

GANGA ASBESTOS CEMENT LIMITED

Registered Office : 8 MIG II, Amreshpuri, Kanpur Road Rae Bareli 229001

Head Office : 15 India Exchange Place, Calcutta 700 001

PROSPECTUS

Public Issue of 11,90,000 Equity Shares
of Rs. 10/- each for cash at par

HIGHLIGHTS

- A project of national importance—to serve vital areas of civic, rural, agricultural and industrial development
- Promoters with proven record
- Technical collaboration with renowned Hyderabad Asbestos Cement Products Ltd.
- Production scheduled to commence from May 1983. Virtually no gestation period
- Easy liquidity as Shares to be listed on Kanpur, Calcutta and Bombay Stock Exchanges
- 80CC and Wealth Tax benefits

Managers to the Issue:



STATE BANK OF INDIA
Merchant Banking Division

**Issue Opens on
10th January 1983**

This issue is being made in terms of the provisions of the Capital Issue (Exemption) Order, 1969 and the Acknowledgement in this regard has been received from the Deputy Controller of Capital Issues, Ministry of Finance, Government of India, New Delhi vide his letter-No. R 388-CCI/82-3831 dated 23rd September, 1982.

An industrial licence No. C:IL/152/(76) dated 7.4.76 for establishment of a new industrial undertaking at Daryapur in Rae Bareilly in the State of Uttar Pradesh for the manufacture of 30,000 metric tonnes per annum of Asbestos Cement Pressure pipe has been obtained. The industrial licence has been revalidated from time to time upto 5th April 1983. It must be distinctly understood that in granting this licence the Government of India do not undertake any responsibility for the financial soundness of this undertaking or the correctness of any statement made or opinions expressed in regard to.

Copies of the aforesaid acknowledgement letter and the industrial licence together with revalidation letters are open for public inspection at the Registered Office of the Company.

A copy of this Prospectus, having attached thereto the documents required to be filed

under Section 60 of the Companies Act, 1956 (hereinafter referred to as "THE ACT") has been delivered to the Registrar of Companies, Uttar Pradesh at Kanpur for registration.

Applications will be made to the Stock Exchanges at Kanpur, Calcutta and Bombay for permission to deal in and for an official quotation for the Equity Shares of the Company.

ATTENTION OF APPLICANTS IS SPECIFICALLY DRAWN TO THE PROVISIONS OF SUB-SECTION (1) OF SECTION 68A OF THE COMPANIES ACT, 1956, WHICH IS REPRODUCED BELOW :

Any person who—
makes in fictitious name an application to the company for acquiring or subscribing for, any shares therein, or

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

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON MONDAY, THE 10TH JANUARY, 1983 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THURSDAY, THE 20TH JANUARY, 1983 OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY, BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THURSDAY, THE 13TH JANUARY, 1983.

GANGA ASBESTOS CEMENT LIMITED

(Incorporated on 29th March, 1973 under the Companies Act 1956)

SHARE CAPITAL

A. AUTHORISED

25,00,000
10,000

Equity Shares of Rs.10/- each
Preference Shares of Rs.100/- each

(RUPEES)

2,50,00,000
10,00,000

2,60,00,000

B. ISSUED, SUBSCRIBED AND PAID UP

70

1,00,000

1,00,070

Equity Shares of Rs.10/- each subscribed in cash by Subscribers to the Memorandum and Articles of Association which have been fully paid up for cash at par.
Equity Shares of Rs.10/- each issued and allotted as fully paid-up for cash at par to Shri O. M. Somany, his relatives, friends and associates.

700
10,00,000

10,00,700

C. PRESENT ISSUE

22,89,930

Equity Shares of Rs.10/- each

2,28,99,300

D. OUT OF THE PRESENT ISSUE

1,00,000

2,00,000

7,99,930

Equity Shares of Rs.10/- each have been reserved for allotment to The Pradeshia Industrial and Investment Corporation of U.P. Ltd. for cash at par

Equity Shares of Rs.10/- each have been reserved for allotment to U.P. State Industrial Development Corporation Ltd., to be fully paid for cash at par.

Equity Shares of Rs.10/- each reserved for allotment to Shri O.M. Somany, Shri R.K. Dabhiwala, their relatives, friends and associates. for cash at par

10,00,000

20,00,000

79,99,300

1,09,99,300

The above Equity Shares which are reserved for allotment to Pradeshia Industrial and Investment Corporation of U.P. Ltd., U.P. State Industrial Development Corporation Ltd, M/s O.M. Somany, R.K. Dabhiwala their relatives, friends and associates shall be allotted alongwith allotment of Equity Shares to the public before the underwriters are asked to meet their underwriting obligations.

NOW OFFERED TO THE PUBLIC FOR CASH AT PAR IN TERMS OF THIS PROSPECTUS

11,90,000

Equity Shares of Rs.10/- each

1,19,00,000

TERMS OF PAYMENT

On application Rs. 5.00 per share

The balance of Rs. 5/- per share is payable in one or two calls as may be determined by the Board of Directors of the Company and in such manner that there will be an interval of not less than one month between the allotment and first call or between two successive calls. The Company shall give at least 21 days notice for the calls.

Failure to pay the amount due on calls will render the allottees liable to pay interest from the day appointed for the payment to the time of actual payment at such rate as the Directors may determine and also render the shares including the amount already paid on them liable to forfeiture subject to service of notice by the Company in this regard as per provisions of the Articles of Association.

TERMS OF OFFER

The Equity Shares hereby issued are subject to the terms of this prospectus, the Application Form and the Memorandum and Articles of Association (hereinafter referred to as "The Articles") of the Company. The Equity Shares will rank *pari passu* with the existing Equity Shares of the Company in all respects.

CONSENT OF THE EXISTING SHAREHOLDERS TO THE ISSUE

Pursuant to Section 81(1A) of the Companies Act 1956 (hereinafter referred to as "THE ACT"), the present issue has been authorised by a Special Resolution passed by the existing Shareholders at the Annual General Meeting held on 12th October, 1982.

APPLICATION

Application must be made only—

- on the prescribed Application Form accompanying this prospectus and completed in accordance with the instructions contained therein and in the Application Form, and are liable to be rejected if not so made.
- For a minimum of 50 shares or multiples thereof.
- In the names of individuals, limited companies or statutory corporations or statutory institutions and NOT in the names of foreign nationals or non-resident (except as stated hereinafter), 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 or partnership concerns or the nominees of any of them.
- In single name or in joint names (not more than three) in full in BLOCK letters in English.

CRITERIA FOR REJECTION

An applicant should submit only one application (and not more than one) for the total number of shares required. Application may be made in single or joint names (not more than three). Two or more applications in single and/or joint names will be deemed to be multiple applications if the sole and/or the first applicant is one and the same. The Board of Directors reserves the right to reject in its absolute discretion all or any multiple applications.

APPLICATIONS BY NON-RESIDENT INDIANS/PERSONS OF INDIAN ORIGIN RESIDENT ABROAD

Subscription of the Equity Shares of the Company by non-resident Indians and persons of Indian origin resident abroad will be governed by the directives of Reserve Bank of India and guidelines issued by the Government of India in this behalf.

Application Forms from non-resident Indians/persons of Indian origin resident abroad properly completed together with remittance from abroad towards the amount payable on application through approved banking channels or out of funds held in the Non-Resident (external) Accounts, must be lodged before the closing of the Subscription List with any of the Bankers to the issue named in this prospectus or to any of their branches mentioned against their names in the Application Form.

The Company will apply to Reserve Bank of India for its permission in the manner prescribed for accepting such investments from non-resident Indian/persons of Indian origin resident abroad. Allotment of shares to non-resident Indians/persons of Indian origin resident abroad shall be subject to the Company obtaining such permission from Reserve Bank of India. Non-resident Indians/persons of Indian origin resident abroad need not apply direct to Reserve Bank for permission to acquire shares in the Company.

APPLICATION UNDER POWER OF ATTORNEY

In the case of application under Power of Attorney or by limited companies or corporate bodies, the relevant Power of Attorney or authority, as the case may be, together with a duly attested copy thereof must be attached to the Application Form or lodged separately at the Office of the Issue House.

RECEIPT OF MONEY

Payment may be made by cash, cheque or demand draft. Cheques or demand drafts accompanying an application form should be crossed "ACCOUNT PAYEE ONLY" and must be made payable to any of the Bankers to the Issue and must be marked "A/C GACL EQUITY ISSUE (e.g. STATE BANK OF INDIA—A/C GACL EQUITY ISSUE)". A separate cheque or demand draft must accompany each application form and must be drawn on any Bank (including a Co-operative Bank) which is situated at and is a member or sub-member of the Bankers' Clearing House located in the town where the application is submitted. Cheques or demand drafts drawn on out-station branches will not be accepted, and applications accompanied by such cheques or demand drafts will be rejected. MONEY ORDERS WILL NOT BE ACCEPTED.

No receipt will be issued for the application money paid. However, the Bankers to the issue receiving the application will acknowledge receipt of the application by stamping and returning the perforated acknowledgement slip at the bottom of each Application Form.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

The company will inform the applicants in respect of allotments made or applications rejected by the despatch of Allotment Letters/Share Certificates and/or Regret Letters within two months of the closing of the Subscription List, or within such period as may be extended by the Stock Exchange at Kanpur in the event of unforeseen circumstances. The Board of Directors reserves at its own, absolute and uncontrolled discretion and without assigning any reason the right to accept or reject any application in whole or in part. Where no allotment is made, the application money in full and where partial allotment is made, the unutilised balance after adjusting the allotment money due on the share allotted will be refunded to the applicants within the time aforesaid in accordance with Section 73 of the Act. Refund will be made by cheque or demand draft, drawn on any of the Bankers to the Issue, and will be despatched by post, to the applicants' registered address, at the applicant's risk. Such cheques or demand drafts will be payable at par at centres where the applications are received.

In case of joint applications, refund pay orders, if any, will be made out in the first name and all communications will be addressed to the person whose name appears first on the Application Form.

OVER-SUBSCRIPTION

In case the issue is over-subscribed, allotment will be made on the basis which will be decided in consultation with the Stock Exchange at Kanpur.

ISSUE OF SHARE CERTIFICATES

The Share Certificate(s) will be ready for delivery within three months from the date of allotment of the shares in exchange for Allotment Letter(s) issued, if any.

AVAILABILITY OF FORMS AND PLACES OF ACCEPTANCE

Application Form with copies of Prospectus may be obtained from the Registered Office of the Company, Underwriters, Brokers to the Issue, Bankers to the Issue and the Branches of the Bankers to the Issue as stated in the Application Form.

The Application Form duly completed together with Cash/Cheque/Bank draft should be delivered before the closing of the subscription list to any of the Bankers to the Issue named herein or to any of their branches, a list of which is incorporated in the Application Form and NOT to the Registered Office of the Company or to the Managers to the Issue.

BOARD OF DIRECTORS

Name, Description, Address and Occupation	Particulars of other Directorships held
Shri O.M. Somany (S/o Late Murlidhar Somany) 12/1, Judges' Court Road, Calcutta-700 027. Industrialist Director	Director Glass Equipment (India) Ltd. Hindustan National Glass & Industries Ltd. Mudhusudan Engineering Co. Ltd. Somany Properties Pvt. Ltd. Special Engg. Services Ltd. Esquire Holdings (P) Ltd. Managing Director International Conveyors Ltd. Director Raneengunge Coal Association Ltd. Shree Shyam Coal Co. Ltd. Hitaishi Investments Ltd. Faridabad Investments Co. Ltd. I.G.E. (India) Ltd. Elpro International Ltd. Amulya Investments Ltd. Sangharia Investments Ltd. Bangbhum Investments Ltd. Pure Industrial Coke & Chem. (I) Ltd. Dabri Properties & Trading Co. (I) Ltd. Brijbasi Traders Ltd. Jineshwar Traders Ltd. Everhappy Traders Ltd. Chairman & Managing Director The Atul Products Ltd. Director Cibatul Ltd. Ameer Trading Corp. Ltd. Mafatal Industries Ltd. Atic Industries Ltd. Cynamid India Ltd. Ashoka Mills Ltd. Aruna Mills Ltd. Polymers Corporation of Gujarat Ltd. Batliboy & Co. Ltd. National Peroxide Ltd. Alisma Investments (P) Ltd. Abundance Investments Pvt. Ltd. Affection Investments Pvt. Ltd. Active Investments (P) Ltd. Acropolis Investments Pvt. Ltd. Alligator Investments Pvt. Ltd. Amogh Investments (P) Ltd. Avitrat Investments (P) Ltd. Director Bank of Madura Ltd. Bagalkot Udyog Ltd. Bharat Sugar Mills Ltd. Ceat Tyres of India Ltd. Caledonian Jute & Industries Ltd. Dharuhera Chemicals Ltd. Electrosteel Castings Ltd. The General Industrial Society Ltd. George Williamson (Assam) Ltd. Hindustan Development Corp. Ltd. Hope (India) Ltd. Kamani Eng. Corp. Ltd. Macneil & Magor Ltd. New Gujrat Synthetic Ltd. Octavious Steel & Co. Ltd. Orissa Cement Ltd. Rohtas Industries Ltd. Universal Electrics Ltd. Vam Organic Chemicals Ltd. Alternate Director A.R. & T. (India) Ltd. The Moran Tea Co. (India) Ltd. Director Madhusudan Engineering Co. Ltd. Mercury Investments Ltd. Madhusudan Cable Industries Ltd.
Shri R.K. Dabirwala (S/o Shri Shivchandra Rai Dabirwala) 41/1, Jhowtala Road Ballygunge Calcutta-700 019. Industrialist Director	
Shri Siddharth Kasturbhai Lalbhai (S/o Late Kasturbhai Lalbhai) Atul Products Ltd. Post : Atul Dist : Valsad Gujarat State 396 020. Industrialist Director	
Shri P.K. Khaitan (S/o Shri B. P. Khaitan) 52/2, Ballygunge Circular Road, Calcutta 700 019. Solicitor & Advocate Director	
Shri B.D. Kothari (S/o Late Murlidhar Kothari) A-2/25 Safdarjung Enclave, New Delhi-110029. Business Executive Director	
Shri H. C. Sarkar (S/o Late Rajeshwar Prasad Sarkar) B-228 Greater Kailash (I) New Delhi-110 048 Financial Consultant Director	Director Standard Batteries Ltd. Synthetics & Chemicals Ltd. U.P. Pashudhan Udyog Nigam. India Farmers Fertilisers Co-operation Ltd. (IDBI Nominee) Elgin Mills Co. Ltd. (IFCI Nominee).

REGISTERED OFFICE

8, M.I.G. II
Amreshpur
Kanpur Road,
Rae Bareilly 229 001.

Head Office

15 India Exchange Place,
Calcutta 700 001.

FACTORY

Daryapur, P.O. Munshiganj
Dist. Rae Bareilly
Uttar Pradesh.

SECRETARY

D. S. Mehta
50 Canning Street
Calcutta 700 001.

TECHNICAL COLLABORATORS

Hyderabad Asbestos Cement Products Ltd.
Sanatnagar
Hyderabad 500 018.

Auditors

Lodha & Co.,
Chartered Accountants
14 Government Place East
Calcutta 700 001

LEGAL ADVISERS

Khaitan & Co.,
9 Old Post Office Street,
Calcutta 700 001.

UNDERWRITERS

The entire Public Issue of 11,90,000 Equity Shares of Rs. 10/- each for cash at par has been fully underwritten as follows:

Name & Address of Underwriters**A. Financial Institution**

The Industrial Credit & Investment Corporation of India Ltd (ICICI)
163, Backbay Reclamation,
Bombay 400 020.
Industrial Development Bank of India (IDBI)
Nariman Bhavan,
227, Vinay K. Shah Marg,
Bombay 400 021.
Industrial Finance Corporation of India (IFCI)
16, Sansad Marg,
New Delhi 110 001

B. Commercial Banks:

State Bank of India, (SBI)
1 Strand Road,
Calcutta 700 001.
Allahabad Bank (AB)
2 Netaji Subhas Road,
Calcutta 700 001.
Union Bank of India
239 Backbay Reclamation,
Bombay 400 021.

C. Brokers (Also Brokers to the Issue)

Vinay M. Shah
59, Bazargate Street,
1st Floor,
Bombay-400 023.
Alkesh Dinesh Mody,
924, Stock Exchange Towers,
Dalal Street,
Bombay-400 023.
B.D. Agarwal & Co.,
Laxman House,
9/3, Asaf Ali Road,
New Delhi-110 001.
Vinod Kumar & Co.
A-6, Connaught Place,
New Delhi 110 001
Bharat Bhushan & Co.
107, Rohit House,
H-45 Connaught Place
New Delhi 110 001
J. C. Mehta & Co.
308 Dreamland
1/18-B, Asaf Ali Road,
New Delhi-110 002.
D. D. Sarda & Co.
24/18, The Mall
Kanpur-208 001.
Bajranglal Mahabirprasad,
Ground Floor,
16, India Exchange Place,
Calcutta 700 001
Khandelwal Bros.,
Wardley House,
25, Swallow Lane,
Calcutta 700 001.
Place, Siddons & Gough (Pvt.) Ltd.,
6, Lyons Range,
Calcutta 700 001.

BANKERS TO THE COMPANY

State Bank of India
1, Strand Road, Calcutta 700 001.

Allahabad Bank

2, Netaji Subhas Road, Calcutta 700 001.

MANAGERS TO THE ISSUE

State Bank of India,
Merchant Banking Division
Central Office
Madame Cama Road,
Bombay-400 021.

ISSUE HOUSE

Business Efficiency Services India Private Ltd.
24A, Shakespeare Sarani
Calcutta 700 017

BANKERS TO THE ISSUE

State Bank of India
1 Strand Road
Calcutta 700 001

The Chartered Bank
4, Netaji Subhas Road,
Calcutta 700 001.

Union Bank of India
15, India Exchange Place
Calcutta 700 001

Champaklal Bhailal Chokshi,
2252/2 Mahurat Pole,
Manek Chowk
Ahmedabad 380 001.

11.11.82

0.60

Total 119.00

The above underwriting offers have been accepted by the Company. In the opinion of the directors, the resources of underwriters are sufficient to enable them to fulfil their respective underwriting obligations.

BROKERS TO THE ISSUE

The following Brokers as also the brokers indicated above as underwriters are acting as Brokers to issue:

AHMEDABAD

Gordhandas N. Gupta
Anandji Kalyanji Building,
Relief Road, Ahmedabad 380 001.

BANGALORE

Jahgirdas & Co.
21, Second Main Road,
Seshadripuram, Bangalore-560 020.
Vijai & Company
9 Eleventh Main Road
Malleswaram, Bangalore-560 003

BOMBAY

V.B. Desai,
Bhupen Chambers,
Dalal Street, Fort, Bombay - 400 023.
Lallubhai Ranchhodas
Bhupen Chambers,
9, Dalal Street, Fort, Bombay-400023.
Bhupendra Champaklal Devidas
Bhupen Chambers
Dalal Street, Bombay-400 023.
Jamnadas Morarjee & Co.
616, Tulsiani Chambers,
212, Backbay Reclamation,
Nariman Point, Bombay 400 021.
L. K. Panday
Maharashtra Bank Building
45/47 Bombay Samachar Marg,
Bombay-400 023
Valji & Bhimji & Co.
109 Stock Exchange Plaza
Dalal Street, Bombay 400 023.

CALCUTTA

G.M. Bosu
7 Lyons Range, Calcutta 700 001.
Ramnarain Kayan & Co.
7 Lyons Range, Calcutta 700 001.
Sajjan Kumar Saraf
7 Lyons Range, Calcutta 700 001.
Stewart & Co.
14 India Exchange Place,
Calcutta 700 001.
Bimal Kumar Ghosh
7 Lyons Range, Calcutta 700 001.
Dayco,
7, Lyons Range, Calcutta-700 001.
Brijnath Khandelwal & Co.
13, India Exchange Place,
Calcutta-700 001.

KANPUR

Nirnav Brothers
14.76 Civil Lines, Kanpur-208 001.

CONSENTS

Consents in writing of the above named Auditors, Legal Advisors, Bankers to the Company, Bankers to the Issue, Brokers to the Issue, Managers to the Issue and Issue House to act in their respective capacities have been obtained and filed with the registrar of Companies, Uttar Pradesh, Kanpur, alongwith a copy of this Prospectus as required U/s 60 of the Act, and none of them has withdrawn the said consent upto the time of delivery of this Prospectus to the said Registrar of Companies.

Messrs Lodha & Co., Auditors to the Company, have also given their consent to the inclusion of their Report in the form and context in which it appears later in the Prospectus and such consent has not been withdrawn upto the time of delivery of a copy of this Prospectus to the said Registrar of Companies.

HISTORY AND BUSINESS OF THE COMPANY

The Company was incorporated in the State of Uttar Pradesh as a Public Limited Company on 29th March, 1973, and obtained a Certificate of Commencement of Business on 24th August, 1973 from the Registrar of Companies, Uttar Pradesh, Kanpur. It was so long engaged in investment business.

The main objects of the Company are fully set out in its Memorandum and Articles of Association as also detailed in this Prospectus. The immediate object of the company is to set up a factory for the manufacture of 5 meter long Asbestos Cement Pressure Pipes with a Capacity of 30,000 tonnes p.a.

PROMOTERS OF THE PROJECT

The project has been promoted by Sarvashri O. M. Somany and R. K. Dabirwala. The Pradeshia Industrial and Investment Corporation of U.P. Ltd. and The U.P. State Industrial Development Corporation Ltd. have agreed to support the project by providing Rs.30 lacs towards the equity capital of the Company.

Atmaram Kejriwal
Vishwambhar House,
25/32-A, Karachi Khana, Kanpur-28 001
K. L. Khanna & Co.,
1B, U.P. Stock Exch. Bldg.,
14/76, Civil Lines, Kanpur-208 001.
Arun Kumar Jajoo,
111/407, Jagat Niwas,
Ashok Nagar, Kanpur-208 012.

NEW DELHI

Amrit Lal Bajaj & Co.
606 Kailash
26 Kasturba Gandhi Marg,
New Delhi-110 001.
H.P. Mehta & Co.
602, Nirmal Tower
Barrakhamba Road, New Delhi-110 001

HYDERABAD

Laxminarayan Rathi
4-5-173 & 174, Hushmat Gunj,
Sultan Bazar, Hyderabad-500 001
P.B. Afzulpurkar
4-5-195 Sultan Bazar,
Hyderabad-500 001.
Bhagwandas Jaju,
118e, Lad Bazar, Hyderabad-500 002.

INDORE

Pushkari Lal Ghudawala
44, Bada Sarafa, Indore-452 002

MADRAS

Chitra & Co.
165, Linghi Street, Madras-600 001

Paterson & Co.,
Vanguard House, 3rd Floor,
48, Second Line Beach, Madras 600 001.

COCHIN

A. Aaron & Co.,
'Congress House', B. No. 1003,
Hospital Road, M.G. Road Junction,
Ernakulam, Cochin-682 811.
Abraham & Kuruvilla,
38/341(1) M.G. Road,
(Near Kavitha Theatre), Cochin-11.
Jones & Co.,
37/216-S, Broadway,
(Near Old Telegraph Office),
Ernakulam, Cochin-682 031.
Mathew and Company,
Mullassery Canal Road,
(Near Passport Office),
Ernakulam, Cochin- 682 011.

Shri O. M. Somany.

Shri O. M. Somany is an industrialist of longstanding. He was the founder of Hindusthan National Glass & Industries Ltd., the largest Company manufacturing glass container in the Country. He was at the helm of affairs of Hindusthan National Glass & Industries Ltd. for 25 years as Managing Director during which period the Company continuously prospered. Shri Somany was also associated with an Engineering Plant, engaged in the manufacture of automatic glass plants. Machines so manufactured has been a complete substitute of imports, of automatic machines and has helped Hindusthan National Glass & Industries Ltd. to expand substantially. Shri Somany has from time to time been on the Board of Directors of several reputed companies including Hukumchand Jute Mills Co. Ltd., Orient General Industries Ltd. and Simplex Mills Co. Ltd. He has been Director on the Board of Hindusthan Sanitaryware & Industries Ltd., since inception until 1976. Shri Somany has vast experience of promotion and running of industrial enterprises.

Shri Somany is an ex-President of Bengal National Chamber of Commerce and Industry.

Shri R.K. Dabirwala

Shri Rajendra Kumar Dabirwala, son of Shri Shiwchandray Dabirwala started his business career at a very young age. He joined his family business which had — interest in various fields such as Sugar, Real Estate, Colliery, Trading in Shares and Securities, etc. Within a short time he expanded the existing business in various directions. After nationalisation of collieries, he established two sophisticated Belting companies and acquired interest in two companies viz. IGE (India) Ltd., Elpro International Ltd.

MANAGEMENT

The Company is managed by the Board of Directors assisted by a team of qualified and experienced personnel and executives.

PROJECT AND ITS LOCATION

The Company is presently engaged in setting up a project for the manufacture of 30,000 M.T. Asbestos Cement Pressure Pipe (AC-P Pipes) per annum at Daryapur, in the Rae Bareilly district of Uttar Pradesh, a centrally-notified backward area eligible for cash subsidy and concessional finance from the Financial Institutions.

The site is about 5 kms. from Rae Bareilly town and about ½ km. from the main broad gauge line adjoining Daryapur Railway Station as well as from the national highway. It is about 116 kms. from Allahabad 76 kms. from Lucknow, 113 kms. from Kanpur and 229 kms. from Varanasi. The Company, therefore, does not envisage any difficulty in transporting raw materials and finished goods. Location has certain advantages also from the point of view of marketability enunciated elsewhere.

PRODUCT

AC-P Pipes are used principally for transportation and distribution of drinking water, drainage and sewerage. These are also used for industrial water supply and transportation of chemicals, fuels and gases. AC-P Pipes face competition mainly from PVC Pipes in small diameters and CI Pipes in large diameters.

AC-P Pipes fulfill most of the criteria of economy for water supply system and have several comparative advantages compared to PVC Pipes and CI Pipes, such as

- High and consistent flow co-efficient. The AC-P Pipes delivers 40% additional quantity of water for the same size of CI pipes;
- Comparative ease and lesser cost in handling and transportation (AC-Pipes are 50 to 70% lighter than CI pipes);
- Less operational cost resulting from low frictional loss due to more even surface of the inner wall;
- Comparative ease in making joints because no pouring of metals or settling of materials is required. Further the installation does not require special machinery or skilled labour, thereby reducing installation and current costs.
- Problem such as clogging of mains or entrapment of foreign matter due to leakage and improper joints are minimal. AC-P Pipes with AC Couplings overcome the problem of loosening of soil below joints and giving improper support to pipes resulting in leaky joints;
- Amiability to easy extensions and alterations.

The product of the Company will have a special feature in as much as they will have a length of 5 meters. Presently only 4 m. long pipes are being manufactured in India.

Land and Building

The U.P. State Government has acquired about 49 acres of land for the Company, under the land acquisition Act, 1894 and given possession thereof to the Company. The price for all the lands have not yet been finally determined but is expected to be around Rs.12000/- per acre. The Company has already paid a sum of Rs.315179.40P. The land is considered adequate for the Company's present and future needs. The Construction of the main building and other building is progressing fast.

PLANT & MACHINERY

The aggregate cost of Plant & Machinery is estimated at Rs. 322 Lacs. The main plant and machinery is being supplied by Hyderabad Asbestos Cement Products Ltd., for which order has been placed.

TECHNICAL COLLABORATOR

The technical collaborator for the project is Hyderabad Asbestos Cement Products Ltd. (HACP), the largest manufacturer and exporter from India of Asbestos Cement Products and Asbestos Cement Plants and Machinery. HACP was set up in 1946 with major expansions taking place since 1960. It has two plants, one at Hyderabad and another at Ballabgarh near New Delhi. With a total turnover of over Rs. 700 million, it is now reckoned as one of the largest companies in India. The installed capacity is currently of the order of 1,86,000 tonnes of Asbestos Cement Sheets and 60,000 tonnes AC-P Pipes. HACP manufactures Asbestos Cement corrugated and flat sheets and pressure pipes at both the works.

The plant and machinery division at Hyderabad manufactures automated plants to produce Asbestos Cement Sheets and Pipes. These are tailored to customer's specification and supplied on a turn-key basis, complete with managerial and technical skills. The Company has set up plants at several places in India and in the U.K., Belgium, Egypt, Thailand, Taiwan, Singapore and Australia.

HACP is recognised by the Government of India as an "Eligible Export House". Its Export Division is actively marketing Asbestos Cement plants, Asbestos Cement sheets, Asbestos Cement pipes, cast iron fittings and rubber rings. The Federation of Andhra Pradesh member of Commerce and Industry bestowed it with Best Exporter's Award for 1974 and its export performance has been appreciated by the EEPIC and CAPEXIL.

Prompted by the success of the R&D Division, HACP has embarked upon manufacture of new products such as Asbestos Millboard Calcium Silicate Blocks and Fire-resistant Asbestos moulded products.

TECHNICAL COLLABORATION

The Company will benefit from the technical collaboration with HACP, who will supply technical know-how, detailed engineering and advice on commissioning and installation of the plant. HACP will also arrange for training of technical personnel of the company. The major part of the plant will be supplied by them and the remaining parts are being obtained on their recommendation. The broad terms of the agreement with HACP provide the following:

- Layout and details of buildings and allied facilities for setting up the Plant as per site conditions other than architectural and structural drawings with such details, specifications and cross sections as may be required by GACL's Architects and Structural Engineers to prepare detailed architectural and structural drawings.
- Detailed layout of Plant, Machinery and Equipments along with Foundations layout with load details.
- Laying down the specifications, preparing and supplying drawings and details for procurement and/or own manufacture of fabrication of items like Recuperator Tanks, Cement Silos, Supporting-Structures services and ancillary facilities as may be required by GACL.
- Details of requirement and layouts of utilities and ancillary facilities like power, water, compressed air, fuel etc.
- Advice in regard to commissioning of the Plant and Machinery.
- Advice in regard to erection of Plant and Machinery.
- Technical training of GACL staff as provided in the Agreement.
- Recommend specifications of Raw Materials e.g. Fibre/Cement/Felts/Sieve Wires etc. and proportion of Fibre and Cement Mix for commissioning of the Plant.
- Any other technical assistance for erection and commissioning of the Plant as may be required from time to time upto commissioning of the Plant.

RAW MATERIAL

The Principal raw-materials are Asbestos Fibres and Cement. Asbestos fibre being a canalised item, arrangement will be made with MMTC for its supply. Cement is available indigenously. There are cement plants located in Uttar Pradesh (Churk and Chopan) and in adjacent States namely Madhya Pradesh (Satna and Kymore) and Bihar (Japla and Dalmianagar) which are within a radius of about 400 Kms from the plant site. It is expected that the Company would be able to procure its entire requirement of cement from these units.

UTILITIES

Power

U.P. State Electricity Board (UPSEB) in Lucknow has agreed to supply the required amount of power vide their letter No. 44/ELEC/SEB-XVI-1982 dated 17th March, 1982. The Company has placed order for a stand-by Mirreles Blackstone Diesel Generating Set of 922 KVA which is being imported. This would take care of the main plant in the event of power failure.

Water

The required amount of water will be available from tubewell at the site.

Effluents

The Company has no effluents to dispose of.

Employment

The project would provide employment to about 425 persons.

BUSINESS PROSPECTS & MARKET

The drought of 1979-80, which was accompanied by an acute scarcity of drinking water in different parts of the country, has lent urgency to the search for a lasting solution to the problem of water scarcity. Such global concern for providing drinking water and elementary sanitation to the people, particularly in developing countries, was reflected in the United Nations Water conference at Mardel Plata, Argentina in 1977. The Conference called for a decade long campaign by member countries and international agencies to facilitate access to adequate water and sanitation facilities. The period 1981-90 has been designated as the International Drinking Water Supply and Sanitation Decade. India, as a signatory to the resolution, pledged its full support to the Action Plan.

As long back in 1971-72, 1.52 lacs villages in the country were identified as being lacking in safe and assured source of drinking water. Of this, 90,000 villages were classified as scarcity and difficult villages and balance 62,000 as health problem villages. However, since then and upto March 1980, 95,000 problem villages have been provided with safe drinking water facilities. Thus, some 50,000 villages still remain to be provided with adequate water supply arrangement. Simultaneously, it has been reported by the various State governments that the earlier estimate is not adequately representing the magnitude of the problem, especially because the drought conditions in subsequent years has brought to light fresh areas vulnerable to water scarcity. The latest data indicate that there are about 1.90 lacs villages in the country which need immediate attention from the point of view of water scarcity.

At present there are two companies having three Plants manufacturing AC-Pressure Pipes with an aggregate installed capacity of 102,000 tonnes per annum (tpa). These are HACP (Hyderabad 30,000 tpa and Ballabgarh 30,000 tpa) and Digvijay Cement (Ahmedabad 42,000 tpa). The production during 1980 was 107,000 tonnes, reflecting a capacity utilisation of over 100%. HACP at present does have orders on hand equivalent to its one year of production.

The demand for Pressure Pipes is directly linked with plant outlay on water supply and sanitation. The expenditure on this count during the Fifth Plan was about Rs. 1031 crores whereas the outlay for the Sixth Plan is about Rs. 3760 crores, which reflects growing demand for Pressure Pipes even after discounting for increase in price. Based on the above, the total demand for AC-P Pipes is estimated at 295,000 tonnes in 1985.

Transportation of AC-P Pipes involves considerable costs. GACL's plant would enjoy the proximity to the market of Eastern and Central India where at present there is no AC-P Pipe Plants.

SELLING ARRANGEMENT

The Company will arrange representation in different areas for rendering services and securing orders. Such service agencies will be effectively backed by sales organisation of the Company. The regional sales agencies will be suitably remunerated for the services rendered.

SCHEDULE OF IMPLEMENTATION

Civil construction work is in progress. Orders for major items of Plant & Machinery have been placed. Erection is expected to start from December, 1982. Trial runs are expected to commence from April, 1983 and commercial production from May, 1983.

PROSPECTS & PROFITABILITY

Based on the assessment of their future working, the Directors are of the opinion that barring any unforeseen circumstances, the Company will earn sufficient profits to declare dividend within a reasonable period from the commencement of commercial production.

COST OF THE PROJECT

The total cost of the project estimated at Rs. 684 Lacs is as follows :

	(Rs. in Lacs)
Land & Site Development	10.18
Building	83.83
Plant & Machinery	321.58
Technical Know-how fees	15.00
Miscellaneous Fixed Assets	104.83
Preliminary & Pre-operative expenses	46.50
Contingencies	32.00
Margin money for working capital	70.08
Total	684.00

MEANS OF FINANCING

	(Rs. in Lacs)
Equity Share Capital	239.00
Rupee Term Loans	430.00
Central Cash Subsidy	15.00
Total	684.00

TERM LOAN ARRANGEMENT

The Industrial Credit and Investment Corporation of India (ICICI) in participation with Industrial Development Bank of India (IDBI) and Industrial Finance Corporation of India (IFCI) have agreed to provide Rupee Term Loans aggregating Rs. 330 lacs. Further, Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and its subsidiary United India Insurance Company Limited (UI), State Bank of India (SBI), Allahabad Bank (AB) have agreed to provide Rupee Term Loans aggregating Rs. 100 lacs. The terms and conditions of the loans are as follows :

Name of the Institution	Amount of Loan (Rs. in lacs)	Rates of interest	Commitment charge	Repayment
ICICI in participation with IDBI and IFCI	330.00	On normal loan of Rs. 130 lacs @ 14% and on concessional loan of Rs. 200 lacs @ 12.5% or at such other higher rate as may be ruling at the time of signing the Loan Agreement in Participation	Payable half-yearly on the undrawn amount of the loan from 181st day of the letter of sanction dated 30.6.82 or from the date of coming into force of the Loan Agreement in Participation governing the Loan transaction whichever is earlier as under: (i) For the first 365 days - 1% on normal loans and ½ % on concessional loans. (ii) Thereafter ½ % on normal loans and ¼ % on concessional loans.	Repayable in 12 half-yearly instalments commencing from 15.2.85 and ending on 15.8.90
LIC	30.00	15% per annum or at such higher rate as may be ruling at the time of execution of loan Agreement subject to rebate of 1% for prompt payment of all dues. In default of regular payment of interest and commitment charges on due dates, compound interest at the gross rate will become payable on the money's due for the period of default.	Payable half-yearly on the undrawn amount of the loan from 181st day of the letter of sanction dated 13.9.82 or from the date of coming into force of the Loan Agreement governing the Loan transactions whichever is earlier as under: (i) For the first 365 days - 1% (ii) Thereafter ½ %	Repayable in such instalments and during such period as may be decided by LIC in consultation with other participating Financial Institutions.
GIC	12.00	15% p.a. or as may be decided by GIC & UI payable half-yearly subject to a rebate of 1% for prompt payment of all dues. In the event of default of regular payment of interest and commitment charge on the due dates, compound interest at the aforesaid rate will be come payable over money's due for the period of default.	Payable half-yearly on the undrawn amount of the loan from 181st day of the letter of sanction dated 11.8.82 or from the date of coming into force of the Loan Agreement governing the Loan transactions whichever is earlier as under: (i) For the first 365 days - 1% (ii) Thereafter - ½ %	Repayable in 12 half-yearly instalments commencing from 30.6.85 and ending on 31.12.90
UI	18.00			
SBI	30.00	1 ½ % below SBI Advance Rate rising and falling therewith, minimum 15% p.a. with quarterly rests. Penal interest of 1 ½ % per annum on such instalments or part thereof as is repaid earlier than the due date for the period between the date of repayment and the due date or six months, whichever is longer.	Nil	Repayable in 12 half-yearly instalments commencing from 28.2.85 and ending on 31.8.90.
AB	10.00	15% per annum with quarterly rests.	Nil	Repayable in 12 half-yearly instalments including interest accrued and due thereon commencing from 30.6.1985.

SECURITY FOR LOANS

The term loans together with interest, commitment charges, prepayment premium liquidated damages and other costs, charges and expenses as provided in the respective term loan agreement(s) entered into with the aforesaid Financial Institution and Banks will be secured by a first mortgage on all the Companies immovable properties, both present and future, and a first charge by way of hypothecation of all the Company's movables save and except book debts but including movable machinery, machinery spares, tools and accessories, both present and future, subject to the prior charges on specified movables created/to be created in favour of the Company's Bankers by way of security for the borrowings for working capital requirements. The mortgage and the charges, in favour of the institutions/Banks referred to above shall rank, pari passu, inter se to all intents and purposes. Without any preference or priority of one over the other or others. The securities in favour of the said banks will be created subject to the approval of the controller of Capital Issues which has been applied for. The term loans together with interest commitment charges, prepayment premium, liquidated damages etc. as provided in the term loan agreement(s) entered into with the aforesaid Financial Institutions and Banks shall be also secured by an irrevocable and unconditional personal guarantee of Shri O. M. Somany.

CONVERSION OF LOANS INTO EQUITY

Each of the abovementioned All India Financial Institutions, viz. ICICI, IDBI, IFCI, LIC, GIC, UI, shall have an option to convert a portion of their respective term loans not exceeding 20% of term loans into Equity Shares of the Company, at par which may be exercised on one or more occasions, during the period commencing from January 1, 1987, and ending on December 31, 1988. The Company will pass the necessary resolution under Section 81(3)(B) of the Companies Act 1956 before exercise of the conversion option.

IMPORTANT TERMS & CONDITIONS OF FINANCIAL INSTITUTIONS AND BANKS RELATING TO TERM LOANS AND UNDERWRITING

- The Company shall raise ordinary share capital of Rs. 239 lacs. Out of this, Shri O.M. Somany, Shri R.K. Dabhiwala, their relatives and associates subscribed to and are allotted ordinary shares of Rs. 90 lacs and U.P. State Industrial Development Corporation Ltd and The Pradeshia Industrial & Investment Corporation of U.P. Ltd. subscribe to and are allotted ordinary shares of Rs. 20 lacs and Rs. 10 lacs respectively. The Company makes satisfactory arrangement for under-writing of the balance ordinary shares.
- The Company undertakes to obtain Central Subsidy of Rs. 15 Lacs from the Government.
- The Company finalises arrangement with the State Government for obtaining its requirement of water and power on terms satisfactory to the institutions.
- The Company, Shri O.M. Somany and Shri R.K. Dabhiwala undertake to bring in additional funds in the form of unsecured loans/deposits to meet any shortfall that may arise in financing the project and for working capital requirement. These unsecured loans/deposits which may be brought in will not be withdrawn without the prior approval of the Financial Institutions, during the period of loan and/or so long as the financial institutions hold shares in the Company as a result of underwriting obligations.
- The Company shall undertake that during the currency of the loan, it will not without obtaining prior consent in writing of the institutions, declare any dividend on its share capital if it fails to meet its obligation to pay interest and/or instalments or other monies payable to them, so long as it is in such default.
- The Company shall not undertake any new project or any expansion or make any investment without the prior approval of the institutions during the period of their loans and/or so long as the institutions hold shares of the Company as a result of the underwriting obligation.
- The financial institutions reserve the right to appoint Nominee on the company's Board of Directors at any time during the period of institutional loans and/or so long as the financial institutions hold shares of the company as a result of their underwriting obligations.
- The Company shall not except with the prior approval of the financial institutions and/or banks raise any loan or undertake guarantee obligations or secure deposits or create any further charge on its assets.

9. The Company would broaden its Board of Directors to the satisfaction of the Financial Institutions. Any change in the management set-up will require prior approval of the Financial Institutions.
10. The Company shall obtain prior approval of Financial Institutions for any Sole Selling Agency, Sole Distributorship arrangements.
11. The Company shall not except with the prior approval in writing of the financial institutions and/or banks invest its funds by way of deposits, loans, subscriptions to share or debenture or otherwise in any concern (including its subsidiary or associate companies.)
12. The Company is to furnish undertakings from Shri O.M. Somany Shri R.K. Dabriwala and such of the promoter/director shareholders of the Company as the institutions may decide that they shall not, without the prior consent thereof obtained in writing, transfer, dispose of, pledge, charge or in any way create any encumbrances on their equity shareholding in the Company's share capital, both existing as well as to be acquired hereafter, and the Company to further undertake that it shall not recognise or register any instrument for transfers of shares held by the aforesaid shareholders.

BRIDGE LOAN

In order to meet the Company's immediate requirement of finance ICICI has sanctioned bridge loan of Rs. 170 lacs under the Participation Certificate Scheme, which is secured by hypothecation of the Company's a moveable properties both present and future, demand promissory notes and personal guarantee of Shri O. M. Somany.

WORKING CAPITAL

The Company has approached State Bank of India, Allahabad Bank, Punjab National Bank and Bank of Baroda to finance its working capital requirement on consortium basis. The members forming the consortium had a meeting with the Company on 27th September, 1982 and they communicated their decision of financing the working capital and quasi-credit requirement of the Company subject to necessary authorisation from their Boards.

TAX BENEFITS

The Directors of the Company are advised that under the current tax laws the following tax concessions will be available to the Company and its members:

1. The Company will be entitled under Section 32 of I.T. Act to an additional depreciation equal to one-half the normal depreciation on the new plant and machinery, installed after the 31st of March 1980, but before 1st April 1985.
2. The Company will be entitled under Section 32A of I.T. Act to the investment allowance at 25% of the actual cost of the Plant and Machinery installed and put to use by the Company.
3. The Company will be entitled to a deduction equal to one-tenth of expenditure specified in Section 35D of I.T. Act which will include share issue and other preliminary expenses for a period of ten successive years beginning with the previous year in which the Company commenced production.

4. The Company's project is situated in the notified backward area specified in the Eighth Schedule of the Act. Under Sec. 80 HH of I.T. Act, it will be entitled to a deduction of 20% of its profits and gains for a period of 10 years from the year in which the Company commences its production.
5. The Company will be entitled to a deduction under Section 80-I of the I.T. Act from profits and gains of an amount equal to 25% thereof for 8 years commencing with the year in which commercial production begins.

II. TO THE MEMBERS

Under Section 80CC of the Income Tax Act, 1961 a Shareholder being an individual, Hindu Undivided Family or Association of persons referred to in Sub-Section (1) thereof will be entitled to a deduction in the Computation of his total income to the extent of 50% of the amount invested in the equity shares of the Company. However, where the cost of shares so purchased exceeds Rs.20,000/- deduction will be restricted to Rs.10,000/- only.

2. Members of the Company who are themselves domestic companies will be entitled to exemption from Income Tax to the extent of 60% of dividend received by them from the Company.
3. Members of the Company, who are individuals or Hindu Undivided families would be entitled to claim deduction from the total income to the extent of Rs. 4,000 per year in respect of specified items including dividends received from the Company as provided in Section 80L of the Income Tax Act 1961.
4. Under clause (viii) of the First Schedule of the Companies (Profits) Surtax Act 1964 the whole of the income by way of dividends received by members who are themselves companies will be exempt.
5. i) Under Sec.5(1)(xxa) of the Wealth Tax Act 1957 investment made by a shareholder being an individual or Hindu Undivided Family in Equity shares of the Company will be initially exempted from Wealth Tax for a period of 5 years.
ii) Even after the period of 5 years referred to above, the individual or Hindu Undivided Family will continue to enjoy Wealth Tax exemption benefit provided the value of investment in Shares of the company together with the value of their other assets referred to in Section 5(1) read with section 5(1A) of the Wealth Tax Act, 1957 does not exceed in the aggregate Rs.1.65 Lacs.

SPECIAL INCENTIVES FOR SETTING UP PROJECT IN NOTIFIED BACKWARD AREA

1. The Company is eligible to receive a subsidy of Rs.15 Lacs under the Central Outright Grant or Subsidy Scheme 1971.
2. The Company will get the benefit of concessional rate of interest and commitment charges on a portion of term loans sanctioned by ICICI in participation with IDBI and IFCI.
3. The Company will also get the benefit of concessional rate of commission payable on the shares underwritten by IDBI, IFCI and ICICI.

AUDITOR'S REPORT

LODHA & CO.
CHARTERED ACCOUNTANTS
CALCUTTA - BOMBAY - NEW DELHI
JAIPUR - MADRAS

CABLE: "CERTIFIED"
PHONES: 23-7102/1507
4572/3778
14, Government Palace East,
Calcutta 700 001.

The Board of Directors,
M/s. Ganga Asbestos Cement Ltd.,
15, India Exchange Palace,
Calcutta 700 001.

Dear Sirs,

We have examined the books of account of M/s. Ganga Asbestos Cement Ltd., for the five financial years ended 31st May 1982 the latest date to which the accounts of the Company has been made up and audited by us and adopted by the members.

In accordance with the requirements of Clause 24 of para II of Schedule II of the Companies Act, 1956 we report that:

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

	1978	1979	Year ended 31st May		1982
Income	Rs.	Rs.	1980	1981	Rs.
Interest	38,404	23,378	16,004	14,835	87,370
Miscellaneous Receipts	—	—	—	100	—
Total	38,404	23,378	16,004	14,935	87,370
Expenditure					
Sundry Expenses	37,658	4,174	2,191	6,409	14,968
Depreciation	—	—	—	—	4,372
Total	37,658	4,174	2,191	6,409	19,340
Profit before Taxation	746	19,204	13,813	8,526	67,970
Less : Provision for Taxation	290	13,418	8,632	7,000	48,500
Profit after Taxation	456	5,786	5,181	1,526	19,470

Notes:

- (i) Interest includes Tax deducted at source 10,992 1,309 2,602 5,445
 (B) The Assets and Liabilities subject to notes, are as set out below. They have been arrived at after making such re-groupings and re-adjustments as in our opinion are appropriate.

	As at 31st May, 1982		
Assets :	(1)	(2)	(3)
Fixed Assets			
At cost	—	3,58,753	—
Less : Depreciation	—	4,372	—
		3,54,381	
Capital Work-in-progress	—	2,06,280	—
Project and Pre-operation expenses (Pending allocation) Refer Note 1	—	3,76,915	9,37,576

Current Assets, Loans & Advances

A. Cash in hand	1,701
B. At Scheduled Bank on Current Account	37,005
C. Cash-in-transit	7,00,000
D. Loans and Advances	47,54,207
	54,92,913

Less : Current Liabilities & Provisions

A. Liabilities	58,656		
B. Provisions	77,840	1,36,496	53,56,417
Total :			62,93,993

Represented by :

A. Share Capital	10,00,700
B. Share Application Money (Pending Allotment)	52,75,000
C. Reserves and Surplus	32,235
	63,07,935
Less : Preliminary expenses	13,942

62,93,993

Notes :

1. Project and pre-operation expenses (Pending) allocation consists of the following :

	As at 31st May, 1982
Salaries and Wages	1,31,474
Staff Welfare	2,750
Travelling and Conveyance	81,193
Postage, Telegram and Telephone	7,044
Printing and Stationery	6,087
Rent, Rates & Taxes	10,587
Advertisement	5,380
Auditors' Remuneration	1,735
General Charges	27,231
Finance raising charges	25,734
Consultancy & Professional Fee	68,100
Project Feasibility Report	8,000
Directors' Fees	1,600
	3,76,915

2. Rs. 21,376.82 payable to Land Acquisition Officer, Rae Bareilly, for acquisition of land has not been provided for in accounts. Further additional compensation payable to farmers towards purchase of land is being accounted for as and when paid.
 3. Contingent liability not provided in the accounts for Income-tax and interest thereon amounting to Rs. 73,893.00 for the assessment years 1977-78, 1978-79 and 1979-80. Appeal against these are pending.
 4. Estimated amount of contract remaining to be executed on Capital Account and not provided for is Rs. 2,40,33,326.00 (31st May, '81 Rs. 1,83,010.00).
 C. The Company has not declared any dividend since inception.

14, Government Place East,
Calcutta, the 21st day of October, 1982.

Yours faithfully,
For Lodha & Co.,
Chartered Accountants.
(V.R.M. Rao)
Partner.

OTHER STATUTORY AND GENERAL INFORMATION MAIN OBJECTS OF THE COMPANY

The objects of the Company as set out in the Memorandum and Articles of Association of the Company, inter alia, are:

To instal Asbestos Cement Factories to manufacture Asbestos Cement Products of all types, to produce, manufacture, refine, prepare, import, sell and generally to deal in all kinds of Cement (ordinary, white, coloured, Portland, Pozzolana etc.) Cement Products of any description, Asbestos Cement Products, Lime, limestone and/or byproducts thereof and in connection therewith to take on lease or acquire, erect or construct, establish, operate and maintain factories for the manufacture of cement and cement products and Asbestos Cement products, all types of and collieries, mines workshops and other works.

OBJECTS OF THE ISSUE

The issue is being made with a view to providing a part of the finance required for setting up the project stated else where in this prospectus and also for meeting the expenses of the Public Issue.

MINIMUM SUBSCRIPTION

The minimum subscription for the present issue is subscription of 11,90,000 Equity Shares of Rs.10/- each. The minimum amount on receipt of which the Directors will proceed to make allotment of shares is Rs. 59,50,000/- being the amount payable on application @ Rs. 5/- per share in respect of equity shares issued to the public for subscription by the Prospectus. The subscription of the said amount is assured in view of the underwriting arrangements referred hereinabove.

EXPENSES OF THE ISSUE

The expenses of the present issue including underwriting commission, brokerage, fee to the Managers to the issue and Issue House, Stamp duty, printing, distribution and publication expenses, legal charges and registration fee, Auditors' fee, etc. are estimated at Rs. 12 Lacs and will be met from the proceeds of the Issue.

FEES OF MANAGERS TO THE ISSUE AND ISSUE HOUSE

Merchant Banking Division, State Bank of India, the Managers to the issue will be paid fees for the management to the issue at 1/2% on the amount of shares subscribed by the public, excepting the amount of subscription made by ICICI, IDBI and IFCI and/or shares devolving on them for which it will be 1/4%. The issue House will be paid fees as stated in their offer letter dated 21st October, 1982.

UNDERWRITING COMMISSION

Underwriting commission at a concessional rate of 1.50% will be payable on the portion of issue underwritten by ICICI, IDBI and IFCI. Underwriting commission at the rate of 3% will be payable on the balance amount.

BROKERAGE

Brokerage will be paid at the rate of 1 1/4% on the nominal value of shares on the basis of allotments made against application bearing the stamp of the member of any recognised Stock Exchange in India. Brokerage at the same rate will be payable to the Brokers and the Bankers to the issue in respect of allotment made against applications procured by them PROVIDED the relevant application forms bear their respective stamps in the Broker's column.

UNDERWRITING COMMISSION AND BROKERAGE

Save for the underwriting commission and brokerage payable as mentioned above no sums have been paid or are payable as commission or brokerage for subscribing or agreeing to subscribe or procure or agreeing to procure subscription for any shares of the Company since the incorporation of the Company.

PREVIOUS ISSUE

Except as stated in the Prospectus, no previous issue has been made since the incorporation of the Company.

ISSUE OTHERWISE THAN FOR CASH

No shares have been issued or agreed to be issued otherwise than for cash since the date of incorporation of the Company.

ISSUE AT A PREMIUM OR DISCOUNT

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

CAPITALISATION OF RESERVES OR PROFITS

The Company has not made any capitalisation of reserves or profits since the date of its incorporation.

REVALUATION OF ASSETS

The Company has made no revaluation of assets since its incorporation.

OPTION TO SUBSCRIBE

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

PURCHASE OF PROPERTY

Save as stated in this Prospectus under the heading "Material Contracts" there is no property which the Company has acquired or purchased or proposes to acquire or purchase which is to be paid for wholly or partly out of the proceeds of the present issue or the acquisition or purchase of which has not been completed on the date of issue of this Prospectus. Other than property:

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of the Company, such contracts not being in contemplation of the issue, nor the issue in consequence of such contract, or
- as respects which the amount of the purchase money is not material

Except as stated in this Prospectus, the Company has not purchased any property in which any of its promoters or Directors had or have any direct or indirect interest or in respect of any payment made therefor.

CLASSES OF SHARES

The Share Capital of the Company is divided into 25,00,000 Equity Shares of Rs.10/- each and 10,00,000 Preference Shares of Rs.100/- each.

Preference Shares and debentures

The Company has not so far issued nor does it propose to issue at present any Preference Shares or Debentures.

VOTING RIGHTS & RESTRICTIONS

Subject to the provisions of the Companies Act, 1956 in this regard the voting right of the members are as detailed in Articles 66 to 72.

Article 68 provides that no member shall be entitled to vote at any General Meeting in respect of any shares in the Company unless all Calls or other sums presently payable by him had been paid thereon.

Subject to the provisions of the Act and Articles, on a show of hands every member present in person and being a member registered in respect of Equity Shares shall have one vote and every person present either as General Proxy on behalf of a member registered in respect of Equity Shares if he is not entitled to vote in his own right, or, as a duly authorised representative of a body corporate, being a member registered in respect of Equity Shares, shall have one vote.

Subject to the provisions of the Act and the Articles, on a poll the voting rights of a member registered in respect of Equity Shares shall be as specified in Section 87 of the Act.

MODIFICATION OF RIGHTS

Article 7(1) inter alia provides that if at any time the Share Capital is divided into different class of shares, the rights attached to any class of shares (unless otherwise provided by the terms and issue of shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class.

RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL & PROFITS OF THE COMPANY

The nature and extent of interest of Shareholders in the property and in the profits of the Company are as provided in the Articles and are in conformity with the Act.

Subject to the provision of the Articles, the profits of the Company shall be divisible amongst the members in proportion to the amount and capital paid up on shares held.

LIEN ON SHARES

Article 14 provides that

- The Company shall have a first and paramount lien—
 - on every share (not being a fully-paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - on all shares (not being fully-paid shares) standing registered in the name of a member (whether solely or jointly with others) for all moneys presently payable by him/them or his/their estate to the company.
- Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- The Company's lien, if any, on a share shall extend to all dividends payable thereon.

RESTRICTIONS ON TRANSFER OF SHARES

Article 26 provides that—

The Board may subject to the right of appeal conferred by Section 111, decline to register—

- the Transfer of a share to a person of whom they do not approve,
- any transfer of shares on which the Company has a lien.

DIRECTORS

Article 73 provides that until otherwise determined by General Meeting, the number of Directors shall neither be less than three nor more than eleven.

SHARE QUALIFICATIONS

Article 75 provides that no share qualification shall be necessary for any Director.

NOMINEE DIRECTORS

Notwithstanding anything to the contrary contained in these Articles so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (IICIL), The Industrial Reconstruction Corporation of India Limited (IRCI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Fire and General Insurance Company Limited (OFGI), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UI), U.P. State Industrial Development Corporation Limited (UPSIDC), State Bank of India (SBI), Allahabad Bank (AB), The Pradeshiya Industrial and Investment Corporation of U.P. Limited (PICUP) or a State Financial Corporation or any Financial institution owned or controlled by the Central Government or a State Government or the Reserve Bank of India or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this article referred to as "the Corporation") out of loans/debenture assistance granted, by them to the Company or so long as the Corporation holds or continues to hold Debentures/shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole time or non-whole time, (which Director or Directors, is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company and also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation are paid off or on the Corporation ceasing to hold Debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and the Meetings of the Committee of which the Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies or remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation or such Nominee Director/s in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole time Director/s, such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director/s shall be entitled to receive such remuneration, fees, commission, and monies as may be approved by the Corporation.

POWER OF THE BOARD OF DIRECTORS

The Articles provide 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 act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of the Company or by the Articles or otherwise to be exercised or done by the Company in General Meeting, provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in the Articles or in any regulations not inconsistent therewith and duly made thereunder, including regulation made by the Company in General Meeting, but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

ADDITIONAL/ALTERNATE DIRECTORS

The Board may appoint at any time and from time to time one or more additional Director provided the number of the Directors and the additional Director(s) together shall not at any time exceed the maximum strength fixed for the Board by these Articles. Such person shall hold office only upto the date of the next Annual General Meeting of the Company, but shall be eligible for appointment by the Company as a Director at that meeting subject to provisions of the Act.

The Board may also appoint any person to act as an Alternate Director for a Director during the latter's absence for a period of not less than three months at a time from India subject to Section 313 of the Act.

REMUNERATION

Article 77 states that every Director other than a Working Director shall be entitled to be paid for his services a sum of upto Rs. 250/- only per every meeting of the Board or a Committee of the Directors attended by him.

Subject to Section 198, 309 and 310 of the Companies Act, the Directors (other than Managing/Whole-time Directors and those appointed by any Financial Institutions or other

Body under any agreement and/or not liable to retire) may be paid in respect of each financial year of the Company remuneration by way of commission upto one per cent of the net profits if the Company has Managing/Whole-time Directors or Manager or upto three per cent of the net profits of the Company in any other case and the total commission so payable shall be divided among such Directors pro rata during the period of office held by them unless other wise agreed upon among them.

Subject to Sections 198, 309, 310 and 314 of the Act if any Director being willing shall be called upon to perform extra service or to make special exertion in going or residing anywhere for any of the purposes of the Company, the Board may remunerate such Director either by fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution of any remuneration to which he may be entitled as a Director.

BORROWING POWERS

Subject to the Act and Articles, the Board of Directors have authority to borrow for attaining the main objects of the Company, Pursuant to Section 293(1)(d) of the Act, consent of the Company has been given by resolution passed at the Extra-Ordinary General Meeting held on 16th September 1982 to borrow sums over and above the aggregate of the paid up share capital and free reserves upto Rs.10 crores apart from temporary loans obtained from the Company's Bankers in the ordinary course of business.

INDEMNITY

Save and except so far as the provisions of Article 118 shall be avoided by Section 201 of the Act, the Directors, Manager, Secretary and other Officers, employees or servants or Auditors for the time being the Company and Trustees (if any) for the time being acting in relation to any of the affairs of the Company and everyone of them and everyone of their executors and administrators shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their executors or administrators shall sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through or by their own wilful neglect or default respectively, and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipt for the sake of conformity or for the solvency of any Bankers or other persons with whom any moneys or effects belonging to the Company shall be deposited or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed or invested or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto unless the same shall happen by or through their own wilful neglect or default respectively.

PAYMENT OR BENEFIT TO PROMOTERS OR OFFICERS

Except as otherwise stated in this Prospectus, no amount or benefit has been paid or allowed to any of the Company's promoters or officers since the incorporation of the Company; nor is intended to be paid or allowed to such Promoters or Officers for their service of the Company except in respect of their normal remuneration and reimbursement of the expenses incurred on behalf of the Company.

MANAGING DIRECTOR/WHOLE-TIME DIRECTOR

Subject to the provisions of the act and the articles the Company by Ordinary resolution and/or the Board may from time to time appoint one or more of the Directors as a Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company for such period and on such remuneration and terms and conditions with such power and restrictions as may be decided with the sanction so required by the Act of the Central Government provided that such Managing Director(s)/Whole-time Director(s) shall not be liable to retire by rotation.

INTEREST OF PROMOTERS AND DIRECTORS

Promoters and Directors are and may be deemed to be interested to the extent of their shareholding in the Company. All the Director(s) except the Managing Director/Whole-time Director are interested in the remuneration payable to them as fee for attending the meetings of the Board or Committees thereof.

MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The contracts referred to in para (A) below (not being contracts entered into in the Ordinary course of business carried on by the Company) which are, or may be deemed to be material have been entered into by the Company since the date of incorporation. Copies of these contracts together with copies of the documents referred to in para (B) below have been attached to the copy of the Prospectus which has been delivered to the Registrar of Companies, U.P. Kanpur for registration and may be inspected at the Registered Office of the Company between 10 a.m. and 2 p.m. on any working day until the closure of the subscription list.

MATERIAL CONTRACT

1. Memorandum of possession of land dated 25th June 1976.
2. Letter dated 27th August 1981 addressed to the Company by Merchant Banking Division, State Bank of India, offering to act as the Managers to the issue and the Company's acceptance thereof.
3. Purchase Order No. GAC/C-101/81 dated 16th July 1981 for Plant and Machinery placed on Hyderabad Asbestos Cement Products Ltd Sanatnagar, Hyderabad 500 018, for an aggregate value of Rs. 212 Lacs (Advance paid Rs. 35 lacs).
4. Technical Collaboration Agreement dated 18th July 1981 with Hyderabad Asbestos Cement Products Ltd.
5. Letter dated 21st October 1982 from Issue House and acceptance of the Company dated 13th November 1982.
6. Bridge Loan agreement dated 24th September 1982
7. Purchase Orders for Plant and Machinery (above Rs. 5 lacs).
(a) Order No. GAC/C-109/82 dated 21.4.1982 with W.H. Brady & Co., Ltd, 14/15F Can-naught Place, New Delhi 110 001, for Rs. 11,88,780 for one H.O.T and two E.O.T. Cranes (Advance paid Rs. 2,33,766).

(b) Order No. GAC/C-117/82 dated 22.4.1982 with Parry & Co. Ltd., 32 Chowringhee Road, Calcutta 700 071 for Rs. 15 lacs for one 922 KVA Mirreca Blackstone Diesel Generating Set and indigenous Accessories (Advance paid Rs. 20,000).

(c) Order No. GAC/C-118/82 dated 7.5.1982, with Hyderabad Asbestos Cement Products Ltd, Sanatnagar, Hyderabad 500 018, for Rs. 19.21 lacs for Motor Control Centres, Hydraulic Main Drive arrangements etc (Advance paid Rs. Nil)

8. Underwriters' letters and companies Acceptance thereof as given under the heading Underwriters'

B INSPECTION OF DOCUMENTS

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation of the Company dated 29th March 1973.
3. Certificate of Commencement of Business dated 24th August, 1973.
4. Audited Balance Sheets of the Company for the last five years.
5. Auditors' Report as incorporated in this Prospectus.
- (6) (a) Industrial Licence No. CIL 152 (76) of 7th April, 1976,.
- (b) Letter No. CIL 152 (76)/Amendment/LAI dated 15th May, 1976, amending the Industrial Licence regarding item of manufacture
- (c) Letter No. 6-11/71-Cem dated 6th November, 1982 extending the validity of the Industrial Licence upto 5th April 1983.
7. Letter No.44 Elec/SEB XVI-1982 dated 17th March, 1982 sanctioning load of 1250 KVA of power to the Company.
8. Letters from the following financial institutions and Banks agreeing in principle to sanction Term Loan to the Company.

Name of Institution	Amount of Term Loan	Date of Letter of Intent
ICICI in Participation with IDBI & IFCI	330 Lacs	30th June 1982
LIC	30 Lacs	13th September 1982
GIC	12 Lacs	11th August 1982
UI	18 lacs	28th August 1982
SBI	30 Lacs	4th October 1982
AB	10 Lacs	7th October 1982

9. Letter No CG /3179 dated 9th September 1982 from ICICI sanctioning Bridge Loan of Rs. 170 Lacs. Under the Participation Certificate Scheme
10. Acknowledgement Letter of Controller of Capital Issues No.R 388-CCI/82-3831 dated 23rd September, 1982.
11. Letters of Consents from Legal Advisors, Auditors, Bankers to the Company, Bankers to the Issue, Brokers to the Issue and Managers to the Issue and Issue House
12. Resolutions passed under Sections 81(1A), 293(1) (d)
13. Import Licence No. 2085763/C/XX/84/H/82/CG-1 dated 17.7.1982 for Import of Generating Set.
14. Minutes of the meeting of consortium bankers held on 27th September, 1982 regarding working capital loan for the project.
15. Letters from PICUP and UPSIDC dated 16/17th April, 1982 and 1st September, 1982 respectively regarding their equity participation.
16. Documents under Material Contracts

Signed :

O. M. Somany
R. K. Dabhiwala
Siddarth Kasturbhai Lalbhai
(by his constituted Attorney
P. K. Khaitan)
P. K. Khaitan
B. D. Kothari
H. C. Sarkar
(by his constituted Attorney
P. K. Khaitan)

Directors

Calcutta
30th November, 1982