

PROSPECTUS

SYNTHETIC MOULDERS LIMITED

Regd. Office : 53 NETAJI SUBHAS ROAD, CALCUTTA-700 001.

B. L.
Managing Director

N
Director.

Rajendra P. B. Bhargava
Director.

R. P. Kala
Director.

PUBLIC ISSUE OF 1,20,000 EQUITY
SHARES OF Rs. 10/- EACH AT PAR

PROSPECTUS

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 Monday the 5th day of July 1982 and will close at the close of banking hours on Thursday the 15th day of July 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 8th day of July 1982

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”.

PUBLIC ISSUE OF 1,20,000 EQUITY
SHARES OF Rs. 10/- EACH AT PAR

SYNTHETIC MOULDERS LIMITED

(Incorporated under the Companies Act, 1913)

Regd. Office :

53, NETAJI SUBHAS ROAD, CALCUTTA-700 001.

SHARE CAPITAL :

Authorised—

	Rs.	Rs.
2,50,000 Equity Shares of Rs. 10/- each	25,00,000	
5,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each	5,00,000	30,00,000

Issued, Subscribed and fully paid up—

80,000 Equity Shares of Rs. 10/- each have been subscribed for cash at par	8,00,000	
4,000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up in cash	4,00,000	12,00,000

Present Issue for Cash at par—

1,20,000 Equity Shares of Rs. 10/- each offered to the public for cash at par		12,00,000
---	--	-----------

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
b) On Allotment	...	Rs. 5.00 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 prorata for the period during which such capital is paid-up thereon.

CONSENT OF THE EXISTING SHARE HOLDERS TO THE ISSUE :

Pursuant to Section 81 (1A) of the Act, the present issue has been authorised by a Special Resolution of the Company at the Extra Ordinary General Meeting held on 1st February, 1982.

BOARD OF DIRECTORS

Name, Description, Address & Occupation

Other Directorship

- Shri Satya Narain Bihani
S/o. Shri Gouri Shanker Bihani
Managing Director,
49, Nalini Sett Road,
Calcutta-7.
(Business)
- Shri Mohanlal Newar
S/o. Late Shiv Narayan Newar
Director,
2, India Exchange Place,
Calcutta-1.
(Business)
- Shri Rajendra Prasad Bharadia
S/o. Shri Malchandji Bharadia
161/1, Mahatma Gandhi Road,
Calcutta-7.
(Business)
- Shri Ram Prasad Kalani
S/o. Late Chhaganlal Kalani
49, Nalini Sett Road,
Calcutta-7.
(Business)

Managing Director

Eastern Metallizing Co. (P) Ltd.,
Newar Trading Co. (P) Ltd.

Director

Bagree Traders (P) Ltd.
Hindusthan National Glass & Industries Ltd.

Director :

Guargum Chemicals Ltd.
Suraj Lamp & Industries (P) Ltd.

Registered Office :

53, Netaji Subhas Road,
Calcutta-700 001

AUDITORS :

M/s. R. L. Mundhra & Co.,
Chartered Accountants,
33/1, Netaji Subhas Road,
Calcutta-700 001

SOLICITORS & ADVOCATES

M/s. Jalan & Co.
10, Old Post Office Street,
Calcutta-700 001

BANKER TO THE COMPANY :

Bank of Baroda
20/1, Maharshi Devendra Road,
Calcutta-700 007

BANKER TO THE ISSUE :

Bank of Baroda
20/1, Maharshi Devendra Road,
Calcutta-700 007

**FINANCIAL ADVISORS TO
THE ISSUE**

M/s. Salarpuria, Jajodia & Co.
7, Chittaranjan Avenue,
Calcutta-700 072

BROKERS TO THE ISSUE

AHMEDABAD :

Champaklal Bhailal Chokshi
Manek Chowk Near Share Bazar,
Ahmedabad-380 001

CALCUTTA :

Ratanlal Damani
8, Lyons Range,
Calcutta-700 001

INDORE :

Pushkarlal Ghudawala
44, Bada Sarafa,
Indore-452 002

BOMBAY :

Jamnadas Virji & Sons
812, Stock Exchange Tower,
Dalal Street, Fort,
Bombay-400 023

Luxmi & Co.

16, India Exchange Place,
Calcutta-700 001

MADRAS :

V. S. Krishnaswami & Co.
45, Armenian Street,
Madras-600 001

BANGALORE :

Vijai & Company
Vijai Buildings,
9, Eleventh Main Road,
P. B. No. 319,
Malleswaram,
Bangalore-560 003

Amitava Dutt

16, India Exchange Place,
Calcutta-700 001

NEW DELHI :

Bharat Bhushan & Co.
H-45, Connaught Place,
New Delhi-110 001

COCHIN :

Mathew & Company
Mullassery Canal Road,
Ernakulam,
Cochin-682 011

HYDERABAD :

Laxmi Narayan Rathi
4-5-173 & 174, Hashmatgunj,
Sultan Bazar,
Hyderabad-500 001
A. P.

UNDER WRITERS

No part of this Issue has been under written.

CONSENTS

Consent in writing of the above mentioned Auditors, Solicitors & Advocates, Bankers to the issue, Bankers to the Company, Brokers to the issue and Financial Advisors to the issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, West Bengal, Calcutta, 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. R. L. Mundhra & 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 12th September, 1947 under the provisions of Companies Act, 1913 as a Public Limited Company for the objects set out in the Memorandum of Association of the Company. Soon thereafter the Company put up a Plastic Factory at 300-A, Rai Bahadur Road, Tollygunj, Calcutta-53, on a rented land. The Company shifted its factory in 1963 to more spacious place, 42, Biren Roy Road (West

Behala) Calcutta-700 061, where the Company had acquired (approx) 4.5 Bigha land on lease. The Company put up a forging unit in 1981 for production of engineering and defence supplies at its former factory 300-A, Rai Bahadur Road, Tollygunj, Calcutta at a total cost of Rs. 20 lacs, wherein it started commercial production in January, 1982.

The Company is presently engaged in production of Plastic Injection Moulded goods and extruded goods which is mainly used in Railways and Defence. The Company was granted Industrial Licence by the Ministry of Industry and Civil Supplies (Secretariate for Industrial Approvals) Government of India, New Delhi vide Licence No ILS/No. 172 (75) dt. 28.4.1975 for production of injection moulded goods - 425 Tonnes per annum and extruded goods 110 Tonnes per annum. The Company also started steel forging division, wherein it is producing Bomb bodies for defence department. The Company has adequate sanctions for its requirements of power. Further it has stand by generator sets.

MANAGEMENT

The Management of the Company is vested in the Board of Directors which comprises of persons with business, managerial and administrative experience. The day-to-day business of the Company is being looked after by Shri S. N. Bihani, Managing Director of the Company under the overall supervision of the Board of Directors of the Company.

BUSINESS PROSPECTS AND PROFITABILITY

The Company is presently engaged in production of plastic injection moulded, extruded goods and steel forged products. The Company is also Registered as an approved contractor with the Directorate General of Supplies & Disposal, Government of India, New Delhi. At present the Company is mainly producing articles used in Railways and Defence Department. Based on the current working, the future prospects of the Company's business looks reasonably encouraging. Looking to the vast potential of developments in Railways and increasing needs of defence supplies, to whom the major portion of Company's products is being supplied, the Board of Directors of the Company expect that the demand for Company's products is likely to continue and grow satisfactorily and bring unforeseen circumstances, the Company would be able to pay reasonable dividend on the Capital of the Company within a reasonable time.

OBJECT OF THE PRESENT ISSUE

Working Capital needs of the Company are fairly large and which are being met at present by obtaining loans from Banks, Directors and their other allied concerns. The borrowings 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 borrowings.

TAX BENEFITS :

The Directors are advised that according to Current Tax Law 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 under section 5 (1)(XXIII) of the wealth tax Act, 1957 from Wealth-Tax 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,
Synthetic Moulders Limited,
53, Netaji Subhas Road,
Calcutta-700 001.

Dear Sirs,

We have examined the books and accounts of SYNTHETIC MOULDERS LIMITED for the five financial years ended 31st October 1981 being the last date upto which the accounts of the Company have been made up and audited by us and to be adopted by the members. In accordance with the requirements of clause 24 of part II of Schedule II of the Companies Act, 1956 we report that the profits, assets and liabilities and dividends of the Company are as set out below :

Profit and Losses :

The Profits arrived at after charging all expenses of working including depreciation and after making such adjustments as ware, In our opinion, appropriate and read with and subject to the notes appearing hereunder were as follows :

FINANCIAL YEARS ENDED 31st OCTOBER

	1977 Rs.	1978 Rs.	1979 Rs.	1980 Rs.	1981 Rs.
Income :					
Sales *	2,02,98,350	1,81,36,433	1,45,15,279	1,88,26,383	1,97,47,604
Other Income **	2,58,704	77,110	1,36,588	49,743	34,588
	<u>2,05,57,054</u>	<u>1,82,13,543</u>	<u>1,46,51,867</u>	<u>1,88,76,126</u>	<u>1,97,82,192</u>
Increase / (decreas) in stocks of Finished Goods & work-in-Progress Trading Goods—	(5,98,201)	5,67,389	(3,63,817)	1,77,617	6,06,730
	<u>1,99,58,853</u>	<u>1,87,80,932</u>	<u>1,42,88,050</u>	<u>1,90,53,743</u>	<u>2,03,88,922</u>
Expenditure :					
Manufacturing, Administrative, Selling & Other expenses ***	1,89,05,927	1,77,86,788	1,26,97,886	1,70,35,177	1,78,72,200
Interest	5,47,498	5,50,928	5,86,676	6,76,598	9,77,464
	<u>1,94,53,425</u>	<u>1,83,37,716</u>	<u>1,32,84,562</u>	<u>1,77,11,775</u>	<u>1,88,49,664</u>
	5,05,428	4,43,216	10,03,488	13,41,968	15,39,258
Profit Before Depreciation :	<u>3,11,310</u>	<u>2,73,838</u>	<u>4,51,635</u>	<u>5,38,535</u>	<u>6,33,958</u>
Less : Depreciation	1,94,118	1,69,378	5,51,853	8,03,433	9,05,300
Profit Before Taxation :	<u>75,000</u>	<u>90,000</u>	<u>2,65,000</u>	<u>4,00,000</u>	<u>3,25,000</u>
Less : Provisions for Taxation	1,19,118	79,378	2,86,853	4,03,433	5,80,300
Profit After Taxation :	<u>85,504</u>	<u>27,920</u>	<u>1,35,000</u>	<u>1,13,400</u>	<u>2,73,225</u>
Transfer to Investment Allowance Reserve	—	—	—	—	—
* Sales Include :					
Sale of Trading Goods (Iron & Steel Material)	1,02,62,694	82,35,609	28,54,693	20,04,364	15,07,521
** Other Income Includes :					
(1) Unspent liabilities, short/excess provisions & unclaimed balances in respect of previous year written back (Net)	13,063	309	24,646	8,275	—
(2) Surplus on disposal of Assets	24,565	—	1,820	1,469	947
(3) Drawback duty Refund & Cash incentive	1,14,708	13,097	47,905	13,412	19,245
(4) Commission on Consignment Sales	1,00,902	51,146	—	—	—
(5) Sales Tax Refund in respect of Previous year	1,169	—	—	—	—
*** Manufacturing, Administrative, Selling & other expenses include :					
Donations	500	1,852	3,001	5,001	33,401
Purchase of Trading Goods (Iron & Steel Materials)	99,61,185	81,22,036	24,19,647	18,93,070	14,07,479
Sundry Balance Written off (Bad Debts, Short Provision in respect of previous year & Sundry Balances Written off : (Net)	11,439	15,380	9,423	17,263	56,047

NOTES :

1. The figures of Sales have been arrived at after deducting return and rebates but including excise duty and self consumption.
2. Rebates, incentives like draw-backs and cash assistance have been dealt with in the accounts on cash basis.
3. The Company has been accounting for gratuity on cash basis as such the cash payments of gratuity made from year to year have been deducted in arriving at the above profits. The excess of accruing liability for each year over the provision made in the respective years are not provided for :-

31-10-1977	31-10-1978	31-10-1979	31-10-1980	31-10-1981
Rs. 45,000/-	Rs. 49,577/-	Rs. 92,697/-	Rs. 91,790/-	Rs. 96,308/-
4. Depreciation on Fixed Assets has been provided for on the diminishing balance method in accordance with the Section 205 of the companies Act, 1956.
5. Taxation has been computed on the basis of rates applicable to the respective year after considering the deduction in respect of depreciation as allowable under the Income-Tax Act, 1961. Investment Allowance. Tax Assessments have been completed up to Assessment year 1979-80.

II. ASSETS AND LIABILITIES :

The assets and liabilities as at 31st October, 1981, which is the last date upto which the accounts of the Company have been made up and audited by us and adopted by members and subject to the notes appearing hereinafter are as set out below :

As at 31st October, 1981

ASSETS :

Rs.

Fixed Assets :

Gross Block	82,03,770	24,80,782
Less : Depreciation	57,22,988	2,000
Investment (at cost)		

Current Assets, Loans and advances :

Inventories	51,49,264	
Sundry Debtors (net)	29,30,997	
Cash and Bank Balances	4,25,839	1,02,41,565
Loans and Advances	17,35,465	
		<u>1,27,24,347</u>

Total Assets :

LESS LIABILITIES :

Secured Loans

11% Debentures	3,13,134	47,84,593
Bank Borrowings	44,71,459	11,09,500

Unsecured Loans

Current Liabilities

Sundry Creditors	15,89,571	
Deferred Payment Credits	3,45,421	
Customers Credit Balances	2,08,051	29,66,341
Other Liabilities	8,23,298	

Provisions

For Bonus	70,000	
For Gratuity	37,522	
For Taxation	9,90,000	11,69,522
For Propose Dividend	72,000	
		<u>1,00,29,956</u>

Net Assets :

26,94,391

REPRESENTED BY :

Share Capital

8000 Ordinary Shares of Rs. 100/- each fully paid up	8,00,000	
4000 9% Redeemable Cumulative Preference shares of Rs. 100/- each fully paid up	4,00,000	12,00,000

Reserves Old Surplus :

Development Rebate Reserve	36,329	
Investment Allowance Reserve	6,35,045	14,94,391
Unappropriated Profit	8,23,017	
Shareholders' Funds		<u>26,94,391</u>

NOTES :

1. Authorised Share Capital of the Company is Rs. 20,00,000/- divided into :-

15000 Ordinary Shares of Rs. 100/- each	Rs. 15,00,000
5000 9% Redeemable Cumulative Preference Shares of Rs. 100/- each	Rs. 5,00,000
	<u>Rs. 20,00,000</u>

2. Investment consists of 7 years National Savings Certificates lodged with the Central Excise.
3. 9% Redeemable Cumulative Preference Shares of Rs. 100/- each are redeemable at per on 3 months notice.
4. i) Bank Borrowings are secured by hypothecation of Inventories, Book Debts and personal guarantee of all the Directors and one of the relative of Directors.
- ii) 11% Debentures are secured by second charge on Book Debts both present and future and the Company's uncalled capital.
5. Contingent Liabilities not provided for in respect of :
 - (a) Dividend on Preference Shares Rs. 1,44,000/- for the year from 1977-78 to 1980-81.
 - (b) Bank guarantee outstanding for Rs. 10,42,634/- deposited Rs. 73,980/- with Bank.
 - (c) Sales Tax cases for Company's Patna Branch (closed in the year 1973-74) pending in appeal from financial years 1.4.1969 to 31.3.1972 (Liability unascertainable).
 - (d) Bills in respect of deferred Payment credits have been guaranteed by the Company's Bankers for Rs. 48,75,72/- re-payable within 5 years.
 - (e) Estimated value of contract remaining to be executed on Capital Account Rs. 1,38,236/- (Less advance paid Rs. 34,309/-)
6. Cumulative Liability in respect of Gratuity as at 31.10.1981 is Rs. 5,48,478/- against which there is a balance provision of Rs. 37,522/- (in respect of the year ended 31st October 1973).

III. DIVIDENDS :

1. **Ordinary Shares :**
No dividend on Ordinary Shares has been declared by the Company till date.
2. **9% Redeemable Cumulative Preference Shares :**
Dividend upto 31st October, 1977 has been paid/proposed by the Company.

33/1, Netaji Subhas Road,
Calcutta-700 001.
The 10th day of April, 1982

Yours faithfully,
For R. L. MUNDHRA & CO.
R. K. MUNDHRA
Partner

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 carry on the business of manufacturers and dealers in plastics of all kinds and articles made from plastics of any and every descriptions.
2. To construct, erect and establish a factory or factories and workshops with suitable plants, engines, machineries, tools and instruments for manufacturing plastics and plastic articles and materials used in the manufacturing and treatment of plastics.
3. To carry on the business of manufacturers and dealers in plastics including cellulose plastics, viscose plastics, formalde-hyde, cresol and melamine plastics, cellofen and other forms of plastics and moulding compositions now known or that may be discovered or invented in the future.

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. 12,00,000 being the issue price at par of 1,20,000 Equity Shares. The Board will proceed to allot the said shares on receipt of Rs. 6,00,000 being the application money payable on 1,20,000 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 and financial advisors fees are estimated to be Rs. 60,000 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 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 stamp in the broker's column.

TERMS AND CONDITIONS OF DEBENTURES

The company had issued 300 11% Debentures of Rs. 1,000/- each secured by a second charge on Book Debts both present and future and the Company's uncalled capital for the time being whatsoever and wheresoever. The said debentures are redeemable on 30th April, 1990. The interest is payable half yearly.

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 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 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

Shri S. N. Bihani, is interested to the extent of the remuneration to which he is entitled as managing director

Shri L. N. Bihani, Shri R. K. Bihani, Shri B. N. Bihani, Shri S. N. Bihani and Shri P. N. Bihani, all of whom are relatives of Shri S. N. Bihani are holding places of profit in the company and as such Shri S. N. Bihani may be deemed to be interested to this extent also.

Shri H. N. Bihani from whom the company has taken on lease factory land & Shed situated at Biren Roy Road, West, is a relative of Shri S. N. Bihani and as such Shri S. N. Bihani may be deemed to be interested.

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 116 of the company's Articles of Association provides 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 any 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

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

Unless otherwise determined by the company, in General Meeting, each Director other than the wholtime paid Directors, shall be paid a sum of Rs. 250/- (or as may be decided by the Board from time to time) for each meeting of the Board of Directors or a committee thereof attended by him. The Directors may be paid all reasonable travelling, hotel and other expenses for attending and returning from the meeting of the Board of

Director's or any committee thereof or in connection with the business of the company. Subject to the provisions of Section 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 Directors 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 Articles 157 to 160 of the Articles of Association of the company, the Board may from time to time appoint one or more of the Directors 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 Satya Narain Bihani was appointed Managing Director of the Co., for a period of 3 years from 17.2.1980 on terms and conditions as under :-

A. Remuneration :

1. Salary - Rs. 2,500/- per month provided in absence or inadequacy of profit he will be entitled to a minimum salary of Rs. 2,250/-.
2. Reimbursement of actual expenses for one telephone at the residence of the Managing Director, subject to an overall limit not exceeding the 1/3rd of his annual salary.

PLACE OF PROFIT

The following persons who are relatives of a Director, are holding places of profit in the Company.

Name	Post held	Present Monthly Salary			
		Basic	D.A.	H.R.A.	Total
1) Mr. Lakshmi Narayan Bihani	Senior Executive	2,000	205-64	110-28	2,315-92
2) Mr. Rakesh Kumar Bihani	Executive	1,400	205-64	80-28	1,685-92
3) Mr. Bijay Narayan Bihani	Branch Manager	2,000	205-64	—	2,205-64
4) Mr. Shree Narayan Bihani	Executive	1,800	205-64	—	2,005-64
5) Mr. Prakash Narayan Bihani	Branch Manager	2,000	205-64	—	2,205-64

Besides above remuneration they are also entitled to all other allowances and benefits which are applicable To the other Employees as per rules regulations of the Company, such as P.F. etc.

BORROWING POWERS

The Board may from time to time at their discretion but subject to the provisions of the Act raise or borrow any sum 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 debentures or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present & future). The Company has by a resolution passed at an extra ordinary general meeting held on 20th November, 1967 authorised the Board pursuant to section 293(1) (d) of the Act to borrow from time to time money upto a limit of Rs. 30 lacs remaining outstanding at any time (apart from the temporary loans obtained from the company's bankers in the ordinary course of business).

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.

INDEMNITY

Articles 212 and 213 of the Articles of Association of the Company provides that subject to provisions of the 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 liabilities 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. 30,00,000/- divided into 2,50,000 Equity Shares of Rs. 10/- each and 5000 9% Redeemable cumulative preference shares of Rs. 100/- each.

MODIFICATION OF RIGHTS

If at 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 :-

- On a show of hands, every members present in person shall have one vote ; and
- On a poll, the voting rights of members shall be as laid down in section 87 of the Act.
- 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 paid or in regard to which the company has, and has 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 approve. 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 transfer or and the transferee is delivered to the company along with 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 a special resolution of the company and any other sanction required by the Act divide amongst contributories in specie or in kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not. For the purpose aforesaid the liquidator may set such value as he deems fit upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. 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. In the event of the company being wound up the holders of preference shares, if any shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repaying to them the amount paid up to the preference shares held by them respectively and any arrears of dividend up to the commencement of the winding up, whether declared or not. If the surplus assets available as aforesaid shall be insufficient to repay the whole of the amount paid up on the preference shares and arrears of dividend, such assets shall be distributed amongst the holders of preference shares as nearly as may be in proportion to the capital paid up or which ought to have been paid up on the shares held by them at the commencement of the winding up and the arrears of dividends as aforesaid. The assets, if any, available for distribution after payment to the preference shares holder as aforesaid shall be distributed amongst the holders of Equity Shares 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 in respect of which they were respectively registered.

DIVIDENDS

Subject to the rights of members entitled to shares (if any) with preference or special rights as to dividends, the profits of the company 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 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 (whether solely or jointly with others) 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 such shares and no equitable interest in any shares shall be created except as ordered by a Court of competent jurisdiction and such lien shall extend to all dividends and bonus from time to time declared in respect of such shares. Unless otherwise agreed, registration of a transfer of shares shall operate as a waiver of the company's lien, on such shares.

MATERIAL CONTRACTS & INSPECTION OF DOCUMENTS

The following contracts mentioned in paragraph 'A' below (not being contracts entered into in the ordinary course of business carried on by the company or entered into more than two years before the date of this prospectus) which are or may be deemed to be material have been entered into by the company.

The contracts together with the documents referred to in paragraph 'B' below, copies of all of which have been delivered to the Registrar of Companies West Bengal, Calcutta for registration, may be inspected at the Registered Office of the Company between 11-00 A. M. to 1-00 P. M. on any working day except Saturday from the date of this prospectus until the closing of the subscription list.

(A) **CONTRACTS :**

1) Purchase orders regarding capital plant, machinery and equipment :

S. No.	Date	Name of Supplier	Details of Supply	Estimated Value (Rs.)
1	4.5.1981	Aka Plastic, Calcutta	10A Body mould	85,000
2	26.9.1979	Conhyde India Private Ltd., Calcutta	Moulds for channel side plates etc.	76,000
3	10.9.1980	United Machinery & Appliances, Calcutta	One Generator Kirloskar made	60,265
4	18.6.1979	M/s. Naps Machines & Tools, Calcutta	2, Hydraulically operated Inline screw plasticising fully automa-tics, Horizontal plastic injection moulding machine	2,55,000
5	8.1.1981	Greaves Cotton & Co. Ltd., Calcutta	Ruston Diesel Generating Sets	1,57,485
6	26.9.1981	Hydromatic Engineering Ltd. Calcutta	1, Hydraulic copy turning attach-ment	25,920
			5, Hydraulic copy turning attach-ment	1,18,150
7	5.9.1980	Conhyde India (P) Ltd. Calcutta	One Hydraulic Press 500 Ton	5,00,000
			One 60 Ton Hydraulic Press and Fitting Fixtures	59,500
			Fabrication of oil fired furling furnace	20,000
8	16.6.1981	—do—	Finising the elec. furnace & parts of Hydraulic Press	12,000
9	20.3.1980	Naptune Plastic Metal Industry Calcutta	One extruder	1,44,120
10	9.8.1980	Anand Industries Calcutta	3 Lathe Machines	67,000
11	19.9.1980	India Automobiles (1960) Ltd.	1 Ambassador Car	57,209
12	26.2.1980	—do—	—do—	49,700
13	30.7.1981	—do—	—do—	72,530

- 2) Agreement dated 25th April, 1980 with debenture holders extending the date of repayment from 30th April, 1980 to 30th April, 1990 and increasing the rate of interest from 9% to 11%.
- 3) Agreement dated 12th May, 1980 with Managing Director, Shri S. N. Bihani, reappointing him as Managing Director for a period of 3 years with effect from 17th February, 1980 alongwith copy of approval of the Central Govt. u/s. 269/388 & 198(4)/309(3) dated 15.4.1980,
- 4) Lease-agreement dated 15th April, 1961 with Shri Hari Narayan Bihani for taking lease of land admeasuring 4 Bigha, 7 Cottahs 1 Chittack and 40 square feet along with structures thereon situated at Biren Roy Road, (West) Calcutta, on a monthly rent of Rs. 1,000/- plus municipal charges.

- 3) Consent letters of solicitors and advocates, financial Advisors to the Issue, Bankers to the Company, Bankers to the Issue, Brokers to the Issue, Auditors named in the Prospectus.
- 4) Report of Auditors of the Company mentioned in the Prospectus and Statement signed by them together with their consent for inclusion of the same in the Prospectus.
- 5) Balance Sheets for last 5 years referred to in Auditors Report.
- 6) Shareholders Resolution dated 25th November, 1964, 4th July, 1966, 30th April, 1975, 4th February, 1978 and 25th October, 1979 appointing and fixing and re-vising salary/allowances of Shri L. N. Bihani, Shri Shree Narayan Bihani, Shri R. K. Bihani, Shri P. N. Bihani and Shri B. N. Bihani, relatives of Directors to a place of profit in the Company.

B) **DOCUMENTS :**

- 1) Memorandum and Articles of Association.
- 2) Certificate of Incorporation No. ¹⁵⁷⁹⁴/₆₀₈ of 1947-48.

- 7) Shareholders resolution dated 20th November, 1967 authorising the Board u/s. 293(1) (d) of the Companies Act. 1956 to borrow money upto Rs. 30 lacs.

- 8) Shareholders resolution dated 22nd June, 1971 u/s. 149 (2A) authorising the Company to commence the business of all types of structural and other steel materials.
- 9) Shareholders resolution dated 14th November, 1981 u/s. 149 (2A) authorising the Company to undertake activities enumerated in sub clause 20 of the object clause.
- 10) Shareholders resolution dated 1st February, 1982 subdividing existing Equity Share of Rs. 100/- each into 10 Equity Shares Rs. 10/- each increasing authorised Capital from Rs. 20 lacs to Rs. 30 lacs making consequential changes in the Memorandum of Association, adopting new Articles of Association and Special Resolution u/s: 81(1A) of the Companies Act, 1956 consenting for issue of Shares to the Public.
- 11) Registration Certificate as approved contractors by Directorate General of Supply & Disposals dated 26.10.1981.
- 12) Carry on business licence dated 28.4.1975 granted by the Ministry of Industry and Civil Supplies, New Delhi for manufacture of injection moulded goods 425 tonnes and extruded goods 110 tonnes.
- 13) Copy of letter dt. 13th April, 1982 received from Calcutta Stock Exchange Association Ltd. Calcutta together with a copy of enclosed letter No. F-6/13/SE/82 dated 5/4/1982 written by Government of India, Ministry of Finance, Department of Economic Affairs, Stock Exchange Division, New Delhi to the Executive Director, Calcutta Stock Exchange, Calcutta granting approval under proviso to Rule 19(2)(b) of the Securities contracts (Regulation) Rule 1957 for listing of Equity Shares of the Company.

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

8,000 Equity Shares of Rs. 100/- each and 4,000 9% Redeemable cumulative preference shares of Rs. 100/- each fully paid up were issued for cash at par. The entire equity shares of Rs. 100/- each were sub-divided into 10 equity shares of Rs. 10/- each on 1-2-1982.

APPLICATION FOR SHARES AND ALLOTMENTS

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 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 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 names 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 complete 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 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. Investment in Equity Shares by such non-resident Indians/persons of Indian origin resident abroad will be allowed to be repatriated alongwith income on the investment subject to deduction of Indian Taxes.

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 the funds held in the non-resident (External) accounts along with the documentary evidence in this behalf must be delivered before the closing date of the subscription list with the Banker to the Issue named in this prospectus or in the offices mentioned in the column against their names in the application form.

Non resident Indians/persons of Indian Origin resident abroad are also eligible to subscribe to equity shares hereby offered from their funds held in India or by inward remittance subject to inter-alia their giving an undertaking not to seek repatriation of capital or income earned thereon.

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 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 directly 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 schedule 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 member or sub-member of 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 Subscription List are liable to be rejected. Cheques or Drafts should be made payable to the Bankers to the Issue and Marked 'A/c. SYNTHETIC MOULDERS LIMITED 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 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 certificate 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 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 cases refund will be made within two months of the closing of the subscription

list or in unforeseen circumstances, within such extended period as may be approved by the Stock Exchange at Calcutta. 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/pay orders will be payable at par 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 Application Forms may be obtained from the Registered Office of the company, the Brokers to the issue and the Banker to the issue mentioned herein or from any of the main offices of the Bankers to the Issue mentioned in the application form.

B. Karan

Managing Director

N. E.

Director

Rajendra P. Bharadia

Director

R. P. Kalani

Director

S. N. BIHANI
M. L. NEWAR
R. P. BHARADIA
R. P. KALANI

} Directors

Calcutta

Dated : 29-4-1982.