



Asgar S. Patel

Chairman



Arif A. Patel

Managing Director



Ravi A. Poddar

Director



P. S. G. Nair

Director



Jehanbux J. Gandevia

Director



Farrokh S. Wadia

Director

**BOARD OF DIRECTORS**

Asgar S. Patel	Chairman
Arif A. Patel	Managing Director
Ravi A. Poddar	Director
P.S.G. Nair	Director
Jehanbux J. Gandevia	Director
Farrokh S.Wadia	Director

ASSISTANT COMPANY SECRETARY

Navin P. Joshi

AUDITORS

Kuvvelker, Naik & Gandhi Mumbai

LEGAL ADVISOR

F.S. Broacha Mumbai

BANKERS

Bank of Baroda
Vijaya Bank
Union Bank of India

REGISTERED OFFICE

Patel House, 5th Floor,
Plot No. 48, Gazdarbandh,
North Avenue Road,
Santacruz (W), Mumbai - 400 054.

CORPORATE OFFICE

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

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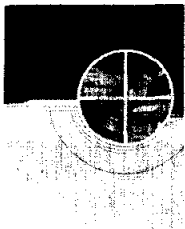
SHARE TRANSFER AGENTS

COMPUTRONICS FINANCIAL SERVICES (INDIA) LTD.

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

40th Annual General Meeting : Wednesday, the 25th day of September 2002, 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.*



40TH ANNUAL REPORT 2001-2002

NOTICE

NOTICE is hereby given that the 40th 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 Wednesday, the 25th day of September, 2002 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, 2002 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Asgar S.Patel, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr.Jehanbux J.Gandevia, 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.
5. To consider and, if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary Resolution :

"RESOLVED that Mr.P.S.G.Nair 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."

Registered Office :
Patel House, 5th Floor,
Plot No. 48, Gazdarbandh
North Avenue Road,
Santacruz (W) Mumbai-400 054

By Order of the Board

(N. P. JOSHI)
ASST.COMPANY SECRETARY

Dated : 9th August, 2002

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 19th September, 2002 to 25th September, 2002 (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 the year 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 Investor Education and Protection Fund ("the Fund") 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.Asgar S. Patel
AGE : 63 years
QUALIFICATIONS : B.A.
EXPERTISE : One of the pioneers of the organized transportation of goods in India with vast experience in the fields of Finance, Forex, Couriers, Construction and Logistics.
PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT : Mr.A.S.Patel, the Chairman of the Company since its inception, retires by rotation at the ensuing Annual General Meeting and is proposed to be re- appointed as the Director of the Company.



OTHER DIRECTORSHIPS	NAME OF THE COMPANY	POSITION HELD
	i) Wall Street Finance Ltd.	Chairman
	ii) Patel On-Board Couriers Ltd.	Chairman
	iii) Wall Street Housing & Finance Corporation Ltd.	Chairman
	iv) Wall Street Securities & Investments (India) Ltd.	Chairman
	v) Wall Street.Com India Ltd.	Chairman
	vi) Springfield Hotels Ltd.	Chairman
	vii) Wall Street Forex Pvt.Ltd.	Chairman
	viii)Natasha Contructions Ltd.	Director
	ix) Patel Institute of Transport Management & Research	Director
	x) Money Changers Association	Director

***CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31ST MARCH 2002.**

2. NAME	: Mr.Jehanbux J.Gandevia										
AGE	: 74 years										
QUALIFICATIONS	: B.Com.(Hons.), F.C.A.										
EXPERTISE	: Vast experience in the fields of Accountancy, Audit, Finance, Banking and Taxation matters.										
PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT	: Mr.J.J.Gandevia was appointed as the Director w.e.f. 15 th February, 1996. Mr.Gandevia retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as the Director.										
OTHER DIRECTORSHIPS	<table> <tr> <th>NAME OF THE COMPANY</th><th>POSITION HELD</th></tr> <tr> <td>i) Zorastrian Co-operative Bank Ltd.</td><td>Director</td></tr> <tr> <td>ii) General film Distributors Pvt.Ltd.</td><td>Director</td></tr> <tr> <td>iii) Jetair Enterprises Pvt. Ltd.</td><td>Director</td></tr> <tr> <td>iv) Indo-Eden Salt Manufacturing and Trading Company Pvt.Ltd.</td><td>Director</td></tr> </table>	NAME OF THE COMPANY	POSITION HELD	i) Zorastrian Co-operative Bank Ltd.	Director	ii) General film Distributors Pvt.Ltd.	Director	iii) Jetair Enterprises Pvt. Ltd.	Director	iv) Indo-Eden Salt Manufacturing and Trading Company Pvt.Ltd.	Director
NAME OF THE COMPANY	POSITION HELD										
i) Zorastrian Co-operative Bank Ltd.	Director										
ii) General film Distributors Pvt.Ltd.	Director										
iii) Jetair Enterprises Pvt. Ltd.	Director										
iv) Indo-Eden Salt Manufacturing and Trading Company Pvt.Ltd.	Director										

*CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31 ST MARCH 2002.	NAME OF THE COMPANY	TYPE OF THE COMMITTEE	POSITION HELD
	i) Patel Roadways Ltd.	Remuneration Committee	Chairman
	ii) Patel Roadways Ltd.	Shareholders Grievance Committee	Member
	iii) Patel Roadways Ltd	Audit Committee	Member

3. NAME	: Mr. P.S.G. Nair
AGE	: 58 years
QUALIFICATIONS	: B.Sc. (Hons.), A.C.A..
EXPERTISE	: Vast experience in the fields of Accountancy, Audit, Finance, Forex, Company Law and Taxation matters.
PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT	: Mr.P.S.G.Nair was appointed as an Additional Director w.e.f. 29 th January, 2002. Members approval is sought for his appointment as the Director of the Company, at the ensuing Annual General Meeting.

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OTHER DIRECTORSHIPS :	NAME OF THE COMPANY		POSITION HELD	
	i)	Wall Street Finance Ltd.	Whole-time Director	
	ii)	Wall Street Housing & Finance Corporation Ltd.	Director	
	iii)	Wall Street Securities & Investments (India) Ltd.	Director	
	iv)	Yasmin Finance & Trading Pvt.Ltd.	Director	
	v)	Transways Combines Pvt.Ltd.	Director	
	vi)	Patel Management Consultancy Pvt.Ltd.	Director	
	vii)	Wall Street Leasing & Finance Pvt.Ltd.	Director	
	viii)	Springfield Hotels Ltd.	Director	
	ix)	Patel Tank Farms Ltd.	Director	
*CHAIRMAN / MEMBER OF THE COMMITTEES OF THE BOARD OF THE COMPANIES ON WHICH HE IS A DIRECTOR AS ON 31 ST MARCH 2002.	NAME OF THE COMPANY		TYPE OF THE COMMITTEE	POSITION HELD
	i)	Patel Roadways Ltd.	Shareholders' Grievance Committee	Chairman
	ii)	Patel Roadways Ltd.	Remuneration Committee	Member
	iii)	Wall Street Finance Ltd.	Shareholders' Grievance Committee	Member
	iv)	Wall Street Housing & Finance Corporation Ltd.	Audit Committee	Chairman

*Chairmanship / Membership of Committees as conceived under Clause 49 of the Listing Agreement is only mentioned.

ANNEXURE TO THE NOTICE

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

Item No.5

Mr.P.S.G.Nair was appointed as an Additional Director of the Company at the meeting of the Board of Directors of the Company held on 29th January, 2002. The Company has received a notice along with a deposit of Rs.500/- from one of the shareholders of the Company proposing the candidature of Mr.P.S.G.Nair for the office of the Director of the Company under section 257 of the Companies Act, 1956.

Mr.P.S.G.Nair is B.Sc.(Hons.) and an Associate Member of the Institute of Chartered Accountants of India and has more than three decades of experience in the fields of Accountancy, Audit, Finance, Forex, Company Law Matters and Taxation Laws.

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.

Except Mr. P.S.G. Nair, none of the Directors is concerned or interested in passing of the resolution at item no.5 of the Notice.

Registered Office :
"Patel House", 5th flr.,
Plot No. 48, Gazdarbandh
North Avenue Road,
Santacruz (W) Mumbai-400 054

By Order of the Board

(N. P. JOSHI)
ASST.COMPANY SECRETARY

Dated : 9th August, 2002



DIRECTORS' REPORT

To,
The Members of
Patel Roadways Limited.

The Directors have pleasure in presenting their 40th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS :

The financial results are as under :

	(Rs. in lacs) Year ended 31st March 2002	(Rs. in lacs) Year ended 31st March 2001
Profit before Interest & Depreciation	406.03	646.52
Less : Interest	181.00	266.14
Profit before Depreciation	225.03	380.38
Less : Depreciation	142.06	182.28
Profit before tax	82.97	198.10
Less : Provision for tax	18.00	96.00
Add : Deferred Tax	11.47	-
Excess/(Short) Provisions for taxation of earlier years	(23.62)	-
Profit after tax	52.82	102.10
Balance of Profit from previous year	591.07	488.97
TOTAL	643.89	591.07
APPROPRIATIONS OF PROFITS		
Transfer to General Reserve	400.00	-
Balance carried to Balance Sheet	243.89	591.07
TOTAL	643.89	591.07

OPERATIONS :

The overall economic scenario continues to project a grim picture across all segments. Many small and medium scale industries have lost the battle of survival. Even large corporates are resorting to measures like cutting down the production and downsizing the operations. In spite of the easing interest rates, the money market continues to be extremely tight. To add to the woes, the month of March saw a drastic reduction in industrial activity in the state of Gujarat, due to communal violence. The transport sector has been severely affected by all these factors. Volumes have shrunk, margins are under severe strain and the outstandings continue to rise.

In spite of the depressing conditions, your Company's performance, during the year under consideration, was satisfactory. Your Company achieved a freight income of Rs.112.60 Crores and posted a net profit before tax, of Rs.82.97 lakhs.

To combat the depression, certain operational initiatives were taken during the year under consideration, which included measures like :

- Revamping of routes and truck movements.
- Review of the customer base with a view to weed out low margin, high volume customers.
- Review of the sundry rates and formulation of a new pricing model, to ensure uniformity and direct co-relation to the cost of operations.
- Branch Rationalisation, which involved converting of certain branches into franchisee outlets and closing down loss making branches. However while doing this exercise adequate care has been taken to ensure that the reach and service network of the Company does not suffer.

The management is also very conscious about the costs. The objective of the management is to improve the profitability even at lower volumes.

During this year also, the management is confident of facing the challenges posed by the recessionary phase in the economy and even a slight improvement in the overall economic scenario will help the Company to gain momentum in terms of volumes and profitability.



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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.

FIXED DEPOSITS :

Fixed Deposits accepted by the Company stood at Rs.594.24 lacs as on 31st March, 2002. There were no unpaid or overdue deposits as on 31st March, 2002, except unclaimed Deposits aggregating Rs. 5.10 lacs, for which necessary intimations have already been sent. There has been no amount of deposits required to be transferred to the Investor Education and Protection Fund.

DIRECTORS :

Mr. Asgar S.Patel and Mr.Jehanbux J.Gandevia, Directors of the Company, retire by rotation, at the ensuing Annual General Meeting, and being eligible have offered themselves for re-appointmant.

Mr.P.S.G.Nair was appointed as an Additional Director of the Company by the Board of Directors of the Company at their meeting held on 29th January, 2002. Mr.Nair vacates the office of Director at the ensuing Annual General Meeting. The Company has received a notice proposing candidature of Mr.Nair as Director of the Company. Mr.Nair being eligible has offered himself for appointment as Director of the Company.

Mr.Sushil Kumar resigned as Director of the Company w.e.f. 20th November, 2001. The Board of Directors sincerely appreciates contribution of Mr.Kumar as Director of the Company.

Mr.Ashok Kumar Mehra resigned as Director of the Company w.e.f. 30th January, 2002. The Board of Directors sincerely appreciates contribution of Mr.Mehra as Director of the Company.

AUDITORS :

Your Auditors, M/s.Kuvelker, Naik and Gandhi retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS' REPORT :

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

CORPORATE GOVERNANCE :

To comply with conditions of Corporate Governance, pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditors' Certificate, are included in the Annual Report.

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

The Company continues its in-house programme of enlightening and educating 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) Year ended 31st March,2002	(Rs. in lacs) Year ended 31st March,2001
Earnings in Foreign Exchange		
Income from Money Transfer Service	20.72	13.96
Interest	0.40	0.45
TOTAL	21.12	14.41
Expenditure in Foreign Currency		
Travelling Expenses	40.28	21.56
Telephone Expenses (PRL WUMTS)	1.11	0.52
TOTAL	41.39	22.08



PERSONNEL & HUMAN RESOURCES :

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

There were no employees during the year under consideration drawing remuneration as per limits prescribed u/s 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, and in respect of which a statement is required to be enclosed to this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

The Board of Directors of the Company confirm that :

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure ;
- 2) the selected accounting policies were applied consistently and the Directors made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2002 and of the profit of the Company for the year ended on that date;
- 3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Annual Accounts have been prepared on a going concern basis.

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.

Registered Office :
Patel House, 5th Floor,
Plot No. 48, Gazdarbandh,
North Avenue Road
Santacruz (W) Mumbai-400 054

Mumbai, 9th August, 2002

For and on behalf of the Board,

A.A. PATEL	-	Managing Director
P.S.G. NAIR	-	Director
J.J. GANDEVIA	-	Director
F.S. WADIA	-	Director

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REPORT ON THE CORPORATE GOVERNANCE

[Pursuant to clause 49(VII) of the Listing Agreement]

a) Company's Philosophy on the Corporate Governance

The Company strongly believes in values of transparency, professionalism and accountability which are the mainstay of good corporate governance. The Company has consistently practised good corporate governance and will endeavour to improve on it on the ongoing basis.

b) The Board of Directors

The Board of Directors has a judicious mix of Executive and Non Executive Directors. The Board of Directors comprises of a Non Executive Chairman, one Managing Director and four Non Executive Directors. All the Non Executive Directors are independent Directors.

During the financial year ended 31st March, 2002, seven Board Meetings were held on 30.4.2001, 30.7.2001, 25.9.2001, 27.9.2001, 25.10.2001, 21.12.2001 and 29.1.2002, respectively.

The composition of the Board of Directors as at 31st March, 2002, their attendance at the Board Meetings during the year ended 31st March, 2002 and at the last Annual General Meeting as also number of other directorships and memberships of committees held by them, as on 31st March, 2002 are as given below:

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance At the last A.G.M.	No. of other Directorships (Incl. Pvt. Ltd. Companies)	Committee Memberships	
					Member	Chairman
Mr. Asgar S. Patel	NEC	3	Yes	10	-	-
Mr. Arif A. Patel	MD	7	Yes	13	1	-
Mr. J.J. Gandevia	NED	5	No	4	2	1
Mr. Ravi A. Poddar	NED	1	No	10	-	-
Mr. P.S.G. Nair *	NED	1	N.A.	9	2	2
Mr. Farrokh S. Wadia	NED	7	Yes	None	1	-

* Appointed as an Additional Director with effect from 29th January, 2002

NEC - Non Executive Chairman

NED - Non Executive Director

MD - Managing Director

(c) Audit Committee

1. Terms of reference:

The scope of the work of the Audit committee include the areas prescribed by clause 49 II(D) of the Listing Agreement and section 292A of the Companies Act, 1956 pertaining to Audit Committee and its functioning.

2. Composition of the Audit Committee :

The Audit Committee of the Board of Directors comprises of 3 Non Executive Directors. The Committee met 3 times during the year ended 31st March, 2002 and attendance of members at meetings of the Committee was as follows:

Name of Member	Status	No. of Meetings attended
Mr. Ashok Kumar Mehra	Chairman	3
Mr. Sushil Kumar	Member	3
Mr. J.J. Gandevia	Member	3

Since the last meeting of the Audit Committee, Mr. Ashok Kumar Mehra, the Chairman of the Audit Committee, and Mr. Sushil Kumar, a member of the Audit Committee have resigned as Directors of the Company, due to their other pre occupations.