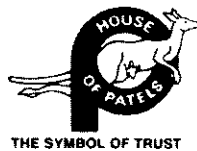
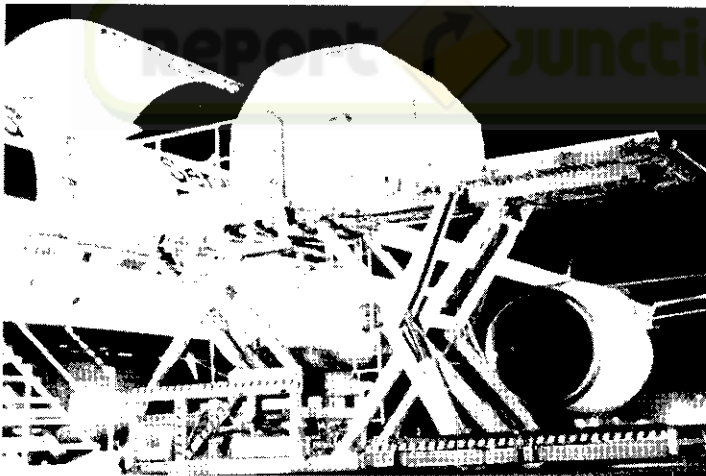


12th ANNUAL REPORT 1999-2000



**PATEL
ON-BOARD COURIERS
LIMITED**

BOARD OF DIRECTORS

Asgar S. Patel	..	Chairman
Arif A. Patel	..	Director
Dadi K. Contractor	..	Director
Sanjay K. Asher	..	Director
Ashok Vaish	..	Director
Satish Jacob	..	Director

COMPANY SECRETARY

Haroon Mansuri

AUDITORS

RSM & Co.	..	Mumbai
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LEGAL ADVISORS

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

BANKERS

Bank of Bahrain & Kuwait B.S.C.
Indusind Bank Ltd.
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, Santacruz (West),
Mumbai - 400 054.

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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.

12th Annual General Meeting

On Monday, the September 25, 2000 at 11.30 AM at Rotary Club of Bombay (West),
Sheila Raheja Hall, Rotary Service Center, Juhu Tara Road, Santacruz (West), 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 **12th 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 Center, Juhu Tara Road, Santacruz (West), Mumbai - 400 049 on Monday, the 25th day of September, 2000 at 11.30 am 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 Dividend.
3. To appoint a Director in place of Mr. Arif A. Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. D. K. Contractor who retires by rotation and being eligible, offers himself for re-appointment.
5. 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.
6. To consider and if thought fit, to pass the following resolution as 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,

- 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."

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 : 10th August, 2000

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 OF THE COMPANY.
2. Proxies, in order to be effective, must be received at the Registered Office of the company not less than 48 hours before the meeting.
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. Members are requested to advise the Company immediately of any change in their address, if any, quoting folio number.
5. Members are advised to consolidate their Ledger Folios where they are holding shares in different folios in the same sequence of name(s).
6. Members are requested to bring the copy of their Annual Report and Attendance Slip at the Annual General Meeting.

EXPLANATORY STATEMENT

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

Item no. 6

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.6 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 investment made, if any, by Foreign Institutional Investors, in which he or his relatives are Directors or Members.

PATEL ON-BOARD COURIERS LIMITED**DIRECTORS' REPORT**

To,
The Members of
Patel On-Board Couriers Limited

The Directors have pleasure in presenting the 12th Annual Report and the Audited Statement of Accounts of your Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

	Year ended March 31, 2000	(Rs. in Lacs) Year ended March 31, 1999
Profit before Interest, Depreciation and Tax	436.00	317.41
Less : Interest	84.43	105.08
Profit before Depreciation and Tax	351.57	212.33
Less : Depreciation	190.85	57.04
Profit before Tax	160.72	155.29
Less : Provision for Tax	61.00	60.00
Profit after Tax	99.72	95.29
Less : Short provision for taxation of earlier year (Net)	-	4.77
	99.72	90.52
Add : Balance of profit from previous year	395.20	334.68
Profit available for appropriation	494.92	425.20
APPROPRIATIONS OF PROFITS		
Proposed Dividend	23.56	-
Provision for Tax on Proposed Dividend	5.18	-
Transfer to General Reserve	7.50	30.00
Balance carried to Balance Sheet	458.68	395.20
	494.92	425.20

DIVIDEND

Your Directors recommend the Dividend (Tax Free)
@ 5% on Equity Capital, for the year.

Company continues to be the Market Leader in the Co-loading business.

RESULTS

The Company recorded an increase in turnover by 6% from Rs.6718.43 Lacs to Rs.7167.91 Lacs during the year under review. However margins are under pressure due to stiff competition in the market. The Company could earn a Profit before Interest, Depreciation and Tax of Rs.436.00 Lacs as against Rs.317.41 Lacs during the previous year.

Export

During the current year the Company has exported jute bags valued at Rs.15.29 Lacs. The Company could earn the marginal profit from the export activity.

OPERATIONS**Co-loading**

During the year under review the turnover in Co-loading business amounted to Rs.6726.93 Lacs compared to Rs.6397.67 Lacs during the previous year. Due to stiff competition, the Company had to bring down the rates in line with competition. The

Tours & Travel Division

With the division changing its focus to Corporate Clients the Gross Income of this division stood at Rs.259.09 Lacs as compared to Rs.178.08 Lacs during the previous year. The increase during the current year is by 45%.

Cargo Division

The Cargo Division recorded a growth in Gross Income of Rs.150.80 Lacs as compared to Rs.128.84 Lacs during the previous year which shows an increase of 17% during the year.

Forex

The Company has shown the marginal growth in the business of Forex division. The income generated out of this line of business amounted to Rs. 15.80 Lacs as against Rs.13.85 during the previous year. The company hopes for increasing the business in the current year.

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.

DIVERSIFICATION

The Company has diversified in the business of domestic cargo under the name Patel Airfreight II. This division has already established ten branches in the major cities and has further plan to establish seven branches by the end of 2000. The management expects to generate good amount of revenue and profit from this new line of business.

PROSPECTS

The future prospects of your Company appear to be bright in view of aggressive marketing strategy adopted by the Company to increase the tonnage and revenue in the co-loading both domestic and international and Air cargo divisions.

The Company has identified Cargo Division as a thrust area and has initiated steps for the diversifying in the business of Domestic Cargo.

FIXED DEPOSITS

Your Company accepted Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and has collected Rs.17.31 Lacs during the year. As at the year-end no Fixed Deposits were overdue other than unclaimed. The Company has filed Statement in Lieu of Advertisement in the Registrar of Companies, Maharashtra.

Y2K COMPLIANCE

Your company successfully completed the year 2000 compliance in November, 1999. All the hardware, application software, systems software were replaced and upgraded wherever required for Y2K compliance. The company had also prepared and successfully tested the Contingency Plan. The company gave special

training and created general awareness among the staff about the necessity and the requirement of Y2K compliance. The rollover to the next millennium was successful.

DIRECTORS

Mr. Arif A. Patel & Mr. D. K. Contranctor, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. F. J. de Souza who has retired as Managing Director of the Company as on 31st March, 2000 and subsequently resigned from Board. Mr. F. J. de Souza was a Director since inception of the Company and has contributed substantially for the growth of the Company. The Board of Director place on record on valuable contribution made by Mr. F. J. de Souza during his tenure.

AUDITORS

M/s. RSM & Co. Chartered Accountants Auditors of the Company will retire at the end of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

INFORMATION AS REQUIRED U.S 217 (1) (c) OF THE COMPANIES ACT, 1956**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgoings:**

The Company being a service Company particulars relating to Conservation of energy and Technology Absorption are not applicable.

Foreign Exchange Earnings and Outgoings:

	(Rs. in Lacs)	
	Year ended March 31, 2000	Year ended March 31, 1999
Earnings in Foreign Exchange		
Recovery of Ticketing and other Expenses	168.70	123.59
F. O. B. value of Export	11.77	-
Expenditure in Foreign Currency		
Travelling	10.07	7.83
Others	0.28	0.10

PATEL ON-BOARD COURIERS LIMITED**PARTICULARS OF EMPLOYEES**

Information in accordance with the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given as under:

Employed throughout the year : Not Applicable.

Employed for part of the year :

Name	Age	Designation	Remuneration (Rs.)	Qualifications	Experience (Years)	Date of Employment	Last Employment
Mr. Rashid Kadimi	52	Group Director	497,831	B.E.(Mech.) AICWA M.M.M.	29	01.09.1999	Corporate President Associated Capsules Group

PERSONNEL & HUMAN RESOURCES

During the year under review, the relations with employees were cordial and satisfactory and the employees morale was high.

forward to their continued support for the progress of your Company during the year to come.

For and on Behalf of the Board

ACKNOWLEDGMENTS

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

The Directors place on record their appreciation of the continued support and co-operation received from the Bankers, Customs Authorities, Airlines and look

REGISTERED OFFICE

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

Dated : 10th August, 2000

A. S. Patel
Chairman

Auditors' Report

To the members of
Patel On-Board Couriers Limited

We have audited the attached Balance Sheet of **PATEL ON-BOARD COURIERS LIMITED** as at March 31, 2000 and the annexed Profit and Loss Account for the year ended on that date 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 on the basis of such checks of the books and records as we considered necessary and appropriate and according to the information and explanations given to us during the course of the audit, 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Profit and Loss Account

and 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. 10(b) in Schedule "O" to the accounts, regarding provision that may be required on shortfall, if any, on completion of the recovery process in respect of overdue debts. The extent to which these debtors 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 accounts read together with the notes thereon, and subject to our comments in para 2 (e) above, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2000.
and
 - ii) in case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

for **RSM & Co.**
Chartered Accountants

Natraj Ramkrishna
Partner (F-32815)

Mumbai

Dated : 10th August, 2000.

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. We are informed that except for assets leased out, other assets have been physically verified by the management during the year. 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. The Company did not carry any stock of stores, spare parts, finished goods and raw materials. As per the information and explanations given to us, the stocks of packing materials and foreign currencies have been physically verified during the year by the management at reasonable intervals.
4. The procedures of physical verification of the stocks of packing materials and foreign currencies followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. As informed to us, the discrepancies noticed on physical verification of the stocks as compared to the book records were not material and the same have been properly dealt with in the books of account.
6. According to the information and explanations given to us and on the basis of our examination of the stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. The Company has not taken any loan from companies listed in the register maintained under section 301 of the Companies Act, 1956. In terms of sub section (6) of Section 370 of Companies Act, 1956, provisions of Section 370(1B) are not applicable to a company on or after October 31, 1998.
8. The Company has granted unsecured loans to companies listed in the register maintained under Section 301 of the Companies Act, 1956, without any stipulation as to repayment of the principal and interest. In our opinion, and based on the information and explanations provided to us, the terms and conditions of these loans, except as regards to the rates of interest, are prima facie not prejudicial to the interest of the Company. In terms of sub section (6) of Section 370 of Companies Act, 1956, provisions of Section 370(1B) are not applicable to a company on or after October 31, 1998.
9. The Company has given interest free advances to its employees who are generally repaying the principal amounts as stipulated, except in few cases in respect of ex-employees, where the Company has initiated steps for recovery of the principal.
10. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of packing materials, assets and for purchase and sale of foreign currencies.
11. During the year, there were no transactions of purchase and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs.50,000/- or more in respect of each party. In respect of services rendered to these parties, the same have been made at prices which are reasonable having regard to prevailing