



PART - I

I. GENERAL INFORMATION

JAYKAYDEE RESORTS & INVESTMENTS LIMITED

(Incorporated as a Public Limited Company on 11th September, 1995 under the Companies Act, 1956 and obtained Certificate of Commencement of Business on 14th September, 1995).

Registered Office : 29, Viral Shopping Centre, Andheri (West), Bombay - 400 059. Tel. : 628 1325/4665 Fax : 624 4885.

Hotel Site : Plot No. 21/1K/1, Village - Chande Kesara, Taluka - Kopergaon, Dist. Ahmednagar.

GOVERNMENT APPROVAL

The Company does not require any registration or Industrial License or any acknowledgment from Secretariate of Industrial Approvals (SIA), Ministry of Industry, Government of India.

The Company can undertake the activities proposed by it as no approvals from any Government Authority are required by it to undertake the proposed activities.

AUTHORITY

The present issue of 35,00,000 Equity Shares of Rs. 10/- each for cash at par aggregating Rs. 350 lacs has been authorised by the Members of the Company by Special Resolution u/s 81 (1-A) of the Companies Act, 1956 (hereinafter referred to as "the Act") passed at their Extraordinary General Meeting held on 4th December, 1995.

DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the offer document by the Securities and Exchange Board of India (hereinafter referred to as "SEBI") should not in any way be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. SEBI has vetted the offer document filed with it for a limited purpose of overseeing, whether the disclosures contained therein are generally adequate and are in conformity with the SEBI guidelines for disclosure and investors protection for the time being in force. This requirement is to facilitate the investor to take an informed decision for making investment in the proposed issue. It should also be clearly understood that, while the Issuer company is primarily responsible for the correctness, adequacy and disclosure of all the relevant information in the offer document, the lead manager is expected to exercise due diligence to ensure that the company discharges its responsibility in this behalf and towards this purpose, the Lead Manager Harvest Financial Limited, Bombay, has furnished to SEBI a due diligence certificate dated 15th January, 1996, in accordance with SEBI (Merchant Bankers) Regulation 1992 which read as follows :

- i) We have examined various documents including those relating to litigation like commercial disputes, patents disputes, disputes with collaborators etc. and other material in connection with the finalisation of the draft prospectus / letter of offer pertaining to the said issue;
- ii) On the basis of such examination and discussion with the company, its directors and other officers, other agencies, independent verification of the statements concerning objects of the issue, projected profitability, price justification and the contents of the document mentioned in the annexure and other paper furnished by the company,

WE CONFIRM THAT

- (a) the draft prospectus forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issue.
 - (b) all the legal requirements connected with the said issue as also the guidelines, instructions etc., issued by the SEBI, the Government and any other competent Authority in this behalf have been duly complied with ; and
 - (c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.
- iii) We confirm that besides ourselves, all the intermediaries named in the prospectus are registered with SEBI and that till date the registration is valid.

This acknowledgement does not, however absolve the Company from any liabilities under Section 63 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue.

SEBI further reserves the right to take up, at any point of time, with the Lead Manager (Merchant Banker) any irregularities or lapse in the offer document.

FILING

A copy of this prospectus having attached thereto the documents as required to be filed under Section 60 of the Companies Act, 1956, has been delivered for registration to the Registrar of Companies, Maharashtra at Bombay.

LISTING

Application has been made to the Pune, Ahmedabad and Rajkot Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares of the Company being issued in terms of this Prospectus.



IMPERSONATION

ATTENTION OF THE APPLICANTS IS SPECIFICALLY DRAWN TO THE PROVISIONS OF SUB-SECTION (1) OF SECTION 68 (A) OF THE ACT WHICH IS REPRODUCED BELOW :

"Any person who -

- a) makes in a fictitious name an application to a Company for acquiring, or subscribing for, any shares therein, or
- b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

MINIMUM SUBSCRIPTION

"IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUED AMOUNT ON THE DATE OF CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTHWITH REFUND THE ENTIRE SUBSCRIPTION AMOUNT RECEIVED. FOR DELAY BEYOND 78 DAYS, IF ANY, IN REFUND OF SUCH SUBSCRIPTION, THE COMPANY SHALL PAY INTEREST AS PER SECTION 73 OF THE COMPANIES ACT, 1956."

ALLOTMENT / REFUNDS

Allotment Letter(s) / Share Certificates(s) or A/c Payee Refund Cheque(s) or pay order(s), if any, will be despatched to the Applicants' Registered address at his sole risk within 10 weeks from the closing of the subscription list. The Company shall ensure despatch of refund orders of value over Rs.1,500/- and share certificates by registered post only and adequate funds for the purposes will be made available to the Registrars. The refund orders of value upto Rs. 1,500/- will be sent under certificate of posting. And if such money is not repaid within 8 days from the date when the company becomes liable to pay it, the company and every director of the company who is an officer in default shall, on and from the expiry of the 8th day be jointly and severally liable to repay that money with interest @15% per annum as prescribed u/s 73(2)/(2A) of the Companies Act, 1956. The company has given an undertaking to the Lead Managers that requisite funds for the purpose will be made available to the registrars of the Issue. Refunds will be made by an A/c payee cheque or pay order, drawn on the company's Bankers and bank charges, if any, for encashing such cheque or pay orders will be borne by the applicants. Such cheques or Pay orders will, however, be payable at par at the places where applications are received.

GENERAL

The Company accepts no responsibility for statements made otherwise than in the prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that anyone placing reliance on any other source of information would be doing so at his own risk.

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS AS MENTIONED BELOW OR WILL CLOSE EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (HEREINAFTER REFERRED TO AS "THE BOARD") BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE DAY MENTIONED AGAINST THE CAPTION "EARLIEST CLOSING".

ISSUE FOR INDIAN PUBLIC INCLUDING RESERVED CATEGORIES

ISSUE OPENS ON	: THURSDAY,	23rd MAY, 1996
CLOSING NOT LATER THAN	: TUESDAY,	04th JUNE, 1996
EARLIEST CLOSING	: WEDNESDAY,	29th MAY, 1996

LEGAL ADVISOR TO THE ISSUE

ALIKHAN G. MAHAWLA
Advocate High Court,
202, Suman Tower,
Lokhandwala Complex, Andheri (W),
Bombay - 400 058.
Tel. : 629 0847

AUDITORS

GUPTA SHYAM & CO.,
Chartered Accountants
11/A, Sukhsager Building,
Near Railway Crossing,
Kandivli (East), Bombay - 400 101.
Tel. : 887 0869.

FINANCIAL ADVISOR

SHANIL FINANCIAL SERVICES LTD.
C-501, Gokul Galaxy,
Thakur Complex,
Kandivli (East),
Bombay - 400 101
Tel. : 887 3562.

LEAD MANAGER TO THE ISSUE



HARVEST FINANCIALS LIMITED
116, Jolly Maker Chamber 2,
11th Floor,
Nariman Point,
Bombay - 400 021.
Tel. : 2841918/2830329.
Fax : 022 - 285 2307.

REGISTRARS TO THE ISSUE



VAKRANGEE CONSULTANCY SERVICES
(A unit of Vakrangee Limited)
C-6, Hind Saurashtra Ind. Est.
M.V.Road, Marol Naka,
Andheri (East), Bombay-400059.
Tel. : 8390074/8329725.
Fax : 022 - 821 4910.

RATING

The issue being of Equity Shares, rating from any approved agency is not required.

TRUSTEES

The present issue being of Equity Shares, appointment of Trustees is not required.

UNDERWRITERS TO THE ISSUE

In terms of the present guidelines issued by SEBI, no underwriting arrangements are envisaged for this issue.

II. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL

SHARE CAPITAL		NOMINAL VALUE OF SHARES (Rs.)
(A) AUTHORISED	60,00,000 Equity Shares of Rs.10/- each	6,00,00,000
(B) ISSUED SUBSCRIBED AND PAID UP	6,81,200 Equity Shares of Rs.10/- fully paid up by the Promoters, Directors, Friends and Relatives.	68,12,000
(C) PRESENT ISSUE	48,18,800 Equity Shares of Rs.10/- each for cash at par	4,81,88,000
(D) OUT OF THE PRESENT ISSUE RESERVED FOR PROMOTERS, FRIENDS, RELATIVES AND ASSOCIATES ON FIRM ALLOTMENT BASIS:	13,18,800 Equity Shares of Rs.10/- each for cash at par	1,31,88,000
(E) NOW OFFERED FOR SUBSCRIPTION IN TERMS OF THIS PROSPECTUS	35,00,000 Equity Shares of Rs.10/- each for cash at par	3,50,00,000
OUT OF WHICH		
(i)	12,50,000 Equity Shares of Rs. 10/- each for cash at par are reserved for allotment on preferential basis to Foreign Institutional Investors including Non-Resident Indian / Persons of Indian origin residing abroad and OCBs on repatriation and competitive basis.	1,25,00,000
(ii)	2,50,000 Equity Shares of Rs. 10/- each for cash at par are reserved for allotment on preferential basis to Indian Mutual Funds on competitive basis.	25,00,000
(F) NET OFFER TO THE INDIAN PUBLIC	20,00,000 Equity Shares of Rs 10/- each for cash at par.	2,00,00,000
(G) TOTAL PAID UP CAPITAL OF COMPANY AFTER THE PRESENT ISSUE	55,00,000 Equity Shares of Rs. 10/- each	5,50,00,000

NOTES :-

- Out of Promoters Holding of 20,00,000 Equity Shares, 13,75,000 (being 25% of post issue capital) will be locked in as under :-

Nos. of Shares	Date of Allotment Fully Paid-up	Lock in Period	% of Paid-up Capital after Issue	Mode of Consideration paid	Acquisition Price	Face Value	Total Amount	Nature of Allotment
700	11-09-95	Transferable	0.01	Cash	10/-	10/-	7,000	Subscription to M/A
6,24,300	30-11-95	-Do-	11.35	Cash	10/-	10/-	62,43,000	Subscription
56,200	30-11-95	Non-transferable, 5 years from the date of allotment in the public or date of commercial operation whichever is later.	1.02	Cash	10/-	10/-	5,62,000	Subscription
13,18,800	Present Offer	-Do-	23.98	Cash	10/-	10/-	1,31,88,000	Firm
20,00,000			36.36				2,00,00,000	

- The Company has obtained the in-principle approval letter of Reserve Bank of India bearing no.EC.CO.FID(ii)/11943/10.02.40(7820)95/96 dated 22nd Feb., 1996 for offering equity shares to Non-resident Indian/ Person of Indian Origin on repatriation basis.
- The unsubscribed portion, if any, out of Shares under E (i) & (ii) above will be adjusted inter-se and any portion remaining unsubscribed will be added to the Offer made to the Indian Public as at F above.
- The minimum subscription from each of friends, relatives and business associates shall not be less than Rs. 25,000/- and from each of the bodies corporate it shall be not less than Rs. 1,00,000/-.
- Out of the promoters total contribution Rs. 200.00 lacs, the promoters have already brought in Rs. 68.12 lacs as on 30th November, 1995 and balance of Rs. 131.88 lacs will be brought in before the opening of the issue and the total contribution shall be 36.36% of the paid-up capital after the issue.

6. Details of 10 major shareholders alongwith number of shares held by them are as under :-

Name of the Shareholder	As on 2 years before filing with ROC	As on 10 days before filing with ROC	As on Date of filing with ROC
1. Basil Finvest Pvt. Ltd.	N.A.	4,58,000	4,58,000 ✓
2. Kamlesh Desai	N.A.	12,500	12,500 ✓
3. Surbhi Desai	N.A.	2,500	2,500 ✓
4. Shanil Financial Services Ltd.	N.A.	60,000	60,000 ✓
5. Amar Agro Industries	N.A.	30,000	30,000 ✓
6. Comind Fintrade & Investment P. Ltd.	N.A.	10,000	10,000 ✓
7. Hiten Thakkar	N.A.	7,500	7,500 ✓
8. Adil Bokdawala	N.A.	5,000	5,000 ✓
9. Vivek Visaria	N.A.	15,000	15,000 ✓
10. K. C. Desai	N.A.	4,000	4,000 ✓

7. The shareholding pattern of the company is as follows :

	Present		Post - Issue	
	No. of Shares	%	No. of shares	%
Promoters Group	6,81,200	100	20,00,000	36.36
Public	----	----	35,00,000	63.64
Total	6,81,200	100	55,00,000	100

8. All the shares issued above are for cash only.

9. In view of the new basis of allotment procedure prescribed by SEBI clarification No. VIII, in the event of over subscription the issue size may increase by a maximum of 10% of the Net Offer to Indian Public i.e. during the process of allotment an additional 2,00,000 shares may be allotted on the same terms and conditions to enable the allotment to each allottee to be rounded off to the multiple of hundred.

10. In view of the guidelines prescribed by SEBI in clarification No. XI that in the event issue being oversubscribed the basis of allotment will be finalised in the following manner :-

- A minimum of 50% of the net offer of securities to the public shall initially be made available for allotment to individual applicants who have applied for allotment of 1000 or less than 1000 shares.
- The balance of 50% of the net offer of securities to the public shall initially be made available for allotment to investors including corporate bodies / institutions and individual applicants who have applied for allotment of more than 1000 shares.
- The unsubscribed portion of the net offer to any one of the categories specified above shall be made available for allotment to applicants in the other category, if so required.

11. The capital structure presented above is as per the format prescribed by RMB (GI Series) Circular No. 7 (93-94) dated 20th January, 1994.

III. TERMS OF THE PRESENT ISSUE

TERMS OF THE ISSUE

The Equity Shares now being offered are subject to the Terms of this prospectus, the application form and the Memorandum and Articles of Association of the Company and the Companies Act. Equity Shares shall also be subject to such other terms and conditions as may be contained in the share certificate / letter of allotment / relevant documents / certificates and laws and amendments as applicable and the guidelines for listing of securities issued by the Government of India and the guidelines issued by SEBI from time to time.

TERMS OF PAYMENT

Application for shares must be made for minimum of 500 shares and in multiple of 100 thereof and the amount payable on application and allotment will be Rs. 2.50/- and Rs. 7.50/- per equity share respectively for Indian Public and Rs. 10/- per equity share for reserved categories.

The sum received in respect of the issue will be kept in separate bank accounts and the company will not appropriate the funds unless approval of the Regional Stock Exchange concerned is obtained for allotment and where listing has been proposed on more than one exchange, no allotment or utilisation shall be allowed till listing approval is available from each of the exchanges concerned.

Where an applicant is allotted lesser number of Equity Shares than he has applied for, the excess amount paid on application after adjusting the amount payable on allotment for such lesser number of Equity Shares will be refunded to the applicant without interest within ten weeks from the date of closure of the subscription list in terms of Section 73 of the Act.

RIGHTS OF THE INSTRUMENT HOLDERS :

The Equity Shares now being offered shall rank pari passu with the existing Equity Shares of the Company in all respects except that the holder(s) of Equity Shares now being offered will be entitled to dividends, if any, which may be declared or paid on the Equity Shares after the date of allotment in respect of and in proportion to the amount of capital paid up on Equity Shares and prorata for the period during which such capital is paid up thereon. The instrument holders shall also have rights as mentioned in Section 206(A) of the Companies Act, 1956.

PROCEDURE FOR APPLICATION

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS AND PLACES OF ACCEPTANCE

Application forms containing salient features of the prospectus with copies of this prospectus, may be obtained from the Registered Office of the Company, Lead Managers/ Co-Managers/ Advisors to

the Issue, Bankers to the Issue named herein and from the branches of the Bankers to the issue as stated in the application form.

Applicants are required to write the number of the Application Forms on the reverse of the instruments accompanying the Application Forms. They are also required to write in the Application Forms the particulars relating to their Saving(s)/ Current Account(s) and the name(s) of the Bank(s) with whom such accounts are maintained and the numbers of such accounts, failure of which the application are liable to be rejected.

A. APPLICATION BY RESIDENT INDIAN PUBLIC

- a. Application must be made only : -
 - i) by Indian Nationals resident in India,
 - ii) on the prescribed Application Form (WHITE COLOUR) accompanying this Prospectus and/or Memorandum containing the salient features of the Prospectus and completed in full in BLOCK LETTERS IN ENGLISH, except for signatures, in accordance with the instructions contained herein and in the Application Form and are liable to be rejected, if not so made.
 - iii) for a minimum of 500 Equity Shares and in multiples of 100 thereafter,
 - iv) in single name or in joint names (not more than three) and
 - v) in the names of resident Indian individuals, limited companies, statutory corporations or institutions and NOT in the names of minors, foreign nationals, non-residents, Trusts (unless the Trust is registered under the Societies Registration Act 1860 or any other applicable Trust Laws and is authorised under its constitution to hold shares and debentures in a Company), partnership firms or their nominees.
- b. The successful applicants will be issued Share Certificates for the eligible number of Shares in tradable lots; i.e. 100.

PAYMENTS - HOW TO BE MADE

INVESTORS RESIDING IN CITIES / TOWNS WHERE COLLECTING BANKERS ARE LOCATED

- a. Payment should be made in cash or by cheque/bank draft/ Stock Invest. Money Orders/Postal Orders will not be accepted. Cheques or Bank Drafts or Stock Invests should be drawn on any Bank (including a State Co-operative Bank included in the Second Schedule to the Reserve Bank of India Act 1934) which is situated at and is a Member or Sub-member of the Banker's clearing House located at the place where the Application Form is submitted. Outstation Cheques or Bank Drafts will not be accepted and applications accompanied by such Cheques or Bank Drafts will be rejected.
- b. A separate Cheque or Bank Draft/Stockinvest must accompany each Application Form. All cheques/bank drafts must be made payable to the Bankers to the Issue with whom the application is lodged and marked "A/c JRIL - PUBLIC ISSUE" and crossed "Account Payee Only" (for example, "STATE BANK OF INDIA - A/c JRIL - PUBLIC ISSUE")
- c. Application Forms duly completed, together with Cash/Cheque/ Bank Draft for the amount payable on application at the rate of Rs. 2.50/- per Equity Share must be delivered before closing of the Subscription List to any of the Banker's to the Issue as are named herein or to any of their branches mentioned on the reverse of the Application Form and NOT to the Company or to the Lead Managers or the Registrars to the Issue. The NRIs who desire to make payments out of NRO Accounts may use the Application Form meant for Resident Indians and the application will be treated on par with residents.

- d. Where an application for allotment of shares, in response to the public issue through this prospectus is for a total value of Rs. 50,000/- or more, i.e. the total number of shares applied for multiplied by the issue price, is Rs. 50,000/- or more, the applicants should mention his/her Permanent Account Number allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GiR Number and the Income Tax Circle/Ward/District. In case where the neither the Permanent Account Number nor the GiR Number has been allotted the fact of non-allotment should be mentioned in the application form. Application forms without this information will be considered incomplete and are liable to be rejected.
- e. Application forms lodged directly with the Company or the Lead Managers to the Issue will be sent back to the applicants by Ordinary Post at the applicants risk.
- f. No receipt will be issued for the application money. However, the Bankers to the Issue and/or their Branches receiving the application will acknowledge receipt by stamping and returning to the applicant the Acknowledgment Slip at the bottom of each Application Form.
- g. The application forms provide a space for the investor to mention his Bank Account Number, the name of the Bank and the Branch where the account is maintained so that the refund orders are printed with these details after the name of investors. This is to ensure that the refunds are credited to the correct account and obviate any scope for fraudulent encashment of the refund orders. Applicants are therefore requested to indicate the bank accounts to which refund amounts may be credited as given above. Applicants are requested to indicate the application number on the reverse of the instrument through which payment is made.

INVESTORS RESIDING IN CITIES / TOWNS OTHER THAN CITIES/ TOWNS IN WHICH COLLECTING BANKERS ARE LOCATED

- h. The investors applying for Equity Shares may remit the amount net of bank commission and postal charges, if any, by demand draft payable on a Bank participating in the clearing alongwith the Application Form and lodge the same with the Registrars to the Issue. The demand draft should be crossed and drawn favouring "Bank A/c - JRIL PUBLIC ISSUE".
- i. For further instructions, please read the application form carefully.

No single applicant in the public category can make an application for a number of Equity Shares exceeding the number of Equity Shares offered to the public.

B. APPLICATION BY NON-RESIDENT INDIANS

Application by Non-Resident Indian must be made only :

- (i) On the prescribed Application Form (BLUE COLOUR) completed in full in BLOCK LETTERS in English and in accordance with the instructions contained herein and in the Application Form.
- (ii) For a minimum of 500 Equity Share and in multiples of 100 thereafter.
- (iii) In single or joint name (NOT more than three), and
- (iv) In the names of individuals and overseas companies / corporate bodies owned at least to the extent of 60% by Non Resident individuals of Indian nationality/origin, and NOT in the names of minors or their nominees, partnerships firms or their nominees, foreign nationals and trusts.
- (v) Applications by limited companies other than bodies corporate owned predominantly by Non-Resident individuals of Indian nationality/origin must be accompanied with a certificate in the prescribed form OAC/OAC-1 from an

overseas Auditor/Chartered Accountant/Certified Public Accountant.

- (vi) Application Forms from non-residents duly completed together with cheques or Bank drafts drawn in Indian Rupees for the full amount payable on application at the rate of Indian Rs. 10/- per share remitted through normal banking channels or funds held in Foreign Currency Non-Resident (FCNR)/Non-Resident External (NRE) accounts, maintained in Banks authorised to deal in foreign exchange in India alongwith the documentary evidence in support of the remittance must be delivered before the close of the Subscription List to such of the branches of the Bankers to the issue at places mentioned on the reverse of the Application Form.
- (vii) Payment out of Non-resident Ordinary (NRO) Accounts shall not be accepted if an NRI desire to make payment out of his NRO Account, then he shall use the application form meant for the resident.

All Cheques or Bank Drafts must be

- a) Made payable to any of the Bankers to the Issue with which the Application Forms are lodged.
- b) Marked "BANK NAME - A/C JRIL - PUBLIC ISSUE NRI:" for e.g. "STATE BANK OF INDIA A/C - JRIL PUBLIC ISSUE - NRI".
- c) Crossed "Account Payee only".

Separate cheque/Bank Draft must be accompanied with each Application Form.

No receipt will be issued for the application money. However, the Bankers to the issue receiving the Application Form will acknowledge receipt by stamping and returning to the applicant the acknowledgment slip at the bottom of each Application Form.

Allotment of Equity Shares and payment of dividend to NRIs shall be subject to the company obtaining such permission from Reserve Bank of India or any other requisite authority as may be necessary under the existing exchange control regulations. Such investment in Equity Share by Non-Resident investors will be allowed to be repatriated alongwith the income earned thereon, subject to deduction of Indian taxes provided the investment is made by inward remittance from abroad through normal Banking channels or out of funds held in Non-Resident External (NRE) /FCNR Accounts.

Refunds, Interest, dividends and other distribution, if any, will be payable in Indian Rupees only. In case of applicants who remit their application money from funds held in FCNR/NRE accounts such payments shall be credited to their FCNR/NRE accounts, details of which should be furnished in the space provided for this purpose. In case applicants who remit their money through Indian Rupee Draft from abroad, such payments in Indian Rupees will be converted into US dollars or into any other currency as may be permitted by RBI at the rate of exchange prevailing at the time of remittance and will be despatched through post at the applicant's sole risk or at the request of the applicants, will be credited to their FCNR/NRE accounts details of which should be furnished in the space provided for this purpose in the Application Form.

The Company has obtained the permission of Reserve Bank of India, Bombay vide letter no. EC.CO.FID(ii)/11943/10.02.40 (7820)95/96 dated 22nd Feb., 1996, for Issuing 19 lacs Equity Shares of Rs. 10/- each to Non Residents of Indian Nationality origin on repatriation basis, and therefore, NRI need not apply to RBI for permission to subscribe to shares of the Company.

Application forms for NRI can also be obtained from lead managers and registered office of the Company.

C. APPLICATION BY INDIAN MUTUAL FUNDS

Application by Indian Mutual Funds must be made only on :

- i) On the prescribed (YELLOW COLOUR) application form accompanying this prospectus and completed in full in BLOCK LETTERS IN ENGLISH in accordance with the instructions contained herein. Application Forms are liable to be rejected, if not so made.
- ii) For a minimum of 10,000 Equity Shares and in multiples of 100 thereafter.
- iii) Application must be made along with cheques/drafts/stockinvests drawn on any bank including a cooperative bank which is situated at and is a member of sub-member of the Bankers Clearing House located at Bombay.
- iv) The cheque/drafts/stockinvests must be made payable and to any of the Bankers to the issue marked "A/c JRIL EQUITY ISSUE - MUTUAL FUNDS", Crossed and marked "Account Payee only".
- v) Only Indian Mutual Funds authorised to invest in public issues under this category, can apply.

PROCEDURE FOR PAYMENTS BY MEANS OF STOCKINVEST

Stockinvest can be used in lieu of Cash/Cheque/Bank Draft for making applications. Some details of the stockinvest scheme are given below:-

- a) Stockinvests are issued to the applicants for use with applications of new issues of shares/debentures/bonds.
- b) Stockinvests should be marked Account Payee and made payable only to Company : **JAYKAYDEE RESORTS & INVESTMENTS LIMITED - PUBLIC ISSUE.**
- c) Stockinvests should be utilised by the purchaser(s) and the purchasers name/ name of one of the purchasers should be indicated as the first applicant in the Share Application Form. Thus, if the signature of the purchaser on the stockinvests and the signature of the first applicant on the Application Form does not tally, the application will be treated as having been accompanied by a third party stockinvest.
- d) Stockinvests are to be used by the purchaser(s) within ten days of issue and for the purpose the last day for use of the stockinvests for submitting Share Applications to the bank is indicated on the face of the Stockinvests with a notation "to be used before - ". Applications made along with Stockinvests issued prior to _____ will not be accepted.
- e) Stockinvests can be obtained from any bank issuing these instruments by making the necessary applications and depositing the amounts with them.
- f) Stockinvests are issued for the denominations specified by the investors to the issuing Branch. The applicants will authorise payment of the maximum sum payable towards application money for the shares applied on the left hand side of the stockinvests. The payee will fill in the actual amount receivable on the right side indicating the number of shares for which the payment is appropriated. The amount shown on the right side will be equal to or less than the amount indicated on the left side and should be within the overall ceiling for stockinvests.
- g) Applicants using stockinvests should submit their applications alongwith the stockinvests for the amount payable on application.
- h) Stockinvests are paid on the payee filling in the required particulars on the right side under due authorisation and discharged by the authorised signatory and presenting these for payment.
- i). Stockinvests are neither transferable nor negotiable. The issuing bank undertakes to pay the lower of the two sums indicated on



the face of the instruments (representing the application money payable on the applicants entitlement of shares according to the basis of allotment and his application) in terms of the authorisation given by the account-holder. Payment will be made only by credit to the payees account with his banker.

- j) Stockinvests are current for four months from the date of issue indicated on their face and no amount can be claimed on the stockinvests by the issuing bank branch, unless these are presented to it within four months.
- k) Stockinvests are payable at all branches of the issuing bank.
- l) Stockinvests are valid for payment only when signed by the issuing banker at the appointed place on their face.
- m) The account-holder's instructions to the bank, given therein, are irrevocable.
- n) It is understood that at the explicit undertaking of the account-holder, an amount equivalent to the sum mentioned on the left hand side of the stockinvests is either debited to his account or lien marked on his deposit account, from the date of their issue, till full liability under the stockinvests is extinguished.
- o) The bank shall not be liable for any delay, error, fraud, forgery or any other lapses in the issue or encashment of stockinvests. It shall also not be liable for any losses/damages in case of death/insanity or insolvency of the drawer before actual allotment/delivery of the relative shares by the payee company.
- p) The Banker's Lien shall be automatically lifted provided : -
 - i) Valid instrument is presented by the controlling branch of the bank after allotment.
 - ii) The cancelled stockinvest is surrendered by the investor.
 - iii) An Indemnity Bond is executed in favour of the bank after the validity period of the Stockinvests is over, in case where the investor has not received the cancelled stockinvest.
- q) Applicants are required to write the number of the Application Forms on the reverse of the instruments accompanying the Application Forms. They are also required to write in the Application Forms the particulars relating to their Savings/Current Accounts and the names of the Banks with whom such accounts are maintained and the numbers of such accounts.
- r) Only individual investors and Mutual Funds can apply through Stock Invest.

Registrars to the Issue have been authorised by the Company (through resolution of the Board passed on 20th December, 1995) to sign on behalf of the Company to realise the proceeds of the stockinvests from the issuing banks or to affix non-allotment advises on the instruments or cancel the allottees who have enclosed more than one stockinvest. Such cancelled stockinvests shall be sent back by the Registrars directly to the applicants.

GENERAL INSTRUCTION

JOINT APPLICATIONS

An application may be made in single or joint names (not more than three).

In the case of a joint application, refund, pay orders, if any, dividend/ interest warrants, etc., will be made out in favour of and all communications, will be addressed to the applicant whose name appears first and at his/her address stated in the Application Form.

MULTIPLE APPLICATIONS

An applicant should submit only one application (and not more than one) for the total number of Shares required. An Application may be made in single and/or joint names (not more than three). Two or more applications in single and/or joint names will be deemed to be

multiple applications, if the sole and/or first applicant is one and the same. The Board reserves the right to reject in its absolute discretion all or any such multiple applications. Various applications from one mutual fund under different schemes managed by it shall not be treated as multiple applications.

Attention is invited to the notice to the applicants that in case of firm allotments/reservations made for any applicant, no further application from that person(s)/institutions shall be entertained.

APPLICATION UNDER POWER OF ATTORNEY

In the case of Applications under Power of Attorney or by Limited Companies or Corporate Bodies, the relevant Power of Attorney of the relevant Authority, as the case may be, to make the application, or duly certified copy there to, must be attached to the application form. Duly certified copy there of must be attached to the application form or lodged separately at the office of Registrars to the issue, simultaneously with the submission of the application form and the Bank branch where the application has been submitted, failing which an application is liable to be rejected.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

No receipt will be issued for the application money paid. However, the Bankers to the Issue receiving the application will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgment slip at the bottom of each application form. The Board of Directors of the Company reserves its full, absolute and unqualified discretion, and without assigning any reason, the right to reject any application in whole or in part. In case an application is rejected in full, the whole of the application money received, shall be returned to the applicants and where an application is rejected in part, the balance of applications money will be returned to the applicants within 10 weeks from the date of closing of the subscription list in accordance with the provisions of Section 73 of the Act.

No interest will be payable on the application money so refunded. Refund will be made by cheque or demand draft drawn on Refund Bankers and will be despatched by registered post at the applicants risk. Such cheques or demand drafts will be payable at par at all centres where the applications are received.

DISPOSAL OF APPLICATION MONEY BY STOCKINVEST

The applications and the accompanying Stockinvest duly listed will be sent to the Registrars by the collecting banks who will arrange for allotment. Once the entitlement for allotment is determined, the registrar will arrange for presentation of the Stockinvest instruments of the successful applicants together with the necessary endorsements on the right hand portion of the Company's bankers.

The Company's Bankers will arrange for the collection of the proceeds of the Stock Invest.

In case of non-allotment, the Registrar to the Issue will return the stockinvest to the applicants after marking "cancelled" and "not allotted" on the face of the instrument. The issuing bank will lift the lien on the account on submission of the same by the applicant(s).

On allotment/partial allotment, the Registrar to the issue will fill in the amount in the stockinvest which would be less than or equal to the amount filled in by the investor before presenting the stockinvest to the relative issuing banker for payment to the extent of the allotment. The bank will then lift the lien on the balance amount in the applicant(s) deposit.

Registrar to the issue have been authorised by the Company vide resolution passed at the Board Meeting held on 20th December, 1995, to sign on behalf of the Company for realising the proceeds of the stockinvest of the successful allottees or to affix non-allotment advice on the instrument or to cancel the stockinvest of the non-allottees or partially successful allottees or to affix non-allottees or partially successful allottees with more than one stockinvest.



OVERSUBSCRIPTION

In the case of oversubscription, the basis of allotment will be finalised in consultation with the Pune Stock Exchange and a SEBI nominated public representative shall be associated in the finalisation of basis of allotment if the level of oversubscription is more than five times.

TAX BENEFITS AVAILABLE

The Company has been advised by the Auditor's of the Company, M/s Gupta Shyam & Co., Chartered Accountants, that under the current provisions of the Income Tax Act, 1961 and other applicable direct tax laws for the time being in force, following tax benefits and deduction will, inter-alia, be available to the company and to the members of the company.

A) TO THE COMPANY

INCOME TAX

1. As per the provisions of Section 80 (HHD) of the Income Tax Act, 1961, the Company will be eligible for 50% deduction in respect of profits derived by it from the services provided to foreign tourists subject to the creation of reserve as and other provisions laid down in the section.
2. Subject to compliance of certain conditions, expenses incurred for the present issue of shares will be allowed to be amortised over a period of 10 years under Section 35D of the Income Tax Act, 1961.
3. Under section 80M of the Income Tax Act, 1961, the Company is entitled to a deduction in respect of the dividend received from the domestic companies not exceeding the amount of dividend distributed by the Company to its members before the due date of filing the return of income as provided under section 139 of the Income Tax Act, 1961.
4. The Company holding shares of another company for a period of twelve months or more will be entitled to pay Income Tax on Long Term Capital Gain @ 30% after adjusting indexed cost of acquisition as per Section 112 of the Income Tax Act, 1961.

B) TO THE MEMBERS (RESIDENT INDIANS)

1. Members being Individuals, Hindu Undivided Families, Association of Persons, Body of Individuals of specified categories will be entitled to deduction under Section 80L of the Income Tax Act, 1961, from the gross total income of an amount upto a maximum of Rs. 13, 000/- in aggregate per year under the said section, including dividend received from the Company, subject to the provisions of the said section.
 - a) Members who are Scheduled Banks or Financial Institutions or State Financial Corporations or State Industrial Investment Corporations or Companies Registered under section 25 of the Companies Act, 1956 would be entitled to a deduction under section 80 M of an amount equal to 60% of the Income by way of dividends received by them from the Company and included in their Gross Total Income.
 - b) Members who are Domestic Companies other than those referred to in (1) above would be entitled to deduction under section 80-M of an amount equal to so much of the Income by way of dividends received from the Company as does not exceed the amount of dividend distributed by such domestic companies on or before the due date of filing of return of Income.
2. The Members being individuals, will be entitled to receive dividends without deduction of income tax at source, provided :
 - (a) Pursuant to section 194 of the Income Tax Act, 1961 the amount of such dividends paid during the financial year by the company to the members by an Account Payee Cheque

does not exceed Rs.2500/- or

- b) Pursuant to section 197 (a) of the Income Tax Act,1961 the member furnishes to the company a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner, to the effect that his/her estimated total income of the previous year in which such dividend is to be included in computing its total income will be below taxable limits.
3. Shares of the Company held for more than one year would be treated as long term assets and accordingly the members will be entitled to lower rate of capital gains as specified under section 112 of the Income Tax Act, 1961. The gains so computed would be taxed as a separate block at the specified rate :
 - i) In case of individuals and Hindu Undivided family 20%.
 - ii) In case of others 30%.
 4. Pursuant to Section 10 (23D) of the Income Tax Act, 1961, all mutual funds set up by public sector banks or financial institutions or mutual funds authorised by the Securities & Exchange Board of India will be exempted from Income Tax on income from investment in shares of the Company.

5. UNDER THE WEALTH TAX ACT, 1957

Total exemption from Wealth Tax would be available on investment in shares.

C) TO THE MEMBERS (NON-RESIDENT WITHIN THE MEANING OF INCOME TAX ACT, 1961)

1. A Non-resident Indian has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 according to which :
 - a) Under Section 115E of the Income Tax Act, 1961, the investment income, including interest and dividends on shares of the Company acquired by them out of convertible foreign exchange and long term capital gains, of a Non-resident Indian, shall be taxed to Income Tax at the rate of 20% subject to other provisions of the Income Tax Act, 1961.
 - b) The long term capital gains as referred to above shall be exempted from the Income Tax entirely / proportionately, if he invests all or a portion of the net consideration in specified assets within six months of the date of transfer in accordance with Section 115 F of the Income Tax Act, 1961. The amount so exempted shall chargeable to tax if the new assets are transferred or converted of the specified assets (Section 115 of the Income Tax Act, 1961). 6
2. Under Section 115I of the Income Tax Act, a Non-resident Indian, if he elects not to be governed by the above mentioned special provisions of Chapter XII-A, then he will be entitled to tax benefits as mentioned in B1(1) and B4.
3. Under Section 115H of the Income Tax Act, 1961, where a Non Resident Indian in any previous year becomes assessable as resident in India in respect of total income of any subsequent year he may furnish to the Income Tax Officer a declaration in writing alongwith his return of income under section 139 of the Income Tax Act, 1961 for the assessment year for which he is so assessable to the effect that provisions apply to them in relation the investment income derived from any foreign exchange asset being as asset of the nature referred to in Clause (ii) to (v) of Section 115 C of the Income Tax Act, 1961 and if he does so the provisions of the said Chapter shall continue to apply him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.



4. Under Section 115G of the Income Tax Act, 1961, it shall not be necessary for a Non Resident Indian to furnish his return of income, if his only source of income is investment income or long term capital gains or both, provided tax at source has been deducted from such income.

5. **UNDER THE WEALTH TAX ACT, 1957**

The members will not be liable to wealth tax on the value of share held by them.

6. **UNDER THE GIFT TAX ACT, 1958**

In accordance with, and subject to the provisions of the Section 5(1)(ii) of the Gift Tax Act, 1958 exemption is available to a citizen of India or a person of Indian origin, who is not a resident, in respect of the gifts made to any relative in India of shares in the Company acquired by him by payment of convertible foreign exchange.

IV. PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The objects of this issue are :-

1. To part finance the cost of Three Star Deluxe Hotel with 36 well furnished rooms at Shirdi.
2. To acquire the land for setting up chain of resorts / clubs at different parts of Maharashtra.
3. To meet the expenses of the present issue and get the shares listed on Stock Exchanges.

THE PROJECT :

The Company's proposed project envisages setting up of Three Star Deluxe Hotel at Shirdi and is presently engaged in the implementation of the hotel project. The proposed hotel will have 36 deluxe room alongwith facilities of Health Club, Tennis and Badminton Court, various indoor games alongwith well furnished Garden Restaurant. The cost of hotel project is estimated at Rs. 510 lacs and it is expected to be commissioned by the end of March, 97.

The Company also proposes to set up chain of resorts / clubs in different parts of Maharashtra for which land at Nagpur, Aurangabad, Alibaug and Karjat has been indentified and negotiations are in progress. The Company has earmarked Rs. 40 lacs for acquisition of land.

To meet the required amount of funds for its project, it has planned to come out with this public issue.

COST OF THE PROJECT :

The cost of the project as per the Company's own estimates is as under :-

PARTICULARS	Rs.in Lacs
Land, site Development & land scapping at Shirdi	44.00
Hotel Building	105.00
Plant, Equipment & Machinery	33.00
Health Club & Recreation Centre	40.00
Furniture & Fixtures	81.00
Misc. Fixed Assets At Hotel	36.00
Pre-operative Expenses	40.00
Preliminary & Issue Expenses	40.00
Contingencies	27.00
Office Premises Deposit	40.00
Office Equipments & Furniture	24.00
Land for chain of resorts / clubs	40.00
TOTAL	550.00

MEANS OF FINANCE :

The cost of the project is proposed to be financed as under :

	Rs. in Lacs
Equity Share Capital :	
Promoters	200.00
Public Issue :	
Mutual Funds	25.00
NRIs/OCBs/FIIs	125.00
Indian Public	200.00
TOTAL	550.00

Notes:

- 1) Out of Rs. 200 lacs to be brought in by the promoters' as their contribution, an amount of Rs. 68.12 lacs as on 30th November, 1995 has already been brought in and balance of Rs. 131.88 lacs will be brought in before the opening of the subscription list for the Indian Public.

V. COMPANY, MANAGEMENT AND PROJECT

BRIEF HISTORY OF THE COMPANY

The Company was incorporated as public limited company on 11th September, 1995 and obtained certificate of commencement of business on 14th September, 1995 from the Registrar of Companies, Maharashtra at Bombay. The Company has its registered office at 29, Virat Shopping Centre, Andheri (West), Bombay - 400 059.

The Company is promoted by Mr. Kamlesh Desai and Mrs. Surbhi Desai with a view to undertake hotel, resort and health club business.

The main object clause of the Memorandum of Association of the Company enable it to undertake the activities for which the funds are being raised from the present issue and also the activities has been carrying on till date.

MAIN OBJECTS OF THE COMPANY

Main Objects of the Company as set out in its Memorandum of Association are as follows :-

1. To carry on the business of hotels, motels, resorts, restaurants, cafes, guest houses, faverns, refreshment room, boarding and lodging house keepers, beer house keepers, licensed victuallers, wine, beer and sprit merchants, dealers in foodstuffs of all kinds and other drinks, purveyors, caterers to railways, air lines and steamship corporation and to public amusements, ice merchants, refrigerating, store keepers, proprietors of clubs, baths, dressing rooms and to carry on the business of running clubs, swimming pools, bakery, confectionery, canned goods, carpets, novelty shops and other articles connected with hotel and restaurant trade and to private lodging, boarding and other facilities to the public including tourist visitors in India and/or in any part of the world.
2. To carry on the business of a investment Company.

PRESENT ACTIVITIES OF THE COMPANY

The Company is presently engaged in the implementation of hotel project at Shirdi. The Company has already purchased the land at Shirdi and is in the process of obtaining various approvals from appropriate authorities, preparing detail architectural plan, detail drawings for land scapping and interior designing for the same. The Company is also negotiating land at Karjat, Alibaug, Aurangabad and Nagpur for it's proposed plan of setting up of chain of health clubs and restaurants.

FINANCIAL HIGHLIGHTS OF THE PAST PERFORMANCE OF THE COMPANY

As the company was incorporated only on 11th September, 1995, and it is in the process of implementation of its plans regarding hotel and club project, therefore, past performance is not applicable.

Statement of Assets and Liabilities as on 31st December, 1995.



	Rs. in Lacs
Assets	
Fixed Assets	10.82
Investments	3.10
Current Assets	
Loans and Advances and Deposits	0.86
Less : Current Liabilities	72.14
Net Current Assets	<u>8.07</u>
Misc. Expenditure	64.93
Total	85.12
Liabilities	
Equity Share Capital	85.12
Total	85.12

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES :

A) Method of Accounting :-

The financial statement are prepared in accordance with the historical cost convention & applicable accounting standard and Generally accepted accounting principles and recognise the income and expenditure on accrual basis except those with significant uncertainty.

B) Fixed Assets

Fixed Assets are stated at Cost. Depreciation on the fixed assets have not been charged as the Company has not started its commercial operations and all the assets have been acquired by the Company before few months back only.

C) Investments

Investments comprises shares in listed Companies taken at cost in the Balance Sheet having market value of Rs. 3,95,000/-.

D) Expenditure during construction period

Expenditure incurred on project under implementation will be capitalised and apportioned to various assets on completion of the project.

The break up of the loans and advances alongwith the names of parties are given as below :-

a. Basil Finvest Pvt. Ltd.	40.00 Lacs	Lease Deposits
b. Dena Bank & New India Co-op. Bank	8.10 Lacs	Fixed Deposits
c. K. J. Desai & Company	0.04 Lacs	Petrol Deposits
d. Harsh Enterprises	4.00 Lacs	Site Devlp. Material
e. Ulfam Steels Ltd.	10.00 Lacs	Short Term Loan
f. S. R. Corporation	5.00 Lacs	Short Term Loan
g. Keystone Stock Financial Services Pvt. Ltd.	5.00 Lacs	Short Term Loan

None of the above parties except Basil Finvest Pvt. Ltd. are related to the promoters of the Company.

The Directors confirm that there are no material development since the date of last financial statement disclosed in the prospectus, in any circumstances that materially and adversely affects or is likely to affect the profitability of the company, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

SUBSIDIARIES OF THE COMPANY

The Company does not have any subsidiary companies within the meaning of Section 4 of the Companies Act, 1956.

THE PROMOTERS AND THEIR BACKGROUND

The Company is promoted by Mr. Kamlesh Desai, who is well experienced in field of real estate, investments, share broking and marketing alongwith Mrs. Surbhi Desai and their associates.

Name	Age	Qualif.	Experience
Mr. Kamlesh Desai	36 years	B. Sc.	He has experience of more than 15 years in the field of marketing, finance, investment, administration and management. He had worked with Indo-Continental Pharmaceutical Pvt. Ltd. for a period of 2 years from 1980-82. Thereafter, he had worked for a period of 5 years with E. Merck (India) Ltd. from 1982-87. He was responsible for marketing, sales management and administration. He was also associated with the investment activities, broking and real estate in his individual capacity from 1987 to 1993. From 1993 to 1995, he had been associated with Griffin Chemicals Ltd. and Link International Corporate Services Ltd. as promoter and director. He was looking after the finance and administration. Due to more involvement in the current project he has sold his stake to the other promoters of these companies and he is no more director in these companies. From June, 1995 onwards he has been managing and looking after the day to day matters of this company and implementation of the hotel and resorts/club project.
Mrs. Surbhi Desai	36 years	Inter	She has been looking after the day to day operations of Basil Finvest Pvt. Ltd. She is also associated with the Company as Director from incorporation and has experience of over 2 years in the fields of accounts, finance and administration.

GROUP COMPANIES / VENTURES OF THE PROMOTERS

The promoters of the Company have not promoted any other company except Basil Finvest Pvt. Ltd., which was taken over in the month of February, 1995. Details of the same is as under :-

Name of the Company	Basil Finvest Pvt. Ltd.
Status	Private Limited Company
Nature of Business	Investment & Investment Consultancy
% of Stake	100%
Nature of Interest with JKD	It has invested Rs. 45.80 lacs in the share capital & Promoter Directors are same.
Financial Performance	The Company has started it's operation in the month of August, 1995, hence, no financial figures are given.
Litigation & Defaults	There are no outstanding litigations, disputes, proceedings initiated for economic offences, overdues to banks/financial institutions, defaults against banks/FIs.
Labour Problems/Closures etc.	Nil



INTEREST OF PROMOTERS

The Company has taken on lease the office premises from Basil Finvest Private Limited. Mr. Kamlesh Desai and Mrs. Surbhi Desai, being present Directors of Basil Finvest Pvt. Ltd. also, may be deemed to be interested to the extent of Lease Deposit of Rs.40 lacs and lease rent of Rs. 4,000/- per month.

There are no pending disputes / litigations, defaults to financial institutions / bank, non-payment of statutory dues, nor there are any proceeding initiated for economic offences against the promoters.

THE MANAGEMENT

The overall management of the Company is vested in the hands of the Board of Directors consisting of professionals with extensive experience in diversified fields such as Hotel Management, Marketing, Financial and Management Consultancy Services on it's Board. The promoter directors will also be supported by a team of highly skilled & dedicated professionals.

The day to day affairs of the Company will be looked after by **Mr. Kamlesh Desai**, Chairman & Managing Director under the overall supervision, control & guidance of the Board of Directors and **Mr. Ketan Patel**, Director, will assist in the management and implementation of hotel project.

The present members of the Board are as follows :-

Christie Murzello, (Age - 36 years), is a Graduate in Science and has a considerable experience in the marketing, sales management and administration over a period of 15 years. He has worked in various capacities as Zonal Sales Manager, Regional Manager and Marketing Officer with E. Merck (India) Ltd., a Multinational Pharmaceutical & Chemical Co., for a period 12 years. He was responsible for managing sales of the Maharashtra and Goa. His experience in developing and creating marketing network, policies and ability of administration would be of immense help to the company.

Mr. Ketan Patel, (Age - 36 years), is a Graduate in Science and also diploma holder in the Hotel Management and Catering Technology. He has experience of more than 10 years in the hotel management, administration, catering and consultancy services. He has worked Hotel Diplomat, Colaba, a hotel with 30 rooms, conference room, permit room and restaurant as major outlets for a period of one year. He has also worked with Hotel Sea Rock, Bandra, a 5 star hotel for a period of one year and Hotel Central Park, Worli, for a period of two years and was incharge of various outlets such as banquets, restaurant, bar, coffee shop, kitchen stewarding staff, cafeteria etc. During his tenure in Central Park, he was reporting directly to Directors of the hotel. His presence on the board would be helpful in successful implementation and management of hotel.

Mr. Ajay Kulkarni, (Age - 37 year), has done his Master Degree in Marketing Management from the University of Bombay and has a wide experience of 15 years in the marketing of pharmaceutical, formulations, computer peripherals and medical electronics. He has considerable experience in launching of new products, developing competitive strategies, preparation of annual budgets and sales forecasting. He has been instrumental in launching a lot of new successful formulations for Glenmark Pharmaceuticals Ltd., where he has worked in the capacity of Product Manager. He has worked in various capacities as a Product Manager, Territory Manager, Area Manager etc. in the last 15 years of his career.

Mr. Ketan Shah, (Age - 32 year), is a holder of Post Graduate Degree in Business Management from the University of Bombay. He has an experience of 5 years in the finance, investment, share market operation and real estate business.

BOARD OF DIRECTORS

Name, Address, Occupation, of the Director	Designation,	Other Directorship
Mr. Kamlesh Desai S/o Mr. Kantilal Desai C-208, Achal Kalyan Complex, Yari Road, Andheri (W), Bombay 400 061.	Chairman Managing Director	Basil Finvest Pvt. Ltd.
Company Executive		
Mr. Christie Murzello S/o Mr. Harold Murzello B-201, Vic-mon Appt., Church Road, Marol, Andheri (E), Bombay 400 059.	Director	Nil
Service		
Mr. Ajay Kulkarni S/o Mr. Prabhakar Kulkarni 12-319, Vivek, New M. I. G. Colony, Bandra (E), Bombay 400 051.	Director	Nil
Service		
Mr. Ketan Patel S/o Thakar Bhai Patel 17, Varsha, Bank of Baroda Society, Bamanwada, Vile Parle (E), Bombay 400 099.	Director	Nil
Consultant		
Mr. Ketan Shah S/o Mr. Harkishandas Shah B-90, Pushpa Park, S. V. Road, Borivli (W), Bombay 400 092.	Director	Nil
Business		
Ms. Surbhi K. Desai W/o Mr. Kamlesh Desai C-208, Achal Kalyan Complex, Yari Road, Andheri (W), Bombay 400 061.	Director	Basil Finvest Pvt. Ltd.
Service		

NOTES

1. No Prosecution was launched against the Company/ Promoters/ Directors/Group Ventures under the Income Tax Act, 1961.
2. The Promoters have not promoted any venture other than what has been disclosed in the offer document.
3. No disputes/litigation/defaults is pending against the Company/ Promoters/Directors other ventures promoted by the Promoters/ Directors.
4. Promoters/Directors have not hold directorship in any of the companies in the last 12 months other than those mentioned in the offer document and have not resigned.
5. Promoters/Directors were not partners in any of the ventures in the last 12 months other than those mentioned in the offer document and have not resigned.
6. As on date Promoters/Directors of the Company were not signatories to Memorandum of Association of the companies other than those mentioned in the offer document.
7. There are no outstanding litigations, disputes, proceedings initiated for economic offences, overdues to banks/financial institutions, defaults against banks/FIs by the Company, Promoters and Directors.

KEY PERSONNEL

The Company is presently managed by Mr. Kamlesh Desai, Managing Director and will be recruiting key personnel as per the progress of the project. Mr. Ketan Patel, Director of the Company is assisting in the implementation.

MANAGERIAL COMPETENCE

The project implementation and execution is being looked after by Mr. Kamlesh Desai with support of Mr. Ketan Patel, Director, who is having qualification and experience in the Hotel Management. The Company has already appointed Mr. Pankaj Dhruve as turnkey consultant and M/s. Dimensions Consultants as architect and project engineer.

PARTICULARS OF THE PROJECT

LOCATION

The exact site of the hotel is 9 km. from Shirdi Sansthan and situated at Plot No. 21/1K/1, Village - Chande Kesara, Taluka - Kopergaon, Dist. - Ahmednagar. There are no restrictions for building a hotel on this site.

Shirdi is more like a grown-up village, connected to all major cities in Maharashtra by roads. It has an area of approximately 1.3 Sq.km. The nearest airports are Nasik (90 Km.), Pune (207 km.) and Aurangabad (157 Km.) served by the Indian Airlines connecting many major Indian Cities directly. The nearest and most convenient railway station for Shirdi is Kopergaon (18 Km.) on Daund-Manmad line of the central railway at a distance of 155 Km. from Aurangabad, 269 Km. from Pune and 303 Km. from Bombay. Besides, daily regular bus services are run by the Maharashtra Road Transport Corporation to Shirdi, from Bombay, Pune, Nasik, Aurangabad and many other centers.

The Locational advantages can be summarised in the form of availability of raw material, man power, electricity and transportation. The site fall under the declared backward area and is eligible for sales tax, luxury tax benefits and electricity at concessional rates.

LAND & SITE DEVELOPMENT

The company has already purchased freehold land admeasuring 2.5 Acre for the hotel project from Mr. Rajesh Jethanand Toiani, Shirdi, at a total price of Rs. 2.11 lacs including registration charges and stamp duty. He is not in any way related to any of the promoters and directors of the Company. The land is free form all encumbrances and has a clear title and the same is registered in the name of the Company. Measurement of the land is approved by Taluka Inspector of Land Records. The Company has already obtained all the approvals viz. NOCs from Grampanchayat, MSEB, PWD, Land Acquisition Dept., Public Health Centre and Telephone Dept., for the commencement of activities of the hotel project and doesnot require any more approvals.

The over all site development and land scapping expenses are estimated worth Rs. 42.06 lacs and includes site clearing, site leveling, fencing, main gate, garden, internal and external approach road construction cost. Thus the total land & site development and scapping is Rs. 44 lacs. The work of site-development has already commenced and will be completed in the month of March, 1996, as per schedule of implementation.

CHAIN OF RESORTS / HEALTH CLUBS

The Company's proposed plan includes setting up of chain of health clubs at Karjat, Alibaug, Aurangabad and Nagpur in the state of Maharashtra in a phased manner in the next two years after completion of this hotel project at Shirdi. The Company initially plans to put up at Aurangabad and Karjat for which land is in the process of identification. The Company is expecting to purchase the land by December, 1996, as identification, search report, acquisition, entering into agreement and registration is a lengthy process and will involve a time period of 8 to 9 months.

A provision of Rs. 40 lacs has been made in the cost of project towards the purchase of land, site development and scapping. For further expenses required for Health Clubs is proposed to be met from the membership fees of these proposed clubs and internal accruals of the hotel project. Since, the health clubs are proposed to come-up only after the completion of hotel project at Shirdi.

BUILDING & STRUCTURES

The building shall be single block structure with a height of 32 feet and will be constructed in RCC structured frame work, planned with ground floor having public areas and services and two guest floors with central corridor and 18 self contained air conditioned guest rooms per floor (total 36 guest rooms), comprising of double rooms, 3 & 4 seater rooms - catering generally to individual groups. All rooms have been well planned as per the modern standard and as per the provisions of the Dept. of Tourism.

Estimates for building and structures cover the cost of construction for the restaurant, lobby, kitchen, stores department, 36 double occupancy rooms, utilities section, administrative office, shops, watchman & driver cabin etc. The total covered area of the hotel is estimated at 17,000 square feet. The overall cost of construction is estimated at Rs. 105 lacs and the same amount has been provided under the cost of hotel project, the break up of the same is as follows :-

Building and structures	Type	Sq. ft.	Rate	Rs. in Lacs
1. Ground Floor Common Toilet, Restaurant, Shop/Kitchen Stores/Receptions Lobby etc.	RCC	5250	565	29.66
2. First Floor 18 Rooms/Housekeeping room/ Staircare	RCC	5250	565	29.66
3. Second Floor 18 Rooms/Housekeeping room/ Staircare	RCC	5250	565	29.66
4. Watchmen and Cylinder cabin]			1.60
5. Water and Electric supply system	RCC]	1250		13.50
6. Mics. Construction]			0.92
Total				105.00

a. Restaurant :-

There shall be two restaurants, each with sitting capacity of 50 persons for serving quality Indian and continental vegetarian cuisine. One will be in-house and shall be located at the ground floor and will have facility of piped music. Other one will be located outside in a garden to be developed in the available open space and will be covered with the plants and other decorative features. The Garden Restaurant is expected to commence its operation by the end of June, 1996.

b. Shopping Arcade :-

Shopping arcade at the lobby level shall have provision for travel agency, car rental agency, shops for general provisions, books, medical, drugs etc.

The Company has already obtained all the approvals viz. NOCs from Grampanchayat, MSEB, PWD, Land Acquisition Dept., Public Health Centre and Telephone Dept., for the commencement of activities of the hotel project and doesnot require any more approvals.

The Company has appointed Mr. Pankaj Dhruve, as turnkey consultant for the hotel project. Mr. Pankaj Dhruve has an experience of 14 years in construction line. He has constructed buildings, commercial centers and particularly a 3 star hotel project at Shirdi. He will be responsible for entire hotel construction.

The company has also appointed M/s Dimensions Consultants as architect & interior designer at a total fees of Rs. 7 lacs. They have



an experience of over 10 years in this field and has worked for projects including hotels and guest houses of similar nature at various places. Architect fee is already provided in the pre-operative expenses.

The Company has appointed **M/s Mehta Constructions**, Nasik, as its contractor cum civil consultant for hotel building and civil works.

PLANT & MACHINERY AND EQUIPMENTS

The plant & machinery would consist mainly of kitchen equipments like cold storage, water coolers, other equipments required for preparations and utensils & crockeries and other electrical equipments like Computers, T. V., mini fridges, EPBAX system etc. A provision of Rs. 33 lacs has been made in the cost of project out of which Rs. 15 lacs shall be applied for kitchen equipments and balance of Rs. 18 lacs for electrical equipments.

Equipments	Rs. in Lacs
(I) Kitchen Equipments	
a) Gas Burners, Mixers & Grillers, Hot Cases, Working Counters, Masala Grinders	4.00
b) Fridge, Deep Fridge, Water Coolers, Cold Storage	4.00
c) Utensils, Crockerys and small items	7.00
Sub Total	15.00
(II) Electrical Equipments	
a) Television sets	6.00
b) Computers / Printers	4.00
c) EPBAX systems (40 lines)	3.00
d) Mini Fridges	2.00
e) Telephones and Fax Machines	1.00
f) Disk Antenna, Stereo & VCRS	2.00
Sub Total	18.00
Total	33.00

The above mentioned items are readily available and the expected delivery period is about 7 days, hence, the company will place order in the month of December, 1996.

HEALTH CLUB & RECREATION CENTRE

The Company proposes to provide Health Club and Recreation facilities to the Guests separately for Ladies and Gents. This centre will have the following facilities like Steam Room, Sauna Room, Gymnasium with Latest Equipments, Tennis Court, Badminton Court and Table Tennis Room at a total cost of Rs. 40 lacs.

Equipments	No.	Rs. in Lacs
Steam Bath Room	2	3.00
Sauna Room	2	3.00
Jacuzzi	2	2.00
Multigym (stainless steel)	2	10.00
Vibrating belt	2	0.50
Tread Mill Computerise	2	10.00
Sit up Board	2	0.50
Roller Massager	2	0.50
Incline Decline Press	2	0.50
Rods Weight Plates	2	2.00
Various Indoor Games like Tennis, Badminton, Carrom etc.		5.00
Interior Designing & Airconditioners		3.00
Total		40.00

The above mentioned items will be purchased from Chafekar Fitness Equipments, Kandivli (W), Bombay and are readily available with in one month from the date of order, hence, the company will place order in the month of December, 1996.

FURNITURE & FIXTURES

The hotel building, restaurant, lobby and it's rooms will be furnished

with a quality furniture and upholstery in order to provide utmost comfort to the Guests. The hotel will also have a garden restaurant with sitting capacity of 50 persons. A provision of Rs. 81 lacs is made in the cost of project towards furniture and fixture in hotel premises and at garden restaurant. An average cost of Rs. 400 per sq.ft. has been assumed for furnishing and decorating the hotel premises.

The break-up of the same is as under :-

	Rs. in Lacs
A. For 36 Rooms	
Double Bed, Cup Board and Dressing Table	18.36
Curtains, palmettos, centre table & chairs	4.50
Decorative Floorings	7.92
Air Conditioners	9.00
Ceiling Fans, Lightings	0.90
Bathroom Fittings	12.60

	53.28
B. Reception Counter	1.00
C. Lobby Furnitures for 30 person	3.70
D. Two Executive Cabines	2.02
E. In-house Restaurant	
Tables (15) & Chairs (50)	3.50
Decoratives & lightings	4.50
F. Garden Restaurant	
Tables (15) & Chairs (50)	3.50
Decoratives & lightings	4.50
Plantations and Childrens Games etc.	5.00
TOTAL	81.00

MISC. FIXED ASSETS

The Company proposes to provide vehicles for transportation for its customers to and fro Devasthanam. A provision of Rs. 36 lacs has been made in the cost of hotel project towards the electrification, purchase of mini vans, other misc. equipments like fire fighting equipments, misc. tools etc. and distinctive neon sign boards.

The break-up of the same is as under :-

	Rs. in Lacs
Electrification, Fire Fighting Equipment etc.	20.00
Neon Sign Boards	5.00
Mini Vans	11.00
TOTAL	36.00

PRELIMINARY, PREOPERATIVE AND ISSUE EXPENSES

Apart from the cost of tangible assets as already described, provision has been made towards other items of expenditure necessary for the establishment of the hotel project. The hotel is estimated to be in operation from April, 1997. The revenue expenditures over and above the fixed cost incurred during the construction period will be capitalised and the same is known as preoperative expenses. A provision of Rs. 80 lacs has been made in the cost of project towards the preliminary and pre-operative expenses, which will consist of preoperative expenses of Rs. 45 lacs consisting of traveling, advertisement, architect fee, consultancy charges and increase in authorised share capital and Rs. 35 lacs for issue expenses.

CONTINGENCIES

The management is of the opinion that provision for contingencies is required to be made at the rate of 8% appx. hotel building, plant & machinery, furniture & fixtures and other fixed assets and therefore,



a provision of Rs. 27 lacs has been made in the cost of project towards contingency provision.

OFFICE PREMISES

The Company is presently operating from its registered cum corporate office admeasuring 400 sq. ft. situated at 29, Viral Shopping Centre, Andheri (West), Bombay. The office premises is taken on long lease for a period of 33 months from Basil Finvest Pvt. Ltd. and lease rent is Rs. 4,000 per month, in the month of Sept. 1995. An interest free lease deposit of Rs. 40 lacs for the office premises has already been paid and the same amount is provided under the cost of project. The present market value of the office premises as per valuation report of M/s. Kishore Dadbhawala & Associates is Rs. 52 lacs.

MISC. FIXED ASSETS AT CORPORATE OFFICE

The Company plans to use the state-of-the-art technology for its business activities. Its registered cum corporate office is well furnished and fully equipped with computers, fax, telephones, EPBAX Systems. The Company has made provision of Rs. 24 lacs and the break-up of the same is as under :-

	Rs. in Lacs
Office Furniture & Fixtures	2.50
Telephones, Fax	0.50
Computers and Printers	5.00
Software Programme	2.00
Car (3)	14.00
TOTAL	24.00

CAPACITY BUILD-UP

The project is of 36 quality deluxe rooms and will have two restaurants out of which one will be garden restaurant alongwith facilities of health club, tennis and badminton court, indoor games etc.

TECHNOLOGY

The proposed project is for setting up a hotel and doesnot require any technology hence, no technical arrangement has been made.

RAW MATERIALS

Raw materials and consumables are mainly food items and beverages which are easily available in the local market and the Company does not foresee any difficulty in getting required quantity of raw material and consumables on regular basis. There is no need for tie-ups as these are easily available in open market.

UTILITIES

A. POWER

Power system for the hotel is being designed for 200 KVA, the transformer being of 200 KVA rating for incoming power, which shall be purchased from MSEB. The power shall be made available at site from the high tension common power supply line. As a stand by arrangement, it is proposed to install a D. G. set of 200 KVA capacity. A switch over in built system is also proposed to be installed in case of power failure. The Company will make an application for the required power connection in due course.

B. WATER

The aggregate water requirement per day is estimated at 15,000 liters, for sanitary block, drinking, kitchen needs and other misc. purposes. The water shall be obtained from the tube well dug at the site. There shall be an under ground water storage tank from which water will be pumped to the over head tank for distribution to the various consumption points.

As per Ground Water Survey Report dated 1st November, 1995 of Dr. Amar Joshi, Geologist, Santacruz (East), Bombay - 400 055, sufficient water is available at site.

C. BOILER

For meeting requirements of hot water for guestrooms and kitchen, one hot water boiler shall be installed with necessary accessories, chlorifiers etc.

D. FUEL OIL AND GAS

Fuel shall be required for the hot water boiler, for which a storage tank shall be provided. Fuel gas shall be mainly required for the kitchen and arrangement will be made with local suppliers for liquefied petroleum gas.

E. EFFLUENTS

The hotel project shall not be generating any effluents and therefore there shall be no problem of effluents. However, a provision of requisite covered septic tanks has been made to ensure zero discharge. The Company will make an application to the Maharashtra State Pollution Control Board for its "No Objection".

F. TRANSPORT

Although, transport facilities / vehicles are available in plenty at reasonable rates locally, the hotel shall have its own courtesy vehicles cum haulage vehicle in the form of two vans.

HUMAN RESOURCES REQUIREMENT

The Company will directly employ the personnel with skills in hotel business, engineering and managerial staff with sufficient expertise required for the hotel operations, marketing, finance and general administration.

Manpower requirements of the hotel has been worked out in relation to the functional requirements of each departments and the managers and personnel required for each such department. Trained personnel are available locally for regular operations of the hotel.

The total man power requirement for the project is estimated at around 100 personnel including skilled, unskilled, maintenance, supervisory, administrative and commercial staff for hotel project and administrative staff at registered cum corporate office. The same is detailed below :

Department	No.
1. Senior Managerial Personnels	2
2. Food & Beverages Department	44
3. Operation Department	26
4. Maintenance Department	11
5. Finance & Administrative Department	17
Total	100

Presently the Company is managed by Mr. Kamlesh Desai, Managing Director alongwith Mr. Ketan Patel, Director. The Company will recruit the personnels as per the progress of project. For senior personnels, it proposes to give advertisement in newspapers and for other personnels it will take help of recruitment agencies operating locally.

SCHEDULE OF IMPLEMENTATION

The Company in consultation with the civil consultant has drawn the following schedule of implementation. According to that, the Company proposes to commence the hotel operations by the end of March, 1997. The details of the schedule of implementation are as follows :-

A. HOTEL PROJECT :-

Activities	Commencement	Completion
1. Purchase of land	Sept., 95	completed
2. Development of land & fencing	Oct., 95	completed
3. Construction of buildings and structures	Mar., 96	Dec., 96
4. Interior Designing & Furnishing	Dec., 96	Mar., 97
5. Ordering & procurement of equipments	Dec., 96	Mar., 97
6. Erection and commissioning	Jan., 97	Mar., 97
7. Electrification and Cabeling	Oct., 96	Mar., 97
8. Commencement of Commercial Operations	End of March, 97.	

B. GARDEN RESTAURANT :-

Project work	Commencement	Completion
1. Purchase of land	Sept., 95	completed
2. Development of land & fencing	Oct., 95	completed
3. Construction of buildings and structures	Mar., 96	June, 96
4. Interior Designing & Furnishing	Mar., 96	June, 96
5. Ordering & procurement of equipments	Mar., 96	June, 96
6. Erection and commissioning	Feb., 96	June, 96
7. Electrification and Cabeling	Feb., 96	June, 96
8. Commencement of Commercial Operations	End of June, 96.	

The project is being implemented as per schedule of implementation and there is no deviation.

SOURCES AND DEPLOYMENT OF FUNDS

As on 25th March, 1996, the promoters have already spent Rs. 87.92 lacs towards this project.

Deployment of Funds :	Rs. in lacs
Purchase of land	5.89
Advance for Site Development Materials	22.47
Preliminary Exp.	3.85
Pre-operative Exp.	6.97
Lease Deposit	40.00
Misc. Fixed Assets :	8.74
Furniture & Fixture, Computers, Telephone, Fax and Vehicle	
Total	87.92

Sources of Funds

Equity Share Capital	68.12
Share Application Money	19.80
Total	87.92

CURRENT STATUS OF THE PROJECT

Actual expenditure incurred on the project as on 25th March, 1996, is Rs. 87.92 lacs and the same is funded by equity share capital brought in by the promoters.

The current status of various activities of the Project is as under :-

- 1) Land for Hotel - Already purchased
- 2) Land for chain of Health club - In the process of Identification
- 3) Site Development & Scapping- completed.
- 4) Office premises - Already Acquired.

Year wise break-up of expenditure proposed to be incurred on the project is as follows :

	1996		1997
	Already deployed	To be deployed	To be deployed
1. Land	5.89	---	---
2. Site Development & Scapping	22.47	15.64	---
3. Hotel Building	---	105.00	---
4. Plant and Machinery and Health Club equipments	---	30.00	43.00
5. Furniture, Fixture	---	73.00	8.00
6. Mics Fixed Asset at Hotel	---	20.00	16.00
7. Pre-operative Exp.	6.97	26.47	6.56
8. Preliminary Exp.	3.85	36.15	---
9. Contingencies	---	20.00	7.00
10. Office Deposit	40.00	---	---
11. Mics. Fixed Assets at Office	8.74	15.26	---
12. Land for chain of clubs	---	40.00	---
Total	87.92	381.52	80.56

BRIDGE LOANS

The Company has not availed any bridge loan or made other financial

arrangements for incurring expenditure on this projects as on date which would be repaid from the proceeds of the issue.

BUSINESS OPPORTUNITIES, FUTURE PROSPECTS AND MARKETING POLICIES

A. PRESENT OUTLOOK, BUSINESS OPPORTUNITIES AND FUTURE PROSPECTS

The country has witnessed a boom for 3 star hotels as the domestic travel rises during the last years.

A growth of 15% in domestic travel over the last three years has fuelled a mid market hotel boom in the country. A total of 17,594 rooms in the 3 and 4 star category, by and large branded, are to be added to the present total of 55,376 approved hotel rooms over the next two to three years.

The volume of 3 and 4 star hotels is, according to a recent study by the Tourism Finance Corporation of India (TFCI), expected to increase by 20% annually, and 10 years down the line, the share of 5 star hotels would be reduced to 5% from the present 35% of all the approved hotel rooms in the country.

The boom in domestic business and leisure travel, triggered by the economic recovery and liberalisation has outstripped the 8% annual in international traffic.

The demand supply gap in the mid-market may be well over 40%. The number of rooms in the pipeline in the mid-market category is nearly three times more than those earmarked for the 5 star segment as per the mentioned figures :-

HOTEL PROJECTS IN THE PIPELINE

CATEGORY	PROJECTS	As on Dec., 94
		NO. OF ROOMS
5 Star	36	6,188
4 Star	22	1,754
3 Star	284	15,840
2 Star	157	4,994
1 Star	51	969
Heritage Hotels	20	438
TOTAL	570	30,183

(Source : The Economic Times, Dated 18th February, 1995)

The Company has made a detailed market survey on the pilgrims traffic and no. of hotel rooms at shirdi. The demand for room accommodation at Shirdi is derived from the pilgrims visiting Shirdi. As stated earlier, the hotel is being set up to meet the growing demand for hotel rooms from the pilgrims visiting Shirdi.

On an average the number of pilgrims visiting Shirdi by private cars & taxis is around 5000 to 7000 per day. In addition, a large number of pilgrims visit Shirdi by state transport buses, private buses and in conducted tours by travel agencies, every day - this number is estimated to be between 8,000 to 10,000. Construction of airport at Shirdi is under consideration and the proposal is pending with the Ministry for it's approval. This will not only increase the traffic of pilgrims of executives but also will further increase the demand for good quality of rooms.

In the last few years, the pilgrims traffic has been showing continuous growth, and it is expected that this trend will continue on a higher scale. As per the Shri Saibaba Sansthan, Shirdi, the number of visitors for the last three years are as follows :-

Year	No. of Visitors
1992 - 93	54,22,781
1993 - 94	93,69,500
1994 - 95	1,11,96,200

(Source : Letter dated 16th January, 1996, of Shri Saibaba Sansthan, Shirdi).

In terms of above, the number of visitors in 1996 is expected to be



not less than 125 lacs and an annual growth of 10 to 15 per cent in the next three years would be a reliable and conservative estimate.

Thus, the total number of pilgrims visiting Shirdi is 13,500 to 17,000 per day. Thursday has a special significance, since on this day Shri Sai Baba, the deity, attained "Nirvana" (salvation). Therefore, the number of pilgrims visiting on Thursday, and on weekends is 50,000 to 70,000.

The average length of stay at Shirdi varies between 1 and 2 days. The average occupancy being experienced by the existing hotels is more than 80% annually. On Thursday and weekends, and on special occasions, the room occupancy is over 100%, due to shortage of rooms, and specially of quality rooms, many of the pilgrims have to return the same day.

Considering the various facts, the requirement of quality hotel rooms in Shirdi have been estimated, on a conservative basis, at 2000 rooms. At present there are 15 hotels (out of which only one hotel is three star) having less than a total of 750 room accommodation.

Taking into account, the current availability of the quality rooms, the shortage of rooms estimated is more than 1000 rooms. The high average annual occupancy is experienced by the existing hotels reconfirms the potential and existing demand for hotel rooms at Shirdi.

COMPETITION

The fast growth rate in the pilgrims traffic at Shirdi in the last few years necessitates demand for increased hotel accommodation and quality rooms. In taking into account the facilities provided by the proposed three star deluxe hotel like Health Club, Tennis and Badminton Court, various indoor games alongwith well furnished Garden Restaurant, the hotel shall compete effectively and attract a good share of existing and potential customers.

B. MARKETING POLICIES AND SALES STRATEGY

The hotel industry requires a strong and well balanced marketing setup to attain the desired level of occupancy. The Company shall adopt an aggressive marketing strategy which will be supported by advertising media enabling the Company to reach targeted clientele. The marketing in this activity totally depends on credentials of organisers as well as goodwill.

The Company proposes to establish not only a strong net work but also create a visible presence in terms of its superior quality of rooms and services.

Advertisements in the magazines and news papers, putting up of neon sign boards at prime locations, participation in local functions and constant interaction with customers and upgradation of it's services and quality for updating ourselves are planned.

PROFITABILITY PROJECTIONS

Since the present project for which funds are being raised from the public has not been appraised by any Bank or Financial Institution, the projection are not mentioned in the prospectus as per the SEBI Guidelines.

VI. STOCK MARKET DATA OF SHARE / DEBENTURE OF THE COMPANY

The company's equity shares are proposed to be listed on the stock exchanges at Pune, Ahemdabad and Rajkot. As of now the company's shares are not listed on any of the stock exchanges and hence no quotations are available.

VII. LISTED COMPANIES UNDER THE SAME MANAGEMENT

There are no listed Companies under the same management within the meaning of section 370 (1B) of the Act and therefore no particulars in regard to the capital issues by such companies is required to be stated.

VIII. LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENT

A) OUTSTANDING LITIGATION

- (i) There are no outstanding litigation / disputes which are likely to affect operation and finance of the Company including disputed statutory liabilities in nature.
- (ii) No criminal proceedings have been launched against the Company or the directors for the alleged offences under the enactments specified in paragraph i of the Schedule XIII of the Companies Act, 1956.

B) PARTICULARS OF DEFAULT

The Company has not defaulted in meeting statutory dues and institutional/bank dues as also dues towards instrument holders like Debentures, Fixed Deposits etc.

C) MATERIAL DEVELOPMENT

There has been no material development after the date of latest Balance Sheet made, which could affect the performance and prospects of the Company.

D) LIABILITIES

All known & identified liabilities have been acknowledged and accounted for.

IX. RISK FACTORS AS PERCEIVED BY THE MANAGEMENT INTERNAL

1. The Company is yet to obtain power sanction from MSEB and NOC from MPCB.
The Company will make an application for Power and No Objection to MSEB and MPCB respectively in due course.
2. The entire fund requirements are being met out of present equity issue. Any delay in raising the same may delay the implementation of the project.
3. In the absence of any financial stake of any Financial Institution/ Bank in the project, there shall be no monitoring of funds raised through this issue and deployment of funds shall be left entirely at the sole discretion of the Company's management.
4. The Company has taken its office premises on lease from Basil Finvest Pvt. Ltd., a company promoted by the same promoter with a lease deposit of Rs. 40 lacs and for a rent of Rs. 4,000 p.m.
5. The project is at a very preliminary stage of implementation.
6. The Company has made a provision of Rs. 40 lacs in the cost of project towards purchase of Land, which is yet to be identified for the chain of Resorts/clubs at various places and the means of finance for further expenses required for the same is yet to be generated/tied up.

EXTERNAL

1. Competition from existing and new hotels is envisaged. Shirdi is one of the popular Devasthan in the country. With an increase in the numbers of pilgrims, the demand for hotel accommodation would increase considerably. Besides, with the emphasis on quality of service at reasonable price, the Company can meet the competition.
2. Hotel industry is depended upon tourist traffic. Any political or civil disturbances will have a bearing on the profitability of the Company.
3. Changes in the policies of Govt. of India and the State Govt. with regards to the benefits to the Tourism Industry in general and the Hotel Industry in particular shall have a bearing on the Company's operation.



PART II

A. GENERAL INFORMATION

CONSENTS

Consents in writing of the aforesaid Auditors, Directors, Advisors, Company Secretary, Legal Advisors, Bankers to the Company, Lead Managers to the issue, Registrars to the issue, Bankers to the issue and Brokers to the issue to act in their respective capacities and to include their names in the prospectus have been obtained and filed with the Registrar of Companies, Maharashtra at Bombay along with a copy of the prospectus for registration as required under Section-60 of the Act and none of them have been withdrawn up to the time of delivery of the copy of this Prospectus for registration.

M/s Gupta Shyam & Co., Chartered Accountants, the Auditors of the Company have also given their written consent to the inclusion of their Report and their opinion on Tax Benefit in the form and context in which it appears in this Prospectus and such consent and Report have not been withdrawn up to the time of delivery of this prospectus for registration with the Registrar of Companies, Maharashtra at Bombay.

EXPERT OPINION

No expert opinion has been obtained by the company save and except as stated in the prospectus.

CHANGE IN BOARD OF DIRECTORS AND AUDITORS SINCE INCORPORATION

The following changes have taken place in the office of Board of Directors since incorporation of the Company to the date of issue of this prospectus.

Name of Person	Date of Appointment	Date of Ceasation	Reason
1. Mr. Hiten Thakkar	Since Incorporation	05.12.95	Personal
2. Mr. Ajay Kulkarni	05.12.95		
3. Mr. Ketan Shah	05.12.95		
4. Mr. C. J. Murzello	05.12.95		
5. Mr. Ketan Patel	05.12.95		

AUDITORS

There is no change in the auditors of the Company since incorporation.

AUTHORITY FOR THE PRESENT ISSUE :

Pursuant to Section-81 (1A) of the Act, the present issue of Equity Shares has been authorised by a Special Resolution passed at the Extra-Ordinary General Meeting of the Company held on 4th December, 1995.

BASIS OF ALLOTMENT IN CASE OF OVERSUBSCRIPTION

In the event of the present issue being oversubscribed, the basis of allotment of shares will be finalised in consultation with the Regional Stock Exchange at Pune, and a SEBI nominated public representative shall be associated in the process of finalisation of the basis of allotment, in case the issue is subscribed more than 5 times.

The allotment shall be subject to allotment in marketable lots, on proportionate basis as explained below :

- a. Applicants will be categorised according to the number of Shares applied for.
- b. The total number of Shares to be allotted to each category as a whole, shall be arrived at on a proportionate basis, i.e., the total number of Shares applied for in that category (No. of applicants in the category X No. of Shares applied for) multiplied by the inverse of the oversubscription ratio.

- c. No. of Shares to be allotted to the successful allottees will be arrived at on a proportionate basis, i.e., total number of Shares applied for by each applicant in that category multiplied by the inverse of the oversubscription ratio.
- d. In all the applications where the proportionate allotment works out to be less than 100 Shares per applicant, the allotment shall be made as follows :
 - i. Each successful applicant shall be allotted a minimum of 100 Shares; and
 - ii. The successful applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- e. If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted Shares arrived at after such rounding off.
- f. If the Shares allocated on a proportionate basis to any category are more than the Shares allotted to the applicants in that category, the balance available Shares for allotment shall be first adjusted against any other category, where the allocated Shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants for minimum number of Shares.
- g. Notwithstanding anything stated herein above, the sum total number of shares allotted to all the categories shall not exceed the offer of Equity Shares offered through this Prospectus.

INTEREST ON EXCESS APPLICATION MONEY

Payment of interest @ 15% per annum on the excess application money will be made to the applicant for the delayed period beyond ten weeks from the date of closure of subscription list as per the guideline issue by the Ministry of Finance, vide letter no F-8/6/ SE/ 79 dated 21.7.1983 read with letter no.F. 14/2/SE/85 dated 27.09.1985, addressed to the Stock Exchanges, and also in terms of Rule 4D of the Companies (Central Government) General Rules & Forms 1956, substituted by Notification No. F.No.1/1/92-CL.V dated 06-03-1992.

SCHEDULE OF ALLOTMENT

The Company shall proceed to allot the Equity Shares within a period of 10 weeks from the date of closing of the Subscription List, in consultation with Regional Stock Exchange at Pune.

Letters of Allotment or Regret Letters together with the Refund Orders, if any, to allottees/partial allottees/non-allottees will be despatched by Registered Post within 10 weeks from the date of closing of the Subscription List. However, the Company is liable, in case of delayed refunds after 78 days, to pay interest at the prescribed rate of 15% p.a. under Section 73 of the Companies Act, 1956.

REFUND/ALLOTMENT

Allotment Letters / Refund Orders will be despatched to all the applicants within ten weeks from the date of closing of the subscription list. The company shall ensure despatch of refund orders of the value over Rs.1500/- and share certificates by REGISTERED POST only and adequate funds will be made available to the Registrar to the issue for complying with the requirement of the despatch of

Refund orders/Allotment letters/Share certificates by Regd. post. However, if such money is not repaid within eight days from the day the company becomes liable to pay for it, the company and every director of the company, who is an officer in default, shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest @ 15% p.a. as prescribed under the provisions of section 73 of the Companies Act, 1956.

In case of joint applications, refund/pay order if any, will be made out in the first applicant's name and all communications will be addressed to the person whose name appears first in the application form. Refund if any, of the application money and interest, if any, to NRI's will be payable in Indian Rupees only, and will be forwarded for crediting into the FCNR/NRE A/c of the first/sole applicant as per the mandate instruction or by way of US \$ draft in case of repatriable basis or by rupee cheque in case of Non Repatriable basis. Allotment of Equity Shares to Non-Residents and issue of Share certificates shall be subject to the Company obtaining such permission from the Reserve Bank of India or any other requisite authority as may be necessary.

The company has given an undertaking to the Lead Manager that requisite funds for the purpose will be made available to the Registrars to the issue. Refunds will be made by "Account Payee" cheques or pay orders, drawn on the company's refund bankers, and bank charges, if any, for encashing such cheques or pay orders will be borne by the applicants. Such cheques or pay orders will, however, be payable at par at the places where applications are received.

ISSUE OF SHARE CERTIFICATES

Share certificates will be delivered within three months from the date of allotment in exchange of allotment letters issued if any, as per the provisions of section 113 and other relevant provisions of the Act. The allottees should carefully preserve the letter(s) of allotment, if any, to be exchanged for the Share Certificate(s).

INVESTORS GRIEVANCES AND REDRESSAL SYSTEM

Investors grievances will be handled by a separate department to be headed by a competent manager. The Company will formulate a redressal system for handling of investors complaints and the system will be reviewed by the Board of Directors from time to time.

MENTION OF BANK A/C. IN THE APPLICATION FORM

Provision has been made in the application form for inserting particulars relating to saving bank/current account numbers and the name of the bank with whom such account is held, to enable the Registrars to print the said details in the refund orders after the name of the payee. Applicants are advised to make use of this facility to avoid misuse of refund orders.

REGISTERED & CORPORATE OFFICE

29, Viraj Shopping Centre,
S. V. Road, Andheri (West),
Bombay - 400 059.

HOTEL SITE

Plot No. : 21 / 1 K / 1
Village : Chande Kesara,
Taluka : Kopergaon
Dist. : Ahmednager

AUDITORS

M/S GUPTA SHYAM & CO.
Chartered Accountants
11/A, Sukhsager Building,
Near Railway Crossing,
Kandivli (East),
Bombay - 400 101.

FINANCIAL ADVISOR SHANIL FINANCIAL SERVICES LTD.

C-501, Gokul Galaxy,
Thakur Complex,
Kandivli (East),
Bombay - 400 131.

LEGAL ADVISOR TO THE ISSUE

ALIKHAN G. MAHAWALA
Advocate High Court,
202, Suman Tower, Lokhandwala Complex,
Andheri (West),
Bombay - 400 058.

COMPANY SECRETARY

MR. BHARAT KEDIA
B - 37/002, Gokuldham,
Goregaon (East),
Bombay.

LEAD MANAGERS TO THE ISSUE

HARVEST FINANCIALS LIMITED
116, Jolly Maker Chambers 2,
Nariman Point,
Bombay - 400 021.

REGISTRARS TO THE ISSUE

VAKRANGEE CONSULTANCY SERVICES
(A unit of Vakrangee Limited)
C-6, Hind Saurashtra Ind. Est.
M.V. Road, Marol Naka, Andheri (East),
Bombay-400059.

BANKERS TO THE COMPANY

INDIAN OVERSEAS BANK
Andheri West Branch S. V. Road,
Andheri (West), Bombay - 400 058.

BANKERS TO THE ISSUE

Indian Overseas Bank
'Bhaktawar', Ground Floor,
Nariman Point,
Bombay - 400 001.

The Saraswat Co-operative Bank Limited

19/21, Ambalal Doshi Marg,
Fort, Bombay - 400 001.

BROKERS TO THE ISSUE

Members of all the recognised Stock Exchanges in India may act as Brokers to the Issue. All the above intermediaries to the issue are registered with SEBI.

B. FINANCIAL INFORMATION

AUDITOR'S REPORT

The Board of Directors,
Jaykaydee Resorts & Investments Ltd.,
 29, Viral Shopping Centre,
 S. V. Road, Andheri (west),
 Bombay - 400 058

GUPTA SHYAM & CO.,
 Chartered Accountants
 11/A, Sukhsagar Building,
 Near Railway Crossing,
 Kandivli (East), Bombay - 400 101.

Dear Sir,

We have examined and audited the account for the period from 11th September, 1995 to 31st December, 1995, being the last date upto which the accounts of the Company has been made up.

In accordance with the provisions of the para B (i) of part II of the Schedule II of the Companies Act, 1956, we report that in our opinion, assets and liabilities as set out below are appropriate, subject to notes here under :

	(Rupees)	
	Rupees	AS ON 31.12.95
SOURCES OF FUNDS		
Shareholders Fund		
Share Capital		85,12,000
Reserve & Surplus		—
Loan Fund		—
TOTAL		85,12,000
APPLICATION OF FUNDS		
FIXED ASSETS		
Gross Block	10,81,936	
Depreciation	—	
Net Block		10,81,936
INVESTMENTS (At Cost)		3,10,000
CURRENT ASSETS, LOANS & ADVANCES AND DEPOSITS		
a) Current Assets	85,926	
b) Loans and Advances and Deposits		
i) Loans and Advances	20,00,000	
ii) Advances on Capital	4,00,000	
iii) Lease & other Deposits	48,13,500	
	<u>72,13,500</u>	
	72,99,426	
LESS : CURRENT LIABILITIES & PROVISIONS	<u>8,06,812</u>	
NET CURRENT ASSETS		64,92,614
MISCELLANEOUS EXPENDITURE (To the extent not written off)		6,27,450
TOTAL		85,12,000

NOTES

1. SIGNIFICANT ACCOUNTING POLICIES :

A) Method of Accounting :-

The financial statement are prepared in accordance with the historical cost convention & applicable accounting standard and Generally accepted accounting principles and recognise the income and expenditure on accrual basis except those with significant uncertainty.

B) Fixed Assets

Fixed Assets are stated at Cost. Depreciation on the fixed assets have not been charged as the Company has not started its commercial operations and all the assets have been acquired by the Company before few months back only.

C) Investments

Investments comprises shares in listed Companies taken at cost in the Balance Sheet having market value of Rs. 3,95,000/-.

D) Expenditure during construction period

Expenditure incurred on project under implementation will be capitalised and apportioned to various assets on completion of the project.

2. The Authorised Share Capital of the Company is Rs. 1 crore divided into 10,00,000 Equity Shares of Rs. 10/- each. However the Company has further increased its authorised share capital from Rs. 1 crore to Rs. 6 crore on 4th December, 1995 by creating 50,00,000 (fifty Lakhs) Equity Shares of rs. 10/- each.

3. The Company was incorporated on 11th September, 1995 as public limited company and received commencement of business certificate w.e.f. 14th September, 1995.



4. As the Company has not started any Commercial Activities and project is also under implementation stage therefore profit and loss account have not been prepared and accordingly statement of profits have not been mentioned in our report.
5. There is no contingent liabilities to be provided for.
6. The Company has not revalued any of its fixed assets.
7. The Company has paid Rs. 40 lacs towards interest free deposit to acquire office premises on Leave & Licence Basis on a monthly rent of Rs. 4,000/- from a Company in which some of the Director are interested being the director of the Lessor Company.
8. The Company has incurred pre-operative expenses of Rs. 4,44,950/- on the project which is to be capitalised on completion of the project under implementation.
9. Dividend
The Company has not declared & paid any dividend.

FOR GUPTA SHYAM & CO.
Chartered Accountants

SD/-

Shyam S. Gupta
(Proprietor)

Place : Bombay
Dated : 15th February, 1996

C. STATUTORY AND OTHER INFORMATION :

MINIMUM SUBSCRIPTION

The minimum amount which in the opinion of the Board must be raised by the issue of Equity Shares in order to provide for the sums required in terms of the Act and terms of this Prospectus being 90% of the issue price of equity shares being offered for subscription in terms of this prospectus is Rs. 315 Lacs. The directors will proceed to allot the said equity shares on receipt of the application money payable there on.

However, if the Company does not receive minimum subscription amount of 90% of the issue on the date of closure of the issue, the Company shall forthwith refund entire subscription amount received. For delay, if any, beyond 78 days in refund of such subscription the company shall pay interest as per Section 73 of the Companies Act, 1956.

EXPENSES OF THE PRESENT ISSUE

The expenses of the present issue including brokerage, fees of the managers to the issue, stamp duty, printing, distribution expenses, registration fees, legal charges, bank charges, auditors fees and other miscellaneous expenses are estimated at Rs. 35.00 lacs and will be met out of the proceeds of the present issue.

UNDERWRITING COMMISSION

No underwriting arrangements has been sought for this issue, hence no underwriting commission is payable.

BROKERAGE

Brokerage will be paid by the company at the rate of 1.5% on the nominal value of Equity Shares on the basis of allotment made against applications bearing the stamp of a member of any recognised Stock Exchange in India. Brokerage at the same rate will also be payable to the Brokers to the Issue in respect of allotment made against application procured by them, provided the respective form of application bear their respective stamps in the Broker column.

FEES PAYABLE TO THE LEAD MANAGERS

The fees payable to Lead Manager, Harvest Financials Limited, is a lumpsum amount of Rs. 2.00 lacs as set out in the Letter. In addition thereto, all out of pocket expenses will be reimbursed on actual.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue, as set out in their Letter. The fees payable as follows :-

1. Rs. 3.00 per every Allottees.
2. Rs. 2.00 per every Non Allottees.
3. Rs. 3.50 per stock invest.
4. Rs. 3.50 per NRIs Application.

CAPITALISATION OF RESERVES OR PROFITS

No capitalisation of reserves or profits has been made since the date of incorporation of the Company.

PRELIMINARY EXPENSES

An amount of Rs. 82,500/- has been incurred by the company as preliminary and pre-operative expenses till 30th November, 1995.

ISSUE OTHERWISE THAN FOR CASH

Save as otherwise stated in this prospectus, no shares have been issued or agreed to be issued since incorporation of the company for consideration other than cash.

ISSUE AT A PREMIUM OR DISCOUNT

No shares or debentures of the company have been issued at a premium or at a discount since its incorporation nor is it presently proposed to issue any shares or debentures at a premium or at a discount.

PREVIOUS ISSUE

Save as otherwise stated in this prospectus no public issue has been made by the company since its incorporation.

PREVIOUS COMMISSION AND BROKERAGE AND DISCOUNT ON SHARES

Save as mentioned in this Prospectus, no sums have been paid or payable as commission or brokerage or discount for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any shares or any Debentures of the Company since its incorporation.

ISSUE OF PREFERENCE SHARES/REDEEMABLE PREFERENCE SHARES/DEBENTURES

The Company has not issued any preference shares or redeemable preference shares or debentures since the date of incorporation of the Company.

PRESENT AUTHORISED SHARE CAPITAL / CLASS OF SHARES

The present Authorised Share Capital of the Company is Rs. 600 lacs and it has only one class of shares viz. Equity Shares of nominal value of Rs. 10/- each.

OPTION TO SUBSCRIBE

Save as otherwise stated in this Prospectus, the Company has not entered into any contract or arrangement and does not presently propose to enter into any contract or arrangement whereby any option or preferential right of any kind, has been or is proposed to be given to any person to subscribe for any share of the Company.



PURCHASE OF PROPERTY

Save as elsewhere stated in this prospectus and in respect of property purchased or acquired or to be purchased or acquired as stated elsewhere in this Prospectus there is no property which the company has purchased or acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceed of the present issue or the purchase or acquisition of which has not been completed on the date of the issue of this Prospectus other than the property :

- a) the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of the Company such contract not being made in contemplation of this issue nor is this issue in consequence of such contract,
- b) in respect of which the amount of purchase money is not material

Save except as stated elsewhere in this Prospectus in respect of lease deposit paid to Basil Finvest Pvt. Ltd., the Company has not purchased any property in which any of its Promoters or Directors had or have any direct or indirect interest or in respect of any payment made thereof.

REVALUATION OF ASSETS

There has been no Revaluation of Assets of the Company since its incorporation.

PRESENT MANAGING DIRECTOR

Mr. Kamlesh Desai is appointed as Chairman & Managing Director of the company w.e.f. 01.10.95 for a period of five years upon the following terms :

REMUNERATION

A. SALARY

He shall be paid Rs. 25,000/- per month.

B. PERQUISITES :

In addition to the above, perquisites in respect of the following will be allowed to the Managing Director to an amount equal to annual salary or Rs. 4,50,000 per annum whichever is less.

CATEGORY "A"

(i) Housing

Allotment of unfurnished accommodation for which 10% of the salary be deducted by the Company, or in case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance at the rate of 60% of the salary.

(ii) Gas, Electricity, Water, Furnishings

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall further be subject to ceiling of 10 per cent of the salary. In case no accommodation is provided by the Company, he would be entitled to reimbursement of expenditure on gas, electricity, water and furnishings subject to limit of 10 per cent of his salary.

(iii) Medical Reimbursement

Self and family subject to ceiling of one month's salary in one year or three months' in three years, subject to a prorata reduction for a shorter period.

(iv) Leave Travel Concession

Self and family once in a year incurred in accordance with any Rules specified by the Company.

(v) Club Fees

Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

(vi) Personal Accident Insurance

Premium not exceeding Rs. 4,000/- per annum.

CATEGORY "B"

(i) Company's Contribution towards Provident Fund

Subject to ceiling of 10% of salary, as per Company's Rules.

(ii) Company's Contribution towards Pension/Super Annulation Fund

Such contribution together with contribution to the Provident Fund shall not exceed such percentage of salary as stipulated in the Income Tax Rules, 1962 for the time being in force (Overall ceiling will be non-interchangeable) .

(iii) Gratuity (non-interchangeable)

As per the Company's Rules in this behalf, subject to further condition that the gratuity shall not exceed half month's salary for each completed year of service and subject further to a ceiling of Rs. 1 lac.

CATEGORY "C"

Provision of car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.

Earned / Privilege Leave

On full pay and allowance, as per rules of the Company but not more than one month's leave for every eleven months' of services. The leave accumulated but not availed off will not be allowed to be encashed.

C. COMMISSION

Commission, in addition to salary and perquisites or both based on the net profits of the Company in a particular year, subject to the overall ceilings laid down in Section 198 and 309 of the Companies Act, 1956.

So long he function as Chairman & Managing Director, he shall not be paid any sitting fees for attending Board of Directors Meeting and its committee thereof.

INTEREST OF PROMOTERS & DIRECTORS

All the Directors/Promoters of the Company are or may be deemed to be interested to the extent of Equity Shares held by them and / or their friends and relatives or which may be subscribed by them and / or their friends and relatives and allotted to them by the Company.

All the Directors are or may be deemed to be interested to the extent of fees payable to them for attending the meetings of the Board or committees thereof. Mr. Kamlesh Desai, Chairman & Managing Director, is interested to the extent of the remuneration received by him.

The Company has taken on lease the office premises from Basil Finvest Private Limited. Mr. Kamlesh Desai and Mrs. Surbhi Desai, being present Directors of Basil Finvest Pvt. Ltd. also, may be deemed to be interested to the extent of Lease Deposit paid and lease rent payable.

PAYMENT OR BENEFIT TO PROMOTERS OR OFFICERS OF THE COMPANY

Save as stated elsewhere in this Prospectus, no amount or benefit has been paid or given nor is intended to be paid or given to the promoters or officers of the Company since its incorporation except their normal remuneration and / or reimbursement of expenses incurred on behalf of the Company to which they are entitled or may become entitled under the Articles of the Company or otherwise in accordance with the law.

THE MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

DIRECTORS

Maximum number of Directors

Article 102 provides that : Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve (including the " Nominee Director (s)", if any, appointed under Article 106).



Rotation of Directors

Article 104 provides that :

- (1) The Directors may elect one of their body to the office of the Chairman of the Board of Directors and determine the period for which he is to hold office.

Limits of numbers of retiring Directors

- (2) Not less than 2/3 rd of the total number of Directors for the time being shall be those whose period of office is liable for determination to retirement by rotation; and their appointment shall, save as otherwise expressly provided in these presents, be by the Company in General Meeting.

- (3) All Directors other than the non-retiring Director shall be elected by shareholders of the Company in General Meeting. At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of the number nearest to one-third shall retire from office. The non-retiring Directors and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the retirement by rotation of the number of Directors to retire.

Nominee Directors

Article 105 provides that :

- (1) Subject to the provisions of Section 255 of the Act, whenever the Directors enter into a contract with any Government, Central, State, or local, or any person or persons for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or for underwriting or enter into any other arrangement whatsoever, the Directors shall have, subject to the provisions of Section 255 of the Act, the power to agree that such Government, person or persons shall have the right to appoint or nominate by a notice in writing addressed to the Company one or such conditions as may be mentioned in the Agreement and that such Director or Directors may not be liable to retire nor be required to hold any qualification shares. The Directors may also agree that any such Director or Directors may be removed from time to time by the Government, person or persons entitled to appoint or nominate them and such person or persons may appoint another or others in his or their place and also fill in any vacancy, which may occur as a result of any such Director or Directors ceasing to hold that office for any reason whatever. The Directors so appointed or nominated shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the Directors of the Company including the payment of remuneration and travelling expenses to such Director or Directors as may be agreed by the Company with such person or persons aforesaid.

- (2) If it is provided by the Trust Deed, securing or otherwise, in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as "Debenture Director". A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he is appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

Alternate Directors

Article 106 provides that : The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An

Alternate Director appointed under this Article shall not be required to acquire and hold qualification shares and shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Additional Director

Article 107 provides that : Subject to the provisions of Sections 260 and 264, the Board shall have the power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 84. Any such additional Director shall hold office only up to the date of the next Annual General Meeting.

Qualification

Article 108 provides that : A Director whether retiring or non-retiring shall not be required to hold any qualification shares.

Remuneration

Article 109 provides that : Subject to the provisions of the Act, a Director, who is neither in the whole time employment of the Company nor a Managing Director, may be paid remuneration either-

- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
- (ii) by way of commission if the Company by a Special Resolution authorises such payment.

Disclosure of interest by Director

Article 112 provides that :

- (1) Every Director of the Company who is in any way whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into, by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board of Directors in the manner provided in Section 299(2) of the Act.
- (2) (a) In case of a proposed contract or arrangement, the disclosure required to be made by a Director under Sub-clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not, at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he be so concerned or interested;
- (b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.
- (3) (a) For the purpose of Sub-clause (1) and (2) a general notice given to the Board by a Director, the effect that he is Director or a member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern to interest in relation to any contract or arrangement so made;
- (b) Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would otherwise expire;

(c) No such general notice, and no renewal thereof, shall be of effect unless either it is given at a meeting of the Board, or the Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given;

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between the Company and any other company where any one or more of the Directors of the Company together holds or hold not more than two percent of the paid up share capital in the other Company.

MANAGING DIRECTOR

Article 115 provides that : Subject to the provisions of the Act, the Board of Directors shall have power to appoint from time to time one or more of its members as Managing/Wholetime Director/s of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company.

Article 116 provides that : A Managing Director shall ipso facto and immediately cease to be a Managing Director if he ceases to hold the office of a Director.

BORROWING POWERS

Article 67 provides that : Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at general meetings, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting accorded by a Special Resolution.

Article 68 provides that : The Company shall, if at any time it issues debentures, keep a register and index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any state or country outside India a branch register of Debenture-holders resident in that state or country.

Power to Borrow

Article 69 provides that : Subject to Section 292 and 293 (1)(d) of the Act, the Directors may, from time to time, at their discretion raise or borrow, or secure the repayment of any sum or sums of money for the purpose of the Company at such time or in such manner and upon such terms and conditions in all respects as they think fit and in particular, by any promissory note or by opening current accounts, or by receiving deposits and advances, with or without security, or by the issue of bonds, perpetual or redeemable debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital, for the time being, or by mortgaging or charging or pledging any lands, building, goods or other property and securities of the Company or by such other means as may seem expedient to them.

Article 70 provides that : Such debentures, debenture stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issues.

Article 71 provides that : Any such debentures, debentures stock, bonds or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending the General Meeting of the Company, appointment of Directors and otherwise. Provided that the Debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

Article 72 provides that : The Directors shall cause proper register to be kept, in accordance with the Act, of all mortgages and charges

specifically affecting the property of the Company, and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified and otherwise.

Article 73 provides that : If any uncalled capital of the Company is included in or or charged by any mortgage or other security, the Directors may, by instrument under the Company's Seal authorise the person in whose favour the mortgage or security is executed or any any other person in trust for him, to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall, mutatis mutandis, apply to made exercisable either conditional, or unconditionally and either presently or contingently, and either to the exclusion of the Directors' powers or otherwise and shall be assignable if expressed so to do.

Article 74 provides that : Where any uncalled capital of the Company is charged all persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholders or otherwise, to obtain priority over such prior charge.

Article 75 provides that :

- (1) If the Directors or any of them, or any other persons, shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.
- (2) If the moneys borrowed by the Company in accordance with clauses 70 to 76 supra, have been guaranteed in their personal capacity by the Directors or any of them or by any other person, firm or body corporate, each such guarantor/s may be paid a commission not exceeding 1 (one) percent per annum of the maximum limits of borrowals guaranteed by them.

DIVIDENDS

The company in general meeting may declare dividends

Article 131 provides that : The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend. The Company may declare additional dividend to that declared at the Annual General Meeting, in relation to any year by an Extra-ordinary general meeting.

Article 132 provides that : The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up and to the period during the year for which the capital is paid up on the shares held by them respectively.

Dividend out of profit only

Article 133 provides that : No dividend shall be declared or paid otherwise by the Company for any financial year out of profits for that year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act except after the transfer to the reserves of the Company of such percentage of profits for that year as may be prescribed.

Interim Dividend

Article 134 provides that : The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

Capital paid up in advance at interest not to earn dividend

Article 135 provides that : Where Capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.



Dividend in proportion to amount paid up.

Article 136 provides that : All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Effect of transfer of share

Article 137 provides that : Subject to the provisions of Section 205A of the Act the Board may retain the dividends payable upon shares in respect of which any person is under Article 53 entitled or which any person under that Article is entitled to transfer, until such person shall become a Member, in respect of such shares or shall duly transfer the same.

Dividend to joint holders

Article 138 provides that : Any one of several persons who are registered as the joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

Article 139 provides that : No member shall be entitled to receive payment of any interest on dividend in respect of his share or shares, or otherwise howsoever, either alone or jointly with any other person or persons, while he is indebted to the Company and the Board may deduct from the interest or dividend payable to any member all sums of moneys so due from time to time to the Company.

Article 140 provides that : A transfer shall not pass on the right to any dividend declared thereon before the registration of the transfer.

Dividend how remitted

Article 141 provides that : Unless otherwise directed any dividend may be paid by cheque or warrant or by a payslip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of jointholders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or payslip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any payslip or receipt or the fraudulent recovery of the dividend by any other means.

No interest on dividend

Article 142 provides that : Subject to the provisions of Section 205A of the Act no unpaid dividend shall bear interest as against the Company.

Dividend and call together

Article 143 provides that : Any General Meeting declaring a dividend may on the recommendation of the Director make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the member, be set off against the calls.

CAPITALISATION OF PROFITS.

Article 144 provides that :

- (a) The Company in General meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend

and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued share or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any unissued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum; Provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.

- (b) A General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed among the members on the footing that they receive the same as capital.

VOTES OF MEMBERS

Member paying money in advance not to be entitled to vote in respect thereof

Article 91 provides that : A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

Restriction on exercise of voting rights of members who have not paid

Article 92 provides that : No member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right to lien.

Number of votes to which entitled

Article 93 provides that : Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualified by the last preceding Articles shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company.

Votes of members of unsound mind

Article 94 provides that : A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardian, or any one of his guardians if more than one, to be selected in case of dispute by the Chairman of the meeting.

Votes of Joint members

Article 95 provides that : If there be joint registered holders of any share, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such share, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting



and, if more than one of such joint-holders be present at any meeting, that one of the persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

Article 96 provides that : Any person entitled under Article 58 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

Article 97 provides that : An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

Article 98 provides that : The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution.

Article 99 provides that : Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

Validation of votes given by proxy notwithstanding revocation of authority

Article 100 provides that : A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received by the Company at its Registered office before the meeting.

Time for objection vote

Article 101 provides that : No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll be the sole judge of the validity of every vote tendered at such poll.

FORFEITURE OF SHARES

If money payable on share not paid notice to be given

Article 40 provides that : If any member fails to pay any call or instalment of a call on or before the date appointed for the payment of the same or such extension thereof as aforesaid, the Board may at any time thereafter during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Form of Notice

Article 41 provides that : The notice shall name a day (not being less than 14 days from the date of the notice) and the place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 18% per annum as the Directors shall determine from the date on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed the shares in respect of which he call was made or instalment is payable will be liable to be forfeited.

In default of payment shares to be forfeited

Article 42 provides that : If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, at any time thereafter before payment of all calls or instalment, interest and expenses due in respect thereof, be forfeited, by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of forfeiture to member

Article 43 provides that : When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited shares to be the property of the company and may be sold etc.

Article 44 provides that: Any share so forfeited, shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

Member still liable to pay money owing at the time of forfeiture and interest

Article 45 provides that : Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand, all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon, from the time of the forfeiture until payment, at such rate not exceeding 18% per annum as the Board may determine and the Board may enforce the payment thereof, if it thinks fit.

Effects of Forfeiture

Article 46 provides that : The forfeiture of a share shall involve extinction, at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

Declaration of Forfeiture

Article 47 provides that : A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Article 48 provides that : Upon any sale after forfeiture or enforcing a lien on purported exercise of the powers hereinbefore given, the Board may appoint some persons to execute an instrument of transfer of the shares sold and cause the purchasers name to be entered in the Register in respect of the shares sold, and the purchaser shall



not be bound to see to the regularity of the proceedings, or the applications of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages on and against the Company exclusively.

Article 49 provides that : Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Power to annual Forfeiture

Article 50 provides that : The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

Surrender of shares

Article 51 provides that : The Directors may, subject to the provisions of the Act, accept a surrender of any share from or any member desirous of surrendering on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Article 52 provides that : The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Form, Application, Execution of transfer

Article 53 provides that : Shares in the Company may be transferred by an instrument in writing in the prescribed form duly stamped and delivered to the Company within the prescribed period. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of the transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

Register of members etc. when closed

Article 54 provides that : The Board shall have power on giving not less than 7 days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the transfer Books, the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 days at a time and not exceeding in the aggregate 45 days in each year.

Directors may refuse to register transfers

Article 55 provides that : Subject to the provisions of Section 111 of the Act, the Board may decline to register or acknowledge any transfer of shares, whether fully paid or not (notwithstanding that the proposed transferee be already a member); provided registration of transfer shall not be refused on the ground that the transferor alone or jointly with any other person or persons is indebted to the Company on any account whatsoever.

Death of one or more joint holders of shares

Article 56 provides that : Subject to Article 25 hereof in the case of the death of any one or more of the persons named in the Register of Members as the joint - holders of any shares, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-

holder from any liability on any shares held by him jointly with any other person.

Titles to shares of deceased member

Article 57 provides that : The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two of more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 54 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

No transfers to certain persons

Article 58 provides that : No share shall in any circumstances be transferred to any minor, infant, insolvent or person of unsound mind.

Transmission clause

Article 59 provides that : Subject to the provisions of the Act and Articles 57 and 58 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an Instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

Person entitled may receive dividend without being registered as member

Article 60 provides that : A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share.

Fee on transfer or transmission

Article 61 provides that : There shall be paid to the Company in respect of the transfer or transmission of any number of shares to the same party, such fee, if any, as the Directors may require, subject to the prevailing guidelines of the Stock Exchange or any other enactments as may applicable.

The Company not liable for disregard of a notice prohibiting registration of a transfer

Article 62 provides that : The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such