

# PROSPECTUS



# MGS LTD.

# FINANCE

Regd Off. : 24, Harrington Mansion,  
8, Harrington Street, Calcutta 700 071.  
Corp. Off : 78-80, Alli Chambers,  
Tamarind Lane, Fort, Bombay 400 023.

**PUBLIC ISSUE OF 32,75,000 EQUITY  
SHARES OF RS. 10/- EACH FOR CASH AT  
PAR AGGREGATING RS. 327.50 LACS**

## HIGHLIGHTS

- Existing profit making, dividend paying Company share at par (Profit making since 1991-92. Dividend paid for the period ended 31.12.1992).
- Easy liquidity - Equity Shares of the company already listed at Calcutta, Ahmedabad and U.P. Stock Exchange at Kanpur. Additional listing proposed at Bombay and Jaipur Stock Exchanges.
- Managed by Board consisting of Finance, Investment and Legal professionals.
- 80L, 80M and Wealth tax benefits.

Investors may note that in case of oversubscription, a SEBI nominated public representative shall be associated in the process of finalisation of Basis of Allotment.

## RISK FACTORS

- The operations of the Company would be affected by the lending policies of the banks, Government's Fiscal and Monetary Policies.
- Besides leasing, short-term financing and bill discounting the Company also plans to invest in share and securities. Though this is volatile in nature the Company has experienced personnel for assessing and monitoring investment in order to minimise the risk.
- Success in Leasing activities is largely dependent on the prompt receipt of dues and its immediate deployment. Any default in payment by clients can lead to losses.
- The requirement of funds and future projections have not been appraised by any financial institution/bank and are based on company's own estimates.
- In the absence of stake of any financial institutions/bank, there shall be no monitoring of funds raised through this issue and the deployment of the funds raised through this issue shall be left entirely at the sole discretion of the company management.
- Dividend income, the level of appreciation of investments and projected profits from disinvestments are subject to the performance and policies of the companies, whose equity shares are purchased as investment.

**ISSUE OPENS ON 18<sup>TH</sup> JULY, 1994**

## LEAD MANAGERS TO THE ISSUE



**21st Century Management  
Services Ltd.**

2nd Floor, Jeevan Udyog Building  
278 D.N. Road, Bombay 400 001.



**Bank of Baroda**  
Merchant Banking Division  
2/7, Sarat Bose Road  
Calcutta 700 020.

## REGISTRARS TO THE ISSUE



**AMI Computers (I) Limited**

"SHANTINIKETAN", 8, Camac Street  
Room No. 25, Ground Floor, Calcutta 700 017.  
Ph. 2426661 Fax (033) 2423115 Grams AMIADD

**Rs. 5/- on application**





PART I  
1. GENERAL INFORMATION

## GSB FINANCE LIMITED

(Originally incorporated on 29.11.1982 under the Companies Act, 1956 with the name as Bimex Mercantiles Limited. On 8.06.1992, the name of the Company was changed to Ravi Cement Limited and a fresh Certificate of Incorporation consequent on change of name was obtained. Subsequently on 11.08.1993, the name of the Company was changed to GSB Finance Ltd and a fresh Certificate of Incorporation consequent on change of name was obtained)

**Registered Office :** 24 Harrington Mansion, 8, Harrington Street, Calcutta- 700 071.

**Corporate Office :** 78-80, Alli Chambers, Tamarind Lane, Fort, Bombay-400 023.

### DISCLAIMER CLAUSE:

It is to be distinctly understood that the vetting of draft offer Documents by SEBI should not in any way be deemed/construed as approval from SEBI for the proposed issue. SEBI does not take any responsibility for the financial soundness of any scheme or project or for the pricing of the issue or for the correctness of any of the statements made or opinions expressed in the offer document. SEBI merely ensures, on the basis of information furnished to it, that adequate disclosures have been made in the offer document to enable the investors to take informed investment decisions.

Letter of intent/Industrial licence is not required for the business carried on by the company.

### LISTING:

The existing Equity Shares of the Company are listed on the Stock Exchanges at Calcutta, Ahmedabad and U.P. Stock Exchange at Kanpur. Application has been made to all these Stock Exchanges for permission to deal in and for an official quotation of the new Equity Shares now being offered by the Company and in respect of the new Equity Shares to be separately offered by the Company on a Rights basis under the Letter of Offer. Application has also been made to the stock Exchanges at Bombay and Jaipur for permission to deal in and for an official quotation of the existing Equity Shares of the Company and the Equity Shares now being offered in terms of this prospectus and the Letter of Offer on Rights Basis.

### FILING:

A copy of the prospectus having attached thereto the documents required to be filed under Section 60 of the Companies Act, 1956, (hereinafter referred to as "the Act") has been delivered for registration to the Registrar of Companies, West Bengal at Calcutta.

### IMPORTANT:

Attention of the Applicants is specifically drawn to the provisions of Sub Section (1) of Section 68 A of the Act reproduced here below :

" Any person who:

- a) makes in a fictitious name an application to a company for acquiring or subscribing for any shares therein , or,
- b) otherwise induces a company to allot or register any transfer of shares therein to him or any other person in fictitious name

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

### MINIMUM SUBSCRIPTION:

If the Company does not receive minimum subscription amount of 90% of the issued amount including devolvement of underwriters within 60 days from the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 8 days, if any, in refund of such subscription, the company shall pay interest as per Section 73 of the Companies Act, 1956.

### ALLOTMENT LETTERS/REFUND ORDERS

Letters of Allotment or Share Certificates or Refund Orders, as the case may be, will be despatched at the applicant's own risk within 10 weeks from the date of closing of the subscription list. Refund orders of value over Rs.1500/- and share certificates shall be despatched by Registered Post and adequate funds for the same will be made available to the Registrar.

However the company is liable in the case of delayed refunds after 78 days to pay interest at the prescribed rates under section 73 of the Companies Act, 1956.

Refunds will be made by cheques or pay orders drawn on the Company's Bankers, and Bank Charges, if any, for encashing Cheques or Pay Orders will however be payable by the applicants. Such Cheques or Pay Orders will however be payable at par at the places where the applications are accepted.

**THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF THE BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS AS MENTIONED BELOW OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (hereinafter referred to as 'The Board') BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE DAY MENTIONED UNDER THE CAPTION "EARLIEST DATE OF CLOSING".**

ISSUE OPENS ON	: MONDAY,	18TH JULY,	1994
CLOSING NOT LATER THAN	: THURSDAY,	28TH JULY,	1994
EARLIEST CLOSING	: THURSDAY,	21ST JULY,	1994



**AUDITORS :**

**M/s. N. C. BANERJEE & CO.,**  
Chartered Accountants,  
2, Ganesh Chandra Avenue  
Calcutta - 700 013

**COMPANY SECRETARY**

**R.S. Padia**  
282, Rabindra Sarani  
Calcutta 700 007

**LEAD MANAGERS TO THE ISSUE:****21ST CENTURY MANAGEMENT SERVICES LTD.**

2nd Floor, Jeevan Udyog Building  
278 D N Road, BOMBAY 400 001

**BANK OF BARODA**

Merchant Banking Division  
2/7 Sarat Bose Road  
CALCUTTA 700 020

**TRUSTEES :**

The issue is for Equity Shares only, therefore appointment of Trustees is not required.

**CREDIT RATING :**

The proposed issue is of Equity Shares, hence no rating is required.

**UNDERWRITERS :**

32,75,000 Equity Shares of Rs.10 each for cash at par aggregating Rs. 327.50 lacs offered to the Indian Public has been fully underwritten as follows :-

**A. BANKS/MERCHANT BANKERS**

Name & Address of the Underwriters	Underwriting letter dated	Amount Underwritten (Rs. in lakhs)
<b>BANK OF BARODA</b> Merchant Banking Division 2/7 Sarat Bose Road Calcutta 700 020	15.6.94	20.00
<b>21ST CENTURY MANAGEMENT SERVICES LTD.</b> 2nd Floor, Jeevan Udyog Building 278 D N Road Bombay 400 001	14.6.94	60.00
<b>ENAM FINANCIAL CONSULTANTS PVT. LTD.</b> 24, B. D. Raja Bahadur Compound Ambalal Doshi Marg Bombay-400001	7.6.94	10.00
<b>MEHTA INTEGRATED FINANCE LTD.</b> 003, Law Garden Scheme-1 Opp. Law garden, Ellisbridge Ahmedabad-380006	4.6.94	10.00
<b>PENNAR PATERSON SECURITIES LTD.</b> 1st Floor, Veer Chambers 1-10-63/1/3, Chikoti Gardens Begumpet, Hyderabad-500016	8.6.94	10.00
<b>CHARTERED FINANCE MANAGEMENT LTD.</b> 406, Fourth Floor 77, Netaji Subash Road, Calcutta-700001	11.6.94	10.00

**FINWIZ FINANCIAL SERVICES LTD.**

6/2, Moira Street, Flat-9, 4th Floor  
Calcutta-700017

**OLYMPIA CAPITAL LTD.**

405, Embassy Centre  
Nariman Point, Bombay-400021

**PLATINUM FINANCE LIMITED**

A-12, 3rd Floor, FMC Fortuna  
234/3A, A.J.C. Bose Road,  
Calcutta-700020

**TAPURIAH & ASSOCIATES (P) LTD.**

4, Synagogue Street,  
R-821, 8th Floor, Calcutta-700001

**FINANCIAL & MANAGEMENT SERVICES (P) LTD.**

15, Chittaranjan Avenue,  
Ground Floor, Calcutta-700072

**L.K.P. MERCHANT FINANCING LTD**

203, Embassy Centre  
Nariman Point  
Bombay-400021

**SYSTEMATIX CORPORATE SERVICES LTD.**

819, Tulsiani Chambers  
212, Nariman Point,  
Bombay-400021

**VATSA FINANCE LTD.**

Poddar Chambers, 4th Floor  
109, S.A. Brelvi Road,  
Fort, Bombay-400001

**HMG FINANCIAL SERVICES COMPANY (P) LTD.**

79A, Mehta House  
Ground Floor, B.S. Marg,  
Bombay-400023

**LLOYDS FINANCE LTD.**

601, Raheja Centre  
Nariman Point  
Bombay-700021

**INTER GLOBE FINANCE LTD.**

106, Todi Chamber  
1st Floor, 2, Lal Bazar Street,  
Calcutta-700001

**HARVEST FINANCIALS LTD.**

116, Jolly Maker Chambers-2  
11th Floor, Nariman Point,  
Bombay-400021

**HINDUSTHAN FINANCIAL SERVICES LTD.**

807, Dalamal Tower  
211, Nariman Point  
Bombay-400021

**STERLING SECURITIES LTD.**

5, Russell Street,  
Calcutta-700071

9.6.94	5.00
14.6.94	5.00
8.6.94	5.00
9.6.94	5.00
14.6.94	5.00
14.6.94	5.00
14.6.94	5.00
6.6.94	5.00
13.6.94	5.00
14.6.94	5.00
15.6.94	5.00
14.6.94	5.00
15.6.94	5.00
16.6.94	5.00
<b>TOTAL (A)</b>	<b>190.00</b>

**CERTIFIED TRUE COPY**  
**FOR GSD FINANCE LIMITED**

*[Signature]*  
**Director**

**B. BROKER UNDERWRITERS**  
(Also brokers to the Issue)  
(All Letters dated 15th June, 1994)

Name & Address of the Underwriters	Amount Underwritten (Rs. in lakhs)
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**HYDERABAD**

**LAKSHMIKANTH INANI**

15.9.56, Maharaj Gunj  
Hyderabad-500012

1.00

**GALA ASSOCIATES**

3.6.691, Himayatnagar  
Hyderabad-500029

1.00

**K. RAVINDRA BABU**

101, Vijayashree Apartments  
Nagarjuna Nagar Colony  
Hyderabad-500873

1.00

**M.S. RAMKRISHNA**

6-1-68/3/A, Saifabad  
Hyderabad-500004

2.00

**NEW DELHI**

**B. D. AGARWAL & CO.**

G-12 (Ground Floor)  
"Arunachal"  
19, Barakhamba Road  
New Delhi-110001

2.00

**PRASAD & CO.**

UB-25, Indra Prakash  
Barakhamba Road  
New Delhi-110001

1.00

**R. S. GUPTA & CO.**

S-257, Hog Market Rajendra Place  
New Delhi-110008

1.00

**BHARAT BHUSHAN & CO.**

107, Rohit House  
3, Tolstoy Marg,  
New Delhi-110001

2.00

**SHAKTI & CO.**

183, Cariappa Marg  
Sainik Farm, Saket,  
New Delhi-110062

1.00

**JALAN & CO.**

Asaf Ali Road,  
New Delhi-110002

1.00

**VADODARA (BARODA)**

**H. P. RAVAL**

227, Paradise Complex  
Sayaji Gunj, Vadodara-390005

1.00

**PRAGNA**

2/A, Jagannath Puram  
Shopping Centre, Opp. Lalbaug Garden  
Near Rly Crossing, Baroda-390011

1.00

**KETKI P. KARANI**

110, Paradise Complex  
Sayajigunj  
Vadodara-390005

1.00

**URJITA J. MASTER**

110, Paradise Complex  
Sayajigunj  
Vadodara-390005

1.00

**DR. N. M. SHAH**

103, Payal Co-op. Housing Society  
Opp. Vakal Sewa Kendra  
Sayajigunj, Vadodara-390005

2.00

**THAKKAR ASSOCIATES**

MF-I, Ivory Terrace  
R.C. Dutt Road, Baroda-390005

1.00

**NAVIN CHANDRA & CO.**

375, Gendigate Road  
Baroda-390017

1.00

**PUNE**

**DR. ANAND P. SATHE**

1103-A/8, Lakaki Road  
Near Model Colony  
Shivajinagar  
Pune-411016

1.00

**JANAK MERCHANT**

Basement 22 Wonderland  
No. 7, M. G. Road  
Pune-411001

1.00

**SANJAY M. MUNOT**

Ashirwad  
832, Sadashiv Peth  
Chitrashala Chowk  
Pune-411030

1.00

**RAJUL K. SHAH**

C/O. 809, Budhwar Peth  
Moti Chowk, Pune-411002

1.00

**RAJESH A. PARIKH**

591-A, Rasta Peth  
M-1, Suyog House  
Pune-411011

1.00

**BOMBAY**

**ASHVIN CHINUBHAI & SONS**

Bhupen Chambers, 2nd Floor  
9, Dalal Street  
Fort, Bombay-400023

1.00

**P. R. SUBRAMANYAM & SONS**

31, Tamarind Lane,  
Fort, Bombay-400023

2.00

**M/S. L. K. PANDAY**

211, Veena Chambers  
Dalal Street, Fort, Bombay-400023

1.00

**K. MOTIRAM VAKIL**

737, Stock Exchange Rotunda  
Dalal Street, Bombay-400001

0.50



<b>J. G. SHAH &amp; CO.</b>	2.00	<b>VINAY M SHAH</b>	1.00
821, Stock Exchange Tower		59, Bazargate Street	
Dalal Street,		Ramzan Building, 1st Floor	
Bombay-400023		Fort, Bombay - 400 001	
<b>VALLABH BHANSHALI</b>	2.00	<b>AJIT KUMAR C. KAMDAR</b>	1.00
113 & 202, Stock Exchange Towers,		106, Vikas, 1st Floor	
Dalal Street,		11, Bank Street	
Bombay-400001		Bombay - 400 023	
<b>PRADIP C. DOSHI</b>	1.00	<b>BIMAL S GANDHI</b>	1.00
Engineering Premises		2-B, Hamam House	
1st Floor		Ground Floor	
93, Bombay Samachar Marg		Hamam SStreet	
Bombay-400023		Fort, Bombay - 400 023	
<b>PANKAJ KARANI</b>	1.00	<b>SUNDAR IYER</b>	2.00
21-B, Khatau Building,		Khatau Building	
1st Floor		5/B, Ground Floor	
Alkesh Dinesh Modi Marg,		Alkesh Dinesh Modi Marg	
Fort, Bombay-400001		Bombay - 400 023	
<b>K. G. VORA</b>	1.00	<b>MAHESH N KOTHARI</b>	1.00
40, Khatau Building		46, Great Western Building	
2nd Floor,		Nagindas Master Road, Extn.	
8/10, Marine Street,		Opp. Bake House	
Fort, Bombay-400023		Bombay - 400 023	
<b>ENAM SECURITIES PVT. LTD.</b>	2.00	<b>SUSHIL N. SHAH</b>	1.00
New Issue Division		12, Homji Street,	
113 & 202, Stock Exchange Towers		Bombay-400001	
1st Floor, Dalal Street,		<b>BHAGWANDAS GORDHANDAS</b>	2.00
Bombay-400001		Cama Building, 4th Floor,	
<b>ANIL MITHALAL &amp; CO.</b>	1.00	Dalal Street,	
2nd Floor, Mehta Building		Bombay-400023	
Hamam Street, Fort,		<b>VINOD H. BIYANI</b>	1.00
Bombay-400023		14-B, Khatau Building,	
<b>JAWAHARLAL M. SHAH</b>	1.00	Annexe - 8, Marine Street,	
720, Stock Exchange Tower		Bombay-400023	
7th Floor, Dalal Street		<b>SUBHASH V. SHAH</b>	1.00
Bombay - 400 023		2nd Floor, Khatau Building	
<b>ASHOK M. SHAH</b>	1.00	8/10, Marine Street, Fort	
720, Stock Exchange Tower		Bombay-400023	
7th Floor, Dalal Street		<b>RADHEYSHYAM B. KHANDLWAL</b>	1.00
Bombay - 400 023		1A, Alli Chambers, 1st Floor,	
<b>MILAN R. PAREKH</b>	1.00	Medows Street,	
Sonawala Building		Tamarind Lane,	
Ground Floor, Green Street		Fort, Bombay-400023	
Opp. Old Custom House		<b>R.K. JHUNJHUNWALA</b>	1.00
Fort, Bombay - 400 023		16/1, Khatau Building Annexe,	
<b>M/S. D. A. SHAH &amp; SONS</b>	1.00	Alkesh Dinesh Mody Marg,	
24/B, Rajabhadur Compound		(Marine Street), Fort,	
Hamam Street, Fort		Bombay-400023	
Bombay - 400 023		<b>RAMESH M. DAMANI</b>	1.00
<b>M/S. SHAILESH D SHAH</b>	1.00	612-B, Stock Exchange Tower,	
24/B, Rajabhadur Compound		Dalal Street, Bombay-400023	
Hamam Street, Fort		<b>MADRAS</b>	
Bombay - 400 023		<b>MADAN &amp; CO.</b>	2.00
<b>V. KRISHNAKANT</b>	0.50	Share House, 2nd Floor,	
701, Stock Exchange Tower		61, Moore Street, Madras-600001	
Dalal Street, Fort			
Bombay - 400 023			



<b>AKSHAYA &amp; CO</b> Swathi Court, Ground Floor - 3 22, Vijaya Raghava Road T. Nagar, Madras - 600 017	1.00	<b>HIMAL K. PARIKH</b> 13, Samruddhi Opp. Gujarat High Court Ahmedabad - 380014	1.00
<b>SUN SECURITIES</b> No. 59, Erullapan Street 1st Floor, Sowcarpet Madras - 600079	1.00	<b>JYOTISH BHOGILAL SHAH</b> 707, "SAKAR", 7th Floor Opp. Gandhigram Rly. Station Ashram Road Ahmedabad - 380009	2.00
<b>AHMEDABAD</b>		<b>INDORE</b>	
<b>ARUNA N. KAMPANI</b> 202, Chinubhai Centre Nehru Bridge Ashram Road Ahmedabad-380009	2.00	<b>SUNIL AGARWAL</b> 13, South Hathipala Indore - 452 007 M.P.	1.00
<b>HINA VORA</b> 2096, Nagji Bhudarni Pole Ubho Khancho, 1st Floor, Mandvini Pole Ahmedabad-380001	2.00	<b>D.S. SANCHETI &amp; CO.</b> "SANCHETI BUILDING" 20/11, Yeshwant Niwas Road Behind - Central Bank Indore - 452 003 M.P.	1.00
<b>RAJESH N. JHAVERI</b> Opp. Bank of India Manek Chown Ahmedabad-380001	2.00	<b>NIRMAL &amp; CO.</b> 20/11, Yeshwant Niwas Road Behind Central Bank Indore - 452 003, M.P.	1.00
<b>CHHAGANLAL K. KOTHARI</b> 2nd Floor, Virchand Dipchand Haveli Nr. Central Bank Manek Chowk Ahmedabad - 380001	1.00	<b>NIRUPMA PATEL</b> 19/F, B. Builders Colony SGSITS Road Indore - 452 003 M.P.	1.00
<b>CHINUBHAI CHIMANLAL DALAL</b> Mahurat Pole Naka Manek Chowk Ahmedabad - 380001	1.00	<b>BHOGILAL A. PATEL</b> 19-B, Builders Colony SGSITS Road Indore - 452 003	1.00
<b>ASHOK MANILAL THAKKAR</b> 2256, Mahurat Pole Manek Chowk Ahmedabad - 3800001	1.00	<b>RAVINDRA JAIN</b> M-3, City Plaza M. G. Road Indore	1.00
<b>HIRAJ MANILAL THAKKAR</b> 2235, Kakubhai Building 3rd Floor, Mahurat Pole Manek Chowk Ahmedabad - 380001	1.00	<b>ASHOK KUMAR JAIN</b> 21, Parsi Mohalla Main Road, Post Box - 125 Indore - 452 001	1.00
<b>KIRIT VASSA</b> 2096, Ubho Khancho, Mandvini Pole Nagjibhudarni Pole Manek Chowk Ahmedabad - 380001	1.00	<b>JAIPUR</b>	
<b>DUSHYANT M. SHAH</b> 2334/6, II Floor Manek Chowk Ahmedabad - 380001	1.00	<b>H.C. JAIN &amp; CO.</b> 204, Jaipur Tower Opp. A.I.R., M. I. Road Jaipur	2.00
<b>INTERFACE CAPITAL MARKETS PVT. LTD</b> 603, Samruddhi Opp. Gujarat High Court Ahmedabad - 380014	2.00	<b>SUNITA GUPTA &amp; CO.</b> C/o. Anil Jain Trident Express Opp. Indian Coffee House M. I. Road, Jaipur - 302 001	2.00
		<b>GOYAL &amp; COMPANY</b> J-172B, Fateh Tiba M. D. Road, Jaipur - 302 004	1.00



**UPENDRA A. GANDHI & CO**

D-51, Piyush Path  
Bapu Nagar, Jaipur - 302 015

**RAJ KUMAR BAHETI**

33, Sudarshan Pura  
Jaipur - 302 006

**HANDA & CO.**

B-76, Raman Marg, Tilak Nagar  
Jaipur - 302 004

**R. K. SINGH & CO**

C-274, J.D.A. Malviya Nagar  
Jaipur - 302 017

**COCHIN****HITESH SHAH**

312, CSE Broker's Complex  
Kacheripady  
Cochin - 682 018

**INFINITE INVESTMENTS**

1st Floor, CLS Buildings  
M.G. Road  
Cochin - 682 011

**P.V. UTHUPPACHAN**

Classic Stock & Share Bureau  
Sankarasser Arcade  
Chittoor Road  
Cochin - 682 018

**BABU EAPEN & CO**

329, C.S.E. Brokers Complex  
Kacheripady  
Cochin - 682 018

**BABU MATHEW & CO**

Mathews Sons Buildings  
Near St. Antony Church  
Kaloar, Cochin - 682 017

**JOSE PAUL & CO**

Mathewsons Buildings  
Near St. Antony Church  
Kaloar, Cochin - 682 017

**BANGALORE****LOKKUR & COMPANY**

P.B. No. 9631  
Kempegowda Road  
Bangalore - 560 009

**L.K.S. MURTHY & CO**

"DEVATHA PLAZA"  
406, 4th Floor  
Residency Road  
Bangalore - 560 025

**POOJA STOCK**

Manish Towers, 7th Floor  
J.C. Road  
Bangalore - 560 002

**RAO & COMPANY**

Farah Commercial Complex  
75, J.C. Road, 11nd Floor  
Bangalore - 560 002

**RAJDHANI STOCKS**

No. 125 Sultanpet  
Sri Balaji Complex  
Bangalore - 560 053

**M/S. AGRAHAR & CO.**

Manish Towers  
J.C. Road  
Bangalore - 560 002

**CALCUTTA****TARUN SETHIA**

9, India Exchange Place  
3rd Floor, Room No. 5  
Calcutta - 700 001

**KESHAV KUMAR SARAF & CO**

63, Radha Bazar Street  
3rd Floor, Room No. 34  
Calcutta - 700 001

**SAJJAN KUMAR SARAF**

7, Lyons Range, 3rd Floor  
Calcutta - 700 001

**M.B. NAHAR**

12, India Exchange Place  
3rd Floor  
Calcutta - 700 001

**MURLI M. CHANDAK & CO.**

9, India Exchange Place, 7th Floor  
Room No. 7  
Calcutta - 700 001

**SURYA PRAKASH TOSHIWAL**

11, Clive Row, 2nd Floor  
Calcutta - 700 001

**GOPAL DAS BAGREE**

7, Lyons Range  
Calcutta - 700 001

**LATH & CO**

Fortune Chamber  
Room No. 1&2, Ground Floor  
6, Lyons Range  
Calcutta - 700 001

**RAJKOT****ARVIND PATEL**

Giriraj Estate, 1st Floor  
80 Feet Road  
Near Sorathia Weigh Bridge  
Rajkot - 360 002

**HARKISHAN B. MARWADI**

62-63, Star Shopping Centre  
20, New Jagnath, Dr. Yagnik Road  
Rajkot - 360 001



**KAMAL D. THAKKAR**

Gita Apartment, Shop No. 7  
25, New Jagnath  
Near Astron Cinema  
Rajkot - 360 001

**DINESH H. SHAH**

Jasmira Group 1, Dwaram  
17-19, Jagnath Plot  
Dr. Yagnik Road, Rajkot - 360 001

**BHARAT RAIYARELA**

Ram Bhuvan, Kotak Street Main Road  
Near Rajshree Cinema  
Rajkot - 360 001

**BHUBANESWAR****KAMAL SETHIA**

5, Satyanagar  
Bhubaneswar - 751 007

**PATNA****KESHAR DEO DALMIA**

510, Ashiana Plaza  
Budh Marg, Patna - 800 001

**RAMESH KUMAR SUREKA**

509, Ashiana Plaza  
Budh Marg, Patna - 800 001

**MANGALORE****NAVEEN FERNANDES**

1st Floor, Kairanna Building  
Jyothi Circle, Mangalore - 575 001

**SHAILESH R. DOSHI**

C/o. P.K. Investment  
E-1, Rama Bhavan Complex, IInd Floor  
Kodialbail, Mangalore - 575 003

**JAGDISH N. MASTER**

C/O. Sylvester Lobo  
Kaprigudda, Near Falnir Post Office  
Mangalore - 575 001

**NAVIN & ASSOCIATES**

C/O. Mamatha Printers  
Kunshakar Post, Mangalore-575005

0.50

**\*GUWAHATI****MUKESH KUMAR JAIN**

C/o. Laxmi Electric & Furnishings  
Below Metro Hotel  
A.T. Road, Paltan Bazar  
Guwahati - 781 008

1.00

**SUBODH KOTHARI & CO**

Bargola Market  
M.S. Road  
Guwahati - 781 001

1.00

**BHANSALI & CO**

Room No. 1, Saraf Building  
A.T. Road  
Guwahati - 781 001

1.00

**P. KUMAR & CO**

309, Hanuman Tower  
Athgaon  
Guwahati - 781 001

1.00

**KANPUR****A.K. JOHARI & CO**

Chamber - 227, Padam Towers - II  
14/113, Civil Lines  
Kanpur - 208 001

1.00

**R.N. MITTAL & CO.**

417, Padam Towers II  
14/113, Civil Lines  
Kanpur-208001

2.00

**UDAY MERCHANT**

Padam Towers, 14/113, Civil Lines  
Kanpur-208001

1.00

**TOTAL (B)****137.50****TOTAL (A + B)****327.50****DECLARATION :**

In the opinion of the Board of Directors and the Lead Managers, the resources of the aforementioned underwriters are sufficient to enable them to discharge in full their respective underwriting obligations. All the relevant letters of underwriting/brokers consents have been accepted by the Company at the meeting of the Board of Directors held on 16th June, '94



## II. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL	Rupees
<b>A. AUTHORISED :</b>	
60,00,000 Equity Shares of Rs.10 each	6,00,00,000
<b>B. ISSUED, SUBSCRIBED AND PAID UP :</b>	
2,45,000 Fully Paid up Equity Shares of Rs.10 each for cash at par	24,50,000
<b>C. ISSUE OF EQUITY SHARES FOR CASH AT PAR AGGREGATING TO</b>	<b>5,75,50,000</b>
<b>(i) RIGHTS ISSUE :</b>	
9,80,000 Equity Shares of Rs.10 each for Cash at par are being offered separately to the existing Shareholders of the Company on Rights Basis in the ratio of 4:1.	98,00,000
<b>(ii) PRESENT ISSUE</b>	
47,75,000 Equity Shares of Rs. 10 each for Cash at par	4,77,50,000
<b>D. OUT OF THE PRESENT ISSUE :</b>	
15,00,000 Equity Shares of Rs. 10 each for cash at par are reserved for allotment to Promoters/Directors, their Friends and Relatives	1,50,00,000
<b>E. NOW OFFERED TO INDIAN PUBLIC IN TERMS OF THIS PROSPECTUS :</b>	
32,75,000 Equity Shares of Rs.10 each for cash at par offered to the Indian public through this prospectus	3,27,50,000
<b>F. PAID UP CAPITAL AFTER THE PRESENT ISSUE</b>	
60,00,000 Equity shares of Rs.10 each	6,00,00,000

### Notes:

- The Equity Shares to be subscribed by the Promoters under D aggregating to 25% of the Post Rights cum Public Issue Capital (F) above shall not be sold/hypothecated/ transferred for at least five years from the date of allotment in this issue.
- The present holding of the promoters, their friends, relatives and associates(hereinafter referred to as the Promoters) is 96170 Equity Shares (39.25% of the Present Equity Capital as indicated in B). They intend to subscribe to 384680 Equity Shares out of the present Rights Issue and 15,00,000 shares out of the present Issue resulting in post issue holding of 19,80,850 Equity Shares (33.01% of the post Rights cum Public Issue capital).Promoters do not intend to renounce any portion of their rights entitlement.
- The promoters would bring in Rs. 1,50,00,000 being the full value of their contribution as advance against Share Application money before opening of the Public Issue.
- Each Application under D above shall be for a minimum of Rs. 25,000/- in case of individuals and for a minimum of Rs.1,00,000/- for Corporate Bodies.
- The unsubscribed portion,if any, out of C(i) above may be disposed off by the Board of Directors of the Company in the manner it deems fit and in the best interest of the Company.

## III. TERMS OF THE PRESENT ISSUE

### AUTHORITY FOR THE PRESENT ISSUE:

Authorisation of the Shareholders of the Company under Section 81(1A) of the Companies Act, 1956 (hereinafter referred to as "the Act") has been obtained for this issue by a Special Resolution passed at the Extraordinary General Meeting of the Company held on 7th September, 1993.

### TERMS OF PAYMENT

The amount payable on Equity Shares will be as follows:

On Application : Rs. 5.00 per Equity Share  
On Allotment : Rs. 5.00 Per Equity Share

### RIGHTS OF THE INSTRUMENT HOLDERS

The Equity Shares now being issued are subject to the terms of this Prospectus, the Application Form, Memorandum and Articles of Association of the Company, the Guidelines for allotment and listing of securities issued by the Government of India from time to time and the Companies Act, 1956. These new Equity shares shall rank pari passu with the existing issued Equity Shares of the Company in all respects except that the Equity Shares issued will be entitled to dividend, if any, which may be declared or paid on the Equity Shares, on a pro rata basis from the date of allotment.

Shareholders are entitled to receive dividend as and when declared, Bonus and Rights shares as and when made. Further the rights of the above and other holders of the instruments are subject to the provisions of the Companies Act, 1956 and other laws as applicable from time to time.

### AVAILABILITY OF PROSPECTUS AND APPLICATION FORM :

Application Forms appended to the Memorandum containing the salient features of the Prospectus and the Propsectus may be obtained from the Lead Managers to the Issue, Co-Managers, Advisors, Underwriters, Brokers, Bankers to the Issue named herein

and from the branches of the Bankers to the Issue mentioned in the Application Form and from the Registered Office of the Company.

### PROCEDURE FOR APPLICATION AND ALLOTMENT

#### A. APPLICATION BY RESIDENT INDIAN PUBLIC

##### 1. Application must be made only :

- On the prescribed Application Form and Completed in full in **BLOCK LETTERS IN ENGLISH** in accordance with the instructions contained herein and in the Application Form and are liable to be rejected if not so made.
- In single name or joint names (not more than three)
- For a minimum of 100 Equity Shares and in multiples of 100 Shares thereafter.
- Application Forms duly completed as per the instructions contained herein and the application form together with cash/cheque/bank drafts/stockinvest for the amount payable on application at the rate prescribed should be lodged before the closure of the subscription list to the Bankers to the Issue or at their branches at the places mentioned on the reverse of the application form and not to the Company or to the Lead Managers, or to the Registrars to the Issue and are liable to be rejected if not so made.
- The applications should be in the name of Individuals, Limited Companies, Statutory Corporations or Institutions incorporated in India and NOT in the names of Trusts, (unless the trust is registered under the Societies Registration Act 1860 or any other applicable trust laws and is authorised under its constitution to hold shares in a Company), minors,partnership firms, or their nominees or agents of any of them.

Investors applying from Aizwal, Agartala, Imphal, Itanagar, Shillong, Kohima, Gangtok and Srinagar may please send their applications along with the Demand Draft drawn on



Calcutta for amount net of Demand Draft and postal charges to the Registrar to the Issue directly.

#### HOW TO MAKE PAYMENT:

Payments should be made in Cash or by Cheque/Bank Draft/Stock Invest(s) drawn on any scheduled Bank, (including a Co-operative Bank) which is situated at and is a member of or sub member of the Bankers' Clearing House located at the place where the Application Form is submitted. Outstation Cheques or Bank Drafts and money orders will not be accepted and applications accompanied by such Cheques, Bank Drafts or money orders will be rejected.

Applicants residing at places other than the cities where the Bankers to the Issue/collection centres has been opened, will have to make payments by way of Demand Drafts payable at Calcutta, drawn net of Bank commission and postal charges.

All Cheques/Drafts accompanying the application should be crossed "Account Payee Only" and made payable to any of the Bankers to the Issue with whom the Application is lodged and should bear the words "A/C GSB - PUBLIC". (for e.g. BANK OF BARODA - A/C GSB - PUBLIC). Stock Invest must be made directly payable to the Company.

A separate Cheque/Bank Draft/Stock Invest must accompany each application form.

#### Point to be noted :

The applicant has the option of mentioning his saving/current bank a/c. no. and name of the bank with whom such account is held to enable the Registrar to the Issue to print the said details in the refund orders after the name of the payee.

For further instructions, please read the Application Form carefully.

#### PROCEDURE FOR PAYMENT OF APPLICATION MONEY BY STOCK-INVEST(S)

The Applicant has the option to use StockInvest for applying for Shares now offered in terms of this Prospectus.

1. The prospective investor at the time of request for Issue of STOCKINVEST to the issuing Bank, may have to
  - a) indicate that he agrees to abide by the terms of Issue and encashment of the STOCKINVEST.
  - b) give irrevocable authority to his/her Bank to make a lien for the value of the STOCKINVEST against the balance held in his/her savings/current/other deposit account.
  - c) agree to lifting of the bankers' lien on expiry of the currency of the STOCKINVEST or in case of intimation of partial/non-allotment of Shares; and
  - d) agree that the issuing bank will not be liable for any damages or consequences arising out of the loss of these instruments.
2. It will generally be Issued for the required denomination/s, for payment of application money.
3. The STOCKINVEST should bear "Account Payee" and "Non-negotiable" crossing and will be payable only into the account of the payee on allotment and to the purchaser/investor on cancellation.
4. Stockinvest is current for four months from the date of its issue indicated on its face and no amount can be claimed on the Stockinvest from the issuing Bank branch, unless it is presented to it within these four months. Stockinvest is to be used by the purchaser(s) within 10 days of its issue, and for the purpose, the last day for the use of the Stockinvest for submitting share application to the Bank is indicated on the face of the Stockinvest with a notation "to be used before \_\_\_\_\_".
5. The investor shall provide necessary details, such as payees name, amount, no. of shares applied for, application form number, etc. in the left hand portion of the stock invest and in his name and address in a box on the reverse of the stock invest before depositing it with banker to the Issue. In case the box is not provided on the reverse of the stock invest for writing the name and address of the investor, an allonge may be obtained for the purpose and attached with the stock invest. The allonge should be used to write the investors name(s) and

full address to enable the registrar to return the cancelled stock invest directly to the investor.

6. As far as possible, the investors should use only one stock invest alongwith each application for subscription to an Issue. if stock invest of an odd amount is required and the same is not available in the printed form with the issuing bank, the investor should request the issuing bank to Issue printed stock invest for the nearest value and balance may be Issued in the prescribed stock invest form by filling the amount manually.
7. Stockinvest should be utilised by the purchaser(s) and the purchasers' name/name of one of the purchasers should be invariably indicated as the first applicant in the share application form. Thus, if the signature of the purchaser on the stockinvest and the signature of the first applicant on the application form does not tally, the application will be treated as having being accompanied by a third party stockinvest.
8. Applications in the names of joint account holders will also be accepted.
9. The STOCKINVEST will be Issued to the applicant in blank format after authentication of the date of Issue by the designated branch. The STOCKINVEST duly completed would be submitted alongwith the Share application to the bank branch handling the Capital Issue. The STOCKINVEST would be payable at par at all the collecting centres.
10. All applications with stockinvests issued more than ten days prior to the opening of the Public Issue are liable to be rejected.

The applicant may approach the banks concerned for obtaining STOCKINVEST and detailed instructions for the same.

The above information is given for the benefit of investors and the company is not liable for any modifications of the terms of stockinvest or procedure thereof by issuing Banks.

#### GENERAL INSTRUCTIONS

##### A. JOINT APPLICATION

An application may be made in single or joint names. In the case of joint applications refund/pay orders if any, dividend warrants, etc. will be addressed to the applicant whose name appears first and will be despatched to his/her address stated in the application form.

##### B. APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES

In the case of applications under Power of Attorney or by limited companies or corporate bodies, the relevant Power of Attorney or the relevant authority, as the case may be, or a duly certified copy thereof, must be lodged separately at the office of the Registrars to the Issue, simultaneously with the submission of the Application Form quoting the reference Serial Number of the Application Form, failing which, the application is liable to be rejected.

##### C. MULTIPLE APPLICATIONS AND CRITERIA FOR REJECTION

An Applicant should submit only one Application Form (and not more than one) for the total number of Equity Shares required.

Applications may be made in single or joint names (not more than three). Two or more applications in single and/or joint names will be deemed to be multiple applications, if the Sole and/or First Applicant is one and the same. The Board reserves the right to reject in its absolute discretion all or any multiple applications.

##### D. DISPOSAL OF APPLICATION AND APPLICATION MONEY

Letters of Allotment or Share Certificates or Refund Orders, as the case may be, will be despatched at the applicant's own risk within 10 weeks from the date of closing of the subscription list. Refund orders of value over Rs.1500/- and share certificates shall be despatched by Registered Post and adequate funds for the same will be made available to the Registrar.

No receipt will be Issued for application money. However, the Bankers to the Issue receiving the application will acknowledge receipt of the application by stamping and returning the acknowledgement slip at the bottom of each application form.

The Board reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason therefor. In case an application is



rejected in full, the application money received will be refunded within ten weeks from the date of closing of the Subscription List in accordance with the Provisions of Section 73 of the Companies Act, 1956. However the Company is liable in the case of delayed refunds, after 78 days to pay interest at the prescribed rates under section 73 of the Companies Act, 1956.

Refunds will be made by cheques or pay orders drawn on Company's Bankers and will be despatched to the applicant's registered address and bank charges, if any, for encashing such cheques or pay orders will be borne by the applicant.

However the Cheques will be payable at par at the branches of the Bankers to the Issue located at the places where the applications are accepted. All refunds will be made and the communications addressed to the applicant whose name appears first in the Application Form.

The sum received in respect of the Public Issue will be kept in separate bank accounts and the Company will not have access to these funds unless approval is obtained (i) from the Calcutta Stock Exchange for allotment and listing (ii) from the Bombay, Ahmedabad, Jaipur, and U.P. Stock Exchange at Kanpur for listing.

#### **E. DISPOSAL OF APPLICATION(S) MADE BY STOCK-INVEST(S)**

The procedure for disposal of applications made by cash or bank draft will apply mutatis mutandis except the following :

1. In case of non-allotment, Registrars to the Issue shall inform the Stock invest issuing Bank to lift the lien and bank will lift the lien on deposit.
2. On allotment/partial allotment, Registrars to the Issue shall fill in the amount which would be equal to or less than the amount filled in by the investor before presenting the Stockinvest to the relative issuing banker for payment to the extent of allotment. The Bank will then lift the lien on the balance amount of deposit.
3. Registrars to the Issue have been authorised by the Company (Through resolution of the Board passed on 7.09.1993) to sign on behalf of the Company to realise the proceeds of the Stock Invest from the issuing Bank or to affix non-allotment advice on the instrument, or to cancel the Stock Invest of non-allottees or partially successful allottees who have enclosed more than one Stock Invests. Such cancelled Stock Invest shall be sent back by the Registrars directly to the Investors within ten weeks of the date of the closing of the Issue.

#### **F. INTEREST ON EXCESS APPLICATION MONEY**

Payment of Interest at the rate of upto 15% per annum on the excess application money delayed beyond 10 weeks time will be made to the applicants as per the guidelines Issued by the Ministry of Finance, Government of India, vide Letter No.F/8/6/SE/79 dated 21.07.1983 and Letter No.F/14/2/SE/85 dated 27.09.1985, addressed to the Stock Exchanges.

#### **G. OVERSUBSCRIPTION**

In the event of the present Issue being oversubscribed, the basis of allotment will be finalised in consultation with the Stock Exchange at Calcutta in association with a SEBI nominated Public Representative.

#### **TAX BENEFITS**

The Company has been advised by M/s. N.C. Banerjee & Co, Chartered Accountants that under the current Tax Laws, the following tax benefits will be available to the Company and its Members.

#### **A. TO THE COMPANY**

1. Expenditure incurred on the present issue by the company would be eligible for amortisation over a period of 10 years as per the provisions of section 35D of the Income Tax Act, 1961, subject to the stipulated limits.
2. Under section 80M of Income Tax Act, 1961, the company will be entitled to a deduction of so much of the intercorporate dividends received as distributed to its shareholders by way of dividend on or before the due date of filing of the return of income.

#### **B. TO MEMBERS**

#### **I. RESIDENT INDIANS**

1. Members, being individuals resident in India, will be entitled to receive dividends without deduction of income-tax at source, provided:
  - (i) pursuant to Section 194 of the I.T. Act, the amount of such dividend paid during any financial year by the Company to the member by an account payee cheque does not exceed Rs.2500/-; or
  - (ii) pursuant to section 197A of I.T. Act, the member furnishes to the Company a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such dividend income is to be included in computing his total income will be Nil.
2. (i) Members who are scheduled banks or public financial institutions or state financial corporations or state industrial investment corporations or companies registered under Section 25 of the Companies Act, 1956, would be entitled to a deduction under Section 80M of 60% of the income by way of dividend received by them from the Company and included in their gross total income.
- (ii) Members who are domestic companies other than those referred to in above would be entitled to deduction under Section 80M of an amount equal to so much of the income by way of dividend received from the company as does not exceed the amount of dividend distributed by such domestic company on or before the due date of filing of the Return of Income.
3. The members of the Company will not be liable to wealth tax on the value of shares held by them.
4. An individual or Hindu Undivided Family as are referred to in Section 80L of the IT Act, will be entitled to deduction from the total income upto a maximum of Rs. 10,000/- in the aggregate per annum in respect of any income, specified in the said Section including dividends received from the Company.
5. Under Section 112 and other relevant provisions of the IT Act, capital gains arising on transfer of Shares of the Company held for a period of at least twelve months shall be concessionaly taxed at the flat rate (to be increased by a surcharge, wherever applicable) of 20% in the case of individuals and HUFs, 40% in case of Companies and 30% in other cases, on the concept of inflation indexation.

#### **IV. PARTICULARS OF THE ISSUE**

##### **OBJECTS OF THE ISSUE**

The formulation of the Company's business plan in the years to come necessitate induction of additional resources. The Present Issue of Equity shares is made :

- i) to augment the long term working capital requirements of the Company.
- ii) to list the shares of the Company on Bombay and Jaipur Stock Exchanges
- iii) to enhance the Company's eligibility to borrow from banks/ financial institutions etc. by enlarging its network thus facilitating the expansion of its fund based activities.
- iv) to meet the issue expenses.

There are no commitments made or requests on hand for financial assistance from companies in which the Directors are interested.

##### **FUNDS REQUIREMENTS :**

The Company has drawn up its Business Plan for the next 3 years which would enable the Company to widen its operations in investments, short term financing and diversify into leasing and bill discounting. The directors of the Company are having commercial premises admeasuring 800 Sq. feet at 78-80, Alli Chambers, Tamarind Lane, Fort, Bombay - 400023 where they have established the corporate office of the Company and the same is considered sufficient having regard to the growth in operations in the years to come.



The Company's sources and requirements of funds are based on the Company's own estimates and have not been appraised by any Financial Institution/ Bank. The funds requirements and the means of finance have been estimated as follows :

	(Rs. in Lacs)		
	31.3.1995	31.3.1996	31.3.1997
<b>PROJECTED APPLICATION OF FUNDS</b>			
Increase in Investments	516.00	200.00	82.50
Increase in Leased Assets	258.00	250.00	412.50
Increase in Short Term Financing	43.00	25.00	27.50
Increase in Bill Discounting	43.00	25.00	27.50
Increase in Fixed Assets	15.00	0.00	0.00
Increase in other Current Assets	(24.83)	--	--
Prel. & Pre-op. Expenses	38.12	0.00	0.00
Interest	40.50	66.00	99.00
Income-Tax	0.00	18.45	3.50
Dividend	91.23	132.00	150.00
	<b>1020.02</b>	<b>716.45</b>	<b>802.50</b>

#### PROJECTED SOURCES OF FINANCE

Profit before interest, depreciation, tax & preliminary expenses	298.96	489.67	634.50
Increase in Share Capital	575.50	0.00	0.00
Increase in Share Application	(108.63)	0.00	0.00
Increase in Unsecured Loans	83.29	100.00	100.00
Increase in Public Deposits	150.00	50.00	100.00
Increase in Current Liabilities and Provisions	75.16	59.23	3.04
	<b>1074.28</b>	<b>698.90</b>	<b>837.54</b>
Opening Cash Balance	4.25	58.51	40.95
Net Surplus/Deficit	54.26	(17.55)	35.04
Closing Cash Balance	58.51	40.95	75.99

The Company does not have any working capital/cash credit limit with any Bank at present. The above projected sources and application of funds have not taken into account any such limits. However adequate limits would be acquired with the growth in business as and when necessary.

The Company's sources and requirements of funds are based on the Company's own estimates and have not been appraised by any Financial Institution/ Bank. Hence, there will not be any monitoring of funds and the deployment of the same shall be at the sole discretion of the Company.

#### NOTES:

The total funds which the company proposes to deploy in Investments, Leasing, Short-Term Financing and Bill Discounting in the three years starting from 1.4.1994 are Rs.860.00 lakhs, Rs.500 lakhs and Rs.550 lakhs respectively. These are proposed to be allocated between the various activities as under:

	1994-95	1995-96	1996-97
Investments	60%	40%	15%
Leased Assets	30%	50%	75%
Short-Term Financing	5%	5%	5%
Bill Discounting	5%	5%	5%

#### Investments

The company proposes to invest shares and other convertible securities both in the primary market as well as secondary market.

#### Leasing

The company proposes to lease out items eligible for 100% depreciation.

#### Short Term Financing and Bill Discounting

The company proposes to advance short-term funds in the nature of Bridge Finance to industrial and trading enterprises to meet their immediate short-term requirements for periods ranging from 3 to 6 months. The company also intends to discount bills of good corporate client for meeting their short-term working capital needs.

#### Fixed Assets

Fixed Assets would include furniture and fixtures, computer hardware and other office equipments.

#### Unsecured Loans

The company expects to get unsecured loans at 18% per annum from the friends and associates of the promoter, Mr.G.S.Biyani. This assumption is based on the past experience of the promoter in his proprietorship firm.

#### Public Deposits

The company expects to mobilise public deposits through the existing sub-broker network of Mr.G.S.Biyani and also through newspaper advertisements.

#### Provisions

Provisions include provision for taxes and proposed dividend.

#### COMPANY MANAGEMENT & PROJECT

#### HISTORY, MAIN OBJECTS & PRESENT BUSINESS OF THE COMPANY

The Company was originally incorporated on 29th November, 1982 with Mr.A.K. Khemka, Mr. H.V. Jhunjhunwala and Mr. D.K. Sengupta as the first Directors of the Company under the name of Bimex Mercantiles Limited with the main objective of, inter alia, carrying on the business of finance, leasing, and investment in shares and securities.

In May 1992 the Company envisaged the idea of setting up of a Mini Cement Plant and accordingly the name of the Company was changed to Ravi Cement Limited on June 8th, 1992 and a fresh Certificate of Incorporation consequent on change of name was obtained. The Board was reconstituted in October, 1992 to suit the changed business of the Company. Subsequently the Company dropped the idea of setting up the Mini Cement Project in June, 1993 considering the recession prevalent in the Cement Industry. Under an agreement executed by the company with Ravi Cement Products Ltd., a sum of Rs.23,40,854 incurred by the company on its cement project was transferred to Ravi Cement Products Ltd. The same amount was treated as loans & advances given by the company in its books of accounts and the same has since been fully recovered.

In August, 1993 the Board of Directors was reconstituted with the induction of finance related professionals and Mr.G.S.Biyani was appointed Chairman of the Company. Accordingly, the name of the Company was changed to GSB Finance Limited and a fresh Certificate of Incorporation dated 11th August, 1993 was obtained from the Registrar of Companies, West Bengal, Calcutta. Since then the Company has planned to expand its present activities of finance and investment in Shares of Companies.

The present Board of Directors of the Company consists of professionals in the field of Taxation, Finance, Legal & Company Law. The Board is headed by Mr.G.S.Biyani who is the Chairman of the Company. Mr.G.S. Biyani is an active member of Bombay Stock Exchange and is the proprietor of M/s G.Sagarmal Bihani.

The promoters, their friends, associates, relatives and Directors hold 39.25% of the present equity capital and the same has been acquired from the stock market at the prevailing rates at various points of time. The Company has obtained legal opinion stating that Clause 40B of the listing agreement shall not be attracted by the Company.

#### MAIN OBJECTS OF THE COMPANY

The Main objects of the Company, as set out in its Memorandum, are given below :

1. To carry the business of buyers, sellers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stockists, distributors, financiers, hire purchase and dealers of industrial and other gases, alcohol, edible and non-edible oils & fats, consumer goods, household goods, hardware & stores, plant & machinery stores, spare parts and accessories, commercial and manmade fibres, of all kinds readymade garments, wool, silk, hemp, flax, and other fibres substances, blankets and any products of cotton and yarn and woolen textiles, raw jute and jute products, chemicals, plastics, building materials and vehicles.
2. To carry on business and trade of purchase, sell, agents, distributors, representatives, import, export, and deal in



electrodes, carbon black, all type of graphite & carbon products, all type of coal and coal products, pitch wood & Plywood, non-ferrous metals, steels, alloy steel, special or stainless steel shaftings, bars, wires, nails, metal sheets, steel tubes and pipes and in any other products of ferrous and non-ferrous metals of all sizes, specifications and description.

3. To carry on all or any of the business of financiers of industrial, commercial and other enterprises and general financiers, film financiers, producers and distributors and exhibitors, money-lenders, sahu-kars, trustees, real estate owners land lords, real estate agents, builders, underwriters, guarantors, hire-purchase dealers, investors, promoters, securities bonds, obligations, claims, licences and charges, land, buildings, houses, easements, negotiable instruments, decrees, book-debts, patents, factories, mines, industrial undertaking, business concerns, warehouses property and rights of all kinds, agricultural units, shops and godowns, business of insurance agents, trust company, safe deposit company and such other business and acts required in connection therewith, to receive on deposit or borrow and raise money and to lend or deal with the money either with or without interest or security provided the Company shall not carry on the business of Banking as defined under the Banking Regulation Act, 1949.
4. To carry on the business of an investment Company and for that purpose to invest in, acquire, sell, transfer, subscribe for, hold and otherwise dispose of and invest in any shares, securities, bonds, stock, obligation issued or guaranteed by any Company or Companies constituted and carrying on business in India or elsewhere and debentures, debenture-stocks, bonds, obligations and securities issued and guaranteed by any Government, State, Sovereign, Commissioners, Central or Provincial Public body or authority supreme, municipal local or otherwise whether in India or elsewhere either out of its own funds or out of funds or out of funds that it might borrow.
5. To acquire by concession, grant, purchase, charter, lease, licence or otherwise, either absolutely or conditionally and either alone or jointly with others as contractors or otherwise any lands, buildings machinery, plant, works, conveniences and other movable and immovable property of any description, patents, trade marks, concessions, privileges and other rights for the objects and business of the Company and to construct, maintain and alter any buildings, or works necessary or convenient for the purpose of the Company and to pay for such lands, buildings, works, property or rights or any other property and rights purchased or acquired by or for the Company either by shares, debenture stock, bonds, or other securities or the Company or by cash or otherwise and to manage, develop, sell let on lease or for hire or otherwise dispose of or turn to account the same at such time or times and in such manner and for such consideration as may be deemed proper or expedient and to reclaim cultivate lands and develop the resource thereof by draining, clearing, planting or manuring or otherwise.
6. To supply to and to provide, maintain and operate services facilities, conveniences, bureaus and the like for the benefit of any company, corporate body, firm trust person, association, society or organisation whatsoever and generally to act as a service organisation or bureau for providing general administrative, secretarial, advisory, commercial, financial, technical, accountancy, quality control, legal and other services to companies, corporate bodies, trusts, associations or organisations. To people, supply, maintain and operate for the benefit of any person, institution, company or companies, services, facilities, conveniences bureaus and the like including internal telephone, teleprinter and communication services and facilities, medical and health services, guest house and entertainment facilities, canteens, clubs, creation and welfare centres, housing and education organisations for purchases, sales marketing and others services, time motion studies, assessments of work loads, internal audits in offices, factories and other establishments, general services, in relation to the affairs and business or the benefit of any person, institution or company or companies or such other facilities service, conveniences and the like including the provision of

organisation and bureaus to meet the requirements and needs of any person, institution, company or companies.

## PRESENT BUSINESS

The Company is a public limited company and its Shares are listed on the Stock Exchanges at Calcutta, Ahmedabad and U. P. Stock Exchange at Kanpur. The company is presently engaged in the business of Finance, Investment & Trading in Shares and Securities. Total Income for the Accounting year ended 31.3.94 consisted of Rs.205.53 lacs from Share Trading, Rs. 0.24 lacs from Dividends and Rs. 1.13 lacs from Short Term Financing.

The Company is a Profit Making & Dividend paying Company. The Company declared a maiden dividend @15% for the last financial year ended on 31st December, 1992 (9 months).

The Company now plans to expand and diversify its business activities to suit the changed business environment of the Country's Economy after the liberalisation.

## PAST FINANCIAL HIGHLIGHTS

	(Rs. in Lacs)					
	15 Months Ended 31.3.94	9 Months Ended 31.12.92	Year Ended 31.3.92	Year Ended 31.3.91	Year Ended 31.3.90	Year Ended 31.3.89
Sales	205.53	29.51	0.00	4.49	0.00	0.18
Interest	1.13	0.42	2.39	2.20	2.24	2.27
Dividend	0.24	0.41	0.01	0.01	0.03	0.01
Other Income	8.66	12.66	1.07	0.00	0.00	0.00
PROFIT						
BEFORE TAX	26.07	11.49	1.42	(0.19)	(0.75)	(0.63)
Provision for						
Taxation	13.00	1.50	0.06	0.00	0.00	0.00
NET PROFIT	13.07	9.99	1.36	(0.19)	(0.75)	(0.63)
Dividend	0.00	3.68	0.00	0.00	0.00	0.00
Capital	24.50	24.50	24.50	24.50	24.50	24.50
Reserves &						
Surplus	19.46	6.36	0.05	0.00	0.00	0.00
Unsecured						
Loans	16.71	17.14	8.32	9.93	14.72	12.48
Misc.						
Expenditure	1.38	1.54	0.05	1.41	1.27	0.57
EPS (Rs.)	* 5.33	** 4.07	0.56	(0.07)	(0.31)	(0.26)
Book Value (Rs.)	17.38	11.97	10.00	9.42	9.48	9.77
Cost of Closing						
Stock of Quoted						
Shares and						
Debentures	128.79	14.86	1.67	1.34	2.07	1.88
Cost of Closing						
Stock of Unquoted						
Shares and						
Debentures	0.90	0.90	0.90	0.78	0.68	0.33
Market Value of						
Closing Stock						
of Quoted Shares and						
Debentures	140.03	14.76	5.77	2.76	4.61	2.29

\* Annualised EPS for period ended 31.3.1994 is Rs. 4.26

\*\* Annualised EPS for period ended 31.12.92 is Rs. 5.44

## Sales include sale of shares and securities

The earlier change in the closure of accounting year was based on the decision of the earlier management. The new management under the chairmanship of Mr.G.S.Biyani took over in August 1993. The new management has decided to close the current accounting year on 31.3.1994 to bring it in uniformity with the financial year as per Income-Tax Act.

## ACCOUNTING POLICIES

1. The Company follows the accrual system of accounting as required by the Companies Act, 1956.
2. Depreciation on fixed assets till 31.12.1992 was provided on WDV basis as per Income Tax Rules, 1962. Depreciation for the year ended 31.3.1994 has been provided on Straight Line Basis as per the Companies Act, 1956. The excess depreciation charged in earlier years has also been written back.
3. Closing Stock of Shares & Debentures is valued at cost.

There are no pending cases of disputes/litigations, defaults to financial institutions/bank, statutory dues, proceedings initiated for



economic offences (including past cases) against the promoter and the company.

#### DIRECTOR'S INTEREST:

There are no non-recovery of interest/principal due from companies in which the Directors are interested in.

As there is no investment made by the Company in companies in which the Directors are interested, the details relating to the present market value of such investment, decrease in the market value, provision for such decrease are not applicable and hence are not given. There are no bad and doubtful debts from companies in which the Directors are interested.

#### INVESTMENT POLICIES

The Company follows a prudent and cautious policy in its investment decisions. The Company has a qualified team to identify investible opportunities on the basis of in-house research. For the purposes of managing and monitoring the investment portfolio of the Company, a committee has been formed by the Board of Directors, which consists of Mr.G.S.Biyani, Mr.R.S.Biyani and Mr.A.K.Jagatramka. The Chairman of this Committee will be Mr.G.S.Biyani.

This committee constituted by the Board works within the framework of the broad guidelines through which ceiling limits have been fixed for investment in any Company's share/debenture, total value of the investment portfolio of the Company at any point of time, investment in any particular group/industry etc.

#### SUBSIDIARY

The Company does not have any subsidiary.

#### PROMOTERS & THEIR BACKGROUND

The Company was originally promoted by Mr.Rajni Kant Sikaria, Mr.Anup Kumar Sikaria, Mr.Vinod Kumar Singhania, Mr.Prem Prakash, Mr.Shashi Kant Goyal, Mr.Radhey Shyam Toshniwal and Mr.Nitya Gopal Chakraborty on 29th November, 1982. However, none of them are associated with the present management. The management of the Company was acquired by Mr Girdhari S. Biyani in August 1993.

Shri Girdhari S. Biyani aged 35 years is a Commerce Graduate from Bombay University and an active member of Bombay Stock Exchange. He is having more than 10 years experience in the areas of Financial Services, Investment Consultancy and Capital Market Operations. Mr.G.S.Biyani is an active member of Bombay Stock Exchange and is the proprietor of M/s G.Sagarmal Bihani.

The Financial Highlights of M/s G. Sagarmal Bihani for last three years are as under :-

Year ended	31.3.90	31.3.91	31.3.92
	(Rs.in Lacs)		
Gross Brokerage Income	6.81	7.78	7.96
Share Vyaj Badla	1.29	2.13	26.14
Share Trading	0.77	1.28	4.26
Capital Gains	1.23	0.55	5.62
Other Income	--	0.24	26.15
Gross Income	10.10	11.96	70.14
Interest paid	1.58	--	23.32
Depreciation	0.78	0.67	0.50
Profit before tax	2.99	4.50	37.93
Tax	0.90	1.89	16.54
Profit after tax	2.09	2.61	21.39
Capital Account	5.86	7.17	38.04
<b>BALANCE SHEET AS AT:</b>			
Capital	5.86	7.17	38.05
Loans	21.50	27.20	119.98
S. Creditors	45.61	73.99	144.25
	<b>72.97</b>	<b>108.36</b>	<b>302.28</b>
Fixed Assets	2.20	1.93	1.78
Investments	17.80	30.55	80.42
Current Assets	16.82	30.24	137.62
Loans & Advances	36.15	45.64	82.46
	<b>72.97</b>	<b>108.36</b>	<b>302.28</b>

There are no pending cases of disputes/litigations, defaults to financial institutions/bank, statutory dues, proceedings initiated for economic offences (including past cases) against the promoter and the above firm.

#### MANAGEMENT

The Company is managed by the Board of Directors comprising persons of proven competence in the management of corporate affairs subject to the general control and supervision exercised by Shri G. S. Biyani, the Chairman of the Company.

**Shri G.S. Biyani** is a registered stock broker and a member of the Stock Exchange, Bombay. He is assisted by a team of professionals for carrying on the business of the Company.

**Shri Ramakant S. Biyani** aged 27 years is a Commerce Graduate from Calcutta University and an experienced secondary market operator in the Bombay Stock Exchange since 1985.

**Shri A. K. Jagatramka** aged 32 years is a Chartered Accountant having secured 1st Rank and a gold medal in the Final Examination held by The Institute of Chartered Accountants of India Examination in May, 1983. He is having more than a decades experience in the field of taxation, Company law and financial services.

**Shri K. K. Saboo** aged 33 years is a Commerce graduate from Calcutta University and an industrialist having nearly 10 years experience in industry, trade and finance. He has promoted Highrise Roller Flour Mills (P) Ltd.

**Shri R. K. Maheshwari** aged 29 years is a M.Sc. Bachelor in General Law from Bombay University and has also done the Masters Degree Programme in Management Studies (MMS) of Bombay University. A Gold Medal for the Best Student of the Year was awarded to him during 1987-88 by The Narsee Monjee Institute of Management Studies, Bombay. He is having nearly 5 years' experience in the field of corporate finance and funds management and is well conversant with various areas of forex advisory services, treasury and money market operations.

**Shri Vinod B. Agarwala** aged 44 years is a Solicitor and is the partner of M/s Gagrut & Co, the Solicitor Firms at Bombay & New Delhi. He is having more than 15 years' experience in the field of legal matters.

**Shri Vinod Kothari** aged 32 years is a Chartered Accountant and a Practising Company Secretary. He has nearly 9 years' experience in the field of Finance, Taxation, Leasing and Company Law. He has authored several books on Lease financing and Hire Purchase.

**Shri Nemnath R. Jatia** aged 55 years is an Industrialist having business interests in Paper, Mining and Finance. Some of the Companies in his group include Associated Stone Industries (Kotah) Ltd., Maya Papers (P) Ltd. and IBIS Investment (P) Ltd.

There are no pending litigation, disputes, defaults, non-payment of statutory dues and proceedings initiated for economic offences against the Directors of the Company.



**Details of Directors of GSB Finance Ltd.**

<b>Name, Description, Address &amp; Occupation</b>	<b>Other Directorship(s)</b>
<b>1. Mr. Girdhari Sagarmal Biyani</b> (Son of Late Sagarmal Biyani) 815, Stock Exchange Towers Dalal Street, Bombay - 400 023. <b>Stock-Broker</b> <b>Chairman</b>	1. Himadri Chemicals & Industries Ltd. 2. Gujarat NRE Coke Ltd. 3. Austin Development (P) Ltd.
<b>2. Mr. Ramakant Sagarmal Biyani</b> (Son of Late Sagarmal Biyani) 815, Stock Exchange Towers, Dalal Street, Bombay - 400 023. <b>Financial Consultant</b> <b>Director</b>	1. Austin Development (P) Ltd.
<b>3. Mr. Kishore Kumar Saboo</b> (S/o. Shri Hanuman Prasad Saboo) 40, Strand Road 4th floor, Room No.4 Calcutta- 700 001 <b>Industrialist</b> <b>B.Com (Hons)</b> <b>Director</b>	1. High Rise Roller Flour Mills (P) Ltd. 2. Mahendra Pulp & Paper Mills (P) Ltd. 3. Varun Mercantiles & Credit (P) Ltd. 4. K. K. Traders (P) Ltd. 5. A. K. Traders (P) Ltd.
<b>4. Mr. Arun kumar Jagatramka</b> (S/o. Shri Girdharilal Jagatramka) Basant Tower 1, Clyde Row, Hastings, Calcutta-700 022. <b>Chartered Accountant</b> <b>B.Com (Hons), FCA.</b> <b>Director</b>	1. Gujarat NRE Coke Ltd. 2. Fastnet Share & Stock Brokers Limited
<b>5. Mr. Rajiv Kumar Maheshwari</b> (S/o. Shri Gordhandas Maheshwari) ANTARIKSH 192, 20th Floor Kaka Sahib Gadgil Marg Opp. Silver Apartment Prabhadevi, Bombay-400 025 <b>Management Consultant</b> <b>M.Sc, B.G.L., M.M.S.(FIN.)</b> <b>Director</b>	1. Green Horne Finance Ltd. 2. Shree Unicorn Organics (P) Ltd.
<b>6. Mr. Vinod B. Agarwala</b> (S/o Shri Balmukand Agarwala) M/s Gagrut & Co, Alli Chambers Nagindas Master Road Bombay <b>Solicitor.</b> <b>Director.</b>	1. Navinbharat Industries (P) Ltd. 2. Hester Pharmaceuticals (P) Ltd. 3. Savani Freight & Finance Ltd. 4. Singhal Swaroop Ispat Ltd. Partner: M/s Gagrut & Co. Bombay Partner: M/s Gagrut & Co. New Delhi
<b>7. Mr. Vinod Kumar Kothari</b> (S/o Shri H.M. Kothari) 9/12, Lal Bazar Street E- Block, 4th Floor Calcutta - 700 001 <b>Practicing Co. Secretary</b> <b>B.Com., ACS, ACA</b> <b>Director</b>	1. Sarla Gems Ltd. 2. SREI International Ltd. 3. BEEPEEJAY Finance Ltd. 4. ESSKAYJAY International Ltd. 5. Association of Leasing & Financial Services Companies. 6. Debang Valley Tea Co. Pvt Ltd. 7. Model Housing & Finance Ltd. 8. Sarla Gems Finance & Investments Ltd. 9. Wisemen's Consultancy Co. Pvt Ltd. 10. Senilis Trading Syndicate Ltd. 11. Opulant Fiscal Services Ltd.
<b>8. Mr. Nemnath R. Jatia</b> (S/o Ram Kumar Jatia) 419-B, Kalbadevi Road Joshiwadi, 2nd Floor Bombay - 400 002. <b>Industrialist.</b> <b>Director.</b>	1. Associated Stone Industries (Kotah) Ltd. 2. Maya Paper Pvt. Ltd. 3. IBIS Investment Pvt. Ltd.



## LOCATION OF PROJECT

The Company is engaged in the field of financial services. Hence information relating to project etc. is not applicable.

## FUTURE BUSINESS PLANS & PROSPECTS

In order to broaden its field of activities and to considerably enhance its presence in the area of financial services, the company has embarked upon expansion plans to provide wide range of specialised financial services to corporate clients, financial institutions and individuals. These services could broadly be classified as under :-

### Investments :

The Company as permitted by its objects would be actively engaged in the area of purchase and sale of shares and debentures from the stock market. The purchases and sales would be effected having regard to the possible short-term, medium-term and long-term benefits. The Company would be deploying its funds, from time to time, in quoted blue chip shares and would constantly review its investments in shares to channelise investment into more profitable avenues.

### Leasing

The company proposes to lease out items eligible for 100% depreciation. In the three years beginning with 1.4.1994 the company intends to deploy Rs.258.00 lakhs, Rs.250.00 lakhs and Rs.412.50 lakhs respectively for acquiring assets to be leased out.

### Short Term Financing and Bill Discounting

The company proposes to advance short-term funds in the nature of Bridge Finance to industrial and trading enterprises to meet their immediate short-term requirements for periods ranging from 3 to 6 months. The company also intends to discount bills of good corporate client for meeting their short-term working capital needs. In the three years beginning with 1.4.1994 the company intends to deploy Rs.43.00 lakhs, Rs.25.00 lakhs and Rs.27.50 lakhs respectively in each of the areas of short term financing and bill discounting.

### Project Counselling

The service would include identification of profitable project opportunities in India and abroad, preparation/appraisal of project report and credit syndication from banks and financial institutions.

The company is having a professional Board of Directors consisting of people of proven competence in their own field. The corporate office of the company is situated in the Central Business District of Bombay. The promoter, Mr.G.S.Biyani, is having a good client base which include corporate bodies also. Quite a few of them are expected to diversify into new projects/industries. With the complete infrastructure in place, the company hopes to generate good business of project counselling activities.

## INFRASTRUCTURE AND NET WORK:

### Office Premises :

Corporate office of the company admeasuring 800 sq. ft. is located at Bombay in a central business location. The registered office of the company admeasuring approximately 500 sq. ft. is situated at Calcutta.

The Corporate office has been provided by Mr.Ramakant Biyani at a monthly service charge of Rs.1100 per month plus reimbursement of actual expenses i.e. electric charges, telephone expenses and other establishment expenses. The Company has entered into an agreement with Mr.Ramakant Biyani for using the said premises with effect from 1.9.1993 for a period of 5 years initially and thereafter renewable with mutual consent of both the parties. This agreement has been shown as a document for inspection.

The company, at its own cost, shall equip the said office with adequate infrastructural facilities such as Data Systems, Furniture and Fixtures etc. As on 28.02.94, the Company had spent Rs 4.50 Lakhs towards furnishing and air-conditioning the above office.

The above infrastructure facilities are planned to be put in place in Bombay by August, 1994 .

### Manpower/Personnel :

Enhancement of company's human resources through recruitment of quality people both managerial and staff will be the key to the future growth of the company. The company's personnel will include financial market professionals as well as management accountants

and secretarial professionals. These would be drawn from the reputed professional institutes of the country. The total number of professionals which the Company proposes to recruit is six.

## FUTURE PROSPECTS AND PROFITABILITY

The Financial Services Sector in the country is expanding rapidly even as gradual liberalisation of the capital market provides an increasing array of business opportunities. With increasing deregulations of industry and the emergence of competitive conditions, the responsibilities devolving on the financial system in mobilising resources and allocating them efficiently and responding flexibly to emerging situations is greater. There is a fundamental change taking place relating to project financing which is going to focus more on equity finance.

The prospects for the leasing industry are also considered bright. The industry is gaining increasing acceptance as an alternative source of finance. With the government's thrust upon technology upgradation and modernisation, demand for lease financing of indigenous and imported plant and machinery and equipment is expected to increase.

The company also foresees a lot of scope in project counselling with the continued environment of liberalisation.

The Board of Directors are of the opinion that barring unforeseen circumstances, the company will be able to earn adequate profit and be in a position to declare reasonable dividend.

## FUTURE PROJECTION

The financial projections given below have been taken from the business plan of the company. The future profitability projections and funding requirements are based on the Company's own assessments and have not been appraised by any financial institutions/banks.

	(Rs. in lacs)		
	31.3.95	31.3.96	31.3.97
Share trading income	157.46	204.82	212.00
Lease rentals	35.60	105.71	197.13
Lease Mgt. fees	2.58	2.50	4.13
Short term financing	5.16	13.32	19.62
Bill disc. income	5.16	13.32	19.62
Dividend income	75.00	125.00	150.00
Other Income	30.00	40.00	50.00
TOTAL INCOME	310.96	504.67	652.50
Establishment Expenses	12.00	15.00	18.00
Interest	40.50	66.00	99.00
Preliminary expenses W/O	4.00	4.00	4.00
Depreciation -- owned	0.78	0.78	0.78
-- Leased	25.80	76.60	142.85
Profit before tax	227.87	342.29	387.86
Tax	0.00	18.45	3.50
Profit after tax	227.87	323.83	384.36
Equity share Capital	600.00	600.00	600.00
Reserve & Surplus	156.11	347.94	582.30
Dividend Rate	20%	22%	25%
Dividend	91.23	132.00	150.00
EPS	3.80	5.40	6.41
Cash EPS	4.31	6.75	8.87
Book Value (per share)	12.01	15.27	19.25

## ASSUMPTIONS

- (1) Interest paid on Unsecured Loans @ 18% per annum and Public Deposit @ 15% per annum
- (2) Income from Lease rentals taken for 5 years @ Rs. 23 per thousand per month.
- (3) Income from Bill Discounting & Short Term financing taken @ 24% per annum.
- (4) Income from fresh infusion of funds in the areas of Leasing, Bills Discounting and Short Term Financing generated during the years from 1994-95 onwards have been taken for six months only in that particular year i.e the year of infusion.
- (5) Income from Investments taken @ 36% p.a. (inclusive of Dividend Income)
- (6) Lease Assets deemed to be consisting of 100% Depreciation items only.



- (7) Lease Management fees taken @1% on new Lease business.
- (8) Share Capital raised by further issue of 9,80,000 Equity Shares at par by way of rights in the ratio of 4:1 and 47,75,000 Equity Shares at par to Indian Public including Promoters/Directors.
- (9) Equity dividend for 94-95 is taken for 9 months on new equity shares.
- (10) Income tax rate has been assumed at 46%.
- (11) Other income represents expected income from project counselling services.

As a matter of abundant caution, attention of investor is drawn to the facts that the figures mentioned above are mere projections based on underlying assumptions and may change.

The future profitability projections and funding requirements are based on the Company's own assessments and have not been appraised by any financial institutions/banks. Hence, there will not be any monitoring of funds and the deployment of the same shall be at the sole discretion of the Company.

#### COMPANIES UNDER THE SAME MANAGEMENT

There are no other listed Companies under the same management within the meaning of section 370(1B) of the Companies Act, 1956. The Company has not made any Capital Issue during the last three years.

#### OUTSTANDING LITIGATION, STATUTORY DUES AND MATERIAL DEVELOPMENTS:

- a) There are no outstanding litigations pertaining to
  - i) matters likely to affect operation and finances of the company including disputed tax liabilities of any nature; and
  - ii) criminal prosecution launched against the company and the directors for alleged offences under the enactments specified in paragraph 1 of Schedule XIII of the Companies Act, 1956.
- b) There are no defaults in meeting statutory dues, Bank dues and institutional dues and toward instrument holders like debentures, fixed deposits etc.
- c) There are no material developments save and except the change in the Board of Directors as detailed elsewhere in the prospectus after the date of last Balance Sheet of the Company having impact on performance and prospects of the company.

#### STOCK MARKET DATA:

The following is the movement in the share price of the company on the Calcutta Stock Exchange:

	High (Rs.)	Low (Rs.)
January'91 to December'91	5.25	5.15
January'92 to December'92	52.00	13.75
January'93 to December'93	84.00	52.00
January'94	87.00	83.00
February'94	86.00	83.00
March'94	No Transaction	
April'94	87.00	83.00
May'94 (Cum Rights)	89.00	83.00

#### RIGHTS ISSUE

The Board at its meeting held on 7th September, 1993 passed a Resolution under section 81 of the Act to issue 9,80,000 shares on Rights basis for cash at par aggregating to Rs. 98 Lacs in the ratio of 4 shares for every share held.

#### RISK FACTORS AND MANAGEMENT'S PERCEPTIONS THEREOF

1. The operations of the Company would be affected by the lending policies of the banks, Government's Fiscal and Monetary Policies.
2. Besides leasing, short-term financing and bill discounting, the Company also plans to invest in shares and securities. Though this is volatile in nature, the Company has experienced personnel for assessing and monitoring investment in order to minimise the risk.
3. Success in Leasing activities is largely dependent on the prompt receipt of dues and its immediate deployment. Any default in payment by clients can lead to losses.
4. The requirement of funds and future projections have not been appraised by any financial institution/bank and are based on company's own estimates.
5. In the absence of stake of any financial institutions/bank, there shall be no monitoring of funds raised through this issue and the deployment of the funds raised through this issue shall be left entirely at the sole discretion of the company management.
6. Dividend income, the level of appreciation of investments, and projected profits from disinvestments are subject to the performance and policies of the companies, whose equity shares are purchased as investment.



## PART II

### GENERAL INFORMATION

#### CONSENTS :

Consents in writing of the Directors, Auditors, Legal Advisors, Lead Managers, Co-Managers, Advisors, Registrars to the issue, Bankers to the Company, Bankers to the Issue, Brokers/underwriters to the issue to act in their respective capacities have been obtained and filed alongwith the copy of this prospectus with the Registrar of Companies, West Bengal at Calcutta as required under section 60 of the Act and none of them has withdrawn the said consent upto the time of delivery of the copy of this prospectus for registration with the Registrar of Companies, West Bengal at Calcutta.

M/s. N. C. Banerjee & Co. Chartered Accountants, the Auditors of the Company have also given their written consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this prospectus and also to the tax benefits accruing to the company and to the members of the company and such consents and report have not been withdrawn upto the time of delivery of the copy of this prospectus for registration with the Registrar of the Companies, West Bengal at Calcutta.

#### CHANGE IN DIRECTORS AND AUDITORS OF THE COMPANY DURING THE LAST THREE FINANCIAL YEARS AND REASONS THEREOF :

##### Particulars of Changes in Directors :-

NAME	DATE OF APPOINTMENT	DATE OF RESIGNATION
1. Mr. A.K. Khemka	29.11.82	13.05.87
2. Mr. H.V. Jhunjhunwala	29.11.82	13.05.87
3. Mr. D.K. Sengupta	29.11.82	08.02.88
4. Mr. B.K. Jhunjhunwala	13.05.87	31.08.92
5. Mr. K.P. Sharma	13.05.87	10.10.92
6. Mrs. N. Chhaachharia	13.05.87	12.08.93
7. Mr. Mahesh Kumar Choudhary	27.03.92	30.08.93
8. Mr. Suresh Kumar Choudhary	31.08.92	30.08.93
9. Mr. Dinesh Kumar Choudhary	10.10.92	12.08.93
10. Mr. S.N. Sodhani	10.10.92	12.08.93
11. Mr. B.P. Tekriwal	10.10.92	30.08.93
12. Mr. Naresh Agrawal	10.10.92	30.08.93
13. Mr. Ravi Sinha	15.11.92	12.08.93
14. Mr. Arun Kumar Jagatramka	12.08.93	
15. Mr. Girdhari S. Biyani	12.08.93	
16. Mr. Ramakant S. Biyani	12.08.93	
17. Mr. K.K. Saboo	12.08.93	
18. Mr. R.K. Maheshwari	30.08.93	
19. Mr. S. Bagai	30.08.93	13.10.93
20. Mr. V.B. Agarwala	30.08.93	
21. Mr. Vinod Kothari	30.08.93	
22. Mr. Nemnath R. Jatia	30.08.93	

Keeping in view the change in the nature and size of the business of the Company, the Board has been reconstituted from time to time. The resignations have been on account of personal reasons and pre-occupations.

##### PARTICULARS OF CHANGES IN AUDITORS :-

M/s Rungta & Rungta, Chartered Accountants Retired on 25.9.90 at Annual General Meeting due to preoccupation. M/s G.P. Agrawal & Co., Chartered Accountants were appointed on 25.9.90. They retired on 29.9.92 at Annual General Meeting due to preoccupation. M/s Bihani & Co., Chartered Accountants were appointed on 29.9.92. They retired on 30.6.93 at Annual General Meeting due to preoccupation. M/s N. C. Banerjee & Co., Chartered Accountants were appointed on 30.6.93 at Annual General Meeting in place of retiring Auditors.

##### AUTHORITY FOR THE PRESENT ISSUE :

Pursuant to Section 81 (1-A) of the Act, the shareholders of the Company have authorised the present issue by a special resolution passed at the extra ordinary general meeting of the Company held on 7th September, 1993.

### ALLOTMENT/REFUND

Letters of Allotment or Share Certificates or Refund Orders, as the case may be, will be despatched at the applicant's own risk within 10 weeks from the date of closing of the subscription list. Refund orders of value over Rs.1500/- and share certificates shall be despatched by Registered Post and adequate funds for the same will be made available to the Registrar.

The Company will pay interest at the prescribed rates under section 73 of the Companies Act in respect of the delayed period.

Refunds will be made by cheque or pay orders drawn on the Company's Bankers and bank charges, if any, for encashing such cheques or pay orders will be payable by the Applicant. Such cheques or pay orders will however, be payable at par at the branches of the Bankers located at all the places where applications are accepted. All cheques or pay orders or letters of allotment or share certificates (as the case may be) will be despatched to the applicant (whose name appears first in the application) at the registered address.

### COMPANY INFORMATION AND PUBLIC ISSUE MANAGEMENT TEAM

#### REGISTERED OFFICE :

24 Harrington Mansion  
8 Harrington Street,  
Calcutta- 700 071.  
Fax No. (033) 242 0086

#### CORPORATE OFFICE :

78-80, All Chambers,  
Tamarind Lane,  
Fort, Bombay - 400 023.  
Phone : 265 7084, Fax : (022) 265 6429

#### LEAD MANAGERS TO THE ISSUE:

##### 21ST CENTURY MANAGEMENT SERVICES LTD.

2nd Floor, Jeevan Udyog Building  
278 D N Road  
BOMBAY 400 001

##### BANK OF BARODA

Merchant Banking Division  
2/7 Sarat Bose Road  
CALCUTTA 700 020

#### CO-MANAGERS TO THE ISSUE:

##### MEHTA INTEGRATED FINANCE LTD.

003, Law Garden Scheme-1  
Opp. Law garden  
Ellisbridge,  
Ahmedabad-380006

##### FINWIZ FINANCIAL SERVICES LTD.

6/2, Moira Street,  
Flat-9, 4th Floor,  
Calcutta-700017

#### ADVISORS TO THE ISSUE:

##### TRIO CONSULTANTS (P) LTD.

2, Olive Ghat Street,  
Unit 4A, 4th Floor, Calcutta-700001

#### LEGAL ADVISORS

##### M/s. Khaitan & Co.

Advocates & Notaries,  
9, Old Post Office Street,  
7th & 8th Floors, Calcutta - 700001.

#### COMPANY SECRETARY

##### R.S. Padia

282, Rabindra Sarani  
Calcutta 700 007



**BANKERS TO THE COMPANY :****CITI BANK**

9, Brabourne Road,  
Calcutta- 700001.

**BANK OF INDIA**

Stock Exchange Towers,  
Dalal Street  
Bombay - 400023.

**BANKERS TO THE ISSUE :****1. Bank of Baroda**

4, India Exchange Place  
Calcutta - 700 001.

**2. Bank of India**

44, J L Nehru Road  
Calcutta - 700 071.

**3. The Federal Bank Limited**

11, Clive Row  
Calcutta - 700 001.

**4. American Express Bank Ltd.**

Oriental Building  
364, Dr. D.N. Road  
Bombay - 400 001

**5. State Bank of India**

1, Strand Road  
Calcutta - 700 001.

**REGISTRARS TO THE ISSUE :****AMI Computers (I) Limited**

"SHANTINIKETAN"

8, Camac Street,  
Room No.25, Ground Floor,  
Calcutta - 700 017.  
Phone No. 242-6861  
Fax No. (033) 2423115  
GRAM : AMIADD

**BROKERS TO THE ISSUE :**

All Broker underwriters mentioned in this prospectus will act as  
Brokers to the issue.



## AUDITORS' REPORT

To,  
The Board of Directors,  
**M/S GSB FINANCE LIMITED**  
24, Harrington Mansion,  
8, Harrington Street,  
Calcutta - 700 071.

Dear Sirs,

We have examined the audited accounts of Messers GSB Finance Limited for the financial years ended on 31st March, 1989; 31st March, 1990; 31st March, 1991; 31st March, 1992; and 31st December, 1992 being the last date upto which the accounts of the Company have been made up and audited by the then auditors and adopted by the members of the Company. We have also examined and found correct the Statement of Accounts of the Company for the 15 months ended 31st March, 1994, prepared and approved by Committee of the Board of Directors of the Company and audited by us.

In accordance with the requirements of Clause B of part II of Schedule II to the Companies Act, 1956, we report that:

### I. PROFIT & LOSS ACCOUNT

The profits of the Company for the respective years as set out below have been arrived at after charging all expenses of manufacture, working and management including depreciation and after making such adjustments and regroupings as in our opinion are appropriate and are subject to the notes given below.

	15 Months Ended 31.3.94	9 Months Ended 31.12.92	Year Ended 31.3.92	Year Ended 31.3.91	Year Ended 31.3.90	(Rs. in Lacs) Year Ended 31.3.89
<b>INCOME</b>						
Sales	205.53	29.51	0.00	4.49	0.00	0.18
Interest	1.13	0.42	2.39	2.20	2.24	2.27
Dividend	0.24	0.41	0.01	0.01	0.03	0.01
Other Income	8.66	12.66	1.07	0.00	0.00	0.00
<b>EXPENDITURE</b>						
Purchases	297.77	42.78	0.45	4.29	0.54	1.24
Stock Adjustment	(113.95)	(13.19)	(0.45)	0.63	(0.54)	(0.74)
Administrative & Other Expenses	1.11	0.70	0.80	0.58	1.22	1.13
Interest & Financial Charges	1.78	1.21	1.24	1.37	1.80	1.46
Bad Debts written off	2.77	0.00	0.00	0.00	0.00	0.00
Depreciation	0.01	0.02	0.01	0.02	0.00	0.00
PROFIT BEFORE TAX	26.07	11.49	1.42	(0.19)	(0.75)	(0.63)
Provision for Taxation	13.00	1.50	0.06	0.00	0.00	0.00
NET PROFIT	13.07	9.99	1.36	(0.19)	(0.75)	(0.63)
Balance Brought Forward	6.36	0.05	(1.31)	(1.12)	(0.37)	0.45
Prior Period Adjustments	0.03	0.00	0.00	0.00	0.00	(0.19)
Dividend	0.00	3.68	0.00	0.00	0.00	0.00
Balance Carried to Balance Sheet	19.46	6.36	0.05	(1.31)	(1.12)	(0.37)

### II. ASSETS AND LIABILITIES:

Subject to notes appearing hereunder, the Assets and Liabilities of GSB Finance Limited are as under :-

	As at 31.3.94	As at 31.12.92	As at 31.3.92	As at 31.3.91	As at 31.3.90	(Rs. in Lacs) As at 31.3.89
<b>I. SOURCES OF FUNDS</b>						
<b>SHAREHOLDERS FUNDS</b>						
Capital	24.50	24.50	24.50	24.50	24.50	24.50
Reserves & Surplus	19.46	6.36	0.05	0.00	0.00	0.00
Share Application	108.63	0.00	0.00	0.00	0.00	0.00
<b>LOAN FUNDS</b>						
Unsecured Loans	16.71	17.14	8.32	9.93	14.72	12.48
<b>TOTAL</b>	<b>169.30</b>	<b>48.00</b>	<b>32.87</b>	<b>34.43</b>	<b>39.22</b>	<b>36.98</b>



## II. APPLICATION OF FUNDS

<b>FIXED ASSETS</b>						
Gross Block	0.24	0.24	0.16	0.16	0.00	0.00
Less: Depreciation	0.03	0.05	0.03	0.02	0.00	0.00
Net Block	0.21	0.19	0.13	0.14	0.00	0.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>						
Current Assets	157.09	18.42	4.57	2.20	2.81	2.53
Loans & Advances	31.69	46.13	39.30	40.86	35.62	34.34
Sub Total	188.78	64.55	43.87	43.06	38.43	36.87
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>						
Current Liabilities	6.51	13.05	11.12	10.18	0.48	0.46
Provisions	14.56	5.23	0.06	0.00	0.00	0.00
<b>NET CURRENT ASSETS</b>	<b>167.71</b>	<b>46.27</b>	<b>32.69</b>	<b>32.88</b>	<b>37.95</b>	<b>36.41</b>
MISC. EXPENDITURE	1.38	1.54	0.05	1.41	1.27	0.57
<b>TOTAL</b>	<b>169.30</b>	<b>48.00</b>	<b>32.87</b>	<b>34.43</b>	<b>39.22</b>	<b>36.98</b>

### Notes:

1. Authorised Share Capital of the Company is Rs.6,00,00,000 divided into 60,00,000 equity shares of Rs. 10/- each.
2. The Profit & Loss A/c for the year ended 31.3.94 is for a period of 15 months whereas for the year ended 31.12.1992 it was for a period of 9 months, and hence not comparable.
3. Depreciation on fixed assets till 31.12.1992 was provided on WDV basis as per Income Tax Rules, 1962. Depreciation for the year ended 31.3.1994 has been provided on Straight Line Basis as per the Companies Act, 1956. The excess depreciation charged in earlier years has also been written back.
4. No provision for Dividend has been made in the accounts for year ended 31st March 1994, as the same is yet to be considered by the Board of Directors.
5. Expenditure incurred on furniture and interior decoration of corporate office has been shown under advances pending completion of the office.

## III. DIVIDENDS

The dividend on equity shares (subject to deduction of tax at source) declared/proposed by the Company since its incorporation were as follows:

Financial Period ended	No. of Equity shares	paid up value of shares	Dividend percentage	Dividend Amount
31.12.92 (final)	2,45,000	24,50,000	15%	3,67,500

For N.C. BANERJEE & CO  
CHARTERED ACCOUNTANTS

BIMALENDU BASU  
PARTNER

PLACE: CALCUTTA  
DATED: 18th May 1994.



#### MINIMUM SUBSCRIPTION:

If the Company does not receive minimum subscription amount of 90% of the issued amount including devolvement of underwriters within 60 days from the closure of the issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 8 days, if any, in refund of such subscription, the company shall pay interest as per Section 73 of the Companies Act, 1956.

#### EXPENSES OF THE PRESENT ISSUE

The expenses of the present issue, including underwriting commission, brokerage, fees of Lead Managers, Advisors and Registrars to the Issue, stamp duty, printing, distribution, advertising and publication expenses, legal and professional charges, Registration fees, bank charges, Auditors fees and other miscellaneous expenses estimated at Rs. 35 lacs are payable by the Company and will be met out of the proceeds of the Issue.

#### FEES PAYABLE TO THE LEAD MANAGER:

The fees payable to the Lead Managers, 21st Century Management Services Ltd. and Bank of Baroda are spelt out in the letters issued by them to the Company, copies of which are kept open for inspection. The Lead Manager's fee for the Rights cum Public Issue will be as under :

21st Century Management Services Ltd.	-- Rs.1,06,375/-
Bank of Baroda	-- Rs.1,06,375/-

#### FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

The fees payable to AMI Computers (I) Ltd., Registrars to the Issue are spelt out in their letter dated 10.9.93, copy of which is kept open for inspection at Company's Registered Office. The fees for Registrars will be at the rate of Rs. 2.00 per allottee Application and at the rate of Rs. 1.00 per non allottee Application, and Rs. 2.00 per Stock Invest subject to minimum total service charges of Rs. 75000/-.

#### UNDERWRITING COMMISSION

Underwriting Commission is payable at the rate of 1.5% to Underwriters on the issue price of Equity Shares underwritten and offered to the Public for cash at par.

#### BROKERAGE

Brokerage will be paid at the rate of 1.5% on the issue price of Equity Shares on the basis of allotment made against applications bearing the stamp of a member of any recognized Stock Exchange in India. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of allotment made against applications procured by them, provided the relative forms of the Application bear their respective stamps in Brokers/Bankers column.

#### PREVIOUS PUBLIC ISSUE

There is no other company under the same management within the meaning of Section 370(1-B) of the Companies Act, 1956.

The Company has not made a public issue of Shares and/or Debentures during last five years.

#### PREVIOUS COMMISSION OR BROKERAGE

The Company has not paid any commission or brokerage for subscribing to or procuring subscription for any Shares or Debentures during the last five years.

#### ISSUE OTHERWISE THAN FOR CASH

No shares or debentures have been issued or agreed to be issued as fully or partly paid up otherwise than for cash since the date of incorporation of the Company.

#### PREFERENCE SHARES AND DEBENTURES

The Company has not issued or agreed to issue any preference shares or debentures since its incorporation.

#### OPTION TO SUBSCRIBE

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

#### AMOUNT OR BENEFIT PAID OR GIVEN TO PROMOTERS OR OFFICERS :

Save as otherwise stated in this Prospectus no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any promoters of the company. Save as otherwise stated in this prospectus, no amount or benefit, other than the normal remuneration or benefit has been paid or given within the two preceding years or is intended to be paid or given to any officer of the company.

#### PURCHASE OF PROPERTY :

Save as elsewhere stated in this prospectus and save as in respect of the property purchased or proposed to be purchased or acquired under contracts referred to under the heading 'Materials Contracts' wherein are given the particulars required under schedule II to the act, there is no property which the company has purchased or acquired or proposed to purchase or acquire which is to be paid wholly or partly out of the proceeds of the present issue or this purchases or acquisition of which has not been completed on the date of the issue of the prospectus other than property.

- The contract for the purpose or acquisition whereof was entered into the ordinary course of the company's business, the contract not being in contemplation of the present issue, nor the present issue in consequence of the contract, or
- in respect of which the amount of the purchase money is not material. Except as stated elsewhere in this prospectus, the company has not purchased any property in which any of its promoters and / or directors, has or have any direct interest or in respect of any payment made thereof.

#### INTEREST OF PROMOTERS & DIRECTORS :

All the Directors or may be deemed to be interested to the extent of the remuneration, sitting fees, for attending meetings of the Board or committee thereof and reimbursement of expenses if any payable to them under the articles and to the extent of the shares, if any, held by them in the company and the new Equity Shares to be allotted upon conversion out of the present issue to them or their friends, relation, associate companies or any company of which they are Directors or Members. The Directors may also be deemed to be interested to the extent of any contracts entered into by the company with any company in which they are Directors. Shri G.S. Biyani Director of the company, may be deemed to be interested to the extent of fees/underwriting commission payable to him as Underwriter/Broker to the issue. Shri R.S. Biyani and his brother Shri G.S. Biyani are interested to the extent of the service charges being paid to Shri R.S. Biyani for the Corporate Office of the Company at Bombay.

#### PURCHASE OF PROPERTY

The Company has not purchased any property in which any of its Promoter or Director had or have any direct or indirect interest in respect of any payments made thereof.

#### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION :

##### CLASS OF SHARES :

The authorised share capital of the company consist of Equity shares only.

##### DIRECTORS :

##### Article 78 provides that :

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

##### Article 83 provides that :

In the event of the Company borrowing any money from the Industrial Finance Corporation of India or State Financial Corporation or Life Insurance Corporation of India or any Government body of Financial Institution or Bank while, any money remains due to the said Corporation or the Government Body or the Institution or Bank the said Corporation, 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 a Director or Directors of the Company. Any person or persons so appointed may at any



time 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 person or 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 number of the company for the time being.

#### **SHARE QUALIFICATION OF DIRECTORS :**

##### **Article 84 provides that :**

The Directors are not required to hold any qualification shares.

#### **CASUAL VACANCIES :**

##### **Article 94 provides that :**

If any Directors appointed by the company in General Meeting vacates office as a Director before his term of office will expire in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any person so appointed shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

Provided that the Board may not fill such a vacancy by appointing thereto any such person who has been removed on from the Office of the Director under Article 92.

#### **ALTERNATE DIRECTORS :**

##### **Article 95 provides that :**

The Board may in accordance with and subject to the provision of Section 313 of the Act appoint any person to act as alternate director for a Director during the later's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

#### **REMUNERATION OF DIRECTORS :**

##### **Article 85 provides that :**

Unless otherwise determined by the Company in general meeting, each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board or a Committee of the Board, a fee not exceeding Rs.250/- per meeting of the Board or a Committee of the Board attended by him as may be decided by the Board of Directors from time to time. 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 the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in connection of their attending Board and Committee meeting or otherwise incurred in the execution of their duties as Directors.

##### **Article 86 provides that :**

If any Director, being willing, shall be called upon to perform extra service or to make any special exertions in going or residing away from his usual place of residence for any of the purpose of the company or in giving special attention to the business of the company or as a member of a committee of the Board then subject to section 198, 309,310 and 314 of the Act, the Board may remunerate the 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 subscription for any other remuneration to which he may be entitled.

#### **POWER OF THE BOARD :**

##### **Article 106 provides that :**

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 other act or thing which is directed or required, whether by such power or doing any such act or thing., the Board shall be subject to the provisions in that behalf containing in the Act, or any other statute in the Memorandum of the Company

or in the Article or any regulations not inconsistent therewith and duly made their under including regulations made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulations had not been made.

#### **MANAGING DIRECTOR / WHOLE - TIME DIRECTORS :**

##### **Article 107 provides that :**

Subject to the provisions of section 316 and 317 of the Act, the Board may from time to time appoint one or more of the Directors to be Managing Director or Managing Directors of the Company for a fixed term not exceeding 5 years for which he is to hold such office and may from time to time (subject to the provision of any contract between him and the company) remove or dismiss him from office and appoint another in his place.

##### **Article 108 provides that :**

Subject to the provision of section 255 of the Act, a Managing Director shall not while he continues to hold that office, be subject to retirement by rotation, and he shall not be reckoned as a Director for purpose of determining the rotation or retirement of Directors or in fixing the number of Directors to retire, but (subject to the provision of any contract between him and the company) he shall be subject to the same provision as to resignation and removal as the other Directors and he shall IP SO FACTO and immediately, cease to be a Managing Director if he ceases to hold office of Director from any cause.

##### **Article 109 provides that :**

If at any time the total number of Managing Directors is more than one-third of the total number of directors, the Managing Director (s) who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of the Article the seniorities of the Managing Director(s) shall be determined by the dates of their respective appointments as Managing Director(s) by the Board.

##### **Article 110 provides that :**

Subject to the Provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the company under the Articles, receive such additional remuneration, as may from time to time be sanctioned by the company.

##### **Article 111 provides that :**

Subject to the provision of the act in particular to the prohibitions and restrictions contained in section 292 thereof the Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised, for such objects and purposes and upon such terms and conditions and with such restriction as it thinks fit, and the Board may confer such power, either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Board in that behalf and may from time to time revoke, withdraw alter or vary all or any of such powers

#### **BORROWING POWERS :**

##### **Article 54 provides that :**

The Board may from time to time at its discretion, subject to the provisions of Section 292, 293 and 370 of the Act, raise or borrow from the Directors or from elsewhere and secure the payment of any sum or sums of moneys for the purposes of the Company, provided that the Board shall not, without the sanction of the Company in general meeting, borrow any sum of money which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserve not set aside for any specific purpose.

##### **Article 55 provides that :**

The Board may raise or secure the re-payment of such sum or sums in such manner and upon such terms and conditions in all respects as it think fit and in particular, by the issue of bonds, perpetual or redeemable debentures or any mortgage, or other



security on the undertaking of whole or any part of the property of the Company both present and future including its uncalled capital for the time being.

**Article 56 provides that :**

Any debentures, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that debentures, debentures stock, bonds or other securities with a right to the allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

**LIEN ON SHARES**

**Article 30 provides that :**

The Company shall have a first and paramount lien upon every Share not being fully paid up registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such share whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and conditions that Article 13 hereof is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such Share. Unless otherwise agreed, the registration of a transfer of Share shall operate as a waiver of the company's lien, if any on such Share.

**Article 31 provides that :**

For the purpose of enforcing such lien the Board may sell the Share subject thereof in such manner as it thinks fit but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such members his executors or administrators or his committee, CURATOR BONIS or other legal representative as the case may be and default shall have been made by him or them in the payment of the moneys called or payable at a fix time in respect of such Shares for seven days after the date of such notice.

**FORFEITURE OF SHARES :**

**Article 22 provides that :**

If a member fails to pay any call or instalment of a call on or before the day appointed for the payment thereof, the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest which may have accrued and all expenses that may have been incurred by the company by reason of such non-payment.

**Article 23 provides that :**

The notice shall name a day (not being less than 14 days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

**Article 24 provides that :**

If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or instalment, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeited shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

**Article 25 provides that :**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the register of the members but no forfeiture shall in any manner be invalidated by any omission or failure to give such notice or to make such entry as aforesaid.

**Article 26 provides that :**

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

**Article 28 provides that :**

A person whose share has been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding remain liable to pay, to the company, all calls or instalment, interest and expenses, owing upon or in respect of such shares at the time of forfeiture together with interest thereon, from the time of forfeiture until payment at 6% per annum and the Board may enforce the payment thereof, or any part thereof without any deduction or allowances for the value of the share at the time of forfeiture, but shall not be under any obligation to do so.

**Article 29 provides that :**

A duly verified declaration in writing that the declarant is a Director, Manager or Secretary of the company and that certain share in the company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and receipt of the company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares and the person to whom any such shares is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in proceeding in reference to such forfeiture sale or disposition.

**RESTRICTION ON TRANSFER & TRANSMISSION OF SHARES :**

**Article 35 provides that :**

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 the share. Each signature to such transfer shall be duly attested by the signature of one creditable witness who shall give his address and occupation.

**Article 36 provides that :**

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

**Article 37 provides that :**

Subject to the provisions of Section III 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 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 indebted to the Company on any account whatsoever except a line on the shares.

**Article 38 provides that :**

Every instrument of transfer shall be left at the office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the Letter of Allotment of the share and such other evidence as the Board may require to prove title of the transferor or his right to transfer the share. Every instrument of transfer, which shall be registered, shall be retained by the Company, but any instrument of transfer, which the Board may refuse to register, shall be returned to the person depositing the same.



**Article 39 provides that :**

If the Board refuses whether in pursuance of articles 37 or otherwise to register the transfer of or the transmission by operation of law of the right to, any share, the Company shall, within two months from the date on which the instrument or transfer or the intimation of such transmission, as the case may be, was lodged with Company, send to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, notice of the refusal.

**VOTING RIGHTS AND RESTRICTION THEREON :**

**Article 68(1) provides that :**

Save as hereinafter provided, on show of hand every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a General Proxy (as defined in Article 73) on behalf of a holder of Equity Share, if he is not entitled to vote in his own rights, or as a duly authorised representative of a body corporate, being a holder of Equity Share, shall have one vote.

**Article 68(2) provides that :**

Save as hereinafter provided, on a poll the voting rights of a holder of Equity Share shall be as specified in section 87 of the Act.

**Article 68(3) provides that :**

The holders of Preference Shares shall not be entitled to vote at General Meeting of the company except as provided for in section 87 (2)(a) of the Act.

Provided that no Body Corporate shall vote by proxy so long a resolution of its Board of Directors under the provision 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 votes by proxy is tendered.

**Article 69 provides that :**

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 the company shall not by reason of such appointment, be deemed to be a proxy and the lodging with the Company 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 rights and powers, including the right to vote by proxy on behalf of the member company which he represents, as that Member Company could exercise if it were a individual member.

**Article 71 provides that :**

Where there are jointly registered holders of any share any one of such person may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said member so present whose name stands first on the register in respect of such share shall alone 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 purpose of the Articles be deemed joint holders thereof.

**Article 72 provides that :**

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

**Article 73 provides that :**

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

**Article 74 provides that :**

The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed, or notarially certified copy of that power of authority shall be deposited at the office not

less than fortyeight hours before the time for holding the meeting at which the person named in the instrument of Proxy shall vote in respect thereof and in default the instrument of proxy shall not be treated as valid.

**Article 76 provides that :**

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

**DIVIDENDS :**

**Article 122 provides that :**

The Company in Annual General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provision of section 207 of the Act, fix the time for payment.

**Article 123 provides that :**

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

**Article 129 provides that :**

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

**Article 128 provides that :**

Any general meeting declaring a dividend may adjust a call made on the members of such amount as the meeting fixes.

**Article 130 provides that :**

The transfer of shares shall not pass the right to any dividend declared before the registration of the transfer by the company.

**Article 136 provides that :**

Any dividend unclaimed shall be deposited in accordance with the provisions of the Acts.

**INDEMNITY :**

**Article 148 provides that :**

Every Director, Manager, Secretary or Officer of the company or any person (whether an officer of the company or not) employed by the company and any person appointed Auditors shall be indemnified out of the funds of the company against all liabilities incurred by him as such Director, Manager, Secretary, Officers, Employee or Auditor in defending any proceedings, whether Civil or Criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the Act in which relief is granted to him by the Court.

**WINDING UP :**

**Article 146 provides that :**

If the Company shall be wound up and the assets available for distribution among the members as such shall be sufficient to repay 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 commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding-up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding-up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the right of the holders of shares issued upon special terms and conditions.

**MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS :**

The contracts referred to in Part A below (not being contracts entered into in the ordinary course of business carried on by the company or entered into more than two years before the date of this



prospectus) which are or may be deemed to be material have been entered into by or on behalf of the Company. These contracts together with copies of documents in Part B below all of which have been attached to the copy of this Prospectus which has been delivered to the Registrar of Companies, West Bengal at Calcutta for registration and may be inspected at the Registered Office of the Company between 10.00 am. to 1.00 p.m. on any working day except Saturday and Sunday from the date of this Prospectus until the closure of the subscription list.

#### A. MATERIAL CONTRACTS :

1. MOU with 21st Century Management Services Ltd. and Bank of Baroda offering to act as Lead Managers to the Rights cum Public Issue and the Company's acceptance thereof.
2. MOU with AMI Computers (I) Limited offering to act as Registrars to the issue and the Company's acceptance thereof.
3. Letters of underwriting agreements as mentioned earlier in the prospectus and the Company's acceptance thereof.
4. Letter dated 1.10.1993 from Khaitan & Co. offering their services as Legal Advisors to the issue and the Company's acceptance thereof.

#### B. DOCUMENTS FOR INSPECTION :

1. Certificate of Incorporation of the Company dated 29th November, 1982 in the name of Bimex Mercantiles Ltd.
2. Certificate for commencement of Business dated 9th December, 1982 issued by the Registrar of Companies, West Bengal, Calcutta.
3. Fresh Certificate of Incorporation dated 8th June, 1992 consequent to change of name of the company to Ravi Cement Limited.
4. Fresh Certificate of Incorporation dated 11th August, 1993 consequent to change of name of the company to GSB Finance Limited.
5. Memorandum & Articles of Association of the company.
6. Initial listing applications filed with stock Exchange at Calcutta, Ahmedabad and U.P. Stock Exchange at Kanpur.
7. Letter of application for listing made to Stock Exchange at Bombay and Jaipur.
8. Consents from the Directors, Auditors of the Company, Legal Advisors, Lead Managers, Co-Managers, Bankers to the Issue, Bankers to the Company, Advisors to the Issue, Brokers and Registrars to the Issue, to act in their respective capacities.
9. Auditors' Report dated 18th May, 1994 on the Accounts of the company and the tax benefit certificate dated 7th September, 1993 and consent of the Auditors for inclusion of their report in the prospectus.
10. Copy of Special Resolution u/s 81(1A) of the Act passed on 7th September, 1993.

11. Copy of Powers of Attorney executed by the Directors of the Company authorising Mr A.K.Jagatramka for signing and making corrections in the Prospectus.
12. Copy of Board Resolution dated 16th June '94 regarding approving various underwriting agreements and prospectus.
13. Copy of the Board Resolution passed in the Meeting of the Board of Directors of the Company held on 7th September, 1993, authorising Registrars to the Issue to sign on the stock invest for receiving/returning the stockinvest.
14. Annual Reports for the Financial years referred to in this prospectus.
15. Copy of the Agreement entered with Mr.Ramakant Biyani for use of office premises at Bombay.
16. SEBI acknowledgement card bearing reference No.IMID/SS/3044/94 dated 8th April 1994 and compliance letter dated 15th June, 1994.
17. Copy of Legal Opinion on Clause 40B of the Listing Agreement obtained from Khaitan & Co.

#### DECLARATION :

All the relevant provision of the Company's Act 1956 and the guidelines issued by the Government have been complied with and no statement made in Prospectus is contrary to the provision of the Company's Act, 1956 and rules thereunder.

#### SIGNED BY DIRECTORS :

1. Mr. Girdhari Sagarmal Biyani ■
2. Mr. Ramakant Sagarmal Biyani ■
3. Mr. Kishore Kumar Saboo ■
4. Mr. Arun Kumar Jagatramka
5. Mr. Rajiv Kumar Maheshwari ■
6. Mr. Vinod B. Agarwalla ■
7. Mr. Vinod Kumar Kothari ■
8. Mr. Nemnath R. Jatia ■

■ (By his Constituted Attorney Arun Kumar Jagatramka)

Place : Calcutta

Date : 17th June, 1994.





# GSB FINANCE LIMITED

**REGISTERED OFFICE :**

24 Harrington Mansion,  
8, Harrington Street,  
Calcutta- 700 071.

**CORPORATE OFFICE :**

78-80, Alii Chambers,  
Tamarind Lane,  
Bombay-400 023.

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**CO-MANAGERS TO THE ISSUE**

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**MEHTA INTEGRATED FINANCE LTD.**

003, Law Garden Scheme-1  
Opp. Law garden  
Ellisbridge, Ahmedabad-380006



**FINWIZ FINANCIAL SERVICES LTD.**

6/2, Moira Street,  
Flat-9, 4th Floor,  
Calcutta-700017

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**ADVISORS TO THE ISSUE**

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**TRIO CONSULTANTS (P) LTD.**

2, Clive Ghat Street,  
Unit 4A, 4th Floor,  
Calcutta-700001.

CERTIFIED TRUE COPY

*[Handwritten signature]*