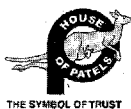


16th ANNUAL REPORT 2003-2004



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

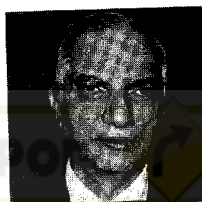
# BOARD OF DIRECTORS



Asgar S. Patel Chairman



Arif A. Patel Executive Vice-Chairman



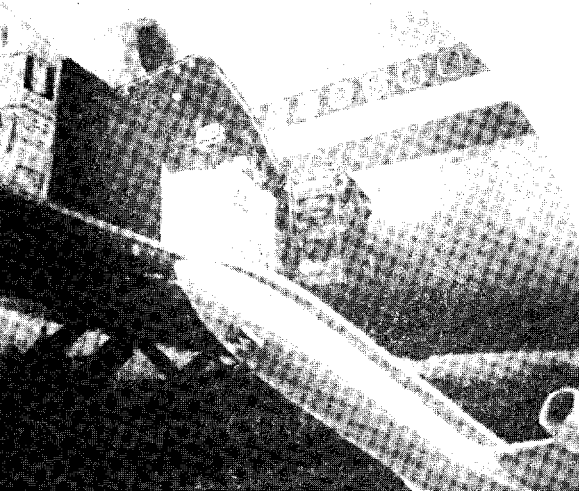
Dadi K. Contractor Director



Sandeep P. Parikh Director



Basob Paul Director



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

**BOARD OF DIRECTORS**

Asgar S. Patel	.. Chairman
Arif A. Patel	.. Executive Vice-Chairman
Dadi K. Contractor	.. Director
Sandeep P. Parikh	.. Director
Basab B. Paul	.. Director

**HEAD OFFICE**

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

**VICE PRESIDENT -  
FINANCE & ACCOUNTS  
AND COMPANY SECRETARY**

Mahesh Ukidave

**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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**16th Annual General Meeting**

On Wednesday, the 29<sup>th</sup> day of September, 2004 at 11.30.a.m. at Sheila Raheja Hall, Rotary Service Centre,  
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 16<sup>th</sup> ANNUAL GENERAL MEETING of the Members of PATEL ON-BOARD COURIERS LIMITED will be held at Sheila Raheja Hall, Rotary Service Centre, Juhu Tara Road, Santacruz (West), Mumbai- 400 049 on Wednesday the 29<sup>th</sup> September, 2004 at 11:30 a.m. to transact the following business:

### ORDINARY 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, 2004 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Asgar S. Patel who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. P. Parikh & Co. as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed upon by the Board of Directors and the Auditors.

### SPECIAL BUSINESS

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

"RESOLVED that subject to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, and limits laid down therein read with Schedule XIII thereof as amended and subject to such other approvals as may be necessary, the approval of the members be and hereby accorded to the appointment and terms of remuneration of Mr. Arif A. Patel as Executive Vice-Chairman of the Company for a period of two years and 91 days with effect from 1<sup>st</sup> January, 2004 upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification initialled by the Chairman.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to vary the terms and conditions of appointment including determination of remuneration payable to Mr. Arif A. Patel, Executive Vice-Chairman in such manner as the Board of Directors in its absolute discretion deem fit provided that the remuneration payable to Mr. Arif A. Patel shall be within the limits specified in Schedule XIII of the Companies Act, 1956 as amended.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts as may be necessary, desirable and expedient to give effect to this resolution."

### REGISTERED OFFICE :

'Natasha' 52, Hill Road,  
Bandra (West),  
Mumbai - 400 050.  
Dated : August 12, 2004

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

**Maresh Ukidave**  
Vice President-Finance & Accounts  
and Company Secretary

### NOTES :

- (a) The relative explanatory statement as required by Section 173(2) of the Companies Act, 1956, in regard to Item No. 5 is annexed hereto.
- (b) 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. PROXIES MUST REACH THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from September 23, 2004 to September 29, 2004 (both days inclusive)
- (d) Pursuant to the provisions of Section 205C of the Companies Act, 1956, the Company has transferred dividend for the year ended 31<sup>st</sup> March, 1996 which have remain unpaid or unclaimed for a period of 7 years to the



Investor Education and Protection Fund in November, 2003. Accordingly, 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
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

Hence, members are requested to send their unencashed Dividend Warrants to the Company for issue of fresh Dividend Warrants.

(e) Members are requested to:

- (i) intimate to the Company or its present Registrar and Share Transfer Agents viz. Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, change if any, in their registered address at an early date;
- (ii) quote folio numbers in all correspondence;
- (iii) Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting;
- (iv) Members holding shares under multiple folios in the identical order of names are requested to consolidate their holdings into one folio;

#### INFORMATION ABOUT DIRECTORS PROPOSED TO BE APPOINTED/REAPPOINTED

<b>1. NAME</b>	: Mr. Asgar S. Patel	
<b>AGE</b>	: 65 yrs	
<b>QUALIFICATION</b>	: B.A.	
<b>EXPERTISE</b>	: 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.	
<b>PARTICULARS OF APPOINTMENT / RE-APPOINTMENT</b>	: Mr. Asgar S. Patel, the Chairman of the Company since April 1994, retires by rotation at the ensuing Annual General Meeting and is proposed to be re-appointed as the Director of the Company.	
<b>OTHER DIRECTORSHIPS</b>	<b>NAME OF THE COMPANY</b>	<b>POSITION HELD</b>
	: Patel Roadways Ltd	- Chairman
	Wall Street Finance Ltd	- Chairman
	Wall Street Housing & Finance Corporation Ltd.	- Chairman
	Wall Street Securities & Investment (I) Ltd.	- Chairman
	Wall Street . Com India Ltd.	- Chairman
	Springfield Hotels Ltd	- Chairman
	Natasha Constructions Ltd.	- Director
	Patel Institute of Transport Management & Research	- Director
	Money Changers Association	- Director
	World Wide Instant Remittances Pvt. Ltd.	- Director

**CHAIRMANSHIP(S) : NIL**  
**/MEMBERSHIP(S)**  
**OF COMMITTEE**  
**AS ON 31.03.2004**



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 5

The Board of Directors felt that it would be in the interest of the Company to have the benefit of the experience of Mr. Arif A. Patel and accordingly appointed him as Whole-time Director of the Company (designated as "Executive Vice-Chairman"), subject to the approval of the Company's members in the General Meeting, for a period of two years and 91 days with effect from 1<sup>st</sup> January, 2004. The draft Agreement provides for the following condition and terms, including remuneration.

#### A) REMUNERATION

- a) Salary : Rs. 1,50,000/- (including dearness allowance, if any) p.m. with liberty to withhold increments or to grant more than one increment per year;
- b) Perquisites :
  - i) use of furnished residential accommodation, owned, leased or licensed by the Company;
  - ii) reimbursement of gas, electricity and water charges as also furnishings evaluated as provided for in the Income Tax Rules 1962;
  - iii) use of free cost of motor car of the Company, with driver, for the Company's business as also for personal or private use. All expenses for the maintenance and running of the motor car shall be borne and paid by the Company.
  - iv) 24 (twenty four) days privilege leave with full pay and allowances for each completed year of service, the said leave being accumulative and encashable in accordance with the Rules of the Company for the time being and from time to time in force;
  - v) 10 (ten) days' sick leave and 6 (six) days' casual leave for each completed year of service, the said sick and casual leave being accumulative and encashable in accordance with the Rules of the Company for the time being and from time to time in force;
  - vi) benefit of 1<sup>st</sup> class air/airconditioned train and or such other mode of conveyance for self and family, while proceeding on leave, together with hotel, board and lodging expenses incurred at actuals provided that such benefit shall not exceed one month's salary per year;
  - vii) personal accident insurance cover at the cost of the company subject to the condition that premium thereon does not exceed Rs.6,000/- per year;
  - viii) reimbursement of actual medical expenses for Executive Vice-Chairman and family provided that the total cost to the Company shall not exceed one month's salary in a year or two and a quarter month's salary over the cyclic period from his term of office hereunder;
  - ix) benefit of the Company's Provident Fund Scheme, for the time being and from time to time in force;
  - x) benefit of Company's Gratuity Scheme for the time being in force and from time to time in force, at a rate not exceeding one half of one month's salary for each completed year of service;
  - xi) benefit of Company's Superannuation or Annuity Fund Schemes, if any, which the Company may establish in future for other senior officers of the Company;
  - xii) use of free cost of a telephone at the Executive Vice-Chairman's residence and a mobile phone, provided that the Executive Vice-Chairman shall bear and pay all charges incurred in respect of long distance calls, made by him on personal account; and
  - xiii) fees (including entrance and subscription) of Clubs the Executive Vice-Chairman is or may become, a member of, subject to a maximum of two clubs, together with the benefit of all expenses incurred thereat in or towards the business of the Company.

Notwithstanding anything to the contrary herein contained, where-in any financial year during the currency of the tenure of Executive Vice-Chairman, the Company has no profits or its profits are inadequate the Company will pay remuneration by way of salary, perquisites, allowance and benefits as specified above, as minimum remuneration,





provided that the total remuneration shall not, unless approved by the Central Government exceed the ceiling as provided under schedule XIII of the Companies Act, 1956, as in force for the time being or as amended in future.

Provided that the under mentioned perquisites, namely;

- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, singly or put together, are not taxable under the Income tax Act, 1961, for the time being and from time to time in force,
- (ii) Gratuity payable at the rate not exceeding half months salary for each completed year of service, and Encashment of leave at the end of the Executive Vice Chairman's tenure of office, shall not be included in the computation of the prescribed limit set out in Schedule XIII.

Provided further that the remuneration aforesaid shall not in any financial year, exceed:

5 (five) percent of the net profits of the Company (where the Company has only one managerial personnel),

OR

10 (ten) percent of the net profits of the Company (where the Company has more than one managerial personnel), for all such managerial personnel put together.

The expression "Managerial Personnel" shall mean and include Managing / Whole-time Director(s) and Manager, if any, appointed under section 386 of the Companies Act, 1956.

The remuneration as stated above, including the perquisites aforesaid, shall nevertheless be paid and allowed to the Whole-time Director as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year.

#### **B) OTHER TERMS**

- i) The Executive Vice-Chairman shall not, without prior approval of the Board, directly or indirectly engage himself in any other business, occupation or employment of a nature similar to, or competing with, the Company's business PROVIDED, however, that it shall be permissible to the Executive Vice-Chairman to hold any other directorship or directorships, share or shares, of any other company or companies and holding of such directorship or shares shall not be deemed a contravention of this clause.
- ii) The Executive Vice-Chairman shall not divulge or disclose any confidential information or knowledge as to the business or affairs of the Company.
- iii) In the event of death of the Executive Vice-Chairman, 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.
- iv) Both the parties shall be entitled to terminate the agreement by giving ninety days notice in writing without assigning any reasons.

The appointment and payment of remuneration to Mr. Arif A. Patel has been approved by the Remuneration Committee of the Board of Directors of the Company at their meeting held on 20<sup>th</sup> November, 2003. The Remuneration Committee took in to account the qualification and experience of Mr. Arif A. Patel as well as the responsibilities to be shouldered by him alongwith the financial position of the Company, while approving the appointment of and that remuneration payable to Mr. Arif A. Patel, is in conformity with table B of paragraph 1 of section II of Part II of schedule XIII to the Companies Act, 1956 and that the minimum remuneration payable in the case of loss or inadequacy of profits is also within the limits prescribed under the said schedule XIII.

The Board of Directors are of the view that appointment of Mr. Arif A. Patel as the Whole-time Director is in the interest of the Company and shareholders, and accordingly, recommend the resolution for approval of the members.

The Draft agreement between the Company and Mr. Arif A. Patel will be available for inspection at the Registered office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturdays.

Mr. Arif A. Patel is interested/concerned in the passing of the resolution at Item No. 5 of the Notice as it concerns his appointment as the Whole-time Director. Mr. Asgar S. Patel is interested/concerned in the passing of the resolution being a relative of Mr. Arif A. Patel. No other Director of the Company is interested/concerned in the passing of this resolution.



The information as required under table B of clause 1 of section II of Part II of schedule XIII of the Companies Act, 1956 is given below.

**I. General Information:**

1. Nature of Industry

The Company is engaged Courier, Cargo and Travel

2. Date of commencement of commercial production/services :

31<sup>st</sup> October, 1988

3. Financial Performance based on given indicators as per audited financial results for the year ended 31<sup>st</sup> March, 2004.

Particulars	(Rs. In lakhs)
Sales & Other Income	12,730.15
Profit/Loss as per Profit & Loss Account(After Tax)	131.49
Accumulated Profit	434.40
Net Worth	2,117.30

4. Export Performance and net foreign exchange collaborations

Not applicable

5. Foreign investments or collaborators, if any.

Not applicable

**II. Information about the appointee:**

**Mr. Arif A. Patel**

1 Background details, job profile and suitability.

Name : Mr. Arif A. Patel

Age : 31 yrs

Qualification : B.A.

Expertise : He has rich professional expertise spread over a decade in the areas of Transportation Courier & Cargo, Logistics, Construction, Foreign Exchange, Trading, including Management & Finance.

**OTHER**

**Name Of The Company**

**Position Held**

**DIRECTORSHIPS**

Patel Roadways Ltd	- Director
Natasha Constructions Ltd	- Director
Wall Street Construction Ltd	- Director
Patel Plaza Ltd	- Director
Wall Street Housing & Finance Corporation Ltd.	- Director
Wall Street Securities & Investment (I) Ltd.	- Director
Wall Street . Com India Ltd.	- Director
Springfield Hotels Ltd	- Director
Natasha Homes Ltd.	- Director
Patel Real Estate Developers Pvt. Ltd	- Director

**CHAIRMANSHIP(S) : Name of the Company**

**Status**

**Committee**

**/MEMBERSHIP(S)**

Wall Street Housing &

Member

Audit

**OF COMMITTEE**

Finance Corporation Ltd

**AS ON 31.03.2004**

Patel On-Board Couriers Ltd

Member

Investor Grievances

Member

Share Transfer





2 Past Remuneration during the financial year ended 31<sup>st</sup> March, 2004

For nine months from Patel Roadways Ltd. - Rs. 12,47,926/-.

3. Recognition or awards

Not Applicable

4. Remuneration Proposed

Remuneration of Rs. 150,000/- p.m. and other perquisites and benefits as stated herein above.

5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

After taking into consideration the size of the company, the profile of the appointee, the responsibilities proposed to be shouldered by him, the remuneration proposed appears to be reasonable and at par with other companies belonging to same size in the industry.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Mr. Arif A. Patel does not have any other pecuniary relationship with the Company except the remuneration drawn by him as the Executive Vice-Chairman. There are no other managerial personnel in the company except Mr. Arif A. Patel himself.

III. Other Information:

1. Reason of loss or inadequate profits:

The Company has been consistently making profits. However, considering the responsibilities that will be shouldered the remuneration of Mr. Arif A. Patel falls under Schedule XIII of the Companies Act, 1956.

2. Steps taken or proposed to be taken for improvement and

3. Expected increase in productivity and profits in measurable terms.

The Company is striving to improve the bottomline and shareholders' wealth which is an ongoing process in the company. The profits of the Company have shown steady improvement over a period of time and the upward trend is expected to continue.

This explanation together with the accompanying notice is and shall be treated as an abstract of the terms of contract and memorandum of interest under section.302 of the Companies Act, 1956.

REGISTERED OFFICE :

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

Dated : August 12, 2004

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

**Maresh Ukidave**  
Vice President-Finance & Accounts  
and Company Secretary



## DIRECTORS' REPORT

To,  
The Members of  
Patel On Board Couriers Limited

Your directors have pleasure in representing the 16<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2004.

### FINANCIAL RESULTS

	Year ended March 31, 2004 (Rupees)	Year ended March 31, 2003 (Rupees)
Income	211,684,517	198,707,817
Profit before Interest, Depreciation and Tax	55,209,784	47,382,674
Less : Interest	28,749,462	25,478,299
Profit before Depreciation and Tax	26,460,322	21,904,375
Less : Depreciation	6,252,901	4,511,064
Profit before Tax	20,207,421	17,393,311
Less : Provision for Current Tax	6,600,000	5,400,000
Profit after Current Tax	13,607,421	11,993,311
Less : Provision for Deferred tax	1,457,928	1,993,655
Short/(Excess) Provision of Income tax for earlier year	(999,460)	2,736,713
Profit after tax	13,148,953	7,262,943
Add : Balance of profit from previous year	38,607,651	35,269,708
Profit available for appropriation	51,756,604	42,532,651
Appropriations of profits		
Transfer of General Reserve	3,000,000	3,925,000
Proposed Dividend (incl'dg Tax on Dividend)	5,316,289	-
Balance carried to Balance Sheet	43,440,315	38,607,651

### DIVIDEND

In view of improved performance, your Directors recommend a dividend of Re.1/- per Equity Share on 4,712,500 Equity Shares of Rs. 10/- each, for the financial year ended 31<sup>st</sup> March, 2004.

### RESULTS

The income of your Company for the year was higher at Rs. 2,116.84 lacs as compared to Rs. 1,987.07 lacs in the previous year, resulting in profit after tax of Rs. 131.49 lacs against Rs. 72.63 lacs in the previous year. This was achieved on account of streamlining delivery mechanisms and product mix.

### OPERATIONS

#### Co-loading

The performance of Co-loading business was lower at Rs. 11,895.27 lacs compared to Rs. 12,551.25 lacs during the previous year. However, 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

During the year under review the Cargo division recorded a turnover of Rs. 620.50 lacs as compared to Rs. 468.36 lacs during the previous year due to reduction of rates by Airlines and shift of loads from Co-loading Division to Cargo Division.