

# GASTEL INDIA LIMITED

Registered Office :

34A, METCALFE STREET

( 2nd Floor )

CALCUTTA-700 013

## PROSPECTUS

FOR PUBLIC ISSUE OF

1,50,000 Equity Shares of Rs. 10/- each for Cash at par.

Consent of the Central Government is not required as the present issue is exempt from the provisions of clauses 3, 4 and 5 of Capital Issue (Control) Act, 1947 in terms of clause 4 of the Capital Issues (Ex-emption) Order, 1969.

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

Application will be made to The Calcutta Stock Exchange Association Limited, Calcutta, for Permission to deal in and for official quotations of the existing Equity Shares of the Company, as also those Equity Shares now being issued.

Attention of the applicants is specifically drawn to the provisions of sub-section(1) of Section 68-A of the Act. which is reproduced below :

"Any person who—

- a) makes in a fictitious name an application to a Company for acquiring. or subscribing for, any shares therein or
- b) otherwise induces 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 year.

THE SUBSCRIPTION LIST FOR THE SHARES ISSUED HEREUNDER WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON MONDAY THE 22ND FEBRUARY 1982 AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON SATURDAY THE 27 FEBRUARY 1982 OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY, BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THURSDAY THE 25TH FEBRUARY 1982.



# GASTEL INDIA LIMITED

(Incorporated on 23rd February, 1973 under the Companies 'Act' 1956)

## SHARE CAPITAL

Rs.

### Authorised :

2,50,000 Equity Shares of Rs. 10/- each

25,00,000

### Issued, Subscribed and Paid-up :

1,00,000 Equity Shares of Rs. 10/- each subscribed  
as fully paid up for cash at par.

10,00,000

### Present Issue :

Now offered to the Public for subscription for cash at par in terms  
of this Prospectus 1,50,000 Equity Shares of Rs. 10/- each.

15,00,000

## TERMS OF PAYMENT :

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

(a) On Application ... Rs. 2.50 per share

(b) On Allotment ... Rs. 7.50 per share

Failure to pay the amount due on allotment will render the allottee liable for payment of interest thereon at the rate of 12% per annum and will also render the shares in question including the amount already paid on them liable to forfeiture in accordance with the Articles of Association of the Company.

## TERMS OF ISSUE :

The Equity Shares hereby issued are subject, to the terms of this Prospectus, the Application Form and the Memorandum and Articles of Association of the Company. The Equity Shares shall rank parri passu with the existing Equity Shares of the Company in all respects excepts that the holders of the Equity Shares now offered will be entitled to dividend, if any which may be declared or paid on the Equity Shares in proportion to the amount paid-up on then said Equity Shares and prorata for the period during which such capital is paid up thereon.

## OBJECTS OF THE ISSUE :

This issue is being made with the object of providing finance for implementing the Project described elsewhere in this Prospectus and repayment of Loans.

## AUTHORITY FOR THE PRESENT ISSUE :

Pursuant to Section 81 of the Act, the present issue has been authorised by a Special Resolution passed by the Members of the Company at the extra-Ordinary General Meeting duly convened and held on 28th December, 1981.

BOAR

Name,

Shri S. D.

Late T. R.

35/1, Jaw

Calcutta-7

(Business

Shri P. C.

S/o. Late

Moradaba

(Business

Shri B. K.

S/o. Sri S

35/1, Jaw

Calcutta-

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Shri K. P.

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## BOARD OF DIRECTORS

Name, description, Address and Occupation

Other Directorships

Shri S. D. Jain  
Late T. R. Jain  
35/1, Jawaharlal Nehru Road  
Calcutta-700071  
(Business)

Shri P. C. Jain  
S/o. Late C. S. Jain  
Moradabad, (U. P.)  
(Business)

Shri B. K. Jain  
S/o. Sri S. D. Jain  
35/1, Jawaharlal Nehru Road  
Calcutta-700071  
(Business)

Shri K. P. Singh  
S/o Late Bindheswary Singh  
1/14, Roop Chand Mukherjee  
Lane, Calcutta-700026  
(Business)

Smt. N. D. Jain  
W/o, Shri A. P. Jain  
35/1, Jawaharlal Nehru Road  
Calcutta-700071  
(Business)

### President :

Shri Ajit Prasad Jain  
S/o. Shri S. D. Jain  
34A, Metcalfe Street,  
Calcutta-700013  
(Business)

(Also Director in Sone Vally  
Portland Cement Co. Ltd.,)

Registered Office :  
34A, Metcalfe Street,  
(2nd Floor)  
Calcutta-700013

### Works :

MORADABAD (U.P)

President, Sone Vally Portland  
Cement Co. Ltd.

Director, Kaypee Marketing  
Co. Pvt. Lfd.

### Secretary :

Shri Sripal Jain  
S/o, Late D. Singh Jain  
Moradabad (U. P.)

### Managers to the Issue :

Mathran Consultants Ltd.  
34A, Metcalfe Street,  
(4th Floor) Calcutta-700013

### Auditors :

SHARAT JAIN & CO.  
Chartered Accountants  
4, Ganesh Chandra Avenue,  
Calcutta-700013

UNDERWRITERS : No Part of this issue is underwritten.



## BROKERS OF THE ISSUE

1. Chimanlal J. Dalal & Co. 606 Stock Exchange Tower, 6th Floor, Dalal Street,  
Fort Bombay-400 023
2. L. K. Panday, Maharashtra Bank Building, 45/47, Appolo Street, Bombay-400023
3. Champaklal Bhailal Chokshi, Manek Chowk, Near Share Bazar, Ahmedabad-380001
4. Vinod Kumar & Co., A-6 Connaught Place, New Delhi-110001
5. Bhagwandas Jaju, 1183 Lod Bazar, Hyderabad-500 002
6. Madan & Co., 7, Ramanuja Iyer Street, Madras-600 001
7. Lokkur & Co., K. G. Road, Bangalore-560009
8. L. K. S. Murthy & Co., No. 17 Third Floor, Kempegoda Road, Bangalore-560009
9. Aditya & Co., 17A, 3rd Floor, K. G. Road, Bangalore-560009
10. Alan J. Chaves, 19/3, Cunningham Road, Bangalore-560052
11. C. Mackertich, 7, Lyons Range, Calcutta-700 001
12. Bhawarlal Dhyawala, 7, Lyons Range, Calcutta-700 001
13. Mukul Bhattacharjee, 9, Old China Bazar Street, Room No. 96, Calcutta-700 001
14. Gourdhan Das Laxminarayan, 32, Baranasi Ghosh Street, Calcutta-700 007
15. Abraham & Kuruvilla, 38/341 (1) M. G. Road, Cochin-682011
16. Omna Tangam Finance, Carmel Building,, XLI/178-1, Banerji Road, Cochin 682018
17. Phoolchand Godha, 17, Shakkar Bazar, Main Boad, Indore 452002

### CONSENTS :

Consents in writing of the above named Auditors, Manager to the Issue, Bankers to the Issue, and Brokers to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, West Bengal as required by the Act and have not been withdrawn till the date of filling of this Prospectus for registration,

Messers Sharat Jain & Co., the Auditors of the Company, have also given their written consent for the inclusion of their report in the form and context in which it is included in this Prospectus and such consent has not been withdrawn till the date of the delivery of a copy of this Prospectus for registration with the Registrar of Companies, West Bengal.

### HISTORY OF THE COMPANY :

The Company was incorporated under the Companies Act, 1956 as a public limited company on 23rd February, 1973 in the State of West Bengal and obtained the Certificate of Commencement of Business on 4th April, 1973, The Company acquired its present Rolling Mill as a Running unit on 30. 4. 73 and have been expanding renovating the same from time to time since then.

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## CORPORATE INFORMATION :

The Company is engaged in the business of manufacture of M.S. Ribbed Bars & Angles from 1973 and since then the company has maintained steady progress and regular growth.

The Company's reserves as on today are Rs. 2.18 lacs against the paid up Capital of Rs. 10.00 lacs. This demonstrates clearly the intrinsic value of the shares. The following figures from the audited accounts serve to highlight the consistent improvements recorded by the Company in profitability and growth.

	Year ending 30th April				Rs. in Lacs	
	1977	1978	1979	1980	1981	Ending 31.10.1981
Gross Block	5.51	6.03	6.12	11.22	13.8	13.08
Sales	40.07	62.24	90.70	124.60	81.00	81.00
Profit before depreciation	1.33	.36	.45	2.44	1.84	.78
Profit after depreciation	.97	.21	.09	1.58	.81	.32
Equity Capital	10.00	10.00	10.00	10.00	10.00	10.00
Reserves & Surplus	.02	.81	.28	1.72	2.18	2.33
Gross earning per share of 10/- each as subscribed						
(before depreciation) Rs.	1.33	.36	.45	2.44	1.84	.78
Net worth per share (Rs.)	9.89	10.18	10.28	11.72	12.18	12.33

## PROMOTERS AND MANAGEMENT

The Company was promoted by Mr. A. P. Jain, Mr. R. S. Singh and Mr. V. C. Jain who have been extensively involved with the development of the Company. They have personally assisted in the planning and development of adequate production facilities, lending therein expertise in various stages of planning, production, selection of man power and equipment.

The Company is managed by the Board of Directors. Subject to its superintendence, control and direction, the President is responsible for day to day management of the Company. The Directors of the Company are persons with wide experience in various fields of activity. The present team, alongwith additional result oriented executives inducted to key position shall contribute to the unique growth of the Company.

## PROPOSED PROJECT :

The Company has undertaken to expand and modernise its existing Re-Rolling unit under the name and style M/s. Steel Rolling & Allied Industries at Moradabad (U. P.) manufacturing iron & Steel products like M. S. Ribbed Bars & Angles by installing one



350 mm ROUGHING MILL with three stands to its existing 240 mm Re-rolling Mill and also a modern laboratory to standardise the Products as per ISI specifications IS 226-1262.

The project when completed will increase the existing production by double fold. The Company has space within the existing premises to accomodate the proposed additions to machinery and necessary infrastructure.

#### LAND, WATER AND POWER :

The factory is located at 3rd Mile, Delhi Road Moradabad (U. P.) and is just 5.KM away from Moradabad town in a fast developing area on the road going to Delhi. Moradabad Railway Station is hardly 5 KM away from the factory.

Adequate water is available from the existing deep tube wells. The Company is presently having a power load of 400 H. P. and has been sanctioned additional 600 H. P. load by Uttar Pradesh State Electricity Board to meet the additional requirements of power for the Expansion/Modernisation.

#### RAW MATERIALS :

The main raw material for the manufacture of M. S. Ribbed Bars & Angles is Steel ingots. Moradabad is centrally located town where raw materials for the unit are available from the sorrounded Mini Steel Plants in or around Lucknow, Kanpur, Muzaffarnagr, Gaziabad and Delhi. Moreover Gaziabad wherefrom Steel Authority of India Ltd, Indian Iron & Steel Co. Ltd feed their allocated quota of raw Materials to re rolling mill is hardly 110 KM from the factory of the Company.

#### EFFLUENTS :

No effluents except the gas and coal ash are discharged by the industry. Gases are released in the atmosphere and the coal ash is damped.

#### MARKET AND DEMAND :

The vide demand of the products of the Company is fast growing with the urbanisation and industrialisation of the country. The products has a ready demand in the surrounding cities of Lucknow, Kanpur, Muzaffanagar, Gaziabad and Delhi.

#### PLANT & MACHINERY :

The new facilities will consist of :

- a) Driving Shaft assembly
- b) Diven Shaft assembly
- c) Reduction Gear Box
- d) Pinion Box
- e) 360 mm Rolling Mill Accessories
- f) 600 HP Motor with accessories
- g) Laboratory



All the Plant & Machineries are available indigenously in and around DELHI .

#### SCHEDULE OF IMPLEMENTATION :

Schedule of implementation is being drawn in such a manner that the existing production is ensured smoothly. The orders for major machineries are being finalised and will be placed with reputed suppliers shortly. The purposed Expansion/Modernisation is expected to be completed by 31.10.1982

#### COST OF THE PROJECT :

	000 Rs.
Plant & Machinery	926
Other Fixed Assets	12
Public Issue Expenses	40
Additional Margin Money	125
Contingence	100
	<u>1203</u>

#### TOTAL FUNDS REQUIRED :

Cost of Project	1203
Repayment of Loans	410
	<u>1613</u>

#### MEANS OF FINANCE :

Increase in Equity Capital	1500
Internal Accurrals	113
	<u>1613</u>

#### WORKING CAPITAL REQUIREMENTS :

The Company is presently having credit facilities with nationalised Bank and does not foresee any difficulty in obtaining additional working capital facilities from the Bank(s).

#### TAX BENEFITS :

The Directors of the Company are advised that according to the current laws in force, the following tax benefits are expected to be available to the Company and its members.

#### TO THE COMPANY :

1. The Company will be entitled to amortization of certain preliminary expenses including the expenses incurred on the present issue of shares over a period of ten



successive years under section 35-D of the Income-tax Act, 1961 subject to the limits prescribed therein.

2. The Company will be entitled to investment allowance of 25% of the cost of plant and machinery to be installed under the project, under section 32-A of the Income-tax Act of 1961
3. After the issue of shares to the public under the Prospectus, the Company will be listed on a recognised Stock Exchange in accordance with the Securities Contracts (Regulation) Act, 1956. The Company will thereupon be entitled to lower rates of Income tax applicable to domestic industrial companies in which public are substantially interested, as provided in the Income-tax Act, 1961.
4. The Company will be entitled to additional depreciation under Section 32 of the Income-tax Act, 1961 equal to 50% of the normal depreciation on its new plant and machinery in the year in which the machinery is installed.

#### TO THE MEMBERS :

1. The members of the Company, who are individuals or Hindu Undivided Families, are entitled to claim deduction from total income to the extent of Rs. 3,000/- per year in respect of income from specified investments including dividends received from Indian Companies under Section 80L of Income-tax Act, 1961.
2. The members of the Company, who are individuals or Hindu Undivided Families or associations of persons or body of individuals as specified, are entitled to a deduction in the computation of their total income of 50% of the amount invested in equity shares of new industrial companies including this Company, under Section 80 CC of the Income-Tax Act, 1961. The maximum investment in a year qualifying for this deduction will, however, be limited to Rs. 10,000/-
3. Members of the Company who are themselves domestic companies will be entitled a deduction under section 80 M of the Income-tax Act, 1961, of 60% of the net dividend including dividend Income from the Company.
4. Members of the Company who are individuals of Hindu Undivided Families will be entitled to exemption from surtax on dividend received by them from the Company under the Companies (Profits) Surtax Act, 1964, in computing chargeable profits under the said Act.
5. Members of the Company who are individuals or Hindu Undivided Families will be entitled to exemption from Wealth-tax under Section 5(1)(xxiii) of the Wealth-tax Act, 1957 on the value of assets specified in Section 5(1A) of the said Act including the Shares of the Company, provided the Shares are held for the minimum period

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#### STATUTORY

#### MAIN OBJECT

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referred to in section 5(3) of the said Act. Such exemption is, however, subject to the restriction of Rs. 1,50,000/- in value in the aggregate in respect of all the assets specified in Section 5(1A) of the Wealth-tax Act, 1957.

#### STATUTORY AND OTHER GENERAL INFORMATION :

##### MAIN OBJECTS OF THE COMPANY :

The main objects of the Company, as set out in its Memorandum of Association are :

1. Shaping of iron ingots in bars, rods, channels & Sheets.
2. Manufacture of various types of gases.
3. To manufacture and assemble partly or completely plant, machinery, spares, tools and all types of agricultural implements, plants and equipments such as tractors, tillers, electrical motors and pumps, ploughs, threshers, reaperers, harvesters, sprayers and all other equipments used in machanised farming processes and for the purpose, to establish, own, erect, buy take on lease or otherwise acquire, run, superintend, control and manage mills, factories, all types of engineering workshops, foundries, casters of all kinds and varieties.
4. To manufacture, process, buy, sell, import, export, repair, convert, alter, let on hire and deal in plants, machineries and equipments, tools and spares in connection with mechanised land cultivation milling and processing of all types of farm products, water supply and land irrigation such as tube wells, boring machine and water supply and oil extracting engines and all other types of plant and machinery having similar or allied uses.
5. To manufacture, produce or otherwise acquire, buy, sell, dealing, export and import of all types of mechanical handling and metal cutting equipments, machine tool and all other types of light and heavy engineering plant and equipments used in mines mills factories, refineries, steel and other smelting plants, ports and water navigation, and to design, construct, fabricate erect and commission such machineries plant and equipments.

##### MINIMUM SUBSCRIPTION :

The minimum amount on receipt of which the Directors will proceed to make allotment of the shares is Rs 375000/- being the aggregate amount payable on application at the rate of Rs. 2.50 per share in respect of 1,50,000 Equity Shares of Rs. 10/- each offered to the public for subscription in terms of this prospectus.

##### EXPENSES OF THE ISSUE :

The expense of the present issue including brokerage, fees of the Managers to the issue and their expenses, printing, distribution and publication expenses, advertisement, legal and other charges etc. are estimated at Rs. 40,000 which will be met out of the proceeds of the issue.



## BROKERAGE :

Brokerage will be paid at the rate of 1% on the nominal value of equity shares on the basis of allotment made against application bearing the stamp of a member of any recognised Stock Exchange in India in the Broker's column. Brokerage at the same rate will also be payable to the Bankers and brokers to the issue in respect of allotment made against applications procured by them, provided the relative forms of application bear their respective stamps in the Broker's Column.

## FEES PAYABLE TO MANAGERS TO THE ISSUE :

Mathran Consultants Ltd., Managers to the issue will be paid for their services as mentioned in their letter of offer and accepted by the Company.

## CAPITALISATION OF RESERVES :

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

# Auditors' Report

To  
The Directors,  
Gastel India Limited,  
34A, Metcalfe Street  
Calcutta-700 013

Dear Sirs,

We have examined the audited accounts of GASTEL INDIA LIMITED, 34A, Metcalfe Street, Calcutta-700 013, for the five financial years ended 30th April 1981 and have also examined and found correct the accounts of the Company for the six month's period ended 31st October, 1981.

Adjustments may be necessary in the accounts for the six months period ended 31st October 1981, for complying with the requirements of law relating to the accounts to be placed before the Company in General Meeting, but at the date of signing the report we are not aware of any material adjustments which would effect the position as shown by the accounts examined by us,

I- In accordance with the requirements of Clause 24 of Part -II of Schedule II of the Companies Act, 1956, we report that the profits which have been arrived at after charging all expenses of working and management including depreciation of the Company for the above period, after making such adjustments as are, in our opinion, appropriate and subject to the notes herein contained.

## INCOME

1. Sales
2. Other Income
3. Closing Stock

## EXPENDITURE

- Opening Stock
- Raw Material
- & Stores
- Manufacturing
- & Other
- Expenses
- Depreciation
- Investment
- Allowances
- Development
- Rebate

- Profit before
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	Financial Year ended 30th April				Period of 6 months ended	
	1977	1978	1979	1980	1981	31st Oct.'81
INCOME	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
1. Sales	40,06,723	62,24,046	90,69,639	1,24,60,303	1,52,68,473	81,00,001
2. Other Income	89,625	16,205	37,738	15,848	6,298	500
3. Closing Stock	4,85,360	3,99,968	6,59,649	6,52,079	16,78,904	11,95,467
	45,81,708	66,40,219	97,67,026	1,31,28,230	1,69,53,675	92,95,968
EXPENDITURE :	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Opening Stock	2,84,500	4,85,360	3,99,968	6,59,649	6,52,079	16,78,904
Raw Material & Stores	35,73,763	53,71,273	85,42,855	1,10,49,100	1,50,30,981	68,53,361
Manufacturing & Other Expenses	5,81,615	7,47,589	7,78,825	11,75,169	10,86,178	6,85,855
Depreciation	36,341	15,372	35,856	85,958	1,03,502	45,647
Investment Allowances	8,800	5,975	2,150	93,500	17,700	—
Development Rebate	—	2,150	—	—	—	—
	44,85,019	66,27,719	97,59,654	1,30,63,376	1,68,90,440	92,63,767
Profit before Tax	96,689	12,500	7,372	64,854	63,235	32,201
Provision for Taxation	—	—	—	15,000	35,000	17,000
Profit after Tax	96,689	12,500	7,372	49,854	28,235	15,201

II. In accordance with the further requirements of Clause 24(2)(b) of Part—II of Schedule II of the Companies Act, 1956 we also report that the Assets and Liabilities of M/s. Gastel India Limited as at 30th April 1981, which is the last date to which the Company's accounts, have been made up and audited by us prior to the date of this report and as at 31st October 1981 which we have also examined, were as set out below after making such adjustments and regroupings as in our opinion, were appropriate and subject to the notes herein contained.



ASSETS :	As on 30th April, 1981		As on 31st Oct. 1981	
Fixed Assets (At Cost)	13,08,445		13,08,445	
Less : Depreciation	<u>3,82,461</u>	9,25,984	<u>4,28,108</u>	8,80,337
<u>Current Assets, Loans &amp; Advances</u>				
Inventories	17,54,099		12,29,237	
Sundry Debtors	6,63,406		10,26,250	
Cash & Bank Balances	17,001		7,454	
<u>Loans &amp; Advances</u>				
Advance recoverable in cash or kind or for value to be received (unsecured considered good)	<u>7,13,667</u>	31,48,173	<u>14,81,121</u>	37,44,062
Total Assets		<u>40,74,157</u>		<u>46,24,399</u>
Less : LIABILITIES				
Secured Loans from Bank	6,85,730		6,78,664	
Unsecured Loans	3,50,000		4,10,000	
Current Liabilities	17,70,385		22,35,492	
Provisions for Taxation	<u>50,000</u>	28,56,115	<u>67,000</u>	33,91,156
		<u>12,18,042</u>		<u>12,33,243</u>
<u>Net Assets Represented by</u>				
<u>SHARE CAPITAL</u>				
1,00,000 Equity Shares of Rs. 10/- each fully paid		10,00,000		10,00,000
<u>Reserve &amp; Surplus</u>				
General Reserve	80,000		80,000	
Investment Allowance	1,28,125		1,28,125	
Development Rebate	8,150		8,150	
Surplus	<u>1,767</u>	2,18,042	<u>16,968</u>	2,33,243
		<u>12,18,042</u>		<u>12,33,243</u>
		12		

Notes on Income

1) Future Liabilities as and when

2) Secured Liabilities Finished

3) Inventories is valued

Contingent Liabilities

1) Excise d

2) Capital

II. Dividends :

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Calcutta-700 0

29th, January 1



Notes on Income & Expenditure and Assets & Liabilities :

- 1) Future liability for gratuity has not been ascertained. It shall be accounted for as and when paid.
- 2) Secured Loans are partly against hypothecation of Stock of Raw Materials & Finished Goods and partly against Bank deposit of another company.
- 3) Inventories are as certified by the Management and at cost except that scrap is valued at selling price.

Contingent Liabilities :

- 1) Excise duty payable in dispute Rs. 25,000/-
- 2) Capital Comitments of Rs. 3,49,125/- advance their against Rs. 1,57,106/-

II. Dividends :

We further report that the company has not declared any dividend so far.

4, Ganesh Chandra Avenue  
Calcutta-700 013  
29th, January 1982

For SHARAT JAIN & CO.  
Chartered Accountants  
S. K. JAIN  
Proprietor



## VOTING RIGHTS AND RESTRICTIONS :

Article 133 provides that at any General Meeting a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is demanded.

Article 134(1) provides that every member of the Company holding any equity share shall have right to vote on every resolution placed before the company and his voting right on a poll shall be in proportion to his share of the paid up Capital of the Company other than preference.

Article 142 provides that any member of a company entitled to attend and vote at a meeting of the company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself. A proxy so appointed shall not have any right to speak at the meeting nor shall be entitled to vote except on a poll.

Article 134(2) provides that no member shall exercise any voting right in respect of any Share registered in his name on which any call or other sums presently payable by him have not been paid or in regard to which the company has and has exercised any right of lien.

Article 136 provides that a duly authorised representative of a body corporate entitled to represent it at any meeting of the Company or a Class of members of the Company or Creditors (including a holder of debentures) of the Company, shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as the body could exercise as if it were a member, creditor or holder of debentures of the Company.

Articles 137 provides that any person entitled under the Transmission clause to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote, he shall satisfy to Board of Directors of his right to transfer such shares and give such indemnity (if any) as the Board of Directors shall have previously admitted his right to vote at such meeting in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purpose of voting be deemed joint holders thereof.

Article 138 provides that in case of joint holders the vote of the senior (seniority shall be determined by the order in which name stands in the members register) who tenders a vote, in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Article 139 provides that a member of unsound mind or in respect of whom a member declared an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.



#### REVALUATION OF ASSETS :

No revaluation of assets has been made since the incorporation of the Company.

#### RESTRICTION ON TRANSFER OF SHARES :

Article 60 provides that subject to the provisions of Section 111, which clarifies the power to refuse transfer, the Board may decline to register transfer of shares, not being a fully paid up shares, to a person of whom they do not approve, or shares (not being fully paid up shares) on which the Company has a lien.

Article 57 provides that no transfer shall be made to a person of unsound mind.

Article 61 provides that the registration of transfers may be suspended at such times and for such periods (not more than 45 days in a year) as the Board may from time to time determine.

#### RIGHTS OF SHARE HOLDERS IN RESPECT OF CAPITAL AND PROFITS OF THE COMPANY :

The nature and extent of interest of the shareholders in the property and profits of the company are as provided in the Articles and are in conformity with the Companies Act. Subject to the provisions of the Articles, the profits of the company are divisible among the members in proportion to the amount of capital paid up or credited as paid up on the share held by them.

#### CLASSES OF SHARES :

The Share capital of the company consists of equity shares only.

#### LIEN ON SHARES :

Article 29 provides that the company shall have a first and paramount lien upon every share (not being fully paid up shares) and upon the proceeds of sale thereof for all moneys (whether presently payable or not called or payable at a fixed time in respect of that share and or all shares not being fully paid up shares) standing registered in the name of single person for all moneys presently payable by him or his estate to the company and no equitable interest in any share shall be created so as to affect these regulators and such lien shall extend to all dividends from time to time declared in respect of such shares but the Board may at any time declare any share to be exempt, wholly or partly, from the provisions of this Article.

Article 30 provides inter alia that lien may be exercised by sale of shares.

#### OPTION TO SUBSCRIBE :

Except as otherwise stated in this prospectus, the Company has not entered into any contract or arrangement and does not presently propose to enter into any contract or



arrangement whereby any option or preferential right has been or is proposed to be given to any person to subscribe for any shares in or debentures of the Company.

#### ISSUE OTHERWISE THAN FOR CASH :

No shares or debentures have been issued or agreed to be issued otherwise than for cash within two years preceding the date of this Prospectus.

#### ISSUE AT A PREMIUM OR DISCOUNT :

No amount has been paid or is payable by way of premium on any shares issued or agreed to be issued by the Company since incorporation. The Company has neither issued nor agreed to issue any shares at a discount.

#### PREVIOUS ISSUE :

Except as stated in this prospectus, the Company has not issued any shares since its incorporation.

#### PREFERENCE AND BONUS SHARES AND DEBENTURES :

The Company has not issued so far any Bonus Shares, Preference Shares or Debentures.

#### PREVIOUS COMMISSION AND BROKERAGE :

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

#### BORROWING POWERS :

Article 90 provides that the Board may from time to time at its discretion raise or borrow or secure the payment of any sum or sums of money for the carrying on of the business of the Company in such manner and upon such terms and condition in all respects as they think fit, and in particular by issue of debenture of the Company charged upon all or any part of property of the Company both present and future including its uncalled capital for the time being ; provided that if the monies to be borrowed together with moneies already borrowed by the company ( a part from the temporary loans obtained from the Company's Bankers in the Ordinary Course of business ) exceed the aggregate of the paid up Capital of the Company and its free reserves i.e. reserve not set apart for any specific purpose, the Board shall do so with the consent of the Company in the General Meeting.

Article 92 provides that subject to the provisions of the Act and the Articles, debenture may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawing appointment of Directors and otherwise.



## **DIRECTORS :**

### **NUMBERS OF DIRECTORS :**

As per Article 163, number of Directors shall not be less than three and not more than eleven. Article 165 provides that subject to Article 177, the company may in General Meeting increase the number of its Director.

Article 177 provides that the continuing directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below quorum fixed by Article 181 for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of directors to that fixed for the quorum or, of summoning a general meeting of the Company but for no other purpose.

### **ALTERNATE DIRECTOR :**

Article 172 provides that the Board may appoint an alternate Director to act for a director during his absence for a period of not less than three months from the state in which meetings of the Board are generally held and such appointee shall be empowered to exercise all the powers and authorities and entitled to all the rights of the person in whose place he has been appointed. Alternate Director will vacate office if and when the original Director returns to the said state. The provision for automatic re-appointment of retiring director shall apply to the original director and not to the alternate Director.

### **SHARE QUALIFICATION :**

Article 166 provides that the Qualification of a director except director nominated by Debenture holders or by Central or State Government or Financial Institution shall be the holding of shares of the nominal value of Rs. 5000/- in the Company.

Article 167 provides that every Director who is required to hold specified number of shares shall hold the same within 2 months after his appointment as director and shall file with the Company a declaration specifying the Qualification shares held by him.

### **POWERS OF THE BOARD :**

Article 191 provides that the business of the Company shall be managed by the Directors who may exercise all such powers of the Company and to do all such acts and things as the Company is authorised to do and as are not by the Act or any statutory modifications thereof for the time being in force or by the Memorandum or by the Articles or otherwise, are required to be exercised or done by the Company in general meeting. Provided further that in exercising any such powers or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other Act or in the Memorandum and Article of the Company or in any regulations not inconsistent therewith and duly made thereunder 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 of Directors which would have been valid if that regulation had not been made.



## DELEGATION OF POWERS :

Article 187 provides that the Board of Directors may subject to the provision of the Act delegate any of their powers to committees consisting of such member or members of their body as they may think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board,

## REMUNERATION OF DIRECTORS :

Article 178 provides that unless otherwise determined each Director shall be paid out of the funds of the Company by way of remuneration for his services a sum of Rs. 250/- for every meeting which he shall attend.

In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them :

- a) in attending and returning from meeting of the Board or Committee thereof, or a general meetings of the Company.
- b) in connexion with the business of the Company.

If any Director being willing is called upon to perform extra services or to make special exertion for any of the purpose of the Company such Director, subject to the provisions of sec. 198, 309, 310 and 311 of the Act, may be paid such other additional remuneration either by way of monthly salary or percentage of profit or otherwise as the Company may by special resolution authorised and Central Government may approve.

## CHAIRMAN :

Article 185 provides that the Board shall elect a Chairman of the Board of Directors and determine the period for which he is to hold office but if no Chairman is elected or if at any meeting the Chairman is not present at the time appointed for holding the same the Directors present shall choose some one of their member to be Chairman of the meeting.

## INTEREST OF DIRECTORS :

All Directors may be deemed to be interested in the Company to the extent of

- a) Their shareholdings in the Company and the benefits thereof.
- b) Fees those may be paid to them for attending the meetings of the Board or committee(s) thereof.
- c) Payment of expenses incurred by them for Company's work.

## PAYMENTS OF BENEFITS TO PROMOTERS AND OFFICERS :

No amount or benefit has been paid or given within the two years preceding the date of this Prospectus or intended to be paid or given to any Promoter or Officer of the



Company save as normal remuneration for services as Directors, Officers or employees of the Company.

#### **PURCHASE OF PROPERTY :**

Save as elsewhere stated in the Prospectus, there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue of equity shares or the purchases or acquisition of which has not been completed at the date of the issue of this Prospectus other than property :

(i) The contract for the purchase or acquisition whereof was entered into in the ordinary course of the Company's business, the contract not being made in contemplation of this issue nor the issue is consequence of such contract, or

(ii) Of which the amount of the purchase money is not material.

Except as elsewhere stated in the Prospectus, none of the Directors is either directly or indirectly interested in any of the transaction relating to the properties described under the heading 'Material Contracts.'

#### **INDEMNITY :**

Article 240 provides that subject to provision of Sec. 201 of the Act every Director and servant of the Company shall be indemnified by the Company against and it shall be the duty of the company out of the funds of the company to pay, all costs, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant or any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such director, manager, officer or servant in defending any proceedings whether civil or criminal in which judgement is given in his favour or he is acquitted or discharged or in connection with any application under section 542 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as lien on the property of the Company and have priority as between members over all other claims.

Article 241 provides that subject to the provisions of Sec. 201 of the Act no Director, Manager or other officer of the company shall be liable for the acts, receipts or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by the order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by any error of judgement or oversight on his part for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.



## INSPECTION OF DOCUMENTS/CONTRACTS :

Documents/Contracts referred to below may be inspected at the Registered Office of the Company situated at 34A, Metcalfe Street, Calcutta-13 during office hours on any working day of the Company until the date of closing of the Subscription list.

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated 23rd February, 1973.
3. Certificate of Commencement of Business dated 4th April, 1973.
4. Copy of Resolution passed by the Company at its Extraordinary General Meeting held on 28th December, 1981 authorising this issue under Section 81 of the Companies Act, 1956.
5. Auditors' Report dated 29th January, 1982 for the period ended 31st October, 1981.
6. Annual Reports of the Company for the years ended 30th April, 1977, 1978, 1979, 1980, end 1981 and the Statement of Accounts for the period ended 31st Oct., 1981.
7. Consents of Auditors, Legal Advertisers, Managers to the Issue, Bankers to the Issue and Brokers.
8. Letter dated 1st January 1982 from Mathran Consultants Ltd. and companies acceptance thereof appointing them as Managers to the issue.

## APPLICATION AND ALLOTMENT :

Application must be made only—

- a) on the prescribed application form accompanying this Prospectus.
- b) for a minimum of 50 shares or multiples thereof.
- c) in single name or in joint names (not more than three)
- d) in the names of individuals, limited companies or statutory corporations/institutions and NOT in the names of Non residents, trusts (unless the trust is registered under the Societies Registration Act and is authorised under its constitution to hold shares in the Company, minors, firms or partnership concerns or the nominees of any of them and
- e) in full name 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. applications may be made in single or in joint names (not more than three). Two or more applications in single and/or in 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 application.

#### APPLICATION UNDER POWER OF ATTORNEY :

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 attached to the application form or lodged separately with the Company, for registration.

#### RECEIPT OF MONEY :

Payment should be made in cash or by cheque/Bank draft drawn on a Bank (including a Co-operative Bank) which is member or sub-member of the Banker's Clearing House located at the centre where the application is submitted, Outstation cheques or bank drafts will not be accepted and applications accompanied by such instruments are liable to be rejected. Money Orders will not be accepted. All cheques or drafts accompanying the applications should be crossed "Account Payee Only" and made payable to any of the Bankers to the issue as mentioned herein before with whom the application is lodged and should bear the words "Gastel Equity issue". No receipt will be issued for application money. However the Bankers to the issue will acknowledge receipt of the application by stamping and returning the acknowledgement slip at the bottom of each application.

#### DISPOSAL OF APPLICATION AND MONEYS :

The Company shall inform the applicants by issue of letter of allotment/letter of regret/share certificate in respect of allotment within two months of the closing of the subscription list or within such period as may be extended by the Calcutta Stock Exchange in case of unforeseen circumstances.

The Directors reserve full and unqualified right to accept or to reject any application in whole or in part and in either case without assigning any reason. In case the application is rejected fully, the whole of the application money received will be refunded and where an application is rejected in part, the balance of application money received will be adjusted against the money payable on allotment of the shares and the balance, if any, will be refunded within two months of the date of closing of the subscription list in accordance with the provisions of Section 73 of the Act, to the applicants by cheque or draft drawn on any of the Bankers to the issue through post or otherwise at the risk of the applicant payable at par at all the places where applications are being received.

#### OVERSUBSCRIPTION :

In the event of the present issue being oversubscribed, the allotment of shares will be made in consultation with the Calcutta Stock Exchange.



#### AVAILABILITY OF FORMS AND PLACES OF ACCEPTANCE :

Application forms with copies of the Prospectus may be obtained from the Registered Office of the Company, Brokers, Managers to the issue the Bankers to the issue named herein before and from the branches of the Bankers to the issue as stated on the back of the application form,

All application forms 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 hereinbefore or to any of their branches mentioned on the back of the application form. and NOT to the Company or to the Managers to the issue. For further instructions please read the application form carefully,

#### ISSUE OF SHARE CERTIFICATE :

The share certificates will be ready for delivery, within three months from the date of allotment in exchange of allotment letter(s) issued, if any.

Place : Calcutta

Date : 1st February 1982

S. D. Jain

P. C. Jain

B. K. Jain

K. P. Jain

N. D. Jain

Director