

SAFEX TRADING & FINANCE LIMITED

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PROSPECTUS

PUBLIC ISSUE OF 1,45,000 EQUITY SHARES
OF RS. 10/- EACH AT PAR

Note:

- 1) Three Copies of Memorandum & Articles of Assoc. of the Comp.
- 2) Copy of Certificate of Incorporation & Commencement of business
- 3) Cts. no 38, 39, 40 of Letter of Application not ~~filled~~ filled up.

Registered Office :
108-A, ELLIOT ROAD,
CALCUTTA-700 016

PROSPECTUS

Public Issue of 1,45,000 Equity Shares of Rs. 10/- each at par.

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.

This issue of Equity Shares is within the exemption limit of Rs. 50 lacs under the Capital Issues (Exemption) Order, 1969.

An application will be made to the Stock Exchange, Calcutta for permission to deal in and for official quotation for the entire Equity Shares of the Company.

The Subscription List will open at the commencement of banking hours on Monday the 28th day of June, 1982 and will close at the close of Banking

hours on Wednesday the 7th day of July, 1982, or earliest, at the discretion of Directors, but not before the close of banking hours on Thursday the 1st day of July, 1982.

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

Any person who :—

- (A) makes in a fictitious name an application to the Company for acquiring, or subscribing for any shares therein, or
- (B) otherwise induces a company to allot, or register any transfer of share 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.

Subscription list opens on 28th June, 1982

Earliest closing date 1st July, 1982

SAFEX TRADING & FINANCE LIMITED

(Incorporated on 28th September, 1981 under the Companies Act, 1956)

SHARE CAPITAL :

Authorised :

250000 Equity Shares of Rs. 10/- each
Rs. 25,00,000.00

Issued, Subscribed and Paid up :

95000 Equity Shares of Rs. 10/- each
fully paid-up in cash. Rs. 9,50,000.00

PRESENT ISSUE :

Now being offered to the Public.
1,45,000 Equity Shares of Rs. 10/-
each at par for cash. Rs. 14,50,000.00
Rs. 24,00,000.00

TERMS OF PAYMENT :

On Application. Rs. 2.50 per share.
On Allotment. Rs. 7.50 per share.

Terms of Issue :

The amount of Rs. 7.50 per share is due on allotment and shall be payable within 30 days from the date of the letter of allotment. In the event of the balance amount of Rs. 7.50 per share is not received within 30 days from the date of the letter of allotment, the allottee will be liable to pay interest at the rate of 12% per annum and also render the shares in question (including the amount already paid thereon) liable for forfeiture.

Application may be made only by residents in India and from non-resident Indian persons of Indian origin resident abroad, must be for a minimum of fifty Equity Shares or multiples of fifty equity shares.

The equity shares now being issued will rank pari-passu in all respect with the existing Equity Shares of the Company.

Application must be made on the form accompanying the prospectus and in accordance with the instructions contained in the forms and will be refused if not so made. The shares hereby issued are subject to the terms of this prospectus, the said application form and the Memorandum and Articles of Association of the Company.

Copies of this prospectus and Forms of application may be obtained from the Brokers and Bankers named herein.

Board of Directors :

Shri Dashrathmal Kumbhat,
S/O. Shri A. M. Kumbhat,
2, Ganesh Chandra Avenue,
Calcutta-700 073.
Occupation : Service

Shri Ravindra Gutgutia,
S/O. Late G. D. Gutgutia,
108 A, Elliot Road,
Calcutta-700 016.
Occupation : Business

Shri Prasan Choudhary,
S/O. Shri Rang Raj Choudhary,
72, Haridas Dev Road,
Calcutta-700 053,
Occupation : Business

Auditors :

M/s. M. R. Singhwi & Co.,
Chartered Accountant
34A, Metcalfe Street,
Calcutta-700 013.

Bankers of the Issue :

Punjab National Bank,
Park Street Branch,
31, Jawaharlal Nehru Road,
Calcutta-700 016.

Brokers to the Issue :**Ahmedabad :**

Champak Lal Bhailal Chokshi,
Manek Chowk,
Near Share Bazar,
Ahmedabad-380 001.

Bangalore :

Vijai & Company,
9, Eleventh Main Road,
Post Box 319,
Malleswaram,
Bangalore-560 003.

Bombay :

Jamna Das Virji & Sons,
8/812, Stock Exchange Tower,
Dalal Street, Fort,
Bombay-400 023.

Calcutta :

Shri Krishna Bhatler,
8, Lyons Range,
Calcutta-700 001.

R. C. Nundy,
7, Lyons Range,
Calcutta-700 001.

Cochin :

Mathew and Company,
Mullassery Canal Road,
(Near Passport Office),
Ernakulam,
Cochin-682 011.

Delhi

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

Hyderabad :

Laxmi Narayan Rathii,
4-5-173 & 174 Hashmat Ganj
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.

Underwriters :

No Part of the issue is underwritten.

AUDITOR'S REPORT

The Directors,
Safex Trading & Finance Limited.
108-A, Elliot Road,
Calcutta-700 016.

Dear Sirs,

We have examined the books of M/s Sefex Trading & Finance Limited, for the period from 28th day of September 1981 (date of incorporation) to 31st December 1981 and in accordance with the provisions of clause 24 of part II of Schedule II of the Companies Act, 1956 and we report as follows :

PROFITS & LOSSES

INCOME :		
Interest		Rs. 500
EXPENDITURE :		
Expenses		80
	PROFIT	420
		500

ASSETS

Current Assets Loans & Advances

Loans	50,000
Interest accrued	500
Cash and bank balance	2,730

MISCELLANEOUS EXPENDITURE

(To the extent not written off)

Preliminary Expenses	10,090
	63,320

LESS

Current liabilities	2,200
	61,120

REPRESENTED BY :

SHARE CAPITAL

70 Equity shares of Rs. 10/- each fully paid up	700
Share Application money	60,000
Profit & Loss Account.	420
	61,120

We further report that the company has not declared any dividend since its incorporation.

34/A Metcalfe Street
Calcutta-700 013

For M. R. Singhwi & Co.
Chartered Accountants

Dated 12th day of
January, 1982

M. R. Singhwi
(Partner)

Management :

The Company is managed by its Board of Directors. All the Directors of the Company are well experienced in Commercial and Business Fields.

History and Business of the Company :

The Company was incorporated as a Public Company on 28th September, 1981 in West Bengal and obtained the Commencement of Business Certificate on 13th October, 1981.

The main object as stated in the Company's Memorandum of Association, which are reproduced hereafter in this prospectus, is to carry on trading of all Industrial, domestic Agricultural goods, to make loans,

advances and other investments, to deal in tea, tea plantation and as stated in Memorandum and Articles of Association of the Company.

Prospects and Profitability :

The Directors feel that subject to unforeseen circumstances the Company will start earning profit from 1982-83.

Tax Benefits :

- i) The Company and in case where members of the Company who are themselves companies shall be entitled to the benefits of total exemption from surtax, partial exemption from income tax on dividends received by them from other companies or this Company's as the case may be u/s. 80 M of the Income Tax Act, and in case of Company's Investment in new Industries, the Company shall be entitled to exemption from Income-Tax on so much of the dividend paid to it as attributed to the profits of the Company exempted from Income Tax under Section 80 K of the Income Tax Act.
- ii) Members shall be entitled to claim deduction from their total income to the extent of Rs. 4,000/- per year in respect of specified items including dividends from Indian Companies under Section 80 L of the Income-Tax Act, and
- iii) Members shall also be entitled to exemption from Wealth Tax on specified financial assets to the extent of Rs. 1.5 Lakhs including shares in this Company under Section 5 (1A) of the Wealth Tax Act, 1957.

Main objects of the Company :

The Company's Memorandum of Association states the following objects of the Company :

1. To carry on trading business of all industrial domestic and Agricultural goods.
- 1A. To carry on, as its principal business of Industrial investment Company and/or the business of investment Company and to invest in and acquire and hold and otherwise deal in shares, stocks, debentures, debenture stock, bonds, obligations and

securities issued or guaranteed by any company constituted or carrying on business in India or elsewhere and debentures, debenture stocks, bonds, obligation and securities issued or guaranteed by any government, state, dominion sovereign, ruler, commissioner public body or authority supreme, municipal, local or otherwise, whether in India or elsewhere.

2. To acquire any such shares, stocks debenture, debenture stocks bonds, obligations or securities by original subscription, participation in syndicates, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

Minimum Subscription :

The minimum subscription in respect of the present issue will be subscription of the entire Equity Shares offered under this prospectus.

The Directors will proceed to allot shares covered by this prospectus on receipt of the amount to be paid at the time of application for these shares i.e. Rs. 3,62,500.

Brokerage and underwriting Commission :

Brokerage at the rate of 1% on the issue price will be paid to Members of stock Exchanges, Brokers and Bankers named earlier in the prospectus, in respect of shares allotted as a result of application procured by them and bearing their stamp. No Commission is payable to underwriter as no part of the issue has been underwritten.

Issue at a Premium :

No amount has been paid or is payable by way of premium any Shares issued by the Company at any time.

Option to Subscribe :

The Company has not entered into any contract or arrangement and does not at present propose to

enter into contract or arrangements whereby any option or any preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares in the Company.

Interest of Promoters and Directors :

None of the Director and Promoter is in any way interested in promotion of the Company except as Director or shareholder. No benefit has been paid or given or is intended to be paid or given to any promoter or to any officer of the Company except in case of officers of the Company the normal remuneration payable to them and the reimbursements of all authorised expenditure on behalf of the Company.

Object of the present issue :

This issue is being made with the object of inviting public to participate in the Equity share capital of the Company. The entire subscription will be utilised as per the object clause of the Company.

Expenses to the Issue :

The expenses of the issue are payable by the Company, inclusive of brokerage, registration fees, legal charges, Auditors' and managers fees etc. estimated at Rs. 30,000/- to be met out of the proceeds of this issue.

Alternate Directors :

The Board of Directors may appoint alternate Directors as envisaged under Section 313 of the Companies Act, 1956.

Directors :

Until otherwise determined by Special Resolution, the number of Directors of the Company shall not be less than three or more than nine.

Power of Directors :

Subject to the provisions of the Companies Act, 1956, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and do all such acts and things as the Company is authorised to exercise and do, provided the Board shall not exercise any power or do any act or thing which is directed or required, whether by the statute or by the Memorandum of the Company or by the

Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provision on that behalf contained in the Companies Act, 1956 or any other statute or in the Memorandum of the Company or in the Articles of Association, or in any regulation not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting but no regulation made by the Company in the general meeting will invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Qualifying Share :

A Director shall not be required to hold any share as qualification share.

Managing Director/whole-time Director :

Subject to the provisions of the Companies Act, 1956, Managing Director or Whole-time Director may be appointed by the Board at such remuneration as may be approved by the Central Government. No such Managing Director has been proposed or appointed by the Company upto now.

Remuneration of Directors :

- (i) Remuneration of the Directors shall be a fee of Rs. 100/- for each Director for each Meeting of Board of Directors attended.
- (ii) Any Director performing extra services or making any special efforts for any of the purposes of the Company or who is a managing or whole time director, may be paid such fixed sum of remuneration either by way of monthly payment or at a specified percentage of Profit or in any other manner as the company may determine, subject to the provisions of the Act.
- (iii) The remuneration of the Directors shall be in so far as it consists of a monthly payment, be deemed to accrue from day to day.
- (iv) The Directors may allow and pay to any Director who, for the time being is resident out of the place at which any meeting or Committee Meeting of the Directors may be

held and who shall come to that place for the purpose of attending such Meeting such sum as the Directors may consider fair and reasonable for expenses, in connection with attending the Meetings in addition to his remuneration as specified hereinbefore. The Directors may also be paid or reimbursed all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company.

Borrowing Powers :

The Articles of Association of the Company provide that :

- (i) The Board may from time to time at their discretion subject to the provisions of the Act, raise or borrow either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company.
- (ii) The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in any respects as they think fit, and in particular by the issue of Bonds perpetual or redeemable debentures or any mortgage charge or other security on the undertaking or the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

Classes of Share and their respective rights :

The authorised share capital of the Company is Rs. 25,00,000/- divided into 2,50,000 Equity Shares of Rs. 10/- each. There is no other class of Shares in the Company. The Company may increase or reduce the capital of the Company and divide the shares in the capital for the time being into several classes with such preferential, qualified and special rights, privileges and conditions respectively and to vary, modify and abrogate any of them as may be determined in accordance with the Articles of Association. Subject to the Articles of Association, the profits of the Company shall be divisible amongst the members in proportion to the amount of capital paid upon the shares held by them respectively. If any share is issued on terms providing that it shall rank for dividend as from a particular date, such share will rank for dividend accordingly.

Voting Rights :

The Articles, inler alia provide :

- (1) save as hereinafter provided on a show of hands every members present in person and being a holder of Equity Shares shall have one vote and every person present either as a General Proxy on behalf for Equity Shares if he is not entitled to vote in his own right or, as duly authorised representative of a body corporate, being a holder of equity shares, shall have one vote.
- (2) On a poll the voting rights of Equity Shares shall be as specified in Section 87 of the Companies Act, 1956.
- (3) The holders of Preference Shares shall not be entitled to vote at the general meeting of the Company except as provided for in Section 87 of the Companies Act, 1956.

Provided that no body corporate shall vote by proxy so long as a resolution of its Board of Directors under the provisions of Section 187 of the Companies Act, 1956 is in force and the representative named in such resolution is present at the general meeting at which the vote by proxy is tendered.

Transfer :

Save as provided in Section 108 of Companies Act, 1956, no transfer of a share shall be registered unless a proper instrument of transfer in the common form as may be prescribed by law duly stamped and executed by or on behalf of the transreree has been delivered to the Company together with the certificate or, if no such certificate is in existence the letter of allotment of the share. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address and occupation. Application for the registration of the transfer of a share may be made either by the transferor or the transferee, provided that, where such application is made by the transferor no registration shall, in the case of a partly paid share be effected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act, and

subject to the provisions of the Companies Act, 1956 the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. The Company shall not make any charge for registration of transfer of its shares and debentures and for subdivision and consolidation of shares and securities into denominations corresponding to the market units of trading in a Stock Exchange.

The Company shall not have any lien on fully paid shares and in the case of partly paid shares, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. The monies paid in advance of calls shall not in respect thereof confer a right to dividend or to participate in profits of the Company. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

Modification of rights :

All or any of the rights, privileges attached to each class of shares, may be varied, modified, commuted, affected, abrogated or dealt with in the manner and subject to the provisions laid down in Section 106 and 107 of the Companies Act, 1956.

Lien :

The Company shall have no lien on its fully paid up shares.

In case of partly paid up shares the Company shall have a first and permanent lien only in respect of all money called or payable at fixed time in respect of shares. 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 not operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares to be wholly or in part exempt from these provisions.

Capitalisation of Reserve :

There has been no capitalisation of reserves or profits since the incorporation of the Company.

Revaluation of Assets :

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

Classes of Shares :

The Share Capital of the Company consists of only Equity Share.

Material Contracts and Inspection of documents :

No contract (not being contracts entered in the ordinary course of business carried on by the Company) which may be deemed material have been or are proposed to be entered into by the Company.

Inspection of Documents :

Document referred to below may be inspected at the Registered Office of the Company situated at 108A, Elliot Road, Calcutta-700016, between 10-30 A.M. and 12 noon and 2-30 P.M. and 5 P.M. on any working day (except Saturdays and holidays) for a period of fourteen days from the date of publication of the prospectus or until the closing of the subscription list Whichever is earlier.

- i) Memorandum and Articles of Association.
- ii) Certificate of Incorporation.
- iii) Certificate of Commencement of business.
- iv) Report of Auditors of the Company, and
- v) Consents of Bankers, Auditors, and Brokers.

Previous Commission, Brokerage and Discount of Shares :

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

Consents :

Consents in writing of the Bankers to the Company, the Bankers to the issue, Managers to the issue, Auditors and Brokers to act in their respective capacities have been obtained and filed with the Registrar of Companies, West Bengal as required by the Companies Act, 1956 and have not been withdrawn. Messrs M. R. Singhwi & Co. Auditors of the Company have

given their written consent to the issue of this prospectus with the inclusion herein of the report in the form and context in which it appears and such consent has not been withdrawn.

Preliminary Expenses and Payment to Promoters :

Preliminary expenses incurred will be reimbursed to promoters. The expenses of the issue are payable by the Company inclusive of brokerage, legal charges, professional fees, Auditors and Managers fees etc. estimated at Rs. 15,000/- and are to be met out of the proceeds of this issue.

Previous Capital :

Ninety-five thousand Equity Shares of Rs. 10/- each fully paid up were taken up by the promoters, Directors, their friends and associates.

Debentures :

No Debenture has been issued so far by the Company.

Issue for Consideration other than cash :

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

Issue at Premium and Discount :

No amount has been paid or is payable by way of premium on any share issued or agreed to be issued by the Company at any time so far. The Company has also not issued any share at discount.

Application and Allotment of Shares :

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

Application forms from non-resident Indian persons of Indian Origin resident abroad, properly completed together with remittance from abroad

towards the amount payable on application through approved Banking channel or out of the funds held in the non-resident (external) account alongwith documentary evidence in this behalf named in the Prospectus at any of the branches mentioned against their names in the application forms.

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 application from non-resident Indian persons of Indian origin resident abroad. Allotment of shares to non-resident Indian persons of Indian origin resident abroad need not apply direct to Reserve Bank of India for permission to purchase shares of the Company.

The application forms properly completed together with the amount payable on application at the rate of Rs. 2.50 per share must be lodged on or before the close of banking hours on the closing date of subscription list with Punjab National Bank (being the Bankers to the issue) at their respective branches and offices, appearing on the application forms. No receipt will be issued for the application money. However the Bankers to the issue will acknowledge receipt of the application by stamping and returning to the applicant the perforated acknowledgement slip at the bottom of such application form.

Payments may be made in Cash or by Cheque or Draft. Cheques or Drafts should be drawn on a Scheduled Bank including a State Co-operative Bank specified in the Schedule for the Reserve Bank of India Act, 1934 or any member or sub-member of clearing house located at the particular place where the application is tendered. Applications tendered with outstation cheques or drafts will be liable to be rejected. Cheques or Drafts should be payable to the bankers to the issue aforesaid with whom the application is lodged and marked Punjab National Bank "A/c. Safex Trading & Finance Limited - Equity Issue".

A separate cheque or draft must accompany each application form. Save as herein after provided Share Certificate/Letter of allotment/Letter of Regret as the case may be shall be issued within 60 days from the date of closure of the subscription list or within such further time as the Calcutta Stock Exchange may agree to extend. The Directors of the Company reserve the right to accept or reject any

application in whole or in part without assigning any reason. If the applications exceed the number of shares offered, the basis of acceptance will be decided in consultation with the Calcutta Stock Exchange.

Where an application is rejected in full the whole of the application money received will be refunded to the applicant and where an application is rejected in part, the balance of the application money received will be refunded after adjustment of the amount, if any, due on allotment in both cases, refund will be made at the risk of the applicant within two months of closing date of the subscription list or within such period as may be extended by the Calcutta Stock Exchange, but no interest will be paid in respect of the application money received. Refund will be made by cheques or pay orders drawn on the Company's Bankers to the issue at Calcutta and Bank charges, if any, for encashing such Cheques or pay orders will be payable by the applicants. Such cheques or pay orders will however, be payable at par at all Branches of the Bankers where applications are received.

Application for shares must be in the names of individuals, Limited Companies, statutory corporations and not in the name of minors, partnership firms, trust or a society (unless the trust or society is Registered under any Societies Registration Act and is authorised under its constitution to hold shares in a company).

Any application not in conformity with this or by persons not entitled to apply shall be rejected.

Issue of share Certificates :

On accepting an application wholly or partly, Share Certificate(s) for the number of Shares in respect of which the application is accepted will be forwarded to the applicant by post at the applicants' risk within 90 days from the date of closing of the Application list or within such extended time as may be allowed by the Calcutta Stock Exchange.

We, the Directors of SAFEX TRADING & FINANCE LIMITED hereby confirm the correctness of the informations relating to the Company contained in these documents.

Dashrathmal Kumbhat	}	Directors
Ravindra Gutgutia		
Prasan Choudhary		
Calcutta		
Dated, the 7th day of June, 1982		