



ASSOCIATED PIGMENTS LTD

Landmark, (11th Floor), 228A, A J C Bose Road, Calcutta 700 020

Issue of 10,00,000 Equity Shares
of Rs.10/- each at a premium
of Rs.5/- per Share

**An import substitution
project**

HIGHLIGHTS

- ☐ Existing profit making dividend paying Company. Consistently paying dividend since 1981
- ☐ Bonus issue of one for every two shares in 1989 and dividend maintained on enhanced capital
- ☐ Expansion project of existing products completed and commercial production therefrom commenced
- ☐ Diversifying into import substitution & backward integration project
- ☐ One of the few organised sector Companies engaged in production and sale of oxides of Lead and Zinc
- ☐ Easy liquidity - listing at Ahmedabad, Calcutta, Delhi and Jaipur Stock Exchanges.

RISK FACTORS AS PERCEIVED BY THE MANAGEMENT

1. The import of raw materials required and its cost is dependent on Govt. policies and regulations
2. Cost overrun and its means of finance is subject to approval by Financial Institutions for which application has been made
3. The company has obtained NOC from State Pollution Control Boards but final consents are required to be obtained
4. Selling price fluctuates due to international market conditions, exchange rates, custom duties and pricing policies of MMTC Ltd.

The management is however confident to overcome the risks in view of its past experience in dealing with these and similar products.

Lead Managers to the Issue

**AllBank
FINANCE Ltd**
Merchant Banking Division
Continental Chambers,
15A Hemanta Basu Sarani,
2nd Floor, Calcutta 700 001.

BOI Finance Ltd
Stock Exchange Towers
Dalal Street
Bombay 400 023

APL - The leading edge

**Premium
Issue
opens on
27th April
1992**

PART - 1
GENERAL INFORMATION

ASSOCIATED PIGMENTS LIMITED

(Incorporated under the Indian Companies Act, 1913 on 22nd December, 1948 as a Limited Company)

Regd. Office: 'LANDMARK' (11th Floor), 228A, A.J.C. Bose Road, Calcutta - 700 020-

Consent of the Central Government has been obtained to this issue of equity shares by an Order no.R-250/3/CCI/90-933 dated 29.1.1991 as amended by letters no.R-250/3/CCI/90-1652 dated 12.6.1991 & R-250/3/CCI/90-7045 dated 28.12.1991 respectively issued by the Controller of Capital Issues (hereinafter referred to as CCI), Ministry of Finance, Government of India, New Delhi copies of which are kept open to the public for inspection at the Registered Office of Associated Pigments Limited. (hereinafter referred to as "the Company") at 'Land Mark' (11th floor) 228A, Acharya Jagadish Chandra Bose Road, Calcutta 700 020, West Bengal. It must be distinctly understood that in giving this consent the Central Government do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

The company has obtained an Industrial Licence no. CIL 275 (90) dt.30.10.90 for substantial expansion to manufacture 7500 tons of lead oxides at Tehsil Bindike, Dist. Fatehpur, U.P. and licence no. CIL 246 (90) dt. 25.9.90 to manufacture 12000 tons of refined lead/ antimonial lead at Kanakpur, Tehsil. Tamluk, Dist. Midnapore, West Bengal from the Ministry of Industry Government of India, a copy of which are open to the public for inspection at the Registered Office of the company. It must be distinctly understood that in granting these licences the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed with regard to them.

A 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 for registration to the Registrar of Companies, West Bengal, at Calcutta.

Equity Shares of the company are currently listed at Calcutta Stock Exchange (hereinafter referred to as "CSE"). Applications have also been made to the Ahmedabad, Jaipur, and Delhi Stock Exchanges (hereinafter referred to as "ASE", "JSE", and "DSE" respectively) for permission to deal in and for an official quotation of the existing 5,97,811 number of equity shares of the company.

The company has made applications to ASE, JSE, CSE, and DSE for permission to deal in and for an official quotation of the new equity shares of the company to be issued in terms of CCI consent referred to above.

Attention of the applicants is specifically drawn to:

1. If the company does not receive the minimum subscription of 90% of the issued amount, the entire subscription will be refunded to the applicants within 90 days from the closure of this issue. If there is any delay in refund of such amount by more than 10 days, the company will pay interest at the rate of 15% per annum or at the rate prescribed by the government for the delayed period.

2. The provisions of sub-section (1) of section 68A of the Act which is reproduced below:

"Any person who -

- a) makes in 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."

3. Refund Orders to Non-allottees and Share Certificates with or without Refund Orders, to the partial Allottees/ Allottees will be despatched by registered post only at the applicants sole risk within 10 weeks from the closing of the subscription list or within such period as may be extended by the Calcutta stock exchange in case of unforeseen circumstances. This is however without prejudice to company's liability to pay interest under section 73 of the Act, for delayed refunds.

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 OPENS ON
ISSUE CLOSES NOT LATER THAN
EARLIEST CLOSING**

**: MONDAY , 27TH APRIL, 1992
: MONDAY , 11TH MAY , 1992
: THURSDAY, 30TH APRIL, 1992**

AUDITORS

S M Roychowdhury & co.

Chartered Accountants
66D, South End Park
Calcutta - 700 029

LEAD MANAGERS TO THE ISSUE

AllBank Finance Ltd.

15A, Hemanta Basu Sarani
Calcutta - 700 001

BOI Finance Ltd

Stock Exchange Tower
24th Floor, Dalal Street
Bombay - 400 023

UNDERWRITERS

The letters of Underwriting have been accepted by the company on 27.3.1992.

The issue has been underwritten by the following in the manner as mentioned below:

Name and address of the underwriters	Underwriting Letter dated	Amount under-written (Rs./Lacs)
A: BANKS/MERCHANT BANKERS		
1. ALLBANK FINANCE LTD. 15A, HEMANTA BASU SARANI CALCUTTA- 700 001	10.2.92	19.995
2. BOI FINANCE LTD. STOCK EXCHANGE TOWER 24TH FLOOR, DALAL STREET BOMBAY - 400 023	26.2.92	19.995
3. STANDARD CHARTERED BANK 4, N.S. ROAD CALCUTTA- 700 001	11.2.92	9.510
4. THE KARUR VYSYA BANK LTD. 213D MAHATMA GANDHI ROAD, (2ND FLOOR) CALCUTTA - 700 007	13.2.92	7.500
5. CRB CAPITAL MARKETS LTD. 8B, LALBAZAR STREET CALCUTTA - 700 001	10.2.92	7.500
6. THE FEDERAL BANK MERCHANT BANKING BUREAU 12/1 LINDSAY STREET CALCUTTA 700 087	26.2.92	6.000
7. PUNJAB & SIND BANK B-45/47 CON. CIRCUS, NEW DELHI - 110 001.	28.2.92	6.000
8. STATE BANK OF MYSORE 1&2, OLD COURT HOUSE CORNER CALCUTTA - 700 001.	25.2.92	6.000
TOTAL		82.500

B: BROKER UNDERWRITERS

ARUNA N. KAMPANI 301, CHINUBHAI CENTRE NEHRU BRIDGE, ASHRAM ROAD AHMEDABAD - 380 009.	1.35
CHAMPAKLAL BHAILAL CHOKSHI 2252/2, MAHURAT POLE MANEK CHOWK AHMEDABAD - 380 001.	0.60
CHINUBHAI CHIMANLAL DALAL MAHURAT POLE NAKA MANEK CHOWK AHMEDABAD - 380 001.	0.60
GORDHANDAS N. GUPTA KLASSICS CHAMBER 2ND FLOOR, NEAR NAVRANGPURA AHMEDABAD - 380 009.	0.60
MISS HINA VORA 2096, NAGJI BHUDARNI POLE, UBHO KHANCHHO, 1ST FL. MANDVINI POLE AHMEDABAD - 380 001.	0.60
INTERFACE CAPITAL MARKET PVT. LTD. 603, SAMRUDDHI OPP. GUJARAT HIGH COURT AHMEDABAD - 380 014.	0.60
RAJESH N. JHAVERI JHAVERI BUILDING OPP. BANK OF INDIA MANEK CHOWK AHMEDABAD - 380 001.	1.35
ARIHANT STOCKS PRABHAT COMPLEX 2ND FLOOR NO. 8 K.G. ROAD, BANGALORE - 560 009	0.60

SIVAN & CO KFC COMPLEX 48, CHURCH STREET BANGALORE - 560 001	0.60
BATLIVALA & KARANI UNION BANK BUILDING 3RD FLOOR DALAL STREET BOMBAY - 400 001	0.60
BHAGWANDAS GORDHANDAS 612-A, STOCK EXCH. TOWER DALAL STREET BOMBAY - 400 023	1.35
BHUPENDRA CHAMPAKLAL DEVIDAS REGENT CHAMBER, 2ND. FL. 208, JAMNALAL B. MARG NARIMAN POINT BOMBAY- 400 021	0.60
DALAL & BROACHA 507, MAKER CHAMBER V 5TH FLOOR 221, NARIMAN POINT BOMBAY - 400 021	0.60
ENAM SECURITIES PVT.LTD 1ST. FLOOR, 113 & 202 STOCK EXCHANGE TOWERS DALAL STREET BOMBAY - 400 001	1.35
K.G. VORA 40, KHATAU BUILDING, 2ND FLOOR, 8/10, MARINE STREET BOMBAY - 400 023	0.60
L.K. PANDAY 211, VEENA CHAMBERS DALAL STREET, FORT BOMBAY - 400 023	0.60
MUKUND M. SHAH 905/914 STOCK EXCH. TOWER DALAL STREET BOMBAY - 400 001	0.60
PRABHUDAS LILLADHER P. LTD. 157, BAZARGATE STREET 2ND FLOOR FORT, BOMBAY - 400 001.	0.60
P.R. SUBRAMANYAM & SONS 31, TEMERIND LANE FORT, BOMBAY - 400 001.	0.60
SUSHIL N. SHAH 12, HOMJI STREET FORT, BOMBAY - 400 001	1.35
VALLABH BHANSALI 12, LAXMI VILAS 87, NEPEAN SEA ROAD BOMBAY - 400 006	0.60
V.B. DESAI CAMA BUILDING 1ST FLOOR 24/26 DALAL STREET BOMBAY - 400 001.	0.60
VINAY M. SHAH 59, BAZARGATE STREET RAMZAN BUILDING 1ST FLOOR, FORT BOMBAY - 400 001	1.35
V. JETHALAL RAMJI 1019, STOCK EXCH. TOWER 10TH FLOOR DALAL STREET BOMBAY - 400 023	0.60
ARUN MEHRA 26, GOBIND MAHAL 86/B. N.S. ROAD GROUND FLOOR BOMBAY - 400 002	0.60

CALCUTTA**AJOY AGARWAL & CO.**

2ND FLOOR ALLAHABAD BANK BLDG.
14, INDIA EXCH. PLACE
CALCUTTA - 700 001

0.60

BAJRANGLAL MAHABIR PRASAD

16, INDIA EXCHANGE PLACE,
CALCUTTA- 700 001

0.60

BIMAL KUMAR GHOSH

7, LYONS RANGE
1ST FL.
CALCUTTA - 700 001

1.35

C. MACKERTICH

7, LYONS RANGE,
CALCUTTA - 700 001.

1.35

D.P. PODDAR & CO.

106, TODI CHAMBERS
1ST FL. 2, LAL BAZAR STREET
CALCUTTA - 700 001.

1.35

G.M. BOSU & CO.

L, LYONS RANGE
CALCUTTA - 700 001.

0.60

M.B. NAHAR

C/O ANITA UDYOG
12, INDIA EX. PLACE
3RD FL., CALCUTTA- 700 001

0.60

M.M. MURARKA & CO.

7-B, KIRAN SHANKAR
ROY ROAD
CALCUTTA - 700 001.

0.60

SHAMSUNDERLAL KHANDELWAL & CO.

16, INDIA EXCH. PLACE
CALCUTTA - 700 001

0.60

STEWART & CO

14, INDIA EXCHANGE PLACE,
CALCUTTA- 700 001

1.35

TARUN SETHIA

INDIA EXCH. PLACE
3RD FL. ROOM NO.5
CALCUTTA - 700 001.

1.35

VCK SHARE & STOCK BROKING SERVICES PVT LTD.

16, INDIA EXCH. PLACE
CALCUTTA - 700 001

1.35

AMEYA & ASSOCIATES

2ND FL. FAIZEL CHAMBERS
PULLEPADY CROSS RD.
COCHIN - 682 018.

0.60

JONES & CO.

OLD TELEGRAPH OFFICE BLDG.
P.B.NO. 2589
BROADWAY, ERNAKULAM
COCHIN- 682 031.

0.60

NITIN N. SHAH

C/O J.M. PAREKH, NAUKA PRESS
NEW ROAD.
COCHIN- 682 002.

0.60

MAHESH KUMAR TAPARIA

RATAN DEEP BUILDING, 1ST FLOOR
A T. ROAD,
GUWAHATI - 781 001

0.60

PUKHRAJ LUNKAR

BETALA NIWAS, 1ST FLOOR
TOKOBARI ROAD
GUWAHATI

0.45

S.K. NAHATA & CO.

BOTHRA BUILDING, 2ND FLOOR
M.S. ROAD
GAUHATI- 781 001.

0.45

SUBODH KOTHARI & CO.

BARGOLA MARKET,
FANCY BAZAR,
GUWAHATI 781 001

0.45

BHAGWANDAS JAJU

HOTEL PREETI BLDG.
5-1-680 BANK STREET
HYDERABAD - 500 195.

0.60

RATHI BROTHERS

4-5-174 & 175 HASHMAT GUNJ
SULTAN BAZAR
HYDERABAD - 500 195.

0.60

D.S. SANCHETI & CO.

SANCHETI BLDG.
20/11, YESHWANT NIWAS ROAD,
(BEH. CENT. BANK)
INDORE - 452 003

1.35

DWARAKADAS HARINARAYAN MAHESHWARI

4/7, NORTH RAJMOHALLA
INDORE - 452 002.

1.35

J.V. MODI

156, M.T. CLOTH MARKET
3RD FL.
INDORE - 452 002.

0.60

NEM CHAND JAIN & CO.

1204, SUDHAMA NAGAR
INDORE - 452 009.

1.35

H.C. JAIN & CO.

204, JAIPUR TOWER
(OPP. A.I.R.) M.I. ROAD.
JAIPUR - 302 001.

0.60

N.K. SOMANI

17, PUROHIT JI KA BAG
M.I. ROAD
JAIPUR - 302 001.

0.60

PREM SOMANI & ASSOCIATES

17, PUROHITJI KA BAG
GOPINATH MARG,
JAIPUR - 302 001.

1.35

R.K. SINGH & CO.

C-274, J.D.A. MALVIYA NAGAR
JAIPUR - 302 017.

0.60

SUNITA GUPTA

C/O ANIL JAIN
TRIDENT EXPRESS
(OPP. INDIA COFFEE HOUSE)
M.I. ROAD
JAIPUR - 302 016.

0.60

UPENDRA A. GANDHI & CO.

B-113 BAJAJ NAGAR
JAIPUR 302 015.

0.60

R.N. MITTAL & CO.

417, PADAM TOWERS II
14/113 CIVIL LINES,
KANPUR 208 001.

1.35

SANJEEV ANAND & CO.

FLAT NO. 262
PADAM TOWERS (U.P. STOCK EXCHANGE)
14/113, CIVIL LINES.
KANPUR - 208 001.

0.75

UDAY MERCHANT

PADAM TOWERS
14/113, CIVIL LINES
KANPUR 208 001.

1.35

CHANDRAKANT C. THAKAR

LUDHIANA STOCK EXCH. PREMISES
LAJPATRAI MARKET
CLOCK TOWER
LUDHIANA - 141 008.

0.60

VIJAY GUPTA & CO.

STOCK EXCH. BLDG.
LAJPAT RAI MARKET
NEAR CLOCK TOWER
LUDHIANA

0.60

JAGDISH N. MASTER

C/O SYLVESTER LOBO
KAPRIGUDDA
NEAR FALNIR POST OFFICE
MANGALORE - 575 001.

0.45

PANKAJ KARANI

C/O SYLVESTER LOBO
KAPRIGUDDA
NEAR FALNIR POST OFFICE
MANGALORE - 575 001.

0.45

B.D.AGARWAL & CO. G-12, "ARUNACHAL" GROUND FL. 19, BARAKHAMBHA ROAD NEW DELHI - 110 001.	1.35
BHARAT BHUSHAN & CO. 107 ROHIT HOUSE 3, TOLSTOY MARG NEW DELHI - 110001	1.35
JALAN & CO. DELHI ST. EXCH. BLDG ASAF ALI ROAD NEW DELHI - 110 003.	0.60
N.D. AGARWAL & CO. UB-12A, INDRA PRAKASH 21, BARAKHAMBHA ROAD NEW DELHI - 110 001.	0.75
VINOD KUMAR & CO. A-6, CONNAUGHT PLACE NEW DELHI - 110 001	0.60
V.J. MEHTA & CO. 12/3 ASAF ALI ROAD NEW DELHI - 110 002	0.60
VIPIN MADDAN & CO. BIHAR INDU. ASSO. PRE. SINHA LIBRARY ROAD PATNA- 800 001.	0.45
ARWIND M. SHAH 1232, APT. ROAD SUCCESS CHAMBERS OPP NATARAJ TALKIES DECCAN GYMKHANA, PUNE - 411 004	0.60
K.D.CHUTTAR CHANDRAMAULI A-24 ABHIMANSHU - SOCIETY, N.C.L. ROAD. PUNE - 411 008.	0.60
RAVINDRA A. PATANKAR 436, NARAYAN PETH KOTWAL BLDG. NEAR LOKHANDE TALIM PUNE - 411 030.	0.60
UDAY A. PATANKAR LAKHMAN VILLA APPART 46/31, PAUD ROAD ADJACENT TO JOG HOSPITAL, PUNE - 411 038	0.60

DR. N.M. SHAH 103 PATAL CO-OP. HOUSING SOCIETY OPP : VAKAL SEWA KENDRA, SAYAJI GUNJ VADODARA - 390 005.	0.60
SUBHAS B. DALAL 151, 1ST FL. PARADISE COMPLEX SAYAJI GUNJ VADODARA - 390 005.	0.60

TOTAL 60.00

CONTINGENT UNDERWRITING

50000 Equity Shares of Rs.10/- each for cash at a premium of Rs.5/- per share of the aggregate value of Rs.7,50,000/- reserved for preferential allotment to the employees (including indian working directors)/workers of the company have also been underwritten on a contingent basis as follows:

Name and address of the underwriters	Underwriting Letter dated	Amount under-written (Rs.Lacs)
1. CRB CAPITAL MARKETS LTD. 8B, LALBAZAR STREET CALCUTTA - 700 001	10.2.92	6.375
2. STANDARD CHARTERED BANK 14, N.S. ROAD CALCUTTA 700 001	11.2.92	1.125
TOTAL		<u>7.500</u>

DECLARATION:

In the opinion of the Board, the resources of the underwriters mentioned above are sufficient to discharge their respective underwriting obligations.

RATING

As the issue is of equity shares and it is not mandatory to obtain rating from crisis or any other rating agency, the same has not been obtained.

DEBENTURE TRUSTEE

The present issue being only for equity shares the provisions of appointing a trustee under debenture trust deed is not applicable.

SHARE CAPITAL

NOMINAL VALUE
RUPEES

A. AUTHORISED

3,200	9.5% Non Cumulative Preference Shares of Rs.500/- each	16,00,000
28,40,000	Equity Shares of Rs. 10/- each	2,84,00,000
TOTAL		3,00,00,000

B. ISSUED

1,429	9.5% Non Cumulative Preference Shares of Rs. 500/- each	7,14,500
5,97,811	Equity Shares of Rs.10/-each	59,78,110
TOTAL		66,92,610

C. SUBSCRIBED AND PAID UP

1,424	9.5% Non Cumulative Preference Shares of Rs. 500/- each	7,12,000
5,97,811	Equity Shares of Rs.10/- each	59,78,110

SHARE FORFEITURE ACCOUNT

5	9.5% Non Cumulative Preference Shares of Rs.100/- each	1,000
TOTAL		66,91,110

D. PRESENT ISSUE FOR CASH

14,18,467	Equity Shares of Rs.10/- each at a premium of Rs.5/- per share.	1,41,84,670
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OUT OF THE PRESENT ISSUE:

a) Offered to Equity Shareholders and Employees of the company on rights basis separately through letter of offer:

3,98,540	i) Equity Shares of Rs.10/-each at a premium of Rs. 5/- per share. to existing share holders on rights basis.	39,85,400
19,927	ii) Equity Shares of Rs.10/- each at a premium of Rs.5/- per share. to employees(including Indian working directors)/workers of the company.	1,99,270

b) To the Public for subscription in terms of this prospectus:

10,00,000	Equity Shares of Rs.10/- each for cash at a premium of Rs.5/-	1,00,00,000
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OUT OF WHICH

50,000	i) Equity Shares of Rs.10/-each for cash at a premium of Rs.5/- per share have been reserved for preferential allotment to the employees including (Indian working directors)/workers of the company	5,00,000
9,50,000	ii) Equity Shares of Rs.10/- each for cash at a premium of Rs.5/- per share are being offered to the resident Indian public, to which will be added the unsubscribed portion, if any, of the equity shares offered on a preferential basis as mentioned in (i), above.	95,00,000

E. PAID UP CAPITAL

Paid up capital after the present rights cum public Issue (excluding retention of oversubscription, if any)	2,08,75,780
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NOTES:

- The Equity Shares to be allotted to employees of the company shall not be sold/hypothecated/transferred for at least three years from the date of allotment.
- Initial allotment of equity shares under employees quota as stated in a(ii) and b(i) above shall not exceed 200 shares per individual. Equity shares still remaining unsubscribed shall be allotted on equitable basis to employees who have applied for additional shares. Unsubscribed portion still, if any, will be added back to the public offer. Unsubscribed portion of the employees quota of rights issue as stated in a(ii) above will be allowed to lapse.

RETENTION OF OVERSUBSCRIPTION

In the event of oversubscription of the equity shares issued in terms of this prospectus, the company will have an option to retain a portion of such excess capital subscribed, upto a maximum, of 15% of the issue. The CCI vide its letter no.R- 250/3/CCI/90-1652 dated 12.6.1991 has noted the company's intention to retain excess subscription upto 15% of the issue. The amount of oversubscription so retained by the company is proposed to be utilized for augmenting the company's long term working capital resources.

TERMS OF THE PRESENT ISSUE

The new equity shares now being issued are subject to the terms of this prospectus, the application form, the Memorandum and Articles of Association of the company (hereinafter referred to as "the Articles"), the provisions of the Act and the guidelines for listing of securities issued from time to time by the Government of India.

TERMS OF PAYMENT

A) FOR RESIDENT INDIAN PUBLIC:

On Application : Rs.7.50 per Share of Which Rs.5.00 shall be towards share capital and Rs. 2.50 towards share premium account

On Allotment: Rs.7.50 per share of which Rs.5.00 shall be towards share capital and Rs.2.50 towards share premium account

B) For Employees : On application : Rs.15/- per share of which Rs.10/-shall be towards share capital and Rs.5/- towards share premium account

Excess amount paid on application shall be adjusted towards the amount due on allotment of shares already allotted and the balance amount, if any, thereafter will be refunded by the company to the applicant in the manner stated elsewhere in this prospectus.

Failure to pay the amount due on allotment on or before the date appointed for payment thereof will render the allottee liable to pay interest thereon at the rate of 18% p.a. or at such lower rate as shall be determined by the Board from the date so appointed to the date of actual payment and shall also render the equity shares including the amount already paid thereon liable to forfeiture.

PRINCIPAL TERMS OF THE NEW EQUITY SHARES

The new equity shares now being offered in terms of the CCI Consents Nos R-250/3/CCI/90-933 dated 29/1/91, R-250/3/CCI/90- 1652 dated 12.6.91 and R-250/3/CCI/90-7045 dated 28/12/91 respectively, shall rank pari passu with the existing

equity shares of the company in all respects except that the holders of the equity shares now being offered will be entitled to dividends, if any, which may be declared or paid on the equity shares in proportion to the amount of capital paid up on the equity shares and pro-rata for the period during which such capital is paid up thereon.

For the above purpose, balance of allotment money payable, if any, and paid will be deemed to have been paid on the last date on which the allotment money is payable or the date of actual payment whichever is later. Whereas, if the excess of application money paid will be adjusted towards the balance, if any, due on allotment of equity shares, then dividend, if any on such equity shares, will accrue from the date of allotment of the equity shares.

PROCEDURE FOR APPLICATION

A. APPLICATION BY RESIDENT INDIAN PUBLIC MUST BE MADE:-

- I) on the prescribed application form (white colour) accompanying this prospectus completed in full in accordance with the instructions contained herein and in the application form. Applications not completed in full as stated herein shall be liable to be rejected.
- II) for a minimum of 100 equity shares and in multiples thereof
- III) in single or joint names (not more than three) and
- IV) in the name of individuals, limited companies, statutory corporations or institutions and not in the name of foreign nationals, non-residents, trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorised under its constitution to hold shares in a company), minors, partnership firms or their nominees.

2. Application forms duly completed together with cash/cheques/bank draft/stockinvest for the amount payable on application at the rate of Rs. 7.50 per equity share must be delivered before the close of the subscription list to any of the bankers to the issue named herein or to any of their branches mentioned on the reverse of the application form and not to the company or to the lead managers to the issue or to the co-managers to the issue or to the registrars to the issue.

3. Payment should be made in cash or by cheque or by bank draft or stock invest. Money orders/postal orders will not be accepted. Cheques or bank drafts or stockinvest should be drawn on any bank, including a cooperative bank which is situated at and is a member or sub-member of bankers' clearing houses located at the places where the application form is submitted. Outstation cheque or bank draft or stock invest will not be accepted and applications accompanied by such cheques or bank drafts or stockinvest will be rejected.

All cheques or bank drafts or stockinvest must be:

- a) made payable to any of the bankers to the issue
- b) marked "A/c APL EQUITY ISSUE" for example : "Allahabad Bank - A/c APL EQUITY ISSUE"
- c) crossed "a/c. payee only"

In case of payment by cheque or bank draft or stockinvest a separate cheque or bank draft or stockinvest must accompany each application form.

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

For further instruction, please read the application form carefully.

B. APPLICATION BY EMPLOYEES (INCLUDING INDIAN WORKING DIRECTORS)/WORKERS OF THE COMPANY.

1. Application by employees must be made only:
 - I) on the prescribed application form (blue colour) accompanying this prospectus and completed in full in accordance with the instructions contained herein and in the application form and are liable to be rejected if not so made.
 - II) in single or joint names (not more than three) provided the sole first applicant shall be an employee.

III) for a minimum of 100 equity shares or in multiples thereof.

2. All application forms duly completed, together with cash/cheque/bank draft/stockinvest for the amount payable on application at the rate of Rs. 15/- per equity share 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 or to the lead managers/co-managers to the issue or to the registrars to the issue.

3. Payments should be made in cash or by cheque or bank draft or stockinvest. Money/postal orders will not be accepted. Cheques, bank drafts or stockinvest should be 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 place where the application form is submitted. Outstation cheques/bank draft/stockinvest will not be accepted and applications accompanied by such cheques or bank drafts or stockinvest will be rejected. All cheques/bank drafts or stockinvest must be:

I) made payable to the specified bankers to the issue mentioned on the reverse of the application form.

II) marked "A/c APL EQUITY-EMPLOYEES" for example - "ALLAHABAD BANK-A/C APL EQUITY-EMPLOYEES"

III) crossed "A/c. payee only".

In case of payment by cheque or bank draft or stockinvest a separate cheque or bank draft or stockinvest must accompany each application form. No receipt will be issued for the application money. However, bankers to the issue receiving the application will acknowledge the receipt by stamping and returning, to the applicant, the acknowledgement slip given at the bottom of each Application Form.

For further instructions please read the application form carefully.

GENERAL

A) Joint Application:

An applicant may be made in single or joint names (not more than three). In case of joint applications, refund, pay orders if any, dividend warrants etc. will be made out in favour of and all communications will be addressed to the applicant whose name appears first and at that applicant's address stated in the Application Form.

B) Multiple Applications:

An applicant should submit only one application (and not more than one) for the total number of shares required. Application may be made in single or joint names (not more than three). Two or more applications in single and/or joint names will be deemed to be multiple applications if the sole and/or the first applicant is one and the same. The Board of Directors reserves the right to reject in its absolute discretion all or any multiple applications. Those who have applied under the reservation for preferential allotment for Employee's quota may also apply in the offer to the Resident Indian Public and those applications will not be treated as multiple applications.

c) Application under Power of Attorney or by Limited Companies

In the case of applications under Power of Attorney or by Limited Companies or Corporate Bodies, the relevant Power of Attorney/other relevant authority, or duly certified copy thereof, as the case may be, must be lodged separately at the office of the Registrars to the Issue, simultaneously with the submission of the application form, quoting the reference number of the application form.

d) Disposal of application and application money:

- 1) The Board reserves the full, unqualified and absolute right to accept or reject any application in whole or in part. If any application is rejected in full the whole of the application money will be refunded to the applicant. If an application is accepted in part the application money received will be adjusted against the allotment money due on the Equity Shares allotted and the balance, if any, will be refunded to the applicant in terms of Section 73 of the Act. No interest will be payable on application money so refunded.
- 2) Refund Orders to Non Allottees and Share Certificates, with or without Refund Orders, to the Partial Allottees/Allottees will be despatched by Registered Post only, at the applicant's sole risk within 10 weeks or in the event of unforeseen circumstances within such further time as may be allowed by the Stock Exchange at Calcutta from the date of closing of

the Subscription List. The extension if any granted by the Calcutta Stock Exchange will be without prejudice to the liability of the Company to pay interest at the prescribed rate under Section 73(2) and 73(2A) of the Act for delayed payments.

- 3) Refunds will be made by Cheque or Pay Order drawn on the Company's Bankers payable at par at the places where applications are received. Bank charges, if any, for encashing such cheque or pay order will be payable by the applicant. All cheques, pay orders, letters of allotment and share certificates etc. will be despatched to the applicant by Registered Post at the Registered Address and at the sole risk of the applicant.

e) Availability of Prospectus and Application Forms and place of acceptance:

Application forms with copies of the Prospectus may be obtained from the Registered Office of the Company, Underwriters, Brokers to the Issue, Lead Managers to the Issue, Co-Managers to the Issue, Bankers to the Issue, named herein and from the branches of the bankers to the issue, as stated on the reverse of the Application Form.

F) BASIS OF ALLOTMENT:

In the event of the present issue of equity shares being over subscribed, the basis of allotment will be finalised in consultation with the Stock Exchange at Calcutta.

G) INTEREST ON EXCESS APPLICATION MONEY:

Payment of interest @ 15% p.a. for the period of delay beyond 10 weeks from the date of closure of subscription list will be made on the excess application money 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 and letter no. F-14/2/SE/85 dated the 27th September, 1985.

H) ISSUE OF SHARE CERTIFICATES:

Share Certificate(s) shall be delivered as per provisions of section 113 of the Act in exchange of letter(s) of allotment issued, if any.

TAX BENEFITS

The directors are informed that under the current provisions of the Income Tax Act, 1961 (hereinafter referred to as "this Act") and other laws as applicable for the time being in force, tax benefits and deductions that will, inter - alia, be available are as follows:-

TO THE COMPANY

- 1) Under section 2(18) of this Act, the company is a company in which public are substantially interested. Accordingly, it is entitled to lower income tax rate as applicable to such companies and under section 3, the provisions of Wealth Tax Act 1957 are not applicable to it.
- 2) Under section 35 AB of this Act the company will be entitled to amortise over a period of six years the lumpsum consideration paid by it for the purpose of acquisition of knowhow to be used for manufacturing its products.
- 3) The expenses incurred by the company in the nature of preliminary and share issue expenses as specified under section 35D of this Act can be amortised over a period of ten years subject to maximum limit specified therein.
- 4) Under section 80-I of this Act, in case of industrial undertaking commencing production on or before 31st March 1990 the company is entitled to a deduction to the extent of 25% of the profits and gains derived from such industrial undertakings for a period of eight assessment years commencing with the assessment year relevant to the previous year in which the new industrial undertaking begins to manufacture or produce articles or things.
- 5) Under section 80 I or 80-IA of this Act, the company will be entitled to a deduction of 30% of the profits and gains from new Industrial undertaking commencing production on or after 1st April, 1990 or 1st April, 1991 as the case may be, subject to conditions specified therein for ten assessment years commencing with the assessment year relevant to the previous year in which the new industrial undertaking begins to manufacture or produce articles or things.

TO THE MEMBERS OF THE COMPANY

1. Under section 80 I of this Act, a deduction from the total income upto a maximum of Rs.10,000/- in the aggregate per year in respect of any income of the nature specified in the said section including dividends from company, may be claimed by individuals, Hindu Undivided Families and such other persons as are specified in the said section.
2. Members being domestic companies will be entitled to deduction under section 80M of this Act, of an amount equal to so much of the income by way of dividends received from the company as does not exceed the amount of dividend distributed by such domestic companies on or before the due date of filing the return of income.
3. Members being individuals, resident in India, may receive dividends without deduction of income tax at source provided-
 - a) The amount of such dividend paid or distributed during the financial year does not exceed Rs.2,500/- or
 - b) The member avails of the facility of no tax deduction or tax being deducted at lower rate by furnishing a certificate obtained from assessing officer under section 197 of this Act, or
 - c) The member furnishes a declaration in writing in duplicate to the company in the prescribed form and verified in the prescribed manner to the effect that his estimated total income of the previous year in which such income is to be included in computing his total income will be less than the minimum liable to income tax.
- 4) Capital gains upto Rs.15,000/- arising on the transfer of shares of the company held for more than twelve months is fully exempt in the hands of the members. The balance, if any, is subject to further relief available under section 48 of this Act.
- 5) a) Apart from above, members who are individuals or Hindu Undivided Families may claim exemption under section 5(1)(xxiii) of the Wealth Tax Act, 1957 for the value of shares held for the minimum period specified under section 5(3) of the Act together with other exempted assets specified in section 5(1a) and section 5(3) of the Act, upto Rs. 5,00,000/-
- b) Members being companies, may claim exemption under Section 5(1)(xix) of the Wealth Tax Act, 1957 for the value of shares held by them for the minimum period specified under section 5(3) of the Act.

BACKWARD AREA CONCESSIONS AND RELIEFS

A. EXPANSION:

Under section 4-A of the U.P. Sales Tax Act 1948 read with Government of Uttar Pradesh Notification Go. No-8244-Bhau/18-11-231(A) Bha-80 Udyog Anubagh- 11 dtd. Sept. 30, 1982 and Go. No. 1156/Bhau/18-11/Udyog dtd. Jan. 29, 1985 the company is entitled to exemption from payment of Sales Tax, both under state sales tax laws as well as under the central sales tax laws on the sale of finished products manufactured from U.P. project for a period of seven years from the date of commercial production.

B. DIVERSIFICATION

Since the company's Panskura project is being set up in a notified backward area group 'C' under West Bengal incentive Scheme, 1989, as amended, the company will be entitled to the following incentives and benefits to the extent applicable.

- 1) 25% subsidy on capital investment on purchase and installation of captive power generating sets or Rs. 7.50 lacs, whichever is less.
- 2) Subsidy of 30% on electric power tariff of West Bengal state Electricity Board for five years from the date of power supply for production/ commercial operation.
- 3) State Capital Investment Subsidy of 20% on Fixed Capital Investment or Rs.20.00 lacs whichever is less.
- 4) Deferred payment of sales tax due for payment during a period of six years or remission from payment of sales tax for a period of three years subject to a maximum of sixty percent of the gross value of additional fixed capital assets as on the date of first commercial production in either case.

OBJECTS OF THE ISSUE

The objects of the issue are to part finance the cost of the substantial expansion of 7500 TPA of lead oxides at Malwan, Fatehpur, U.P. and for the production of 12000 TPA of new products namely, refined lead/antimonial lead at Kanakpur, Tamluk, Dist. Midnapore, West Bengal as stated elsewhere in this prospectus and to meet the expenses of the present issue. The balance funds of the rights cum public issue and oversubscription, to the extent retained will be utilised for augmenting the long term working capital resources of the company.

PROJECT

The company has envisaged a substantial expansion project at Tehsil Bindike, Dist. Fatehpur, U.P. which is located at Malwan (referred to as Malwan or expansion project in this prospectus) with licensed capacity of 7500 tpa lead oxides and a diversification project at Mauza Kanakpur, Tehsil Tamluk, Dist. Midnapore West Bengal which is located at P.S. Panskura (referred to as Panskura or diversification project in this prospectus) with licensed capacity of 12000 tpa of refined lead/antimonial lead. These projects namely the expansion project and the diversification project have been appraised by IDBI to cost Rs.700 lakhs. In this context after appraisal, IDBI has also sanctioned vide their letter no. PFS 4723/153 dated 29.6.89 rupee term loan assistance of Rs.465 lakhs only. The expansion project at Malwan was commissioned partly during March, 1990 and balance in March, 1991 at a total cost of Rs.165 lacs as against estimate of Rs.176 lacs only. Due to plant modification leading to increase in proposed installed capacity by 25% i.e., from 12,000 tpa to 15,000 tpa and steep rise in cost of construction materials the company envisages an increase in the cost of the diversification project which would now be Rs.709 lacs as against the original estimate of Rs.524 lacs only. The company has vide their letter no. Project/IDBI/2212 dt. 07.08.91 approached IDBI to reassess the cost overrun of Rs.174 lacs in aggregate for both expansion & diversification projects as above and sanction additional term loan assistance to the extent of Rs.116 lacs to enable the company to meet a part of the cost overrun. The balance portion of the cost overrun amounting to Rs.58 lacs is proposed to be funded by the promoters to the satisfaction of the IDBI. This application is under appraisal by IDBI.

COST OF THE PROJECT AND MEANS OF FINANCE

The total cost of the project as originally appraised by IDBI in 1989 estimated at Rs.700 lakhs, is as follows:

	Expansion Project	Diversification	(Rs. Lakhs) Total
Land and site development	4.57	17.91	22.48
Buildings	9.70	42.57	52.27
Plant and machinery			
- Imported	—	30.26	30.26
- Indigenous	37.00	80.98	117.98
Technical knowhow/Consultancy	—	80.30	80.30
Expenses on foreign technicians	—	3.35	3.35
Miscellaneous fixed assets	21.80	95.87	117.67
Preliminary & Pre-operative Expenses	8.50	43.30	51.80
Provision for contingencies	8.43	34.46	42.89
Margin money for working capital	86.00	95.00	181.00
Total	176.00	524.00	700.00

The proposed means of finance for the above mentioned project cost is as follows:

Means of Finance	Expansion	Diversification	Total
1. Equity Capital			
- Rights - Share Capital	40.00	—	40.00
Share Premium	20.00	—	20.00
- Public Issue - Share Capital	—	70.00	70.00
Share Premium	—	35.00	35.00
2. Rupee Term Loan from IDBI, IFCI, ICICI	97.00	368.00	465.00
3. Internal Accrual	19.00	51.00	70.00
Total	176.00	524.00	700.00

The balance amount of Equity (Rs.31.85 lakhs) and Premium (Rs.15.92 lakhs) will be utilised for augmenting long term Working Capital resources of the Company.

The Revised Cost of the projects and their Means of Finance for which an application

has been made to IDBI for appraisal and sanction as stated earlier is given below:

Revised Cost of Project

Particulars	Expansion (Rs. Lakhs)	Diversification (Rs. Lakhs)	Total (Rs. Lakhs)
Land and site development	7.29	28.66	35.95
Buildings	13.64	60.93	74.57
Plant and machinery			
- Indigenous	36.85	165.82	202.67
Technical knowhow/Consultancy	—	96.00	96.00
Expenses on Foreign Technicians & Indian Technicians abroad	—	4.35	4.35
Miscellaneous Fixed Assets	15.79	155.87	171.66
Preliminary & Pre-operative Expenses	7.95	38.80	46.75
Contingencies	8.43	17.17	25.60
Margin money for working capital	75.05	141.40	216.45
Total	165.00	709.00	874.00

Revised Means of Finance

1. Equity Capital			
- Rights - Share Capital	26.67	13.33	40.00
Share Premium	3.33	6.67	20.00
- Public Issue - Share Capital	Nil	70.00	70.00
Share Premium	Nil	35.00	35.00
2. Rupee Term Loan from IDBI, IFCI, ICICI	97.00	484.00	581.00
3. Internal Accrual	28.00	70.00	98.00
4. Unsecured Loan	Nil	30.00	30.00
Total	165.00	709.00	874.00

HISTORY AND BUSINESS OF THE COMPANY

Associated Pigments Limited was incorporated in 1948 as a public limited company. Initially it took over Indian Red Lead Factory Limited, and Indian Lead Products Ltd., Calcutta. The company thereafter entered into a technical collaboration with M/s. Furukawa Battery Company Ltd., Japan, for manufacture of Red lead, Litharge and Lead sub-oxide and with M/s. Sakai Chemical Industries Ltd., Japan for manufacture of zinc oxide and zinc dust. A new factory was set up at Sukchar 24-Parganas, West Bengal in 1955. After expiry of agreement with collaborators the company continued its own R&D for improvement of quality and has modernised its plant and equipment to achieve the present production.

Over the years the company has registered a growth and is today one of the selected few companies in the organised sector manufacturing various lead and zinc oxides excluding units producing such oxides for captive use.

The company has regularly been paying Equity dividend since 1981 initially at 12.5% then increasing it to 15% from the year ended 31.03.1982 and maintaining the same rate till the year ended 31.03.86. Thereafter, for the last five years, the company has consistently paid a dividend of 18% to its equity shareholders. The company also issued bonus shares in 1989 in the ratio of one equity share for every two shares held.

The project of the company located at Malwan, U.P. is an expansion of existing activities at a new site to enhance production capacity so as to increase its market share in India. The diversification project is a backward integration scheme to manufacture refined lead/antimonial lead and a major portion of the production can be used for captive consumption. It is an import substitution project.

FINANCIAL HIGHLIGHTS

The financial highlights of the company as per audited accounts for the past five years and 8 months ended 30.11.91 are as follows:

	Years ended 31st March				(Rs. in lakhs)	
Particulars	1987	1988	1989	1990	1991	30.11.91
Gross Block	263.02	279.65	292.79	401.83	568.08	672.79
Paid up Equity Capital	38.86	38.86	59.78	59.78	59.78	59.78
Paid up Preference Capital	7.13	7.13	7.13	7.13	7.13	7.13
Reserves and surplus (*)	179.90	200.26	197.84	219.83	241.06	271.12
Net Worth	218.76	239.12	257.62	279.61	300.84	330.90
Break up value of Equity Share (Excluding Revaluation Reserves*)	30.56	35.87	26.12	29.80	33.35	38.38
Turnover	1082.27	1425.68	1900.13	1947.82	2256.11	1276.91
Profit before Interest & Depreciation	85.18	99.18	120.65	126.51	127.16	100.41
Interest	37.81	46.27	68.97	68.75	58.71	56.84
Depreciation	9.07	9.72	9.55	12.33	17.28	13.50
Taxation	12.00	15.25	17.45	12.00	18.50	Nil
Net Profit After Tax	26.30	27.94	24.68	33.43	32.67	30.07
Equity Dividend	18%	18%	18%	18%	18%	—

(*) Includes Revaluation Reserves of Rs.101.49 lacs only. Revaluation of assets was carried out during year ended 31st March 1985 by M/s S.R. Batliboi Consultants (P) Ltd. Calcutta.

MAIN OBJECTS OF THE COMPANY

THE OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:-

1. To manufacture, buy, sell, import, export, manipulate, treat and prepare pigments and dyes of all varieties, specially litharge, red lead, white lead, zinc oxide, leaded zinc oxide chrome colours, lithophone, titanium oxide, synthetic oxide of iron, zinc, and copper etc, etc. and paints of all varieties, specially out of the above pigments.
- 1A. To manufacture, produce, formulate, process, refine, finish, extract, use, buy or otherwise acquire, sell, distribute deal in and dispose of organic and inorganic chemicals or chemical products of every nature and description and by-products thereof and products to be made therefrom.
- 1B. To purchase or otherwise acquire from and supply or sell to any person, firm or body corporate or unincorporate, whether in India or elsewhere, plants and machinery, technical information, knowhow, processes, engineering, manufacturing and operating data, plants, layouts, blue prints, designs, licence, patents, inventions, trade marks and other rights and benefits in the foregoing matters and things.
- 1C. To carry on the trade or business of exporters, importers and manufacturers of and dealers in p.v.c. iron and steel, glass, plastics and cement or products thereof.
- 1D. To carry on the business of and act as consultants, technical advisers, designers and turnkey contractors in mechanical, electrical, chemical and civil engineering projects and activities and other allied products in relation to the objects of the company.
- 1E. To carry on the business of exporters, importers and general merchants, shippers, traders, commission agents and concessionaries, agents and any other trade or business in any goods or classes of goods in which the company is authorised to carry on business.
- 1F. To manufacture, process, prepare, preserve, can, refine, bottle, buy, sell and deal whether as wholesalers or retailers or as exporters or importers or as principals or agents, in foods, beverage and drinks and vegetables ghee and alcoholic drinks of all kinds.

The Objects are further fully set out in Memorandum of Association of the Company.

SUBSIDIARY COMPANIES

The company has no subsidiary company as on date.

PROMOTERS

The Company has been promoted by the Sahaya family way back in 1948 for the manufacture of Zinc Oxide & Lead Oxides. Mr. Krishna Nandan Sahaya, B.Sc. (Agr) is the Chairman of the Board. Mr. Kumud Nandan Sahaya, B.Sc. Engg. (Mech & Elec) is the Vice Chairman and Mr. Ravi Nandan Sahaya, B.A. is the Deputy Chairman of the Board. Mr. Rajiv Nandan Sahaya a commerce graduate is the Managing Director of the Company.

MANAGEMENT

Mr. Rajiv Nandan Sahaya, Managing Director looks after all day to day affairs of the company subject to supervision and control by Board of Directors. He is assisted by Mr. Sanjiv Nandan Sahaya, President, who is a qualified chemical engineer and is working with the company since 1982. They are assisted by other experienced and qualified professional managers.

Mr. Krishna Nandan Sahaya, Mr. Shiva Nath Prasad, Mr. Krishna Bahadur and Mr. Shyam Kishore Bhagat are the directors of the Company since more than 21 years. The Company has achieved its growth under their able guidance and supervision. Mr. Kumud Nandan Sahaya, an engineer has worked in various capacities with this Company for more than 25 years and earlier for more than 10 years with M/s. Tata Iron and Steel Co. Ltd. Mr. Ravi Nandan Sahaya has experience of more than 25 years in various business including in running lead and zinc oxides units. Mr. J. Narayan has held key positions in various companies including as Deputy Chairman of ITC Ltd. and Chairman of Coates of India Limited. Prior to his appointment as Managing Director, Mr. Rajiv Nandan Sahaya worked with this Company since 1979.

MANAGING DIRECTOR

Mr. Rajiv Nandan Sahaya has been appointed as a managing director of the company for a period of five years as per the terms and conditions given elsewhere in this prospectus.

BOARD OF DIRECTORS

Name, Description, Address & Occupation	Other Directorships
Mr. Krishna Nandan Sahaya S/o of Late Mr. Shyam Nandan Sahaya Chairman Sahaya Sadan, Bailey Road, Patna- 800 001	Sahaya Properties & Investment (P) Limited IEW Engg. Pvt. Limited Metropolitan Co-op Housing Society Ltd
Mr. Kumud Nandan Sahaya S/o Late Mr. Dev Nandan Sahaya Vice Chairman 26-C Alipore Road Calcutta - 700 027.	IEW Engg. (P) Limited Sahaya Properties & Investment (P) Ltd.
Mr. Ravi Nandan Sahaya S/o Mr. Krishna Nandan Sahaya Dy. Chairman C-702, New Friends Colony New Delhi - 110 065	Nil
Mr. Krishna Bahadur S/o Late Mr. Amir Chand Director 12, Rajendra Nagar Patna - 800 016	Nil
Mr. Shyam Kishore Bhagat S/o Late Mr. Jugai Kishore Bhagat Director C/o. Kishore Brothers 8 Lyons Range Calcutta - 700 001	Nil

Mr. Shiva Nath Prasad
S/O Late Mr. Braj Kishore Prasad
6C, Short Street
Calcutta - 700 016
Director

Mr. Jandhyala Narayan
S/o Mr. Jandhyala Bala
Sundara Rao
Raja Santosh Road, Alipore,
Calcutta 700 027.

Mr. Thomas Pandankallunkel Thomas
S/o Rev. P.V. Thomas
(Nominee Director-DBI)
Flat No. 2/2, 6, Sunny Park
Old Ballygunge
Calcutta 700 017

Mr. Rajiv Nandan Sahaya
S/o Late Mr. Keshava Nandan Sahaya
Managing Director
26C Alipore Road
Calcutta-700 027

Birla Buildings Ltd
Jute Investment Co. Ltd.
Baroda Agents & Trading Co. Limited
East India Invst. Co. Pvt Ltd
Hitek Industries (Bihar) Ltd
Asian Distributors Ltd
Gwalior Weaving Co. Ltd.
Coats of India Ltd.
ITC Computers Software Ltd.

Niket Udyog Limited

Nil

LOCATION

For the expansion project, the company has acquired 13005 sq.mts. of land at Malwan Industrial Area, Fatehpur U.P. from UPSIDC on 90 years lease. The plot is located near the national highway-2 at a distance of 10 kms. from Fatehpur. The railway line is 3 kms. away from the site. With the setting up of this expansion project, the Company will be able to cater to the demand of lead oxides from Northern & Western regions. The company has acquired 6.995 acres of land for implementation of the diversification project at Panskura, Dist. Midnapore, West Bengal. This land is located besides national highway -6 near Koliaghat.

LAND AND BUILDING

A. EXPANSION PROJECT

On 16th May 1988 the company entered into an agreement with the U.P. State Industrial Development Corporation (UPSIDC) for acquisition of plot no B-4 & B-5 admeasuring 13005 sq.mts. in aggregate at industrial area Malwan Dist. Fatehpur. Subsequently on 21st, July 1990 the company signed a lease deed for acquisition of the said plots on lease for a period of 90 years.

The civil works of the project has been completed and the project has commenced commercial production in March, 1991.

B. DIVERSIFICATION PROJECT:

The company has purchased 32 plots of agricultural land admeasuring 6.995 acres from several owners at Panskura, Dist. Midnapore, West Bengal. Subsequently, the company applied for conversion of the said plots of land for industrial use. The District Land and Land Reform Officer vide order no. 2856 dated 26/03/90 has allowed conversion of 31 plots of land admeasuring 6.365 acres for industrial use. The company has vide letter no GMP/LR/002/4462 dated 26.11.90 approached the District Land and Land Reform Officer to also allow the conversion of the remaining plot of land admeasuring 0.630 acres for industrial use. In the opinion of the Board, the letter of conversion would be available shortly. However, even if there is a delay the same would not hamper the implementation schedule of the project nor the commencement of commercial production.

THE CONSTRUCTION IS IN PROGRESS AT PANSKURA AS BELOW:

- | | |
|---|-----------|
| A) Boundary wall/ fencing: | completed |
| B) Earth filling/road laying/ levelling | completed |
| C) Pile foundation | completed |
| D) Shed foundation | completed |
| E) Shed fabrication work: in advanced stage | |
| F) Machine foundation : completed for most of plants machineries and equipments | |
| G) Deep tubewells: already sunk for uninterrupted supply of water | |

PLANT AND MACHINERY

A. For the expansion project the required plant and machinery has been installed and commercial production has commenced.

B. For the diversification project the design of the entire plant and machinery has been provided by M/s Bhas, Australia who have provided the technical knowhow. The company has appointed M/s CMDC Designs Pvt. Ltd. as its Indian consultants vide letter no GMP/LR/007/1726 dtd. 27.06.1990 to provide detailed engineering services and assist the company in selection of required plant and machinery. The company has thereafter finalised and placed orders for all major items of plant and machinery. The main plant and machinery consists of Rotary Furnaces for smelting of lead bearing material, Refining Furnaces for refining crude lead, casting machines for casting of lead ingots, Bag House for control of dust and other associated accessories including Burners, Electricals, Refractories, Gears, Motors, Material handling equipments etc. for running the above machinery.

Delivery and installation of almost all the major equipment for starting a part of production by March 1992, has been completed as given below:

Item	Quantity Proposed	Present Status
1. Weigh Bridge & Accessories	One	Installed and being used.
2. Bag House with Centrifugal Fan and accessories	Six modules	3 modules installed and ready for commissioning in March '92. Balance 3 modules received & installation to be completed by May '92.
3. Rotary Furnace with Gear assembly, Motors & Accessories.	Two Sets	One set installed & ready for commissioning in March '92, the other set delivered & installation to be completed by June '92.
4. Burners & Accessories	Two sets	Both installed and ready for commissioning in March '92.
5. Lead Ingots Casting Machine	One	Installed and ready for commissioning by March '92.
6. Refining Pot	Four	Two installed and ready for commissioning by March '92, balance two delivered and installation to be completed by May '92.
7. Electric Fork Lift	Two sets	Delivered and ready for use
8. P.C.C./M.C.C.	Two sets	Installed
9. Generator Set	One	Delivered and ready for use
The Refining Section of the Plant and Machinery installed as above are sufficient to start production by March 1992.		

TECHNICAL ARRANGEMENTS

A. EXPANSION PROJECT

The expansion scheme has been implemented departmentally as necessary expertise was available with the company. The expansion project has already been completed.

B. DIVERSIFICATION PROJECT

For the diversification project the company has on 21st September, 1988 entered into a technology transfer agreement with Broken Hills Associated Smelters (Bhas), the Govt. of India Ministry of Industry, Department of Industrial Approvals, SIA (Foreign Collaboration Section) has vide its letter no. FC.ii.77(88)/801(87) dated 4th April, 1988 and F.C.ii.77(88)/801(87) dated 7th July, 1988 respectively approved the terms of such collaboration with Bhas, which is a wholly owned subsidiary of CRA Ltd. Australia. M/s CRA Ltd. and its group companies are engaged in mining, processing, fabrication and marketing of various metals/minerals like lead, iron ore, aluminium, zinc, gold, silver, diamonds etc., in Australia and overseas. MMTC Ltd. which is supplying lead to the company is making bulk purchases of lead from CRA Ltd. M/s Bhas would provide the knowhow and basic engineering and would assist/advise the company in plant design and layout, supervise start-up and commissioning of the plant and train key personnel in Australia. The company has obtained government/RBI approval for the collaboration agreement and for remittances of fees etc. to the collaborator. Under the terms of the agreement, the company would pay to Bhas lumpsum amount of aus \$50,000 towards technical know-how fees in three instalments; the first 1/3 after the agreement is filed with RBI, the second 1/3 after delivery of technical documentation and the third 1/3 after commencement of commercial production or 4 years after the agreement is filed with RBI whichever is earlier. The fee for design, engineering consultancy etc., payable to Bhas is U.S.\$ 0.27 million. Bhas has given performance guarantee for average daily production of 85% of rated plant capacity.

PRODUCT

Presently the company is producing oxides of lead and zinc and lead salts at its B.T. Road Factory and lead oxides at Malwan U.P. Where the aforesaid expansion project is located. Manufacture of refined lead & antimonial lead is proposed at Panskura factory after commissioning of the diversification project.

Lead oxides are used mainly in manufacture of storage battery plates. There are very few manufacturers of this industrial raw material in organised sector. Similarly zinc oxides manufactured by the company is basic raw material for various industries such as rubber, tyre, paints etc.

RAW MATERIALS

The basic raw material for existing and expansion project are lead and zinc which are mainly supplied by Hindusthan Zinc Ltd., MMTC Ltd., (canalised agency) and other small manufacturers. The main raw material for diversification project, viz battery scrap will be imported from countries like Australia, Singapore and Middle East etc. The company also anticipates to meet 40% of its requirement of battery scrap from indigenous suppliers. Moreover after commissioning of refined lead plant at Panskura the company proposes to utilise 50% of the production for captive consumption at its B.T. Road factory and at Malwan where the expansion project has been set up.

UTILITIES

A. POWER

The expansion project has been designed and implemented by the Company in-house with its own technical expertise and in the opinion of the company, the expansion project at Malwan requires 175 kva of power. In this context the company had applied for and obtained sanction of the entire 175 kva of power from Uttar Pradesh State Electricity Board. A suitable agreement to this effect was entered into between Uttar Pradesh State Electricity Board and the company on 28.05.1990. However, as a measure of abundant precaution, for standby purposes, the company has installed a D.G. set of 200 kva.

For the diversification project at Panskura, estimated power requirement is 490 kva. In this context on 13th march, 1991 the company entered into a five year agreement with West Bengal State Electricity Board whereby power supply of 450 kva would be available to this project for the first two years. Subsequently, the extent of power supply would be 490 kva. However, to ensure uninterrupted power supply to the project on a regular basis, the company has procured a D.G. set of 320 kva and proposes to install another D.G. Set of same capacity.

B. WATER

There is no requirement of water for the expansion scheme. A

tubewell has been installed for sanitation purposes. Requirement of water of 20 cubic mts. per day for the diversification scheme would be met from one tubewell which has already been installed at the site.

C. COKE & FURNACE OIL

The requirement of coal at full capacity for the Malwan unit would be 3600 tonnes per year. The requirement of coke for the Refined lead project at Midnapore would be 960 tonnes per year and the requirement of furnace oil would be 3050 kl per year. For its existing operations, the company requires approximately 3000 tonnes of coal and 30,000 kilo litres of furnace oil for which the company has established reliable sources of supply. The additional requirement resulting from increased scale of operations would also be met in similar fashion. The company does not envisage any difficulty as regards supply of these items.

EFFLUENTS

No liquid effluents would be generated at either of the units at Malwan and Panskura. Regarding gaseous effluents, the process at Panskura would generate about 3000 cu.m of fumes/flue gas per minute and at Malwan 560 cu.m. of fumes/flue gas would be generated. The company proposes to instal cyclone separators and bag filters (included under the scheme) for filtering the solid particles at both the sites. The work of setting up the said cyclone separators and bag filters has been completed at the expansion project of the company at Malwan. Subsequently, the company has also vide letter no. 454/C/1975/90/3 dated 27.07.90 from the Uttar Pradesh Pollution Control Board obtained their consent for discharge of trade/ domestic effluent.

As regard installation of the cyclone separators and bag filters at the diversification project, the same is under implementation. In this context, the company has approached the West Bengal Pollution Control Board which has vide letter no. 2220/225-88/89 dated 18.11.88 expressed that it has no objection from the environmental point of view to the company's setting up of the factory at Panskura provided the company ensured adherence to certain conditions set out in this letter. The company in this behalf has ensured that these requirements be satisfied and has thereafter obtained site clearance for setting up the proposed diversification project from the Govt. of West Bengal, environment department vide their letter no. ENV/782/IW-49/88 dated 15th June, 1989.

MANPOWER

The company has already recruited most of its senior and middle management personnel both technical and managerial for the project and the remaining recruitment will be made in consonance with the project implementation schedule. Adequate work force for the plant operations is available locally, and the company envisages no difficulty in obtaining the requisite skilled and unskilled labour.

PROJECT IMPLEMENTATION SCHEDULE

As mentioned elsewhere in this Prospectus the expansion project has already been completed at a total cost of Rs.165 lacs through term loans from financial institutions, promoters contribution against Rights Issue and internal accruals. The land for the diversification project has also been acquired and site development work has been completed. The major portion of the civil work has already been completed to enable commencement of production. The balance work which are under progress such as stores, sheds in respect of Machinery not yet installed etc. is expected to be completed by May, 1992. Orders for main plant and machinery have been placed and delivery as well as erection thereof are in progress as detailed under the heading Plant and Machinery.

The total expenditure on diversification project upto 30th November, 1991 was Rs.2.82 crores as stated in the Audited Balance Sheet as on 30.11.91 given in paragraph containing Financial Information. The company has since then incurred major expenditure on this project and the total expenditure upto 25th March, 1991 was Rs.4.55 crores.

Barring unforeseen circumstances, the company expects to commission a part of the plant for commercial production by March, 1992 and the balance by June, 1992.

MARKETING AND SELLING ARRANGEMENTS

Major uses of lead are for the manufacture of storage batteries, paints and chemicals, pipe, sheets and foils. Other uses include

manufacture of printing metals, bearing metals and tetraethyl lead. Lead is produced either from primary source or secondary source. In the field of primary source Hindustan Zinc Ltd., is the only producer in organised sector whereas Indian Lead Pvt. Ltd. is the only producer of lead from secondary source in the organised sector. Rest of the lead from secondary source is being produced by units in unorganised sector. The aggregate installed capacity of the two units in the organised sector is 54000 tpa. Exact information about the installed capacity in the unorganised sector is not available. The total production of lead during the year 1986-87 was 41,300 MT (organised 31,300 MT and unorganised 10,000 MT). As against this demand was 80,600 MT. The country imported 38,000 MT during the year to make good substantial part of the gap. Assuming a capacity utilisation of 90% for the existing units, the production for the year 1992-93 has been estimated at 58,600 MT. The above are based on the Techno Economic Feasibility Report dated December 18, 1987 of M/s. Chemical & Metallurgical Design Co. Ltd., Calcutta.

Based on a market study conducted by M/s Chemical and Metallurgical Design Co. Limited adopting end-use method and a growth rate of 3.3% and 4.5% for the (i) battery (ii) chemical and (iii) pipe and fabrication industries respectively, the demand for lead for the year 1992-93 has been estimated at 1,24,055 te and a demand supply gap of 65,455 te is anticipated during 1992-93 which would have to be met by way of imports.

The proposed plant of the company would have an installed capacity of 15000 tpa and is expected to produce 9,000 mt refined/antimonial lead from 1992-93 onwards. Besides, the company has consumed 6800 mt of lead in its existing units during 1990-91 and its requirements would increase further. The company expects to consume captively 50% of the production and sell the balance to other consumers like Chloride India Ltd. Standard Batteries Ltd, Cable Corporation of India Ltd, Incab Limited, Hindustan Cables Limited, Forglster Industries Limited and so on depending on appropriate price consideration and other terms.

The company has established customers all over the country and markets around 7000 tpa of lead oxides. The clientele includes Amco Battery, Chloride, UBmec Batteries, Philips India, H.M.T. etc. Who are lead oxide battery/Bulbs manufacturers and various small scale battery units all over the country. The annual requirement of the existing customers has been estimated at 28000 tpa of which about 7000 tpa is met by the company from the existing unit. The company would be able to augment its supplies to the existing customers itself and market the production of 14,000 tpa after its expansion scheme. Other potential customers include various parties in pipeline like Prakash Pipes, GNFC, Sandvik Batteries and Samtel Colour etc.

EXPORT POSSIBILITIES/OBLIGATION

There is no export obligation/commitment imposed on the Company by Govt. of India or any other Agency.

BUSINESS AND FUTURE PROSPECTS

The expansion scheme would enable the company to enlarge its market in the northern and western region and also result in considerable saving in cost of production and freight charges. The diversification scheme is a backward integration project and 50% of the production is likely to be used for captive consumption. Besides the product being an import substitute it will save valuable foreign exchange. The profitability and viability of both the projects as originally appraised by the IDBI (who are the lead institution in providing the financial assistance for the projects) are satisfactory. In the opinion of the Board, the cost overrun resulting partly from the decision to instal plant and machinery of a higher capacity would make the project more profitable and viable. As mentioned elsewhere in this prospectus, the revised cost of projects and its means of finance is currently under appraisal by IDBI. The company has consistently been paying dividend since 1981. With the commissioning of these projects, the operations of the company are likely to be strengthened further. The company expects to produce 10,500 m.t., of lead oxides and 9,000 m.t. of refined/ antimonial lead from its existing and new operation during the financial year ended 31st March, 1993.

For the Diversification Project the Company expects to achieve a capacity utilisation of 60% during first full year from date of Commercial Production i.e. during 1992-93 and 80% thereafter in next two years. The Company expects to earn net profit from the second year of operation. However, the cash profit is expected from the very first year of Commercial Production. The projected profitability for this diversification project for the first

three years from the date of Commercial Production is given below:-

Year	Projected Net Profit (+)/ Loss(-) Rs. in lacs	Projected Cash Profit Rs. in lacs
I	(-) 19.44	30.42
II	(+) 34.31	84.17
III	(+) 40.29	90.15

The above statements are based on the Revised Projected Profitability Statements submitted to IDBI with reference to Cost over Run Application vide Letter No. Project/IDBI/2212 dated 7.8.91. The Board of Directors are of the opinion that the Company as a whole will earn sufficient distributable profits for payment of reasonable dividend on enhanced capital in future.

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

SHARE PRICE QUOTATION ON CALCUTTA STOCK EXCHANGE

The high and low price of equity shares of Rs. 10/- each as per the Calcutta Stock Exchange quotation is given below.

A) DURING LAST THREE YEARS	HIGH Rs.	LOW Rs.
1988	32.50	16.85
1989	32.75	16.50
1990	26.00	24.00
B) DURING 1991		
JANUARY	X	X
FEBRUARY	27.00	X
MARCH	X	X
APRIL	29.00	X
MAY	X	X
JUNE	X	X
JULY	X	X
AUGUST	28.25	26.50
SEPTEMBER	30.00	28.00
OCTOBER	X	X
NOVEMBER	35.00	31.00
DECEMBER	36.75	35.00
1992		
JANUARY	38.00	37.00
FEBRUARY	56.00	42.00

LAST PUBLIC ISSUE

The company as well as the group companies within the meaning of section 370(1-B) of the Companies Act, 1956 have not made any public issue during last three years.

OUTSTANDING LITIGATIONS

The company has filed a writ petition before West Bengal Sales Tax Tribunal for refunds and obtained stay for payment of purchase tax. The liability for this, for which no provision has been made in the accounts is estimated at Rs. 23.76 lacs, upto 30.11.1991. (Rs. 18.23 lacs as on 31.3.91).

DEFAULTS

There is no default in meeting statutory dues, institutional dues, dues of fixed depositors, preference shareholders etc by the company.

MATERIAL DEVELOPMENTS SUBSEQUENT TO LAST BALANCE SHEET

There is no material development after the 30th november, 1991, being the date upto which latest balance sheet has been made up which will adversely affect the performance and prospects of the company.

RISK FACTORS AS PERCEIVED BY THE MANAGEMENT

1. The import of raw materials required and its cost is dependent on govt. policies and regulations.
2. Cost overrun and its means of finance is subject to approval by financial institutions for which application has been made.
3. The company has obtained NOC from State Pollution Control Boards but final consents are required to be obtained.
4. Selling price fluctuates due to international market conditions, exchange rates, custom duties and pricing policies of MMTC Ltd.

The management is however confident to overcome the risks in view of its past experience in dealing with these and similar products.

GENERAL INFORMATION**CONSENTS**

Consents in writing from the lead managers, co-managers, registrars, advisors, legal advisors, bankers, brokers and underwriters to the issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, West Bengal at Calcutta alongwith a copy of this Prospectus as required under section 60 of the act and none of them have withdrawn their consent upto the date of delivery of a copy of this prospectus for registration with the Registrar of Companies, West Bengal, at Calcutta.

M/s S.M. Roychowdhury & Company, Chartered Accountants, Auditors of the Company have given their written consent to the inclusion of their report in this prospectus in the form and context in which it appears herein and such consent has not been withdrawn upto the date of filing of this prospectus with the Registrar of Companies, West Bengal at Calcutta.

EXPERT OPINION OBTAINED IF ANY

Except for the various opinions expressed elsewhere in the prospectus namely as regards to tax benefits etc., the company has not obtained any other expert opinion.

CHANGE IN BOARD OF DIRECTORS AND AUDITORS IN LAST THREE YEARS AND REASONS THEREOF

The change in Board of Directors since January 1989 is given below.

1. KESHAVA NANDAN SAHAYA

Change due to death, on 14.06.89, He was managing director of the company

2. KUMUD NANDAN SAHAYA

He has been appointed as a director with effect from 25.08.89. He is also the vice chairman of the Board of Directors.

3. RAVI NANDAN SAHAYA

He has been appointed as a director with effect from 25.08.89. He is also deputy chairman of the Board of Directors.

4. RAJIV NANDAN SAHAYA

He has been appointed as a director with effect from 25.08.89. He is also the managing director of the company since 01.09.89.

5. DILIP KUMAR GHOSH

He resigned from the Board of Directors of the company on 15th March, 1990 due to personal reasons.

6. J. NARAYAN

He has been appointed as a director with effect from 22.01.91.

6. P.T. THOMAS

He has been appointed to the Board of Directors of the company by IDBI as Nominee Director with effect from 6th May, 1991.

There is no change in auditors during the last three years.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to sec. 81 (1A) of the Act, the present issue has been authorised by the shareholders of the company by a special resolution passed at the extraordinary general meeting of the company held on 23.04.1990.

OVERSUBSCRIPTION

In the event of oversubscription of the equity shares issued in terms of this prospectus, the company will have an option to retain a portion of such excess capital subscribed, upto a maximum, of 15% of the issue. The CCI vide its letter date 12.6.1991 has noted the company's intention to retain excess subscription upto 15% of the issue. The amount of oversubscription so retained by the company is proposed to be utilized for augmenting the company's long term working capital resources.

ISSUE OF SHARE CERTIFICATES

The share certificates shall be delivered in accordance with the provisions of section 113 of the Act in exchange of allotments letter(s) issued if any.

NAMES AND ADDRESS OF:**REGISTERED OFFICE**

'LAND MARK' (11TH FLOOR)
228 A, ACHARYA JAGADISH CHANDRA BOSE ROAD
CALCUTTA - 700 020 (WEST BENGAL)

FACTORY (EXISTING)

- a) 260, B.T. ROAD
SUKCHAR, 24 PARGANAS
WEST BENGAL
- b) PLOT B-4 & B-5
UPSIDC INDUSTRIAL AREA
TEHSIL-BINDIKE, MALWAN
DIST- FATEHPUR (U.P.)

PROPOSED

MOUZA- KANAKPUR, TEHSIL-TAMLUK
P.S.- PANSKURA, DIST-MIDNAPORE,
WEST BENGAL

COMPANY SECRETARY

SHRI R.N. PRAJAPATI
SECRETARY-CUM-FINANCIAL CONTROLLER
K-14, CLUSTER-IV, PURBACHAL HOUSING ESTATE
SALT LAKE, CALCUTTA- 700 091

LEGAL ADVISORS

SRI TAPAN CHANDRA DUTT
ATTORNEY-AT-LAW & ADVOCATE
10, KIRON SHANKAR ROY ROAD,
CALCUTTA-700 001

LEAD MANAGERS

ALLBANK FINANCE LIMITED
MERCHANT BANKING DIVISION
CONTINENTAL CHAMBERS,
15/A HEMANTA BASU SARANI,
CALCUTTA- 700 001

BOI FINANCE LIMITED
STOCK EXCH. TOWERS
DALAL STREET,
BOMBAY- 400 023.

CO MANAGERS

- 1. KARUR VYSYA BANK LTD.**
213D, MAHATMA GANDHI ROAD (2ND FLOOR)
CALCUTTA 700 007
- 2. CRB CONSULTANTS (P) LTD.**
8B-LAL BAZAR STREET, 3RD.FLOOR
CALCUTTA-700 001.

REGISTRARS TO THE ISSUE

PCS DATA PRODUCTS LTD
PODDAR POINT, BLOCK 2C
113, PARK STREET
CALCUTTA - 700 016

BANKERS TO THE ISSUE

ALLAHABAD BANK
14, INDIA EXCHANGE PLACE
CALCUTTA - 700 001

BANK OF INDIA
44 J.L. NEHRU ROAD
CALCUTTA - 700 071

STANDARD CHARTERED BANK
14, N.S. ROAD,
CALCUTTA-700 001

KARUR VYSYA BANK LTD.
213B, 2ND FLOOR, M.G.ROAD,
CALCUTTA-700 007

THE FEDERAL BANK LTD.
11, CLIVE ROW,
CALCUTTA-700 001

STATE BANK OF MYSORE
1&2, OLD COURT HOUSE CORNER
CALCUTTA-700 001.

AMERICAN EXPRESS BANK LTD.
21, OLD COURT HOUSE STREET
CALCUTTA 700 001.

STATE BANK OF INDIA
1, STRAND ROAD
CALCUTTA - 700 001

AUDITORS

S.M.ROYCHOWDHURY & CO.
66D SOUTHEAST PARK,
CALCUTTA- 700 029.

BANKERS TO THE COMPANY

BANK OF INDIA
Industrial Finance Branch
5, B.T.M. Sarani
Calcutta 700 001

ALLAHABAD BANK
INDUSTRIAL FINANCE BRANCH
16, STRAND ROAD
CALCUTTA - 700 001

STANDARD CHARTERED BANK
4, N.S. ROAD
CALCUTTA 700 001

PRINCIPAL BROKERS TO THE ISSUE

AHMEDABAD

GAUTAM N. JHAVERI
JHAVERI BLDG.
OPP. BANK OF INDIA
MANEK CHOWK
AHMEDABAD 380 001

JYOTISH BHOGILAL SHAH
F-5 VISHAL CHAMBERS
NEAR DINESH HALL
ASHRAM ROAD
AHMEDABAD 380 009.

NIRMAY S. SHAH
ASHISH BUNGALOW
NEAR PALDI BUS STAND
NEXT TO GAJARIWALA FLATS
AHMEDABAD 380 007.

PRAVIN RATILAL SHAREDAL
437 MANEK CHOWK
AHMEDABAD 380 001.

BANGALORE

AGRAHAR & CO.
MANISH TOWERS, 5TH FL.
J.C. ROAD
BANGALORE 560 002.

BOMBAY

ASHVIN CHINUBHAI & SONS
BHUPEN CHAMBERS 2ND FL.
9, DALAL STREET
BOMBAY 400 023.

MUKESH MANSUKHLAL
A- GROUND FL.
24-B RAJABAHADUR COMPOUND
BEHIND LALIT RESTAURANT
AMBALA DISHI MARG
BOMBAY 400 023.

SUNDERDAS KALYANJI KANKAL
CAMA BLDG. 4TH.FL.
DALAL STREET, FORT,
BOMBAY 400 023

BIMAL S. GANDHI
315, DALAMAL TOWERS
211, NARIMAN POINT
BOMBAY 400 021.

JASHVANTLAL CHHANGANLAAL & CO.
29, BHUPEN CHAMBERS, 1ST FL.
DALAL STREET
BOMBAY 400 001.

PARESH BHAGWANDAS SHAH
612-A, STOCK EXCH. TOWER
DALAL STREET
BOMBAY 400 023

UDAY S. KOTAK
32, RAJABAHADUR COMPOUND
BOMBAY SAMACHAR MARG
OPP: BANK OF MAHARASHTRA
FORT, BOMBAY 400 001

CHIMANLAL J.DALAL & SONS
BHUPEN CHAMBERS, 2ND FL.
9, DALAL STREET, FORT
BOMBAY 400 023.

JASVANTLAL CHOTALAL & CO.
BHUPEN CHAMBERS
DALAL STREET
BOMBAY 400 023.

RAMESH SHET
NO.7 CHOWK SIDE
CAMA BLDG, GRD. FL.
DALAL STREET
BOMBAY 400 023.

VIDYUT DEVENDRAKUMAR
2, GROUND FLOOR
RAJABAHADUR MANSION
NEXT THE BANK OF KARAD LTD.
32, HAMAM STREET
BOMBAY 400 023

ANIL MITHALAL & CO.
MEHTA BLDG. 2ND FL.
HAMAM STREET, FORT,
BOMBAY 400 023.

D.A. SHAH & SONS
24-B RAJABAHADUR COMPOUND
HAMAM STREET, GRD FL. FORT,
BOMBAY 400 023.

KETAN M. PAREKH
48 BANK STREET
KHATAU BLDG. GR. FL.
S.B.S. ROAD
BOMBAY 400 023.

S.J. THACKER
CRESCENT CHAMBERS
5TH FL. FORT
TAMARIND LANE
BOMBAY 400 023.

BUBHANESHWAR

DAS & ASSOCIATES
B.J.31 B.J.B NAGAR
BHUBANESWAR 751014.

SCA & CO.
162 BAPUJI NAGAR
BHUBANESWAR 751 009.

CALCUTTA

ABHIJIT UPADHYAYA & CO.
WARDLEY HOUSE
25, SWALLOW LANE, 3RD. FL.
CALCUTTA 700 001.

LATH & CO.
1&2 FORTUNE CHAMBERS
6, LYONS RANGE, GR.FL.
CALCUTTA 700 001

SAJJAN KUMAR SARAF
7, LYONS RANGE
3RD. FLOOR
CALCUTTA 700 001

MAHESH SHAH & CO.
1/1, MONICA BUILDING
9B, LORD SINHA ROAD
CALCUTTA 700 071

D. K. DEY
C/O LAKSHMI FIN. TRADERS
9, OLD CHINA BAZAR STREET
CALCUTTA 700 001

OM PRAKASH KHAITAN
2, KHETRA DAS LANE
MISSION ROW EXTN.
NEAR BROADWAY HOTEL
CALCUTTA 700 012

VINOD BAID & CO.
SUIT NO. 4, 5TH FL.
SHANTINIKETAN
8, CAMAC STREET
CALCUTTA 700 017

KESHAV KUMAR SARAF & CO.
63, RADHA BAZAR STREET
3RD. FL. ROOM 17
CALCUTTA 700 001

PRAKASH NAHATA
6, LYONS RANGE
GRD FL., FORTUNE CHAMBERS
ROOM NO. 4
CALCUTTA 700 001

COCHIN

AASHISH & CO.
C/O MADRAS AUTO AGENCIES
36/11, BANERJI ROAD
ERNAKULAM
COCHIN 682 018

NIRMAL MEHRA
BABA BHAVAN
CLUB ROAD
GIRI NAGAR
COCHIN 680 020

CHETAN MEHRA
C/O MRS. A. SANKARAN
ANJALI 29/496B, KADAVANTHARA ROAD
COCHIN 682 020

DILIP K. SHAH
39/5522 KURUSUPALLI ROAD
TARAKADAM ESTATE
ERNAKULAM
COCHIN 682 015

S. P. RATHI
XLI/190, YMCA LANE
CHITTOOR ROAD
ERNAKULAM
COCHIN 682 036

ARUN MEHRA
C/O MEERA & CO.
SADANAM ROAD
COCHIN 680 020

HITESH SHAH
C/O NAYAN CORPORATION
XXXVII/364A MARKET ROAD
ERNAKULAM
COCHIN 682 011

GUWAHATI

KRISHNA KUMAR JALAN
12 NEW MARKET
GUWAHATI 781 001

MAHENDRA K. SARAOGI
C/O NIRMAL KR. BINOD KR.
H. B. ROAD, FANCY BAZAR
GUWAHATI 781 001

HEMANT RAJ JAIN
C-19 BABU BAZAR, 2ND FL.
FANCY BAZAR
GUWAHATI 781 001

HYDERABAD

RAMAKANTH INANI
15 RAGHAVA RATNA TOWERS
GR. FL. CHIRAG ALI LANE
HYDERABAD 500 001

SHASHANK VAIDYA
3/4/253, KACHIGUDA
HYDERABAD 500 027

INDORE

ASIT KUMAR BHATT
84, SIYAGANJ
TIJORIGALI
INDORE 452 007

MAHESHWARI INVESTMENTS
14/7 NORTH RAJMOHALLA
INDORE 452 002

SUNIL AGARWAL
13, SOUTH HATHIPALA
INDORE 452 007

NIRMAL & CO.
20/11, YESHWANT NIWAS ROAD
BEHIND CENTRAL BANK
INDORE 452 003

KAILASH MEHRA
C/O M/S HARNARAYAN MOTILAL
2/4 JAWAHAR MARG
RATHORE CHAMBERS, SIYAGANJ
INDORE 452 002

SANTOSH & CO.
29 DHENU MARKET 1ST. FL.
PO. BOX NO. 222
S.G.S.I.T.S. ROAD
INDORE 452 003

KANHAIYALAL DWARKADAS & CO.
14/7 NORTH RAJMOHALLA
INDORE 452 002

SHARAD BHANDARI
17, NEW DEWAS ROAD
INDORE 452 003

JAIPUR

R. C. GOENKA
GOENKA HOUSE
D/75, GHIYA MARG
1ST. FL. BANI PARK
JAIPUR 302 016

AJAY KAPUR
B/48, PRABHU MARG, TILAKNAGAR
JAIPUR.

K. B. MALHOTRA & CO.
K/13, BAL MARG, TILAKNAGAR
JAIPUR 302 004

KANPUR

HARISH SHAH & CO.
55/112, GENERAL GANJ
KANPUR 208 001

SOOD INVESTMENT SERVICES
14/113, CIVIL LINES
PADAM TOWERS
KANPUR 208 001

RAJESH MITTAL & CO.
14/113, PADAM TOWERS,
CIVIL LINES
KANPUR 208 001.

A.K. MITTAL & CO.
14/113, PADAM TOWERS,
CIVIL LINES
KANPUR 208 001.

LUDHIANA

H. ARORA & CO.
212 MODEL GRAM
LUDHIANA 141 002

MADRAS

PATTERSON & CO.
VANGUARD HOUSE
48, SECOND LINE BEACH
MADRAS 600 001.

MANGALORE

RASIKLAL M. SHAH
THE SILVER OAKS
COCONUT GARDEN, MAROLI
MANGALORE 575 005

BRIJEN ASHAR
C/O COLACE & ARANHA
BENDORE ROAD, UPPER BENDORE
MANGALORE 575 002

NEW DELHI

BEHARI LAL & CO.
STOCK EXCHANGE BLDG.
ASAF ALI ROAD
NEW DELHI 110 002

RAJA RAM BHASIN & CO.
JEEWAN MANSION
8/4 D. B. GUPTA ROAD
NEW DELHI 110 055

SHAKTI & CO.
DELHI ST. EXCH. BLDG.
ASAF ALI ROAD
NEW DELHI 110 002

BHASIN & CO.
8/4 JEEWAN MANSION BLDG.
D. B. GUPTA ROAD
NEW DELHI 110 055

PADAM JAIN & CO.
4/9 ASAF ALI ROAD
(NEAR BANK OF INDIA)
NEW DELHI 110 002

SUBHASH CHUGH & CO.
1110 PRAKASH DEEP
7, TOLSTOY MARG
NEW DELHI 110 001

PRASAD & CO.
3/17-A, ASAF ALI ROAD
GROVER MANSION
NEW DELHI 110 002

SAREEN & CO.
UB-3 INDRA PRAKASH
21 BARAKHAMBHA ROAD
NEW DELHI 110 001

AMRIT LAL BAJAJ & CO.
606, KAILASH BUILDING
26, KASTURBA GANDHI MARG
NEW DELHI - 110 001

KRISHAN LAL MONGA & CO.
G-1A, G.F. SKIPPER BHAWAN
22, BARAKHAMBHA ROAD
NEW DELHI 110 001

VIJAY FINANCIAL SERVICES
H-45 CONNAUGHT PLACE
NEW DELHI 110 001

PATNA

SHREE PRAKASH BAHETI
BIHAR INDUSTRY ASSN. PREMISES
SINHA LIBRARY ROAD
PATNA 800 001

PUNE

HELEN PINTO
407 AURORA TOWERS
MAHATMA GANDHI ROAD
PUNE 411 001

SANJAY M. MUNOT
ASHIRWAD
832 SADASHIV PETH
CHITRASHALA CHOWK
PUNE 411 030

SHAILENDRA V. SHAH
571, RAVIWAR PETH
KAPAD GANJ
PUNE 411 002

MRS. NEETA S. SHAH
1232, APTE ROAD
SUCCESS CHAMBERS
DECCAN GYMKHANA
PUNE 411 004

MRS. SUREKHA S. SHAH
1232 APTE ROAD
SUCCESS CHAMBERS
DECCAN GYMKHANA
PUNE 411 004

RAHUL R. SHAH
1232 APTE ROAD
SUCCESS CHAMBERS
DECCAN GYMKHANA
PUNE 411 004

VADODARA

HITESH K. SHAH
232, PARADISE COMPLEX
OPP. COMMERCE COLLEGE
SAYAJI GUNJ, 3RD FLOOR
VADODARA 390 005

PANKAJ N. PATEL
48, PARADISE COMPLEX
GR.FL., SAUJI COMPLEX
VADODARA 390 005

J. B. JHAVERI
PARADISE COMPLEX
TILAK ROAD, SAYAJI GUNJ
VADODARA 390 005

M. D. FOSI
22, BHAVITA PARK SOCIETY
CHHANI ROAD, NIZAMPURA
VADODARA 390 002

KETKI P. KARANI
110, PARADISE COMPLEX
SAYAJI GUNJ
VADODARA 390 005

MUKESH B. DALAL
151 PARADISE COMPLEX
SAYAJI GUNJ
VADODARA 390 005

U. PATEL & CO.
26, BASEMENT PARADISE COMPLEX
SAYAJI GUNJ
VADODARA 390 005

BAKUL MEHTA
48, PARADISE COMPLEX GR. FL.
TILAK ROAD, SAYAJI GUNJ
VADODARA 390 005

NANDUBHAI S. PATEL
48 PARADISE COMPLEX GR.FL.
SAYAJI GUNJ
VADODARA 390 005

URJITA J. MASTER
110, PARADISE COMPLEX
SAYAJI GUNJ
VADODARA 390 005

FINANCIAL INFORMATION

THE BOARD OF DIRECTORS,
ASSOCIATED PIGMENTS LIMITED
LAND MARK, 11TH FLOOR
228A, A.J.C. BOSE ROAD
CALCUTTA 700 020

Dear sirs,

We have examined the books of accounts of Associated Pigments Limited for the Five Financial Years ended 31st March 1991 being the last date to which the accounts of company have been made up, audited by us and adopted by members of the Company. We have also examined and found correct the accounts of the company for eight months ended 30th November, 1991. In accordance with the requirement of Clause 24 of part II of Schedule II of the Companies Act 1956 we append our report herewith:

1. PROFIT & LOSS

We report that profits of the company for each of the five financial year ended 31st March, and for the eight months ended 30th November, 1991 are as set out in part-I below. These profits expressed in lakhs of rupees, have been arrived at after making such adjustments/regroupings as are, in our opinion appropriate and subject to the notes on accounts given in part II of this report.

PART I - PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED

	31.3.87	31.3.88	31.3.89	31.3.90	31.3.91	(Rs. in lacs) 8 MONTHS ENDED
INCOME						
Sales	31.3.87	31.3.88	31.3.89	31.3.90	31.3.91	30.11.91
Other Income	1082.27	1425.69	1900.13	1947.82	2256.11	1276.91
INCREASE/(DECREASE) IN PROCESS AND FINISHED GOODS STOCK	6.04	4.80	10.65	2.37	2.81	1.69
	45.57	24.44	1.17	38.36	(128.92)	35.55
TOTAL	1133.88	1454.93	1911.95	1988.55	2130.00	1314.15

PART II ASSETS AND LIABILITIES

I. SOURCES OF FUNDS

NOTES ON ACCOUNTS:-

- ## II. APPLICATION OF FUNDS

1. Fixed Assets	31.03.91	30.11.91
Gross Block	396.31	392.77
Less: Depreciation	122.62	126.97
Total	273.69	265.80
Add: Capital W-I-P	171.77	280.02
	445.46	545.82

cremental value. Depreciation is provided on straight line method in accordance with Schedule XIII of the Companies Act, 1956.

7. Excise duty debited to Profit & Loss Account for the year ended 31st March, 1989 is net of Rs.6.10 lacs being the amount refundable from excise authority.
8. Of the subscribed and paid up share capital-
 - a) 218 Non-cumulative preference shares of Rs.500 each amounting to Rs.1.09 lacs were allotted as fully paid for consideration pursuant to a contract without payment being received in cash.
 - b) 1,99,270 Equity shares of Rs.10 each were allotted as fully paid bonus shares during February 1989 by capitalisation of Rs.19.93 lacs out of General Reserves of the company.
9. The interest debited to profit & loss account for the year ended 31st March, 1991 and for eight months ended 30th November, 1991 is net of Rs.19.84 lacs and Rs.15.36 lacs respectively being amount received/receivable from the customers.
10. The value of materials on customers account lying on 31st March, 1991 and 30th November, 1991 amounting to Rs.150.73 lacs and Rs.150.06 lacs respectively have been set off with the Sundry Debtors.

11. The lead refining project is expected to commence commercial production before the end of current financial year i.e.31st March 1992. Hence, company does not expect any tax liability for the current financial year due to higher depreciation on account of this.
12. The secured loans from banks for working capital/ working capital term loans are secured by hypothecation of stock, book debts and other movable assets and joint equitable mortgage by deposit of title deeds of immovable properties at 260, B.T. Road, Sodepur & guaranteed by few directors. Term loans from banks and deferred payment credits are secured by hypothecation of plant and machinery acquired under the scheme and the deferred payment credits are additionally guaranteed by Bank of India. Term Loans from financial institutions are secured by first charge by hypothecation of, all movables (save and except book debts) including movable machinery, spares, tools and accessories subject to prior charge in favour of the banks over movable assets in respect of working capital facilities and subject to prior charge of banks over plant and machinery acquired for existing term loans and deferred payment credits and are guaranteed by few directors.
13. Contingent liabilities not provided for

RUPEES IN LACS.

31ST March 30TH November
1991 1991

A) BILLS DISCOUNTED WITH BANKS BUT NOT MATURED	93.62	87.49
B) BANK GUARANTEE OUTSTANDING(NET)	4.18	4.18
C) CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBTS	5.70	5.70
D) ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNT (NET)	127.43	127.10

14. MANUFACTURING,SELLING AND ADMINISTRATIVE EXPENSES INCLUDES THE FOLLOWINGS:

PARTICULARS	YEAR ENDED 31ST March				8 MONTHS	
	30.11.91	1987	1988	1989	1990	1991
PACKING EXPENSES		20.82	23.92	31.11	29.17	23.79
STORES CONSUMED		6.43	5.54	5.29	2.18	2.35
POWER & FUEL		39.62	45.50	52.03	52.84	57.56
RENT		3.28	2.87	3.18	4.18	5.79
RATES & TAXES		0.96	0.77	0.97	1.10	0.91
INSURANCES		0.94	1.57	1.65	1.76	1.53
REPAIRS TO MACHINERY		5.02	6.72	6.87	5.28	6.99
REPAIRS TO BUILDINGS		1.86	2.80	1.68	1.63	1.59
REPAIRS TO OTHER ASSETS		2.45	2.82	2.07	2.02	4.09
PRINTING AND STATIONERY		0.79	1.15	1.44	1.64	1.84
POSTAGE TELEPHONE & TELEGRAM		2.08	3.30	4.06	3.30	5.77
DIRECTOR'S FEES		0.04	0.02	0.06	0.15	0.05
LEGAL AND PROFESSIONAL EXP.		2.12	1.97	1.88	2.21	1.86
AUDIT FEES AND EXP.		0.09	0.09	0.12	0.12	0.12
COMMISSION TO SELLING AGENTS		6.58	3.48	2.40	2.27	1.71
TRAVELLING AND CONVEYANCE		4.87	4.79	4.53	3.08	5.34
ADVERTISING		1.15	0.65	0.61	0.59	0.64
FREIGHT AND DELIVERY CHARGES		24.90	29.66	35.94	36.28	46.29
MISCELLANEOUS EXP.		11.06	16.42	34.46	22.04	29.39
BAD DEBTS		1.17	1.04	—	—	—
MOTOR CAR EXP.		3.34	3.86	4.19	3.77	5.87
LOSS ON SALE OF FIXED ASSETS		0.73	—	—	—	0.45
CONVERSION CHARGES		2.61	3.37	13.27	11.22	8.92
TOTAL		142.91	162.31	207.81	186.83	212.85
						134.67

PART III

We further report in respect of five years ended 31st March, 1991 the rates of dividends subject to tax, declared by the company on its paid up capital were as under:

Dividends					
Year ended 31st March	Shares	No. of Shares	Face value of each Share	Rate of Dividend	Amount of Dividend (Rupees)
1987	Preference Equity	1424 383693	500/- 10/-	9.5% 18%	67640 690647
					Total 758287
1988	Preference Equity	1424 383693	500/- 10/-	9.5% 18%	67640 690647
					Total 758287
1989	Preference Equity	1424 398541	500/- 10/-	9.5% 18%	67640 698996
					Total 766636
1990	Preference Equity	1424 597811	500/- 10/-	9.5% 18%	67640 1076060
					Total 1143700
1991	Preference Equity	1424 597811	500/- 10/-	9.5% 18%	67640 1076060
					Total 1143700

CALCUTTA
DATED THE 11TH FEBRUARY, 1992.

YOURS FAITHFULLY,
FOR S.M. ROY CHOWDHURY & CO.

S.M. ROY CHOWDHURY
PROPRIETOR
CHARTERED ACCOUNTANTS

TERM LOAN ARRANGEMENTS

The Industrial Development Bank of India (IDBI), the Lead Institution vide their letter no- IDBI-ERO-4723/PFS/153 dt. June 29, 1989 in participation with other Financial Institutions namely the Industrial Finance Corporation of India (IFCI) and the Industrial Credit and Investment Corporation of India (ICICI) hereinafter collectively referred to as the participants had agreed in principle to provide Rupee Term Loans aggregating Rs.465 lakhs under Project Finance Participation Scheme (PFPS) in the manner and to the extent set out below:-

NAME OF THE INSTITUTIONS	EXTENT OF PARTICIPATION
	(RS. IN LAKHS)
IDBI	233.00
IFCI	116.00
ICICI	116.00
TOTAL	465.00

1. PARTICULARS OF LOANS

Name of the Lender	Sanctioned Loan		Rate of Interest (P.A.)		Repayment Schedule	
	Concessional	Normal	Concessional	Normal	Quarterly Fixed Instalments Starting On	Ending On
IDBI	199.00	34.00	12.5%	14%	JAN-1, 1992	APRIL-1, 1997
ICICI	99.00	17.00	12.5%	14%	DEC-15, 1991	MARCH-15, 1997
IFCI	99.00	17.00	12.5%	14%	DEC-15, 1991	MARCH-15, 1997

Note:- The company has approached ICICI and IFCI for rescheduling dates for repayment. This has already been done in case of IDBI.

Subsequently, the company and IDBI on its own and also on behalf of the participants have entered into a loan agreement on 16th of November 1989 the main terms and conditions of which are as follows:-

2. SECURITY FOR THE LOANS

(A) The loans together with all interest, liquidated damages, commitment charges, premia on prepayments or on redemption, costs, expenses and other monies whatsoever stipulated in this agreement shall be secured by

- A First mortgage and charge in favour of the lenders in a form satisfactory to the lead institution of all the borrower's immovable properties, both present and future; and
- A First charge by way of hypothecation in favour of the lenders of all the borrower's moveables (save and except book debts), including movables machinery, machinery spares, tools and accessories, present and future, subject to prior charges created and / or to be created:-
 - In favour of the borrower's bankers on the borrower's stocks of raw materials, semi-finished and finished goods, consumable stores and such other movables as may be agreed to by the lead institution for securing the borrowings for working capital requirements in the ordinary course of business; and
 - On specific items of machinery in favour of Bank of India in respect of plant and machinery acquired under existing term loan from Bank of India and under IDBI Bills Rediscounting Scheme.

The mortgage and charges referred to above shall rank pari

passu with the mortgages and charges created and/or to be created in favour of i) IFCI of its term loan of Rs.116.00 lacs. and ii) ICICI of its term loan of Rs. 116.00 lacs.

B. The borrower shall make out a good and marketable title to its properties to the satisfaction of the lead institution and comply with all such formalities as may be necessary or required for the said purpose.

3. CREATION OF ADDITIONAL SECURITY

If, at any time during the subsistence of this agreement, the lead institution is of the opinion that the security provided by the borrower has become inadequate to cover the balance of the loans then outstanding, then, on the lead institution advising the borrower to that effect, the borrower shall provide and furnish to the lenders, to the satisfaction of the lead institution, such additional security as may be acceptable to the lead institution to cover such deficiency.

4. ACQUISITION OF ADDITIONAL IMMOVABLE PROPERTIES

So long as any monies remain due and outstanding to the lenders, the borrower undertakes to notify the lead institution in writing of all its acquisition of immovable properties and as soon as practicable thereafter to make out a marketable title to the satisfaction of the lead institution and charge the same in favour of the lenders by way of first charge in such form and manner as may be decided by the lead institution.

5. GUARANTEE

The borrower shall procure irrevocable and unconditional personal guarantee/s from s/Shri Krishna Nandan Sahaya and Shri Rajiv Nandan Sahaya in favour of the lenders for the due repayment of the loans and the payment of all interest and other monies payable by the borrower in the form prescribed by the lead institution and to be delivered to the lead institution before any part of the loans is advanced. The borrower shall not pay any guarantee commission to the said guarantors.

6. APPOINTMENT OF NOMINEE DIRECTOR(S)

The borrower agrees that each of the lenders shall be entitled to appoint and withdraw from time to time two director(s) on the board of directors of the borrower at any time during the currency of this agreement.

7. SPECIAL CONDITIONS

The company shall also comply with the special conditions as below.

1. The borrower shall obtain the letter of intent for the diversification scheme revalidated by appropriate authorities.
2. The borrower shall obtain necessary approval for conversion of land acquired at Midnapore for Industrial use.
2. The borrower shall obtain necessary approval for the proposed plant at Midnapore site and Fatehpur site from the environment angle.
4. The borrower shall obtain approval of UPSIDC for mortgaging the land at Malwan industrial area, Fatehpur in favour of the institutions.
5. The borrower shall obtain necessary sanction of power from UPSEB and WBSEB.
6. The borrower shall broad-base its Board of Directors to the satisfaction of lead institution.
7. Sri Krishna Nandan Sahaya and Sri Kumud Nandan Sahaya along with their friends and associates would bring in additional equity of Rs.40 lakhs by way of rights subscription towards financing the projects.
8. The borrower shall obtain CCI's approval for the terms of the issue of shares by way of rights/ public issue and make satisfactory arrangements for under writing of the public issue.
9. The borrower shall constitute a project implementation committee for the expansion and diversification schemes to the satisfaction of lead institution.
10. The proposed organisational set-up at the units at Fatehpur and Midnapore shall be to the satisfaction of lead institution.
11. The borrower shall obtain necessary sanction of working capital limits from its bankers.
12. In the event of investment subsidy forthcoming for Fatehpur / Midnapore units, the institutional term loans would be reduced to the extent of availability of such investment subsidy.
13. Any shortfall in the availability of funds from internal accruals, rights/public issue shall also be met by Shri Krishna Nandan Sahaya and Shri Kumud Nandan Sahaya along with their friends and associates by way of interest free unsecured loans subordinated to the institutional loans.
14. In order to complete the project on schedule, Shri Krishna Nandan Sahaya and Shri Kumud Nandan Sahaya shall agree to bring in subordinated interest free unsecured loans before the public issue to enable the borrower to draw the term loans from the institutions. Such loans would be kept in business till the promoters could bring in their share of Rs.30 lakhs in the public issue.
15. Lead institution shall have right to review the cost of the project before final disbursement of the loan. pending completion of the review borrower shall obtain prior approval of lead institution for utilising the amount of the loan equivalent to the contingency and escalation provision in the cost of the project.
16. Lead institution may at their discretion withhold disbursement of the amount of the loan equivalent to the provision against margin money for working capital in the cost of the project till such time the projects are completed and build-up of working capital commences.
17. The borrower shall regularise its licensed capacity for the lead salts and zinc oxide production.

18. In the event of oversubscription to the proposed public issue and CCI permitting the borrower to retain excess subscription, the institutional loan would get proportionately reduced to the extent of such oversubscription.
19. The borrower shall arrange to give an undertaking from Shri Krishna Nandan Sahaya, Shri Kumud Nandan Sahaya, Shri Rajiv Nandan Sahaya, Shri Sanjiv Nandan Sahaya and such other friends and associates as may be stipulated by lead institution that in the event of any overrun in the cost of the project such additional amounts as may be required would be brought in by them out of their own/other resources on such terms acceptable to lead institution.
20. The borrower shall arrange to give an under taking for non disposal of equity holding in the project from Shri Krishna Nandan Sahaya, Shri Kumud Nandan Sahaya, Shri Rajiv Nandan Sahaya, Shri Sanjiv Nandan Sahaya, Sahaya properties and Investments Pvt. Ltd. Arens Estate Pvt. Ltd., Baghi Estates and Traders Limited and such other friends and associates of the promoters as may be stipulated by lead institution.
21. The borrower shall make efforts to obtain performance guarantee from the equipment manufacturer viz., Flakt India Limited, so that emissions conform to the norms of Pollution Control Board.
22. Any other terms and conditions as may be stipulated by the lead institution and the participating institution shall also be applicable to the proposed loan.

BRIDGE LOAN

Industrial Development Bank of India (IDBI) has vide their letter no. IDBI ERO NO.7862/PFD-414B dtd. September 18,1991 has agreed in principle to grant a rupee loan not exceeding Rs. 75 lakhs against public issue of equity shares of Rs. 150 lakhs (inclusive of premium) on the normal terms and conditions applicable to the grant of such assistance and special terms and conditions as stated below:-

I 1) INTEREST

The company shall pay to IDBI interest on the principal amount of the loan outstanding from time to time at their lending rate prevalent on the date of execution of the loan agreement. This was 19.5% p.a. on September 18,1991, being the date of agreeing in principle by IDBI as above. such interest shall be payable quarterly each year on the first day of January/April/July/October.

2) LIQUIDATED DAMAGES

A charge of 2% p.a. by way of liquidated damages will be levied for defaults in payment of principal, interest or other monies payable under the loan agreement. arrears of liquidated damages shall carry interest at the applicable rate for normal loans.

3) PERIOD OF REPAYMENT OF THE LOAN

The loan will be repaid out of the proceeds of public issue latest by February 29,1992.(*)

II SECURITY

The loan shall be secured by (a) personal guarantee of s/shri Krishna Nandan Sahaya, Chairman and Rajiv Nandan Sahaya, Managing Director, no guarantee commission is payable to guarantors; (b) a demand promissory note.

III SPECIAL TERMS AND CONDITIONS

- (a) The entire public issue shall be underwritten by banks(60%) and brokers(40%).
- (b) THE COMPANY SHALL:
 - i) obtain undertakings from AllBank Finance Ltd.,and BOI Finance Ltd., the collecting bankers in the manner as required by IDBI to the effect that the proceeds of the issue would be used for repayment of the loan and interest and other dues,if any, and
 - ii) shall undertake to create mortgage on fixed assets in case loan is not repaid / liquidated before February 29,1992.(*)

(*) Note - The company has approached IDBI for extension of the above date from February 29, 1992 to August 31,1992 vide its letter No. project/IDBI/5005 dated 19.02.92.

WORKING CAPITAL ARRANGEMENTS

The company has approached its existing bankers Allahabad

Bank, Bank of India and Standard Chartered Bank for meeting its additional working capital requirements. Applications have also been made to other bankers as a measure of abundant precaution. However, the Board of Directors anticipate no difficulty in obtaining the requisite additional facilities.

OTHER STATUTORY AND GENERAL INFORMATION

MINIMUM SUBSCRIPTION

The minimum amount, which in the opinion of the Board, must be raised by the issue of equity shares in order to provide for sums required in terms of the act is Rs. 100,00,000 being the aggregate face value of 10,00,000 equity shares of Rs.10/- each for cash to be issued at a premium of Rs.5/- per share comprised in the present issue. The Board will proceed to allot the shares on receipt of the application money payable thereon in terms of this prospectus.

The minimum subscription is assured in view of the underwriting and contingent underwriting arrangements referred to earlier in this prospectus.

However if the total issue of equity shares is not subscribed upto the extent of 90% the company undertakes to refund the amount within 90 Days from the closure of the issue and also agrees to pay interest at 15% per annum if refunds are delayed by more than 10 days after this period.

EXPENSES OF THE ISSUE

The expenses of the present public issue including underwriting commission, brokerage, fees of the managers and registrars to the issue, stamp duty printing distribution and publication expenses, auditors fees, registration fees, legal charges, bank charges, and other miscellaneous expenses are estimated at Rs.20 lacs and will be met out of proceeds of the present issue.

FEES PAYABLE TO THE LEAD MANAGERS TO THE ISSUE

The total fees payable to the lead managers M/s AllBank Finance Ltd. and M/s BOI Finance Ltd. for the public issue are Rs.50,000 and Rs.25,000 respectively as per company's letter no. pro/4/2095 dated 01.08.91 and letter no. PRO/7/2200 dated 05.08.91 respectively which are kept open for inspection at the Registered Office of the Company.

FEES PAYABLE TO THE CO-MANAGERS TO THE ISSUE

NO FEES PAYABLE TO THE CO-MANAGERS TO THE ISSUE.

FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

The fees payable in respect of public issue to M/s PCS Data Products Ltd., Calcutta, registrar to the issue shall be Rs. 1.75/- per allottee and Rs.0.85/- per non allottee and others as set out in letter no PROJ/i/2213 dt. 06.08.91 of the company duly accepted by them, which are kept open for inspection at the registered office of the company.

UNDERWRITING COMMISSION

Underwriting commission will be payable at the rate not exceeding 2.5% on the issue price of equity shares underwritten by lead managers to the issue, banks and underwriters.

No underwriting commission is payable on the amount reserved for preferential allotment to employees and underwritten contingently. However, commission at the rate of 2.5% will be payable on such amounts that remain unsubscribed and are added back to the public offer.

BROKERAGE

Brokerage will be paid by the company @ 1.5% to the bankers to the issue and to the members of any recognised Stock Exchange in India on the issue price of the shares on the basis of allotment made against applications bearing their stamp in the broker's column. No brokerage will be paid in respect of the equity shares allotted out of those offered on a preferential basis to the employees. However brokerage will be paid on the amount unsubscribed and added back to the public issue.

PREVIOUS ISSUE

The company had made maiden public issue of 2,50,000 equity shares of Rs.10/- each at par aggregating to Rs. 25,00,000/- through prospectus dated 29.9.1981. Thereafter the company is approaching the public now as per this prospectus.

PREVIOUS COMMISSION AND BROKERAGE

The company had paid Rs.87,500/- towards underwriting commission and brokerage in respect of previous public issue stated above. Except this, no sums have been paid or are payable as commission or brokerage to any person for subscription for any shares in or debentures of the company since its incorporation.

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. The present issue is at a premium of Rs. 5/- per share.

ISSUE OTHERWISE THAN FOR CASH

218 Non cumulative preference shares of Rs. 500/- each for Rs.1.09 lacs in aggregate were issued to the previous Japanese collaborators for consideration otherwise than for Cash. Except this no shares or debentures have been issued or agreed to be issued by the company for consideration otherwise than for cash.

PREFERENCE SHARES AND DEBENTURES

The company has issued 1424 9.5% non cumulative preference shares of Rs. 500/- each fully paid up for Rs. 7.12 lacs. in aggregate. Except this, the company has not issued any preference share or debentures since its incorporation.

REVALUATION OF ASSETS

There has been no revaluation of assets of the company for the last two years.

OPTION TO SUBSCRIBE

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

CAPITALISATION OF RESERVES OR PROFITS

The company had capitalized a sum of Rs. 19,92,700/- out of general reserve in February, 1989 for issue of bonus shares to the equity shares holders in the ratio of 1 equity share for every 2 equity shares held.

CLASSES OF SHARES

The share capital of the company consists only of equity shares of Rs. 10/- each and 9.5% non cumulative preference shares of Rs. 500/- each.

PURCHASE OF PROPERTY

Save in respect of the property purchased or acquired or to be purchased or acquired as mentioned under the heading "material contracts" there is no property which the company has purchased or acquired or presently proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue or the acquisition or purchase of which has not been completed on the date of issue of this prospectus, other than property:

- I) The contracts for the purchase or acquisition whereof were entered into in the ordinary course of the company's business, such contracts not being made in contemplation of this issue nor this issue is consequence of such contracts, or
- II) In respect of which the amount of the purchase money is not material.

PAYMENT OR BENEFIT TO PROMOTERS AND OFFICERS OF THE COMPANY

Save as stated elsewhere in this prospectus, the company has neither paid any money nor given any benefit nor does it intend to pay any money or give any benefit to any promoter or officer of the company except their normal remuneration fee and other expenses etc. to which they are entitled or may become entitled under the articles of the company or otherwise in accordance with the law.

VOTING RIGHTS AND RESTRICTIONS THEREON

ARTICLE 85 OF ARTICLES OF ASSOCIATION

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised their right of lien.

ARTICLE 76 OF ARTICLES OF ASSOCIATION

Subject to any rights or restrictions for the time being attached to any class or classes of shares.

A) On a show of hands, every member present in person shall have one vote; and

B) On a poll, the voting rights of members shall be as laid down in section 87 of the act.

Provided that no company or body corporate shall vote by proxy so long as a resolution of its board of directors under the provisions of section 187 of the act is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

ARTICLE 77 OF ARTICLES OF ASSOCIATION

Where a company or a body corporate (hereinafter called "member company") is a member of the company, a person, duly appointed by resolution in accordance with the provisions of section 187 of the act to represent such member company at a meeting of the company, shall not, by reasons of such appointment, be deemed to be a proxy, and the lodging with the company at the office or production at the meeting of a copy of such resolution duly signed by one director of such member company and by its managing agents (if any) and certified by him or them as being a true copy of the resolution shall, on production at the meeting, be accepted by the company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

ARTICLE 78 OF ARTICLES OF ASSOCIATION

If any member be lunatic, idiot or non compos mentis, he may vote whether on a show of hands or at poll by his committee, curator bonis or other legal curator and such last mentioned persons may give their votes by proxy provided that 48 hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his right under the transmission article to the shares in respect of which he proposes to exercise his right under this article, unless the board shall have previously admitted his right to vote at such meeting in respect thereof.

ARTICLE 79 OF ARTICLES OF ASSOCIATION

Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one or such joint holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of this article be deemed joint-holders thereof.

ARTICLE 80 OF ARTICLES OF ASSOCIATION

On a poll votes may be given either personally or by proxy, or, in the case of a body corporate, by a representative duly authorised as aforesaid.

ARTICLE 81 OF ARTICLES OF ASSOCIATION

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if such appointor is a body corporate be under its common seal or the hand of its officer or attorney duly authorised a proxy who is appointed for a specified meeting only shall be called a special proxy. any other proxy shall be called a general proxy.

A person may be appointed a proxy though he is not a member of the company and every notice convening a meeting of the company shall state this and that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him.

ARTICLE 82 OF ARTICLES OF ASSOCIATION

The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the office not less than 48 hours before the time for holding the meeting at which the person named in the instrument purports to vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

ARTICLE 83 OF ARTICLES OF ASSOCIATION

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given: provided no intimation in writing of the death, insanity revocation or transfer of the share shall have been received by the company at the office before the vote is given. provided nevertheless that the chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

ARTICLE 84 OF ARTICLES OF ASSOCIATION

Every instrument appointing a special proxy shall be retained by the company and shall, as nearly as circumstances will admit, be in the form or to the effect following:

ASSOCIATED PIGMENTS LIMITED

I/We _____ of _____ being a member/members of associated pigments limited hereby appoint _____ of (or failing him of or failing him _____ of _____) as my/our proxy to attend and vote for me/us, and on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the company to be held on the day of 19 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of 19.

Signed by the said _____

Provided always that an instrument appointing a special proxy may be in any of the forms set out in schedule ix to the act.

ARTICLE 85 OF ARTICLES OF ASSOCIATION

No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has, and has exercised, any right of lien.

ARTICLE 86 OF ARTICLES OF ASSOCIATION

(1) Any objection as to the admission or rejection of a vote, either, on a show of hands, or, on poll made in due time, shall be referred to the chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

(2) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

TRANSFER OF SHARES AND RESTRICTIONS THEREON

ARTICLE 38 OF ARTICLES OF ASSOCIATION

Every instrument of transfer shall be in the prescribed form and in accordance with the provisions of Sections 108 of the Act.

ARTICLE 36 OF ARTICLES OF ASSOCIATION

Save as provided in Section 108 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the company within the time prescribed by Section 108 of the Act together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The transfer or shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one witness who shall add his address.

ARTICLE 37 OF ARTICLES OF ASSOCIATION

Application for the registration of the transfer of a share may be

made either by the transferor or the transferee, provided that, where such application is made by the transferor, no registration shall, in the case of a partly paid share, be effected unless the company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and subject to the provisions of these articles the company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

ARTICLE 39 OF ARTICLES OF ASSOCIATION

Subject to the provisions of section 111 of the Act, the Board, without assigning any reason for such refusal, may within two months from the date on which the instrument of transfer, was delivered to the company, refuse to register any transfer, or the transmission by operation of law of the right to, a share upon which the company has a lien, and, in case of a share not fully paid up may refuse to register or transfer to a transferee of whom the Board does not approve. Provided that the registration of a transfer of share 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.

ARTICLE 42 OF ARTICLES OF ASSOCIATION

If the Board refuses whether in pursuance of Article 39 or otherwise to register the transfer of or the transmission by operation of law of the right to, any share, the company shall, within two months from the date on which the instrument of transfer or the intimation of such transmission as the case may be, was lodged with the company, send to the transferee and the transferor or the person giving intimation of such transmission, as the case may be, notice of the refusal.

ARTICLE 40 OF ARTICLES OF ASSOCIATION

No transfer shall be made to a minor or person of unsound mind without the consent of the Board.

ARTICLE 45 OF ARTICLES OF ASSOCIATION

Any committee or guardian of a lunatic member or any person becoming entitled to or to transfer a share in consequence of the death or bankruptcy or insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the Board thinks sufficient, may with the consent of the Board (which the board shall, not be bound to give), be registered as a member in respect of such share, or may, subject to the regulations as to transfer hereinbefore contained transfer such share. This article is hereinafter referred to as the "transmission article".

ARTICLE 143 OF ARTICLES OF ASSOCIATION

A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer by company.

MODIFICATION OF RIGHTS

ARTICLE 57 OF ARTICLES OF ASSOCIATION

If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class, to every such separate general meeting the provisions of these articles relating to general meeting shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-fifth of the issued shares of the class but such holder a quorum as above defined is not present those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each share of the class of which he is the holder. This article is not by implication to curtail the power of modification which the company would have if this article were omitted. The company shall comply with provisions of section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.

FORFEITURE, SURRENDER AND LIEN

ARTICLE 22 OF ARTICLES OF ASSOCIATION

If any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same the Board may, at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member 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.

ARTICLE 23 OF ARTICLES OF ASSOCIATION

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 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 such call was made or instalment is payable will be liable to be forfeited.

ARTICLE 24 OF ARTICLES OF ASSOCIATION

If the requisitions of any such notice as aforesaid be not complied with any shares 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 in respect of the forfeited shares and not actually paid before the forfeiture.

ARTICLE 25 OF ARTICLES OF ASSOCIATION

When any share shall have been so forfeited, notice of the resolution 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, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

ARTICLE 26 OF ARTICLES OF ASSOCIATION

Any share so forfeited shall be deemed to be the property of the company, and the board may sell, allot or otherwise dispose of the same in such manner as it thinks fit.

ARTICLE 35 OF ARTICLES OF ASSOCIATION

Where any share under the powers in that behalf herein contained is sold by the Board and the certificate in respect thereof has not been delivered up to the company by the former holder has not been of such share the Board may issue a new certificate for such share distinguishing it in such manner as it may think fit for the certificate not so delivered up.

ARTICLE 27 OF ARTICLES OF ASSOCIATION

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

ARTICLE 28 OF ARTICLES OF ASSOCIATION

A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding such forfeiture remain liable to pay, and shall forthwith pay to the company, all calls, or instalments, interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate not exceeding 9 percent per annum as the Board may determine and the Board may enforce the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

ARTICLE 31 OF ARTICLES OF ASSOCIATION

The company shall have a first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that article 12 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such share. Unless otherwise agreed, the registration

of a transfer of a share shall operate as a waiver of the company's lien, if any, on such share.

ARTICLE 32 OF ARTICLES OF ASSOCIATION

For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for seven days after the date of such notice.

ARTICLE 34 OF ARTICLES OF ASSOCIATION

Upon any sale after foreclosure or for enforcing lien in purported exercise of the powers herein before given, the board may appoint some person to execute an instrument of transfer of the share sold, and cause the purchaser's name to be entered in the register in respect of the share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money, and after his name has been entered in the register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only against the company exclusively.

INDEMNITY

ARTICLE 183 OF ARTICLES OF ASSOCIATION

Every director, secretary or officer of the company or any person (whether an officer of the company or not) employed by the company and any person appointed auditor shall be indemnified out of the funds of the company against all liability incurred by him as such director, secretary, officer, employee or auditor 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 of the Act in which relief is granted to him by the court.

NUMBER OF DIRECTORS

ARTICLE 87 OF ARTICLES OF ASSOCIATION

Until otherwise determined by special resolution, the number of the directors of the company shall not be less than three nor more than twelve.

SHARE QUALIFICATION OF DIRECTORS

ARTICLE 92 OF ARTICLES OF ASSOCIATION

Unless otherwise determined by the company in general meeting, the qualification of a director, other than a director appointed under article 89, shall be the holding in his own name or jointly with any other person, whether beneficially or as a trustee or otherwise, shares of the face value of Rs.5,000 in the capital of the company.

ALTERNATE DIRECTOR

ARTICLE 111 OF ARTICLES OF ASSOCIATION

The Board may appoint any person to act as alternate director for a director during the latter's absence for a period of not less than three months from the state in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternative director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly; but he shall not require any qualification and shall ipso facto vacate office if and when the absent director returns to the state in which meetings of the Board are ordinarily held or the absent director vacates office as a director.

ADDITIONAL DIRECTOR

ARTICLE 91 OF ARTICLES OF ASSOCIATION

The Board shall have power, at any time and from time to time, to appoint any person as a director as an addition to the Board but so that the total number of directors shall not at any time exceed the maximum number fixed by these articles. Any director so appointed shall hold office only until the next annual general meeting of the company and shall then be eligible for re-election.

CASUAL VACANCIES

ARTICLE 109 OF ARTICLES OF ASSOCIATION

If any director appointed by the company in general meeting vacates office as a director before his term of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred, provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of director under article 108.

NOMINEE DIRECTORS

ARTICLE 89 OF ARTICLES OF ASSOCIATION

If and so long as the company is indebted to any financial institution, corporation or other statutory body, or if the company has entered into any obligation with any such institution, corporation or body in relation to any financial assistance by way of loan advanced to the company, such institution, corporation or body shall, if it so desires and the board agrees to that, each be entitled from time to time to nominate one or more persons to be director or directors of the company and to remove any such director or directors and appoint any other person or persons to be the director or directors in his place or their places and to fill any vacancy otherwise occurring in the office of such director or directors. The director or directors so appointed shall not be required to hold any qualification shares and, subject to the provisions of section 255 of the Act and to the extent agreed by the company, shall not be required to retire by rotation.

REMUNERATION OF DIRECTORS

ARTICLE 94 OF ARTICLES OF ASSOCIATION

Unless otherwise determined by the company in general meeting, each directors shall be entitled to receive out of the funds of the company for his services in attending meetings of the Board a fee of Rs. 500 per meeting of the Board attended by him. All other remuneration if any payable by the company to each directors whether in respect of his services as a Managing Director or a director in the whole or part time employment of the company shall be determined in accordance with and subject to the provisions of these articles and of the Act. The directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending at Board and committee meetings or otherwise incurred in the execution of their duties as directors.

ARTICLE 95 OF ARTICLES OF ASSOCIATION

If any director, being willing, shall be called upon to preform extra services or to make any special exertions in going or residing away from Calcutta for any of the purposes of the company or in giving special attention to the business of the company then subject to sections 198, 309, and 310 of the Act, the Board may remunerate the director so doing and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

POWERS OF DIRECTORS

ARTICLE 123 OF ARTICLES OF ASSOCIATION

Subject to the provisions of the Act, the control of the company shall be, vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the company or by these articles or otherwise, to be exercised or done by the company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the company or in these articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulation made by the company in general meeting. But no regulation made 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.

BORROWING POWERS

ARTICLE 58 OF ARTICLES OF ASSOCIATION

The Board may from time to time at its discretion, subject to the

provisions of sections 292 and 293 of the Act raise or borrow either from the directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the company.

MANAGING DIRECTOR

ARTICLE 126 OF ARTICLES OF ASSOCIATION

- (1) Subject to the provisions of section 316 and 317 of the act, the Board may, from time to time appoint one or more directors to be managing director or managing directors the company, either for a fixed term or with out any limitation as to the period for which he or they is or are to hold such office, and may from time to time (subject to the provisions of any contract between him or them and the company), remove or dismiss him or them from office and appoint another or others in his or their place or places.
- (2) Subject to the provisions of section 255 of the act a managing director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a director for the purpose of determining the rotation of retirement of directors or in fixing the number of directors to retire, but (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other directors, and he shall, ipso facto and immediately, cease to be a managing director if he ceases to hold the office of director from any cause.
- (3) If at any time the total number of managing directors is more than one-third of the total number of directors, the managing directors who shall not retire shall be determined by and in accordance with their respective seniorities, for the purpose of this article the seniorities of the managing directors shall be determined by the dates of their respective appointments as managing directors by the Board.
- (4) Subject to the provisions of sections 309, 310 and 311 of the act, a managing director shall in addition to the remuneration payable to him as a director of the company under these articles, receive such additional remuneration as may from time to time be sanctioned by the company.
- (5) Subject to the provisions of the act in particular to the prohibition and restriction contained in section 292 thereof, the Board may, from time to time, entrust to and confer upon a managing director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit; and the Board may confer such powers, either collectively with, or to the exclusion of, and in substitution for all or any of the powers of the Board in that behalf; and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

PRESENT MANAGING DIRECTOR

Mr. Rajiv Nandan Sahaya has been appointed as the Managing Director of the company for a period of five years with effect from 1.9.1989. in terms of Board's resolution dated.25.8.1989.his appointment has been approved by the shareholders at the annual general meeting of the company held on 16.11.89.the terms of his remuneration are as follows:

- (A) Salary: Rs. 9,000/- PER MONTH
- (B) Commission : At the rate of 1% of net profit of the company subject to a ceiling of 50% of the salary or Rs. 90,000/- per annum whichever is less.
- (C) Perquisites : perquisites of the managing director shall be restricted to an amount equal to the annual salary or Rs.135,000 per annum whichever is less if the managing director is posted at Bombay, Calcutta, Delhi or Madras. in case he is posted in any other place, perquisites shall be restricted to the annual salary or Rs.115,000/- per annum, whichever is less. the said perquisites are classified into following three categories 'A', 'B' and 'C'.

CATAGORY - A

(i) HOUSING:

The expenditure by the company on hiring unfurnished accommodation for the managing director will be subject to the following ceilings:-

(a) Bombay, calcutta, delhi and madras

Sixty percent of the salary over and above ten percent payable by the managing director

(b) Other places.

Fifty percent of the salary over and above ten percent payable by the managing director. in case the accomodation is owned by the company ten percent of the salary of the managing director shall be deducted by the company.

If the company does not provide accomodation to the managing director, he will be paid house rent allowance @ 60% of his salary, if he resides in bombay/calcutta/ delhi/madras or @50% of his salary if he resides in any other place.

The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per the income tax rules, 1962. this shall however be subject to a ceiling of ten percent of the salary of the managing director.

(ii) Medical Reimbursement Medical expenses incurred by the managing director for self and for his family will be reimbursed by the company. this shall however be subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.

(iii) Leave travel concession:-

For the managing director and his family once in a year incurred in accordance with the rules of the company.

(iv) Club fees:-

Reimbursement of membership fees of clubs subject to a maximum of two clubs. this will not include admission and life membership fees.

(v) Personal accident insurance:-

Personal accident insurance of an amount the premium of which shall not exceed Rs.1,000/- per annum.

CATAGORY - B

(i) The company's contribution for the managing director to provident fund, superannuation fund or annuity fund in accordance with the rules of the approved funds of the company. such contribution will not be included in computation of the ceiling on perquisites to the extent these either singly or put together, are not taxable under the income tax act.

(ii) Gratuity at a rate not exceeding half a month's salary for each completed year of service, subject to a ceiling of Rs.1,00,000/-.

Category - c

Car for use on the company's business and telephone at residence provided that personal long distance calls on the telephone and use of car for private purpose shall be billed by the company to the managing director. the provision of car and telephone will not be considered as perquisites.

In the event of loss or inadequacy of profits of the company in any year during the term of Sri R.N.Sahaya's appointment, the salary and perquisites proposed to be paid to him will be reduced by 10% thereof.

INTEREST OF DIRECTORS

ARTICLE 101 OF ARTICLES OF ASSOCIATION

Every directors who is in any way whether directly or indirectly concerned or interested in contract or arrangement entered into or to be entered into by or on behalf of the company not being a contract or arrangement entered into or to be entered into between the company and any other company where any of the directors of the company or two or more of them together holds or hold not more than two percent of the paid up share capital in the other company shall disclose the nature of his concern or interest at a meeting of the Board as required by section 299 of the act. A general notice, renewable in the last month of each financial year of the company, that a director is a director or a member of any specified body corporate or is a member of any specified firm and is to be regarded as concerned or interested in any subsequent contract or arrangement with that body corporate or firm shall be sufficient disclosure of concern or interest in relation to any contract or arrangement so made and after such general notice it shall not be necessary to give special notice relating to any particular contract or arrangement with such body corporate or firm, provided such general notice is given at a meeting of the Board or the director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given. Every director

shall be bound to give and from time to time renew a general notice as aforesaid in respect of all bodies corporate of which he is a director or member and of all firms of which he is a member.

DIVIDEND

ARTICLE 134 OF ARTICLES OF ASSOCIATION

Subject to the rights of members entitled to share (if any) with preferential or special rights attached thereto, the profits of the company which it shall from time to time be determined to divide in respect of any year or the period shall be applied in the payment of a dividend on the ordinary shares of the company but so that a partly paid up share shall only entitle the holder with respect thereof to such a proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid up in advance of calls such capital shall not rank for dividends or confer a right to participate in profits.

ARTICLE 135 OF ARTICLES OF ASSOCIATION

The company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profit and may subject to the provisions of section 207 of the Act fix the time for payment.

ARTICLE 136 OF ARTICLES OF ASSOCIATION

No larger dividend shall be declared than is recommended by the Board, but the company in general meeting may declare a smaller dividend.

ARTICLE 137 OF ARTICLES OF ASSOCIATION

Subject to the provisions of section 205 of the Act, no dividend shall be payable except out of the profits of the company or out of moneys provided by the central or a state government for the payment of the dividend in pursuance of any guarantee given by such government and no dividend shall carry interest against the company.

ARTICLE 138 OF ARTICLES OF ASSOCIATION

The declaration of the Board as to the amount of the net profits of the company shall be conclusive.

ARTICLE 139 OF ARTICLES OF ASSOCIATION

The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the company.

ARTICLE 140 OF ARTICLES OF ASSOCIATION

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls on shares or otherwise.

ARTICLE 141 OF ARTICLES OF ASSOCIATION

Any general meeting declaring a dividend may make a call on the member 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 be set off against the call.

ARTICLE 142 OF ARTICLES OF ASSOCIATION

No dividend shall be payable except in cash, provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserves of the company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the company.

ARTICLE 145 OF ARTICLES OF ASSOCIATION

No dividend shall be paid in respect of any share except to the registered holder of such share or to his order or to his bankers but nothing contained in this article shall be deemed to require the bankers of a registered shareholder to make a separate application to the company for the payment of the dividend nothing in this article shall be deemed to affect in any manner the operation of article 143.

ARTICLE 146 OF ARTICLES OF ASSOCIATION

Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends bonuses and other payments in respect of such share.

ARTICLE 148 OF ARTICLES OF ASSOCIATION

Unless otherwise directed in accordance with section 206 of the Act, any dividend, interest or other moneys payable in cash in respect of a share may be paid by cheque or warrant sent through post to the registered address of the holder, or, in the case of joint-holders, to the registered address of that one of the joint-holders who is the first named in the register in respect of joint holding or to such person and such address as the holder or the joint holders as the case may be, may direct, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

ARTICLE 149 OF ARTICLES OF ASSOCIATION

Any dividend unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the company until claimed and any dividend unclaimed till the claim thereto becomes barred by law may be forfeited by the Board for the benefit of the company, but the Board may annual the forfeiture whenever it may think proper.

ARTICLE 149A OF ARTICLES OF ASSOCIATION

The company shall comply with the provisions of section 205A of the companies Act with regard to unpaid dividend.

WINDING UP

ARTICLE 181 OF ARTICLES OF ASSOCIATION

If the company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively and if in winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up paid up or which ought to have been paid up on the shares held by them respectively. but this article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

ARTICLE 182 OF ARTICLES OF ASSOCIATION

If the company shall be wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind, 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 or any of them, as the liquidators, with the like sanction, shall think fit.

MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The contracts mentioned in paragraph 'A' below (not being contracts entered into in the ordinary course of business carried on by the company or entered into more than two years before the date of this prospectus) which are or may be deemed to be material have been entered into by the company. Copies of these contracts alongwith the copies of the documents referred to in paragraph 'B' below have been attached to the copy of this prospectus, and have been delivered to the Registrar of Companies, West Bengal at Calcutta for registration. These may be inspected at registered office of the company between 10 am and 1 pm on any working day from the date of this prospectus until the closing of the subscription list.

A) MATERIAL CONTRACTS

1. Letter no. Alfina/MB/AP/1143 dt. 26.6.91 from AllBank Finance Ltd. and letter No. BOI FIN/VVA/91-92/272 dt. April 29, 1991 offering to act as Lead Manager to the issue and confirmation of appointment vide our letter no. PRO/4/2095 dt. 1.8.91 and letter no. PRO/7/2200 dt. 5.8.91 addressed to AllBank Finance Ltd. and BOI Finance Ltd. respectively.
2. Letter dtd. February 3, 1992 from CRB Capital Markets Ltd. letter dtd. 15.02.1992 from Karur Vysya Bank Ltd. offering to act as Co-managers to the issue and confirmation letter dtd. 17th February, 1992 by the company.
3. Letter no. - PRO//2213 dt. 06.08.91 by the company appointing M/s P C S Data Products Ltd. as registrars and acceptance thereof
4. Lease deed dated 21.07.90 with U.P State Industrial Development Corporation Ltd.
5. Copies of land deeds with the various sellers of land for Panskura project.
6. Loan Agreement dated 16.11.89 between the IDBI and the company for availing term loan of Rs.465 lacs.
7. Technical Collaboration Agreement dated 21.09.1988 between the Company and BHAS, Australia.

8. Letter No.GMP/LR/007/1726 dated 27th June, 1990 appointing M/s. CMDC Design Private Limited for supply of detailed engineering and associated technical services.
9. Agreement dated 28.05.90 between the company and U.P. State Electricity Board for 175KVA of electricity at Malwan.
10. Agreement dated 13.03.91 between the company and West Bengal State Electricity Board for sanction of electricity at Panskura.
11. Special resolution of shareholders dated 16.11.1989 confirming appointment of Managing Director and terms thereof.
12. Details of major purchase order/work orders

S.No.	Order Number	Order Date	Name of the Party	Item Details	Estimated Value (Lacs)
1.	HO/33/88-89	28.2.89	Avery India Ltd.	Weigh Bridge and Accessories	5.20
2.	FY/133A/89-90	22.3.90	Western India Machinery Co.	320 KVA Generator Set	9.37
3.	LR/08/90-91	14.11.90	Fiskt India Ltd.	Bag House with centrifugal fan and accessories	31.99
4.	LR/09/90-91	21.11.90	Techno-Aid	Parts of Rotary Furnace	17.35
5.	LR/10/90-91	3.12.90	Techno-Aid Pvt. Ltd.	Different Gear Assemblies gear couplings, motors, and fluid coupling drive	9.71
6.	LR/18/90-91	15.1.91	Macneill & Magor Ltd.	Electric Fork Lift Truck	11.08
7.	LR/19/90-91	17.1.91	Electro Power Enterprises	132 KW Siemens make AC Motor	5.34
8.	LR/28/90-91	8.3.91	Apptech Engineers Pvt.Ltd.	Burners with Accessories	10.15
9.	LR/33/90-91	27.3.91	Chamilo Instruments (P) Ltd	Shimadzu atomic absorption /flame emission spectro-photometer	8.32
10.	LR/37/90-91	28.3.91	Feco engineering (p) ltd.	Fabrication of m.s. refining pots	7.34
11.	LR/10/90-91	30.5.91	Techno-Aid	Lead Ingot Casting Machine	5.20
12.	LR/07/90-91	12.11.90	Tata Refractories Ltd.	Mag. chrome refractory bricks	19.79
13.	LR/14/91-92	10.7.91	Aarkey Enterprises	PCB,MCC I TO IV, Capacitor	9.69
14.	LR/04/90-91	25.06.90	CMDC Designs Pvt. Ltd.	Detailed Design	8.00
15.	LR/02/90-91	28.05.90	U.K. Construction	Engineering etc.	100.00
16.	LOF/7/89-90	25.01.90	Western india machinery co supply of Generator	Civil Construction	5.95
17.	LOF/6/89-90	29.01.90	Techno Aid	Ball Mill and Accessories	6.95
18.	LOF/21/89-90	23.03.90	Techno Aid	Barton oxide unit with accessories	5.67
19.	LOF/6/89-90	21.01.90	U.K. Construction	Civil construction	24.54

B) DOCUMENTS

1. Memorandum and Articles of association of the company.
2. Certificate of Incorporation dated 27.12.1948.
3. Certificate of Commencement of Business dated 25.02.1949.
4. CCI Consent letter (a) no. R-250/3/CCI/90-933 888 90-91 dated 29.1.1991 (b) R-250/3/CCI/90-165 dated 12.06.91, (c) 250/3/CCI/90/90-7045 dated 28.12.91.
5. Industrial Licence no.(a) 275(90) dated 30.10.1990 for manufacture of 7500 tpa of lead oxides and (b) licence no.246(90) dated 15.9.90 for manufacture of 12000 tpa of refind lead/antimonial lead.
6. Copies of resolutions passed by the shareholders of the company
 - a) at the annual general meeting held on 07.12.1988 approving Rights Issue.
 - b) at the extra ordinary general meeting held on 23.04.90 approving amendment in Rights Issue.
 - c) at the extra ordinary general meeting held on 23.4.90 approving Public Issue.
 - d) at the annual general meeting held on 16.11.1989 approving terms of appointment of present Managing Director.
7. Consent letters from Lead Managers to the Issue, Co- Managers to the issue, Legal Advisors to the issue, Registrars to the issue, Bankers to the issue, Underwriters to the issue, Brokers to the Issue and Auditors of the company.
8. Copies of listing application to stock exchanges at Ahmedabad, Jaipur, Calcutta and New Delhi.
9. Tax Benefit Certificate dated 17.02.1991 from S.M. Roychowdhury & co., Chartered Accountants, Calcutta alongwith copy of Govt. of U.P. Notification GO No.8244/Bhau/18-11-231(A) Bha-80 Udyog Anubhag-11 dated September 30, 1982 and GO No.1156/Bhau/18-11/Udyog dated January 29, 1985 and the West Bengal Incentive Scheme 1989 as amended and referred to in the Auditors Report.
10. IDBI Sanction letter no PFS 4723/153 dtd. 29.06.89.
11. The list of sellers of 32 plots of agricultural land at Panskura
12. Order no 2856 dtd 26.03.90 of District Land & Land Reforms Officer for conversion of land for industrial use and letter no. GMP/LR/002/4462 dtd 26.11.90 issued by the

company for the conversion of the balance portion of agricultural land into industrial land.

13. Letter no FC.II.77(88)/801(87) dtd. 04.04.88 and letter no FC.II.77(88)/801(87) dtd 07.07.88 from Govt. of India Ministry of Industry , Department of Industrial Approvals, SIA (Foreign Collaboration section) for approval of the technology transfer.
14. Consent letter no. 454/c/1975 190/3 dtd. 27.07.90 from U.P. Pollution Control Board for discharge of effluent.
15. NOC vide letter no. 2220/225-88/89 dtd 18.11.88 from West Bengal Pollution Control Board from the environmental point of view for Panskura project.
16. Letter no ENV/782/IW-49/88 dtd. 15.06.89 to the Govt of West Bengal Environmental Department.
17. Letter dtd. 20.2.92 of Calcutta Stock Exchange confirming the high-low price of the equity shares of the company.
18. Copies of Form no. 32 filed for change in directors during last three years.
19. Auditors Report of M/s S.M. Roychowdhury & co. dtd 11.02.92 on financial information for five financial years ended 31.03.87 to 19991 and for eight months ended 30.11.91.
20. Letter no. IDBI. ERO.no.7862/PFT/414-b dtd. 18.09.91 agreeing to grant a Rupee Bridge Loan of Rs. 75 lacs against public issue and company's letter no. project/IDBI/5005 dt. 19.02.92 seeking extension for repayment upto 31.08.92.
21. A copy of prospectus dtd 29.09.81 regarding previous public issue
22. Declaration by the secretary of the company that the company has no subsidiary.
23. Letter from Consultants/General Manager (project & process) of the company regarding requirement of power.
24. Copies of powers of attorney from the directors of the company.

DECLARATION

The Board of Directors hereby declare 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 thereunder.

SIGNED BY DIRECTORS

1. KRISHNA NANDAN SAHAYA

(By his Constituted Attorney Mr. Rajiv Nandan Sahaya)

2. KUMUD NANDAN SAHAYA

3. RAVI NANDAN SAHAYA

(By his Constituted Attorney Mr. Rajiv Nandan Sahaya)

4. SHIVA NATH PRASAD

5. KRISHNA BAHADUR

(By his Constituted Attorney Mr. Rajiv Nandan Sahaya)

6. SHYAM KISHORE BHAGAT

7. P. T. THOMAS

8. J. NARAYAN

(By his Constituted Attorney Mr. Pramod Chandra Jain)

9. RAJIV NANDAN SAHAYA

PLACE: CALCUTTA
DATE: 27.3.1992