

**CERTIFIED TRUE COPY**

**For Bhutoria Valve Udyog Ltd**

*[Signature]*  
**Director.**

## PROSPECTUS

# BHUTORIA VALVE UDYOG LIMITED

Regd. Office : 8A, LINDSAY STREET,  
CALCUTTA-700016

**Public Issue of 2,07,000 Equity Shares  
of Rs 10/- Each for Cash at Par**

**Managers to the Issue**

**JUPITER CONSULTANCY SERVICES**

11, POLLOCK STREET, CALCUTTA-700 001

This issue of Equity Shares is made in terms of the provisions of the Capital Issue (Exemption) Order 1969, Consent of the Controller of Capital Issue is not required.

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

Application will be made to the Calcutta Stock Exchange Association Limited for permission to deal in and for an official quotation of the entire Equity Shares of the Company.

The Subscription List will open at the Commencement of Banking hours on Wednesday, the 23rd September 1981 and will close at the close of Banking hours on Saturday the 3rd October 1981 or earlier at the discretion of the Board of Directors of the Company but not before the closing of Banking hours on Saturday the 26th September 1981 Attention of applicants is drawn to sub-section (i) of Section 68A of the Companies Act, 1956 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 to any other person in fictitious name,

Shall be punishable with imprisonment for a term which may extend to five years".



# BHUTORIA VALVE UDYOG LIMITED

(Incorporated under the Companies Act, 1956)

Registered Office : 8A, LINDSAY STREET, CALCUTTA-700016

## SHARE CAPITAL

### A. AUTHORISED—

4,50,000 Equity Shares of Rs. 10/- each	Rs. 45 00,000
5,000 1% Redeemable Preference Shares of Rs.100/-each	Rs. 5 00 000
	<u>Rs. 50,00,000</u>

### B. Issued

1,00,000 Equity Shares of Rs. 10/- each	Rs. 10 00,000
5,000 1% Redeemable Preference Shares of Rs. 100/- each	Rs. 5 00,000
	<u>Rs. 15 00,000</u>

### C. Subscribed and fully paid up in cash 53,000 Equity Shares of Rs. 10/- each

Rs. 5,30,000

5,000 1% Redeemable  
Preference Shares of  
Rs. 100/- each

Rs. 5,00,000

Rs. 10 30,000

### D. Present Issue to the Public for subscription for cash at par in terms of this Prospectus

2 07,000 Equity Shares of  
Rs. 10/- each for cash at par

Rs. 20,70,000

## BOARD OF DIRECTORS

### Name, Address and Occupation :

- |  |                    |
|--|--------------------|
| 1. Manmal Bhutoria<br>3, Leonard Road<br>Calcutta-700022                       | Industrialist      |
| 2. Shri Chainroop Kothari<br>14, A. K. Roy Choudhury Lane,<br>Shibpore, Howrah | Business Executive |
| 3. Miss Madhulika Bhutoria<br>3, Leonard Road,<br>Calcutta-700022              | Business           |
| 4. Shri Narendra Singh Bhandari<br>Bhandari Building<br>Kharagpur, West Bengal | Business           |

## TERMS OF PAYMENT :

Application for Equity Shares must be made for a minimum of 50 Shares or multiples thereof and the amount payable will be as under :-

- On application Rs. 5 per share
- On allotment Rs. 5 per share

Any amount paid on application which is in excess of what has been stipulated herein will be adjusted towards the amount payable on allotment of shares actually allotted, where no allotment is made, the application money will be refunded in full and where partial allotment is made, the unutilised balance after adjusting the allotment money due, will be refunded to the applicants in accordance with the provisions of Section 73 of the Act.

Failure to pay the amount due on allotment will render the allottee liable to pay interest @ 12% per annum or such interest as the Directors may determine and will also render the shares in question including the amounts already paid on them liable for forfeiture.

## TERMS OF THE ISSUE .

The Equity Shares hereby issued are subject to the terms of this Prospectus and the Memorandum and Articles of Association of the Company. The Equity Shares will rank pari passu with the existing Equity Shares of the Company in all respects except that the holders of the Equity Shares, now offered will be entitled to dividend if any, which may be declared or paid by the Company on the accounting year commencing from 1st January, 1982.

### Other Directorship

- |                                       |  |
|---------------------------------------|--|
| 1. Bhutoria Engineering Works Ltd.    |  |
| 2. Bhutoria (India) Ltd.              |  |
| 3. Haryana Hoops Industries Pvt. Ltd. |  |
| 1. Bhutoria (India) Ltd.              |  |
| 2. Haryana Hoops Industries Pvt. Ltd. |  |

2070000  
530000  
2017000



Secretary :

REGISTERED OFFICE :

AUDITORS :

BANKERS TO THE COMPANY

BANKERS TO THE ISSUE :

MANAGERS TO THE ISSUE :

BROKERS :

Ahmedabad M/s. Champaklal Bhailal Chokshi  
Manek Chowk  
Ahmedabad-380001

Bangalore (i) Jahgirdar & Co.  
21 Second Main Road,  
Sheshareepuram  
Bangalore-560 020

(ii) Vijai & Company  
9. Eleventh Main Road,  
Bangalore-560003

Bombay : Mr. M. J. Patel  
107, Stock Exchange New Building  
Bombay Samachar Marg,  
Bombay-400023

Calcutta : G. M. Pyne  
14, India Exchange Place,  
Calcutta-700 001

Cochin (i) Aaron & Co.  
Congrees House  
P B. No 1003  
Hospital Road  
Ernakulam-682 011 (Cochin)

(ii) Mathew & Co.  
Mullassery Canal Road,  
Cochin-682011

Sri H. N. Tiwari

8A, Lindsay Street, Calcutta-700016

M/s. R. L. P. Sinha & Co.  
Chartered Accountants  
141/1C, Lenin Sarani Calcutta-700013

Bank of India  
8A, Lindsay Street, Calcutta-700016

Punjab National Bank  
135/136, Biplabi Rash Behari Basu Road,  
Calcutta-700001

Jupiter Consultancy Services  
11. Pollock Street, Calcutta-700001

Delhi (i) Beharilal & Co.  
Stock Exchange Building  
Asaf Ali Road,  
New Delhi-110002

(ii) Bharat Bhushan & Co.  
H-45, Connaught Place  
New Delhi-110001

Hyderabad (i)

(ii) Hari Narayan Rathi  
4-5-173, Sultan Bazar  
Hyderabad-500001

Indore Pushkarlal Ghudawala  
44, Bada Sarafa  
Indore-452002

Madras

V S Krishnaswami & Co.  
45, Armenian Street  
Madras 600001.



## CONSENTS OF EXISTING SHAREHOLDERS :

The Company has in accordance with provisions of Section 81 (1A) of the Companies Act, 1956, at the Annual General Meeting held on 29th June 1981 authorised the Board of Directors by a Special Resolution to issue the said 2,07,000 Equity Shares for cash at par in the manner aforesaid.

## CONSENTS :

Consents in writing of the above named Bankers to the issue, Managers 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, Calcutta, and none of them have withdrawn their consent upto the time of delivery of a copy of the Prospectus to the Registrar of Companies, West Bengal, M/s. R. L. P. Sinha & Co., Auditors of the Company have given their consent as required by the Act to the issue of the prospectus with the inclusion therein of the report in form and context in which it appears later in this prospectus and such consent has not been withdrawn upto the time of filing a copy of this Prospectus with the said Registrar.

## HISTORY OF THE COMPANY :

The Company was incorporated as a Public Limited Company on 2nd April, 1972 in Andhra Pradesh, Hyderabad and obtained the Certificate for commencement of business on 21st September, 1972. Soon thereafter the company commenced the manufacturing activities of C. I. Casting at Calcutta and rounds, flats, angles, etc. at its re-rolling mill at Agartala. The Company is also engaged in the property business and doing trading in iron and steel. The Registered Office of the Company was transferred in West Bengal on 18th May, 1978. The main objects of the Company has been stated elsewhere in the Prospectus.

## MANAGEMENT :

The Company is managed by its Board of Directors. The Directors of the Company are experienced in their respective business fields. The day-to-day management is looked after by Shri M. M. Bhutoria, Managing Director of the Company who is assisted by qualified professionals.

## PROSPECTS :

The Company has been established with the object of carrying on the business of manufacturing and dealing in all kinds of valves, steel castings, forging of metals ferrous and non-ferrous, alloys of ferrous and/or non-ferrous, ingots, billets, steel rolling trading in iron & steel and also property business. Looking to the vast potential of the items mentioned above and vast experience of the directors in this line, the directors are of the opinion that the company would be able to earn reasonable profits to facilitate fair return on capital employed.

## CAPITAL OUTLAY :

	Amount Rs.
Working Capital	20,00,000
Share Issue Expenses	70,000
	<hr/> 20,70,000

## SOURCES OF FINANCE :

Proceeds of the Present Issue of 2,07,000 Equity Shares of Rs. 10/- each for cash at par	<hr/> 20,70,000
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## OBJECTS OF THE ISSUE & APPLICATION OF FUNDS :

The object of the present issue is to provide funds for the business operation of the company and to obtain Listing of the Company's shares on the Stock Exchange at Calcutta. The proceeds of the present issue will be utilised to augment the Company's financial resources for use in its business operations and to meet the expenses of the issue.

## TAX BENEFITS :

The Directors are advised that the Company and the members are eligible for the following tax benefits :

To the Company—

- (1) The Company is entitled to deduction of one-tenth 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.



To the Members—

- (1) Members of the Company being individuals and Hindu Undivided families would be entitled to claim deduction from their total income to the extent of Rs. 3,000/- in respect of specified items including dividends received from the company as provided in Section 80L of the Income Tax Act, 1961.
- (2) Members who are companies will be entitled to a deduction under Section 80M of the Income Tax Act 1961 at 60% of the dividend received by them from the company subject to the provisions of Section 80AA of the Income Tax Act, 1961.
- (3) Members of the Company who are themselves companies will be entitled to the benefit of total exemption of dividends received by them from the company in computing chargeable profits under the Companies (Profits) Sur-tax Act, 1964.
- (4) Members of the Company will be entitled to exemption under Section 5(i) (xxiii) of the wealth Tax Act, 1957 from Wealth Tax on the value of equity and preference shares subject to maximum of Rs. 1.50 lakhs as per section 5 (1A) in respect of specified assets including the value of shares in the company.

## AUDITORS' REPORT

To  
The Directors,  
M/s. Bhutoria Valve Udyog Limited  
8A, Lindsay Street  
Calcutta-700016

R. L. P. SINHA & CO.  
Chartered Accountants

Dear Sirs,

As desired by you, we have examined the audited Statement of Accounts and relevant records of Bhutoria Valve Udyog Limited for the immediately preceding five financial years ended on 31st December, 1980 being the last date upto which statutory Statement of Accounts are made up, which are audited by us and have also been adopted by members. We have also examined and found correct the Statement of Accounts of the company for the period from 1st January, 1981 to 30th June 1981.

A. In accordance with the requirements of clause 24(1) of Part II of Schedule II of the Companies Act, 1956, we report that subject to the notes given hereunder, the profit/loss of the Company for the above periods after charging all expenses of working and management including depreciation and after making such adjustments and/or re-groupings as, in our opinion are appropriate are as set out below :

	Year ended 31st December					For the period from 1.1 1981 to 30.6.1981
	1976 Rs.	1977 Rs.	1978 Rs.	1979 Rs.	1980 Rs,	
<b>INCOME :</b>						
Sales	13,99,333	17,96,569	19,84,512	25,61,786	32,61 955	10 26,480
Job & Conversion Charges	—	—	—	—	8,32,812	6,34,959
Febrication & aMintenance Charges	21,600	19,140	95,800	5,400	—	—
Machining Hire Charges	48,000	48,000	24,000	—	—	—
Increase/Decrease in Finished goods, work-in- process, Shares	44,649	1,18,241	(-)1,36,565	67,228	16,085	12,670
Income from House Property	1,84,969	2,15,979	2,17,340	2,01,774	2,16,961	1,66,102
Subsidies Received	6,087	7,290	6,271	1,239	42,231	—
Interest	9,373	917	21,283	28,407	22,818	17,725
Dividend	—	7,800	3,255	—	—	4,600
Miscellaneous Income	1,619	135	132	298	1,648	1 639
Profit on Sale of Motor Car	—	—	—	—	903	—
	17,15,630	22,14,071	22,16,028	28,66,132	43,95,413	18,64,175

#### EXPENDITURE :

Raw Material Consumed	11,06,794	15,14,016	14,37,667	15,19,427	13,57,170	3,49,799
Finished Goods Purchased	—	—	—	1,03,712	9,36,838	4,21,807
Shares	—	—	—	—	—	94,257
Stores and Spare Parts Consumed	11,946	26,812	31,538	1,16,375	3,45,363	60,797
Operating Expenses	3,47,371	4,29,564	5,01,913	8,23,851	15,88,685	8,08,089
Interest	1,09,418	1,20,206	60,918	50,366	30,427	32,579
preliminary Expenses Written-off	485	485	485	485	485	242
	15,76,014	20,91,083	20,32,521	26,14,216	42,58,968	17,67,570

Profit before Depreciation	1,39,616	1,22,988	1,83,507	2,51,916	1,36,445	96,605
Depreciation	84,518	67,594	60,589	54,329	60,307	27,088
Profit after Depreciation	55,098	55,394	1,22,918	1,97,587	76,138	69,517
Provision for Taxation	—	—	22,000	—	—	—
Profit after Taxation	55,098	55,394	1,00,918	1,97,587	76,138	69,517



- NOTES:** 1. The company has not provided for accrued liabilities in respect of future payment of gratuity and it will be accounted for in the year of payment. The company has ascertained an amount of Rs. 6,765/- for future payment of gratuity as on 31st December, 1980.
2. Provision for contingent liability has not been made for multi-storied building tax amounting to Rs. 22,460/- in respect of Bhutoria House in which the company is a co-owner to the extent of 1/3rd share as demanded by the Calcutta Corporation and against which the company has preferred an appeal to the Hon 'ble High Court, Calcutta.
3. Subsidies received have been accounted for on Cash basis.
4. Provision for taxation has been computed after considering the carried forward losses, deductions and tax-holiday allowance U/S 80J of the Income Tax Act.
5. Share of profit in M/s. Bhutoria House of which the company is a Co-owner to the extent of 1/3rd share has been incorporated in the Books of Accounts of the company.

**B.** We also report that the Assets and Liabilities of the Company as at 31st December, 1980, and 30th June, 1981 subject to the notes appended below and after making such regroupings and/or adjustments as are, in our opinion, appropriate were as follows:

	As on 31st December, 1980			As on 30th June, 1981		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>FIXED ASSETS</b>						
Gross Block (At cost)		12,92,840			14,71,301	
Less: Depreciation		<u>4,14,270</u>	8,78,570		<u>4,41,358</u>	10,29,943
<b>INVESTMENTS (At cost)</b>			1,98,000			83,000
<b>NET CURENT ASSETS, LOANS AND ADVANCES</b>						
Inventories		4,31,916			5,86,547	
Sundry Debtors :						
Debts outstanding for a period exceeding Six months		13,822			33,950	
Other Debts		<u>3,99,024</u>	4,12,846		<u>3,31,854</u>	3,65,804
Cash and Bank Balances		79,185			53,768	
Loans & Advances (Unsecured and considered good)		<u>2,98,510</u>			<u>5,54,016</u>	
		<u>12,22,457</u>			<u>15,60,135</u>	
<b>Less : CURRENT LIABILITIES &amp; PROVISIONS</b>						
Sundry Creditors & Other Liabilities		6,96,410			6,13,948	
Provision for taxation		22,000			22,000	
Provision for Dividend on preference Shares		<u>15,000</u>	4,89,047		<u>15,000</u>	6,50,948
		<u>7,33,410</u>			<u>6,50,948</u>	9,09,187
<b>MISCELLANEOUS EXPENDITURE</b>						
(To the extent not written-off or adjusted)						
Preliminary Expenses			1,455			1,213
			<u>15,67,072</u>			<u>20,23,343</u>



Financed by

# Share Capital

53000 Equity Shares of Rs. 10/- each	5,30,000		5,30,000	
5000 1% Redeemable Preference Shares of Rs. 100/- each	<u>5,00,000</u>	10,30,000	<u>5,00,000</u>	10,30,000

# RESERVE & SURPLUS

Development Rebate Reserve	1,16,227		1,16,227	
General Reserve	1,63,000		1,63,000	
Profit and Loss Account	<u>47</u>	2,79,274	<u>69,564</u>	3,48,791

# SECURED LOANS

On Cash Credit Account from Bank of India, Lindsay Street Branch, Calcutta	<u>2,57,798</u>		<u>6,44,552</u>	
	<u>15,67,072</u>		<u>20,23,343</u>	

NOTES: 1. Inventories are valued and certified by the Management on the following basis -

	As at 31.12.1980	As at 30.6.1981
(a) Power and Fuel (At cost)	26,207	22,776
(b) Stores and Spare parts (At cost)	59,718	18,207
(c) Finished goods (At cost or market value whichever is lower)	1,38,311	34,166
(d) Raw Material (At cost)	1,91,198	3,78,101
(e) Work-in Process (At estimated cost)	16,482	39,040
(f) Shares (At cost)	—	94,257
	<u>4,31,916</u>	<u>5,86,547</u>

- Secured loan has been taken from Bank of India, Lindsay Street Branch, Calcutta and is secured against hypothecation of Finished goods and Raw materials and by personal guarantee of a director and a shareholder of the company.
- 5000 1% Redeemable Preference Shares are redeemable at par on or before 31st December, 2000 at the option of the company after giving six months notice in writing.
- Factory building has been constructed on leasehold land taken from the Government of Tripura for 99 years.
- The rights with regard to dividend on the Redeemable Preference Shares of the company have been reduced to 1% from 9.3%.

# C. DIVIDEND

- No Dividend has been paid on the Equity Shares of the company.
- Dividend on the Redeemable Preference Shares of the Company has been paid at the rate of 9.3% for the accounting years 1976 and 1977 and at the rate of 1% for the accounting years 1978, 1979 and 1980.

141/1C, Lenin Sarani,  
Calcutta-700013  
The 1st August, 1981.

Yours faithfully,  
For R. L. P. SINHA & CO.  
Chartered Accountants.

R. L. P. Sinha  
Partner



## MAIN OBJECTS OF THE COMPANY

A. As set out in the Memorandum of Association, inter alia, are as follows :-

1. To carry on the business of manufacturers, importers, exporters, buyers, sellers of and dealers in all kinds of valves, strainers, steamtraps including their spares, components, attachments and accessories of metal-ferrous or non-ferrous and non-metal.
2. To carry on the business of manufacturers, importers, exporters, buyers, sellers of and dealers in all kinds of steel castings, forgings of Metals-ferrous, non-ferrous, alloy of ferrous and non ferrous iron and steel converters, ingots billets, steel re-rolling.
3. To carry on the business of mechanical, electrical and general engineers, contractors, fabricators, erectors and mechanical appliances, controls, automatic device, machinery, apparatuses, tools, dies, jigs and fixtures of all kinds and Technical advisers.

## OBJECTS OF THE PRESENT ISSUE :

This issue is being made with the object of inviting public to participate in the equity share capital of the company. The Funds being raised by the present issue of Equity Shares will be used to finance the Working Capital needs of the Company.

## MINIMUM SUBSCRIPTION :

The minimum subscription on which the Directors will proceed to allot shares is Rs. 10,35,000 being the application money payable on the present issue of Equity Shares offered to the Public for subscription.

## EXPENSES OF THE ISSUE :

The Expenses of the issue including brokerage, fees, printing, distribution and publication expenses, legal charges, auditors fees are estimated to be Rs. 70,000/- and are to be met out from the proceeds of the present issue.

## BROKERAGE & COMMISSION :

Brokerage will be paid at the rate of 1% of the nominal value of shares on the basis of allotment made against applications bearing the stamp of a member of any recognised Stock Exchange in India. Brokerage at the same rate will be payable to the Brokers and Bankers to the Issue in respect of allotment made against applications procured by them provided the relative forms of applications bear their respective stamp in the brokers column.

## FEES TO THE MANAGERS TO THE ISSUE

The Managers to the Issue—Jupiter Consultancy Services, Calcutta will be paid a fee of Rs 5,000/- plus out of pocket expenses

## UNDERWRITING COMMISSION

No part of the present issue offered to the public is underwritten as such no underwriting commission is payable to any person.

## ISSUE OF SHARES OTHERWISE THAN FOR CASH :

No shares or debentures have been issued or agreed to issued by the company otherwise than for cash since the date of incorporation of the company.



#### ISSUE AT PREMIUM OR DISCOUNT :

The Company has not issued any shares at premium or at discount since its incorporation.

#### OPTION TO SUBSCRIBE :

Except as otherwise stated in the Prospectus the company has not entered into any contract or arrangements whereby any option or preferential right of any kind has been given to any person to subscribe for any shares in the company.

#### DIRECTORS :

Subject to the provisions of the Companies Act 1956, the Memorandum & Articles of Association of the company and any regulations made by the company in General Meeting from time to time the control and management of the Company's affairs and business is vested in the Board of Directors. The restriction on their powers are the same as contained in the Companies Act, 1956. Unless otherwise determined by General Meeting and subject to the provisions of the Companies Act, 1956 the number of Directors shall not be less than three and not more than eleven.

#### QUALIFICATION SHARES :

Unless otherwise determined by the company in general meeting a Director of the company is not required to hold any qualification shares.

#### REMUNERATION OF DIRECTORS

The Articles of Association provides that the remuneration of each Director shall not exceed Rs. 250/- for each meeting of the Board or Committee thereof attended by him.

The Directors are also entitled to receive a commission to be divided between them in such a manner as they may from time to time, determine and in default of determination equally of three percent

or one percent where there is Managing/Whole-time Directors or Managers, of the net profits of the company computed in the manner referred to in sub-section (1) of Section 198 of the Act.

All other remuneration, if any, payable by the company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the company shall be determined in accordance with and subject to powers of these Articles and of the Act.

The Directors shall be entitled to be paid all fees for filing documents which they may be required to file under the Act and shall also be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending to the Board and Committee Meetings or otherwise incurred in the execution of their duties as Directors.

If any Director or Directors, being willing shall be called upon to render professional services or extra service or to make any special exertions in going or residing away from his place of business for any purpose of the company or in giving special attention to the business of the company or as a member of the Committee of the Board, then subject to Section 198, 309, 310 and 314 of the Act, the Board may remunerate such Director so doing either by a fixed sum or by 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 ordinarily entitled.

#### INTEREST OF PROMOTERS AND DIRECTORS

No benefit has been paid or given to any promoter/director except the remuneration payable to them as stated in the Articles of Association. Such of the Directors who hold shares in the company may be deemed to be interested to that extent.



## MANAGING DIRECTOR AND WHOLE TIME DIRECTOR

Subject to the provisions of Sections 197A, 269, 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 and/or Whole-time Director of the Company and may, from time to time (subject to the provisions of any contract between him and the Company), remove or dismiss him or them from office and appoint another or others in his or their place or places,

Subject to the provisions of Section 255 of the Act, a Managing Director or a whole-time director shall not, while continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as Director for the purpose of determining retirement of Directors by rotation or in fixing the number of Directors to retire but (subject to the provisions of any contract between him and the company) he shall be subject to the same provisions as to resignation and removal as the other Directors and he shall ipso facto and immediately, ceased to be the Managing Director if he ceases to hold the office of Director from any cause.

Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director and/or a whole time Director shall in addition to the remuneration payable as a director of the Company under this Articles, receive such additional remuneration as may from time to time be sanctioned by the company

The appointment of Shri M. M. Bhutoria as the Managing Director of the Company was approved by the Central Government with effect from 9.4.1975 at a monthly remuneration of Rs. 1,500/- only for a period of 5 years i. e. upto 8.4.1980. By a resolution passed in the Board of Directors Meeting held on 24.5.1980 he was re-appointed as a Managing Director for a further period of 5 years with effect from 9.4.1980 on the same monthly remuneration of Rs. 1,500/- However, the remuneration for the entire preceeding periods has been forgone by him.

## BORROWING POWERS :

Subject to the provisions in the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, Property (both present and future) and uncalled capital or any part thereof and to issue debentures and other securities whether outright as security for any debts, liability or obligation of the company.

## INDEMNITY :

Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary or other Officer of the Company or any person (whether an officer of the Company or not) employed by the Company or Auditors appointed by the Company shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Secretary, 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 Act in which relief is granted to him by the Court.

## RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL AND DIVIDENDS

The nature and extent of interest of Shareholders in the property and profits of the company will be as provided in the Articles of Association of the Company, this Prospectus and by the Companies Act, 1956.

## VOTING RIGHTS RELATING TO EQUITY SHARES

1. On a show of hands every member holding equity shares present in person shall have one vote.
2. On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.
3. The holders of Preference Shares shall not be entitled to vote at general meeting of the Company except :
  - (i) On any resolution placed before the company at a general meeting at the date of which the dividend due or any part thereof remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of such meeting whether or not such dividend has been declared by the Company, or
  - (ii) On any resolution placed before the company at a general meeting which directly affects the rights attached to the Preference shares and for this purpose any resolution for the winding up of the company or for the repayment or reduction of its share capital shall be deemed to affect the rights attached to such shares.



4. On a poll, votes may be given either personally or by proxy provided that no company or body corporate shall vote by proxy as long as a resolution of the Board in accordance with 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.

#### RESTRICTION ON TRANSFER OF SHARES :

Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal, may, within two months from the date on which the instrument of transfer was delivered to the company, refuse to register any transfer of or transmission by operation of law of the right to a share upon which the company has a lien and in case of shares not fully paid up the Board may refuse to register a transfer to a transferee of whom it does not approve. Provided that the registration of transfer of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever.

#### MODIFICATION OF RIGHTS :

All or any of the rights and privileges attached to the shares of any class may be varied, with the consent in writing of the holders of not less than three-fourth of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class.

#### LIEN :

The Company shall have first and paramount lien upon every share not being fully paid up registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 31 hereof is to have full effect. Unless otherwise agreed the registration of a transfer of a share shall operate as a waiver of the company's liens, if any, on such share.

#### REVALUATION OF ASSETS AND CAPITALISATION OF RESERVES :

There has been no revaluation of assets or capitalisation of reserves of the company since incorporation.

#### PREVIOUS COMMISSION, BROKERAGE AND DISCOUNT ON SHARE

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

#### INSPECTION OF DOCUMENTS

Documents referred to below may be inspected at the Registered Office of the Company situated at 8A, Lindsay Street, Calcutta between 11 a. m. to 1 p. m on any working day (except Saturdays and holidays) until the closing of subscription list.

1. Memorandum and Articles of Association.
2. Certificate of Incorporation,
3. Certificate of Commencement of business.
4. Consent letters of the banker to the issue Brokers to the issue, Managers to the issue and Auditors named in the Prospectus
5. Report of the Auditors of the Company mentioned in the prospectus and statement signed by them.

#### APPLICATION AND ALLOTMENT OF SHARES

Application must be made on the respective application form accompanying the prospectus in accordance with the instructions contained therein and will be liable to be rejected if not so made. The application forms properly completed together with the amount payable on application at the rate of Rs. 5/- per share must be lodged on or before the closing date of the subscription list with Punjab National Bank at its respective branches and offices appearing on the application forms. No receipt will be issued for the application money. However, the Banker to the Issue will acknowledge receipt of the application by stamping and returning to the applicant the perforated acknowledgement slip at the bottom of such application form.



Payments may be made in cash or by cheque or Draft, Cheques or Drafts should be drawn on a Scheduled Bank including a State Co-operative Bank specified in the Second Schedule to the Reserve Bank of India Act, 1934 or any Bank which is a member or sub-member of clearing house located at the particular place where the application is tendered. Application tendered with outstation cheques or drafts will be liable to be rejected. Cheques or drafts should be made payable to the bankers to the issue aforesaid with which the application is lodged and marked 'A/c. Bhutoria Valve Udyog Ltd.—Equity Issue'. A separate cheque or draft must accompany each application form.

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 the single and/or joint names will be deemed to be multiple applications if the sole and/or the first applicant is one and the same. The Board of Directors reserve the right to reject in its absolute discretion all or any multiple applications.

**Applications may be in the names of Indian Nationals Resident in India as well as non-resident Indian persons and persons of Indian origin resident abroad.**

Application forms from non-resident Indian persons of Indian origin resident abroad, properly completed together with remittance from abroad towards the amount payable on application through approved Banking channel or out of funds held in the non-resident (external) account along with documentary evidence in this behalf must be delivered before closing of the subscription list to the Bank to the Issue named in the prospectus at any of the Branches at the places mentioned in the application form.

The Company, as required by the Reserve Bank of India, shall apply to the Reserve Bank of India for its permission in the manner prescribed by Reserve Bank of India, to accept such application from non-resident Indian person of Indian Origin resident abroad, shall be subject to the Company's obtaining such permission from the Reserve Bank of India for permission to purchase Shares, of the company.

Where an application is rejected in full, the whole of the application money received will be refunded to the applicant and where an application is rejected in part, the balance of the application money received will be refunded after adjustment of the amount if any, due on allotment. In both cases refunds will be made at the risk of the applicants within two months from the date of closing of the subscription list or within the period extended as stated above by the Calcutta Stock Exchange but no interest will be paid in respect of the money received. Refund will be made by cheques or pay orders drawn on the Company's bankers to the issue at Calcutta and bank charges if any, for encashing such cheques or pay orders will be payable by the applicants. Such cheques or pay orders will be payable at par at all the branches of the bankers where applications are accepted.

The Share Certificates or the Letter of Allotment shall be despatched within two months from the closing of the subscription list or within such time as may be extended by Calcutta Stock Exchange.

Application for shares must be in the names of individuals, limited companies, statutory corporations or institutions and not in the names of minors, partnership firms, trusts or a Society (unless the trust or Society is registered under the Societies Registration Act, and is authorised by its Memorandum and Rules to hold shares in company). Any application not in conformity with this or by persons not entitled to apply, shall be rejected.

#### ISSUE OF SHARE CERTIFICATE :

If at the time of allotment, Allotment Letters have been issued, they will be exchanged, against the Share Certificates which will be ready for delivery within three months from the date of allotment.

#### PROSPECTUS AND APPLICATION FORMS :

Copies of the Prospectus and application forms may be obtained from the Registered Office of the Company, the Brokers to the Issue, and the Bankers to the Issue mentioned herein or from any of the main offices of the Bankers to the Issue mentioned in the application form.

*Manu mal Bhutoria*

*Chairman Kothari*

*Narendra Singh Bhandari*

*Madhulika Bhutoria*

*Dated 29-8-1981*