

Part I

Patel Roadways Limited

Incorporated on 22nd June, 1962, as a Private Limited Company and became a deemed Public Limited Company on 20th September, 1988, under the Companies Act 1956 and subsequently became a full fledged Public Limited Company on 7th February, 1990.)

Registered Office : Patel House, 100, Sheriff Dooji Street, Bombay 400 003

Corporate Office : 'Natasha', 52, Hill Road, Bandra (West), Bombay 400 050.

Patel Roadways Limited (hereinafter referred to as "The Company") is registered as a Multi-Modal Transport Operator, vide Certificate of Registration No.MTO/MS/20/93 dated 26/7/93 issued by the Government of India, Ministry of Surface Transport, Directorate General of Shipping. It must be distinctly understood that by granting the above referred Registration, the Government of India does not undertake any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinion expressed in regard to it.

It is to be distinctly understood that submission of the draft offer document should not, in any way, be deemed/construed as seeking clearance from SEBI. SEBI does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed in the offer document. This acknowledgement merely acknowledges the fact that the offer document has been vetted on the basis of information contained in the offer document and such further information as may have been submitted to SEBI by the Lead Manager (s)(Merchant Bankers); and upon modification of the offer document on the basis of SEBI's observations and comments the proposed issue would prima-facie meet with the guidelines for disclosure and investor protection and clarifications thereto issued by SEBI from time to time.

LISTING

Applications have been made to the Stock Exchanges at Bombay, Delhi, Ahmedabad, Madras and Calcutta for permission to deal in and for official quotation of the Equity Shares of the Company.

FILING

Copy of this Prospectus having attached thereto the documents required to be filed under section 60 of the Companies Act 1956 (hereinafter referred to as "The Act") has been delivered to the Registrar of Companies, Maharashtra, at Bombay.

Attention of applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68-A of the Act, which are 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 fictitious name, shall be punishable with imprisonment for a term which may extend to five years".

IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUE AMOUNT, (INCLUDING DEVOLVEMENT OF UNDERWRITERS), WITHIN 120 DAYS AFTER THE FIRST ISSUE OF THE PROSPECTUS, THE COMPANY SHALL REFUND THE ENTIRE SUBSCRIPTION AMOUNT WITHIN 90 DAYS FROM THE DATE OF OPENING OF THE ISSUE, ALONGWITH INTEREST FOR DELAY BEYOND 78 DAYS FROM THE DATE OF CLOSURE OF THE ISSUE, AS PER SECTION 73 OF THE COMPANIES ACT, 1956.

All allotment Letter(s)/ Share Certificate(s)/Refund Order(s) will be despatched within 10 weeks from the date of closure of the Subscription List, by Registered Post, as per extant postal rules, at the applicant's registered address, at his sole risk. Interest, in case of delay, will be paid as prescribed under Section 73 of the Companies Act, 1956.

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS MENTIONED BELOW OR 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 PROGRAMME

ISSUE OPENS ON	: THURSDAY	20TH	JANUARY	1994
ISSUE CLOSES ON	: TUESDAY	1ST	FEBRUARY	1994
EARLIEST CLOSING	: TUESDAY	25TH	JANUARY	1994

LEAD MANAGER TO THE ISSUE

SEBI Capital Markets Limited
102, Maker Tower "E"
Cuffe Parade,
Bombay - 400 005.

REGISTRARS TO THE ISSUE

Indus Financial Services
Harrison House, First Floor
A - 1, MIDC, Andheri (E)
Bombay - 400 093.

CO-MANAGERS TO THE ISSUE

Wall Street
Finance Limited
21, Lakozy Mansion,
Chowpaty Seaface,
Bombay 400 007

V.B.Desai Financial
Services Ltd.
Cama Building, 1st Floor,
24/26, Dalal Street, Fort,
Bombay 400 001

Bank of Baroda
Merchant Banking Divn.
New Stock Exchg. Towers
16th Floor, Dalal Street,
Bombay - 400 023.

AUDITORS :

M/s Ratan S. Mama & Co.
Chartered Accountants
Pearl Mansion, Ground Flr.,
8, Maharshi Karve Marg,
Bombay - 400 020

M/s Kuvelker Naik and Gandhi
Chartered Accountants,
Arcadia, 2nd Floor,
195, Nariman Point,
Bombay 400 021

TRUSTEES

As the proposed Issue is of Equity Shares only, appointment of trustees is not required.

RATING

As the Issue is of Equity Shares, no Credit Rating is required.

UNDERWRITERS TO THE ISSUE
The entire Public Issue of 20,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 35/- per share offered for subscription in terms of this Prospectus has been fully underwritten as under:

A] DIRECT UNDERWRITING

14,00,000 Equity Shares of Rs.10/- each for cash at a premium of Rs.35/- per share aggregating Rs.630.00 lacs has been underwritten as under :

Banks / Merchant Bankers

Name and Address of the Underwriter	Date of Underwriting Letter	Amount Underwritten (Rs. in lacs)
SBI Capital Markets Ltd. 202, Maker Tower E, Cuffe Parade, Bombay 400 005	7/12/93	90.00
Wall Street Finance Ltd. 21, Lakozy Mansion Chowpatty Seaface, Bombay 400 007	11/12/93	52.63515
V.B. Desai Financial Services Ltd. Cama Building, 1st Floor, 24/26 Dalal Street, Fort, Bombay 400 001	10/12/93	28.80
Bank of Baroda (Merchant Banking Division) 16th Floor, New Stock Exchange Tower, Dalal Street, Bombay 400 023	8/12/93	19.98
Dena Bank (Merchant Banking Division) 9th Floor, Maker Tower, Cuffe Parade, Bombay 400 005	19/11/93	40.50
State Bank of Hyderabad (Merchant Banking Bureau) 11-C, Mittal Towers, 210, Nariman Point, Bombay - 400 021	2/12/93	40.50
State Bank of Indore (Merchant Banking Division) Karim Chambers 44, Ambalal Doshi Marg, Fort, Bombay 400 003	4/12/93	24.75
PNB Capital Services Ltd. Ground Floor, Maker Towers E, Cuffe Parade, Bombay 400 005	4/12/93	24.30
The Federal Bank Ltd. (Merchant Banking Bureau) 134, Jolly Maker Chambers II Post Box No. 9975 Nariman Point, Bombay 400 021	1/12/93	14.90985
SM Finance (Merchant Banking Division) 101, C Mittal Court, Nariman Point, Bombay 400 021	27/11/93	24.66
Sundaram Finance Services Ltd. 21, Patullus Road, Madras 600 002	25/11/93	24.30
20th Century Finance Corp. Ltd. 25/26, Maker Chamber - III Nariman Point, Bombay 400 021	1/12/93	24.30

Name and Address of the Underwriter	Date of Underwriting Letter	Amount Underwritten (Rs. in lacs)
Kotak Mahindra Finance Ltd. 36-384, Nariman Bhavan, 327, Nariman Point, Bombay 400 021	10/12/93	14.30
Prudential Capital Markets Ltd. Tobacco House, 2nd Floor, 182, Old Court House Corner, Calcutta 700 001	10/12/93	14.30
Sterling Securities & Finance Ltd. 91 A, Mittal Court, Nariman Point, Bombay 400 021.	10/12/93	9.90
Master Trust Ltd. 1001, 10th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi 110 001	18/11/93	10.00
Brescon Financial Services 403/404, A.N. Chambers 57, Turner Road, Bandra (W) Bombay 400 050	22/11/93	4.525

Members of Recognised Stock Exchanges

(Also Brokers to the Issue) All letters dated 10/12/93 except where specifically mentioned.

Name and Address of the Underwriter	Amount Underwritten (Rs. in lacs)
AHMEDABAD	
Jyotish Bhogilal Shah F/5 Vishal Chambers, Near Dinesh Hall, Ashram Road, Ahmedabad 380 009	4.50
Ashok Manilal Thakkar 2256, Mahurat Pole, Manek Chowk, Ahmedabad 380 001	3.60
BANGALORE	
Agrahar & Co. Manish Towers, J C Road, Bangalore 560 002	3.60
L.K.S. Murthy & Co. 406, 4th Floor Deratha Plaza, Residency Road, Bangalore 560 025	1.35
Lokkur & Co. P.B. No.9631, Kempgowda Road, Bangalore 560 009	0.90
Ishwar & Co., 54/3, K.R. Road, Opp. Basavanagudi Police Station, Bangalore 560 004	
BARODA	
Dr. N.M. Shah 103, Payal Co-op. Hsg. Society, Opp. Vakal Sewa Kendra, Sayaji Gunj, Baroda 390 005	3.60
Ketki P. Karani 110, Paradise Complex, Sayaji Gunj, Baroda 390 005	1.35

Name and Address of the Underwriter	Amount Underwritten (Rs. in lacs)
Urjita J. Master 110, Paradise Complex, Sayaji Gunj, Baroda 390 005	1.35
BHUBANESHWAR	
Kamal Sethia 5, Satya Nagar, Bhubaneswar 751 007	4.50
BOMBAY	
Bhagwandas Gordhandas, Cama Bldg., IV Floor, Dalal Street, Bombay 400 023	4.95
Sushil N. Shah 12, Homji Street, Fort, Bombay 400 001	4.95
Prabhudas Laxdhar Pvt.Ltd., 157, Bazargate Street, 2nd floor, Fort, Bombay 400 001	3.60
Dalal & Broacha, 507, Maker Chamber V, 221 Nariman Point, Bombay 400 021	2.70
V. Jethalal Ramji, 1019 Stock Exchange Tower, 10th Floor, Dalal Street, Fort, Bombay 400 023	2.70
Bimal S. Gandhi, 2-B Hamam House, Grd. Floor, Hamam Street, Fort, Bombay 400 023	2.70
K G Vora 40 Khatau Building, 2nd Floor, 8/10 Marine Street, Fort, Bombay 400 023	2.70
Jamnadas Morajee & Co., 616, Tulsiani Chambers, Nariman Point, Bombay 400 021	2.70
Valji Bhimji & Co. 109, Stock Exchange Plaza, 1st Floor, Dalal Street Bombay 400 023	1.35
Jayantilal Khandwala & Sons 201, Stock Exchange Tower, Dalal Street, Bombay 400 023	1.35
J.G. Shah & Co., 8/821, Stock Exchange Towers, Dalal Street, Bombay 400 023	1.35
CALCUTTA	
Tarun Sethia, 9, India Exchange Place, IIIrd Floor, Room No.5, Calcutta 700 001	4.50
Gopal Das Bagree 7 Lyons Range, Calcutta 700 001	3.60
Keshav Kumar Saraf & Co. 63, Radha Bazar Street, 3rd Floor, Room No.34, Calcutta 700 001	3.60
Bimal Kumar Gosh 7, Lyons Range, 1st Floor, Calcutta 700 001	2.70

Name and Address of the Underwriter	Amount Underwritten (Rs. in lacs)
COCHIN	
Ashok C. Shah 305, CSE Stock Brokers Complex, Kacheripody, Cochin 682 018	3.60
COIMBATORE	
P. V. Nathan, 116, T.V. Swamy Road, R.S. Puram, Coimbatore 641 002	Letter dtd.20.11.93 4.05
GUWAHATI	
Pukhraj Lunkar, Betala Niwas, Tokobari Road, Gauhati 781 001	2.70
Anil Betala & Co., Sreemanta Market, Ground Floor, A. T. Road, Gauhati 781 001	2.70
Mahesh Kumar Tapania Ratandeep Building, 1st Floor A T Road, Gauhati 781 001	2.70
HYDERABAD	
Rathi Bros, 4-5 - 174 & 175 Hasmat Gunj, Sultan Bazar, Hyderabad 500 195	2.70
K. Ravindra Babu 3-6-307/1, Hyderguda Hyderabad 500 029	1.35
INDORE	
Asit Kumar Dhatt 84 Siyaganj Tijorigali, Indore 452 007	2.70
Santosh & Co., 29 Dhenu Market, 1st Floor, S G S I T S Road, Post Box 222, Indore 452 003	2.70
JAIPUR	
H C Jain & Co., 204 Jaipur Towers, Opp. A I R, M I Road, Jaipur 302 001	3.60
Prem Somani & Associates 17, Purohit Ji Ke Bagh M I Road, Jaipur 302 001	3.60
KANPUR	
Chuknoo & Company 78/53 Latouche Road, Kanpur 208 001	3.60
LUDHIANA	
B.C. Bhatta & Co. 419 - 20, Stock Exchange Bldg., Feroxe, Gandhi Market, Ludhiana - 141 001	2.70
MADRAS	
Akshaya & Co. Ground Floor, III, Swathi Court, 22, Vijaya Raghava Road, T Nagar, Madras 600 017	3.60

Name and Address of the Underwriter	Amount Underwritten (Rs. in lacs)
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Arihant & Co., 51 Elephant Gate Street, Sowcarpet, Madras 600 079	3.60
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MANGALORE

Jagdish N. Master, C/o Sylvester Lobo, Kaprigudda, Near Falnir Post Office, Mangalore 575 001	3.60
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Pankaj Karani, C/o Sylvester Lobo, Kaprigudda, Near Falnir Post Office, Mangalore 575 001	3.60
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NEW DELHI

Prasad & Co., 3/17-A, Asaf Ali Road, Grover Mansion, 3rd Floor, New Delhi 110 002	3.60
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Padam Jain & Co., 4/9 Asaf Ali Road, Near Bank of India, New Delhi 110 002	2.70
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PUNE

Janak Merchant, Wonderland, No.22, Basement, 7 M.G. Road, Pune 411 001	2.70
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Sanjay M Munot, Aashirwad, 832 Sadashiv Peth, Chitrashala Chowk, Pune 411 030	2.70
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Ramesh G. Shah Laxmi Road, Opp. Duihan, 577, Sadashiv Peth, Pune 411 030	0.90
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RAJKOT

Pravin Raiyani, 309, Pooja Commercial Complex, Harihar Chowk, Panchnath, Rajkot 360 001	4.05
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Anil Dhulia, 241 II Floor, Shree Jay Khodiyar Commercial Centre, Rajput Para, Main Road, Rajkot 360 001	1.35
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Dinesh H. Shah Jasmira Group 1, Dwaram, 17-19, Jognath Plot Dr. Yognik Road, Rajkot 360 001	1.35
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SUB-TOTAL

630.00

B] CONTINGENT UNDERWRITING

6,00,000/- Equity Shares of Rs. 10/- each for cash at a premium of Rs. 35/- per share aggregating Rs. 270.00 Lacs has been contingently underwritten as under:

Banks / Merchant Bankers

Name and Address of the Underwriter	Date of Underwriting Letter	Amount Underwritten (Rs. in lacs)
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SBI Capital Markets Ltd. 202, Maker Tower E, Cuffe Parade, Bombay 400 005	7/12/93	10.00
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Name and Address of the Underwriter	Date of Underwriting Letter	Amount Underwritten (Rs. in lacs)
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Wall Street Finance Limited 21, Lakozy Mansion, Chowpatly Seaface, Bombay 400 007	11/12/93	50.00
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V.B. Desai Fin. Services Ltd. Cama Building, 1st Floor, 24/26 Dalal Street, Fort, Bombay 400 001	10/12/93	49.605
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Bank of Baroda (Merchant Banking Division) 16th Floor, New Stock Exchange Tower, Dalal Street, Bombay 400 023	2/12/93	49.995
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Dena Bank (Merchant Banking Division) 9th Floor, Maker Tower, Cuffe Parade, Bombay 400 005	19/12/93	4.50
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The Federal Bank Ltd. (Merchant Banking Bureau) 134, Jolly Maker Chambers II Post Box No. 3975, Nariman Point, Bombay 400 021	1/12/93	11.70
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PNB Capital Services Ltd. Ground Floor, Maker Towers E, Cuffe Parade, Bombay 400 005	4/12/93	3.70
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Weizman Industries Ltd. 26, Gohind Mahal, 86 B, Netaji Subhash Road, Bombay 400 002	7/12/93	40.90
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World Link Finance Ltd. 151, Maker Chamber III, Nariman Point, Bombay 400 021	7/12/93	20.00
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SM Finance (Merchant Banking Division) 101, C Mittal Court, Nariman Point, Bombay 400 021	27/12/93	10.00
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Sundaram Finance Services Ltd. 21, Patulkar Road, Madras 600 002	25/11/93	10.00
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20th Century Finance Corp. Ltd. 25/26, Maker Chamber - III Nariman Point, Bombay 400 021	1/12/93	10.00
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Kotak Mahindra Finance Ltd. 36-384, Nariman Bhavan, 327, Nariman Point, Bombay 400 021	22/11/93	10.00
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Prudential Capital Markets Ltd. Tobacco House, 2nd Floor, 182, Old Court House Corner, Calcutta 700 001	18/11/93	2.70
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Sub - Total

222.00

Total (A + B)

852.00

In the opinion of the Board of Directors of the Company, assisted and advised by the Managers to the Issue, the resources of the underwriters are sufficient to enable them to meet their respective obligations in full.

All the agreements of the underwriters have been approved by the Board of Directors of the Company in their meeting held on 10/12/93.

CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL		NOMINAL VALUE (in Rupees)	ISSUE PRICE (in Rupees)
A. Authorised			
70,00,000	Equity shares of Rs. 10/- each	7,00,00,000	
30,00,000	Cumulative Convertible Preference Shares of Rs.10/- each	3,00,00,000	
B. Issued, Subscribed and Paid - Up			
30,00,000	Equity shares of Rs.10/- each (fully paid up)	3,00,00,000	
30,00,000	Cumulative Convertible Preference shares of Rs. 10/- each, fully subscribed (Amount paid Rs. 2.50 per share)	3,00,00,000	
C. Present Issue through this Prospectus			
20,00,000	Equity shares of Rs. 10/- each for cash at a premium of Rs. 35/- per share now being offered to the Public in terms of this Prospectus.	2,00,00,000	9,00,00,000
D. Reservations out of C above			
a) 1,50,000	Equity Shares for allotment to Non-Resident Indians/Persons of Indian origin residing abroad (hereinafter referred to as NRIs) on a non-repatriable basis.	15,00,000	67,50,000
b) 4,00,000	Equity shares for allotment to Indian Mutual Funds on a competitive basis.	40,00,000	1,80,00,000
c) 1,00,000	Equity Shares for allotment to shareholders of Wall Street Finance Ltd. (Group Company).	10,00,000	45,00,000
d) 1,00,000	Equity Shares for allotment to Permanent Employees of the Company /Indian Working Directors (hereinafter referred to as " Employees") on an equitable basis.	10,00,000	45,00,000
E. Offered to Resident Indian Public for Subscription			
12,50,000	Equity shares of Rs. 10/- each for cash at a premium of Rs. 35/- per share.	1,25,00,000	5,62,50,000
F. Paid - up Capital after the Present Issue.			
i) 50,00,000	Equity shares of Rs. 10/- each	5,00,00,000	
ii) 30,00,000	Cumulative Convertible Preference Shares of Rs.10/- each, fully Subscribed (Amount paid Rs.2.50 per share).	75,00,000	
		<u>5,75,00,000</u>	
G. Balance in Share Premium Account after the Present Issue		7,00,00,000	

NOTES:

i) The entire Paid up Capital of 30,00,000 Equity Shares of Rs. 10/- each, allotted as under, is held by the Promoter Mr A.S. Patel and other shareholders.

Date of Allotment	No. of Equity shares at par allotted	% of Post Issue
02-06-1962	1000	0.02 %
08-03-1963	2000	0.04 %
29-06-1963	1500	0.03 %
10-06-1964	2000	0.04 %
29-06-1964	2000	0.04 %
28-06-1966	6000	0.12 %
29-01-1973	1500	0.03 %
28-06-1976	6000	0.12 %
21-06-1977	5000	0.10 %
07-06-1979	500	0.01 %
30-06-1979	12500	0.25 %
02-03-1983	10000	0.20 %
29-06-1984	50000	1.00 %
02-06-1986	100000	2.00 %
30-06-1987	200000	4.00 %
16-01-1990	100000	2.00 %
19-03-1990	500000	10.00 %
24-09-1993	2000000	40.00 %
TOTAL	3000000	60.00 %

The Equity Shares were sub-divided from Rs.100/- each into Rs.10/- each at the Extra Ordinary General Meeting held on 20th September, 1993 and accordingly the number of shares given above are expressed in Equity Shares of Rs.10/- each.

- ii) From out of the 20,00,000 Equity Shares allotted as on 24th September 1993, 12,50,000 Equity Shares of Rs. 10/- each aggregating Rs. 125 lacs (of Post-Issue Capital) will be locked-in for a period of 5 years from the date of allotment of this Issue.
- iii) Reservation for Employees under D(d) above has been made for permanent employees of Patel Roadways Limited (including Indian Working Directors). At present the Company has 1351 permanent employees.
- iv) Initial allotment of Equity Shares under Employees Quota, as in D (d) above, shall not exceed 100 shares per individual. Equity Shares still remaining unsubscribed will be allotted on an equitable basis to Employees who have applied for additional shares, subject to a maximum of 200 shares per Employee.
- v) Unsubscribed portion, if any in any reserved category shall be added to any other reserved category, subject to the condition that on final allotment, equity shares allotted to in respect of each of the categories does not exceed individual ceilings stipulated by SEBI. The unsubscribed portion, if any, after internal adjustments amongst the reserved categories will be added back to the public offer, under "E" above.
- vi) The Company has been informed that specific permission from Reserve Bank of India is not required for allotment of shares to Non-Resident Indians on a non-repatriable basis, in terms of Reserve Bank of India Circular A.D.(M.A Series) Circular No.31 dated 21st May, 1993.
- vii) The Company has allotted 30,00,000, 10%, cumulative convertible Preference Shares of Rs. 10/- each for cash at par to its existing shareholders, for the purpose of financing the purchase of two properties - one at Bombay and the other at Bangalore for the aggregate value of Rs. 300 lacs. These preference shares are convertible into equity shares as under :

Date of Conversion	Value of Conversion
October 1996	Rs. 150 lacs (15 lac equity shares of Rs. 10/- each)
October 1997	Rs. 150 lacs (15 lac equity shares of Rs. 10/- each)

- viii) The issue of Bonus Equity Shares to the members in the ratio of two Equity Shares for one Equity Share was approved in the Extra-Ordinary General Meeting of the Company held on the 20th September 1993. The Board of Directors of the Company made the allotment of 20,00,000 Equity Shares as bonus shares on the 24th September 1993. The Paid-up Equity Share Capital of the Company thus increased from Rs. 100 lacs to Rs. 300 lacs after the Bonus Issue.

TERMS OF THE PRESENT ISSUE

The Equity Shares, now being issued, are subject to the terms of this Prospectus, the Application Form and the Memorandum and the Articles of Association of the Company (hereinafter referred to as the "Memorandum" and the "Articles" respectively), the provisions of the Companies Act, the guidelines issued by the Stock Exchanges and guidelines for Disclosure and Investor Protection issued by SEBI.

TERMS OF PAYMENT

Applications should be made for a minimum of 100 shares (200 shares in case of NRIs) or in multiples of 100 shares thereafter.

A. For Resident Indian Public/Employees/Group Shareholders

	TOWARDS CAPITAL	TOWARDS PREMIUM
On Application : Rs. 10 per Equity Share	Rs. 2.50	Rs. 7.50
On Allotment : Rs. 20 per Equity Share	Rs. 5.00	Rs. 15.00
On Call (s) : Rs. 15 per Equity Share	Rs. 2.50	Rs. 12.50
TOTAL :	Rs. 10.00	Rs.35.00

B. For Indian Mutual Funds/Non - Resident Indians

On Application : Rs. 45/- per Equity Share

Where an applicant is allotted a lesser number of Equity Shares than he/she has applied for, the excess amount paid on application will be adjusted towards the allotment money payable on Equity Shares allotted and the balance amount, if any, remaining thereafter, will be refunded to the applicant.

Applicants are required to write the Application Form number on the reverse of Cheque/Bank Draft/Stockinvest accompanying the Application Form.

Applicants are also required to write in the Application Form the Current A/c/Savings A/c number and the name of the Bank through which the payment is made.

RIGHTS OF INSTRUMENT - HOLDERS

The Equity Shares, being issued through this Prospectus, shall rank pari-passu with the existing Equity Shares of the Company and the Equity Shares, arising on conversion of the Preference Shares, in all respects, except that the equity shares issued under this prospectus shall not be entitled to dividend, if any, declared or paid by the Company for any period prior to the date of allotment, and in respect of the financial year in which the equity shares are allotted, they shall have the right only to proportionate dividend declared or to be declared by the Company for the period commencing from the date of allotment till the end of the relevant financial year.

PROCEDURE FOR APPLICATION

AVAILABILITY OF PROSPECTUS, APPLICATION FORMS AND PLACES OF ACCEPTANCE.

Application Forms alongwith the Memorandum containing the salient features of the Prospectus may be obtained from the Registered Office & Corporate Office of the Company, the Lead Manager, Co-Managers, Underwriters, Brokers or Bankers to the Issue named herein or from the branches of the Bankers to the Issue, as stated in the Application Form. A copy of the Prospectus may be obtained from the Lead Manager to the Issue or from the Company.

A) APPLICATION BY INDIAN PUBLIC

1. Application must be made only:
 - a. on the prescribed Application Form (WHITE COLOUR) and completed in full in BLOCK LETTERS IN ENGLISH, in accordance with the instructions contained herein and in the Application Form and are liable to be rejected, if not so made,
 - b. in single name or joint names (not more than three),
 - c. for a minimum of 100 Equity Shares and/or in multiples thereof and
 - d. in the names of individuals, limited companies or statutory corporations, institutions and not in the name of Trusts (unless the Trust is registered under the Societies Registration Act 1960 or any other applicable Trust Laws and is authorised under its constitution to hold shares in a Company), minors, foreign nationals, Hindu Undivided Families, partnership firms or their nominees.
2. Payments should be made in cash or by Cheque/Bank Draft/Stockinvest drawn on any bank (including a Co-operative Bank) which is situated at and is a member or sub-member of the Bankers' Clearing House located at the Centre where the application is submitted. However, applicants at Agartala, Aizwal, Gangtok, Imphal, Itanagar, Jammu, Kohima, Shillong, Shimla, and Srinagar may send their applications to: New Issue Division, State Bank of India, Bombay Samachar Marg, Bombay 400 023 along with the Bank Drafts net of Postal and DD Charges in favour of "State Bank of India, A/c. Patel Roadways Limited-Public Issue". Applicants may use Stockinvests to apply for the shares. Outstation Cheques/Bank Drafts will not be accepted. Money Orders/Postal Orders will also not be accepted.
3. All Cheques/Bank Drafts accompanying the applications should be crossed "Account Payee only". Cheques/Bank Drafts should be made payable to any of the Bankers to the Issue with whom the application is lodged and should bear the words "A/C Patel Roadways Limited - Public Issue" (FOR EXAMPLE : "State Bank of India A/c Patel Roadways Limited - Public Issue") In the case of payment by Cheque or Bank Draft/Stockinvest, a separate Cheque or Bank Draft/Stockinvest must accompany each Application Form. Stockinvests must be crossed "Account Payee" and made payable to the Company only i.e., "PATEL ROADWAYS LIMITED".
4. No receipt will be issued for the application money. However, the Bankers to the Issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning to the applicant the Acknowledgement Slip at the bottom of each Application Form.

APPLICATION BY NON-RESIDENT INDIANS/PERSONS OF INDIAN ORIGIN RESIDING ABROAD (ON NON-REPATRIATION BASIS)

(A) Applications by NRIs must be made only

- (a) on the prescribed Application Form (BLUE COLOUR) accompanying this Prospectus and completed in full in BLOCK LETTERS IN ENGLISH in accordance with the instructions contained herein and in the Application Form and are liable to be rejected, if not so made,
- (b) For a minimum of 200 Equity Shares and in multiples of 100 shares thereafter,
- (c) in single name or in joint names (not more than three) and
- (d) in the names of individuals, overseas companies, societies and other corporate bodies owned predominantly (at least to the extent of 50%) by the non-resident individuals of Indian nationality/origin and NOT in the names of minors, firms, partnership, foreign nationals and trusts or their nominees. Application by overseas companies, societies and other corporate bodies must be accompanied by a Certificate in the prescribed Form OAC/OAC - 1 from an "Overseas Auditor Chartered Accountant/Certified Public Accountant."

- (B)**
- (a) Cheques/Bank Drafts must be made payable to any of the Bankers to the Issue with whom the Application Forms are lodged.
 - (b) Cheques/Bank Drafts must be made payable to the Bankers to the Issue with whom the application is lodged and must be marked "A/c. PATEL ROADWAYS LIMITED PUBLIC ISSUE - NRI" (for example "STATE BANK OF INDIA - A/c. PATEL ROADWAYS LIMITED PUBLIC ISSUE - NRI" AND crossed "Account Payee Only")
 - (c) Stockinvest must be made payable to "PATEL ROADWAYS LIMITED" and crossed "Account Payee Only"
 - (d) A separate Cheque/Bank Draft/Stockinvest (drawn on NRE/FCNR A/c maintained with any of the banks located at the place where the application is lodged) must accompany each application form.

- (C)** Application Forms, duly completed together with Cheque (s) /Bank Draft (s) for the amount payable on application at the rate of Indian Rs. 45 per share should be received through normal banking channels. Payments may also be made from funds held in Non-Resident External (NRE)/FCNR Account maintained with banks authorised to deal in foreign exchange in India alongwith the documentary evidence in support of the remittance. Application Forms must be delivered before the date of closure of the Subscription List to the branches of the Bankers to the Issue at places mentioned against their names on the reverse of the Application Forms and not to the Company or the Lead manager, Co-Managers, or Registrars to the Issue.

- (D)** Under the existing Exchange Control Regulations, sale proceeds of such investments in equity shares by Non-Resident Indians will not be allowed to be repatriated.

- (E)** Refunds, interests, dividends and other distributions, if any will be payable in Indian rupees only, in the case of applicants who remit their application money from funds held in NRE Accounts. Such payments shall be credited to their NRE Accounts, details of which are to be furnished in the space provided for this purpose in the Application Form.

Allotment of Equity Shares and payment of dividends to NRI investors shall be subject to the Company obtaining such further permission from Reserve Bank of India or any other requisite authority, as may be necessary, under the existing Exchange Control Regulations.

For further instructions, please read the Application Form carefully.

Applicants, who are giving their Indian address, must also specify the details of their NRE Accounts for refund of excess application money, if any. All the Refund Orders will be despatched through Registered Post at the applicants' sole risk or, at their request, will be credited to their NRE/FCNR Accounts details of which should be furnished in the space provided for this purpose in the Application Form.

NRI applicants can obtain Application Forms on request, from the Registered Office of the Company at "Patel House", 100 Sheriff Deoji Street, Bombay 400 003 and the Corporate Office of the Company at "Natasha", 52, Hill Road, Bandra (West), Bombay 400 050, the Lead Manager to the Issue, and Co-Managers to the Issue.

APPLICATION BY INDIAN MUTUAL FUNDS

Application by Indian Mutual Funds must be made only:

- i] On the prescribed Application Form (Green Colour) 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] Payment should be made in Cash or by Cheque or Bank Draft or Stockinvest. Money/Postal Orders will not be accepted. Cheques or Bank Drafts/Stockinvests should be drawn on any bank (including a co-operative bank) which is situated at and is a member or sub-member of Bankers' Clearing House located at the place where the Application Form is submitted.
- iii] Outstation Cheques or Bank Drafts will not be accepted and applications accompanied by such Cheques or Bank Drafts will be rejected. All Cheques or Bank Drafts must be made payable to any of the Bankers to the Issue and marked "A/c. Patel Roadways Limited - Public Issue - Mutual Fund" For example, "State Bank of India - A/c. PATEL ROADWAYS LIMITED - Public Issue - Mutual Fund" when the Application is lodged with State Bank of India, and crossed "A/c. Payee Only". A separate Cheque or Bank Draft or Stockinvest must accompany each Application Form.
- iv] Application Forms, duly completed, together with Cash/Cheques/Bank Draft/Stockinvest for the amount payable on application at the rate of Rs. 45/-per equity share must be delivered before the close of Subscription List to any of the banks mentioned on the reverse of the Application Form and NOT to the Company or the Lead Managers or the Registrars to the Issue. Application Forms lodged directly with the Company, Lead Managers and Registrars to the Issue will be sent back to the applicants by Ordinary Post at the risk of the applicants.
- v] Only Indian Mutual Funds, authorised to invest in Public Issues under this category, can apply.

For further instructions, please read the Application Form carefully.

APPLICATION BY EMPLOYEES (including Indian Working Directors)

1. Applications by Employees must be made only:

- i. On the prescribed Application Form (Yellow Colour) accompanying this Prospectus and completed in full in BLOCK LETTERS IN ENGLISH, in accordance with the instructions contained in the Application Form and are liable to be rejected, if not so made.
- ii. For 100 Equity Shares or in multiples thereof subject to a maximum of 200 Equity Shares.
- iii. In single or joint names (not more than three). In case of applications in joint names, the first named applicant should be an Employee.

2. All Application Forms duly completed together with Cash/Cheque/Bank Drafts/Stockinvest for the amount payable on application must be delivered before the closing of the subscription list to any of the Bank branches mentioned on the reverse of the Application Form and NOT to the Company/Lead Managers/Co-Managers/Registrars to the Issue.

3. Outstation Cheques/Bank Drafts will not be accepted. Also Money Orders/Postal Orders will not be accepted.

4. All Cheques/Bank Drafts must be:

- i. Drawn in favour of collecting Bank and marked "A/c Patel Roadways Limited Public Issue - Employees" (for example "State Bank of India - A/c. Patel Roadways Limited - Public Issue - Employees"), and
- ii. Crossed "A/c. PAYEE ONLY".

Stockinvests must be drawn in favour of the Company only i.e. "Patel Roadways Limited" and crossed "A/c. Payee Only"

For further instructions please read the Application Form carefully.

All other terms and conditions of the issue are applicable to the Employees offer.

APPLICATIONS BY SHAREHOLDERS OF WALL STREET FINANCE LIMITED

PROCEDURE FOR APPLICATION BY STOCKINVEST

Application must be made only:

On the prescribed Application Form (Pink Colour) accompanying this Prospectus and completed in full in BLOCK LETTERS IN ENGLISH in accordance with the instructions contained herein and in the Application Form and are liable to be rejected if not so made.

For a minimum of 100 Equity Shares and in multiples thereof.

In single or joint names (not more than three). In case of applications in joint names, the first named applicant should be a Shareholder of Wall Street Finance Limited.

All Application Forms duly completed, together with Cash/Cheque/Bank Drafts/Stockinvest for the amount payable on application must be delivered before the closing of the subscription list to any of the Bank branches mentioned on the reverse of the Application Form and NOT to the Company/Lead Managers/Co-Managers/Registrars to the Issue.

Outstation Cheques/Bank Drafts will not be accepted. Money Orders/Postal Orders will also not be accepted.

All Cheques/Bank Drafts must be:

Drawn in favour of collecting Bank and marked "A/c. Patel Roadways Limited Public Issue - WSFL Shareholders" (for example "State Bank of India - A/c. Patel Roadways Limited Public Issue - WSFL Shareholders").

Crossed "A/c. PAYEE ONLY".

Stockinvests must be drawn in favour of the Company only i.e. "Patel Roadways Limited" and crossed "A/c. Payee Only".

For further instructions please read the Application Form carefully.

All other terms and conditions of the issue are applicable to the Wall Street Finance Limited Share Holders.

NOTE In respect of all the above categories, having regard to the provisions of Section 269 SS of the Income - Tax Act 1961, subscriptions against applications for Equity Shares should not be effected in cash and must be effected only by "A/c Payee" Cheques or "A/c Payee" Bank Drafts, if the amount payable is Rs. 25,000 or more. In case payment is effected in contravention of this provision, the application is liable to be rejected.

GENERAL

STOCKINVESTS

applicant has the option to use Stockinvests for payment of application money. Stockinvests can be obtained from any of the banks issuing such instruments in various denominations by making the necessary applications and depositing the amounts with the respective banks. Applicants using Stockinvest should submit the Application Forms to any of the Bankers to the Issue before closing of the Subscription List alongwith the Stockinvests after filling in the appropriate amount. Stockinvests are payable at par at all the branches of the issuing banks and as such, outstation Stockinvests can be attached to the Application Forms.

Stockinvests should be marked "Account Payee" and made payable only to the Company, i.e. "Patel Roadways Limited".

Stockinvests should be utilised by the purchaser(s) and the purchaser's name (name of one of the purchaser's should be invariably indicated as the first applicant in the Application Form. Thus, if the signature of the purchaser on the Stockinvest and the signature of the first applicant on the Application Form do not tally, the application would be treated as having been accompanied by a third-party Stockinvest and are liable to be rejected.

Stockinvests are to be used by the purchasers within 10 days of issue and for this purpose, the last day for use of Stockinvests for submitting share application to the bank is indicated on the face of the instruments with a notation, "To be used before _____".

1. The applicant will authorise payment of the maximum sum payable towards application money for the shares acquired (as on the left hand side of the Stockinvest. The payee will be on the right hand side) the actual amount due on the number of shares allotted.
2. A Stockinvest is paid on the payee being in the required particulars under due authorisation and discharged by the bank/branch/branch presenting it for payment.
3. A Stockinvest is payable at all branches of the issuing bank.
4. A stockinvest is neither transferable nor negotiable.
5. Enquiries relating to Stockinvests should be addressed to the Registrars to the Issue and not to the issuing bank.
6. No Refund Orders will be issued in applications using Stockinvests for payment of application money.

Registrars to the Issue have been authorised by the Company vide Board Resolution passed on 13/12/83, to sign on behalf of the Company for realising the proceeds of STOCKINVESTS, in case of applications submitted to affix non-allocation advices on the instruments or to amount the STOCKINVESTS of the non allottees or partially-successful allottees who have applied for STOCKINVEST. Such instruments shall be sent by the Registrars to the collector directly.

JOINT APPLICATIONS

An application may be made in single or joint names (not more than three). In the case of joint applications, refund/return orders in respect of interest warrants etc. will be made out in favour of joint account holders will be addressed to the applicant whose name appears first on the address stated in the Application Form.

MULTIPLE APPLICATIONS

An applicant should submit only one application (not more than one) for the total number of shares required. Applications should not be in joint names or joint names (not more than three). Two or more applications in joint names and 7 or joint names will be deemed to be multiple applications if the name and/or the first applicant be one and the same. The Bankers/Registrars may in their absolute discretion, all or any such multiple applications.

APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES

In the case of applications signed by the Companies or other Limited Companies or Corporate Bodies, the original form of authority of the relevant authority, as the case may be, or a duly certified copy thereof, shall be attached to the Application Form or lodged separately (with the appropriate number of the Application Form) at the office of the Registrars to the Issue, simultaneously with the submission of the Application Form. Applications not accompanied by such authority shall be rejected.

TAX BENEFITS

The Directors of the Company have been advised by the members of the Company, that the following benefits and advantages are available to the Company and its shareholders/members under the Income Tax Act, 1961 and other applicable Direct Tax laws in force.

A. TO THE COMPANY

1. Upon the listing of the Equity Shares of the Company on a Recognised Stock Exchange in accordance with the provisions of Securities Contracts (Regulation) Act, 1956, the Company will be treated as a Company in which the public are substantially interested as defined under Section 2(18) of the Income-tax Act, 1961 and hence, the income-tax rate applicable to be taxable income of the Company, shall thereupon be lower.
2. Under Section 32 of the I.T. Act read with the proviso inserted, 1962, the Company is entitled to depreciation on some fixtures used by it in the business of running it on hire at a higher rate of 40% of the down value, subject to such depreciation being restricted to 25% if the lorry was put to use for less than 180 days in the previous year in which it is acquired.
3. Under Section 35(i)(iv) of the I.T. Act, the Company will be entitled to deduction of the entire capital expenditure (other than acquisition of land) incurred on Scientific Research related to the business carried on by the Company in the year in which such expenditure is incurred.

4. The expenditure incurred by the Company being in the nature of Share Issue Expenses as specified under Section 35 D of the I.T. Act, can be amortised over a period of ten years, subject to the overall limits provided under that Section.

5. In accordance with and subject to the terms and conditions specified in Section 80 HHC of the I.T. Act, the Company shall be entitled to exemption in respect of income that may be derived by it from its export business.

6. The Company would be entitled to deduction under Section 80 M of the I. T. Act of an amount equal to so much of the income by way of dividends received from other domestic companies as does not exceed the amount of dividend distributed by the Company on or before the due date of filing of the return of income, provided that if such dividend is from units of Unit Trust of India, the deduction would be to the extent of four-fifths of such income for assessment year 1994-95, two-fifths of such income for assessment year 1995-96 and no such deduction would be available for subsequent assessment years.

B. TO THE RESIDENT MEMBERS OF THE COMPANY

1. Members of the Company who are individuals, Hindu Undivided Families or specified Association of persons or Body of individuals will be entitled to a deduction under Section 80L of the I.T. Act, from their total income to the extent of Rs.10,000/- in the aggregate per year in respect of specified items, which would include dividends received from the Company.

2. Members, being individuals resident in India, will be entitled to receive dividends without deduction of income tax at source, provided :-

- (i) pursuant to Section 194 of the I.T. Act, the amount of such dividend paid during any financial year by the Company to the member by an account payee cheque does not exceed Rs.2,500/-; or
- (ii) pursuant to Section 197A of the I.T. Act, the member furnished to the Company a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the tax on his estimated total income is to be included in computing his total income will be Nil.

3. If the Company's shares are sold by an assessee after being held for twelve months, the gain, if any, would qualify as long term capital gains which would be computed by deducting from the gross consideration the indexed cost of acquisition and the indexed cost of improvement. The gains so computed would be taxed as a separate block at the rates specified hereunder :-

- i) in case of individuals and Hindu undivided family - 20%
- ii) in case of Company - 40%
- iii) in case of others - 30%

4. Members who are scheduled banks or public financial institutions or state financial corporation 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.

Members who are domestic companies other than those referred to in (i) of the I.T. Act above would be entitled to deduction under Section 80M 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 company on or before the due date of filing of the Return of income.

5. The members will not be liable to Wealth-tax on the value of shares held by them.

C. TO THE NON-RESIDENT MEMBERS OF THE COMPANY

1. In accordance with, and subject to the provisions of Section 115-E of the I. T. Act, Non-resident Indians, (NRIs) (i.e. Individuals who are either citizens of India or of Indian origin who are also non-residents) who acquire shares issued pursuant to the prospectus by effecting payment in convertible foreign exchange have the option of being taxed on the dividend income arising from such shares and long term capital gain in respect of transfer of such shares at a flat rate of 20% without aggregating their other taxable income in India which is taxed separately.

2. Under Section 115-F of the I. T. Act, in case of NRIs assessee being Non-

Resident Indian, long term capital gains, arising on sale of shares in the Company, shall be exempted from Income Tax, if the net sales consideration is reinvested in specified assets, within six months of the date of transfer. If only part of the net consideration is so reinvested the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently if the new assets are transferred or converted within three years from the date of their acquisition.

3. Under Section 115-I, of the I.T. Act, NRIs may elect not to be governed by the provisions of Chapters XII-A (i.e. pay taxes Under Section 115-E and 115-F I.T. Act as aforesaid) and may opt to pay taxes at rates applicable to a resident Indian.

4. Under Section 115-G of I.T. Act, it shall not be necessary for a Non-resident Indian to furnish their return of income if their only source of income is aforesaid investment income or long term capital gains or both, provided tax at source under the provisions of Chapter XVII B has been deducted from such income.

5. Recognised Foreign Financial Institutions (FFIs) holding shares in the Company would, under Section 115 AD of the I. T. Act, be charged to tax in India as under : a) on dividend income @ 20%
b) on long term Capital gains @ 10%
c) on short term Capital gains @ 30%

6. The members will not be liable to Wealth-tax on the value of shares held by them.

7. In accordance with, and subject to the provisions of Section 5(1)(iii) 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 gifts made to any relative in India of shares in the Company acquired by him by payment of convertible foreign exchange.

Particulars of the Present Issue

Objects of the Present Issue

The Issue is being made to part-finance the project for expansion of the Company's existing line of business and diversifying in related transport activities viz :

- i) Addition of Trucks and LCVs to its existing fleet.
- ii) Expanding its network in the East and North-Eastern sector of the country.
- iii) Modernising its existing workshop for servicing and maintenance of its fleet of trucks
- iv) Transportation of bulk items such as newsprint and commodities on a large scale.
- v) Introducing Express cargo movement, i.e. high value cargo will be moved at high speed to effect door - to - door collection and delivery within a specified time-frame.

And for :

- a) Meeting the expenses of the present issue.
- b) Getting the shares listed on Stock Exchanges as mentioned elsewhere.

COST OF THE PROJECT

The Project has been appraised by SBI Capital Markets Limited, Bombay in September 1993. The total cost of the project has been estimated at Rs. 912.85 lacs as under :

	(Rs. in lacs)	
i) Premises Deposits		50.00
ii) Building		1.92
iii) Truck Fleet		
	100 Trucks	473.00
	18 LCVs	68.40
iv) Plant and Machinery		541.40
v) Furniture		17.58
vi) Miscellaneous Fixed Assets		37.68
vii) Telephones/Telex Deposits		9.84
viii) Preliminary Expenses		4.50
ix) Margin for Working Capital		30.00
x) Contingencies		132.78
		37.15
TOTAL		912.85

MEANS OF FINANCE

The total project cost of Rs. 912.85 lacs is proposed to be financed as under :-

	(Rs. in lacs)	
Public Issue		
a) From Public		
	- Equity Capital	200.00
	- Share Premium	700.00
b) From Promoters		900.00
c) Internal Accruals		NIL
		12.85
TOTAL		912.85

The proposed premium is Rs. 35/- per share on the face value of share of Rs. 10/- each.

HISTORY AND PRESENT BUSINESS OF THE COMPANY

Patel Roadways Limited (PRL) was incorporated on the 22 June 1962 as a Private Limited Company and became a deemed Public Limited Company on the 20th September 1988 and subsequently became a full-fledged Public Limited Company on 7th February, 1990.)

PRL, the flagship Company of the well-known House of Patels is an existing profit-making Company. The Group has interests in the fields of Transport, Construction activities, Lease and Hire-Purchase Finance, Management Consultancy, Foreign Exchange and Courier business. PRL is engaged in the business of surface cargo transportation of goods and is a household name in India.

Today, PRL has the widest network in India comprising over 1100 outlets across the country, with complete infrastructure and proven systems and employs more than 1400 people. The Company owns 66 trucks and has another 300 trucks attached to it. However, at any given point of time, over a 1000 trucks carrying PRL material criss-cross the country. Patel Roadways is estimated to carry goods worth over Rs. 5,000 crores annually.

The Company has been registered as a Multi-Modal Transport Operator with the Government of India. Patel Roadways Limited is among the first three Transport Companies in India to be granted this licence. It can now offer composite transport services to exporters and taking advantage of the synergy already existing in the Group, it can now also offer Air Cargo services and Freight Forwarding services by air as well as sea. Thus, Patel Roadways Limited will emerge as a Total Transport House, offering the entire range of Transport Services to the Industry, thereby, Redefining Transport in the country.

The Company has a very large and varied clientele, comprising of over 30,000 Clients which include multinationals and public sector organisations like SAIL, IOC, ONGC, Hindustan Zinc etc. PRL has also diversified into exports of seafood, leather goods, granite, garments, engineering goods and medical equipment.

PRL has also set up an institution, Patel Institute of Transport Management and Research, a non-profit making organisation that imparts training in transport management and related fields, besides offering consultancy services to the corporate sector.

The past performance of PRL is as under :-

Year ended March	(Rs. in lacs)					
	30.6.93 (3 mths)	31.3.93	31.3.92	31.3.91	31.3.90	31.3.89 (9 mths)
Sales (Net Freight)	1788.59	6764.25	5782.64	4392.57	3735.29	2124.05
Export Sales	-	108.86	77.48	-	-	56.78
Other Income	2.28	31.27	20.50	27.59	50.59	47.41
Total Income	1790.87	6904.38	5880.62	4420.16	3785.88	2228.24
PBDIT	159.34	407.72	293.64	153.11	109.85	98.37
Interest	36.78	123.99	89.38	45.76	42.90	27.13
Depreciation	15.58	59.39	49.11	45.19	36.57	24.11
PBT	106.98	224.34	155.15	62.16	30.98	47.13
PAT	106.98	159.34	106.70	27.91	9.98	46.63
EPS (Rs.)	-	15.93	10.67	2.79	0.99	10.36
Book Value (excl. Rev. Res.)	60.33	49.63	35.67	23.93	21.72	41.75
Equity Capital	100.00	100.00	100.00	100.00	100.00	40.00
Free Reserves	503.31	396.34	256.70	139.32	117.24	127.00
Revalu. Reserves	288.57	292.21	46.07	48.50	52.75	55.52
Rate of Dividend Paid	-	20%	15%	7.5%	18%	24%
Amount of Dividend Paid	-	20.00	15.00	7.50	7.89	7.20

The Past Performance of Patel On-Board Couriers Ltd. - a subsidiary of PRL, is as follows:-

	(Rs. in lacs)				
	31.3.93	31.3.92	31.3.91	31.3.90	31.3.89 (5 mths)
Total Income	2660.05	1633.99	887.91	3.79	0.88
PBDIT	102.50	75.10	13.83	3.01	0.54
Interest	21.83	12.25	8.88	3.01	0.48
Depreciation	4.19	1.20	0.26	-	-
PBT	76.48	61.65	4.69	-	0.06
PAT	67.48	54.65	1.59	-	0.02
EPS (Rs.)	15.00	12.14	-	-	100.00
Book Value (Rs.)	38.26	25.32	10.81	125	145
Equity Capital	45.00	45.00	20.00	0.002	0.002
Reserves	127.17	68.96	1.61	0.023	0.027
Rate of Dividend Paid	20%	20%	-	-	-
Amount of Dividend Paid	9.00	5.16	-	-	-

Main Objects of the Company

The main objects of the Company, as set out in the Memorandum of Association, are as under:

- To carry on and to operate the business of motor transport of all kinds including the leasing or hiring for any number of journeys, lorries trucks and cars.
- To carry on the business of plying trucks and motor lorries for the carriage of all types of goods.
- To construct garages and store houses and other buildings for the housing or repairs of trucks lorries and omnibuses, and for the storage of fuels and other oils required for the working of the said vehicles, the warehousing of the goods carried and the accommodation of the persons intending to be passengers. To repair and maintain all types of vehicles necessary for carrying on carriage of passengers and goods.
- To carry on business of carriage of goods on commission basis.
- To carry on the business of general carriers and forwarding agents, warehousemen, bonded warehousemen and carriers.
- To purchase, construct, sell, hire, or let omnibuses, trucks, motor cars and carriages.

PROMOTERS

Shri Asgar S. Patel, aged 54 years, is the Promoter of the Company. He is, at present, the Chairman of PRL. Starting off in 1959, when he bought the first truck, Shri Patel has been instrumental, during the past 34 years, in steering PRL to its present size, with over 1100 outlets all over India and Nepal and employing around 1400 personnel. Under the able guidance of Shri A.S. Patel, the House of Patels has diversified into exports, construction, wholesale couriers, lease & hire purchase and foreign exchange. The Group has affiliated Foreign Exchange Centres in the Middle-East, South-East Asia, Europe and Australia. The Group also has an affiliate bank, incorporated and operating in New Zealand. There are no pending litigations, disputes, defaults to financial institutions and banks. There are no statutory dues or proceedings initiated for economic offences against the promoter/promoter's Companies.

However:

- The Company has been named a party by Canara Bank, in a property litigation suit No. 1465 of 1981, filed against Natasha Constructions, on 17th August, 1981, in respect of the property situate at: 1st floor, Natasha, 52, Hill Road, Bandra, Bombay 400 050, and the said suit is pending in the Bombay High Court. The Company is in possession of the said premises as an Agent of the Court Receiver, High Court Bombay.
- Claims arising during normal course of business have been adequately provided for in the Company's books of accounts.

The Group consists of fifteen companies, some of the which are as under.

Patel On-Board Couriers Ltd. (POBC)

Patel On-Board Couriers Ltd., is a subsidiary of PRL and is engaged in the business of consolidating and co-loading of courier material. PRL holds 51% of the equity of POBC. POBC collects materials from courier companies like DHL, TNT, Elbae, SkyPak, Overnight Express etc. and carries it on their behalf, to various destinations throughout India and also to Nepal, Bangladesh, Dubai, London, New York and Singapore. It presently handles over 50,000 Kgs. of courier cargo per day. Patel Air Freight, an IATA approved Cargo Agency and Patel Tours and Travel, an IATA applicant have started operations as a division of POBC. The total income of POBC for the year ended March 1993 was Rs.2660.05 lacs and it registered a net profit of Rs. 67.49 lacs.

Wall Street Finance Ltd. (WSFL)

PRL holds 10% of the equity capital of WSFL, which is a widely held Public Limited Company. WSFL started operations in 1988 with a range of services including retail financing, leasing and hire-purchase schemes, long and short-term loans, bill discounting and truck hire challan discounting. The operations of WSFL extend to Delhi, Bangalore, Madras, Goa, Trichur and Madurai. WSFL has since obtained the licence of Money Changers (Wall Street Exchange Bureau) from RBI for dealing in foreign currencies. Wall Street Exchange Bureau operates in Bombay, Delhi and Goa. WSFL is supported by an international chain of exchange centres spanning the Middle East, Europe, South East Asia and Australia. These exchange centres are affiliates of the House of Patels and are headed by its NRI Director, Shri Riaz Patel.

The Company also received permission from RBI to accept deposits in India from NRIs, on a repatriation basis.

Recently WSFL has been registered as a category one Merchant Banker with SEBI and plans to offer Merchant banking Services to the Corporate Sector in India.

WSFL's performance for the 15 months ended March 1993 has been as under:

Total Income	Rs.	519.65 lacs
Net Profit	Rs.	85.77 lacs

PATEL INTERNATIONAL PVT. LTD (PIPL)

PIPL started its activities in 1977 as an Engineering Exports Division of PRL and was later incorporated as a Private Limited Company in February 1988. It thereafter went into export of marine processed foods and leather garments. PIPL has its representative offices in Dubai and New York. PRL holds 20% of PIPL's equity capital. The annual sales turnover of PIPL for the year ended March 1992 or 1993 was Rs. 148.84 lacs. and the Net Profit was Rs. 74.15 lacs.

WALL STREET CONSTRUCTION LTD. (WSCL)

WSCL in which PRL has a shareholding of less than 4% is engaged in the business of construction and was taken over by the House of Patels in October 1986. It has completed construction of several residential and commercial complexes in the cities of Bombay, Bangalore, Goa and Poona. At present it has several other projects on hand which include Natasha Manor in Bombay, Natasha Hill View in Pune, Natasha Golf View Apartments and Natasha Penta in Bangalore and Casa Natasha in Goa. The Company has earned a net profit of Rs. 37.49 lacs on a total income of Rs. 592.64 lacs during the year 1991-92.

NATASHA CONSTRUCTIONS PRIVATE LIMITED (NCPL)

NCPL was incorporated in 1979 with the primary object of carrying on the business of construction of residential and commercial complexes. It has since completed several prestigious projects such as Anchorage, Garden Rose Annex, Natasha Gardens, Natasha Plaza and Betsy in the suburbs of Bombay. Presently, the Company is implementing projects involving construction of row houses and commercial complexes in Bombay, Poona, Bangalore and Goa. The total income of NCPL for the year ended March 92 was Rs. 45.97 lacs. It, however, reported a net loss of Rs. 0.89 lacs for the year.

PATEL PLAZA PRIVATE LIMITED (PPPL)

PPPL was incorporated in the year 1981 with the objective to own, construct and manage furnishing of Departmental Stores, Shops, Super Markets and commercial centres. At present, the activities of the Company are restricted to the city of Bombay and its suburbs only where it has constructed /developed properties relating to departmental stores and commercial complexes. The Company posted a net profit after tax of Rs. 1.73 lacs on a total income of Rs. 45.01 lacs for the year 92-93.

Other Companies in the group include Wall Street Leasing & Finance Private Limited (WSLFPL), Yasmin Finance and Trading Pvt. Limited (YFITP), Patel Couriers Pvt. Limited (PCPL), Patel Management Consultancy Pvt. Ltd. (PMCPL), Patel Holdings Pvt. Ltd. (PHPL), Transways Combines Pvt. Ltd. (TCPL), Patel Real Estate Developers Pvt. Ltd. (PREDPL) and Silver Stone Merchantile Limited (SSML). However, these companies are not very active.

Besides these, the Promoters are not involved in any company which has raised funds from the Capital Market.

MANAGEMENT

Patel Roadways is a professionally managed company with Mr. S. Kumar as Managing Director. Shri Sushil Kumar has over 14 years of experience with the Patel Group of Companies.

The Company also has professionals in each functional area such as Operations, Finance, MIS, Marketing, HRD and Fleet Management.

The Chairman, Shri Asgar S. Patel looks after policy matters of the Company and is the overall in-charge. The day-to-day management of the Company is looked after by Shri Sushil Kumar, Managing Director, under the superintendence, control and direction of the Company's Board of Directors and the Company's Chairman, Shri. A.S. Patel.

The Corporate Finance Function for PRL as well as for the Group is looked after by Shri P.S.G.Nair, Executive Director (Corporate Finance). Shri Conrad Saldanha is the Executive Director (Marketing) and has an experience of 14 years in various Companies including Wiltech (I) Ltd., and Colgate Palmolive wherein he was associated in the capacity of Marketing Manager. The Company is divided into four divisions along geographical lines with each division being headed by a Divisional Manager.

BOARD OF DIRECTORS

The names, addresses & Occupation of the Directors and their Directorship in other Companies are as under :

Name & Address	Occupation	Directorship held in other Companies
Mr. Asgar S. Patel Rock Cliff Flat No. 4, Carter Road, Bandra (West) Bombay 400 050	Industrialist	Natasha Constructions Pvt.Ltd. Patel Plaza Pvt.Ltd. Patel Holdings Pvt.Ltd. Wall Street Leasing & Finance Pvt.Ltd. Wall Street Finance Limited Patel Institute of Transport Management & Research
Mr.Sushil Kumar 701, Natasha Garden, Plot No.153 CTS No.1332 4 Bungalows Road, Andheri(West) Bombay 400 058	Corporate Executive	Natasha Constructions Pvt.Ltd. Patel Plaza Pvt.Ltd. Wall Street Finance Ltd. Patel On-Board Couriers Ltd. Patel Couriers Pvt.Ltd. Patel Institute of Transport Management & Research
Mr.F.J.DeSouza 51/A Maimoon Apts, Prabhadevi, Bombay 400 025	Corporate Executive	Natasha Constructions Pvt.Ltd. Patel Plaza Pvt.Ltd. Wall Street Finance Ltd. Patel International Ltd. Patel On-Board Couriers Ltd. Patel Couriers Pvt.Ltd.
Mr. Ravi A. Poddar 103 Park Street, Calcutta 700 016	Industrialist	Ravi Auto Ltd. Poddar Properties & Constn. Ltd. Ashok Leyland Finance Ltd. United Credit Fin. Services Ltd. United Credit Ltd. Yule Financing & Leasing Co. Ltd.
Mr.Arif A.Patel Rock Cliff Flat No. 4, Carter Road, Bandra(West) Bombay 400 050	Industrialist	Natasha Constructions Pvt.Ltd. Patel Plaza Pvt.Ltd. Patel On-Board Couriers Ltd. Patel Tours & Travels Pvt.Ltd. Patel Holdings Pvt.Ltd. Patel Airfreight Pvt.Ltd. Wall Street Forex Pvt. Ltd.

PROJECT

The Company proposes to expand its existing line of business by procuring more trucks for transportation of bulk items on a large scale, expand its network in the North-Eastern sector and diversity in high value express cargo movement.

For express cargo business the Company intends to procure 5 offices in the cities of Bombay, Bangalore, Madras, Hyderabad and Coimbatore. Each office will be approximately 800 sq. ft. and will be located in prominent business areas of the city.

With regard to the minor branches to be opened to cater to expansion of existing business and in the East & North-East sectors, the Company intends to procure Godown-cum-office space of about 1500 sq. ft. per branch. Of this, 15-20% will be utilised for booking and administrative work while the remaining space will be used for storage purposes.

FLEET ADDITION

The Company will be purchasing 100 Ashok Leyland Comet ALCO 1611 trucks and 18 Ashok Leyland Comet Minor ALCO 3/15 LCVs for the project.

OPERATIONS

Each branch of PRL books material for various destinations. If a booking is for a full truck load, the material is sent directly to the destination. However, in case of sundry booking, the branch loads all sundry bookings and despatches it to the nearest Transshipment Centre (TC). The material is sorted at the TC for different destinations and sent to another TC nearest to the ultimate destinations. The second TC again sorts the material and despatches the same to the final destination. PRL has presently 13 major TCs and 15 minor TCs spread across the country.

The operations are monitored by 8 Regional Computer Centres which are up-linked to the Satellite through IC-Net. The information collected by the 8 Regional Computer Centres is consolidated at the Central Computer Centre at Bombay and the information compiled at Bombay is fed back to the Regions for computerised Customer feed back as well as for a strategic marketing planning decisions.

The Company intends to purchase machine tools as part of its modernisation programme at its workshop in Bangalore for comprehensive repairs and maintenance of its fleet of HCVs and LCVs. Presently, the Company workshop at Bangalore undertakes repairs and maintenance of its fleet of trucks in the form of preventive and break-down maintenance.

The proposed equipment forms a complete set to undertake total overhauling and re-building of engines of HCVs and LCVs thereby making the Truck Department a composite workshop. This would also result in substantial savings in cost of repairs and maintenance besides eliminating the delays involved.

FLEET DIVISION

The main fleet division, located at Bangalore, is responsible for repairing and maintaining the Company's fleet of trucks in efficient road-worthy conditions. The division houses a modern workshop for trucks including a full fledged service station which undertakes all maintenance jobs except for tinkering and painting. The division also has a unique driver's section that attends to driver recruitment, training, performance monitoring and driver welfare. A schedule of routine maintenance of trucks is followed in addition to the routine for planned preventive maintenance carried out on all vehicles.

MANPOWER REQUIREMENTS

The Company would be requiring skilled, semi-skilled and casual workers for operating its new fleet of trucks and for loading/unloading of cargo. These requirements will be met from local sources.

SCHEDULE OF IMPLEMENTATION

Activity	Target
Civil Works for Workshop Building	November 1993
New branches	November 1993
Plant & Machinery	
- Placement of Orders	November 1993
- Delivery at site & Installation	December 1993
Truck Fleet & LCVs	
- Placement of Order	November 1993
- Delivery at site (chassis)	November 1993
- Building of Body	November 1993
Commencement of Operations (Project)	December 1993

MARKETING AND SELLING ARRANGEMENTS

The transport sector bears a close and complex relationship with all the other sectors of the economy. While it tends to act as the prime mover of the development process, it also responds to the development process as is evident from the following-

GDP	FREIGHT	TRAFFIC
1950-70	3.52	6.77
1971-80	4.15	4.45
1981-90	4.68	8.37
1950-90	3.97	6.59

This establishes that for every 1% growth in GDP, the transport sector has grown by 1.66%.

Road transport is of great importance both for movement of passengers and goods. It is ideally suited for short and medium distances because of its inherent advantages such as easy availability and flexibility of operation, adaptability to individual needs, door to door service and reliability. It is also the main means to transport in hilly and rural areas. Consequently the freight carried by road has increased faster than that by rail over the years. The share of rail and road freight movement is given below:

Year	Freight Movement (Billions Tons Kms)		Share (%)	
	Rail	Road	Rail	Road
1980-81	159.00	98.00	62	38
1987-88	231.00	238.00	49	51
1991-92	254.30	520.02	33	67

Due to the faster growth of freight traffic by road, one can extrapolate the above data to establish that for every 1% growth in GDP, the road freight traffic has increased by 2.79% during the period 1950-90. Considering the Eighth Plan

projections of an average growth rate of GDP at 5.61% to 5.81% per annum, the growth of road freight traffic is therefore expected to be in the range of 15% to 16% per annum.

In addition, the liberalization policies adopted by the Government of India, as well as the entry of Trans-nationals and newer Management techniques like "Just In Time" (JIT) being adopted by the Indian Organisations will increase the demand for value added services, multifold.

PRL has a strong network of outlets in the South, West and North sectors of the country. Although PRL has an adequate presence in the East & North Eastern sectors, it has not yet fully tapped the potential of this area. Considering the fact that this area is poised to witness faster growth in the Eighth Plan, PRL intends to strengthen its network there by opening more branches. As this sector is a mass consumption sector, PRL would be plying 20 trucks to be purchased in the proposed project exclusively in this sector.

PRL would also be tapping the Newsprint and Commodities market segment in a larger way. This segment requires a dedicated fleet of trucks and PRL has provided for 30 trucks in the project. PRL is already in this business in a small way by moving bulk items like newsprint and commodities like spices, supari, dry coconut powder and rubber from the South to other areas. The demand for trucks in this market segment is high and once PRL acquires its dedicated fleet it shall be entering into contracts for movement with corporate houses.

The express cargo service caters primarily to the demands of the market looking for transportation of goods, not very large or bulky, high in value of fragile requiring quick and safe delivery door-to-door.

The major players at present are Gati, Blue Dart, Prakash Roadlines and ACE. The demand for express cargo has been on the increase each year due to its inherent advantages of quick and timely delivery, safety of goods, convenience of operation at doorsteps and lower pricing as compared to air freight. The company has indentified specific routes between five centres where, it shall be operating express cargo initially and plans to expand its activities in subsequent years. With its wide network of offices and being a widely known national transport carrier, PRL is in a strong position to exploit the available market and face the prevailing intense competition on equal terms.

PROFITABILITY PROJECTIONS

SBI Capital Markets Limited, the appraising institution has estimated the following levels of performance.

	1994	1995	1996
Net Freight	8699.59	10772.90	12143.33
PBDIT	699.83	910.89	1087.96
PBT	399.71	539.69	694.89
PAT	278.86	344.22	387.11
Net Cash Accruals	307.49	445.86	503.44
Earnings Per Share (Rs.)	5.58	6.88	7.74
Dividend (%)	20%	20%	20%
Capital	500	500	500

- Existing Business to increase by 15% every year with total fleet of 116 trucks running 10,000 km per truck per month.
- East & North East sector business to deploy 20 trucks making 70 trips a month each.
- 30 trucks each from the own fleet and hired fleet to be used for bulk transport business.
- Express cargo service to operate on four routes with a load capacity of 3000 kgs.

Financial Projections as per the Company

Year	1993-94	1994-95	1995-96	1996-97	1997-98
Total Income	8,954.56	11,162.48	12,540.50	14,166.82	16,008.09
Total Expenses	8,241.03	10,122.58	11,361.64	12,832.14	14,496.04
PBDIT	713.53	1,039.90	1,178.91	1,334.68	1,512.05
PBT	443.41	666.70	785.84	909.02	1,048.00
PAT	299.96	406.47	430.99	485.18	559.99
Equity	500.00	500.00	500.00	650.00	800.00
Dividend (%)	20%	20%	20%	20%	20%
E.P.S. (Rs.)	6.00	8.13	8.82	7.46	7.00

As a matter of abundant caution the attention of the investors is drawn to the fact the figures given above are only indicative and are subject to change.

All the assumption underlying these projections are the same as those assumed by SBI Caps Ltd., except that the Company has assumed a higher capacity utilization in the Express Cargo Division which is as follows:

YEAR	CAPACITY UTILIZATION ASSUMED BY SBICAPS	CAPACITY UTILIZATION ASSUMED BY THE COMPANY
1993-94	37%	60%
1994-95	37%	60%
1995-96	49%	65%
1996-97	58%	80%
1997-98	61%	92%

The Company is confident of achieving the above capacity utilization because of the following factors:

- The Company's existing vast clientele is keen to avail of Express Cargo Services as they have adopted newer management techniques like "Just In Time" (JIT).
- Express Cargo Service is an integral part of Multi-Modal Transportation which has a good growth potential due to the thrust on Exports and liberalization of Imports by the Government of India. Patel Roadways is already registered with the Government of India, as a Multi-Modal Transport Operator and plans to start operations in early 1994.

Further, in the Transport Industry, a growing Organisation has to plough back its surpluses into the business by investing in additional infrastructure, fleet and working capital on a continuous basis which will result in higher growth rates and profitability. However SBI Capital Markets Ltd., have not provided for any additional investments in the subsequent years.

Patel Roadways is one of the largest Transport Carriers in the country, but holds a very small percentage of the total market thereby providing the Company with ample scope for increasing its market share. Hence to meet the growing demands of the Industry for specialised and enhanced transport services, Patel Roadways will invest the available surpluses to expand its operations in the following areas;

- Express Cargo:** In the year 1993-94, we will start operations in South. However, in 1994-95 and 1995-96, we propose to expand our Operational base to the West and North respectively by increasing the fleet of vehicles and opening branches in the West and North.
- News-Print and Commodities:** The Company will induct more vehicles into business, as the market is very large and there is a tremendous scope for growth in this area. In the appraised project, we have provided for only 30 trucks.
- East & North East:** In the appraised project, we have projected the opening of only 5 Branches in the year 1993-94. However, in the years 1994-95 and 1995-96 we plan to open additional branches and induct more vehicles in this area.
- Multi-Modal Transportation:** Patel Roadways will start Multi-Modal Transport Operations from April 1994. A separate Division for Multi-Modal Transportation has already been set-up and all infrastructural facilities and systems are being worked out.

With the implementation of the above plans from the year 1994-95 onwards, the management is confident of achieving a higher growth rate and profitability in the subsequent years. However as a matter of abundant precaution, the Company has not taken into consideration, the above factors while compiling the projections.

Stock Market Data

The Equity Shares of the Company are not listed.

Companies under the same management (Within the meaning of Section 370 (1 B) of the Act)

Wall Street Finance Limited, a Company under the same management as PRL had made a Rights Issue in October 1992, the details of which are as under:

Name of the Company	-	Wall Street Finance Limited
Year of Issue	-	October 1992
Type of Issue	-	Rights Issue

Amount of Issue	-	26,25,000 Equity Shares of Rs.10/- each at a premium of Rs.20/- per share aggregating Rs.7.87 crores.
Date of Closure	-	14th November 1992
Date of Completion of delivery of Certificates	-	29th December 1992
Date of Completion of the Project	-	WSFL being a non-banking finance Company. The aforesaid Issue was made only for expansion of the business of the Company.
Rate of Dividend	-	21% for the 15-month period ended March 1993.

Performance for 15 months period ended March 1993

	As projected in the Letter of Offer	Actuals
PBIDT	515.64	325.24
Interest	269.91	188.37
Depreciation	98.64	51.10
PBT	147.09	85.77
PAT	147.09	85.77

Promises/Projections made and the Performance Achieved by WSFL

"In case of future projections the Company had assumed that it would be able to raise finances from institutions and banks for meeting its requirements. There has been a delay of almost 8-10 months in tying - up the same. The profit margins in this business are ultimately dependent on the quantum and availability of funds raised at the optimum cost. The Company is confident of making an annual profit of Rs. 2.5 crores in the current financial year. As per the Letter of Offer the Company had chalked out plans to diversify into Merchant Banking and apply for OTCEI membership. The Company is now a Category I Merchant Banker. However, it is yet to apply for OTCEI membership.

JUSTIFICATION FOR PREMIUM

A) Present Net Asset Value (NAV) per Equity Share.

The Present NAV as on date (31-3-93) is calculated as follows:		
Equity Capital	Rs. 100.00	lacs
Free Reserves	Rs. 396.34	lacs
Net Worth	Rs. 496.34	lacs
No. of Equity shares of Rs.10/- each	10.00	lacs
NAV for Equity Shares of Rs.10/- each	Rs. 49.63	

B) Present Profit Earning Capacity:

Operations of the Company for the year ending on 31/3/93		
Profit After Tax	Rs. 159.34	lacs
Earning Per Equity Share of Rs.10/- each	Rs. 15.93	

The Current Price-Earning ratio (Industry composite) for transport industry is 15. In order to calculate the Profit Earning capacity a PE ratio of 12 has been assumed.

Present Profit Earning Capacity per Equity Share of Rs.10/-each	Rs. 191.20
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Note: The Equity Shares were sub-divided from Rs.100/- each into Rs.10/-each at the Extra Ordinary General Meeting hold on 20th September, 1993 and accordingly the number of shares given above are expressed in Equity Shares of Rs.10/- each.

C) Future Profit Earning Capacity:

Average EPS (Average of the EPS) on Equity Share of Rs.10/- each as per the projections made by the company for the next five years: Rs. 7.44

The EPS in the next five years is taken into consideration to estimate future earning capacity. The EPS as per the SBI Capital Markets Ltd., are as under: (on Equity Shares of Rs.10/- each)

31-3-94	Rs. 5.58
31-3-95	Rs. 6.88
31-3-96	Rs. 7.74
31-3-97	Rs. 6.58
31-3-98	Rs. 5.94

The EPS projections made by the Company are as under :

31-3-94	Rs. 6.00
31-3-95	Rs. 8.13
31-3-96	Rs. 8.62
31-3-97	Rs. 7.46
31-3-98	Rs. 7.00

Taking into account a PE Ratio of 12 from 'B' above and Average EPS of Rs. 7.44 from 'C' above.

Future profit earning capacity value is Rs. 89.00

$$D) \text{ Fair Value} = \frac{A+B+C}{3} = \frac{Rs. 49.63 + Rs. 191.20 + Rs. 89.00}{3} = Rs. 109.94$$

The issue price has been determined at a discount of 49% of the future profit earning capacity value and at 0.91 times of the NAV which is considered reasonable. The premium of Rs.35/- is therefore, justified. The premium has been arrived at in consultation with SBI Capital Markets Ltd., the Lead Managers to the issue.

The Eligible premium as per the Ex - CCI Formula works out to Rs. 25.27, at a capitalisation rate of 12%.

Outstanding Litigation, if any:

There is no outstanding litigation pertaining to:

- i) Matters likely to affect operations and finance of the Company including disputed tax liabilities of any nature.
- ii) Criminal prosecution launched against the Company and the Directors for alleged offences under the enactments specified in Para 1 of the Schedule XIII of the Act.

However :

- i) The Company has been named a party by Canara Bank, in a property litigation suit No. 1465 of 1981, filed against Natasha Constructions, on 17th August, 1981, in respect of the property situate at: 1st Floor, Natasha, 52 Hill Road, Bandra, Bombay - 400 050, and the said suit is pending in

the Bombay High Court. The Company is in possession of the said premises as an Agent of the Court Receiver, High Court Bombay.

- ii) Claims arising during normal course of business, have been adequately provided for in the Company's books of accounts.

Particulars of Statutory & Institutional Dues

The Company has not defaulted in meeting statutory and institutional dues. Since the Company has not issued instruments like debentures, fixed deposits and cumulative preference shares, there are no defaults in the payments thereof.

Similarly, M/s. Wall Street Finance Limited, a Group Company listed on the Stock Exchange has also not defaulted in meeting any statutory and institutional dues, or any dues towards Fixed Deposit Holders or other payments.

Material Developments Subsequent to Last Balance Sheet

Save as mentioned elsewhere in this Prospectus, there has been no material developments after the date of the latest Balance Sheet which would have an effect on the performance and prospectus of the Company.

Management Perception of Risk Factors.

The statements herein are as a measure of abundant precaution in the interest of general investors.

- 1] The Cost of Diesel, a major input, is subject to the administered pricing policy of the Government and is likely to effect the operations cost and thereby the profits of the Company. However, any increase/ decrease in operations cost will be offset by change in selling rates.
- 2] The Company may face competition from new entrants. However, the Company is well established in the market and with efficient services on account of computerisation, is confident that their services will exceed the quality standards of the Industry.
- 3] In the absence of stake of any Financial Institution/Bank in the proposed project and the entire cost of the project being raised through the issue, there shall be no monitoring of the funds raised through the issue by any Financial Institution /Bank and the deployment of funds is left entirely at the sole discretion of the promoter.

PART II

A. GENERAL INFORMATION CONSENTS

Consents in writing from the Directors, Auditors, Bankers to the Company, Lead Manager to the Issue, Co-Managers to the Issue, Legal Advisors, Bankers to the Issue, Brokers to the Issue, Underwriters to the Issue and Registrar to the Issue to act in their respective capacities have been obtained and filed along with the copy of this Prospectus with the Registrar of Companies, Maharashtra at Bombay, as required under Section 60 of the Act and none of them has withdrawn the said consents upto the time of delivery of the copy of this Prospectus for registration with the Registrar of Companies.

M/s. Ratan S. Mama & Co., Chartered Accountants, and M/s. Kuvvelker, Naik and Gandhi, Chartered Accountants, the Auditors of the Company, have also given their consent for inclusion of their Report and have also given the Certificate of Tax Benefits, as appearing herein in the form and context in which it appears in this Prospectus and such consent and Report have not been withdrawn upto the time of delivery of this Prospectus for registration with the Registrar of Companies, Maharashtra at Bombay.

CHANGE IN DIRECTORS & AUDITORS OF THE COMPANY

The following changes have taken place during the last three years :

- 1) Among the Directors : Shri Ravi Poddar was appointed as an Additional Director of the Company with effect from 22-7-92. Later, he was appointed as a director of the Company at the Annual General Meeting of the Company held on 29-09-92.

Shri Arif A. Patel has been appointed as Additional Director of the Company with effect from 18-11-1993.

- 2) Among the Auditors : There is no change in the Auditors during the last three years.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Act, the present Issue has been authorised by the shareholders of the Company by a Special Resolution passed at the Extra-Ordinary General Meeting of the Company held on 19th October, 1993.

PROCEDURE FOR ALLOTMENT/ISSUE OF SHARE CERTIFICATES/REFUNDS

Refunds will be made by cheques or pay orders drawn on the Company's bankers and will be despatched by registered post to the applicants. Bank charges if any, for encashing such instruments will be payable by the applicant. Such cheques or pay orders shall, however, be payable at par at the places where the applications are accepted. In case of joint applicants, refund orders, if any, will be made out in the name of the first applicant and all communications will be addressed to the person whose name appears first in the Application Form.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

The Board reserves (at its sole, absolute and uncontrolled discretion and without assigning any reason), the right to accept or to reject any application in whole or in part. In case an application is rejected in full, the whole of the application money received will be refunded and where an application is rejected in part, the balance of the application money received will be adjusted towards the allotment money payable by the allottee and the balance, if any, thereafter, will be refunded to the applicant within 10 weeks from the date of closing of the Subscription List. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company and every Director of the Company, who is an officer in default shall, be jointly and severally liable to repay that money with interest as prescribed under the provisions of Section 73 of the Companies Act 1956.

The subscription received against the Issue shall be kept in separate bank accounts and the Company will not have any access to such funds unless the basis of allotment is finalised and approved by the Regional Stock Exchange, Bombay and listing approval is obtained from each of the Stock Exchanges concerned.

DISPOSAL OF APPLICATIONS MADE BY STOCKINVEST

The procedure for disposal of applications made in cash/by cheque or demand draft will apply, mutatis mutandis, to Stockinvest except the following :

- a) On allotment / partial allotment, Registrars to the Issue shall fill in the amount which would be less than or equal to the amount filled in by the investor before presenting the Stockinvest to the respective issuing banker for payment to the extent of allotment. The bank will lift the lien on the balance amount of deposit.

In case of non-allotment, the unutilised Stockinvests would be despatched by Registered Post to the first-named/sole applicant within ten weeks of the closure of the Subscription List.

M/s. Indus Financial Services Registrars to the Issue, have been authorised by the Company, vide Board Resolution passed in the Board Meeting held on 13th December, 1993, to sign Stockinvests on behalf of the Company, to realise the proceeds of the Stockinvests from the issuing banks/ affix non-allotment advices on the instruments or cancel the Stockinvests of non-allottees or partially-successful allottees who have enclosed more than one Stockinvest. Such cancelled Stockinvests shall be sent back to the investors directly by the Registrars to the Issue within 10 weeks of the date of closing of the Issue.

INTEREST ON EXCESS APPLICATION MONEY

Payment of interest on the excess application money will be made to the applicants, as per the guidelines issued by the Ministry of Finance, Government of India, vide their letter No.F/8/6/SE/79 dated 21st July, 1983 as amended by letter No.F/14/2/SE/85 dated 27th September, 1985 addressed to the Stock Exchanges.

ALLOTMENT/REFUNDS

Allotment Letter(s)/Share Certificate(s) or A/c. Payee Refund Cheque(s) or Pay Order(s), if any, will be despatched by registered post to the applicant(s) at his sole risk within 10 weeks of the closing of the Subscription List. If such money is not repaid within 8 days from the day 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 eighth day, be jointly and severally liable to repay that money as prescribed under the provisions of Section 73 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 to the Issue. Refunds will be made by "Account Payee" cheques or pay orders, drawn on the Company's bankers and bank charges, if any, for encashing such cheques or pay orders will be borne by the applicants. Such cheque or pay orders will, however, be payable at par at the places where applications are received.

ISSUE OF SHARE CERTIFICATES

Equity Share Certificate(s) will be despatched within three months from the date of allotment and will be exchanged against Letters of Allotments issued, if any.

OVERSUBSCRIPTION

In the event of the Issue being oversubscribed, the basis of allotment will be finalised in consultation with Bombay Stock Exchange. Also, a SEBI nominated public representative shall be associated in the process of finalisation of the basis of allotment.

REGISTERED OFFICE

'Patel House',
100 Sheriff Deoji Street,
Bombay 400 003

ASSISTANT COMPANY SECRETARY

The Assistant Company Secretary has recently resigned from the services of the Company and the Company is in the process of making suitable arrangement for the appointment of a qualified person to look after Secretarial and Company Law matters as per the requirements of the Companies Act, 1956.

AUDITORS

M/s. Ratan S. Mama & Co.

Chartered Accountants
Pearl Mansion,
91, Maharishi Karve Marg,
Bombay 400 020

And

M/s. Kuvvelker Naik & Gandhi

Chartered Accountants
Arcadia, 2nd floor,
195 Nariman Point,
Bombay 400 021

BANKERS TO THE COMPANY

BANK OF BARODA

14, Kantilal House,
M. Parmanand Marg,
Opera House, Bombay 400 004.

VIJAYA BANK

L.J. Road, Mahim,
Bombay 400 016.

SANGLI BANK LTD.

19, Dr. N.A. Purandare Marg,
Near Aram Restaurant,
Chowpatty Seaface,
Bombay 400 007.

UNION BANK OF INDIA

28-A, Hill Road, Bandra (West),
P.B. NO. 6661,
Bombay 400 050.

DEVELOPMENT CO-OP BANK LTD.

Hill View Apartment No. 3,
Mount Mary Road,
Bandra (West), Bombay 400 050.

SHAMRAO VITHAL CO-OP. BANK LTD.

D-1, Chitrapur Co-op. Hsg. Scty. Ltd.
27th Road, TPS III,
Bandra (West), Bombay 400 050.

ALLAHABAD BANK

Zainub Villa,
187, Turner Road,
Bandra (West),
Bombay 400 050.

LEGAL ADVISORS TO THE ISSUE

Crawford Bayley & Co.

Solicitors & Advocates,
State Bank Building
N.G.N. Vaidya Marg
Bombay 400 023

Mr. F.S. Broacha,

Advocate,
107, Vikas,
11, Bank Street,
Bombay 400 023

LEAD MANAGER TO THE ISSUE

SBI Capital Markets Ltd.

202, Maker Tower 'E', 20th Floor,
Cuffe Parade, Bombay 400 005

CO-MANAGERS TO THE ISSUE

Wall Street Finance Limited

21, Lakozy Mansion,
Chowpatty Seaface,
Bombay 400 007

V.B. Desai Financial Services Ltd.,

Cama Building, 1st Floor,
24/26, Dalal Street, Fort,
Bombay 400 001

Bank of Baroda,

Merchant Banking Division
New Stock Exchange Towers,
16th Floor, Dalal Street,
Bombay 400 023

REGISTRARS TO THE ISSUE

Indus Financial Services

Harrison House, First Floor,
A - 1, MIDC, Andheri (E)
Bombay 400 093.

BANKERS TO THE ISSUE

Bank of Baroda

Bombay Main Office,
New Stock Exchange Building,
Ground Floor, Dalal Street,
Fort, Bombay 400 023.

Punjab National Bank

Opera House,
Bombay 400 004

State Bank of Indore

Empiro House,
Bombay Gas Building,
214, D.N. Road,
Bombay 400 001

The Federal Bank Ltd.,

Homi Modi Street,
Fort,
Bombay 400 001

Dena Bank

9th Floor, Maker Towers,
Cuffe Parade,
Bombay 400 005

BROKERS TO THE ISSUE

All the Broker Underwriters (Members of Recognised Stock Exchanges) mentioned in this Prospectus are also acting as Brokers to the Issue.

Union Bank of India

66/80, Bombay Samachar
Marg, Fort,
Bombay 400 023.

State Bank of Hyderabad

11-C, Mittal Towers,
210, Nariman Point,
Bombay 400 021

The Karur Vysya Bank Ltd.

Kamanwala Chambers,
Ground Floor,
Sir P.M. Road, Fort,
Bombay 400 001

State Bank of India

Bombay Main Branch,
Bombay Samachar Marg,
Bombay 400 023

B. FINANCIAL INFORMATION

AUDITORS REPORT

M/s. Ratan S. Mama & Co.
Chartered Accountants
Pearl Mansion,
91, Maharishi Karve Marg,
Bombay 400 020

AND

M/s. Kuvvelker Naik & Gandhi
Chartered Accountants
Arcadia, 2nd floor,
195 Nariman Point,
Bombay 400 021

The Board of Directors
PATEL ROADWAYS LIMITED
Patel House,
100 Sheriff Deoji Street,
Bombay 400 003

Dear Sirs,

We have examined the books of account of Patel Roadways Limited for the five financial years/period ended as on 31st March, 1993 being the last date upto which statutory accounts of the Company have been made up and audited by us and adopted by the members of the Company. We have also examined and found correct the accounts for the three months period from 1st April, 1993 to 30th June, 1993 being the last date upto which the accounts of the Company have been made up and which have been adopted by the Board of Directors

In accordance with the requirements of the Part II B of schedule II to the Companies Act, 1956, we report that the Profits, Assets and Liabilities and the Rate(s) of Dividend paid by the Company is as set out below, subject to the notes thereunder :

1) PROFITS AND LOSSES

The profits of the Company are as set out below. These profits expressed in lakhs of rupees have been arrived at after making such regroupings and adjustments as are, in our opinion, appropriate.

PARTICULARS	PERIOD	YEAR	YEAR	YEAR	YEAR	PERIOD
	ENDED 31-3-89 (9 MTHS)	ENDED 31-3-90	ENDED 31-3-91	ENDED 31-3-92	ENDED 31-3-93	ENDED ON 30-6-93 (3 MTHS)
INCOME						
Freight : (Net)	2120.80	3745.66	4358.88	5738.84	6711.16	1772.66
Export Sales-Traded goods	56.78	-	-	77.48	108.86	-
Other Income	40.13	40.22	61.28	64.30	84.36	18.19
Local Sales	11.15	-	-	-	-	-
Loss: Increase(or Decrease in stock)	(0.62)	-	-	-	-	-
	<u>2228.24</u>	<u>3785.88</u>	<u>4420.16</u>	<u>5880.62</u>	<u>6904.38</u>	<u>1790.87</u>
EXPENDITURE						
Operating & Direct Cost	1615.67	2962.69	3424.23	4487.46	5217.66	1319.81
Cost of Material	57.54	-	-	-	-	-
Payments to & Provisions for Employees	177.86	291.11	321.94	374.60	427.05	112.28
Administrative & Other Exp.	278.80	422.23	520.88	724.92	851.95	199.44
Interest	27.13	42.30	45.76	89.38	123.99	36.78
Depreciation Gross	26.28	39.35	47.75	51.54	61.69	19.22
Less : Transferred from Revaluation Res.A/c.	(2.17)	(2.78)	(2.56)	(2.43)	(2.30)	(3.64)
Depreciation (Net)	24.11	36.57	45.19	49.11	59.39	15.58
	<u>2181.11</u>	<u>3754.90</u>	<u>4358.00</u>	<u>5725.47</u>	<u>6680.04</u>	<u>1683.89</u>
PROFITS BEFORE TAX	<u>47.13</u>	<u>30.98</u>	<u>62.16</u>	<u>155.15</u>	<u>224.34</u>	<u>106.98</u>
Less: Provision for taxation	0.50	21.00	34.25	48.45	65.00	-
Net Profit After Tax	46.63	9.98	27.91	106.70	159.34	106.98
Prior period adjustment for tax, liability & Depreciation earlier added back	-	0.91	(0.01)	(0.13)	0.29	-
Profit & Loss A/c. of previous year	0.22	37.75	-	-	-	-
	<u>46.85</u>	<u>48.84</u>	<u>28.35</u>	<u>125.42</u>	<u>159.65</u>	<u>107.03</u>

PROFITS AVAILABLE FOR APPROPRIATION

Transfer to Gen. Reserves	39.00	40.00	2.00	110.40	139.60	-
Proposed Dividend:Equity	7.20	7.89	7.50	15.00	20.00	-
Pref.Shares	0.45	0.50	-	-	-	-
Balance carried to Profit & Loss Account	0.20	0.45	18.85	0.02	0.05	107.03
	<u>46.85</u>	<u>48.84</u>	<u>28.35</u>	<u>125.42</u>	<u>159.65</u>	<u>107.03</u>

II) ASSETS AND LIABILITIES

We further report that the Assets and Liabilities of the Company as at 31st March 1993 the last date upto which the accounts of the Company have been made up, audited by us and adopted by the members and the Assets and Liabilities as at 30th June 1993, the last date upto which the accounts of the Company have been made up and approved by the Board of Directors of the Company are as set hereto. These Assets and Liabilities expressed in lakhs of rupees have been arrived at after making such regroupings as are, in our opinion, appropriate.

PARTICULARS	(Rupees in Lakhs)	
	AS ON 31-3-93	AS ON 30-6-93
I. SOURCES OF FUNDS		
1. SHAREHOLDERS FUNDS		
a) Share Capital Equity	100.00	100.00
b) Reserves & Surplus	688.55	791.88
	<u>788.55</u>	<u>891.88</u>
2. SECURED LOANS		
a) Term Loan from Banks	19.53	41.80
b) Working capital Borrowings from banks	318.23	298.50
c) Deferred Credit from Banks	56.86	52.85
d) Deferred Credit from Finance Cos.	27.27	27.04
	<u>451.89</u>	<u>423.19</u>
3. UNSECURED LOANS		
TOTAL (I) RS.	<u>273.10</u>	<u>282.45</u>
	<u>1513.54</u>	<u>1597.52</u>
II. APPLICATION OF FUNDS		
1. FIXED ASSETS		
a) Gross Block	799.83	801.42
b) Less : Depreciation	215.47	232.47
c) Net Block	584.36	568.95
d) Capital Work-in-progress	51.84	53.59
	<u>636.20</u>	<u>622.54</u>
2. INVESTMENT	129.46	129.46
3. CURRENT-ASSETS, LOANS & ADVANCES		
a) Inventories	2.28	3.21
b) Sundry Debtors	950.48	912.07
c) Cash & Bank Balances	198.88	264.77
d) Loans & Advances	510.66	513.28
e) Other Current Assets	4.10	4.09
	<u>1666.40</u>	<u>1697.42</u>
4. Less : CURRENT LIABILITIES & PROVISIONS		
a) Current Liabilities	747.28	680.61
b) Provisions	171.24	171.29
	<u>918.52</u>	<u>851.90</u>
NET CURRENT ASSETS	<u>747.88</u>	<u>845.52</u>
5. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
a) Preliminary Expenses	-	-
b) Public Issue Expense	-	-
TOTAL	<u>1513.54</u>	<u>1597.52</u>

NOTES

- The Company was incorporated as a Private Limited Company on 22nd June 1962 under the name of Patel Roadways Private Limited. The word PRIVATE was deleted from the name of the Company pursuant to Section 43-A with effect from 20/09/1988. Subsequently the Company became a full fledged Public Limited Company on 7th February 1990.
- Authorised Share Capital :
Authorised Share Capital of the Company as on 30/6/1993 was Rs.3,50,00,000/- (Rupees Three Crores Fifty Lakhs Only) consisting of 3,45,000 Equity

Shares of Rs.100/- each and 5,000, 12% Cumulative Redeemable Preference Shares of Rs.100/- each. Subsequently, the Authorised Share Capital has been altered and increased and the same is as under with effect from 20/9/1993 :
Rs.10,00,00,000/- (Rupees Ten Crores Only) consisting of 70,00,000 Equity Shares of Rs.10/- each and 30,00,000 Cumulative Convertible Preference Shares of Rs.10/- each.

3. Share Capital includes 75,000 Equity Shares of Rs.100/- each i.e. 75,00,000/- allotted as fully paid up bonus shares by capitalisation of General Reserve and Capital Redemption Reserve.

4. Secured Luans from bank is secured by the following :

- i) Working capital Borrowings are secured by way of hypothecation of Book debts and pledge of Units of UTI & Fixed Deposits placed with Banks. Equitable mortgage of the two office premises that are Chakla property of Mr.A.S.Patel, Chairman and two flats at 'Natasha', 52 Hill Road, Bandra (West), Bombay 400 050, of M/s.A.S.Patel Trust and Personal guarantee of the Chairman of the Company Mr.A.S.Patel.
- ii) Term Loan Facilities availed from Banks are secured by way of Hypothecation of specific trucks, vehicles, Fixed Deposits with Bank and guaranteed by the Chairman of the Company and some cases along with an Associate Company of Patel Roadways Ltd.
- iii) Deferred Credit from Banks & Finance companies are secured by way of hypothecation of specific trucks, vehicles, computers, Fixed Deposits placed with Banks and personally guaranteed by the Chairman.

5. Capital work-in-progress includes Rs.53,59,376.15 for advance payments or/and expenses towards, Land and Buildings as at 30/6/1993.

6. Significant Accounting Policies :

- a) Fixed Assets and Depreciation
 - i) All fixed assets, other than a building which is revalued on the basis of current replacement value as at 30/06/1987 and the office premise which is revalued on the basis of current replacement value as at 31/3/93, are stated at cost of acquisition.
 - ii) Depreciation / Amortisation :
 - a) The Company provides depreciation on written down value basis on all assets, including revalued assets except fleet of trucks for which straight line method is used for providing depreciation, at the rates specified in Schedule XIV to the Companies Act, 1956.
 - b) The additional charge of depreciation on account of revaluation is withdrawn from revaluation reserve and credited to the profit and loss account.
 - c) Depreciation on additions to assets or sale or disposal of assets is calculated on a pro-rata from/to the month of addition/ deduction.
 - d) Cost of leasehold land is amortised over the residual period of the lease.
- b) Investments :
Investments are stated at cost. Shares of Co-operative Housing Societies related to office premises are included under investment.
- c) All Inventories are valued at lower of cost and net realisable value. Inventories have been taken, valued and certified by the management.
- d) Income/Expenses :
 - i) Revenue/Income and cost/expenditure are generally accounted on accrual basis as they are earned/incurred, except those with significant uncertainties.
 - ii) Freight income is recognised when a Goods Consignment Note is raised and is accounted net of booking commission. Amounts recovered towards demurrage and delivery charges are accounted at the time when they are ultimately realised. Freight includes franchise charges and recoveries for other allied services.

- iii) Dividend income from investment is recognised when the right to receive payment is established.
- iv) Claims made against the Company are evaluated as to type thereof, period for which they are outstanding and appropriate provision made.
- e) Staff Amenities : The Company has taken a policy with Life Insurance Corporation of India under the Group Gratuity Scheme to cover gratuity liability accruing after 1975 to the employees eligible under the Payment of Gratuity Act, 1972. Provision is not made in the accounts for gratuity payable for the period prior to 1975 - amount not ascertained.
- f) Foreign Currency Transactions :
Income and expenditure in foreign currency are converted into Indian Rupees at the rate of exchange prevailing on the date of realisation / payment.
- 7. Advance recoverable in cash or kind includes Rs.17,04,031/- from concerns under the same management as at 30/6/1993.
- 8. Contingent Liabilities not provided as at 30th June, 1993 are as under :
 - a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.45,77,695/-.
 - b) Counter guarantees to banks and others for guarantees given by them for Rs.45,05,099/-.
 - c) Guarantee given by the Company for working capital loan taken by its subsidiary from Bank of Bahrain - Rs.2,00,00,000/-.
 - d) Unpaid liability on partly paid up shares is Rs.500/-.
 - e) During the financial year 1990-91, relevant to the A.Y. 1991-92, proceedings under Section 132 of Income Tax Act, 1961 was initiated against the Company. Since the Company does not expect any tax liability on this account, no provision has therefore been made in the accounts.
- 9. Balances of sundry creditors and sundry debtors and loans and advances are subject to confirmation as at 30th June, 1993.
- 10. Sundry debtors include Rs.33,72,359/- outstanding for more than six months as at 30th June, 1993.
- 11. During the financial year ended 31st March, 1993, there was a major fire at the Company's Godown at U.P.Border resulting in substantial loss to the goods stored. Pending finalisation of the claim by the Insurance Surveyors, such loss was estimated at Rs.57,97,277/- and had been provided in the accounts under Operating/Direct cost as "Provision for loss of goods due to major fire". This claim has still not been finalised. Pending finalisation minor claim received by the Company amounting to Rs.1,19,665/- were settled and charged to Profit & Loss Account keeping the provision of Rs.57,97,277/- intact.
- 12. a) Provision for taxation, for the financial year 1992-93 are after taking into account tax free income from Export, computed treating remittance received through agent of importer as receipt in convertible foreign exchange.
b) No provision for taxation has been made for the three months period ended 30/6/93 as tax liability is determinable only at the year end.
- 13. During the Financial year 1991-92, the Company has received an amount of Rs.25,80,520/- under remittance in Foreign Exchange (immunities) Scheme 1991, which has been credited to General Reserve.
- 14. In the opinion of the Board, current assets, loans and advances have a value atleast equal to the amounts shown in the Balance Sheet, if realised in the ordinary course of business. The provision for all the known liabilities is adequate and not in excess of the amount reasonable necessary.
- 15. Revaluation of Fixed Assets :
The Assets have been revalued twice first on 30th June, 1987 and second on 31st March, 1993 resulting an increase of Rs.310.37 lacs (Rs.61.93 lakhs + Rs.248.44 lakhs) in the value of gross fixed assets. The Reserves & Surplus as on 30th June, 1993 includes Revaluation Reserves of Rs.288.57 lakhs.
- 16. Depreciation :
 - a) During the year 1989-90 the Company has changed the method of

providing depreciation on its truck fleet from Written Down Value Method to Straight Line Method at the rates prescribed under Schedule XIV of the Companies Act, 1956. Accordingly, a sum of Rs.37,74,999/- being the difference between depreciation provided as per Written Down Value Method and the depreciation as per Straight Line Method, has been written back. Had the Company continued to provide depreciation as per the Written Down Value Method, the charge for depreciation for the year 1989-90 would have been higher by Rs 7,92,713/-.

- b) The Depreciation in the accounts for the period ended 31st March, 1989 on its fleet of trucks is as per written down value method at the rates prescribed under schedule XIV to the Companies Act, 1956. The Depreciation if were to be provided as per straight line method and is done in the subsequent years, the charge for depreciation would have been lower and profit for the year would have been higher by Rs.2,49,786/-

17. Investments in Subsidiary Company :

The Company has a Subsidiary Company Patel On-Board Couriers Limited. As on 31-3-93, the details of investment by the Company in the Subsidiary Company are as follows :

- i) Number of Equity Shares of Rs. 10/- each in the Subsidiary Company held by Patel Roadways Ltd. = 2,29,500/-
 ii) Percentage of holding (Equity Shares) = 51%
 iii) The net aggregate of Profit of the Subsidiary Company for its Financial year(s) so far as they concern members of Patel Roadways Ltd., dealt

- with in the accounts of Patel Roadways Ltd., for the period ended 31/3/93 = NIL
 iv) The net aggregate of Profit of the Subsidiary Company for its Financial year(s) so far as they concern members of Patel Roadways Ltd. not dealt with in the accounts of Patel Roadways Ltd., for the period ended 31/3/93 = 34,27,244/-
 v) The net aggregate of Profit of the Subsidiary Company for its previous Financial year(s) so far as they concern the members of Patel Roadways Ltd. dealt with in the accounts of Patel Roadways Limited for the year ended 31st March 1993. = NIL
 vi) The net aggregate of Profit of the Subsidiary Company for its previous Financial year(s) so far as they concern the members of Patel Roadways Ltd. not dealt with in the accounts of Patel Roadways Limited for the year ended 31st March 1993. = 64,85,447/-
 18. The figures of the earlier years have been regrouped, rearranged and recast wherever found necessary.

III) DIVIDEND

We further report that, in respect of the Five financial years/period ended 31st March, 1993, the dividend (subject to deduction of tax at source) declared by the Company are as under :

YEAR/PERIOD ENDED	RATE OF DIVIDEND		AMOUNT OF DIVIDEND	
	EQUITY	PREFERENCE	EQUITY	PREFERENCE
31-03-89 (Nine months)	24%	12%	7.20	0.45
31-03-90	18%	12%	7.89	0.50
31-03-91	7.5%	-	7.50	-
31-03-92	15%	-	15.00	-
31-03-93	20%	-	20.00	-

B. FINANCIAL INFORMATION OF SUBSIDIARY COMPANY :

The Company has a Subsidiary Company Patel On-Board Couriers Ltd. The financial information of the Subsidiary as audited by M/s.Ratan S. Mama & Co., Chartered Accountants, are as under :

I) PROFITS AND LOSSES

The profits of the Company are as set out below. These profits expressed in lakhs of rupees have been arrived at after making such regroupings and adjustments as are, in our opinion, appropriate.

PARTICULARS	PERIOD ENDED 31-3-89 (5 MTHS)	YEAR ENDED 31-3-90	YEAR ENDED 31-3-91	YEAR ENDED 31-3-92	(Rupees in lakhs)
					YEAR ENDED 31-3-93
INCOME					
Co-Loading Fees	-	-	887.35	1578.48	2590.89
Export Sales-Traded goods	-	-	-	55.00	65.93
Other Income	0.88	3.79	0.56	0.51	3.23
Local Sales (Net)	-	-	-	-	-
	0.88	3.79	887.91	1633.99	2660.05
EXPENDITURE					
Operating & Direct Cost	-	-	772.92	1374.52	2239.68
Cost of Material	-	-	-	-	-
Payments to & Provisions for Employees	-	-	28.60	49.18	80.73
Administrative & Other Exp.	0.34	0.78	72.56	135.19	237.14
Interest	0.48	3.01	8.88	12.25	21.83
Depreciation (Net)	-	-	0.26	1.20	4.19
	0.82	3.79	883.22	1572.34	2583.57
PROFITS BEFORE TAX	0.06	-	4.69	61.65	76.48
Less: Provision for taxation	0.04	-	3.10	7.00	9.00
Net Profit After Tax	0.02	-	1.59	54.65	67.48
Prior period adjustment for Tax, Liability & Depreciation earlier added back	-	-	-	-	(0.28)
Profit & Loss A/c. of previous year	-	0.02	0.02	1.61	45.10
	0.02	0.02	1.61	56.26	112.30

PROFITS AVAILABLE FOR APPROPRIATION

Transfer to Gen. Reserves	-	-	-	5.16	90.00
Proposed Dividend:Equity	-	-	-	6.00	9.00
Pref Shares	-	-	-	-	-
Balance carried to Profit & Loss Account	0.02	0.02	1.61	45.10	13.30
	<u>0.02</u>	<u>0.02</u>	<u>1.61</u>	<u>55.26</u>	<u>112.30</u>

II) ASSETS AND LIABILITIES

We further report that the Assets and Liabilities of the Company as at 31st March 1993 the last date upto which the accounts of the Company have been made up, audited by us and adopted by the members of the Company. These Assets and Liabilities expressed in lakhs of rupees have been arrived at after making such regroupings as are, in our opinion, appropriate.

(Rupees in Lakhs)

PARTICULARS

	AS ON 31-3-92	AS ON 31-3-93
I. SOURCES OF FUNDS		
1. SHAREHOLDERS FUNDS		
a) Share Capital Equity	45.00	45.00
b) Reserves & Surplus	68.96	127.17
	<u>113.96</u>	<u>172.17</u>
2. SECURED LOANS		
a) Term Loan from Banks	-	-
b) Working Capital Borrowings from Banks	31.08	146.32
c) Deferred Credit from Banks	-	-
d) Deferred Credit from Finance Cos.	9.12	13.17
	40.20	159.49
3. UNSECURED LOANS	25.66	26.22
TOTAL (I) RS.	<u>179.82</u>	<u>357.88</u>
II. APPLICATION OF FUNDS		
1. FIXED ASSETS		
a) Gross Block	13.22	25.36
b) Less : Depreciation	1.41	5.60
c) Net Block	11.81	19.76
d) Capital Work-in-progress	-	-
	11.81	19.76
2. INVESTMENT		34.10
3. CURRENT-ASSETS, LOANS & ADVANCES		
a) Inventories	-	-
b) Sundry Debtors	-	-
c) Cash & Bank Balances	194.10	364.83
d) Loans & Advances	29.42	39.89
e) Other Current Assets	31.91	55.92
	0.23	0.21
4. Less : CURRENT LIABILITIES & PROVISIONS		
a) Current Liabilities	72.39	128.73
b) Provisions	15.26	28.10
	87.65	156.83
NET CURRENT ASSETS	<u>168.01</u>	<u>304.02</u>
5. MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
a) Preliminary Expenses	-	-
b) Public Issue Expense	-	-
TOTAL	<u>179.82</u>	<u>357.88</u>

NOTES

1. The Company was incorporated as a Limited Company on 31-10-1988 under the name of Patel On-Board Couriers Limited as per the Certificate of Incorporation issued by the Registrar of Companies in Maharashtra of even date.

2. Authorised share capital of the Company is Rs.50.00 Lakhs (Rupees Fifty Lakhs) Only) divided into 5,00,000 equity shares of Rs.10/- each.
3. Secured Loans from bank is secured by the following :
- i) Bank Overdraft availed from Bank is secured by hypothecation of Company's Book Debts and other receivables. Personal Guarantee of Mr.A.S.Patel- Chairman of the Patel Group and a Corporate Guarantee by holding Company M/s.Patel Roadways Limited.

ii) Deferred Payment Liability :
Secured against the assets purchased under the agreement for DPG finance.

4. Advance recoverable in cash or kind includes Rs.1,06,249/- from concerns under the same management as of 31/3/1993 :

Name of the Company	Amount 1992-93
a) Patel Roadways Ltd.	1,02,235/-
b) Natasha Constructions Pvt.Ltd.	1,807/-
c) Patel International Pvt.Ltd.	2,207/-

5. Contingent Liability not provided.
- a) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.3,50,000/- as of 31/3/93.
 - b) Counter guarantees to banks and others for guarantees given by them for Rs.14,10,000/- as of 31/3/93.
6. Significant Accounting Policies :

a) **Basis of Accounting** : The Financial Statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

Revenue Recognition : The Company accounts for income and expenditure on accrual basis.

Fixed Assets : Fixed Assets are stated at their original cost.

Depreciation : Depreciation has been provided on written down value method at the rates prescribed under Schedule XIV to the Companies Act, 1956.

Foreign Currency Transactions :

- i) Foreign Currency Transactions amounts are recorded at rate at which the amounts are realised.
- ii) Current assets denominated in Foreign Currency are restated at year end rates.

7. Sundry debtors include Rs.33,76,239/- outstanding for more than six months as of 31/3/93.

8. Provision has not been considered in the accounts for the diminution in the value of investments as such diminution has been considered temporary at the year end.

9. In the opinion of the Board, the Current Assets, Loans and Advances have value atleast equal to the amount shown in the Balance sheet, if realised in the ordinary course of business. The provision for depreciation and all the known liabilities is adequate and not in excess of the amount reasonable necessary.

10. Provision for taxation for the year ended 31st March, 1992 is after taking into account tax free income from Export, computed treating remittance received through agent of importer as receipt in convertible foreign exchange.

- 11 a) Of the above Profits, Profits to the extent of 51 percent amounting to Rs.64,85,447/- concern the members of Patel Roadways Limited, the holding Company.

- b) No adjustment has been made in the books of Patel Roadways Limited, holding Company, in respect of the profits of this Company concerning the members of the holding Company, except to the extent of dividends declared from time to time and accounted for by the holding Company in the following year.

12. The figures of the earlier years have been regrouped, rearranged and recast wherever found necessary.

III DIVIDEND

We further report that, in respect of the Five financial years/period ended 31st March, 1993, the dividend (subject to deduction of tax at source) declared by the Company are as under :

(Rupees in lakhs)

YEAR /PERIOD ENDED	RATE OF DIVIDEND EQUITY	AMOUNT OF DIVIDEND EQUITY
31-03-89 (Since Oct.1988)	-	-
31-03-90	-	-
31-03-91	-	-
31-03-92	20%	5.16
31-03-93	20%	9.00

FOR KUVELKER NAIK & GANDHI
CHARTERED ACCOUNTANTS,

FOR RATAN S.MAMA & CO.
CHARTERED ACCOUNTANTS

Sd/
K.S. NAIK
PARTNER

Sd/
VIJAY BHATT
PARTNER

PLACE : BOMBAY
DATE : 19/10/1993

TERM LOAN ARRANGEMENT

The Company has taken Term Loan and Deferred Payment guarantee facility from various bankers for financing Capital Expenditure for trucks, godowns, computers, airconditioners and other assets.

The principal amount outstanding payable to various bankers of the Company in respect of Term Loans and Deferred Payment Guarantee Facility as on 30/6/93 are as follows :

i) Details of Term Loan Finance from Banks

Name of the Bank	Nature of Facility	Limit Sanctioned	Balance Outstanding as on 30/6/93	Terms & Conditions	(Rupees in lacs)
The Shamrao Vithal Co-op. Bank Ltd. Bandra Branch	Term Loan for trucks	4.75	0.49	Interest Rate 20.5%, 25% Margin Repayable in 36 Monthly Instalments, Hypothecation of 2 Trucks and Personal Guarantee by the Chairman Mr.A.S.Patel.	
	— do —	16.95	13.70	Interest Rate 20.5%, 25% Margin, Repayable in 60 Monthly Instalments, Hypothecation of 5 Trucks and Personal Guarantee of Chairman - Mr. A.S. Patel.	
	— do —	36.00	(New limits sanctioned in June'93)	Interest Rate 20.5%, 25% Margin Chassis, & 40% on Body Building Repayable in 60 Monthly Instalments, Hypothecation of 10 trucks and personal guarantee of the Chairman- Mr.A.S.Patel.	
Development Co-op. Bank Ltd., Bandra Br.	Term Loan for Godown	4.80	1.30	Interest Rate 16.5%, 48% Margin, Repayable in 35 Monthly Instalments, Legal Mortgage of Godown at Nashik, Corporate Guarantee by Natasha Constructions Pvt.Ltd. and Personal Guarantee of Chairman-Mr.A.S.Patel.	
	Term Loan for Vehicles	16.75	14.31	Interest Rate 21.75%, 25% Margin, Repayable in 50 Monthly Instalments, Hypothecation of 5 Trucks, Mobilisation of Deposits of Rs.8.50 Lakhs over a period of one year, Corporate Guarantee by Natasha Constructions Pvt.Ltd. and Personal Guarantee of Chairman-Mr.A.S.Patel.	
Allahabad Bank, Bandra Branch.	Term Loan for purchase of office premises	25.00	15.00	Interest Rate 22.25%, Repayable in 10 Equal Quarterly Int. of Rs. 2.50 Lakhs, Equitable Mortgage of office premises of 1st Floor, at Natasha Plaza, Chembur, personal guarantee of Chairman-Mr.A.S.Patel and an Undertaking by M/s. Natasha Constructions Pvt.Ltd. an Associate Company of Patel Roadways Limited.	

ii) Details of Deferred Payment Guarantee from Banks

Union Bank of India, Bandra Branch.	DPG for trucks	10.00	0.70	25% Margin, 5 years Repayment as per IDBI Schedule, yearly Commission collected in advance (1.5%) and Personal Guarantee of Chairman Mr. Mr. A. S. Patel.
	DPG for A.C.	5.14	3.79	25% Margin, 5 Years repayment as per IFCI Schedule Hypothecation of 11 Alpine Room Air-Conditioner
	DPG for A.C.	4.25	3.93	25% Margin, 5 Years repayment as per IDBI Schedule, Hypothecation of 9 Alpine room Air-Conditioners.
Sangli Bank Ltd. Chowpatty Branch	DPG for trucks	65.60	18.77	10% Fixed Deposits as Margin, 4 Years repayment as per IDBI Schedule, Security - Trucks, yearly Commission as per RBI rules and Personal Guarantee of Chairman Mr.A.S.Patel.
Bank of Baroda Opera House branch.	DPG for trucks	50.00	21.74	10% Fixed Deposits as Margin 4 Years repayment as per IDBI Schedule, Security - Trucks, yearly Commission 2%, and Personal Guarantee of Chairman Mr.A.S.Patel
Vijaya Bank, Mahim Branch	DPG for trucks	8.27	3.90	10% Fixed Deposits as Margin, 4 Years repayment as per IDBI Schedule, Security - Trucks, yearly Commission Collected in, advance and personal Guarantee of Chairman Mr.A.S.Patel.

WORKING CAPITAL ARRANGEMENT FROM BANKS

The Company has availed Working Capital finance from various bankers of the Company. The limits sanctioned by various banks for the Working Capital finance and the amount actually utilised and outstanding as on 30/6/93 are as under :

Bank	Facility	Limit	Balance	Terms & Conditions	(Rupees in lacs)
Bank of Baroda, Opera House Branch	Cash Credit	300.00	281.87	Interest @ 19.25% upto Rs.225.00 lac facility over and above Rs.225.00 lacs at the rate of 21.15% Hypothecation of Book Debts, Collateral Security Equitable Mortgage of office premises, at Bandra, Bombay belonging to M/s. A.S.Patel Trust and property at Sheriff Deoji Street Facility Renewal Every Year and Personal Guarantee of Chairman Mr.A.S.Patel.	
Vijaya Bank, Mahim Branch	Overdraft	10.00	—	Int. rate 21.15%, Pledge of Units, On Yearly Renewal Basis and Personal Guarantee of Chairman Mr.A.S.Patel, 25% Margin.	
Shamrao Vithal Vithal Co-op. Bank Ltd. Bandra Br.	Overdraft	15.32	14.19	Int. rate 19.5%, Pledge of Units On Yearly Renewal Basis, Personal Guarantee of Chairman Mr.A.S.Patel.	
Union Bank of India, Chakla	Overdraft	3.00	-	Security - Fixed Deposit of Rs.4.00 Lakhs, Interest Rate 21.25%. Renewal of yearly basis.	

The Company has made application for additional Working Capital Finance of Rs. 200.00 lacs from banks.

C. STATUTORY AND OTHER INFORMATION

MINIMUM SUBSCRIPTION

The minimum subscription which, in the opinion of the Board, must be raised by this issue of shares, in order to provide for the sums required in terms of the Act and in terms of this Prospectus is Rs.810 lacs being the aggregate value of 18,00,000 Equity Shares of Rs.10/- each at a premium of Rs.35/- per share (90% of Public Issue in terms of this Prospectus). However, the Board will proceed to allot the shares upon receipt of the application money payable thereof. The subscription of the minimum amount is assured in view of the underwriting arrangements mentioned earlier in the Prospectus.

If the Company does not receive the minimum subscription of 90% of the Issue amount including accepted devolvement of Underwriters within 120 days after the first issue of the Prospectus, the Company shall refund entire subscription amount within 128 days with interest for delay beyond 78 days from the date of closure of the Issue as per Section 73 of the Companies Act 1956.

EXPENSES OF THE ISSUE

The expenses of this Issue, inclusive of underwriting commission, brokerage, fees to the Lead Managers and Registrars to the Issue, stamp duty, printing, advertising and marketing expenses, registration fees, legal charges, bank charges and Auditors' fees, etc. are estimated not to exceed Rs.84 lacs and the same will be met from the proceeds of the Issue.

FEES TO THE MANAGERS TO THE ISSUE

The fees payable to the Lead Managers to the Issue, SBI Capital Markets Ltd., are set out in their letter dated 10/11/93. Fees shall be paid to them at the rate of 0.5% (half percent) of the Issue amount.

No fees are payable on account of this Public Issue to the Co-Managers to the Issue.

FEES TO REGISTRARS TO THE ISSUE

Fees payable to the Registrars to the Issue, M/s. Indus Financial Services are set out in their letter dated 24/11/93 and the Company's acceptance dated 24/11/93 which are kept open for inspection. They will be paid charges at the rate of Rs. 3.00 per allottee and Rs. 1.50 per non-allottee, Rs.3.00 per NRI application and additional charges of Rs. 2.00 for Stockinvest instruments, subject to a minimum charge of Rs. 50,000/-

UNDERWRITING COMMISSION

Underwriting Commission is payable at the rate of 2.5% (Two and a half percent) on regular Underwriting and at the rate of 1% (One percent) on Contingent Underwriting on the Issue price of Equity Shares underwritten in the manner mentioned earlier in this Prospectus.

However underwriting commission @ 2.5% of the issue price of Equity Shares will be paid to the Contingent Underwriters on the portion remaining unsubscribed under the reserved quota (Employees, Shareholders of Wall Street Finance Ltd. and Mutual Funds) and getting added back to the Public Offer.

BROKERAGE

Brokerage will be paid at the rate of 1.5% to the members of any Recognised Stock Exchange in India on the Issue price of the Equity Shares on the basis of allotment made against applications bearing their stamp in the Broker's Column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of allotment made against applications procured by them, provided the Application Forms bear their respective stamps in the Broker's Column.

PREVIOUS ISSUES FOR CASH

Save as otherwise stated in this Prospectus, no Public Issue has been made by the Company since its incorporation.

ISSUE FOR CONSIDERATION OTHER THAN CASH

The Company has not made any issue of shares for consideration other than cash.

PREVIOUS COMMISSION & BROKERAGE

Except for the underwriting commission and brokerage payable, as mentioned above, no sums have been paid or are payable as commission for subscription for any issue of shares of the Company since the date of incorporation of the Company.

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.

REVALUATION OF ASSETS

The Assets have been revalued twice - first, on the 30th June 1987 and later on the 31st March 1993 - resulting in increase of Rs.310.37 lacs (Rs.61.93 lacs + Rs.248.44 lacs) in the value of Gross Fixed Assets, Reserves & Surplus as on the 31st March 1993 includes Revaluation Reserves of Rs.292.21 lacs.

PREFERENCE SHARES

In the past, the Company had issued 5,000, 12% Cumulative Redeemable Preference Shares of Rs.100/- each. The same have been fully redeemed in January 1990.

The Company has also allotted 30,00,000, 10% Cumulative Convertible Preference Shares of Rs.10/- each aggregating Rs.300 lacs. The terms of issue of these shares provide for conversion of 15,00,000 of such Preference shares into equivalent number of Equity shares of Rs.10/- each in October 1996 and the balance 15,00,000 Preference shares into equivalent number of Equity shares of Rs.10/- each in October 1997.

Such equity shares to be issued shall rank pari-passu in all respects with the then existing fully paid-up equity shares in the capital of the Company except that they shall rank for dividend pro-rata from the date of conversion on the amount paid-up and will be subject to the provisions of the Act and the Memorandum and Articles of the Company.

DEBENTURES

The Company has not issued any debentures since the date of its incorporation.

CAPITALISATION OF RESERVES

The Company has capitalised its reserves by way of Bonus Shares as follows:

Date of Allotment	Nature of Issue	No. of Equity Shares of Rs.10/- each	Issue (Amount) (Rupees)	Capitalisation out of
29/6/84	Bonus Shares	50,000	5,00,000/-	Free Reserves
30/6/87	— do —	2,00,000	20,00,000/-	Free Reserves
19/3/90	— do —	5,00,000	50,00,000/-	Free Reserves
24/9/93	— do —	20,00,000	2,00,00,000/-	Revaluation Reserves
		<u>27,50,000</u>	<u>2,75,00,000/-</u>	

CLASSES OF SHARES

The Authorised Share Capital of the Company is Rs.10,00,00,000/- divided into 70,00,000 Equity Shares of Rs.10/- each and 30,00,000 Cumulative Convertible Preference Shares of Rs.10/- each.

OPTION TO SUBSCRIBE

Except as otherwise stated in this Prospectus, the Company has not entered into nor does it, for the present, propose to enter into any contract or arrangement whereby any option of preferential right of any kind has been or is proposed to be given to any person to subscribe to any shares/debentures of the Company.

PURCHASE OF PROPERTY

The Company has allotted 30,00,000 10% Preference Shares of Rs.10/- each for cash at par aggregating Rs.300 lacs to the shareholders of the Company. The proceeds from the same will be utilised for purchase of Buildings and properties the particulars of which are as under-

The Company's zonal office-cum-booking and delivery centre in Bombay is located at 100, Deoji Street, Bombay 400 003. The said property belongs to Shri A.S. Patel. Being one of the important centre of operations for the Company, the Company proposes to buy-out this property in a phased manner by October 1994 at a total cost of Rs.230 lacs.

Similarly, the Company has its biggest transshipment centre (catering to around 200 branches of the Company) for the South, located at 53/3, Madanyakanahalli, Tumkur Road, Bangalore. The land on which the structure is built belongs to Shri A.S.Patel and the building belongs to M/s Patel Holdings Pvt. Ltd. The Company also proposes to buy-out this property at a total cost of Rs.70 lacs.

The Company has signed the Memorandum of Understanding with the owners of both the aforementioned properties.

INTEREST OF PROMOTERS AND DIRECTORS

All the Directors of the Company may be deemed to be interested to the extent of the remuneration and reimbursement of expenses, if any, payable to them under the Articles of Association of the Company.

All the Directors are also interested to the extent of the Equity Shares, if any held by them in the Company at present and/or the Equity Shares that may be subscribed for and allotted to them or to the relatives or to any firm, association or Company in which they or their relatives are partners, trustees, beneficiaries, director or members as the case may be to the extent of dividend and other distributions payable in respect of the Equity Shares, if any, held by them in the Company for the time being.

Mr.S.Kumar is interested to the extent of remuneration, commission, perquisites and other payments made/ to be made to him by the Company in terms of Agreement dated 1st April, 1992 entered into with him by the Company.

All the Directors may also be deemed to be interested to the extent of :

- a) As mentioned in the previous paragraph titled "Purchase of Property" in this Prospectus, the Company proposes to purchase two properties belonging to Shri A.S.Patel, Director of the Company and Patel Holdings Pvt. Ltd. Shri A.S.Patel may be deemed to be interested in this transaction. At present these properties are being used by the Company and the promoter is interested to the extent of Lease Rentals being paid for the same.
- b) The following properties belonging to the Promoter, Directors and their relatives have been leased out to the Company and they are therefore interested to the extent of lease rentals.

Property	Type of Agreement	Amount of Lease Rentals Rs. per Annum
1] Bangalore Office No. 2, First Cross, J.C. Road	Lease	Renewal at 3 years 2,16,000
2] Bangalore Godown Survey No. 108/1, Madavara Village	Lease	Renewal at 3 years 4,62,000
3] Coimbatore Land 6/80 D Easwaran Chettiar layout Pullakulam Road	Lease	Renewal at 3 years 72,000
4] Delhi 31, Ground Floor S.S. Palace 9062 Rambaug Road	Lease	Renewal at 3 years 72,000
5] Poona land Akurdi Taluka Haveli	Lease	Renewal at 3 years 1,51,200
6] U.P. Border Chikamperpur Near Balaji Dharam Kanta Main G.T. Road Gaziabad	Lease	Renewal at 3 years 5,28,000
7] Dadar Godown Ashish Industrial Estate Industrial Estate Dadar	Tenant	Renewal at 3 years 84,000
8] Flat 301, Natasha, 52, Hill Road Bandra (West) Bombay 400 050	Tenant	Renewal at 3 years 60,000
9] Flat 302 Natasha, 52 Hill Road, Bandra (West), Bombay - 400 050	Tenant	Renewal at 3 years 60,000
10] Bangalore Shed Madavara Village Dasanpura Hobli, Bangalore	Lease	Renewal at 3 years 1,56,000

REMUNERATION OF MANAGING DIRECTOR

Shri Sushil Kumar has been reappointed as Managing Director with effect from 1st April 1992 on the following remuneration :

- (1) Basic Salary (inclusive of dearness allowance) payable shall be as under :

For the Period	Amount
01-04-92 to 31-03-93	Rs.10,000/-
01-04-93 to 31-03-94	Rs.13,000/-
01-04-94 to 31-03-95	Rs.13,000/-

The following perquisites - aggregate value of which shall be restricted to an amount equal to his annual salary or Rs. 1,35,000/- per annum, whichever is less, such perquisites being classified into following categories.

Category-A

- (i) Housing :
Use of unfurnished residential accommodation hired by the Company, subject to the condition that the cost thereof to the Company shall not exceed Rs.5,000/- (1st year), Rs.6,000/- (2nd year) & Rs. 7,000/- (3rd year) per month; OR, in lieu of the said accommodation and if so desired by him, the Managing Director shall be entitled to, and shall be paid, a house rent allowance subject to the ceiling of Rs.5000/- (1st year), Rs.6000/- (2nd year) and Rs 7000/- (3rd year) laid down above;
- (ii) Medical reimbursement :
Reimbursement of actual medical expenses incurred by the Managing Director for self and family (i.e. wife, dependent children and dependant parents subject to a ceiling of one month Basic Salary as per Clause 4 (i) for each year or equivalent to 3 months salary for a period of 3 years.
- (iii) Leave Travel Concession :
Leave Travel Concession for self and family once a year subject to a maximum amount equivalent to one month Basic Salary as per clause 4 (i), for each year or equivalent to 3 months salary for a period of 3 years.
- (iv) Club Fees :
Fees of Clubs subject to maximum of two Clubs; provided that admission and life membership fees will not be allowed subject to maximum Rs.2000/- (1st year), Rs.3000/- (2nd year & 3rd year).
- (v) Personal Accident Insurance :
Personal accident insurance cover at the cost of the Company subject to the condition that the premium thereon shall not exceed Rs.1000/- per year.

Category-B :

- (vi) the benefit of the Company's Provident Fund Scheme and the Superannuation or Annuity Fund Scheme for the time being in force; Provided that contributions to the provident Fund and Superannuation/Annuity Fund will not be included in the computation of the ceiling on perquisites hereinabove mentioned to the extent these singly or put together are not taxable under the Income-tax Act, 1961; and Gratuity, in accordance with the rules of the Company from time to time but not exceeding a half month's salary for each completed year of service subject to a ceiling of Rs.1,00,000/-.

Category-C :

- (vii) use of the Company's car for the Company's business and telephone at the Managing Director's residence both of which, however, 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 Managing Director.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

NUMBER OF DIRECTORS

Article 115

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 (excluding Debenture and Alternate Directors) shall not be less than three nor more than twelve.

ALTERNATE DIRECTOR

Article 118

The Board may appoint 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 meeting of the Board are ordinarily held. An Alternate Director appointed under this article shall not hold office for a period longer than that permissible to the Original Director in which 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 Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

ADDITIONAL DIRECTOR

Article 119

Subject to the provisions of Section 260, 261 and 264, the Board shall have power at any time and from time to time 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 115. Any such additional Director shall hold office only upto the date of the next Annual General Meeting.

REMUNERATION OF DIRECTORS

Article 122, 123

Remuneration to Directors

Subject to the provisions of the Act, a Managing Director, or Director who is in the whole-time employment of the Company, may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director may be paid remuneration either.

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

The fee payable to a Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee thereof shall be such amount as the Directors may fix not exceeding the sum prescribed therefor, from time to time, by the Central Government pursuant the proviso to section 310 of the Act.

Travelling expenses incurred by Director not a bonafide resident or by Director going out on Company business

The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any director be called upon to go or reside out of ordinary place of his residence on the company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company.

POWER OF DIRECTORS

Article 158, 159

General Powers of Board

The Management and control of the business of the Company shall be vested in the directors who may exercise all such powers of the Company and do all such acts and things, as are not, by the Act, or any other Act or by the memorandum or by the Articles of the Company required to be exercised by the company in General meetings, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulation or provisions, as may be prescribed by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting:

- (a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director;
- (c) invest otherwise than in trust securities, the amount of compensation

received by the company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-article (a) or of any premise or properties or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

- (d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves that is to say, reserves not set apart for any specific purposes provided further that the powers specified in section 292 of the Act, shall subject to these Articles be exercised only at meetings of the Board, unless the same be delegated to the extent therein stated;
- (e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial year immediately preceeding which ever is greater.

Certain powers of Board

Without prejudice to the general powers conferred by the last preceding Articles and so as not any way to limit or restrict those powers, and without prejudice to the other powers conferred by these articles, but subject to the restrictions contained in the last preceding article, it is hereby declared that the directors shall have the following powers, that is to say power:

- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
- (2) To pay and charge to the capital account of the Company any commission or interest lawful payable thereunder under the provisions of Section 76 and 208 of the Act.
- (3) Subject to Sections 292, 297 and 360 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
- (4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages, or other securities of the company, and any such shares may be issued either as fully paid up or with such amounts credited as paid-up as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the Company or not so charged.
- (5) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees.
- (8) To institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe the terms of any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents and winding up and liquidation of Companies.

- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of Section 292, 293(1)(a), 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security (not being shares of this Company), or without security and in such manner as they may think fit, and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgages may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose.
- (14) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give officer or other person employed by the Company a Commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company.
- (15) To provide for the welfare of Directors or ex-Directors, employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating, and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reasons of locality of operation, or of public and general utility or otherwise.
- (16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special Fund to meet contingencies or to repay debentures or debenture-stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums to set aside or so much thereof as require to be invested upon such investments (other than shares of the Company) and they think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board may apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve Fund or division or a Reserve fund and with full power to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debentures-stock as without being bound to keep the same separate from the other assets without being bound to pay interest on the same with power however to the Board at their discretion at such rate as the Board may think proper, not exceeding fifteen percent per annum.
- (17) To appoint, and at their discretion, remove or suspend such general managers, managers, secretaries, assistances, supervisors, clerks, agents and servants for permanent, temporary or special service as they may make from time to time think fit; and to determine their powers and duties and fix their salaries or emoluments or remunerations and to acquire security in such instance and to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the four next following sub-clauses shall be without prejudices to the general powers conferred by this sub-clause.
- (18) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
- (19) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such Local Board, and to fix their remunerations.
- (20) Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their powers to make calls or make loans or borrow moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- (21) At any time from time to time by power of attorney under the Seal of the Company to appoint any person or persons to be Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any Company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit; and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- (22) Subject to section 294, 297, 300 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and to do all such acts, deeds and things in the name on behalf of the Company, as they may consider expedient.
- (23) From time to time make, vary and repeal by laws for the regulation of the business of the Company its officers and servants.

BORROWING POWERS - ARTICLE 67

Subject to the provisions of Section 292 and 293 of the Act, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board, accept, deposits from members either in advance or calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however that where the moneys to be borrowed together with the moneys already borrowed apart from temporary loans obtained from the Company's bankers in the ordinary course of business exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting.

QUALIFICATION OF DIRECTORS - ARTICLE 121

A Director shall not be required to hold any share qualification.

MANAGING DIRECTORS & MANAGERS - ARTICLES 141 TO 144

Board may appoint Managing Director or Managing Directors
Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member as Managing Director or Managing Directors or wholtime director or whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 152, the Board may by resolution vest in such Managing Director or Managing

Directors or Whole-time Director or whole-time Directors such of the powers thereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing or Whole-time Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

Restriction on Management

The Managing Director Managing Directors shall not exercise the powers to :

- a) make calls on shareholders in respect of money unpaid on the shares of the Company.
- b) issue debentures ; and, except to the extent mentioned in any resolution passed at a Board Meeting under Section 292 of the Act, shall also not exercise the powers to :
- c) borrow moneys, otherwise than on debentures ;
- d) invest the funds of the Company; and
- e) make loans.

NUMBER AND CLASSES OF SHARES - ARTICLE 3

The Authorised Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 70,00,000 (Seventy lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 30,00,000 (thirty lacs) Cumulative Convertible Preference Shares of Rs. 10/- (Rupees Ten) each.

RIGHTS OF SHAREHOLDERS IN RESPECT OF PROPERTIES AND PROFITS OF THE COMPANY - ARTICLE 164 to 167, 170, 172 to 175, 177 & 38

Division of profits

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 divided among the members in proportion to the amount of Capital paid-up or credited as paid-up on the shares held by them respectively.

The Company in General Meeting may declare a dividend

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.

Dividend to be paid only out of profits

- a) 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 percentages of its profits of the Company for any previous year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both Provided that :
 - i) if the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year or years provide for such depreciation out of the profits of that financial year or out of the profits of any other previous year or years.
 - ii) if the Company incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years, whichever is less shall be set off against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of section 205 of the Act or against both.

PROVIDED FURTHER that no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that section.

- b) The declaration of the Board as to the amount of net profits shall be conclusive.

Capital Paid in advance at interest not to earn dividend

- a) The Board may, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the amounts of his shares beyond the sums actually called upon and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest at such rate (not exceeding without the sanction of the Company in General meeting 15 per cent per annum) as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months notice in writing, provided that moneys paid in advance of calls shall not confer a right to dividend or to participate in profits.
- b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

Interim Dividend

The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position the Company justifies.

Retention of dividend in certain cases

The Board may retain the dividends payable upon shares in respect of which any person is, under Article 62 entitled to become a member, 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.

No member to receive dividend whilst indebted to the Company and Company's right of reimbursement thereof

No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any member all sums of moneys so due from him to the Company.

Right to Dividend to pending registration of transfer

A transfer of shares, shall not pass the right to any dividend declared thereon before the registration of the transfer.

Dividend how remitted

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 joint-holders to that one of them first named in the register of members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay in slip 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 forged signature on any pay-in-slip or receipt or the fraudulent recovery of the dividend by any other means. If two or more persons are registered as joint holders of any such share or shares any one of them can give effectual receipts for any moneys payable in respect thereof. Several executors or administrators of deceased member in whose sole name any share stands, shall for the purpose of this clause be deemed to be joint-holders thereof.

Un-paid & Unclaimed Dividend

- a) If the Company has declared a dividend but which has not been paid or a dividend warrant in respect thereof has not been paid within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend the Company shall within 7 days from the date of the expiry, open a special account in that behalf in any scheduled bank called "the unpaid dividend account of".
 - a) the dividend the Company shall within 7 days from the date of the expiry, open a special account in that behalf in any scheduled bank called "the unpaid dividend account of".
- b) Any money transferred to the unpaid dividend account of the company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be referred to the Central Government by the shareholders to whom the money is due.

Dividend and Call together

Any General meeting declaring a dividend may on the recommendation of the directors 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 members, be set off against the calls.

VOTE OF MEMBERS - Articles 99 to 112

Members in arrears not to vote

No members shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of share-holders either upon a show of hands or upon a poll in respect of any shares registered in his name or which any calls or other sums presently payable by him have not been or in regard to which the Company, has, and has exercised, any right to lien.

Number of votes to which Member is entitled

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 Article 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 or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. Provided, however, if any preference shareholder be present at any meeting, of the Company, save as provided in clause (b) of subsection (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the right attached to his preference shares.

Casting of votes by a Member entitled to more than one vote

On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

How Members non-compoundis and minor may vote

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 a 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.

Vote of joint-members

If there be a joint registered holder of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, 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 said 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.

Voting in person or by proxy

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by representative duly authorised in accordance with Section 187 of the Act and such representatives shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

Votes in respect of shares of deceased and insolvent Member

Any person entitled under Article 62 of transfer of 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 forty-eight hours at least 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.

Appointment of proxy

Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a Body Corporate, under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

Proxy either for specified meeting or for a period

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 every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

No proxy except for a Body Corporate to vote on a show of hands

No Member present only by proxy shall be entitled to vote on a show of hands, unless such Member is a Body Corporate present by a proxy who is not himself a Member, in which case, such proxy have a vote on the show of hands as if he were a member.

Deposit of instrument of appointment

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarially certified copy of that power or authority, shall be deposited at the office not later than forty-eight 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 twelve months from the date of its execution.

Form of proxy

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.

Validity of votes given by proxy notwithstanding death of a Member

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 the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

Time for objection of votes

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.

FORFEITURE AND SURRENDER - ARTICLES 42 TO 52

If money payable on share not paid, notice to be given to member

If any Member fails to pay any call or instalment of call on or before the day appointed for the payment of the same or any 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.

Terms of notice

The notice shall name a day not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate not exceeding 18 per cent per annum as the director shall determine from the day 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 non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment is payable, will be liable to be forfeited.

If notice not complied with shares to be forfeited

If the requirement of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, 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 other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.

Notice of forfeiture to a member

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 property of the Company and may be sold etc.

Any shares so forfeited shall be deemed to be the property of the Company, and may be sold, re-allocated 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.

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

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, installments, 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 cent per annum as the Board may determine and the Board may enforce the payment thereof, it thinks fit.

Effect of forfeiture

The forfeiture of a share shall involve extinction, at the time of the forfeiture of all interest and in 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.

Evidence of Forfeiture

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 as 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.

Validity of sale under Article 40 and 46

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person 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 to the application 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 same shall be in damages only and against the Company exclusively.

Cancellation of share certificates in respect of forfeited shares

Upon any sale, re-allotment or other disposal under the provision of the preceding Articles, the certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void of no effect, and the directors shall be entitled to issue a new certificate in respect of the said shares to the person or persons entitled thereto.

Power to annul forfeiture

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

COMPANY'S LIEN ON SHARES - ARTICLES 39 TO 41

The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of shares and no equitable interest in any shares shall be created upon the footing and condition that Article 22 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares.

Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this Clause.

As to enforcing lien by sale

For the purpose of enforcing such lien, the Board may sell the share subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such Members. No sale shall be made until notice in writing of the intention to sell shall have been served on such Member or his representatives and default, shall have been made by him or them in payment, fulfilment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

Application or proceeds of sale

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be

paid to the persons entitled to the shares at the date of the sale.

TRANSFER AND TRANSMISSION OF SHARES - ARTICLES 53 TO 65
Register of Transfers

The Company shall keep a "Register of Transfer" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

Form of transfer

The instrument of Transfer shall be in writing and all the provisions of section 108 of the Companies Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof.

Transfer form to be completed and presented to the Company

The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. 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 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 certificates or certificate of the shares must be delivered to the Company.

Transfer Books and register of Members when closed

The Board shall have power on giving not less than seven days previous notice by advertisement in some newspapers 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 thirty days at a time and not exceeding in the aggregate forty-five days in each year.

Directors may refuse to register transfers

Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Board may refuse to register any transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in, or debentures of, the Company. Provided however that the registration of a share/debenture shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Provided further that in the event of refusal to register any such transfer of, or the transmission of the right of, any shares or interest of a Member in, or debentures of, the company, the Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of such refusal to the transferee and the transferor or the person giving intimation of such transmission, as the case may be giving reasons for such refusal.

Notice of application when to be given

Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company, shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

Death of one or more joint-holder of shares

In 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 shares but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other persons.

Title to share of deceased Member

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only person 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 representatives 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 may dispense with production of probate or letters of Administration or Succession Certificate, upon terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 62 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 transfer to infant, etc.

No shares shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.

Registration of persons entitled to shares otherwise than by transfer

Subject to the provisions of the Act and Articles 59 and 60 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 transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), 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.

Persons entitled may receive dividend without being registered as Member

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

No fee shall be payable to the Company, in respect of the transfer or transmission of any shares.

Company not liable for disregard or a notice prohibitions registrations of a transfer

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or proposing 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 equitable, right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred there to in any book of the Company and the Company shall not bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

RESERVE AND CAPITALISATION - ARTICLES 179

- a) The Company in General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company or standing to credit to the General Reserve, or any Reserve fund or any other Fund of the Company, the Capital Redemption reserve Account or in the hands of the company and available for dividend, or representing premiums 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 or any class of shareholders as would be entitled to receive the same if distributed by way of dividend in accordance with their respective rights and interests and in proportion to the amount of capital paid up on shares held by them respectively 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 shares of the Company or debentures of the Company which shall be distributed accordingly, or in or towards payment of the whole or part of the uncalled liability on any issued shares 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 Capital redemption reserve account may, for the purposes of this Article only be applied in the paying up of 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, representing the same, or any other undistributed profits of the Company not subject to charge for profits of the Company not subject to charge for income-tax be distributed among the member on the footing that they receive the same as capital.

- c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less than Rs. 10 may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised funds as may be seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund, and such appointment shall be effective.

WINDING UP - ARTICLE 195

The liquidator or any winding-up (whether voluntary, under supervision, or compulsory) may, with the sanction of a Special Resolution, but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator with the like sanction shall think fit.

INDEMNITY AND RESPONSIBILITY - ARTICLE 196

Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company, against liability incurred by him in defending any proceedings whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 in which relief is granted to him by the court.

MATERIAL CONTRACTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 2 years from the date of this Prospectus), which are or may be deemed material, have been entered or to be entered into by the Company. These Contracts, copies of which have been attached to the copy of the Prospectus delivered to the Registrar of Companies, Maharashtra at Bombay, for registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of the Company situated at 'Natasha', 52 Hill Road, Bandra (West), Bombay 400 050, between 10 a.m. and 1 p.m. on any working day from the date of Prospectus until the closure of the Subscription List.

CONTRACTS

1. Letter dated 7/12/93 from SBI Capital Markets Ltd., to act as Lead Managers to the Issue.
2. (a) Letter dated 10/12/93 from M/s. Wall Street Finance Limited.
(b) Letter dated 10/9/93 from M/s. V. B. Desai Financial Services Ltd., and
(c) Letter dated 8/12/93 from Bank Of Baroda, Merchant Banking Division, to act as Co-Managers to the Issue.
3. Letter dated 24/11/93 from M/s. Indus Financial Services to act as Registrars to the Issue.
4. Consents from Directors, Legal Advisors to the Issue, Bankers to the Issue, Auditors & Bankers of the Company.
5. Copies of Underwriting Consents and Agreement with Underwriters received by the Company from Banks & Financial Institutions, Merchant Bankers, Brokers, detailed under "Underwriters" elsewhere in this Prospectus and the Company's acceptance thereof.
6. Agreement dated 1-4-92 entered into by the Company with Mr. Sushil Kumar re-appointing him as Managing Director with effect from 1st April, 1992.
7. Agreement with Underwriters to the Issue as set out under the heading "Underwriters"
8. Memorandum of Understanding entered into as mentioned below:
 - i) With Mr. A.S. Patel for purchase of property situate at 'Patel House', 100 Sheriff Deoji Street, Bombay 400 003 as mentioned elsewhere in the Prospectus.

- ii) With Patel Holdings Pvt.Ltd., for Godown at Bangalore being a Transshipment Yard situate at 53/3, Mandaryakanahalli, Tumkur Road, Bangalore belonging to M/s. Patel Holdings Pvt.Ltd., as mentioned elsewhere in the Prospectus.

DOCUMENTS

1. Memorandum and Articles of Association of the Company
2. Copy of second Certificate of incorporation dated 26-6-90 and a revised Certificate of Incorporation deleting the word 'Private' from the name of the Company with effect from 20/9/88.
3. Copy of Resolution under section 81(IA) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting held on 19th October, 1993.
4. Copies of Power of Attorneys executed by the Directors of the Company for signing and making necessary corrections in the Prospectus.
5. Report of the Auditors of the Company dated 19/10/93 on the Balance Sheet as at 31/3/93 & 30/6/93 and also on Profit & Loss Account for the period ended 31/3/89, year ended 31/3/90, 31/3/91, 31/3/92, 31/3/93 and period ended 30/6/93, of the Company.
6. Reports of the Auditors dated 19/10/93 on the Subsidiary Company M/s. Patel On-Board Couriers Limited on their Balance Sheet as at 31/3/92 & 31/3/93 and on Profit & Loss Account for the period ended 31/3/89 and year ended 31/3/90, 31/3/91, 31/3/92 & 31/3/93.
7. Copies of Balance Sheet of the Company as at 31/3/89, 31/3/90, 31/3/91, 31/3/92, 31/3/93 & 30/6/93 and also Profit & Loss Account for the period ended 31-3-89, year ended 31/3/90, 31/3/91, 31/3/92, 31/3/93 and period ended 30/6/93.

8. Copies of Balance Sheet of a Subsidiary Company M/s. Patel On-Board Couriers Limited as at 31/3/89, 31/3/90, 31/3/91, 31/3/92 & 31/3/93 and also Profit & Loss Account for the period ended 31/3/89, year ended 31/3/90, 31/3/91, 31/3/92 & 31/3/93.
9. Initial Listing Applications made to Stock Exchanges at Bombay, Ahmedabad, Delhi, Calcutta and Madras.
10. Copy of Acknowledgement Card dated 3/12/93 and subsequent letter dated 9/12/93 modifying the earlier Acknowledgement Card received from Securities and Exchange Board of India (SEBI).
11. A certified copy of Multimodal Transport Operator Licence issued by the Government of India, Director General of Shipping.
12. Tax Benefit Certificate from the Auditors of the Company.
13. Copy of the Resolution passed at the Meeting of the Board of Directors held on 13th December, 1993 approving the Prospectus.

DECLARATION

This is to confirm that all the relevant provisions of the Companies Act 1956 and the Guidelines issued by the Government have been complied with and no statement made in the Prospectus is contrary to the provisions of the Companies Act, 1956 and the Rules made thereunder.

Signed by Directors

ASGAR S. PATEL

F.J. DESOUZA

RAVI PODDAR

ARIF A. PATEL

(through their Constituted Attorney Shri Sushil Kumar)

SUSHIL KUMAR

Place : Bombay

Dated : 13th December, 1993