



# Agarwal Bolts Limited

( Incorporated on the 15th day of September, 1971 as a  
Private Limited Company under the Companies Act, 1956 )

## PROSPECTUS

Issue of 19,500 Equity Shares of

Rs. 10/- each.

a n d

Offer for sale of 10,500 Equity Shares

of Rs. 10/- each.

### Registered Office :

370, Marshall House ( 3rd Floor ),

25, Strand Road, Calcutta-700001.

# AGARWAL BOLTS LIMITED

( Incorporated under the Companies Act, 1956 )

This issue of Equity Shares is within the exemption limit of Rs. 50 Lakhs under the Capital Issue ( Exemption ) Order, 1969.

A copy of this prospectus having attached thereto the documents required to be filled under Section 60 of the Companies Act, 1956 ( "the Act" ) has been delivered for registration to the Registrar of Companies, West Bengal.

Application will be made to the Calcutta Stock Exchange Association Ltd. at Calcutta for permission to deal in, and for official quotation, of the Equity Shares of the Company.

With reference to the offer for sale of 10,500 Equity Shares of Rs. 10/- each made herein, the Company.

1) on behalf of the offerers, collectively and individually accepts full responsibility for the accuracy of the information given in this offer for sale and confirm that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this offer for sale misleading and further confirm that they have made all reasonable enquiries to ascertain such facts.

2) on behalf of the offerers, hereby declare that it must be distinctly understood that the Calcutta Stock Exchange Association Ltd. to which the application for official quotation is proposed to be made do not accept any responsibility for the financial soundness of the said offer or for the price at which the offer for sale is made or for the correctness of the statements made or opinions expressed in this offer for sale.

3) further states that they have irrevocably constituted the Company as their agent for the sale of the said shares.

The subscription list for the new Equity Shares as well as the application list for the Equity Shares offered for sale will open at the commencement of Banking hours on 27-7-1981 and will close at the close of Banking Hours on 6-8-1981 or earlier at the discretion of the Board of Directors of the Company but not before the close of Banking Hours on 30-7-1981.

ATTENTION of the applicants is drawn to sub sec (1) of Section 68A of the Act which is reproduced below :—

"Any person who"—

a) makes in a fictitious name an application to a company for acquiring or subscribing for any shares therein or,

b) otherwise induces the company to allot or register any transfer of shares therein to him or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.

# AGARWAL BOLTS LIMITED

( Incorporated on the 15th day of September, 1971 as a Private Limited Company  
under the Companies Act, 1956 )

## SHARE CAPITAL :

### Authorised :

1,00,000 Equity shares of Rs. 10/ each 10,00,000

### Issued Subscribed & Paid up :

30,500 Equity Shares of Rs. 10/- each  
fully paid up (out of the above,  
29,800 Equity Shares have  
been allotted as fully paid up  
for a consideration other than  
cash) 3,05,000

### Present Issue for Cash :

19,500 Equity shares of Rs. 10/- each  
for cash at par 1,95,000

### Present offer for sale

10,500 Equity Shares of Rs. 10/- each  
for cash at par 1,05,000  
(The offer for sale from some  
of the existing Shareholders is  
being made in order to comply  
with the Stock Exchange Re-  
gulations for enlistment of the  
equity shares of the Company  
on the CALCUTTA STOCK  
EXCHANGE.)

Total of present issue and  
present offer for sale to the  
public available for public  
subscription

3,00,000

## APPLICATION AND TERMS OF PAYMENT

Applications for shares shall be made only by Indian Nationals resident in India and must be for a minimum of 50 shares or multiples thereof. Applications must be made in the accompanying form in accordance with the instructions contained therein and will be liable to be rejected if not so made.

An applicant should submit only one application (and not more than one) for the total number of shares required. Applications 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 the one and the same. The Board of Directors reserve the right to reject in its absolute discretion all or any multiple applications.

## TERMS OF PAYMENT

On application

On allotment/Acceptance

Rs. 5/- per share

Rs. 5/ "

## PRESENT OFFER FOR SALE

Some of the existing shareholders have agreed to offer for sale 10,500 Equity Shares of Rs. 10/- each fully paid up out of their present holding in Agarwal Bolts Ltd. (referred to in this prospectus as the "Company"), and have irrevocably constituted the company as their attorney for the sale thereof. The Company will accordingly act only as the attorney of the offerer's in connection with the sale referred to above and the net sale proceeds received by the company will be paid by the company to the offerers or will be disposed of in accordance with their instructions. All expenses in connection with the offer for sale will be borne by the Company including stamp duty. The Company will not receive any remuneration, compensation or other benefit in respect of the sale of the shares. In the premises, the company as attorneys offers the said 10,500 fully paid up Equity shares for sale to the public on the terms of this Prospectus.

## RIGHTS ATTACHING TO EQUITY SHARES COVERED BY THIS PROSPECTUS

The Equity shares covered by the present issue and offer for sale are subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company. The shares being offered for subscription and those offered for Sale will rank pari passu in all respects with the existing remaining equity shares of the Company and they will be entitled to full dividend for the financial year ending 30th June 1981, irrespective of the date of the allotment or acceptance.

**AUTHORITY FOR PRESENT ISSUE**

The present issue was authorised by the members of the Company at an ex-traordinary General Meeting held on the 2nd day of April 1981 pursuant to a special resolution passed in terms of Sec. 81 (1-A) of the Act.

**BOARD OF DIRECTORS**

<b>Name, Address, Description of Occupation</b>	<b>Other Directorships</b>
---	----------------------------

- |   |            |
|---|------------|
| <p>1) <b>LOKE NATH AGARWAL</b><br/>(Managing Director)<br/>(S/o Kanhaia Lal Agarwal)<br/>P-399/1, Keyatalla Lane,<br/>Calcutta-29.<br/>Business.</p>          | <p>Nil</p> |
| <p>2) <b>TRILOKI NATH AGARWAL</b><br/>Joint Managing Director,<br/>(S/o. Kanhaia Lal Agarwal)<br/>P-399/1, Keyatalla Lane,<br/>Calcutta-29.<br/>Business.</p> | <p>Nil</p> |
| <p>3) <b>OM PRAKASH BAGARIA</b><br/>(S/o. Shyamsundar Bagaria)<br/>237/9, G. T. Road,<br/>P.O. Belurmath, Dist. Howrah.<br/>Business.</p>                     | <p>Nil</p> |

**Registered Office :**

25, Strand Road, (3rd Floor)  
Calcutta-700 001.

**Factory :**

Unit No. 1 : 14, Belur Road, Liluah, Howrah.  
Unit No. 2 : Dakhin Rajdharpur, Delhi Road,  
P. O. Serampore, Hooghly.

**AUDITORS**

B. K. Shroff & Co., Chartered Accountants,  
23A, Netaji Subhas Road,  
Calcutta-700001.

**LEGAL ADVISERS**

L. P. Agarwal & Co.  
1B, Old Post Office Street,  
Calcutta.

**Bankers to the Issue & offer for Sale**

Central Bank of India  
3, Netaji Subhas Road, Calcutta,

and their main branches at Bombay, Delhi, Madras, Hyderabad, Ahmedabad, Bangalore, Kanpur, Pune, Nagpur, Lucknow, Coimbatore, Madurai, Jaipur, Agra, Varanasi, Indore, Jabalpur, Allahabad, Cochin, Jammu, Srinagar.

**BROKERS TO THE ISSUE**

1. SINGHANIA BROS.  
16, India Exchange Place,  
Calcutta-700001.
2. JAMNADAS VIRJI & SONS.  
8/812, Stock Exchange Tower  
Dalal Street, Fort, Bombay-400023.
3. BHARAT BHUSHAN & CO.  
H-45, Connaught Place,  
New Delhi-110001.
4. V. S. KRISHNASWAMI & CO.  
45, Armenian Street,  
Madras-600001.
5. MATHEW AND COMPANY  
Ernakulam, Cochin-682011, Kerala.
6. VIJAY & COMPANY  
9 Eleventh Main Road,  
Malleswaram, Bangalore-560003.
7. PUSHKARAL GHUDAWALA  
44 Bada Sarafa, Indore-452002.
8. CHAMPAKLAL BHAILAL CHOKSHI  
Manek Chowk, Ahmedabad-380001.
9. LAXMINARAYAN RATHI  
4-5-173, & 174, Hashmatgunj,  
Sultan Bazar, Hyderabad-500001.  
Andhra Pradesh.

**UNDERWRITERS**

No part of the issue and offer for sale is underwritten.

**CONSENTS**

Consents in writing from the above named Legal Adviser, Auditors, Bankers to the Issue and Brokers to the issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, West Bengal, as required by the Act, and such consents have not been withdrawn upto the date of filing of this Prospectus. M/s. B. K. Shroff & Co., the Auditors of the Company, have also given their written consents to the issue of the Prospectus for the inclusion of their report in the form and context in which it is included and such consents have not been withdrawn upto the date of filing of this Prospectus.

**TAX BENEFITS**

The Board of Directors are advised that according to the taxation laws presently in force the following tax benefits would be available.

- A. To the Company
  - (1) Amortisation of certain preliminary expenditures including expenses incurred in the present issue of shares over a period of the ten successive years under section 35D of the Income-Tax Act, 1961.
  - (2) Export Markets Development Allowance in respect of certain prescribed expenditure to the extent specified in Section 35B of the Income-tax Act, 1961.
  - (3) The Company would be liable to pay Income Tax at lower rates which are applicable to the Companies in which public are substantially interested.
- B. To the Members—
  - (1) Members of the Company who are individuals and Hindu Undivided Families will be entitled to the deduction under Section 80L of the Income-tax Act, 1961 from their total income upto a maximum of Rs. 3000/- in the aggregate per year in respect of specified items including dividends from the Company.

- (2) Members of the Company who are domestic Companies will be entitled to a deduction under Section 80 M of Income Tax Act, 1961 of 60% of the dividend including dividends from the Company,
- (3) Members of the Company who are themselves Companies will be entitled to the benefit of total exemption of dividend received by them from the Company under Companies (Profits Surtax) Act, 1964.
- (4) Under the provisions of Section 5 of the Wealth Tax Act 1957 Shareholders will not be liable to Wealth Tax on the value of specified assets including shares in the Company to the extent that the total value of such assets does not exceed Rs. 1,50,000/-

#### BRIEF HISTORY & BUSINESS OF THE COMPANY

The History of the Company dates back to the year 1956 when a partnership firm under the name of Agarwal Industries started manufacturing Bolts, Nuts and Rivets. As the business went on growing the partners of the firm incorporated a private limited Company under the name of "Agarwal Bolts Private Limited" in the year 1971 and the business of the firm was taken over by the Company. The Company has set up a new factory in the year 1974 at Dakshin Rajdharpur, Serampore, Hooghly District, West Bengal. The Company was converted into a Public Limited Company on 28th August, 1980. Necessary certificate in this respect has been obtained from the Registrar of Companies, West Bengal. The Company is licenced to manufacture 3200 M. T. Bolts, Nuts and Rivets per annum.

#### MANAGEMENT

The Company is presently managed by the Board of Directors. The day to day affair of the Company are being looked after by Shri L. N. Agarwal, the Managing Director of the Company and by Shri T. N. Agarwal, the Joint Managing Director of the Company.

#### PROSPECTS OF PROFITABILITY

The working results of the Company's Liluah and Rajdharpur Units is quite satisfactory. The Directors expect that with the expansion programme now in hand and with increases in sales, the profits of the Company will increase steadily. The Company's profits show an increase consistent with the sales of the Company's product and on that basis the shareholders can reasonably expect to receive a satisfactory return on their capital investment. The Directors are of the opinion that barring unforeseen circumstances the Company may pay reasonable dividend to the equity shareholders in the near future.

## FINANCIAL HIGHLIGHTS

The following figures from the audited account, serve to highlight the consistent improvements recorded by the Company in profitability and growth :

Year ended on	Paid-up share capital	Shareholders Funds (Capital & Reserves)	Turnover	Net Profit	(Rs. in lacs) Profit after tax	Dividend %
30. 6.76	3.00	14.00	57.63	2.66	1.05	20%
30. 6.77	3.00	13.79	66.86	2.59	.96	20%
30. 6.78	3.00	14.58	74.08	1.92	.76	Nil
30. 6.79	3.00	16.71	103.76	3.49	1.79	Nil
30. 6.80	3.05	19.10	135.21	6.37	2.22	Nil
31.12.80	3.05	26.33	86.62	7.22	7.22*	Nil

\* Subject to provision for Income Tax and other statutory provisions/allowances including depreciation.

## MARKETING ARRANGEMENTS

The Company's products are well received in the market. The Company has a strong dealership network throughout India.

## AUDITORS' REPORT

The Board of Directors  
AGARWAL BOLTS LIMITED,  
25, Strand Road,  
Calcutta-700 001.

B. K. SHROFF & CO.  
Chartered Accountants,  
23A, Netaji Subhas Road,  
Calcutta-700001.

Dear Sirs,

We have examined the books of accounts of Agarwal Bolts Limited for the five years ended 30th June, 1980 and have also examined and found correct the accounts of the Company for the half year ended 31st December, 1980, the last date upto which the accounts of the company have been made up.

Adjustments may be necessary in these accounts for the half year ended 31st December, 1980 for complying with the requirements of Law relating to the accounts to be laid before the company in Annual General Meeting but at the date of signing this report, we are not aware of any material adjustment which could affect the position shown by the accounts examined by us.

The Company was a private limited company upto 27.8.80 and from 28.8.1980 in the same year it became a Public Limited Company.

**PROFITS:** In accordance with the requirements of Clause 24(3) of Part II of Schedule II, to the Companies Act, 1956, we report that the profits, after charging all manufacturing, selling and administrative expenses and after making such regroupings and adjustments as were in our opinion appropriate and subject to notes are :

Income	1976	1977	1978	1979	1980	31-12-1980
Sales (Net)	57,63,202	66,86,327	74,08,198	1,03,76,181	1,35,21,379	86,61,754
Other Income	1,77,947	4,94,016	5,10,945	5,04,610	5,87,582	1,21,220
Increase/(Decrease) in Closing Stocks	2,23,185	(1,21,143)	2,44,223	(3,27,505)	3,22,476	6,86,624
	61,64,334	70,59,200	81,63,366	1,05,53,286	1,44,31,437	94,69,598

#### Expenditure

Purchases-Finished goods	2,26,047	1,14,848	1,68,080	2,54,891	1,91,322	35,583
Consumption of Material	27,40,498	33,76,384	39,14,475	52,08,227	74,06,327	47,30,152
Manufacturing, Marketing & Administrative Expenses	28,44,227	31,58,787	37,36,982	45,61,145	60,00,570	38,82,533
Interest	41,128	60,376	68,557	65,906	1,05,829	98,757
	58,51,900	67,10,395	78,88,094	1,00,90,169	1,37,04,048	87,47,025



Profit before Depreciation, Taxation and Development Rebate/Investment Allowance	3,12,434	3,48,805	2,75,272	4,63,117	7,27,389	7,22,573
Depreciation	43,192	72,022	71,692	80,341	78,605	—
Profit before Taxation & Development rebate/Investment allowance	2,69,242	2,76,783	2,03,580	3,82,776	648,784	—
Development Rebate/Investment allowance	3,300	17,659	11,606	34,000	12,222	—
Profit before Taxation	2,65,942	2,59,124	1,91,974	3,48,776	6,36,562	—
Taxation	1,61,000	1,63,360	1,16,000	1,70,000	4,15,000	—
Income tax payments/Provisions for Earlier years	92,237	73,894	8,400	—	—	—
<b>Profit after tax</b>	<b>12,705</b>	<b>21,870</b>	<b>67,574</b>	<b>1,78,776</b>	<b>2,21,562</b>	<b>7,22,573</b>

## Notes :

- |   |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|
| 1. Manufacturing, Marketing & Administrative Expenses include Directors Remuneration and Perquisites. | 55,980 | 58,739 | 59,940 | 60,120 | 60,480 | 29,250 |
|---|--------|--------|--------|--------|--------|--------|
2. Cash subsidy and duty drawback on export have been accounted for on cash basis.
3. Contingent liabilities not provided for :  
Income tax-under appeal for assessment year 1976-77 82,446

## II. Assets &amp; Liabilities :

We also report that the Assets and Liabilities of Agarwal Bolts Limited as at 31st December, 1980 which is the last date to which the Company's accounts have been made up and audited and subject to the Notes given below are as follows :

	As on 30th June, 1980		As at 31st Dec., 1980	
<b>Assets :</b>				
Fixed Assets—At Cost	12,31,440		12,42,170	
Less : Depreciation	<u>5,00,109</u>	7,31,331	<u>5,00,109</u>	7,42,061
<b>Investments :</b>				
At Cost		17,400		17,400
<b>Current Assets Loans &amp; Advances :</b>				
Inventories		14,84,869		23,21,205
Sundry Debtors—Unsecured				
Considered good	17,05,658		18,43,287	
Considered doubtful	<u>15,435</u>	17,21,093	<u>15,435</u>	18,58,722
Cash & Bank Balances		1,05,370		13,052
Loans & Advances—Unsecured,				
Considered good		11,41,504		14,02,425
<b>Miscellaneous Expenditure :</b>				
Preliminary Expenses		<u>1,550</u>		<u>1,550</u>
Total Assets		<u>52,03,117</u>		<u>63,56,415</u>
<b>Less: Liabilities and Provisions :</b>				
Secured Loans	1,49,128		3,55,458	
Unsecured Loans	7,44,500		7,97,312	
Current Liabilities & Provisions	<u>23,99,478</u>	32,93,106	<u>25,71,061</u>	37,23,831
		19,10,011		26,32,584
<b>Represented by :</b>				
<b>Share Capital—</b>				
30,500 Equity Shares of Rs. 10/- each				
fully paid up in cash		3,05,000		3,05,000
<b>Reserves &amp; Surplus :</b>				
Development Rebate Reserve	1,34,678		1,34,678	
Investment Allowance Reserve	78,788		78,788	
General Reserve	9,19,500		9,19,500	
Profit and Loss Account	<u>4,72,045</u>	16,05,011	<u>11,94,618</u>	23,27,584
		19,10,011		26,32,584

**NOTES**

1. Inventories have been valued as follows :—
  - a) Finished Goods and raw materials at cost or market value whichever is lower.
  - b) Work-in-progress at estimated cost.
  - c) Stores & Spare parts, packing materials, and tools & Implements at cost.
  - d) Scrap at realisable value.
2. Cash credit loans from Bank are secured by hypothecation of Stock-in-trade and also secured by personal guarantee of two of the Directors.
3. Lease agreement in respect of leasehold office premises has not yet been executed.

## 4. DIVIDENDS

We further report that in respect of the five financial years ended 30th June, 1980, the dividends paid/payable by the company on its paid-up share capital as on the date of declaration of dividend were as follows :—

Year ended 30th June	No. of Equity Shares of Rs. 10/- each	Rate of Dividend %	Amount of Dividend
1976	30,000	20%	60,000
1977	30,000	20%	60,000
1978	30,000	Nil	Nil
1979	30,000	Nil	Nil
1980	30,500	Nil	Nil

Yours faithfully,

For B. K. SHROFF & CO.

Chartered Accountants,

B. K. SHROFF

Partner.

Calcutta,

Dated 15th April, 1981

## OTHER STATUTORY AND GENERAL INFORMATION

## Main objects of the Company

The Company was incorporated with the object of carrying on the several businesses set out in the Memorandum of Association and the following is inter-alia.

1. To carry on the business of manufacturers, importers, exporters and dealers in Bolts, Nuts, Rivets, Studs, Screws, Spikes, Split pins, Nails, Tacks, Dog shoe and hardwares of all kinds, and descriptions, heavy and light engineering products of ferrous and non-ferrous metals, steel and iron structures of all kinds, ferrous and non-ferrous castings, accessories, Dies & Tool makers, components automobile accessories.
2. To purchase or otherwise acquire all the assets and liabilities including the freedom and leasehold premises, goodwill, plants, machinery and stock-in-trade of or connected with the business now being carried on under the name and style of "Agarwal Industries" and to take it over as a going concern with all its business.
3. To carry on the business of manufacturers, importers, exporters and dealers in Belt fasteners, Hair, Cotton canvas conveyors and leather Belting, V. Belts, Hose Pipes, Gunny Bags, Hessian and other jute products and other packing materials, Lacings and other articles and materials of all kinds and other descriptions.

4. To carry on the business of mechanical engineers, and manufacturers of machinery, agricultural implements, Tools & Tool Machines Pipes and pipe fittings, special purpose machines, brass Founders, metal workers and to deal in machinery implements, rolling stock and hardware of all kinds and also to do the business of Galvanizing as covered by the object clause.

#### **Objects of the present issue and offer for sale**

The objects of the present issue and offer for sale are to provide a part of the finance required for the working Capital requirements of various activities of the Company, to enable the Equity Shares of the Company to be listed on the Calcutta Stock Exchange and to broad-base the Shareholdings of the Company.

#### **Minimum Subscription**

The minimum subscription in respect of the present issue shall be the subscription of 19500 Equity Shares of the Rs. 10/- each at par. The Directors will proceed to allot the shares issued vide this prospectus on receipt of Rs. 97,500/- being the amount payable on application in respect of 19,500 Equity Shares at the rate of Rs. 5/- per share.

#### **EXPENSES OF THE ISSUE**

The expenses of the issue including brokerage, printing, advertising, legal and other charges are estimated at Rs. 25,000 and will be met by the company out of the proceeds of the issue.

#### **BROKERAGE**

Brokerage will be paid at the rate of 1 per cent to the members of any recognised stock exchanges in India on the normal value of the shares on the basis of allotments acceptances made against applications bearing their stamps, Brokerage at the same rate will be payable to the Brokers and Bankers to the issue in respect of allotments acceptances made against applications procured by them provided the relative form of applications bear their respective stamps in the broker's column. No underwriting commission is payable as the issue is not underwritten.

#### **Previous Commission, Brokerage and Discount on Shares**

Save for brokerage payable as mentioned in this prospectus, no sums have been paid within two years preceeding the date of this prospectus or are payable as commission, brokerage or discount for subscription or for procuring subscription for any shares in the Company.

#### **PREVIOUS ISSUES**

The Company has not offered any shares for subscription for cash within the two years proceeding the Issue of this prospectus.

6,29,800 Shares are allotted otherwise than cash to the partners of the erstwhile firm 'Agarwal Industries' who are the proprietors of the Company.

#### **Issue at a Premium or Discount**

No amount is paid or is payable by way of premium on any shares issued or agreed to be issued by the Company at any time so far. No Shares have been issued at a discount within two years preceeding the date of this prospectus.

#### **Capitalisation of Reserves**

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

## CLASS OF SHARES

At present the entire share capital of the Company consists of Equity Shares only.

## REVALUATION OF ASSETS

There has been no revaluation of the assets since the incorporation of the Company.

## OPTION TO SUBSCRIBE

The Company has not entered into any contract or agreement and does not at present propose to enter into any contract of agreement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for/or apply for any shares of the Company within this "Present Issue" and "offer for sale".

## RIGHTS OF SHAREHOLDERS

### Dividends

Subject to the provisions of Section 205 and 206 of the Act and the provisions of the Articles of Association of the Company, dividend may be paid to the members of the company out of the profits of the company according to their rights and interests in proportion to the amount paid up or credited as paid up on each share.

### VOTING RIGHTS

Article 100 provides that no member shall exercise any voting right in respect of any shares registered in his name on which any call, or other sums presently payable by him have not been paid or in regard to which the company has exercised any right of lien.

Article 101 provides that :

- (i) Save as hereinafter provided on a show of hands every member present in person and being a holder of Equity shares shall have one vote.
- (ii) Save as hereinafter provided on a poll the voting rights of equity shares shall be as specified in section 87 of the Act.
- (iii) The holders of preference shares shall not be entitled to vote at a general meeting of the Company except as provided for in section 87 of the Act. Provided that no body corporate shall vote by proxy so long as resolution of its Board of Directors under the provisions of Section 187 of the Act is in force and representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

Article 105 provides that on a poll votes may be given either personally or by proxy, and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

Article 106 provides that every proxy shall be appointed in writing under the hand of the appointer or his attorney duly authorised in writing or such appointer is a corporation under its common seal or the hands of its attorney, who may be appointer and any committee or guardian may appoint such proxy. A proxy who is appointed for a special meeting only shall be called a Special Proxy, Any other proxy shall be a General Proxy.

## LIEN ON SHARES

Article 49 provides that the Company shall have a first and paramount lien upon every share not being fully paid up registered in the name of any 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 16 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of a share shall operate as waiver of the company's lien, if any, on such share.

## Restriction on Right to transfer of the shares

Article 62 provides that the subject to the provisions of Section III of the Act the Directors may at their discretion refuse transfer and/or transmission by operation of law of any share in the company without assigning any reason.

## DIRECTORS

Article 113 provides that until otherwise determined by a General Meeting the number of Directors shall be not less than three and not more than twelve.

Article 118 provides that unless otherwise determined by the company in General Meeting, it shall not be necessary for a Director to hold any qualification shares.

## BORROWING POWERS

Article 82 provides that

- (i) The Board of Directors may from time to time at its discretion subject to the provisions of Section 58A, 292, 293 and 370 of the Act raise or borrow, either from Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the company.
- (ii) The Directors may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respect as it thinks fit, and in particular by the issue of bonds, perpetual or redeemable debentures or debenture, stock or any mortgage or other security on the undertaking of the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

## Managing Director / Joint Managing Director

Article 150 provides that subject to the provisions of Section 316 and 317 of the Act, the Board may, from time to time, appoint Managing Director of the company, for a fixed term not exceeding five years at a time and may, from time to time (subject to the provisions of any contract between him and the company) remove or dismiss him from office and appoint another in his place. The Board may also appoint from time to time one or more person(s) as Joint Managing Director(s), Wholetime Director(s) and/or Deputy Managing Director(s) on such terms and conditions as may be agreed upon between him or them and the company.

## Remuneration to Directors

Article 152 provides that subject to the provisions of Sections 198, 309, 310 and 311 of the Act, a Managing Director, Joint Managing Directors, Wholetime Director(s), and/or Deputy Managing Director(s) 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. The Managing Director, Joint Managing Director(s), Wholetime Director(s) and/or Deputy Managing Director(s) shall not be entitled to any sitting fee for attending the Board or Committee meeting.

At a meeting held on 31st March, 1980 the Board of Directors, appointed Shri Loknath Agarwal as the Managing Director of the Company for a period of 5 years from 1st April, 1980. The Shareholders of the Company have at the annual General Meeting held on 29th December, 1980 approved the remuneration and perquisites to be paid or granted to Shri Loknath Agarwal. As per the draft agreement the Company proposes to pay Shri Agarwal in consideration of the performance of his duties as under—

i. Salary of Rs. 3,000/- per month.

ii. Perquisites :

- a) Company's contribution to Provident Fund as per the Rules of the Company subject to the condition that the company's contribution for him to the said fund shall not exceed 10% of his salary.
- b) Gratuity at a rate not exceeding one-half month's salary for each completed year of service subject to a maximum of Rs. 30,000/-.
- c) The company shall pay all medical expenses including such expenses as shall relate to surgical, optical and dental treatment incurred by Shri L. N. Agarwal for himself, his wife and dependent children. If recommended by a Medical Practitioner nominated by the company, the company shall also pay any travelling expenses for this purpose in or outside India for himself, his wife and dependent children. The total expenses of the company under this sub-clause shall not exceed Rs. 5,000/- in a year or Rs. 15,000/- for period of every three years of service.
- d) One month's leave with full remuneration for each eleven completed months of service with right of accumulation.
- e) Leave travel assistance for self, wife and dependent children to and from any place in India once in a year subject to a condition that only actual fares and no hotel expenses etc. will be allowed.
- f) Free furnished residential accomodation including Air-conditioners.
- g) Use of company owned and maintained car including expenses for services of a driver for the company's business and for limited private use.
- h) The company shall bear the cost of Shri L. N. Agarwal's monthly subscriptions for two clubs.
- i) Re-imburement of actual expenses incurred for the promotion of the business of the company.

Provided that in the event of absence or inadequacy of profit in any year, the Managing Director shall be paid the salary, benefits for such year as mentioned in item i above.

The appointment of Shri Loknath Agarwal and remuneration payable is subject to the approval of the Central Govt. under the provision of the Act. The necessary application is being made to the Central Govt. for its approval. An agreement for appointment of Shri Loknath Agarwal as the Managing Director of the company will be entered into by the Company with Shri Loknath Agarwal after receiving the approval of the Central Govt.

At a meeting held on 31st March 1980 the Board of Directors, appointed Shri T. N. Agarwal as the Joint Managing Director of the company for a period of 5 years from 1st April, 1980. The Shareholders of the company have at the Annual General Meeting held on 29th December, 1980 approved the remuneration and perquisites to be paid or granted to Shri T. N. Agarwal. As per the draft agreement the company proposes to pay Shri Agarwal in consideration of the performance of his duties as under —

i) A salary of Rs. 1,500/- per month.

ii) **Perquisites :**

- a) Company's contribution to provident Fund as per the Rules of the company subject to the condition that the company's contribution for him to the said fund shall not exceed 10% of his salary.
- b) Gratuity at a rate not exceeding one-half month's salary for each completed year of service subject to a maximum of Rs. 30,000/-
- c) The company shall pay all medical expenses including such expenses as shall relate to surgical, optical and dental treatment incurred by Shri T. N. Agarwal for himself, his wife and dependent children. If recommended by a Medical Practitioner nominated by the company, the company shall also pay any travelling expenses for this purpose in or outside India for himself, his wife and dependent children. The total expenses of the company under this sub-clause shall not exceed Rs. 5,000/- in a year or Rs. 15,000/- for a period of every three years of service.
- d) One month's leave with full remuneration for each eleven completed months of service with the right of accumulation.
- e) Leave travel assistance for self, wife and dependent children to and from any place in India, once in a year, subject to condition that only actual fares and no hotel expenses etc. will be allowed.
- f) Free furnished residential accommodation including Air-conditioners.
- g) Use of company owned and maintained car including expenses for services of a driver for company's business and for limited private use.
- h) The company shall bear the cost of Shri Agarwal's monthly subscriptions for two clubs.
- i) Re-imbursment of actual expenses incurred for the promotion of the business of the company.

Provided that in the event of absence or inadequacy of profit in any year, the Joint Managing Director shall be paid the salary, benefits for such year as mentioned in item i) above.

The appointment of Shri T. N. Agarwal and remuneration payable is subject to the approval of the Central Govt. under the provision of the Act. The necessary application is being made to the Central Govt. for its approval. An agreement for appointment of Shri T. N. Agarwal as the Joint Managing Director of the company will be entered into by the company with Shri T. N. Agarwal after receiving the approval of the Central Govt.

**Restriction on Powers of Directors**

Article 146 provides that subject to the provisions of the Act, the business of the company shall be managed by the Directors who may exercise all such powers of the company as are not by the Act or by these Articles required to be exercised by the company in general meeting subject nevertheless to any regulations of these articles and to such regulations being not inconsistent with the aforesaid regulations or the Act or to any directions as may be made or given by the company in general meeting but no regulation made or direction given by the company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation or direction had not been made or given.



### Indemnity

Article 196 provides that every Director, Manager, 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, Manager, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal in which judgment 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.

### Interest of Directors

- a) Shri L. N. Agarwal, Managing Director is interested to the extent of remuneration, perquisites and reimbursement of expenses payable to him by the company as Managing Director.
- b) Dr. T. N. Agarwal, Joint Managing Director is interested to the extent of remuneration perquisites and reimbursement of expenses payable to him by the company as Joint Managing Director.
- c) Irrevocable appointment of the Company as constituted attorney of Sri L. N. Agarwal for the 'Offer for Sale' of 10,500 Equity Shares of Rs. 10/- each dated 4th May, 1981

### Inspection of documents

The following documents or copies thereof may be inspected at the Registered Office of the company on any working day until the close of subscription list :-

1. Memorandum and Articles of Association of the company.
2. Certificate of incorporation.
3. Report of the Auditors of the company and accounts referred to in the Auditors' Report.
4. Consent letters of Bankers, Auditors, Legal Advisors and Brokers to the issue and "Offer for Sale".
5. Resolutions passed by the company under section 81(1A) of the Companies Act, 1956.
6. Copy of the Resolutions passed at the Annual General Meeting of the Company held on 29th December, 1980 for the appointment and fixing of the remuneration of the Managing Director and Joint Managing Director.

### Application for Shares

Applications for shares must be in the name of individuals, limited companies, statutory corporations or statutory institutions AND NOT in the name of a trust (unless the trust is registered under any Societies Registration Act and is authorised under its constitution to hold shares in a company), minor, firms, non-resident, foreign national or his or its nominees.

Application forms duly completed together with the amount payable on application at the rate of Rs. 5/- per share must be lodged, before the close of the subscription list with the Bankers to the issue named in the prospectus or any of their offices mentioned in the Application form and not to the company. For further

instructions, please read the Application Form carefully. In the event of oversubscription of the public issue and of the offer for sale, the allotment will be done in consultation with the Stock Exchange, Calcutta.

**Application by the Non-residents/Persons of Indian origin resident abroad.**

In terms of recent relaxation of rules to non-resident investment in India, non-resident Indians/persons of Indian origin resident abroad may subscribe to the Equity Shares hereby offered. The Company will obtain necessary permission in this connection of the Reserve Bank of India and the applicants need not apply direct to the Reserve Bank for permission for subscription to the said shares. Allotment of shares to non-resident Indians/persons of Indian origin resident abroad shall be subject to the Company obtaining such permission from the Reserve Bank of India. The investment in Equity Shares by such non-residents/persons of Indian origin resident abroad will be allowed to be repatriated along with income on the investment subject to deduction of Indian taxes provided the investment is made by inward remittance from abroad through normal banking channels or out of funds held in the non-resident (external) accounts. Non-resident Indians and persons of Indian origin resident abroad are also eligible to subscribe to the equity shares hereby offered from their funds held in India or by inward remittance subject to inter alia their giving an undertaking not to seek repatriation of capital or income arising thereon.

#### **Applications under Power of Attorney**

In case of applications under power of Attorney or by Limited Companies or by corporate bodies the relevant Power of Attorney or the relevant authority as the case may be, or a duly certified copy thereof must be attached to the Application Form or lodged separately at the office of the Company at the time of submitting the Application Form.

#### **Receipt of Money**

Payment may be made in cash or by cheque or bank draft. Cheques or bank drafts should be drawn on a Scheduled Bank or on any Bank which is a member or sub-member of clearing Houses located at centres where there are recognised Stock Exchanges. Outstation cheques will not be accepted and applications accompanied by such cheques are liable to be rejected. Money orders will not be accepted. All cheques or drafts accompanying the application should be crossed "A/c Payee Only" and made payable to the Bankers with whom the application is lodged and marked "A/c. Agarwal Bolts Limited Equity Issue".

#### **Disposal of Applications and Application Money**

No receipts will be issued for the application money. However, the Bankers to the Issue receiving the application will acknowledge receipt of the application by stamping and returning to the applicant, the perforated acknowledgement slip at the bottom of each Application Form. Letter of Allotment or Letter of Regret, together with refund orders, if any, will be despatched within 60 days of the closing of the subscription application list or in the event of unforeseen circumstances, within such further time as may be allowed by the Stock Exchange in Calcutta.

The Directors reserve the full and uncontrolled right to accept or reject any application in whole or in part without assigning any reason. Where an application is rejected in full the whole of the application money received will be refunded to the applicant. If an application is rejected in part the balance of the application money received will be refunded to the applicant in terms of section 73 of the Act, within 60 days : or in the event of unforeseen circumstances ; within such extended time as may be allowed by the Stock Exchange Calcutta ; from the date of closing of the subscription/application list. No interest will be payable on application money so refunded.

Refunds will be made by Cheques or pay orders drawn on the Company's Bankers in Calcutta and will be payable at par at all places where there are recognised Stock Exchanges ; Bank charges if any ; encashing such cheques or pay orders will be payable by the applicants, Cheques ; Pay orders Allotment/Acceptance Letters of Regret ; and/or share Certificate will be despatched to the applicant to his/her registered address at his/her own risk.

In the case of Joint applicants ; refund orders ; if any ; will be made payable and all communications addressed to the applicant whose name appears first ; at his/her registered address stated in the Application Form.

In respect of those applicants to whom shares are given from out of the offer for sale a Letter of Acceptance will be sent and the Company will conclude the transaction of sale by the offerers and the Company as Attorney of the offerers will execute the necessary documents to effect the transfer in favour of the applicants where upon the same shall be deemed to have been completed.

**Basis of Allotment :**

In the event of the present issue and offer for sale being over-subscribed, the basis of allotment will be arrived at in consultation with Stock Exchange, Calcutta.

**Issue of Share Certificates**

The share Certificates will be ready for delivery in exchange for the duly discharged Letters of Allotment/Acceptance ; if any ; issued within three months from the date of allotment/acceptance.

Copies of this Prospectus and Application Forms may be obtained from the Registered Office of the Company ; Managers ; Bankers and Brokers to the Issue ; named herein or from any of the offices of the Bankers to the Issue mentioned in the Application Form.

Calcutta,

Dated : 10th June, 1981

L. N. AGARWAL  
T. N. AGARWAL  
O. P. BAGARIA } Directors.