

P R O S P E C T U S

HARVATEX ENGINEERING & PROCESSING CO., LTD.,
73/1, Cotton Street, (4th Floor)
Calcutta-700001

REGD. OFFICE :

PUBLIC ISSUE OF 1,50,000 EQUITY SHARES
OF RS. 10/- EACH AT PAR.

This issue of Equity Shares is within the Exemption Limit of Rupees 50 Lakhs under the Capital Issue (Exemption) Order, 1969.

A Copy of this prospectus having attached thereto the documents required to be filed under section 60 of the Companies Act, 1956, has been delivered for registration to the Registrar of Companies, West Bengal, Calcutta.

Application will be made to the Stock Exchange at Calcutta for Permission to deal in and for an official quotation of Equity Shares of the Company.

The Subscription list will open at the commencement of banking hours on and will close at the close of banking hours on or earlier at the discretion of the Board of Directors of the Company but not before the close of banking hours on .

Attention of the applicants is drawn to sub-Section (1) Section 68A of the Companies Act, 1956, which is reproduced below :-

" ANY PERSON WHO -

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

" SHALL BE PUNISHABLE WITH IMPRISONMENT FOR A TERM WHICH MAY EXTEND TO FIVE YEARS ".

(INCORPORATED UNDER THE COMPANIES ACT, 1956)

REGD. : OFFICE

HARVATEX ENGINEERING & PROCESSING CO. LTD.

73/1, Cotton Street, (4th Floor)

Calcutta-700001

SHARE CAPITAL :

Rs. P.

Authorised :

2,50,000 Equity Shares of Rs.10/- each 25,00,000.00

Issued, Subscribed and Fully Paid up :

90,000 Equity Shares of Rs.10/- each have been subscribed for cash at par by the signatories to the Memorandum of Association, Directors, their friends, relatives and Associates 9,00,000.00

Present Issue offered to the Public for :

Subscription for Cash at par :

1,50,000 Equity Shares of Rs. 10/- each 15,00,000.00

Application and Terms of Payment :

Application for Equity Shares must be made for a minimum of 50 Shares or multiples thereof. Amount payable shall be as under

- | | | | |
|----|------------------------|---|--------------------|
| A) | On Application | - | Rs. 2.50 per Share |
| B) | On Allotment and calls | | Rs. 7.50 per Share |

Failure to pay the amount due on allotment will render the allottee liable to payment of interest thereon @ 12% p. a. and will also render the share in question including the amounts already paid on them liable to forfeiture.

TERMS OF THE ISSUE :

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

Contd.....

BOARD OF DIRECTORSName, Description, Address & Occupation

1. *Shri Ajit Kr. Day.*
57 Ballygunge Place
Cal-19

2. *Shri Girwardal Bajaj*
26 Burtolla Street
Cal-7

3. *Shri H. P. Kasimpuria*
489/1 G. T. Road.
Shilbpur, Howrah.

REGISTERED OFFICEAUDITORS :BANKER TO THE COMPANYBANKER TO THE ISSUEBROKERS TO THE ISSUE

- | | |
|--------------|---|
| 1. AHMEDABAD | : |
| 2. BOMBAY | : |
| 3. BANGALORE | : |
| 4. CALCUTTA | : |
| 5. COCHIN | : |
| 6. HYDERABAD | : |
| 7. INDORE | : |
| 8. MADRAS | : |
| 9. NEW DELHI | : |

UNDER WRITERS

The issue has not been under written

CONSENTS

Consent in writing of the above mentioned Auditors, Bankers to the issue, Bankers to the Company, and Brokers to the issue to act in their respective capacities have been obtained and filed with the Registrar of the Companies, West Bengal, Calcutta, as required by the Companies Act, 1956 and none of them have withdrawn the said consent up to the time of delivery of a copy of this prospectus to the Registrar of Companies. M/s. the Auditors of the Company, have given their written consent for inclusion of their report in the form and context in which it appears later in this prospectus and such consent has not been withdrawn.

HISTORY AND BUSINESS OF THE COMPANY.

28.6.82

The Company was incorporated on under the provisions of Companies Act, 1956 as a Public Limited Company for the objects set out in the Memorandum of Association of the Company. The Company obtained the Certificate for commencement of Business on 14.7.82 from the Registrar of Companies, West Bengal, Calcutta.

PROMOTORS

The Company has been promoted by a group of Businessmen having good experience of all types of trade and business, whose names appear under the heads signatories to the Memorandum of Association in this prospectus.

MANAGEMENT

The management of the Company is vested in the Board of Directors which comprises of persons with professional, managerial and administrative experience.

BUSINESS PROSPECTUS AND PROFITABILITY

With continuous industrial development and expanding money market from the start of the sixth plan and revival of economic activities the Directors hope that subject to unforeseen circumstances within a short period the company will be able to earn reasonable profit.

| CAPITAL OUTLAY | | Amount |
|-------------------------------------|----|---------------------|
| | | Rs. P. |
| Working Capital | .. | 23,40,000.00 |
| Preliminary & Public issue Expenses | .. | 60,000.00 |
| | | <u>24,00,000.00</u> |

Sources of Finance :

| | |
|---|--------------|
| Shares already issued and subscribed by Promoters, Directors their friends, relatives and Associates. | 9,00,000.00 |
| Proceeds of the Present issue | 15,00,000.00 |

T A X B E N E F I T S

The Directors are advised that according to current tax laws in force, the following tax benefits will be available :-

- a) Members of the Company referred to in Section 80L of the Income Tax Act, 1961 will be entitled to deduction under the Section from their total income to the extent of Rs. 4,000 per year in respect of specified items which would include dividends received by them from the Company.
- b) Members who are domestic companies will be entitled to deduction under Section 80M of the Income Tax Act, 1961, at 60% of the dividends received by them from the Company.
- c) Members of the Company who are individuals and Hindu Undivided Families will be entitled to exemption from wealth tax under Section 5(1) (xiii) of the Wealth Tax Act, 1957, on the value of equity shares to the extent of Rs. 1,65,000 as per Section 5 (1A) in respect of specified assets including the value of shares in the Company.

AUDITORS' REPORT

To
The Directors,

OTHER STATUTORY AND GENERAL INFORMATION
MAIN OBJECTS OF THE COMPANY :

The objects for which the Company is established are set out fully in the Memorandum of Association and the main objects of the Company inter alia are :-

| <u>Serial No.</u> | <u>Names, Address, Occupations and Descriptions of the Subscribers</u> | <u>Number of Equity Shares taken by each Subscriber</u> |
|-------------------|---|---|
| 1. | Raj Kumar Kedia S/O. Satyanarayan Kedia 26, Burtolla Street Calcutta - 700 001 (BUSINESS) | 10 |
| 2. | Munna Kumar Sultania S/O. Parmeshwar Lal Sultania 9, Old China Bazar Street Calcutta - 700 001. (SHARE BROKER) | 10 |
| 3. | Shyam Sunder Mundra S/O. Ramniwas Mundra 26, Burtolla Street, Calcutta - 700 007. (SERVICE) | 10 |
| 4. | Madan Day S/O. Late Satish Chandra Day 372, Rabindra Sarani, Calcutta - 700 006. (SHARE BROKER) | 10 |
| 5. | Shyamal Kumar Chokerborty S/O. Manik Lal Choker Borty 9, Old China Bazar Street, Calcutta - 700 001. (SERVICE) | 10 |
| 6. | Prasanta Kumar Roy S/O. Late Gopal Chandra Roy C/O. Sadananda Das Hari Mohan Chatterjee Road, P.O. Kamarhati (Agarpara) Calcutta - 700 058. (SERVICE) | 10 |
| 7. | Pradeep Kumar Lath S/O. Omprakash Lath 73/1, Cotton Street, Calcutta - 700 007. (BUSINESS) | 10 |

OBJECTS OF THE ISSUE

The purpose of the present issue is to provide finance required for the working capital of the Company.

PRELIMINARY EXPENSES

The estimated preliminary expenses are about Rs.18,000/- which are being incurred by promoters and the same are to be re-imbursed to them.

EXPENSES OF THE ISSUE

The expenses of the issue including brokerage, fees, printing, distribution and publication expenses, legal charges bank charges, auditors' fees, are estimated to be Rs. 42,000/- and are to be met from the funds of the Company.

Brokerage will be paid at the rate of $1\frac{1}{2}\%$ of the nominal value of shares on the basis of allotment made against applications bearing the stamp of a member of any recognised Stock Exchange in India. Brokerage at the same rate will be payable to the Brokers and Bankers to the issue in respect of allotment made against applications procured by them provided the relative forms of applications bear their respective stamps in the brokers' column.

UNDER WRITING COMMISSION

Since no part of the issue has been underwritten, no underwriting commission is payable to any person.

ISSUE OTHERWISE THAN OF CASH.

No issue of share has been made by the Company otherwise than for cash since the date of incorporation of the Company.

ISSUE AT PREMIUM OR DISCOUNT

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

OPTION TO SUBSCRIBE

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

INTEREST OF DIRECTORS

All the directors are or may be deemed to be interested to the extent of the remuneration payable to them in accordance with the Articles.

The Directors are or may be deemed to be also interested to the extent of the shares, if any, presently held by them or that may be subscribed for and allotted to them or their relatives out of the present issue.

PAYMENT OR BENEFIT TO PROMOTERS AND OFFICERS

Save as stated in this prospectus no amount of benefit has been paid and none of the Directors or promoters is in any way interested in the promotion of the Company except as Directors or Shareholders. No benefit has been paid or given or is intended to be paid or given to any promoter or officers except the normal remuneration and/or perquisites for services as Directors, Officers or Employees of the Company.

DIRECTORS

Article 85 of the Company's Articles of Association Provided that until otherwise determined by the Company in General Meeting, the number of Directors of the Company shall not be less than three and not more than seven.

POWERS OF DIRECTORS

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 these 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 these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting, but no regulations 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.

DIRECTORS' SHARE QUALIFICATION

Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any share in the Capital of the Company as his qualification.

REMUNERATION OF DIRECTORS

(a) Each Director shall be entitled to receive out of the funds of the Company for each Meeting of the Board of Committee thereof attended by him a fee not exceeding Rs. 250/- as may from time to time be determined by the Board. All other remuneration, if any, payable by the Company to each Director whether in respect of his services as a Managing Director or Deputy Managing Director or a Director in whole or part-time employment of the Company, shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their Reasonable travelling, hotel and other expenses incurred in consequence of their attending at Board and Committee meetings or otherwise incurred in the execution of their duties as Directors.

(b) In any Director, being willing, is appointed as an Executive Officer either whole time or part-time or be called upon to perform extra services or to make any special exertions in going or residing away from Calcutta for any of the purposes of the Company or in giving special attention to the business of the Company or member of the Committee on the Board then, subject to, section 198, 309, 310 & 314 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise in any of the ways as provided in Sec.309 of the Act and such remuneration may be either in addition to or substitution for any other remuneration to which he may be entitled.

Provided that any Directors including managing Directors (if any) holding an office of profit under the Company within the meaning of Section 314 of the Act shall not be entitled to sitting fee as aforesaid for their attendance at meeting of the Board of Directors or Committee hereof.

MANAGING DIRECTORS

Subject to the provisions of Section 316 and 317 of the Act, the Board may, from time to time appoint one or more Directors or whole time Director/Directors to be Managing Director or Managing Directors of the Company. either for a fixed term or without any limitation as to the period for which he or they is or are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

BORROWING POWERS

The Board may, from time to time, at its discretion, subject to the provisions of section 292, 293 and 370 of the Act, raise or borrow, either from the Directors or from elsewhere, and secure the payment of any sum of sums of money for the purposes of the Company.

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and, in particular, by the issue of bonds notes convertible redeemable or otherwise perpetual or redeemable, debentures or debenture-stock, or any mortgage or other security on the undertaking of the whole or any part of the other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being.

Any debenture, debenture-stock, bonds or other securities may be issued at discount, premium or otherwise and with any special privileges as to redemption, surrender, Conversion, Drawings, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued : Provided that debentures with the right to allotment of or conversion into shares shall not be issued except in conformity with the provision of section 81(3) of the Act.

Contd.....

Save as provided in Section 108 of the Act, transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

If the Board refuses to register the transfer of any debentures the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

CAPITALISATION OF RESERVES

The Company has not capitalised any reserve since incorporation.

REVALUATION OF ASSETS

There has been no revaluation of the assets of the Company since incorporation.

RESTRICTION ON TRANSFER OF SHARES

Subject to the provisions of Section 111 of the Act, the Board, without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to or the intimation of transmission was lodged with the Company, refuse to register any transfer of or the transmission by operation of law of the right to a share upon which the Company has a lien and in case of a share not fully paid up the Board may refuse to register the transfer to a transferee of whom the Board does not approve. The Board may also likewise refuse to register a transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Board from transferring the shares out of the name of the transferor or when a transferor object to the transfer provided he serves on the Company within a reasonable time a prohibitory order of a Court of Competent jurisdiction.

RETURN OF CAPITAL

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

If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a Special Resolution, divide among the contributories, in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributories, or any of them, as the Liquidators, with the like sanction, shall think fit.

D I V I D E N D

Subject to the rights of members entitled to shares (if any) which preferential or special rights attached thereto the Profits of the Company which shall from time to time be determined to be divided in respect of any year or other period shall be applied in the Payment of a dividend on the Equity Shares of the Company, but so that a Partly paid-up share shall only entitle the holder with respect thereof to such share and so that where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not rank for dividends or confer a right to participate in Profits.

L I E N

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

M A T E R I A L C O N T R A C T S

Since incorporation of the Company, the company has not entered into any contract (not being a contract entered into the ordinary course of business) which are or may be deemed material.

I N S P E C T I O N O F D O C U M E N T S

Documents referred to below may be inspected at the Registered Office of the Company situated at Calcutta - 700 001, between 11-00 A.M. to 1-00 P.M. on any working day (except Saturday and Holidays) until the closing of the subscription list.

1. Memorandum and Articles of Association.
2. Certificate of Incorporation of 1982
Dated _____ of the Company and Certificate for
Commencement of Business dated _____.

3. Consent letters of the Bankers, to the Company, Bankers to the Issue, Brokers to the Issue, Auditors named in the Prospectus.
4. Report of the Auditors of the Company mentioned in the Prospectus and Statement signed by them.

PREVIOUS COMMISSION, BROKERAGE AND DISCOUNT ON SHARES

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

PREVIOUS CAPITAL ISSUE

90,000 Equity Shares of Rs.10/- each fully paid-up were taken by the subscribers to the Memorandum of Association of the company, directors, their friends, relatives and Associates.

APPLICATION FOR SHARES AND ALLOTMENT

Applications for shares must be for a minimum of 50 shares or multiples thereof. Applications must be made on the Application Form accompanying this Prospectus in accordance with the instructions contained herein and in the Application Form. Applications made otherwise will be liable to be rejected. 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.

In the case of joint applications, the signature and particulars of each applicant must be properly completed in the appropriate spaces in the Application Form. Refund, pay orders, if any, will be made out in the first name and all communications will be addressed to the applicant whose name appears first at his address stated in the application form.

Applications for shares must be in the name of individuals limited companies, statutory corporations or Institutions and no in the names of minors, partnership firms or trust (unless the trust is registered under any societies Registration Act, and is Authorised under its constitutions to hold shares in a company) and must be completed in full in block letters in English. Applications which are not completed in every respect are liable to be rejected.

Application form Indian National, resident in India properly completed together with the amount payable on application at the rate of Rs.2.50 per Equity Share must be lodged before the closing date of the Subscription list with the Bankers to the Issue named in this Prospectus or in the Offices mentioned against their names in the Application Forms.

Non-resident Indians and Persons of Indian Origin, resident abroad may also apply for investment in this issue.

Application Forms from non-resident Indians/persons of Indian Origin resident abroad properly completed together with remittance form abroad towards the amount payable on the application through approved banking channels or out of the funds held in the non-residents (External) accounts along with the documentary evidence in this behalf must be delivered before the closing date of the subscription list with the Bankers to the Issue named in this prospectus or in the offices mentioned in the column against their names in the application form.

The Company as required by the Reserve Bank of India shall apply to the Reserve Bank of India for its permission in the manner prescribed by the Reserve Bank of India to accept such applications from non-resident Indians/persons of Indian origin resident abroad. The allotment of shares to non-resident Indian/persons of Indian origin resident abroad, shall be subject to the Company obtaining such approval from the Reserve Bank of India. Non-resident Indians/person of Indian origin resident abroad need not apply Direct to the Reserve Bank of India. Where the application is for 2,000 shares or above, the applicant or in the case of joint applicants, each of the applicants who has been allotted permanent Account Number under the Income Tax Act, 1961 should mention such number in the column provided for the same in the application form :

Payments should be made by cash or cheque or draft. Cheques or Drafts should be drawn on a scheduled Bank (including a State Co-operative Bank included in the second schedule to the Reserve Bank of India Act, 1934) or on any Bank (which is a members or sub-member or clearing houses located at centres where there are recognised Stock Exchange), situated at the same town where the application is tendered. A separate cheque or draft must accompany each application. Outstation cheques or drafts will not be accepted. Money orders are liable to be rejected.

Applications received after the close of the Subscription List are liable to be rejected. Cheques or Drafts should be made payable to the Bankers to the Issue and Marked "A/c. and for the protection of applicant it should be crossed " Account Payee only".

No receipt will be issued for application money, However, the Bankers to the issue will acknowledge Receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application.

Share certificate/Letter of allotment or letter of regret will be despatched within two months from the date of closing of the Subscription List or in unforeseen circumstances, within such extended period as may be approved by Stock Exchange, Calcutta. The Directors reserve the full and uncontrolled right to accept or reject any application in whole or in part. In case of the present issue being over subscribed the basis of the allotment will be decided in consultation with the Calcutta Stock Exchange. The Share Certificates will be ready for delivery in exchange for letter of allotment. if any issued within three months from the date of allotment.