd. | POSITION HELD
Vice-Chairman
Vice-Chairman &
Whole-time Director
Director |
| 2. NAME | : Mr. ASHOK KUMAR MEHRA | |
| AGE | : 50 YEARS | |
| QUALIFICATIONS | : B.Com.(Hons), F.C.A. | |
| EXPERTISE | : Vast experience in the fields of Finance, Accountancy and Audit. The areas of specialisation include Joint Ventures and Collaborations, Project Finance, Corporate Planning & Taxation. | |
| PARTICULARS OF APPOINTMENT/RE-APPOINTMENT | : Appointed as the Additional Director of the Company with effect from 30th April, 2001, and is proposed to be appointed as the Director of the Company at the ensuing Annual General Meeting. | |
| OTHER DIRECTORSHIPS | NAME OF THE COMPANY
1) Banner Pharmacaps Pvt. Ltd.
2) Banner Pharmacaps (India) Pvt.Ltd.
3) Zenith Hotels & Restaurants Pvt. Ltd.
4) Tulip Resorts Pvt.Ltd.
5) Edenwood Resorts Pvt.Ltd.
6) Honey Investments Pvt.Ltd.
7) Ace Computronics Pvt.Ltd.
8) Mehra Brothers Investments & Holdings Pvt.Ltd. | POSITION HELD
Director
Director
Director
Director
Director
Director
Director
Director |

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3. **NAME** : Mr. FARROKH S.WADIA
AGE : 37 YEARS
QUALIFICATIONS : B.Com.
EXPERTISE : Businessman with valuable experience in the administration and retail trade of vehicles.
PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT : Director of the Company since 6th May, 1998, Mr.Wadia is retiring by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as the Director of the Company at the said Meeting.
OTHER DIRECTORSHIPS : Nil
4. **NAME** : Mr.RAVI A.PODDAR
AGE : 51 YEARS
QUALIFICATIONS : B.Com.
EXPERTISE : Valuable experience in the fields of Finance, Real Estate Development, Automotive Distribution, Paint Manufacture, Entertainment & Leisure, Consultancy Services, etc.
PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT : Director of the Company since 22nd July 1992. Mr.Poddar is retiring by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as the Director of the Company at the said Meeting.
OTHER DIRECTORSHIPS :
- | NAME OF THE COMPANY | POSITION HELD |
|--|---------------|
| 1) United Credit Ltd. | Chairman |
| 2) United Credit Securities Ltd. | Chairman |
| 3) Poddar Properties & Construction Ltd. | Chairman |
| 4) Arpee Properties Pvt.Ltd. | Director |
| 5) Atul Capital Market Ltd. | Director |
| 6) Appu Ghar Ravi Auto Ent.Pvt.Ltd. | Chairman |
| 7) Ravi Auto Parks & Resorts Pvt.Ltd. | Chairman |
| 8) Calcutta Metropolitan Group Ltd. | Director |
| 9) Ravi Auto Ltd. | Chairman |
5. **NAME** : Mr. ARIF A.PATEL
AGE : 28 YEARS
QUALIFICATIONS : B.A.
EXPERTISE : Wide and varied experience in Transportation of goods, Logistics, Couriers and Construction including Management and Finance. Mr.Arif Patel has served the Company from 15th May, 1998 as it's Managing Director and is credited to have safely steered the Company through the transition period of intense competition due to liberalisation process.
PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT : Mr.Arif A.Patel was re-appointed by the Board of Directors as the Managing Director of the Company for a period of three years, with effect from 1st April 2001, subject to the approval of members at the General Meeting. The approval from the members for the re-appointment of Mr.Arif A.Patel as the Managing Director of the Company for a period of 3 years from 1st April, 2001 is sought at the ensuing Annual General Meeting.



OTHER DIRECTORSHIPS	NAME OF THE COMPANY	POSITION HELD
	1) Wall Street Forex Pvt.Ltd.	Director
	2) Wall Street Construction Ltd.	Director
	3) Patel On-Board Couriers Ltd.	Director
	4) Wall Street Housing & Finance Corporation Ltd.	Director
	5) Wall Street.Com India Ltd.	Director
	6) Natasha Homes Pvt.Ltd.	Director
	7) Springfield Hotels Ltd.	Director
	8) Patel Tank Farms Ltd.	Director
	9) Patel Real Estate Developers Pvt. Ltd	Director
	10) Wall Street Leasing & Finance Pvt. Ltd.	Director
	11) Natasha Constructions Ltd.	Director
	12) Patel Plaza Ltd.	Director

ANNEXURE TO THE NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956.

Item No.4

As members are aware, at the last Annual General Meeting of the Company held on 25th September, 2000, Messrs RSM & Company, Chartered Accountants and Messrs Kuvelkar, Naik and Gandhi, Chartered Accountants were re-appointed as the Company's Joint Auditors to hold office from the conclusion of that Meeting until the conclusion of the next Annual General Meeting of the Company. By their letter dated 25th July, 2001, Messrs RSM & Company have given the Company a notice in writing, pursuant to section 224(2)(b) of the Companies Act, 1956 ("the Act"), of their unwillingness to be re-appointed at this Meeting. The said letter does not assign any reason for their unwillingness to be re-appointed. However, there are no circumstances attendant to their decision, which they consider should be brought to the notice of the Company's members.

In view of the above, the Company has been advised that in terms of section 224 of the Act it is necessary to appoint another person or persons to act as Joint Auditors along with Messrs Kuvelkar, Naik and Gandhi, the other retiring Auditor. However, by letter dated 27th July, 2001, a member of the Company holding 19,82,200 equity shares constituting 24.78% of the total Paid-up Equity Capital and/or the voting power, has given a Notice to the Company, in terms of section 225 of the Act, proposing that no person or persons be appointed in lieu and stead of Messrs RSM & Company and that Messrs Kuvelkar, Naik and Gandhi, the other of the retiring Auditors, be re-appointed as the sole Statutory Auditor of the Company in terms of resolution at item no. 4 of the Notice. The Directors of the Company commend the passing of the resolution at item no. 4.

Item No.5

Mr.Sushil Kumar was appointed as an Additional Director of the Company, at the Meeting of the Board of Directors of the Company held on 30th April, 2001. Mr.Sushil Kumar is presently the Vice-Chairman of the Board of Directors. The Company has received a Notice along with Rs.500/- from one of the shareholders of the Company proposing the candidature of Mr.Sushil Kumar for the office of the Director of the Company under section 257 of the Companies Act, 1956.

Mr.Sushil Kumar is M.Sc. from the Agra University and has more than three decades of experience in the fields of Logistics, Transportation of Goods, Finance, Couriers, Construction, Management Consultancy and General Administration.

Your Directors feel that his presence on the Board will be beneficial to the Company and therefore recommend the passing of the resolution at item no. 5 of the Notice.

Save and except for Mr.Sushil Kumar, none of the Directors is interested in the passing of the resolution at this item.

Item No.6

Mr.Ashok Kumar Mehra was appointed as an Additional Director of the Company, at the Meeting of the Board of Directors of the Company held on 30th April, 2001. The Company has received a Notice along with Rs.500/- from one of the shareholders of the Company proposing the candidature of Mr.Ashok Kumar Mehra for the office of the Director of the Company under section 257 of the Companies Act, 1956.



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Mr.Ashok Kumar Mehra is B.Com (Hons.), a practising Chartered Accountant and a fellow member of the Institute of Chartered Accountants of India. Mr.Mehra has vast experience in the fields of Finance, Accountancy and Audit. His areas of specialisation include Collaborations and Joint Ventures, Project Finance, Corporate Planning and Taxation.

Your Directors feel that his presence on the Board will be beneficial to the Company and therefore recommend the passing of the resolution at item no. 6 of the Notice.

Save and except for Mr. Mehra, none of the Directors is interested in the passing of the resolution at this item.

Item No.7

The term of office of Mr.Arif A.Patel, Managing Director of the Company, expired on 31st March, 2001. The Board of Directors of the Company have, subject to the approval of the Company's members in general meeting, re-appointed Mr.Arif A.Patel as the Managing Director of the Company for a period of three years with effect from 1st April, 2001 to 31st March, 2004, on the terms and subject to the conditions set out in the draft Agreement referred to in the resolution.

The material terms, including remuneration, of the said Agreement are as follows:

1. Tenure

3 years with effect from 1st April, 2001 to 31st March, 2004.

2. Powers and Duties

The Managing Director shall exercise and perform such powers and duties as the Board of Directors (hereinafter called "the Board") shall from time to time determine and, subject to any directions and restrictions from time to time given or imposed by the Board, he shall have the general control, management and superintendence of the business of the Company with power to appoint and dismiss officers, clerks and servants and to enter into contracts on behalf of the Company in the Ordinary course of business and to do and perform all other acts and things which in the ordinary course of business he may consider necessary or proper or in the interest of the Company.

3. Remuneration:

- (i) a salary of Rs.1,00,000/- (Rupees One Lac Only) per month with liberty to the Board to give increment not exceeding Rs.10,000/- per month at the end of each financial year.
- (ii) Unfurnished residential accommodation leased or licensed by the Company or, in lieu thereof, a House Rent Allowance of Rs.25,000/- per month.
- (iii) Benefit of the Company's Provident fund scheme, for the time being and from time to time, in force.
- (iv) Medical benefits as under :
 - a) Reimbursement of expenditure actually incurred by the Managing Director on his medical treatment or treatment of any member of his family ;
 - i) In any hospital maintained by the Government or any local authority or an approved hospital under Central Health Scheme or a similar scheme of any State Government.
 - ii) In respect of the prescribed diseases or ailments in any hospital approved by the Commissioner of Income Tax subject to the conditions specified by the Income Tax Department for exemption from tax.
 - b) Group Medical Insurance Scheme premium or reimbursement of Medical Insurance premium paid by the Managing Director on his health or on the health of any member of his family under scheme approved under section 80D of the Income Tax Act.
 - c) Reimbursement of actual expenditure incurred by the Managing Director for medical treatment from any doctor including cost of medicines in respect of the Managing Director or any member of his family not exceeding Rs.10,000/- in any financial year.
 - d) Actual expenditure incurred by the Managing Director for medical treatment of himself or any member of his family outside India including the expenditure of one attendant.

Provided that the medical treatment expenses as mentioned at clause (c) and (d) above, shall not exceed one month's salary of the Managing Director in one year or three months salary in three years.



- (v) Consolidated leave of 40 days including Privilege Leave, Casual Leave and Sick Leave with full pay for the financial year with right of accumulation and encashment of unavailed leave at the end of the term of this contract.
 - (vi) Leave Travel Concession for self and family once for each financial year subject to a maximum amount equivalent to one months' Salary as specified in clause 3(ii) above.
 - (vii) Personal accident insurance cover at the cost of the Company provided that the actual premium thereof does not exceed Rs.3,000/- per annum.
 - (viii) Use of a telephone for the Company's business at the Managing Director's Residence and a Mobile phone, Provided that the cost of personal long distance calls, if any, shall be reimbursed by the Managing Director to the Company.
 - (ix) Fees including subscription of Clubs, wherein the Managing Director is, or may become, a member of, subject to a maximum of two clubs.
4. The remuneration including perquisites shall be paid and allowed to him as minimum remuneration in the case of absence or inadequacy of profits, subject to the condition that such remuneration shall not exceed the limit prescribed in the Schedule XIII computed on the basis of effective capital, without the approval of the Central Government.
 5. The Managing Director shall not be liable to retire by rotation.
 6. The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors and/or any Committee thereof.
 7. The Managing Director shall not, directly or indirectly, engage himself in any business, occupation or employment similar to or competing with, the Company's business.
 8. The Managing Director shall not, divulge or disclose to any person or make any use whatever, of any confidential information or knowledge as to the business affairs or trade secrets of the Company.
 9. In case, the Managing Director shall die during the course of his employment hereunder, the Company shall pay to his legal heirs all amounts due including salary and other emoluments payable hereunder for the then current month and for three months thereafter.
 10. Either party shall be entitled to determine this agreement by giving 90 days notice in writing without showing cause.

The Company has been advised that the re-appointment and the payment of remuneration to Mr.Arif A.Patel as the Managing Director of the Company will not require the approval of the Central Government in terms of section 269 and other applicable provisions, if any, read with schedule XIII to the Companies Act, 1956.

Mr.Arif A.Patel is a Bachelor of Arts and has wide and varied experience in the fields of Transportation of Goods, Logistics, couriers and construction including Management and Finance. Your Directors are of the view that his re-appointment will be in the interest of the Company and, accordingly, commend the resolution at item no. 7.

The draft Agreement between the Company and Mr.Arif A.Patel, is available for the inspection of members at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on all working days except Saturdays.

Mr.Arif A.Patel is interested in the passing of the resolution at item no. 7 of the Notice. Mr. Asgar S.Patel, Director of the Company, is a relative of Mr.Arif Patel and therefore may also be deemed interested in passing of the resolution at item No.7 of the Notice.

None of the Other Directors is interested in the passing of the resolution at this item.

This explanation together with the accompanying Notice shall be treated as an abstract under section 302 of the Companies Act, 1956.

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

Dated:30th July, 2001

By Order of the Board

(N. P. JOSHI)

ASST. COMPANY SECRETARY

**39TH ANNUAL REPORT 2000-2001****DIRECTORS' REPORT**

To,
The Members of
Patel Roadways Limited.

The Directors have pleasure in presenting their 39th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2001.

FINANCIAL RESULTS :

The financial results are as under :

	(Rs. in lacs) Year ended 31st March 2001	(Rs. in lacs) Year ended 31st March 2000
Profit before Interest & Depreciation	646.52	624.99
Less : Interest	266.14	225.36
Profit before Depreciation	380.38	399.63
Less : Depreciation	182.28	197.57
Profit before tax	198.10	202.06
Less : Provision for tax	96.00	98.00
Excess/(Short) Provisions for taxation of earlier years	—	22.80
Profit after tax	102.10	126.86
Balance of Profit from previous year	488.97	410.91
TOTAL	591.07	537.77
APPROPRIATIONS OF PROFITS		
Proposed Dividend on Equity Shares	—	40.00
Proposed tax on dividend	—	8.80
Balance carried to Balance Sheet	591.07	488.97
TOTAL	591.07	537.77

OPERATIONS :

The performance of your Company for the year under review was satisfactory when seen in the light of the overall economic slowdown.

The freight income was Rs.12141.62 lakhs, an increase of over 5% over the previous year. The profit before interest and depreciation also rose by more than 3% to Rs.646.52 lakhs. The profit before tax was Rs.198.10 lakhs and the profit after tax was Rs.102.10 lakhs.

During the year under consideration, the Company had to settle an extra-ordinary claim in terms of the Supreme Court Judgement and an amount of Rs.51.00 lakhs towards the principal and Rs.70.92 lakhs towards the interest was incurred towards the settlement of the said claim. But for this claim, the profit of the Company would have been higher to the extent of the amount incurred.

The objective of the Management was to consolidate its position and establish your company as a major player giving total logistics solutions through value added services. During the year a separate division namely Patel Logistics was formed to cater to the customer's demands for third party logistics services.

In spite of the continued slowdown, especially in the manufacturing sector, and stiff competition, your Company has managed to retain its market share and volumes. The Company was also successful in computerizing a large portion of its network as well as introduce a state-of-the-art track and trace system for improving overall efficiencies. Though there are no signs of the economy bouncing back, the Management is confident that the Company will not only hold its ground but also make significant gains in the field of logistics services.

DIVIDEND :

With a view to conserve the resources for future requirements, your Directors have decided not to recommend dividend on the Equity Shares for the year under consideration.