

B. P. AGARWALLA & SONS LIMITED

PROSPECTUS

FOR PUBLIC ISSUE OF
1,60,000 Equity Shares of Rs. 10/-
each for cash and at par

Registered Office :

**5, SYNAGOGUE STREET,
CALCUTTA-700 001**

B. P. AGARWALLA & SONS LIMITED

(Incorporated under the Companies Act, 1956)

PUBLIC ISSUE OF 1,60,000 EQUITY SHARES OF Rs. 10/- EACH AT PAR.

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

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

An application will be made to the Calcutta Stock Exchange Association Limited, for permission to deal in and for Official Quotation for the Equity Shares of the Company.

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON TUESDAY, THE 27TH JULY, 1982 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON TUESDAY, THE 10TH AUGUST, 1982 OR EARLIER, AT THE DISCRETION OF THE BOARD OF DIRECTORS, BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON FRIDAY THE 30TH JULY, 1982.

Attention of Applicants is drawn to sub-section (1) of Section 68A of the Companies Act, 1956, (hereinafter referred to as "ACT") which is reproduced below :—

ANY PERSON WHO :

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

SUBSCRIPTION LIST OPENS ON—27TH JULY, 1982

EARLIEST CLOSING DATE—30TH JULY, 1982

SHARE CAPITAL

Authorised :

2,50,000 Equity Shares of Rs 10/- each	25,00,000
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Issued, Subscribed & Paid-up :

62,000 Equity Shares of Rs. 10/- each fully paid-up in cash	6,20,000
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Present Issue for Subscription for Cash at par :

1,78,000 Equity Shares of Rs. 10/- each	17,80,000
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Out of the present issue :

18,000 Equity shares of Rs. 10/- each have been reserved for allotment to the direc- tors, their relatives, friends & Associates	1,80,000
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Now offered to the public for subscription for cash at par :

1,60,000 Equity shares of Rs. 10/- each	16,00,000
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TERMS OF PAYMENT :

On Application	Rs. 5/- per share
On Allotment	Rs. 5/- per share

Failure to pay the amount due on allotment will render the allottee liable to pay interest at the rate of 12% per annum or such lower rates as the Directors may determine and shall also render the shares (including the amount already paid thereon) liable to forfeiture, in accordance with the Articles of Association of the Company.

Application must be for a minimum of fifty shares or multiples thereof.

Application must be made by Indian Nationals who are residents in India and also by non-resident Indians/Persons of Indian Origin subject to the conditions set out under paragraph "Application by Non-Residents".

An applicant should submit only one application and not more than one, 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 one and the same. The Board reserves the right to reject in its absolute discretion all or any multiple applications.

Application must be made on the form accompanying the Prospectus and in accordance with the instructions contained in the form and will be refused if not so made. The Shares hereby issued are subject to the terms of this Prospectus, and the said application form and the Memorandum and Articles of Association of the Company.

The Equity shares shall rank *pari passu* with the existing Equity Shares of the Company in all respect except that the holders of the Equity Shares now offered will be entitled to dividend if any, which may be declared or paid on the Equity Shares in proportion to the amount paid up on the Equity Shares and *prorata* for the period during which such capital is paid-up.

The application form properly completed together with the amount payable on application must be lodged before the closing of banking hours on or before the closing date of the subscription list with the Bankers to the issue named hereunder at Calcutta or any of the Main Offices, a list of which is incorporated in the application form.

Payment may be made in cash or by cheque or draft. Cheques or drafts should be drawn on a Scheduled Bank including State Co-operative Bank included in the Second Schedule to the Reserve Bank of India Act, 1934, which is a member or sub-member of clearing houses located at centres where there are recognised Stock Exchange located at the particular place where the application is tendered. Application tendered with outstation cheques, will be rejected. Cheques or drafts should be made payable to the Bankers to the issue with whom the application is lodged and marked "A/c. B. P. AGARWALLA & SONS LIMITED—EQUITY ISSUE" and crossed "A/c. PAYEE ONLY".

A separate cheque or draft must accompany each application form and receipt will be issued for

application money in the perforated space of the application form and final acknowledgement will be made by despatch of letter of allotment or shares certificate or letter of regret within two months from the date of closing of the subscription list or such time as may be extended by the Calcutta Stock Exchange Association Limited. Where a Letter of Allotment, is issued to notify the allotment, share certificates will be ready for delivery in exchange for the letter of allotment within three months from the date of allotment. The Directors reserves the 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 and where an application is rejected in part the balance of the application money received will be refunded simultaneously with the despatch of letter of allotment or share certificate. No interest will be paid in respect of money so refunded. Refund will be made by cheques or pay order or demand drafts drawn on Company's Bankers to the issue and will be payable at par at all the places where subscription moneys were collected.

Refund Pay orders, if any, will be made in the name of and all communication will be sent to the applicant whose name appears first on the application form, at the address given by him.

Application for share must be made in the names of Individual/s, Limited Companies, Statutory Corporations or Institutions and not in the names of minor,

BOARD OF DIRECTORS :

Directors :

1. Sri Prem Kumar Agarwalla
S/o. Sri Bhagwati Prasad Agarwalla
P.O.—Dhansar, Dhanbad
(Business)
2. Sri Santosh Kumar Agarwalla
S/o. Sri Bhagwati Prasad Agarwalla
22, Rambha, 66 C Napean Sea Road,
Bombay-400 006
(Business)

partnership firms or a trust (unless the trust is registered under the "Societies Registration Act" and is authorised by its Constitution to hold shares in a Company).

In the case of an application under Power of Attorney or by Limited Companies, the relevant power or other authorities must be lodged with the Company at its Registered Office for registration and return.

Application by Non-Resident :

In terms of 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 in accordance with the rules of the Reserve Bank Of India. The Company will obtain necessary permission, in this connection of Reserve Bank Of India and the applicant need not apply directly to the Reserve Bank of India 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's obtaining such permission from the Reserve Bank Of India.

Copy of this Prospectus and forms of application may be obtained from the Brokers and Bankers named herein and from the registered office of the Company.

Authority for Present Issue :

Pursuant to Section 81(1-A) of the Act, the present issue has been authorised by Special Resolution passed by the Company at an Extra-ordinary General Meeting held on 27th May, 1982.

Other Directorship :

- 1) Bengal Nagpur Coal Co. Limited
- 2) Mining Machinery & Explosives (P) Ltd.,
- 3) Indian Insulated Conductors (P) Ltd.,
- 4) Associated Navigation Private Ltd.,
- 5) North West Coal Company Limited
- 6) Oriental Sales Private Limited
- 1) Bombay Wire Ropes Limited
- 2) Indian Insulator Conductor (P) Limited
- 3) Mining Machinery & Explosives (P) Ltd.,
- 4) North West Coal Company Limited
- 5) Oriental Sales Private Limited
- 6) Kreda Investment Private Limited

3. Sri Dipak Agarwalla
S/o. Sri Santosh Kumar Agarwalla
5, Synagogue Street,
Calcutta-700 001
(Business)

REGISTERED OFFICE :

5, Synagogue Street,
Calcutta-700 001

BANKERS TO THE COMPANY :

Central Bank of India
3, Netaji Subhas Road,
Calcutta-700 001

BANKERS TO THE ISSUE :

Central Bank of India
3, Netaji Subhas Road,
Calcutta-700 001

BROKERS TO THE ISSUE :

CALCUTTA

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Hariram Naveenkumar
37, Strand Road
Calcutta-700 001 | <ol style="list-style-type: none"> 2. Gourdhandas
Lakshminarayan
32, Baranashi Ghosh
Street,
Calcutta-700 007 |
|---|--|

AHMEDABAD

- | | |
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| <ol style="list-style-type: none"> 1. Champaklal Bhailal
Chokshi
Manek Chowk,
Near Share Bazar,
Ahmedabad | <ol style="list-style-type: none"> 2. Gordhandas N. Gupta
Anandji Kalyanji
Building,
Relief Road,
Ahmedabad-380 001 |
|--|--|

BOMBAY

L. K. Panday
45/47, Apollo Street,
Bombay-400 023

NEW DELHI

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|---|--|
| <ol style="list-style-type: none"> 1. Vinod Kumar & Co.,
A-6, Connaught Place,
New Delhi-110 001 | <ol style="list-style-type: none"> 2. Bharat Bhusan & Co.,
107, Rohit House,
3, Tolstoy Marg,
New Delhi-1 |
|---|--|

- 1) Kreda Investment Private Limited
- 2) Yuklen India Limited

BANGALORE

M. Nanjappaiah Jahgirdar,
205, K. Kamaraj Road,
Bangalore-560 042

HYDERABAD

Laxminarayan Rathi
4-5-173 & 174 Hashmat Gunj, Sultan Bazar,
Hyderabad-500 001

MADRAS

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. Kothari & Sons,
Nungambakkam High
Road,
Madras-600 034 | <ol style="list-style-type: none"> 2. Venkataraman & Co.,
78, Dr. Rangachari
Road,
Mylapore,
Madras-600 004 |
|---|--|

INDORE

Santosh & Co.,
29, Dhenu Market, 1st floor,
S. G. S. I. T. S. Road,
Indore-452 003

COCHIN

Mathew & Co.,
Mallassery Canel Road, Ernakulam,
Cochin-682 011

AUDITORS

M/s. D. Basu & Co.,
Chartered Accountants
10, Old Post Office Street,
Calcutta-700 001

UNDERWRITERS

No part of the issue is underwritten.

MANAGEMENT :

The Company is managed by its Board of Directors. All the Directors of the Company are well experienced in Commercial and Business fields. The Board of Directors is assisted by an efficient team of Executives.

TAX BENEFITS :

The Board of Directors has been advised that according to the Taxation Laws presently in force, the following tax benefits would be available :—

1. The Company is entitled to deduction of 1/10th of the Specified expenditure including the expenses incurred on the issue of shares for a period of 10 successive years under section 35D of the Income-tax Act, 1961.
2. Members of the Company who are themselves Indian Companies will be entitled to claim

exemption from Sur-tax on the amount of dividends received by them from the Company. Such Companies can also have the benefits of appropriate deduction on dividends received by them from the Company under section 80M of the Income-tax Act, 1961.

3. Members of the Company who are individuals or Hindu undivided family would be entitled to claim from their total income the amount of dividends received from the Company together with other dividends etc., to the extent of Rs. 4,000/- per year under section 80L of the Income-tax Act, 1961.
4. Under Section 5(1A) of the Wealth Tax Act, 1957, Wealth Tax will not be payable by members of the Company, being individuals and HUF on specified assets upto an aggregate amount of Rs. 1,65,000/- including shares in this Company.

AUDITORS' REPORT

Dated, the 14th June, 1982

The Directors,
B. P. Agarwalla & Sons Limited,
5, Synagogue Street,
Calcutta-700 001.

Dear Sirs,

We have examined the books of accounts of B. P. AGARWALLA & SONS LIMITED for the five years ended 31st December, 1980, the latest date to which the Accounts of the Company have been made up, audited by us and adopted by the members. We have also examined the books of accounts of the Company and found correct the Statement of Accounts of the Company for the year ended 31st December, 1981 reported upon by us on 25th May, 1982, which has been approved by the Board for presentation to the Shareholders at the ensuing Annual General Meeting and is, therefore, considered to be final at this stage.

In accordance with the requirements of Clause 24(1) of Part II of Schedule II of the Companies Act, 1956, we report that :

(A) We report that the profits of the Company for the five years ended 31st December, 1980 and for the year ended 31st December, 1981 are as set out below. These Profits have been arrived at after charging all expenses of management including depreciation and after making such regroupings and adjustments as are in our opinion, appropriate.

INCOME :

	Year ended 31st December					
	1976 (Rupees)	1977 (Rupees)	1978 (Rupees)	1979 (Rupees)	1980 (Rupees)	1981 (Rupees)
Sales	62,80,011	61,99,034	85,43,494	1,33,26,438	2,52,61,723	1,78,46,411
Interest and Investment Income	75,601	1,00,122	57,513	75,945	85,107	2,14,691
Other Income	24,77,317	25,86,962	27,55,754	27,23,737	26,62,538	31,09,307
	<u>88,32,929</u>	<u>88,86,118</u>	<u>1,13,56,761</u>	<u>1,61,26,120</u>	<u>2,80,09,368</u>	<u>2,11,70,409</u>

	Year ended 31st December					
	1976 (Rupees)	1977 (Rupees)	1978 (Rupees)	1979 (Rupees)	1980 (Rupees)	1981 (Rupees)
EXPENDITURE :						
Cost of Goods Sold & Other Expenses	78,95,985	77,32,880	1,02,92,740	1,51,32,564	2,69,03,581	2,02,85,922
Interest on Borrowings	1,33,750	57,094	42,028	1,09,185	74,186	1,35,270
Depreciation	1,57,247	1,11,711	1,17,749	92,023	1,00,565	1,05,934
	<u>81,86,982</u>	<u>79,01,685</u>	<u>1,04,52,517</u>	<u>1,53,33,772</u>	<u>2,70,78,332</u>	<u>2,05,27,126</u>
Profit Before Taxation	6,45,947	9,84,433	9,04,244	7,92,348	9,31,036	6,43,283
Less : Provision for Taxation	4,20,000	7,10,000	5,80,000	5,75,000	6,65,000	4,99,903
	<u>2,25,947</u>	<u>2,74,433</u>	<u>3,24,244</u>	<u>2,17,348</u>	<u>2,66,036</u>	<u>1,43,380</u>
Add : Excess Provision for Taxation no longer required written back	31,656	28,815	757	421	—	—
Transfer from Reserve for Bad Debts	—	—	—	8,146	—	—
Net Profit	<u>2,57,603</u>	<u>3,03,248</u>	<u>3,25,001</u>	<u>2,25,915</u>	<u>2,66,036</u>	<u>1,43,380</u>

NOTES :

- (1) In respect of compulsory gratuity payable under Payment of Gratuity Act, 1972, the Company is paying yearly premium to Life Insurance Corporation of India under Group Gratuity Scheme which have been deducted in arriving at the net profits.
- (2) No provisions have been made in respect of :—

	Year ended 31st December					
	1976 (Rupees)	1977 (Rupees)	1978 (Rupees)	1979 (Rupees)	1980 (Rupees)	1981 (Rupees)
(a) Doubtful Debts	NIL	NIL	7,519	7,519	7,519	7,519

- (b) Non-ascertainable contingency of a Capital Loss on account of Company's Investments amounting to Rs. 4,26,490/- in the shares of Bengal Nagpur Coal Co., Ltd., a subsidiary of the Company whose collieries have been taken over by the Government.
- (3) The I. T. Assessment of the Company has been completed upto the assessment year 1980-81 and the Sur-tax assessments are pending for a number of assessment years. The Provisions for Taxation has been computed on the profits of the Company after taking into account full depreciation allowance and other allowable deductions in accordance with the provisions of the Income Tax Act, 1961 and after making such other adjustments as are considered necessary in the light of Appellate Orders/Assessment Orders/Returns submitted.
 - (4) Included in Other Income for the year ended 31st December, 1981 is a sum of Rs. 5,05,780/- relating to earlier years.
 - (5) Included in cost of Goods Sold and Other Expenses for the year ended 31st December, 1981, are :
 - (a) Assets written off amounting to Rs. 49,661/-
 - (b) Losses in a partnership firm upto 30th April, 1981 amounting to Rs. 4,892/-
 - (6) Distribution Charges are treated on cash basis.

(B) We also report that the assets and liabilities of the Company as at 31st December, 1980 which is the last date to which the Accounts of the Company have been made up, audited by us and adopted by the members are, subject to Notes 8 and 9 below, are as set out hereunder. Also set out below the assets and liabilities of the Company as at 31st December, 1981 as shown by the Statement of Accounts for the year 1981 referred to in Paragraph I above and subject to remarks made therein and Notes 7, 8 & 9 below. These assets and liabilities have, in each case, been arrived at after making such regroupings and adjustments as are, in our opinion, appropriate.

		1980 (Rupees)		1981 (Rupees)
ASSETS :				
FIXED ASSETS :				
At cost	22,70,959		22,69,544	
Less : Depreciation	6,72,341	15,98,618	7,55,930	15,13,614
INVESTMENTS : (At Cost)				
Quoted—Shares in Joint Stock Companies	65,485		65,485	
Quoted—Shares in Subsidiary Company (27,938 Equity Shares of Bengal Nagpur Coal Company Limited)	4,26,490		4,26,490	
Unquoted—Government Securities	22,940		22,940	
Unquoted—Shares in Joint Stock Companies	1,19,000	6,33,915	1,19,500	6,34,415
		22,32,533		21,48,029
CURRENT ASSETS, LOANS & ADVANCES :				
Inventories		26,35,925		32,20,710
Sundry Debtors (Unsecured)—				
(a) Outstanding for less than six months—				
Considered good	1,06,33,670		1,22,92,434	
(b) Outstanding for more than six months—				
Considered good	4,21,762		7,46,190	
Considered doubtful	7,519	1,10,62,951	7,519	1,30,46,143
Cash and Bank Balances		17,56,859		18,15,338
Loans—Unsecured Considered Good		2,45,000		2,04,540
Advances recoverable in cash or in kind or for value to be received :				
Considered good		39,43,785	1,96,44,520	24,88,670
		2,18,77,053		2,07,75,401
				2,29,23,430
Less : LOANS, CURRENT LIABILITIES & PROVISIONS :				
Loans :				
Secured—From Banks	11,16,545		8,14,905	
Unsecured—Temporary Bank Overdraft	8,628		1,09,670	
From Others	1,87,834		—	
Current Liabilities :	1,70,37,261		1,91,78,985	
Provisions :				
For Bonus	90,000		90,000	
For Taxation	18,20,000		11,55,705	
Proposed Dividend	1,86,000	20,96,000	1,24,000	13,69,705
		2,04,46,268		2,14,73,265
NET ASSETS :		14,30,785		14,50,165
REPRESENTED BY :				
SHARE CAPITAL :				
Issued, Subscribed and Fully paid up :				
62,000 Equity Shares of Rs. 10/- each		6,20,000		6,20,000
RESERVES & SURPLUS :				
General Reserve	8,10,000		8,25,000	
Profit & Loss Account	785	8,10,785	5,165	8,30,165
		14,30,785		14,50,165

NOTES :

(1) Contingent Liabilities not provided for :

- Guarantee given by Central Bank of India on behalf of the Company to IDL Chemicals Ltd, Hyderabad on the strength of the Counter-guarantee given by the Company and the same is still outstanding to the tune of Rs. 20,00,000/- as on 31st December, 1980 and Rs. 20,00,000/- as on 31st December, 1981.
- (2) Included in Current Liabilities are Provident Fund Contributions under Coal Mines Provident Fund Scheme relating to the period prior to the Collieries taken over by the Central Government amounting to Rs. 1,70,498/- as on 31st December, 1980 and Rs. 1,70,498/- as on 31st December, 1981, and various sales tax dues amounting to Rs. 7,03,159/- as on 31st December, 1980 and Rs. 14,51,650/- as on 31st December, 1981.
- (3) Included in Sundry Debtors outstanding for more than six months are debts due by Bengal Nagpur Coal Co. Ltd., a Subsidiary of the Company, amounting to Rs. 3,74,196/- as on 31st December, 1980 and Rs. 3,74,297/- as on 31st December, 1981.
- (4) The total liabilities on account of retirement gratuity, payable at future dates as per Payment of Gratuity Act, 1972, amounting to Rs. 4,60,939/- as on 31st December, 1980 and Rs. 4,85,034/- as on 31st December, 1981 are covered by Group Gratuity Scheme formulated by the Life Insurance Corporation of India. In the case of premature payment of gratuity, any excess payment, as may be payable to an employee, over and above the amount receivable from the Life Insurance Corporation of India for the concerned employee, is not ascertainable at this stage and not provided for.
- (5) Included in Inventories are Spare Parts for repairs to sold vehicles during warranty period (against which the Company has corresponding claims) amounting to Rs. 1,11,941/- as on 31st December, 1980 and Rs. 90,180/- as on 31st December, 1981.
- (6) The Secured Loans obtained from Banks are secured by hypothecation of Explosive Van, Part of Stock of Godrej Products, Motor Vehicles etc., Sales Bills lodged for collection and personal guarantees of Directors and others.
- (7) Included in Cash & Bank Balances are amounts alleged to have been misappropriated and due from two members of the staff Rs. 30,078/- as on 31st December, 1980 and Rs. 30,078/- as on 31st December 1981, against which suit filed by the Company is pending. The amounts are considered doubtful of recovery but not provided for.
- (8) Non-ascertainable contingency of a capital loss on account of Company's investments in the shares of Bengal Nagpur Coal Company Limited, a Subsidiary of the Company, has not been provided for in the accounts which are appearing at cost of Rs. 4,26,490/- as at 31st December, 1980 and Rs. 4,26,490/- as at 31st December, 1981. The market value of such investments were Rs. 25,144/- as on 31st December, 1980 and Rs. 25,144/- as on 31st December, 1981 respectively.
- (9) No provision has been made in the accounts in respect of doubtful debts which are appearing at Rs. 7,519/- as on 31st December, 1980 and Rs. 7,519/- as on 31st December, 1981.
- (10) Included in Current Liabilities as on 31st December, 1981 is a sum of Rs. 4,892/- relating to debit balance in the capital account of the Company in a partnership firm not audited by us in which the Company is a partner.
- (11) The Company became a Public Limited Company by virtue of Section 43-A of the Companies Act, 1956 on 27th August, 1975.
- (C) In respect of five financial years ended 31st December, 1980 and for the year ended 31st December, 1981 the Dividend paid/ payable by the Company out of its profits on its paid-up capital are as follows :

Year ended 31st December	Date of declaration Dividend	No of Shares on which Dividend is declared	Rate of Dividend	Amount Rs.
1976	29.6.77	62,000 Fully paid up Equity Shares of Rs. 10/- each	Rs. 3.30 per share	2,04,600
1977	15.9.78	—do—	Rs. 3.60 per share	2,23,200
1978	29.6.79	—do—	Rs. 3.60 per share	2,23,200
1979	28.6.80	—do—	Rs. 3/- per share	1,86,000
1980	29.6.81	—do—	Rs. 3/- per share	1,86,000
1981	Proposed by the Board subject to the approval of the shareholders at the ensuing Annual General Meeting.	—do—	Rs. 2/- per share	1,24,000

II. We have also examined the audited accounts of BENGAL NAGPUR COAL COMPANY LIMITED, a subsidiary of the Company, for the five years ended 31st December 1980, the latest date to which the accounts of the Subsidiary Company have been made up, audited by Messrs Price Waterhouse & Co., Calcutta and adopted by the members. We have also examined the audited accounts of the Subsidiary Company for the year ended 31st December 1981, reported upon by Messrs Price Waterhouse & Co., Calcutta on 3rd June, 1982, which have been approved by the Board for presentation to the Shareholders at the ensuing Annual General Meeting and is therefore considered to be final at this stage.

(A) We report that the Profits/(Losses) of the Subsidiary Company for the five years ended 31st December, 1980 and for the year ended 31st December, 1981 are as set out as below. These Profit/(Loss) have been arrived at after charging all expenses of working and management including depreciation and after making such regroupings and adjustments as are, in our opinion, appropriate.

	Year ended 31st December					
	1976 (Rupees)	1977 (Rupees)	1978 (Rupees)	1979 (Rupees)	1980 (Rupees)	1981 (Rupees)
INCOME :						
Interest	46,064	34,660	24,845	29,392	17,563	48,847
Dividends	7,498	2,469	606	138	1,402	770
Miscellaneous Income	—	—	—	—	5	—
Prior year's Adjustments	—	—	—	—	—	400
Surface Rent	—	—	—	—	—	2,085
	<u>53,562</u>	<u>37,129</u>	<u>25,451</u>	<u>29,530</u>	<u>18,970</u>	<u>52,102</u>
EXPENDITURE :						
Administrative & Other Establishment Expenses	14,572	12,023	12,200	13,913	23,771	20,672
Sundries written off	5,92,396	—	—	—	—	—
Depreciation	1,458	1,303	1,163	1,038	921	824
	<u>6,08,426</u>	<u>13,326</u>	<u>13,363</u>	<u>14,951</u>	<u>24,692</u>	<u>21,496</u>
Profit/(Loss) Before Taxation	(5,54,864)	23,803	12,088	14,579	(5,722)	30,606
Less : Provision for Taxation	47,442	47,000	13,000	16,002	1,000	15,500
	<u>(6,02,306)</u>	<u>(23,197)</u>	<u>(912)</u>	<u>(1,423)</u>	<u>(6,722)</u>	<u>15,106</u>
Add : Development Rebate Reserve written back	11,354	6,905	—	—	—	—
Liabilities for Earlier year written back	—	3,05,000	—	—	—	—
Investment written off earlier written back	—	—	—	6,600	—	—
Income Tax Refund	—	—	—	—	20,394	—
Excess provision for Taxation written back	—	—	—	—	31,976	4,806
Net Profit/(Net loss)	<u>(5,90,952)</u>	<u>2,88,708</u>	<u>(912)</u>	<u>5,177</u>	<u>45,648</u>	<u>19,912</u>

NOTES :

- (1) No provision has been made in the Accounts in respect of Bonus and Gratuity payable, if any.
- (2) No provision has been made in respect of the fall in the market value of investments.
- (3) Interest Income on loans is accounted for on a cash basis.

(4) The Income Tax Assessment has been completed upto the assessment year 1979-80. The provision for Taxation as shown in the Statement are as per Audited Accounts, Included in Provision for Taxation for the years 1976 and 1977 are Rs. 15,442/- and Rs. 26,000/-respectively relating to earlier year.

(5) Sundries written off during the year 1976 comprise:

a) Depreciation on Investment	1,826
b) Investment written off	4,000
c) Accrued Interest on Investment written off	2,600
d) Loss arising out of Nationalisation of certain colliery assets in terms of Coking Coal Mines Nationalisation Act, 1972	5,83,970
	<u>5,92,396</u>

(B) We also report that the assets and liabilities of BENGAL NAGPUR COAL COMPANY LIMITED, a Subsidiary of the Company as at 31st December, 1980 which is the last date to which the accounts of the Subsidiary Company have been made up, audited by Messrs. Price Waterhouse & Co., Calcutta and adopted by the members are subject to Notes 3, 4, 5, 6, 7, 8, 9 and 10 below, are as set out hereunder. Also set out below are the assets and liabilities of the Subsidiary Company as at 31st December 1981, as shown by the Statement of Accounts for the year 1981, referred to in Paragraph II above and subject to remarks made therein and Notes 3, 4, 5, 6, 7, 8, 9 and 10 below. These assets and liabilities have, in each case, been arrived at after making such regroupings and adjustments as are, in our opinion, appropriate.

	As at 31. 12. 1980 (Rupees)	As at 31. 12. 1981 (Rupees)
ASSETS :		
FIXED ASSETS :		
At Cost	39,193	39,193
Less : Depreciation	<u>31,294</u>	<u>32,118</u>
	7,899	7,075
INVESTMENTS :		
Quoted—Fully paid Preference Shares	45,866	45,866
Unquoted—Partly paid Equity Shares	<u>500</u>	<u>500</u>
	46,366	46,366
CURRENT ASSETS, LOANS & ADVANCES :		
Interest Accrued		2,341
Sundry Debtors—(Unsecured, considered Doubtful Outstanding for over six months)	33,775	33,775
Cash & Bank Balances	<u>3,45,550</u>	<u>3,77,468</u>
Loans—Unsecured :		
Considered Good	—	1,30,000
Considered Doubtful	<u>1,29,525</u>	<u>97,114</u>
Advances and Deposits recoverable in cash or in kind or for value to be received—Unsecured :		2,27,114
Considered Good	8,25,842	7,04,661
Considered Doubtful	<u>8,685</u>	<u>7,300</u>
	13,43,377	13,52,659
MISCELLANEOUS EXPENDITURE :		
Profit & Loss Account	3,12,242	2,92,330
	<u>17,09,884</u>	<u>16,98,430</u>
Less : CURRENT LIABILITIES & PROVISIONS :		
Current Liabilities	11,90,212	11,76,258
Provision for Taxation	<u>30,002</u>	<u>32,502</u>
NET ASSETS	<u>4,89,670</u>	<u>4,89,670</u>

	As at 31. 12. 1980 (Rupees)		As at 31. 12. 1981 (Rupees)	
REPRESENTED BY :				
SHARE CAPITAL :				
Issued, Subscribed and Paid up—				
22500 Ordinary Shares of Rs. 10/- each fully paid up in cash		2,25,000		2,25,000
22500 Ordinary Shares of Rs. 10/- each issued as fully paid Bonus Shares by capitalisation of Reserve		2,25,000	4,50,000	2,25,000 4,50,000
RESERVE & SURPLUS :				
Capital Reserve		39,670		39,670
		4,89,670		4,89,670

NOTES :

- (1) Out of the 45,000 Ordinary Shares of Rs. 10/- each 27,938 Ordinary Shares of Rs. 10/- each are held by the Holding Company B. P. Agarwalla & Sons Limited.
- (2) There are contingent liabilities for :
 - (a) Uncalled liability on partly paid Equity Shares Rs. 500/- as at 31st December, 1980 and Rs. 500/- as at 31st December, 1981.
 - (b) Sales Tax for the period from 1st April 1972 to 30th April, 1972 which are under appeal Rs. 1,950/- as at 31st December, 1980 and Rs. 1,950/- as at 31st December, 1981.
 - (c) Total dividends credited upto date to revenue relating to certain investments sold during the year 1971 Rs. 18,495/- as at 31st December, 1980 and Rs. 18,495/- as at 31st December, 1981, and tax deducted at source thereon was Rs. 3,981/- as at 31st December, 1980 and Rs. 3,981/- as on 31st December, 1981 respectively.
 - (d) Occupier's share of Corporation Tax for the period from 1st April, 1966 to 30th September, 1980 claimed by the Landlord but not admitted by the Company Rs. 33,797/- as on 31st December, 1980 and Rs. 33,797/- as on 31st December, 1981.
- (3) Advances recoverable in cash or in kind or for value to be received considered good, include Rs. 6,47,000 as on 31st December, 1980 and Rs. 6,47,000/- as on 31st December, 1981 being amounts payable to the Company by the Central Government under Coking Coal Mines (Nationalisation) Act, 1972 which will be utilised by the Commissioner of Payments, Dhanbad, for discharge of claims in respect of transactions at the Company's colliery upto 30th April, 1972 and the balance, if any will be receivable by the Company the extent of which is not ascertainable at this stage. However an amount of Rs. 2,71,813/- received in 1980 from the Commissioner of Payments, Dhanbad representing interest in terms of Section 21(5) of the above Act, under High Court Order has been carried forward as Claim Suspense Account pending finalisation and is included in Current Liabilities as on 31st December, 1980 and 31st December, 1981 in the Statement.
- (4) Transactions of the Colliery for the period of management by Bharat Coking Coal Limited from 1st January, 1972 to 30th April, 1972 were incorporated in the Accounts of the Company for the year ended 31st December, 1972 on the basis of Receipts & Payments Account for the period from 17th October, 1971 to 30th April, 1972, pertaining to the Company's Colliery audited by the auditors appointed by Bharat Coking Coal Limited. From the above mentioned Account and available details etc., the management of the Company could not ascertain the extent of non-inclusion of relevant items of income and expenditure and assets and liabilities in these accounts.
- (5) Included in Sundry Creditors shown under Current Liabilities Rs. 3,26,575/- as on 31st December, 1980 and Rs. 3,26,575/- as on 31st December, 1981 due to Bharat Coking Coal Limited in respect of which no confirmation was available from Bharat Coking Coal Limited and the extent of over/under provision in this regard could not be ascertained.

- (6) No provision has been made for Bonus and Gratuity payable, if any, and the quantum of such liability has not been ascertained.
- (7) No provision has been made in the accounts in respect of the fall in the market value of investments which are appearing at cost of Rs. 46,366/- as at 31st December, 1980 and Rs. 46,366/- as on 31st December, 1981. The market value of such investments were Rs. 15,665/- and Rs. 10,295/- respectively.
- (8) Interest Income on loans amounting to Rs. 24,512/- upto 31st December, 1981 has not been accounted for as the same is being treated on a cash basis.
- (9) Loans and Advances include Rs. 97,114/- being principal amount of loan together with interest accrued thereon upto 31st December, 1979 due from Chase Trading Company for which no confirmation has been received from them and any adjustment, if any, in this regard is still pending.
- (10) The Company has not maintained proper records to show full particulars including quantitative details and situation of fixed assets. The Company has not physically verified those fixed assets during the years ended 31st December, 1980 and 1981 and discrepancies, if any, in this regard are remained unadjusted.
- (C) No dividend was declared in respect of the financial years under review.

For D. BASU & CO.,
Chartered Accountants
GURUPROSAD MONDAL
Partner.

BRIEF HISTORY & BUSINESS OF THE COMPANY

The Company was incorporated in the State of West Bengal under The Companies Act, 1956 as a Private Company on 5th August, 1957. The Company was converted into Public Limited Company pursuant to the provisions of Section 43A (1A) and (1B) of the Companies Act, 1956, on 27th August, 1975.

After incorporation the Company commenced the trading business in general goods & Merchandise. Presently the Company is dealing in various types of vehicles & vehicle parts, Godrej products, Refrigerators, Chemicals, office equipments etc. The Company is a consignment agent of IDL

Chemicals Ltd. for their explosives. The Company is authorised dealers of various products of Scooters (India) Ltd., Hindusthan Motors Ltd., Kriłoskar Oil Engines Ltd., Enfield India Ltd. The Company is a partner in a Partnership firm i.e. Peekay Enterprises, Bombay.

The Company's Head Office is situated at Dhansar and its branches are located at Rourkela, Bombay & Asansol. The Company has also its sales depots at various places in the State of Bihar and U.P.

The Company is making rapid growth as is evident from the turnover of last five years shown under the heading Financial Highlight.

Financial Highlights :

Year	Turnover	(Rs. in Lacs)		
		Profit before Tax	Profit after Tax	Dividends
1977	61.99	9.84	2.74	36%
1978	85.43	9.04	3.24	36%
1979	133.26	7.92	2.17	30%
1980	252.62	9.31	2.66	30%
1981	178.46	6.43	1.43	20%

Prospects & Dividend :

The Company is expected to have fairly good future and the Directors are of the opinion that barring unforeseen circumstances the Company will be able to earn adequate profits and declare reasonable dividend.

Objects of the Company :

The objects of the Company are as set out in the Company's Memorandum of Association, a printed copy of which is available for inspection. The Main objects of the Company, inter alia, are the following :—

1. To carry on, either solely or in partnership with other companies, corporations, firms or individuals, all kinds of agency business, and to take part in the management, supervision or control of the business or operations of any other company, association, firm or person and to act as the Managing Agents, Secretaries & Treasurers, Secretaries or other Officers of any such company, association, firm or person, and in connection therewith to appoint and remunerate any Directors, Accountants, Assistants and other officers or Agents.
2. To carry on in all its branches, either solely or in partnership with other companies, corporations, firms, or individuals, the business of exporting, importing, storing, transporting, supplying, manufacturing, dealing in, purchasing, selling and distributing goods of all kinds and to carry on all or any of the business of consignees and agents, general merchants for the sale of such goods and other kindred business, wharfingers, merchants, carriers by land, sea and air, ship-owners, charterers, berger-owners, and to act as traders and brokers in all or any of their branches and to turn such goods to kind in any manner whatsoever.

3. To purchase, sell, import, export cereals and deal in food and other grains, seeds of all kinds, country produce, flex, hemp, jute and jute products, bullion and specie chemicals, pharmaceuticals, medicinals, perfumery and toilet preparations, salt, shellac, glasswares, sugar, provisions, oils, plants, varnishes, toilet and perfumery goods, machinery, mill stores, electrical, photographic and scientific materials, silk, wool, cotton, textiles, hosiery and other fibrous substance, timber, wood, shares, debentures, securities and all other kinds of merchandise.
4. To carry on business and to act as traders, forwarding agents, underwriters and insurers, ice merchants, storekeepers or in any other capacity, and to barter, exchange, pledge, make advances upon or otherwise deal in, all kinds of commodities, substances, articles and merchandise.

Object of the Issue & Application of Funds :

The purpose of this issue is to provide a part of working capital finance required for the Company's existing business. The net proceeds of the issue after meeting the expenses thereof will be utilised for the general business of the Company which is as under :—

Capital Outlay :

1) Working Capital	Rs. 17,45,000.00
2) Expenses of this issue	Rs. 35,000.00
	<u>Rs. 17,80,000.00</u>

Source of Finance :

Proceeds of the Present Issue	Rs. 17,80,000.00
(Including reserved for Directors their friends, relatives & Associates)	

Minimum Subscription :

The minimum subscription in respect of the present issue will be subscription of the 1,60,000 Equity shares offered to the Public under the Prospectus. The Directors will proceed to allot shares covered by this Prospectus on receipt of the full amount to be paid at the time of application for these shares i. e.

Rs. 8,00,000/-. The entire minimum subscription will be utilised for the Company's business, excepting the amount which will be utilised to meet the expenses of this issue.

Expenses of the Issue :

The expenses of the issue are payable by the Company inclusive of brokerage, legal charges, auditors and other fees estimated at Rs. 35,000/- and to be met out of the proceeds of this issue.

Brokerage and Underwriting Commission :

Brokerage at the rate of 1.25% on the issue price will be paid to Brokers and Bankers named earlier in this prospectus, as well as to the members of recognised Stock Exchange in India in respect of shares allotted as a result of applications procured by them and bearing their stamp in the brokers column of the application form. No commission is payable to underwriters as no part of the issue has been underwritten.

Previous Commission, Brokerage and Discount on Shares :

Save for the brokerage payable as mentioned above, no sums have been paid or are payable as commission for subscription for or procuring or agreeing to procure subscription for any shares in or debentures of the Company.

Issue otherwise than for Cash :

No shares have been issued or agreed to be issued otherwise than for cash.

Issue at a Premium or Discount :

No amount has been paid or is payable by way of premium on any shares issued or agreed to be issued by the Company at any time. The Company has not issued any shares at a discount.

Option to Subscribe :

The Company has not entered into any contract or arrangement and does not at present propose to enter into any contract or arrangement where by any option

or preferential right of any kind has been or proposed to be given to any person to subscribe for any share in the Company.

Class of Shares :

The authorised Share Capital of the Company is Rs. 25,00,000/- divided into 2,50,000 Equity Shares of Rs. 10/- each.

Right of the Equity Shareholders :

Subject to the provisions of the Companies Act, 1956 and to the Articles of Association of the Company the Profits of the Company from time to time determined to be divided in respect of any year or other period shall be applied subject to the payment of preferential dividend, in the payment of a dividend to the holders of the Equity Shares of the Company in proportion to the amount paid-up on the Equity Shares held by them respectively and where capital is paid-up in advance of calls upon the footing that the same shall carry interest such capital shall not rank for dividends or confer a right to participate in profit.

Subject to the right of the holders of the Preference share of the Company, upon the winding up of the Company, the Equity shareholders shall be entitled to be repaid the amount of capital paid-up on such shares and all surplus assets thereafter shall belong to the holders of the Equity shares in proportion to the amount paid or which ought to have been paid on the Equity Shares held by them respectively at the commencement of the winding-up. If, however, assets 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.

Voting Rights :

The Articles of Association of the Company provide inter-alia that on a show of hands every member present in person and being holder of Equity Shares shall have one vote and every person present either as a general proxy on behalf of a holder of Equity

Shares if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate, being a holder of Equity Shares, shall have one vote, and on poll the voting right of Equity Shareholders shall be as specified in section 87 of the Companies Act, 1956.

The holders of Preference shares shall not be entitled to vote at 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 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.

Where 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 a Company shall not by reason of such appointment, deemed to be 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 certified by him 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 right 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.

Any person entitled under the Transmission Articles to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that fortyeight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or NON COMPOSMENTIS, he may vote whether on a show of hands or at a poll by

or by his committee, CURATORBONIS or other legal and such last mentioned persons may give their vote by proxy.

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 was solely entitled thereto; and if more than one of such joint-holders be present at any meeting either personally or by proxy, then one of the said persons, so present whose name stands first on the Register in respect of such shares 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 these Articles be deemed joint holders thereof.

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.

The Articles of Association of the Company also provides that no member shall be entitled to exercise any voting right 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 right of lien.

Modification of Rights :

If at any time the share capital is divided into different classes of shares the right attached to any class (unless otherwise provided by the terms of the 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 holder of three-fourth of the issued shares of that class or with the sanction of Special Resolution passed at a separate General Meeting of the holders of the shares of that class.

Restriction on the Right to Transfer of Shares :

No transfer of a share shall be registered unless an instrument of transfer in accordance with section 108 of the Act, 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 together with the certificate or if no such certificate is in existence, the letter of allotment of shares.

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 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.

The Company's Articles of Association provides that subject to Section 111 of the Companies Act, 1956, the Board without assigning any reason, may within two months from the date on which the instrument was delivered to the Company may refuse to register any transfer of or the transmission by operation of law of the right to a share. Provided that registration of a transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons, in debts to the Company on any account whatsoever except a lien on shares.

No transfer shall be made to a minor or a person of unsound mind unless the shares are fully paid-up. No more than three persons shall be registered as joint holders of any shares.

Lien :

The Company has a first and paramount lien upon shares, not being fully paid-up shares, registered in the name of each member (whether solely or jointly held) and upon the proceeds of sale thereof, for moneys called or payable at a fixed time in respect of such shares, whether the time for payment thereof shall have actually arrived or not and no equitable interest in any shares shall be created except upon the footing and condition that articles 30 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 transfer of shares operate as a waiver of the Company's lien, if any, on such shares.

Managing Directors :

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 of the Company for a fixed term not exceeding five years for which he is to hold such office, 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.

Subject to the provisions of section 309, 310, 311 and 314 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remuneration as may from time to time be sanctioned by the Company. At present the Company do not have any Managing Director.

Wholetime Directors :

Mr. Santosh Kumar Agarwalla and Mr. Prem Kumar Agarwalla have been appointed as Wholetime Directors for a period of five years commencing from 1st January, 1980. The terms of their remuneration as approved by the Central Government are contained in the respective agreements dated 9th January, 1980, entered into with them. The remuneration payable to each of them are as follows :—

1. Salary of Rs. 3,000/- in the Scale of Rs. 3,000-200-4,000/- per month.
2. **Perquisites :** Each of the Wholetime Directors shall be entitled to the following perquisites which shall be restricted to an amount equal to the annual salary.
 - i) Company's contribution towards Provident Fund : Subject to a ceiling of 10% of the salary.
 - ii) **Gratuity :** (Non-interchangeable) Payable in accordance with an approved fund and which does not exceed one half month salary for each completed year of service, subject to a ceiling of Rs. 30,000 or 20 month's salary, whichever is less.

iii) Medical benefits for self and family : (Non-interchangeable) Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in a year or three month's salary in a block of three years.

iv) Housing including gas, electricity, water and furnishings (non-Interchangeable) :—

A. The expenditure by a company on hiring accommodation for their managerial personnel will be subject to the following ceilings :—

Calcutta : 25% salary over and above 10% payable by the managerial personnel themselves.

B. The expenditure incurred by the company on gas, electricity, water and furnishing will be evaluated as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of salary of the managerial personnel.

C. Wherever a company does not provide accommodation to the managerial personnel, House Rent Allowance may be paid by the company to the managerial personnel in accordance with (A) above. Where the accommodation in a company owned house is provided, the managerial personnel shall pay to the company by way of rent 10% of salary.

(Reimbursement of wages of servant or servants at company's expenses are not permissible.)

v) Leave Travel Concession : For self and wife and dependent children to and from any place in India, subject to the condition that only actual fares and no hotel expenses etc. will be allowed.

vi) Free use of company's car with driver : The monetary value of the perquisites will be evaluated as per rule 3 of the Income Tax Rules 1962 but not more than one car will be allowed to a Managing / Wholtime Directors / Manager for both official and personal use.

vii) Personal accident-Insurance : Of an amount the annual premium of which does not exceed Rs. 1,000/-.

viii) Fees of clubs, subject to a maximum of two clubs, provided that no life membership or admission fees is paid.

In respect of residential telephone, all long distance calls shall be duly logged and paid for by the person concerned. However, not more than one telephone will be provided at the residence of the managerial personnel.

Earned/Privilege leaves : On full pay and allowances, as per rules of the company, but not exceeding one month's leave for every eleven month's service, subject to the further condition that leave accumulated but not availed off will not be allowed to be encashed.

In the event of absence or inadequacy of profits in any year during the period from 1.1.80 to 31.12.81 each of the Wholtime Directors shall be paid a salary of Rs. 2,700/- per month and the perquisites referred to above as minimum remuneration.

Directors and Restriction on their Powers :

Until otherwise determined in the general meeting by Special Resolution the number of the Directors of the Company shall not be less than three and not more than nine. The Company in general meeting may from time to time increase or reduce the number of Directors within the limit fixed as above.

The Board shall have power, at any time and from time to time, appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not any time exceed the maximum number fixed by the Articles. Any Directors so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

In the event of the Company borrowing any money from the Industrial Financial Corporation or Life Insurance Corporation of India or any Government Body or Financial Institution or Bank while any money remains due to the said Corporation or the Government Body, or the Institution, the said Corporation or

the Government Body and Institution or Bank shall have and may exercise the rights and powers to appoint from time to time any person or persons to be Director or Directors of the Company. Any person or persons so appointed at any time may be removed from office by the said Corporation or Government Body who may from the time of such removal or in case of death or resignation of the person or persons so appointed, appoint any other persons in his/their place, any such appointment or removal shall be in writing signed by the Corporation or Government Body and served on the Company. Such nominated Directors shall not be required to hold any qualification shares nor they will be liable to retire by rotation provided that at no time the Directors not liable for retirement should not exceed 1/3rd of the number of the Directors of the Company for time being.

The Directors are not required to hold any qualification shares.

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 the 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 the Articles or in any regulations not inconsistent therewith and fully made thereunder, including regulation made by the Company in general meeting shall not invalidate any prior act of the Board which would have been valid if that regulation has not been made.

Remuneration of Directors :

Unless otherwise determined by the Company in General Meeting, each Director shall be entitled to receive out of the fund of the Company for his services in attending meeting of the Board or Committee of the Board, a fee not exceeding Rs. 250/- per meeting of the Board or Committee of the Board

attended by him, as may be determined by the Board from time to time. All other remuneration, if any, payable by the Company to each Director, whether in respect of his service as a managing director or as a director in the whole or part time employment of the Company shall be determined in accordance with and subject to the provisions of the Articles of Association of the Company and the Companies Act, 1956.

The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in connection with their attending Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.

If any Director, being willing is called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the Company or in giving special attention to the business of the Company or as member of a Committee of the Board then subject to section 198, 309 and 314 of the Act, the Board may remunerate the Director so doing whether by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

Borrowings :

Articles of Association of the Company, provide that the Board may from time to time and at its discretion, subject to the provisions of Section 58A of the Act and Company's (Acceptance of Deposit) Rules, 1975 and 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 purposes of the Company.

Interest of Promoters and Directors :

The Promoters and Directors are or may be deemed to be interested to the extent of the remuneration to which they are entitled under the Company's Articles of Association and to the extent of the share in the Company held by them or which may be subscribed by and allotted to them. Mr. S. K. Agarwalla & Mr. P. K. Agarwalla are interested to the extent of remunerations which they may be entitled as Wholetime Directors of the Company. Sri D. Agarwalla

is related to Sri S. K. Agarwalla and therefore he also may deemed to be interested in the appointment of Sri S. K. Agarwalla as a Wholetime Director.

Amount or Benefit Paid or given to Promoters or Officers :

Save as otherwise stated in this prospectus no amount or benefit other than normal remunerations or benefit have been paid or given within two preceeding years or is intended to be paid or given to any Officers/Promoters/Directors of the Company.

Indemnity :

The Articles of Association of the Company provide that every Director or Officer of the Company or any person employed by the Company and any person appointed as Auditors shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Officer, Employee or Auditors 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 Companies Act, 1956, in which relief is granted to him by the Court.

(1) Revaluation of Assets and Capitalisation of Reserves :

There has been no revaluation of assets or capitalisation of reserves of the Company since Incorporation. In the Case of Bengal Nagpur Coal Co. Ltd., a subsidiary of the Company an amount of Rs. 2,25,000/- was capitalised in the year 1967, by issue of 22,500 fully paid up ordinary shares, as bonus shares.

No revaluation of the assets of Bengal Nagpur Coal Co., Ltd. a subsidiary of the Company has taken place during the two years preceding date of Prospectus.

(2) Previous Capital Issue :

The Company had issued and allotted prior to making the present issue 62,000 Equity Shares of Rs. 10/- each for cash at par to the Directors, promoters and their associates.

Registered Office :

5, Synagogue Street, Calcutta-700 001

Dated, The 29th June, 1982

(3) Material Contracts :

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or the contracts entered into two years preceeding the issue of this prospectus) which are or may be deemed material, have been entered into by the Company.

- i) Agreement dated 9th January, 1980, with Mr. S. K. Agarwalla, Wholetime Director of the Company.
- ii) Agreement dated 9th January, 1980, with Mr. P. K. Agarwalla, Wholetime Director of the Company.

Inspection of Documents :

Documents referred to below may be inspected at the Registered Office of the Company situated at 5, Synagogue Street, Calcutta, between 10-30 a.m. to 12-00 noon and 2-30 p.m. to 4-00 p.m. on any working day (except saturday and holiday) until the date of the closing of the subscription list :

1. Memorandum and Articles of Association
2. Certificate of Incorporation.
3. Report of the Auditors of the Company.
4. Consent Letter of Bankers, Auditors and Brokers.
5. Special Resolution under section 81(1A) of the Companies Act, 1956 passed on 27th May, 1982.
6. Copies of the Balance Sheet & Profit & Loss Accounts of the Company and its subsidiary, Bengal Nagpur Coal Co. Ltd., for six years ended 31st December, 1981.
7. Material Contracts referred to above.

Consent :

Consent in writing of the Bankers, Auditors and Brokers 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.

M/s. D. Basu & Co., Auditors of the Company have given their written consent to the issue of this Prospectus with the inclusion herein of the report in the form and context in which it appears and such consent has not been withdrawn.

S. K. AGARWALLA	}	Directors.
P. K. AGARWALLA		
D. AGARWALLA		