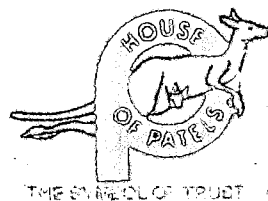


# 10TH ANNUAL REPORT 1997-98

|     |   |   |     |    |
|-----|---|---|-----|----|
| MD  | ✓ |   | BKC | ✓  |
| CS  | ✓ |   | DPY | NA |
| RO  | ✓ |   | DIV | NA |
| TRA | ✓ |   | AC  | ✓  |
| ACM | ✓ | ✓ | SHI | ✓  |
| YE  | ✓ | ✓ |     | ✓  |



PATEL  
ON BOARD COURIERS  
LIMITED



# **P**ATEL ON-BOARD COURIERS LIMITED

## **10TH ANNUAL REPORT**

### **BOARD OF DIRECTORS**

|                       |                   |
|-----------------------|-------------------|
| Asgar S. Patel        | Chairman          |
| Frederick J. de Souza | Managing Director |
| Arif A. Patel         | Director          |
| Dadi K. Contractor    | Director          |
| Sanjay K. Asher       | Director          |
| Ashok Vaish           | Director          |

### **COMPANY SECRETARY**

Haroon Mansuri

### **AUDITORS**

Ratan S. Mama & Co., Mumbai

### **LEGAL ADVISORS**

F.S. Broacha, Mumbai  
Crawford Bayley & Co., Mumbai  
Joshi Poojari & Co., Mumbai  
C.R. Naidu & Co., Mumbai  
G.V. Parmar, Mumbai

### **BANKERS**

Bank of Bahrain & Kuwait B.S.C.  
Industrial Bank Limited  
Oriental Bank of Commerce  
Vijaya Bank

### **REGISTERED OFFICE**

"Natasha"  
52, Hill Road, Bandra (West),  
Mumbai - 400 050.

### **HEAD OFFICE**

'Patel House' Plot No. 48,  
Near Suraj Bldg., Gazdhar Bandh,  
North Avenue Road, Santacruz (W),  
Mumbai - 400 054.

### **REGISTRARS & SHARE TRANSFER AGENTS**

Consolidated Share Services Pvt. Ltd.  
Shanti Nagar, Cross Road 'A',  
Near M.I.D.C. Bus Depot,  
M.I.D.C. Andheri (East),  
Mumbai - 400 093.

#### **10th Annual General Meeting**

On Tuesday, the September 29, 1998 at 12.00 Noon at Rotary Club of Mumbai (West), 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.**

# PATEL ON-BOARD COURIERS LIMITED

## NOTICE

NOTICE is hereby given that the 10th ANNUAL GENERAL MEETING of the Members of PATEL ON-BOARD COURIERS LIMITED will be held at Rotary Club of Bombay (West), Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai 400 049 on Tuesday, the 29th day of September, 1998 at 12.00 Noon 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, 1998 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. D.K. Contractor who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Asher 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 and to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolution, with or without modification, as an Ordinary Resolution.

"RESOLVED THAT consent of the members be and is hereby accorded pursuant to the provisions of Sections 269, 309, 198, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") to the re-appointment of Mr. F.J. de Souza as the Managing Director of the Company for a period of 2 (two) years with effect from 1st April 1998 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. F. J. de Souza produced at this Meeting and for the purpose of identification, initialled by the Chairman hereof.

RESOLVED FURTHER THAT the Directors 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. F. J. de Souza as may be agreed between the Directors and Mr. F. J. de Souza provided that the said remuneration as altered, changed and varied shall be within the limits prescribed therein under Schedule XIII of the Act for the time being and from time to time in force."

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

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") approval of the Company be and is hereby accorded that the Registers and Indexes of Members and the Registers and Indexes of Debentureholders (if any), and copies of all Annual Returns prepared under Section 159 of the Act, together with the copies of the Certificates and Documents required to be annexed thereto under Section 161 of the Act or any one or more of them shall, and from the date of the passing of the resolution, be kept at the office of Consolidated Share Services Private Limited at Shanti Nagar, Cross Road 'A', Near M.I.D.C., Bus Depot, M.I.D.C., Andheri (East), Mumbai - 400 093.

RESOLVED FURTHER THAT the Registers, Indexes, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection under the provisions of the Act be kept open for such inspection at the place where they are kept, by the person entitled thereto, to the extent in the manner and on payment of the fees, if any, specified in the Act, between the hours of 10.30 a.m. and 12.30 p.m. on all working days (except Saturdays) except when the Registers and Books are closed under the provisions of the said Act, provided however that the Register required to be maintained under Section 307 of the Act shall be open for inspection of the Members and Debentureholders, if any, as aforesaid, between the hours aforementioned during the period prescribed by sub-section 5(a) of the said Section 307".

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

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject

## 10TH ANNUAL REPORT

to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board"), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities"), of the Company, from out of its free reserves or out of the Securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

8. 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, and the Company hereby approves of the commencement and execution of the business covered by sub-clause (27) of the part (C) Clause III of the Memorandum of Association of the Company as and when the Directors think fit.

By Order of the Board  
For **PATEL ON-BOARD COURIERS LIMITED**

Report Junction.com

**Haroon Mansuri**  
Company Secretary

### REGISTERED OFFICE :

'Natasha'  
52, Hill Road,  
Bandra (West),  
Mumbai - 400 050.  
Dated : 19th August, 1998.

### NOTES :

1. The relevant Explanatory Statement as required by Section 173 of the Companies Act, 1956, in respect of the Special Business under items 5, 6 & 7 set out above are 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 OF THE COMPANY.
3. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 1998 to 29th September, 1998 (both days inclusive).
5. Members are requested to advise the Company immediately of any change in their address, if any, quoting folio number.
6. Members are advised to consolidate their Ledger Folios where they are holding shares in different folios in the same sequence of name(s).
7. Members are requested to bring the copy of their Annual Report and Attendance Slip at the Annual General Meeting.

# PATEL ON-BOARD COURIERS LIMITED

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT

AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

#### ITEM NO. 5

As you know, Mr. F.J. de Souza has been the Managing Director of the Company since 1st April, 1992. Mr. F. J. de Souza's term of office expired on 31st March, 1998 and at their meeting held on 31st March, 1998, your Directors have, subject to your approval, re-appointed Mr. F.J. de Souza as Managing Director of the Company for a further period of two years from 1st April 1998 on the terms and conditions set out in the draft Agreement referred to in the resolution. The material terms, including remuneration, of the said Agreement are as follows :

A. **PERIOD :** 2 years from 1st April 1998.

B. **REMUNERATION :**

(1) Salary :

Salary (inclusive of dearness allowance) of Rs. 25,000/- per month from 1st April 1998 to 31st March 1999 and Rs. 30,000/- per month from 1st April, 1999 to 31st March, 2000.

(2) Housing :

Use of unfurnished residential accommodation subject to the condition that the cost thereof, to the Company shall not exceed Rs. 5000/- per month OR in lieu thereof the Managing Director shall be entitled to a House Rent Allowance subject to a ceiling of Rs. 5,000/-.

(3) Medical:

Reimbursement of actual medical expenses incurred for self and family subject to a ceiling of Rs. 25,000/- per annum.

(4) Leave Travel Concession:

For self and family once a year subject to a maximum of one month's salary.

(5) Club Fee:

Fees of not more than two clubs subject to a maximum of Rs. 2,000/-, provided that admission and life membership fees will not be allowed.

(6) Personal Accident Insurance:

At the Company's cost subject to the condition that the premium thereof will not exceed Rs. 1,000/- per annum.

(7) Car and Telephone:

Use of the Company's car for the Company's business and a telephone at his residence provided that use of the car for personal purpose and personal long distance calls will be billed by the Company to the Managing Director.

C. The Managing Director will also be eligible to the following perquisites which, however, will not be included in the compensation of the ceiling on remuneration at B above namely:

(i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.

(ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of tenure :

Provided that the Board is authorised to make or accept variations in remuneration so as to exceed the limits specified in schedule XIII to the Companies Act, 1956 or any amendment thereto from time to time in force, as may be agreed to by the Board and the Managing Director.

## 10TH ANNUAL REPORT

### D. MINIMUM REMUNERATION :

The above remuneration including the perquisites aforesaid shall nevertheless be paid as minimum remuneration for any financial year in case of absence or inadequacy of profits in any year.

### E. OTHER TERMS :

- (i) Privilege leave on full pay and allowances not exceeding one month for every eleven months of service subject to the condition that leave accumulated but not availed of will be dealt with as per the Income-Tax Rules, 1962.
- (ii) The Managing Director shall not be paid any fees for attending meetings of the Board and/or Committee thereof.
- (iii) The Managing Director shall not be liable to retire by rotation.
- (iv) The Managing Director shall not, without the prior approval of the Board, directly or indirectly engage himself in any other business occupation or employment of nature similar to or competing with the Company's business, provided that it shall be permissible for him to hold other directorships, or shares of any other Company or Companies and the holding of any such directorship or shares shall not be deemed a contravention of this clause.
- (v) The Managing Director shall not during the continuance of his employment or at any time thereafter divulge or disclose to any person or make any use for whatever purpose, of any confidential information or knowledge obtained by him during his employment as to the business or affairs of the Company and the Managing Director shall also use his best endeavours to prevent any other person from doing so.
- (vi) In case the Managing Director shall die during the course of his employment hereunder, the Company shall pay to his legal heirs the salary and other emoluments payable for the then current month and for three months thereafter.
- (vii) Either party shall be entitled to determine this Agreement by giving three calendar months' notice in writing in that behalf to the other party without showing any cause.

The appointment and payment of remuneration as above to Mr. F.J. de Souza will not require approval of the Central Government in terms of the provisions of Section 269 of the Act read with Schedule XIII to the Companies Act, 1956 as amended by Notification GSR No. 46 (E) dated 1st February 1994. Your Directors are of the view that the appointment of Mr. F.J. de Souza will be in the interest of the Company and its shareholders and accordingly, commend the resolution at item No. 5 for your acceptance. The draft Agreement between the Company and Mr. F.J. de Souza referred to in the said resolution is available for inspection of the members at the Registered Office of the Company between the hours 10.30 a.m. and 12.30 p.m. on all working days (except Saturdays).

Mr. F.J. de Souza is interested in the resolution at item 5 of the Notice since it concerns his own remuneration.

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

### ITEM NO. 6

Approval of the members is sought pursuant to the provisions of Section 163 of the Companies Act, 1956, to keep the Registers of Members, the Indexes of the Members and copies of all Annual Returns prepared under Sections 159 and 160, together with copies of certificates and documents required to be annexed thereto under Sections 160 and 161, at the office of Consolidated Share Services Private Limited.

After the conclusion of this Annual General Meeting, the share department work of the Company will be carried on at Consolidated Share Services Private Limited. The special resolution under this item also specifies the time and place of inspection of the books and documents of the Company by its members and



# PATEL ON-BOARD COURIERS LIMITED

others, namely, between the hours of 10.30 a.m. and 12.30 p.m. on any working day i.e. anyday excluding Saturdays, Sundays, public, bank holidays and any other day on which the office of Consolidated Share Services Private Limited remains closed.

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

## **ITEM NO. 7**

The Companies Bill, 1997 provides for buy-back of the Company's own shares which is not allowed under the Companies Act, 1956 as it stands today. Barring unforeseen changes, upon the notification of the said Bill, a Company would be able to buy-back its own shares as provided therein. Accordingly, it is proposed to authorise the Board of Directors to buy-back the Equity Shares and other Securities (as defined in the Resolution) of the Company upon the enactment of the said Companies Bill, 1997 on the terms and conditions set out in the Resolution. The buy-back would be financed out of free reserves or out of the Securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose and the Shares/Securities so bought back would be forthwith cancelled. The Directors are of the opinion that in the event the said Companies Bill, 1997 is enacted, the proposed buy-back will be in the interest of the Company and its Shareholders and, accordingly, commend the passing of the Resolution at Item No. 7 of the Notice.

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

## **ITEM NO. 8**

The members will have seen that the Resolution at Item No. 8 of the Notice seeks to commence the new business of Hotel with the view to enable the Company to diversify into such line of 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 (27) which may be deemed to be not germane to the business carried on by the Company. It is necessary to obtain "Members" approval therefore under Section 149 (2-A) of the Companies Act, 1956 and hence this resolution.

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

By Order of the Board  
For **PATEL ON-BOARD COURIERS LIMITED**

**Haroon Mansuri**  
*Company Secretary*

## **REGISTERED OFFICE :**

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

Dated : 19th August, 1998.



**10TH ANNUAL REPORT****DIRECTORS' REPORT**

To,

The Members of

**Patel On-Board Couriers Limited**

The Directors have pleasure in presenting the 10th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 1998.

**FINANCIAL RESULTS**

|  | Year ended<br>March 31, 1998 | (Rs.in Lacs)<br>Year ended<br>March 31, 1997 |
|--|------------------------------|--|
| Profit before Interest, Depreciation and Tax               | 291.69                       | 310.54                                       |
| Less : Interest  | 115.27                       | 120.08                                       |
| Profit before Depreciation and Tax                         | 176.42                       | 190.46                                       |
| Less : Depreciation  | 53.61                        | 46.52  |
| Profit before Tax  | 122.81                       | 143.94                                       |
| Less : Provision for Tax                                   | 58.00                        | 19.45  |
| Profit after Tax   | 64.81                        | 124.49                                       |
| Less : Short provision for taxation of earlier years (Net) | 89.55                        | 0.06   |
|  | 25.26                        | 124.43                                       |
| Add : Balance of profit from previous year                 | 349.42                       | 325.91                                       |
| Profit available for appropriation                         | 384.68                       | 450.34                                       |
| <b>APPROPRIATIONS OF PROFITS</b>                           |                              |  |
| Proposed Dividend  | —                            | 23.56  |
| Provision for tax on Proposed Dividend                     | —                            | 2.36   |
| Transfer to General Reserve                                | 50.00                        | 75.00  |
| Balance carried to Balance Sheet                           | 334.68                       | 349.42                                       |
|  | 384.68                       | 450.34                                       |

**DIVIDEND**

Due to tight cashflow situation and reduced profitability of the Company during the year under review, the Directors have decided to conserve the resources for the coming years. Therefore no dividend is recommended.

**RESULTS**

The Company recorded a marginal growth in turnover during the current year at Rs. 5189.92 Lacs against Rs. 5074.15 Lacs during the previous year. Due to stiff competition in the market the Company could earn a Profit before Interest, Depreciation and Tax of Rs. 291.69 Lacs as against Rs. 310.54 Lacs during the previous year.

**OPERATIONS****Co-loading**

During the year under review the turnover in Co-loading business amounted to Rs. 4956.42 Lacs compared to Rs. 4850.54 Lacs during the previous year. The Company has achieved increased turnover in terms of tonnage & value, but due to stiff competition, the Company had to bring down the rates in line with competition. However, the Company continues to be the Market Leader in the Co-loading business.

**Exports**

The Company received a few export orders during the year which were executed. Since the export market continues to be dull, your Company does not expect much activity in this division in the near future.

**Tours & Travel Division**

With the division changing its focus to Corporate Clients the Gross Income has increased by 27% to Rs. 126.63 Lacs from Rs. 99.35 Lacs during the previous year.

**Cargo Division**

Due to slow down in exports during the year the Cargo Division recorded a lower Gross Income of Rs. 101.12 Lacs as compared to Rs. 124.26 Lacs during the previous year.

**DIVERSIFICATION**

The Company has received Full-Fledged Money Changing Licence (FFMC) from the Reserve Bank of India for our Travel Division to deal in Foreign Currency Notes, Coins and Travellers Cheques. We have already started this new business from July 1998