

PROSPECTUS

JALGAON RE-ROLLING INDUSTRIES LTD.

Regd. Office :

18-27 INDUSTRIAL ESTATE

AJINTHA ROAD,

JALGAON-425 001

Public Issue of 3,40,000 Equity Shares
Of Rs. 10/- Each At Par.

X ARCIA
D. M. K. K. K. K.
S. K. K. K. K.

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, Maharashtra Bombay.

Application will be made to the Stock Exchange at Bombay and 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 Monday the 4th May, 1981 and will close at the close of banking hours on Wednesday the 13th May, 1981 or earlier at the discretion of the Board of Directors of the company but not before the close of banking hours on Thursday the 7th May, 1981

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 name.

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

JALGAON REROLLING INDUSTRIES LIMITED

(Incorporated under the Companies Act, 1956)

Regd. Office :

18-27, Industrial Estate,
Ajintha Road, Jalgaon-425 001

SHARE CAPITAL :

Authorised—

4,50,000 Equity Shares of Rs. 10/- each	45,00,000
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Issued. Subscribed and paid up—

50,000 Equity Shares of Rs. 10/- each have been subscribed for cash at par	5,00,000
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Present Issue for Cash at par

4,00,000 Equity Shares of Rs. 10/- each	40,00,000
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Out of the Present Issue—

60,000 Equity Shares of Rs. 10/- each have been reserved for allotment to promoters, Directors, their friends and relatives at par for cash to be paid simultaneously and in the same proportion with the allotment of Equity Shares offered to the public.	6,00,000
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Now offered to the Public for Subscription for cash at par —

3,40,000 Equity Shares of Rs. 10/- each	34,00,000
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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. 5.00 per share
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(b) On Allotment	...	Rs. 5.00 per share
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Failure to pay the amount due on allotment will render the Allottee liable to payment of interest @ 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 the Prospectus and the Memorandum and Articles of Association of the company. The Equity Shares shall rank paripassu 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 prorata for the period during which such capital is paid-up thereon.

BOARD OF DIRECTORS

Name, Description, Address & Occupation

Other Directorship

1. Sri Prahlad B. Khetan,
(S/o. Sri Bishemberdas Khetan)
Director,
5/9, Bruhkul Society,
Ajanta Road, Jalgaon.
(Business)

2. Sri Deoki Nandan Gupta,
(S/o. Sri Bansilal Gupta)
Director,
P-36 Pawanbagh, Malad West,
Bombay-400 064.
(Business)

3. Surendra Mohan Singh,
(S/o. Sri H. S. Singh)
Director,
101, Dharampath Extn.,
Cement Road, Nagpur-440 010
(Business)

Shree Gopal Finance Pvt. Ltd.

Managing Director :
Sunrise Structural & Engineering Private Limited.

Director :
Vidarbha Agro-Industries Private Limited.

Registered Office

18-27, Industrial Estate,
Ajintha Road, Jalgaon-425 001

AUDITORS :

M/s. B. V. Naik & Co.
Chartered Accountants,
Jalgaon.

SOLICITORS & ADVOCATES

M/s. Khaitan & Co.,
1B, Old Post Office Street,
Calcutta.

BANKERS TO THE COMPANY

Punjab National Bank,
Jalgaon-425-001

MANAGERS AND FINANCIAL ADVISERS**TO THE ISSUE :**

Messrs Salarpuria Jajodia & Co.
7, Chittaranjan Avenue,
Calcutta-700 072

BANKERS TO THE ISSUE

Punjab National Bank
8, Lyons Range
Calcutta-700 001

BROKERS TO THE ISSUE**AHMEDABAD :**

Gordhandas N. Gupta
Anandji Kalyanji Building
Opp. Dhanasuthar Pole
Relief Road
Ahmedabad-380 001.
Champaklal Bhailal Chokshi
Manek Chowk,
Near Share Bazar
Ahmedabad-380 001

BOMBAY :

Jamnadas Virji & Sons
5A, Hamam Street, Ground Floor
Post Box No. 961
Bombay-400 023.

L. K. Panday
Maharashtra Bank Bld.,
45/47, Apollo Street,
Bombay-400 023

BANGALORE :

Vijai & Company
Vijai Buildings
9, Eleventh Main Road,
Post Box No. 319, Malleswaram
Bangalore-560003

CALCUTTA :

Pravin Murarka & Co.
8, Lyons Range,
Calcutta-700 001

Ratanlal Damani,
8, Lyons Range
Calcutta-700 001.

Day Co.
7, Lyons Range,
Calcutta-700 001

Luxmi & Co.
16, India Exchange Place
Calcutta-700 001

Sajjan Kumar Saraf
7, Lyons Range,
Calcutta-700 001

Singhania Brothers
16, India Exchange Place,
Calcutta.

COCHIN :

Jones & Co.
37/216-5 Broadway, Ernakulam,
Cochin-682031

A. Aaron & Co.
Congress House. P. B. No. 1003
Hospital Road, Ernakulam
Cochin-682011

HYDERABAD :

Laxminarayan Rathi
4-5-173 & 174 Hasmat Gunj,
Sultan Bazar,
Hyderabad-500 001.

INDORE :

Pushkarlal Ghudawala,
44, Bada Sarafa,
Indore-452 002

MADRAS :

V. S. Krishnaswami & Co.
45, Armenian Street,
Post Box No. 265,
Madras-600 001.

NEW DELHI :

Amritlal Bajai & Co.
606, Kailash 26,
Kasturba Gandhi Marg,
New Delhi-110001

A. P. S. Khambete & Co.
M-45, Connaught Circle,
New Delhi-110 001

UNDERWRITERS

The issue has not been under written.

CONSENTS

Consent in writing of the above mentioned Auditors, Solicitors & Advocates, Managers & Financial Advisers to the issue 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 Companies, Maharashtra, Bombay as required by the Companies Act, 1956 and none of them have withdrawn the said consent upto the time of delivery of a copy of this prospectus to the Registrar of Companies. M/s. B. V. Naik & Co., 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

The Company was incorporated on 30th October, 1964 under the Companies Act, 1956 as a Private Limited Company for the objects set out in the Memorandum and Articles of

Association of the Company. The company established a factory for re-rolling and fabrication of steel products at Industrial Estate, Ajintha Road, Jalgaon, on land taken on licence from Maharashtra Industrial Development Corporation (MIDC) and started production during 1965-66. During the recession period of 1973-77 the Company suffered huge losses and faced financial stringencies and could not make timely repayment of loans to financial institutions and as such State Industrial & Investment Corporation of Maharashtra Ltd. (SICOM) approached the High Court and got an official Receiver appointed. Other financial institutions also filed suits in District court.

In April, 1980 the company agreed on consent terms with SICOM and Maharashtra State Financial Corporation (MSFC) thereby it agreed for repayment of their loans and frozen interest and the assets were handed back to the company by court order and official receiver was withdrawn. The company resumed back production in August, 1980 under the guidance of New Board of Directors, which was reconstituted by appointing the present Directors as additional Directors.

The Company was converted into a public company as per certificate of change of name dated 23rd January, 1981.

Terms of consent decree and arrangement with SICOM, MSFC & MSEB for repayment.

A) SICOM :

1. Agreed principal amount of loan as on 31-3-80 Rs. 93,000/- is repayable in 11 half yearly instalment, 1st instalment of Rs. 8460/- is payable on 15-2-1981 and balance in 10 instalment of Rs. 8454/-

2. Frozen interest on above loan upto 31-3-1980 Rs. 48153/- is payable in 8 half yearly instalments. The 1st instalment of Rs. 6020/- is payable on 15th December, 1980 and balance 7 instalments of Rs. 6019/-

3. Cost of suit 10850/- & cost and expenses for watchmen etc incurred during receivers time amounting to Rs. 13336.81 has been agreed to paid by the company.

4. Interest @ 14 1/2% on principal loan of Rs. 93000/- is payable half yearly on 15th March & 15th September every year subject to a rebate @ 5 1/2% if timely payment is made.

5. Interest payable @ 14 1/2% if default is made in repayment of frozen interest instalment and on late payment thereof.

6. If default in payment of any two instalment is made, the receiver do stand forth with.

7. Mortgage on property of the company shall continue till repayment and all directors of the company along with Shri G. R. Agarwal shall stand as guarantor for the repayment as above.

B) MSFC

1. Principal loan amount outstanding on 17-6-1980 Rs. 371765/- is repayable in 11 half yearly instalments of Rs. 33796/- commencing from 20th February, 1981.

2. Frozen interest on above loan Rs. 577604.16 upto 7-6-1980 is repayable in 8 equal half yearly instalments commencing from December, 1980.

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3. Cost and expenses of the suit Rs. 24813.20 is payable within a month from 18-6-1980.

4. Interest on principal loan with effect from 18-6-1980 the company payable half yearly @ 14 1/2% subject to a rebate of 5 1/2% if the element of principal loan, frozen interest and interest are paid in full to the company.

Charge created vide mortgage deed dated 6th September 1980 company's assets shall continue and the company is prohibited from selling/disposing of such property till the entire loan is repaid.

1. Sri Pra

6. If default is made in repayment of any 2 instalments the interim attachment order stands confirmed.

7. All the directors have executed personal guarantee for repayment of above loan.

C) MSEB : (Maharashtra State Electricity Board)

1. Outstanding Electricity charges Rs. 109560.48 has been agreed to be paid subject to verification from bills & papers etc by the company along with interest @ 24% per annum with effect from 15-10-1977 in half yearly instalments of Rs. 8000/- commencing from 17-5-1980.

2. Cost of suit agreed to be paid by the company Rs. 5632.55.

Timely repayment is being made in respect of all instalments as agreed and mentioned herein above. Barring any unforeseen circumstances the directors do not see any reason for default in payment of the agreed instalments and follow the terms and conditions in the aforementioned consent decrees.

PRESENT BUSINESS OF THE COMPANY

The Company is presently engaged in rerolling of Iron & Steel products such as Rounds, Flats, Angles, Square Bars etc. at its factory at Industrial Estate, Ajintha Road, Jalgaon. The Company is registered as a small scale industrial unit with the Maharashtra State Directorate of Industries, Jalgaon for the rerolling of above products. It has adequate sanctions for its requirements for power and water. After resumption of production in 1979-80 the company has effected substantial expansion.

MANAGEMENT

The management of the company is vested in the Board of Directors which comprises of persons with business, managerial, administrative and technical experiences. The day-to-day business of the company is being looked after by Sri Prahlad Kheitan, a Director of the company.

BUSINESS PROSPECTS AND PROFITABILITY

The Company has been established with the object of running a Rolling Industry and to manufacture rods, square Bars, Flat bars, angles, hoops, etc. The Company could not bear the depression of 1973-77 and the production was suspended temporarily in 1975, which has been resumed in 1979-80, under the guidance of new board of directors. 1979-80 working of the company is satisfactory. The working could have been still better but for want of necessary working capital. Looking to the increased constructional activities in the country and the vast potential of industrial development in the country and the favourable conditions in the steel market, the future prospects of the company's business looks reasonably encouraging. Based on the current working and future prospectus and in the absence of unforeseen circumstances, the Directors expect that the demand for the company's products is likely to continue, and grow satisfactorily and barring any unforeseen circumstances, the company would be able to turn the corner and pay reasonable dividend on the capital of the company within a reasonable time.

OBJECTS OF THE PRESENT ISSUE

Working capital needs of the company are fairly large and which are being met at present by obtaining loan from banks and other companies. Such loans are disproportionately high and resulting in heavy interest burden on the company. Therefore the company proposes to raise its Capital so that its working capital needs are met properly and reduce the dependence on outside borrowing.

TAX BENEFITS

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

- 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. 3,000 per year in respect of specified items which would include dividends received by them from the company.
- Members who are domestic companies will be entitled to deduction under section 80M of the Income Tax Act, 1961 at 50% of the dividends received by them from the company.
- Members of the company who are individuals and 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 equity shares to the extent of Rs. 1,50,000/- as per section 5(1A) in respect of specified assets including the value of shares in the company.

AUDITOR'S REPORT

B. V. NAIK & COMPANY
Chartered Accountants

First Floor,
183 Navi Peth, Mahatma Gandhi Road,
Jalgaon-425001
31.1.1981.

To
The Directors
Jalgaon Re-Rolling Industries Ltd.
Jalgaon.

Dear Sirs,

We have examined the audited accounts of Jalgaon Re-Rolling Industries Ltd. Jalgaon (formerly Jalgaon Re-Rolling Industries Private Ltd. upto 23-1-1981, on which date it was converted into a public limited company by virtue of provisions of Sec. 21 of the Companies Act, 1956) for the five financial years, Diwali Samvat years 2032, 2033, 2034, 2035, 2036 and have also examined and found correct the accounts of the Company for the period from 8-11-1980 to 31-12-1980 for the purpose of inclusion of the figures in the prospectus, subject to the remark that regarding work in progress in capital expenditure shown in Fixed assets, allocation of expenses will be made later on and that these accounts of partial period may be subject to finalisation at the time of their final accounts at the end of Diwali Samvat year 2037 and subject to the notes and remarks put up hereunder :

1. We report that profits/(losses) which have been arrived at after charging all expenses of working and management of the company for the above periods after making such adjustments as are, in our opinion, appropriate and subject to notes appearing below, were as follows :

DIWALI ENDING SAMVAT

	DIWALI 2032	DIWALI 2033	DIWALI 2034	DIWALI 2035	DIWALI 2036	Period from 8-11-1980 to 31-12-1980
	Correspon- ding year ended on 23-10-1976	Correspon- ding year ended on 11-11-1977	Correspon- ding year ended on 31-10- 978	Correspon- ding year ended on 20-11-1979	Correspon- ding year ended on 7-11-1980	
A. Income						
i) Sales	29,960	7,774	6,352	5,805	35,53,021	24,28,487
ii) Other Income	4,455	45	—	—	4,512	3,837
iii) Increase/decrease in stocks	—	—	—	—	4,89,120	4,75,27
	34,415	7,819	6,352	5,805	40,46,653	29,77,594
B. Expenditure						
Raw materials consumed & purchases of Finished Goods	32,354	6,958	6,123	5,515	35,25,604	22,85,000
Manufacturing, selling, Administration & other expenses	99,966	88,522	41,024	62,767	3,85,700	3,50,000
Interest & Financial Charges	63,432	61,087	67,526	87,869	49,836	—
Depreciation	—	—	—	—	12,688	—
Development Rebate/Investment Allowance	—	—	—	—	—	—
	1,95,752	1,56,567	1,14,673	1,56,151	39,73,828	—
Adjusted profit/(loss) before taxation	(1,61,337)	(1,48,748)	(1,08,321)	(1,50,346)	72,825	2,03,673
Items of nonrecurring nature						
Add : Creditors balance w/off	—	61,520	50,719	50,610	—	—
Less : Bad Debts w/off	—	90,896	30,103	15,972	—	—
Less : Taxation	Nil	Nil	Nil	Nil	—	—
Adjusted profit/(loss) after Taxation	(1,61,337)	(1,78,124)	(87,705)	(1,15,708)	72,825	2,03,673

NOTES :

1. Provision for Income Tax has not been made on account of carry forward of loss.
2. a) Depreciation for Diwali 2021 to 2023 & 2028 to 2031 not provided for and/or short provided for in accounts Rs. 105761 and had this depreciation been provided in accounts the accumulated loss might have increased to that extent.
b) Depreciation for Diwali 2032 to 2036 has not been provided or/short provided year wise in arriving at the profit/loss as computed herein above.

Diwali 2032	24,833
2033	22,352
2034	20,118
2035	18,109
2036	7,043

(Short provided)

Had this been provided, the year wise loss might have increased and/or profit might have decreased to this extent and the total accumulated loss might have further increased to the extent of Rs. 92,455/-

3. All the Directors have executed personal gurantee in favour of Punjab National Bank, Jalgaon for amounts advanced by the Bank.
4. Figures of the previous years are regrouped wherever necessary.
5. Included in loans and Advances mentioned below (Rs. 1,89,124.07) paid under protest against interest, expenses and loans to be adjusted in future properly.
6. Liability for Sales Tax is yet to be determined. Contingent liability for final assessment could not be estimated.
7. Contingent liability for remaining works in progress on fixed assets could not be estimated.

II. We also report that Assets and Liabilities of Jalgaon Re-Rolling Industries Ltd., as on 7-11-80 which is the last date to which Company's Accounts have been made up and audited by us prior to date of this report and as on 31-12-1980 which we have also examined, were as set out below after making such regrouping as in our opinion, were appropriate.

ASSETS				As at 7-11-1980	As at 31-12-1980
				Rs. P.	Rs. P.
I. Fixed Assets					
After depreciation	...	...	...	11,15,519.08	12,58,668.58
II. Investment					
Shares in Co-op Audyogic Vashat Ltd. fully paid, unquoted	...	...	...	500.00	500.00
III. Current Assets and Loans and Advances :					
Stock (at cost or market price whichever is lower as certified by the management)	...	...	...	33,94,764.16	31,94,967.81
Sundry Debtor (Considered good)	...	...	...	63,077.77	13,32,954.44
Cash and Bank Balance	...	...	...	2,14,415.32	1,14,657.70
Loan & Advance (unsecured considered good)	...	...	...	8,18,159.75	4,33,409.97
Total Assets	...	...	...	56,06,436.08	63,35,158.50
IV. Misc. Expenditure					
Profit & Loss a/c loss	...	...	...	13,20,402.83	11,16,731.29
Total Rs.	...	...	...	69,26,838.91	74,51,889.79
Capital Liabilities and Provisions.					
Share Capital :					
Authorised					
45,000 equity shares of Rs 10/- each	...	...	...	45,00,000.00	45,00,000.00
Issued, Subscribed and paid up 50,000 equity shares of Rs. 10/- each fully paid up in cash converted from 500 equity shares of Rs. 1000/- each from 5-11-80	...	...	...	5,00,000.00	5,00,000.00
ii) Reserves and Surplus.	...	...	...	—	—
iii) Secured Loans.	...	...	...	32,81,931.82	33,13,896.61
iv) Unsecured Loans.	...	...	...	17,72,024.58	20,52,024.58
v) Current Liabilities & Provisions.	...	...	...	13,72,882.51	15,85,968.60
Total Rs.	...	...	...	69,26,838.91	74,51,889.79

Dividend : The Company has not declared or paid any Dividend in the last five years period.

For B. V. NAIK & CO.
Chartered Accountants.
B. V. Naik
Proprietor.

Jalgaon : 31. 1. 1981.

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 :

1. To start and run a Rolling Industry.
2. To manufacture rods, bars, plates, and to reroll them into round bars, square bars, angles, hoops, etc.
3. To buy raw materials for the manufacture and preparation of the objects mentioned above.

MINIMUM SUBSCRIPTION

The minimum subscription which in the opinion of the Board must be raised by the present issue in order to provide the sums required in terms of the Act is Rs. 25,00,000/- being the issue price at par 2,50,000 Equity Shares, the Board will proceed to allot the said shares on receipt of Rs. 12,50,000/- being the application money payable on 2,50,000 Equity Shares.

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. 1,00,000/- and are to be met out from the funds of the company.

BROKERAGE AND COMMISSION

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

FEES PAYABLE TO MANAGERS & FINANCIAL ADVISORS TO THE ISSUE

Fees payable to the managers & Financial Advisers to the issue M/s. Salarpuria Jajodia & Company, Calcutta will be Rs. 20000/- only.

UNDER WRITING COMMISSION

Since no part of the issue has been underwritten, no under writing commission is payable to any persons.

ISSUE OTHERWISE THAN OF CASH

No issue of shares 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 Prospectus the Company has not entered into any contract or arrangement whereby any option of preferential right of any kind has been given to any person to subscribe 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 42(A) 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 Twelve.

POWERS OF DIRECTORS

Subject to the provisions of the Companies Act, 1956 the Control and management of the business of the company shall be vested in the Board of Directors and the Directors 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 to be exercised or done by the company in General Meeting. In exercising any such powers or doing any such act or things, the Board shall be subject to the provisions in that behalf contained in the act or any other statute or in the Memorandum and the Articles of Association of the Company or in 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 Directors which would have been valid if that regulation has not been made.

DIRECTORS' SHARE QUALIFICATION

Article 47 of the company's Articles of Association provided that each director other than nominee of financial institutions, is required to hold 200 Equity shares of Rs. 10/- each in accordance with the provisions of section 270 of the companies Act, 1956.

REMUNERATION OF DIRECTORS

Unless otherwise determined by the company in General Meeting, each Director other than the whole time paid director shall be paid a sum upto Rs. 250/- (as may be decided by Board from time to time) for each meeting of the Board or Directors or a committee thereof attended by him. The Director may be paid all reasonable travelling, hotel and other expenses for attending and returning from the meeting of the Board or Directors or any committee thereof or in connection with the business of the company. Subject to the provisions of sections 198, 309, 310 and 314 of the Companies Act, if any Director or Directors being willing shall be called upon to perform extra service or to take any special exertion in going or residing outside the office for any of the purposes of the company or in giving any special attention to the business 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 substitution for any remuneration to which he may be ordinarily entitled.

MANAGING DIRECTORS

Subject to the provisions of the act, and Article 65 to 67 of the Articles of the company, the Board may from time to time appoint one or more of the Director's to be Managing Director or Managing Directors of the company or other whole time Directors on such remunerations, terms or conditions as may be approved by the Board and by the Central Government wherever necessary. A whole time or Managing Director shall not be subject to retirement by rotation.

Shri Prahlad B. Khetan, was appointed as a whole time executive Director of the Company for a period of 5 years from 12-2-1981 on the following terms and conditions. (The appointment & terms and conditions of the whole time executive director are subject to approval of the Central Government.

A. Remuneration ... Rs. 2500/- per month

B. Perquisites

i. Gratuity—Calculated at half months pay for every completed year of service, subject to a ceiling of Rs. 30,000/- or 20 months salary, whichever is less.

ii. Medical benefit for self & family—Reimbursement of Medical expenses incurred subject to a maximum of one months salary in a year.

iii. Housing including furnishings and telephone :

a) The expenditure by the company on hiring the unfurnished accommodation shall not exceed 30% of salary of which 10% of salary shall be borne by the director himself.

iv. Leave at the rate of 30 days in a year but the unavailed leave will not be allowed to be encashed.

v. Leave travel concession once in a year for self, wife & dependent children by 1st class subject to that the actual fares will be paid and no hotel expenses will be allowed.

PLACE OF PROFIT

Shri D. N. Gupta, a director of the company was appointed for the place of Profit on a consolidated monthly remuneration of Rs. 500/- per month for looking after marketing of the company's products with effect from 1-7-1980.

BORROWING POWERS

The Board may from time to time at their discretion but subject to the provisions of the Act raise or borrow any sums of money in such manner and upon such terms and conditions in all respect as it think fit and in particular, by the issue of debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present and future).

CAPITALISATION OF RESERVES

The company has not capitalised any reserve since incorporation.

VALUATION OF ASSETS

There has been no revaluation of the assets of the company incorporation.

LIABILITY

As provided in the Articles 104 and 105 of the Articles of the company provided that subject to provisions of section 201 of the Companies Act, every Director, Managing Director, Manager, Secretary or Officer of the company or any person (whether an Officer of the company or not) employed or Auditor appointed by the company shall be indemnified out of the assets of the company against all liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 633 of the companies act, in which relief is granted to him by the court.

CLASSES OF SHARES AND THEIR RESPECTIVE RIGHTS

The authorised share capital of the company is Rs. 45,00,000/- divided into 4,50,000 Equity shares of Rs. 10/-

MODIFICATION OF RIGHTS

If any time the share capital is divided into different classes of shares all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may be modified commuted, affected, abrogated, varied or dealt with by the consent in writing of the holders of three fourth of the issued shares of that class, or with the sanction of a special resolution passed at the separate meeting of the holders of the issued shares of that class.

VOTING RIGHTS

The Articles provide that subject to any rights or restrictions for the time being attached to any class or classes of shares :—

a) On a show of hands, every members present in person shall have one vote, and

b) On poll, the voting rights of members shall be as laid down in section 87 of the Act.

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

RESTRICTION ON TRANSFER OF SHARES

Subject to the provisions of section 111 of the act, the Board may refuse to register any transfer of shares upon which the company has a lien, and in the case of shares not fully paid up may refuse to register a transferee of whom the Board does not approved. Provided that registration of the transfer shall not be refused on the ground of the transferor being either alone or jointly with any other persons indebted to the company on any account whatsoever.

No transfer shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of transferor and the transferee is delivered to the company alongwith the share certificate or if no such certificate is in existence, the letter of allotment in respect of the shares.

RETURN OF CAPITAL

Subject to the provisions of the Act, if the company shall be wound up the liquidator may with the sanction of special resolution of the company and any other sanction required by the Act divide amongst contributories in specie or in kind any part of the assets of the company. The liquidator may, with the like sanction of a special resolution, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator shall think fit, but that no member shall be compelled to accept any shares or any securities where there is any liability. In the event of the company being wound up and 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 as nearly as may be, so that the lossess shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the members, shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the capital at the commencement of winding up. However, this shall not effect the rights of the holders of shares issued with special terms and conditions.

DIVIDENDS

Subject to the rights of members entitled to shares (if any) with special rights as to dividends, the profits of the company shall from time to time be determined to divide 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 entitled the holder with respect thereof to such shares 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.

LIEN

The company shall have a first and paramount lien upon all (other than fully paid up) shares registered in the name of each member for all moneys presently payable by him in respect of the shares held by him.

INSPECTION OF DOCUMENTS

Documents referred to below may be inspected at the Registered Office of the company situated at Industrial Estate Ajintha Road, Jalgaon between 11-00 A. M. to 1-00 P. M. on any working day (except Saturday) until the closing of the subscription list.

1. Memorandum and Articles of Association
2. Certificate of Incorporation No. 13044 of 1964 dated 30th October 1964 of the company, and certificate of change of Name dated 23rd January, 1981.
3. Consent letters of the Solicitors and Advocates, Managers & Financial Advisers to the issue, 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 and their consent for inclusion of the same in the prospectus.
5. Balance Sheets referred to in Auditors Report.
6. Shareholders resolution dated 5-11-80 for adopting new articles, subdividing equity shares of Rs. 1000/- each into 100 Equity shares of Rs. 10/- each, increasing the authorised share capital from Rs. 5 lacs to Rs. 45 lacs and converting the company from private limited to public limited and amending the articles of association.
7. Copy of resolution dated 12-2-81 appointing Mr. Prahlad B. Khetan as whole time executive director and approving the appointment of Shri D. N. Gupta, a place of profit under company and effecting changes in Articles and consenting for issue 4/581 (1) of the Act.
8. Licence agreement of factory land at industrial Area, Jalgaon Dated 31-8-1965 and 8-6-1968.
9. Certificate of Registration as small scale Industry with Department of Industries, Maharashtra State, Jalgaon, dated 2-9-66 and 25-3-70.
10. (a) Copy of High Court order appointing receiver dated 19th April, 1976.
(b) Consent decree order dated 24th April, 1980 withdrawing receiver and handing over assets of the company back in terms of agreement with SICOM.
(c) Copy of consent decree order dated 18th June, 1980 in the case field by the M. S. F. C. before the joint civil judge of Nasik.
(d) Copy of consent decree order or Joint Civil Judge, Jalgaon dated 22nd July, 1980 in the case field by M. S. E. B.
11. Agreement with M. S. E. B. for supply of power for a period of 7 years dated 7th August 1980.

PREVIOUS COMMISSION, BROKERAGE AND DISCOUNT OF 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

500 Equity Shares of Rs. 1000/- each fully paid up were issued for cash from time to time at par which were subsequently sub-divided into 50,000 equity shares of Rs. 10/- each.

APPLICATION FOR SHARES AND ALLOTMENT

Applications for shares must be for a minimum of 50 shares or multiples thereof. Application 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 share 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 reserve 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 order 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 not 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 from Indian Nationals, resident in India properly completed together with the amount payable on application at the rate of Rs. 5.00 per Equity shares 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 from abroad towards the amount payable on the application through approved banking channels or out of funds held in the non-residents (External) accounts along with documentary evidence in this behalf must be delivered before closing date of the subscription list with the Bankers to the Issue named in this prospectus or in the Offices mentioned in 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 mission in the manner prescribed by the Reserve Bank of India to accept such applications from non-resident persons of Indian origin resident abroad. The allotment to non-resident Indians/persons of Indian Origin resident abroad shall be subject to the company's obtaining such approval from the Reserve Bank of India. Non-resident Indians/persons 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 any bank (including a Co-operative Bank) which is situated at and is a member or sub-member of the banker's clearing house located 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. Cheque or Drafts should be made payable to the Banker to the Issue and Marked "A/C. Jalgaon Re-Rolling Industries Ltd. Equity Issue" 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/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, Bombay. 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 Bombay 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.

Where an application is rejected in full, the whole of the application money received, will be refunded to the applicant. Where an application is rejected in part, the the balance of the application money received (after adjustment of the allotment money due on the shares allotted) will be refunded to the applicant in terms of section 73 of the act. In both the cases, refund will be made within two months of the closing of the subscrip-

tion list or in unforeseen circumstances, within such extended period as may be approved by the Stock Exchange at Bombay. No interest will be paid in respect of the application money so received. Refunds will be made by cheques or pay orders drawn on the company's Bankers in Calcutta and bank charges, if any, for encashment of such cheques or pay orders will, be payable by the applicants. However such cheques and pay orders will be payable at per at all centres where the applications for shares are accepted. All cheques pay orders, allotment letters, share certificates, etc. shall be despatched to the registered address and at the risk of the applicants.

PROSPECTUS AND APPLICATION FORMS

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

Jalgaon,

Dated : 6th April 1981

P. B. KHETAN
D. N. GUPTA
S. M. SINGH } Directors

X AICR
D. N. Gupta
S. M. Singh