



**PATEL**  
**ON-BOARD COURIERS LTD.**

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**PATEL**  
**ON-BOARD COURIERS LTD.**

# board of directors

A N N U A L R E P O R T 2 0 0 2 - 0 3



Asgar S. Patel



Dadi K. Contractor



Basab G. Patel

**BOARD OF DIRECTORS**

Asgar S. Patel	..	Chairman
Arif A. Patel	..	Director
Dadi K. Contractor	..	Director
Sandeep P. Parikh	..	Director
Michael Mascarenhes	..	Director
Basab B. Paul	..	Director

**HEAD OFFICE**

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

**COMPANY SECRETARY**

Haroon Mansuri

**REGISTRARS & SHARE TRANSFER AGENTS**

Intime Spectrum Registry Ltd.  
C-13 Pannalal Silk Mills Compound,  
L B S Marg, Bhandup (West),  
Mumbai - 400 078

**AUDITORS**

P. Parikh & Co. .. Mumbai

**LEGAL ADVISORS**

F. S. Broacha .. Mumbai

**BANKERS**

Central Bank of India  
Bank of Bahrain & Kuwait B. S. C.  
Indian Bank  
Dena Bank

**REGISTERED OFFICE**

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

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**15th Annual General Meeting**

On Monday, the 29<sup>th</sup> day of September, 2003, at 12.30 p.m. at Rotary Service Centre,  
Sheila Raheja Hall, Juhu Tara Road, Santacruz (West), Mumbai - 400 049.  
Members are requested to bring their copy of the Annual Report to the Annual General Meeting



## NOTICE

**NOTICE** is hereby given that the **15<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **PATEL ON-BOARD COURIERS LIMITED** will be held at Rotary Service Centre, Sheila Raheja Hall, Juhu Tara Road, Santacruz (West), Mumbai - 400 049 on Monday the 29th day of September, 2003 at 12.30 pm 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 31<sup>st</sup> March, 2003 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sandeep Parikh who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. D. K. Contractor 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, with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED that Mr. Basab Paul, an Additional Director of the Company, who under Section 260 of the Companies Act, 1956, ("the Act") holds office only upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing 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 as a Director of the Company."

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

"RESOLVED that, in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contract (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary, and such conditions and modifications as may be agreed to by the Board of Directors of the Company ('the Board') or any Committee / person(s) authorised by the Board, consent be and is hereby accorded to delist the Equity Shares of the Company from the stock exchanges at Ahmedabad, Chennai, Cochin, Delhi and Kolkata.

FURTHER RESOLVED that authority be and is hereby accorded to the Board or any Committee/ person(s) authorised by the Board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds, matters and things as may be necessary, expedient and desirable or proper, for the purpose of giving effect to this Resolution."

### REGISTERED OFFICE :

'Natasha' 52, Hill Road,  
Bandra (West),  
Mumbai - 400 050.  
Dated : August 14, 2003

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

**Haroon Mansuri**  
Company Secretary

### 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 23rd September, 2003 to 29th September, 2003 (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.

**15TH ANNUAL REPORT 2002-2003**



## 7. Unclaimed Dividend

Shareholders are hereby informed that pursuant to the amendment of the Companies Act, 1956 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" ) established by the Central Government. In accordance with Section 205 C of the Companies Act, 1956 no claim shall lie against the Company or Fund in respect of individual amounts of dividends from the date they become first due for payment and no payment shall be made in respect of any claim.

Given below are the dates of declaration of dividend and the date on which the company is required to transfer the unclaimed dividend to the said fund.

Financial Year	Date of Declaration	Due date of Transfer to IEPF
1995/1996	26 <sup>th</sup> September, 1996	6 <sup>th</sup> November, 2003
1996/1997	29 <sup>th</sup> September, 1997	9 <sup>th</sup> November, 2004
1999/2000	25 <sup>th</sup> September, 2000	5 <sup>th</sup> November, 2007

Those shareholders who have not encashed their warrants are requested to immediately return the outdated warrants to the Company so that the Company can issue Demand Drafts in lieu thereof.

Members may please note that the unclaimed dividend for the Financial Year 1994/ 1995 has been transferred to the IEPF account in November 2002.

## INFORMATION ABOUT DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED

1. **NAME** : MR. BASAB PAUL  
**AGE** : 34 YEARS  
**QUALIFICATION** : Bachelor of Mechanical Engineering  
**EXPERTISE** : Vast experience in the fields of liaisoning, promoting foreign business for various industries, project co-ordination and implementation of projects.  
**PARTICULARS OF APPOINTMENT / RE-APPOINTMENT** : Appointed as an additional Director of the Company with effect from 29<sup>th</sup> April, 2003 proposed to be appointed as the Director of the Company at the ensuing Annual General Meeting.  
**OTHER DIRECTORSHIPS** : 1. Octaga Green Power & Sugar Co. Ltd. - Managing Director  
2. Savannah Leisure Pvt. Ltd. - Director  
3. Vaccum Konstant Engg. Works Pvt. Ltd. - Director  
4. B. B. Consulting ' N ' Engg. Pvt. Ltd. - Director  
5. Sugar Legend (India) Pvt. Ltd. - Director
2. **NAME** : MR.SANDEEP PARIKH  
**AGE** : 43 years  
**QUALIFICATION** : B. Com., F. C. A., Grad C W A.  
**EXPERTISE** : Vast experience in the fields of Project Reporting and project financing, Consultancy in the Finance related matters & liaison activities. Experience in Bank, Govt. & Corporate Audits.  
**PARTICULARS OF APPOINTMENT / RE- APPOINTMENT** : Director of the Company since April 2001 Mr. Sandeep Parikh is retiring by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as a Director of the Company at the said meeting.  
**OTHER DIRECTORSHIPS** : 1. Wallstreet Securities & Investments (India) Ltd. - Director  
2. Y Point Technologies (I) Pvt. Ltd. - Director  
3. Y Point India Pvt. Ltd. - Director  
4. Xoriant Solutions Pvt. Ltd. - Director  
5. Tekedge (India) Pvt. Ltd. - Director  
6. Tekedge Services (I) Pvt. Ltd. - Director



### INFORMATION ABOUT DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED (Contd.)

3. **NAME** : **MR. D. K. CONTRACTOR**  
**AGE** : 75 years  
**QUALIFICATION** : B. Com., CAIIB. & FIIB  
**EXPERTISE** : 40 years of experience in the field of Banking and Administration. Retired as Executive Director of Central Bank of India.
- PARTICULARS OF APPOINTMENT/ RE-APPOINTMENT** : Mr D. K. Contractor, a Director of the Company since February 1994, retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as the Director of the Company.
- OTHER DIRECTORSHIPS** :
- |  |   |
|--|---|
| 1. Infrastructure Leasing & Financial Services Ltd. - Director | 3. Lupin Ltd. - Director                  |
| 2. Jai Corp Ltd. - Director                                    | 5. Tufropes Pvt.Ltd. - Director           |
| 4. Mazda Ltd. - Director                                       | 7. Zoroastrian Co-op Bank Ltd. - Director |
| 6. Victoria Mills Ltd. - Director                              |   |
| 8. Centre for Promotion of Enterpreneurship - Director         |   |

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT

(As required by Section 173 of the Companies Act, 1956)

#### Item No.5

Mr. Basab Paul was appointed by the Board of Directors as an Additional Director with effect from 29<sup>th</sup> April, 2003 under Section 260 of the Companies Act, 1956, Mr. Basab holds office only upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 alongwith a deposit of Rs.500/- from a member signifying his intention to propose the name of Mr. Basab Paul as a candidate for the office of Director. Mr. Basab Paul is a Mechanical Engineer & has over 15 years experience in Project Reporting and implementation. Your Directors are of the view that Mr. Basab Paul's appointment as a Director will be in the interest of the Company and its shareholders. Accordingly, the resolution at Item No.'5' is recommended for your acceptance.

Except Mr. Basab Paul none of the other Directors is concerned or interested in the passing of this resolution.

#### Item No.6

The Equity Shares of Rs.10/- each of your Company, are presently listed on the following six stock exchanges in India:

- |   |  |
|---|--|
| a) The Stock Exchange, Mumbai                   | b) The Stock Exchange - Ahmedabad            |
| c) Cochin Stock Exchange Ltd.                   | d) The Delhi Stock Exchange Association Ltd. |
| e) The Calcutta Stock Exchange Association Ltd. | f) Madras Stock Exchange Ltd.                |

The Stock Exchange, Mumbai is the Regional Stock Exchange for the Company. The Equity Shares of the Company are compulsorily traded in the dematerialised form.

Continued listing on the stock exchanges, other than the Stock Exchange, Mumbai, neither serves the interest of the members/ investors nor that of the Company. This is especially so as The Stock Exchange, Mumbai has extensive networking of trading terminals, which facilitates trading by members/ investors across the country.

Therefore for the purpose of administrative convenience and saving in costs on account of listing fees etc. the Board of Directors of your Company ('the Board') at it's meeting held on 29<sup>th</sup> July, 2003 recommended for the approval of the members, the proposal to voluntarily delist the Company's Equity Shares from the stock exchanges at Ahmedabad, Chennai, Cochin, Delhi and Kolkatta.

In accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines 2003, consent of the members by way of a Special Resolution is required for voluntary delisting of the Company's shares from the aforesaid stock exchanges.

None of the Director is concerned/ interested in the passing of the resolution at Item No.6 of the Notice.

The Board recommends the resolution for the approval of members.



## DIRECTORS' REPORT

To,  
The Members of  
**Patel On-Board Couriers Limited**

Your Directors have pleasure in presenting the 15<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2003.

### FINANCIAL RESULTS

	Year ended March 31, 2003 (Rupees)	Year ended March 31, 2002 (Rupees)
Profit before Interest, Depreciation and Tax	40,399,874	32,659,430
Less : Interest	18,495,499	14,029,998
Profit before Depreciation and Tax	21,904,375	18,629,432
Less : Depreciation	4,511,064	3,869,396
Profit before Tax	17,393,311	14,760,036
Less : Provision for Current Tax	5,400,000	5,500,000
Profit after Current Tax	11,993,311	9,260,036
Less : Provision for Deferred tax	1,993,655	825,493
Short Provision of Income tax for earlier years	2,736,713	3,442,913
Profit after tax	7,262,943	4,991,630
Add : Balance of profit from previous year	35,269,708	52,178,078
Profit available for appropriation	42,532,651	57,169,708
<b>APPROPRIATIONS OF PROFITS</b>		
Transfer to General Reserve	3,925,000	21,900,000
Balance carried to Balance Sheet	38,607,651	35,269,708
	42,532,651	57,169,708

### 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.

### RESULTS

The Company recorded an increase in turnover by 17.90 % from Rs. 11,225.55 Lacs to Rs. 13,234.63 Lacs during the year under review. Margins were under pressure due to frequent changes in rates by airlines which resulted in high cost of operations on courier loads and cargo loads as compared to earlier years. But due to increase in volumes and customer base the Company could earn higher Profit before Interest, Depreciation and Tax of Rs. 404.00 Lacs as against Rs.326.59 Lacs during the previous year.

### OPERATIONS

#### Co-loading

During the year under review the turnover in Co-loading business amounted to Rs.12,551.25 Lacs compared to Rs.10,662.53 Lacs during the previous year which shows an increase of 17.71% over the previous year. The Company continues to be the Market Leader in the domestic Co-loading business and has been consolidating its position year after year.



### **Cargo Division**

The Cargo Division recorded a Gross Income of Rs. 468.36 Lacs as compared to Rs. 251.87 Lacs during the previous year, which again shows an increase of 85.95 % over the previous year.

### **Tours & Travel Division**

With the division changing its focus to Corporate Clients the Gross Income of this division stood at Rs. 200.88 Lacs as compared to Rs. 300.96 Lacs during the previous year. The revenue from this division has reduced due to the fact that the Company has moved away from low-margin and high credit customers.

### **Forex**

The income generated out of this line of business amounted to Rs. 9.01 Lacs as against Rs. 9.35 Lacs during the previous year. The company is confident of increasing the volumes and profitability of this division in the coming years.

### **Money Transfer**

The Company is a sub agent for Western Union Money Transfer Service at all its locations and the commission income from this activity stood at Rs. 5.13 lacs as compared to Rs. 0.84 lacs during the previous year.

### **Finance**

During the year under review your Company has taken various initiatives for restructuring the borrowings, like forming of consortium of banks for credit facilities, which has resulted in bringing down the cost of finance to your Company.

## **DIVERSIFICATION**

During the year under review, the Company started the new line of business which was in similarity with the existing cargo business as the company had not to put any additional infrastructure. This new line of business could not generate expected returns due to which the company had to discontinue this line of business.

## **OUTLOOK FOR THE FUTURE**

The future prospects of your Company may not be bright in view of fact that the airlines have discontinued various incentive schemes which were earlier offered by them in domestic cargo activity. The Company might have to reallocate the loads between co-loading and cargo line. The company has already drawn the strategies by which the operation cost of the co-loading & cargo divisions will be brought down significantly. However, the Company is hopeful of better results in the coming years.

## **FIXED DEPOSITS**

Your Company has accepted Fixed Deposits within the meaning of Section 58A of the Companies Act, 1956 and has collected Rs. 261.11 Lacs during the year. There were no unpaid or overdue deposits as on March 31, 2003 except for the unclaimed deposit of Rs. 10.53 lacs.

The Company has filed Text of Advertisement with the Registrar of Companies, Maharashtra and also issued an advertisement in new papers for mobilization of Fixed Deposits from public.

## **DIRECTORS**

Mr. Sandeep Parikh & Mr. D. K. Contractor, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Mr. Basab B. Paul was appointed as an Additional Director of the Company with effect from April 29, 2003. Mr. Basab vacates the office of Director at the ensuing Annual General Meeting. The Company has received a notice proposing the candidature of Mr. Basab as the Director of the Company. Mr. Basab, being eligible has offered himself for appointment as a Director of the Company.

Mr. Satish Jacob and Mr. Ashok Vaish, Directors of the Company have resigned from Directorship in September 2002 and May 2003 respectively. The Board of Directors place on record their valuable contribution to the Company during their tenure as Directors of the Company.



## CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building, enduring investor satisfaction, improve investors' protection and maximise long term investors' value. The information required to comply with Clause 49 of the Listing Agreement is given as a separate Report on Corporate Governance. The certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance is set out in the Annexure forming part of this report.

## AUDITORS

M/s. P. Parikh & Co., Chartered Accountants, retire as Auditors of the Company and are eligible for re-appointment. The Company has received confirmation that their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

## 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.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company, to the best of their knowledge and belief, and according to the information and explanations made available to them, hereby state and confirm that :

- in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
- appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2003 and of the profit of the Company for the year ended on that date;
- 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 ;
- the Annual Accounts have been prepared on a going concern basis.

## PARTICULARS OF THE EMPLOYEES

The information required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are not applicable to the Company as none of the employees is in receipt of remuneration which exceeds the limits laid down under the said Rules.

## PERSONNEL & HUMAN RESOURCES

Your Company regards its human resources amongst its most valuable assets. Your Directors express their warm appreciation to all the Managers and Employees of the Company at all levels for their diligence and contribution.

## ACKNOWLEDGMENTS

Your Directors wish to record their sincere appreciation of the continued support and co-operation extended to the Company by its Customers, Bankers, Customs Authorities, Airlines, other suppliers and look forward to their continued support for the progress of your Company during the years to come.

**For and on Behalf of the Board**  
**For Patel On-Board Couriers Ltd.**

**Arif A. Patel**  
Director

**D.K. Contractor**  
Director

**Sandeep Parikh**  
Director

**Basab Paul**  
Director

**Haroon Mansuri**  
Company Secretary

## REGISTERED OFFICE:

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

**Dated : August 14, 2003**



## ANNEXURE 'A' TO DIRECTORS' REPORT

Statement under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2003.

### PART A & B – CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

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

### PART C – FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Particulars	Year ended March 31, 2003 Rupees	Year ended March 31, 2002 Rupees
<b>Earnings in Foreign Exchange</b>		
Recovery of Ticketing and other expenses	11,263,090	12,466,718
<b>Expenditure in Foreign Currency</b>		
Travelling	1,923,307	2,323,107
Others	53,382	40,103

For and on Behalf of the Board  
For Patel On-Board Couriers Ltd.

Arif A. Patel  
Director

D.K. Contractor  
Director

Sandeep Parikh  
Director

Basab Paul  
Director

Haroon Mansuri  
Company Secretary

#### REGISTERED OFFICE:

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

Dated : August 14, 2003