

SANMATI TRADING & INVESTMENTS LIMITED

PROSPECTUS

FOR PUBLIC ISSUE OF

1,67,500 Equity Shares of Rs. 10/-

each for cash and at par

Registered Office :

**178, MAHATMA GANDHI ROAD,
CALCUTTA-700 007**

SUBSCRIPTION LIST OPENS ON—21ST JULY, 1981

CLOSEST CLOSING DATE 23RD JULY, 1981

SANMATI TRADING & INVESTMENTS LIMITED

(Incorporated under the Companies Act, 1956)

PUBLIC ISSUE OF 1,67,500 EQUITY SHARES OF RS. 10/- EACH AT PAR.

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

A copy of the Prospectus having attached thereto 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.

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

THIS SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS ON TUESDAY, THE 21ST JULY, 1981 AND WILL CLOSE AT THE CLOSE OF THE BANKING HOURS ON FRIDAY, THE 31ST JULY, 1981 OR EARLIER AT THE DISCRETION OF DIRECTORS, BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THURSDAY, THE 23RD JULY, 1981.

Attention of Applicants is drawn to Sub-section (1) of Section 68-A of the Companies Act, 1956 (hereinafter referred to as "Act") which is reproduced below :

Any person who :—

- (a) MAKES IN A FICTITIOUS NAME AN APPLICATION TO A COMPANY FOR ACQUIRING OR SUBSCRIBING FOR ANY SHARES THEREIN, OR
- (b) OTHERWISE INDUCES A COMPANY TO ALLOT OR REGISTER ANY TRANSFER OF SHARES THEREIN TO HIM OR ANY OTHER PERSON IN A FICTITIOUS NAME

shall be punishable with imprisonment for a term which may extend to five years.

SUBSCRIPTION LIST OPENS ON—21ST JULY, 1981

EARLIEST CLOSING DATE 23RD JULY, 1981

SHARE CAPITAL :-

Authorised :

2,47,500 Equity Shares of
Rs. 10/- each Rs. 24,75,000/-

Issued, Subscribed and Paid up :

700 Equity Shares of Rs. 10/-
each at par for Cash by the
Subscribers to the Memorandum
of Association as fully paid up
Share Rs. 7000/-

79,300 Equity Shares of Rs. 10/-
each at par for Cash have
subscribed by & allotted to Pro-
motors, Directors, their friends,
associates, relatives & nominees
as fully paid up share Rs. 7,93,000/-

Present Issue offered for Subscription for Cash at par to Public for Subscription in terms of this Prospectus :

1,67,500 Equity Shares
of Rs. 10/- each Rs. 16,75,000/-

Terms of Payment :—

On application Rs. 5/- per share
On allotment Rs. 5/- per share

Failure to pay the amount due on allotment will render allottee liable to pay interest at the rate of 12% per annum or such lower rates as the Directors may determine and shall also render the shares (including the amount already paid thereon) liable to forfeiture, in accordance with the Articles of Association of the Company.

Application must be for a minimum of fifty shares or multiple thereof.

Application may be made by Indian Nationals who are residents in India and also by non-resident Indians/ Persons of Indian Origin resident abroad subjects to the conditions set out under paragraph "Application by Non Resident".

An applicant should submit only one application and not more than one. 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 reserves the right to reject in its absolute discretion all or any multiple applications.

Applications must be made on the form accompanying the Prospectus and in accordance with the instructions contained in the form 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.

The Application form properly completed together with the amount payable on application must be lodged before the closing of banking hours on or before the closing date of the subscription list with the Bankers to the issue named hereunder at Calcutta or any of their Main Offices, a list of which is incorporated in the application form.

Payment must be made in cash or by cheque or draft. Cheque or draft should be drawn on a Scheduled Bank including State Co-operative Bank included in the second Schedule to the Reserve Bank of India Act, 1934, which is a member or sub-member of clearing houses located at centres where there are recognised Stock Exchanges located at the particular place where the application is tendered. Applications tendered with outstation cheque will be rejected. Cheque or draft should be made payable to the bankers to the issue with whom the application is lodged and marked "A/c. SANMATI TRADING & INVESTMENTS LTD. Equity Issue" and crossed "A/c. payee only".

A separate cheque or draft must accompany each application form. A receipt will be issued for application money in the counter foil of the application form and final acknowledgement will be made by despatch of letter of allotment or share certificate or letter of regret within two months from the date of closing of the subscription list or such time as may be extended by the Calcutta Stock Exchange Association Limited. Where a letter of Allotment is issued to notify the allotment, share certificate will be ready for delivery in exchange of the letter of allotment within three months from the date of allotment. The Directors reserve the right to accept or reject any application in whole or in part without assigning any reasons.

Where an application is rejected in full the whole of the application money received and where an application is rejected in part the balance of the application money received will be refunded simultaneously with the despatch of letter of regret or letter of allotment or

share certificate. No interest will be paid in respect of money so refunded. Refund will be made by cheque or pay order or Demand Draft drawn on Company's Bankers to the issue and will be payable at par at all the places where subscription monies were collected.

Refund pay order, if any, will be made in the name of and all communication will be sent to the applicant whose name appears first on the application form, at the address given by him.

Application for shares must be made in the names of individuals, Limited Companies, Statutory Corporations or Institutions and not in the names of minors, partnership firms or a trust (Unless the trust is registered under the "Societies Registration Act" and is authorised by its Memorandum and Rules to hold shares in a Company).

In the case of an application under power of Attorney or by Limited Companies, the relevant power or other authorities must be lodged with the Company at its Registered Office for registration and return.

APPLICATION BY NON-RESIDENT :

In terms of relaxation of rules to non-resident investment in India, non-resident Indians/persons of Indian origin resident abroad may subscribe to the Equity Shares hereby offered in accordance with the rules of the Reserve Bank of India. The Company will obtain necessary permission in this connection of Reserve Bank of India and the applicant need not apply directly to the Reserve Bank of India for permission for subscription to the said shares. Allotment of shares to non-resident Indian/person of Indian origin resident abroad shall be subject to the Company's obtaining such permission from the Reserve Bank of India.

Copy of this prospectus and forms of application may be obtained from the Brokers and Bankers named herein and from the registered office of the Company.

BOARD OF DIRECTORS : Other Directorship

- | | |
|--|---|
| 1) Shri Harish Kumar Bagla
S/o Shri Shree Ram Bagla
8, Lyons Range,
Calcutta-700001
Business | 1) Tirupathi Properties
& Investments Ltd.
2) Deccan Resins Ltd.
3) Pola Investments
Private Ltd. |
|--|---|

- 2) Shri Ratanlal Jain
S/o Late Grewar Chand Jain
23, Rajendra Mullick Lane,
Calcutta-700006
Chartered Accountant

Nil

- 3) Shri Sohanlal Kotkiwal
S/o Shri Sarwan Kumar
Kotkiwal
3, Burtolla Street,
Calcutta-700 001
Business

Nil

REGISTERED OFFICE :

178, Mahatma Gandhi Road, 2nd floor,
Calcutta-700 007

BANKERS TO THE COMPANY :

Punjab National Bank
135, B. R. B. B. Road,
Calcutta-700 001

BANKERS TO THE ISSUE :

Punjab National Bank
135, B. R. B. B. Road,
Calcutta-700 001

BROKERS TO THE ISSUE :

AHMEDABAD

Naresh Chandra Lalbhai Parikh
Manek Chowk
Ahmedabad-380 001

BANGALORE

Agrahar & Co.
Indian Bank Building
Kempegowda Road
Bangalore-560 009

BOMBAY

Batilvala & Karani
Union Bank Building
Dalal Street
Fort, Bombay-400 023

CALCUTTA

Dayco,
7, Lyons Range
Calcutta-700 001

Ghanshyam Das Bhalotia
7, Lyons Range
Calcutta-700 001

COCHIN

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

A. Aarow & Co.
Congress House, P. B. No. 1003,
Hospital Road, Ernakulam
Cochin-682 011

HYDERABAD

Ganpatlal Sharma
4-4-288 Sultan Bazar, Hyderabad-500 001

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

INDORE

Santosh & Co.
29, Dhenu Market
G. G. S. I. T. S. Road
Indore-452 003

Govinddas Shrikishan Agarwal
97, M. T. Cloth market
Indore-452 002

MADRAS

Kothari & Sons
Kothari Bldgs. Box 3309, Nungambakkam
High Road, Madras-600 034

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

NEW DELHI

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

AUDITORS :

M/s Jain Sarawgee & Co.,
Chartered Accountants
178, Mahatma Gandhi Road, 2nd Floor
Calcutta-700 007

MANAGEMENT :

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

TAX BENEFITS

The Board of Directors are advised that according to the Taxation Laws presently in force, the following tax benefits would be available :

- 1) The Company will be entitled to total exemption from sur-tax on dividends received by it from an Indian Company or a Company which has made prescribed arrangements for the declaration and payment of dividends within India and will also be entitled to deduction in respect of intercorporate dividends from its gross total income u/s. 80M.
- 2) The Company will be entitled to deduction in respect of dividends from new industrial undertaking or ships or hotel business u/s. 80 K of the Income Tax Act, 1961.
- 3) The Company will be entitled to deduction of a 1/10th of the Specified expenditure including the expenses incurred on the issue of shares for a period of 10 successive years under Section 35D of the Income-Tax Act, 1961.

4) Members of the Company who are themselves, Indian Companies will be entitled to claim exemption from Sur-tax on the amount of dividends received by them from the Company. Such Companies can also have the benefits of appropriate deduction on dividends received by them from the Company under Section 80M of the Income Tax Act, 1961.

5) Members of the Company who are individuals or Hindu undivided families would also be entitled to claim deduction from their total income of the

amount of dividends received from the Company together with other dividends etc., to the extent of Rs. 3,000/- per year under Section 80 L of the Income Tax Act, 1961.

6) Under section 5 (1A) of the Wealth Tax Act, 1957, the Wealth Tax will not be payable by members of the Company being individuals and HUF on specified assets upto an aggregate amount of Rs. 1,50,000/- including shares in this Company.

JAINSARAWGEE & CO.

CHARTERED ACCOUNTANTS

BRANCHES
**HYDERABAD
JAIPUR**

Phone : { Off, : 33-5885
Res. : 32-5629
32-5711

178, MAHATMA GANDHI ROAD,
(2nd Floor)
CALCUTTA-700 007

AUDITORS' REPORTS

To
The Directors,
M/s. Sanmati Trading & Investments Limited,
178, Mahatma Gandhi Road,
Calcutta-700 007.

Dear Sirs,

We have examined the Books of Account of M/s. Sanmati Trading & Investments Limited for the period from 3rd February, 1981 (the date of incorporation) to 7th June, 1981 being the last date upto which the Accounts of the Company have been made up. In accordance with the provisions of clause 24 (2) (a) and (b) of part II of Schedule II of Companies Act, 1956, we are to report as follows:

1. Profit and Loss Account :-

The company has started the business of Investment during the above period. The working results of the company for the period ended on 7th June, 1981 as under :-

Income	Nil
Expenditure	6,954.92
Losses	<u>6,954.92</u>

2. Assets and Liabilities :-

We further report that the Assets and Liabilities as at 7th June, 1981 as stated below :-

Assets—

i) (A) Investments (At Cost)

Quoted in joint stock companies fully paid
Equity Shares

Rs. P.

51,000/-

Unquoted in joint stock companies fully
paid Equity Shares

2,25,000/-

2,76,000.00

ii) Current Assets & Loans & Advances :

(A) Current Assets :

Cash in hand

1,830.08

Cash at Bank in Current Account

4,03,525.00

(B) Loans & Advances :

Loans (Unsecured and Considered good)

1,00,000.00

5,05,355.08

iii) Miscellaneous Expenditure :

(To the extent not written off or adjusted)

Preliminary Expenses

11,690.00

7,93,045.08

Represented by :-

Share Capital

80,000 Equity Shares of Rs. 10/-
each fully paid up in cash

8,00,000.00

Less : Profit & Loss Account

6,954.92

7,93,045.08

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

4. Market value of quoted shares is Rs. 55,750/-.

For JAINSARAWGEE & CO.

Chartered Accountants

D. K. SARAWGEE

Partner

178, Mahatma Gandhi Road,
Calcutta-700 007 Dated, the 8th day of June, 1981.

THE STATUTORY AND GENERAL INFORMATION

Incorporation & Main Objects of the Company

The Company was incorporated in the state of West Bengal under the Companies Act, 1956 on 3rd February, 1981 and obtained the Certificate of commencement of business on 12th February, 1981.

The Company has not carried on any business so far.

Names, Father's Name, Addresses and Occupations of the Signatories to the Memorandum of Association of the Company and the Number of Shares Subscribed for by each of them are set out below :

Sl. No.	Name, Father's Name, Address and Occupation of the Subscriber	Number of Equity Shares taken by each Subscriber
1.	Braja Kishore Biswal S/o. Birendra Biswal 15, K. C. Road, P.O. Cossipur Calcutta-700 002 (Service)	100 Shares
2.	Tapan Kumar Aditya S/o. Sri Sushil Ranjan Aditya 9/41A, Bijoygarh, Jadavpur Calcutta-700 032 (Service)	100 Shares
3.	Sohanlal Kotkiwal s/o. Shree Sarwan Kumar Kotkiwal 3, Burtolla Street, Calcutta-700 007 (Business)	100 Shares
4.	Surendra Kumar Jain S/o. Sri Madan Lal Jain 4, Raja Woodmunt Street, Calcutta-700 001 (Service)	100 Shares
5.	P. Kondal Rao S/o. (Late) P. J. Rama Rao 122C, Rash Behari Avenue, Calcutta-700 029 (Service)	100 Shares
6.	Vinod Kumar Sharma S/o. Sri Nagar Mal Sharma 178, Mahatma Gandhi Road. Calcutta-700 007 (Service)	100 Shares
7.	Raj Kumar Agarwal S/o. (Late) Sri Chhotelal Agarwal 155B, Mahatma Gandhi Road, Calcutta-700 007 (Service)	100 Shares
		700 Shares (Seven Hundred)

The objects of the Company are as set out in the Company's Memorandum of Association, a printed copy of which is available for inspection. The main objects of the Company, interalia, are :

- 1) To carry on, as the principal business, the business of dealing in shares, stocks, debenture, debenture stocks, 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 carry on any of the businesses of :—investment company and to invest in and acquire and hold and otherwise deal in shares, stocks, debentures, debenture stocks, bonds, Govt. Securities and any other securities bullion, precious stones, Jewellery & ornaments, work of Art, antique, curios financiers of industrial, commercial and other enterprises and general financiers, film financiers, producers and distributors and exhibitors, moneylenders, sahu-kars, trustees, real estate owners, landlords, real estate agents, builders, under-writers, guarantors, hire-purchase dealers, investors, promoters, brokers and dealers of and in shares, stocks, debentures, securities, bonds, obligations, claims, licenses and charges, land, buildings, houses, easements, negotiable instruments, decrees, book-debts, patents, factories, mines, industrial undertaking, business concerns, warehouse, property and rights of all kinds, agricultural land, farms, gardens, flats, showroom, offices, residential units, shops and godowns, business of insurance agents, trust-company, safe deposits company and such other business and acts required in connection therewith and to receive on deposit or borrow and raise money provided that the company shall not carry on the business of Banking as defined under the Banking Companies Act, 1949.

OBJECTS OF THE ISSUE

The issue is being made with the object of providing finance required for the Company's Business set out in detail under the heading "Capital Outlay".

CAPITAL OUTLAY

Investments in shares and debentures of Joint-Stock Companies and securities issued by Government and Statutory bodies and to invest as loan, advance and for other business of the Company as may be decided by the Directors

Rs. 23,75,000/-

Working Capital

Rs. 50,000/-

Preliminary Expenses & issue Expenses Rs. 50,000/-

Rs. 24,75,000/-

SOURCE OF FINANCE

Shares already issued & subscribed for

Rs. 8,00,000/-

Present issue as per this prospectus Rs. 16,75,000/-

Rs. 24,75,000/-

MINIMUM SUBSCRIPTION

The minimum subscription in respect of the present issue will be subscription of 1,67,500 Equity Shares offered to the Public under the Prospectus. The Directors will proceed to allot shares covered by this prospectus on receipt of the full amount to be paid at the time of application for these shares i.e. Rs. 8,37,500/-. The entire minimum subscription will be utilised for the company's business and to meet the expenses of this issue.

PRELIMINARY EXPENSES & ISSUE EXPENSES

The amount of Preliminary Expenses including the issue Expenses has been estimated to be Rs. 50,000/-.

BROKERAGE AND UNDERWRITING COMMISSION

Brokerage at the rate of 1% on the issue price will be paid to Brokers & Bankers named earlier in this Prospectus, as well as to the members of the recognised Stock Exchanges in India in respect of shares allotted as a result of applications procured by them and bearing their stamp. No commission is payable to underwriters as no part of the issue has been underwritten.

PREVIOUS COMMISSION, BROKERAGE AND DISCOUNT ON SHARES

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

ISSUE OTHERWISE THAN FOR CASH

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

ISSUE AT A PREMIUM OR DISCOUNT

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

OPTION TO SUBSCRIBE

The Company has not entered into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares in the Company.

CLASSES OF SHARES

The share capital of the Company is Rs. 24,75,000/- divided into 2,47,500 Equity Shares of Rs. 10/- each.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to the provisions of the Companies Act, 1956 and to the Articles of Association of the Company, the Profit of the Company which shall from time to time be determined to be divided in respect of any year or other period shall be applied, subject to the payment of preferential dividend, in the payment of a dividend to the holders of the Equity shares of the Company in proportion to the amount paid up on the Equity shares held by them respectively and 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.

Subject to the right of the holders of the preference shares of the Company, the Equity Shareholders shall be entitled to be repaid the amount of capital paid-upon such shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid or which ought to have been paid on the Equity Shares held by them respectively, at the commencement of the winding up. If, however, the assets shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the Capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively.

VOTING RIGHT

The Articles of Association of the Company provide inter-alia that on a show of hands every member present in person and being holder of Equity shares shall have one vote and every person present either as a general proxy on behalf of a holder of Equity shares, if he is not entitled to vote in his own right or as a duly authorised representative of a body corporate being a holder of Equity Shares, shall have one vote, and on poll the voting right of Equity Shareholders shall be as specified in section 87 of the Companies Act, 1956.

The Holders of preference shares shall not be entitled to vote at general meeting of the Company except as provided for in Section 87 of the Act.

No body corporate shall vote by proxy so long a resolution of its Board of Directors under the provisions of section 187 of the Act is in force and the representative named in such resolution is present at the general meeting at which the vote is tendered.

The Articles of Association of the Company also provide that no Member shall be entitled to exercise any voting right either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any call or other, sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.

Where a body corporate (Hereinafter called "Member Company") is a member of the Company a person duly appointed by resolution in accordance with the

provisions of Section 187 of the Act to represent such Member Company at a meeting of the Company shall not by reason of such appointment, deemed to be proxy and the lodging with the company at the office or production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same right and power including the right to vote by proxy on behalf of the member company which he represents as that member company could exercise if it were an individual member.

Any person entitled under the Transmission/Articles to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that fortyeight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a Lunatic, idiot or NON COMPOSMENTS, he may vote whether on a show of hands or at a poll by proxy or by his committee CURATORBONIS or other legal curator and such last mentioned persons may give their votes by Proxy.

Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by Proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then one of the said persons so present whose name stands first on the Register in respect of such shares alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of these Articles be deemed joint holders thereof.

On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

MODIFICATION OF RIGHTS

All or any of rights attached to the different classes of shares of the Company (Unless otherwise provided by the terms of the issue of the share of that class) may subject to the provisions of the Companies Act, 1956 and clause 53 of the Articles of Association of the Company be varied either with the consent in writing of the holders of not less than three fourth of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that Class.

RESTRICTIONS ON THE RIGHT TO TRANSFER SHARES

No transfer of a share shall be registered unless an instrument of transfer in accordance with Section 108 of the Act, duly stamped and executed by or on behalf of the transfer or and by or on behalf of the transferee has been delivered to the company together with the certificate or, if no such certificate is in existence, the letter of allotment of the shares.

The Company's Articles of Association provides that subject to Section 111 of the Companies Act, 1956, the Board without assigning any reason, may within two months from the date on which the instrument was delivered to the Company refuse to register any transfer of or the transmission by operation of law of the right to a share.

LIEN

The Company has a first and paramount lien upon shares, not being fully paid up shares, registered in the name of each member (whether solely or jointly held) and upon the proceeds of sale thereof, for moneys called or payable at fixed time in respect of such shares, whether the time for payment thereof shall have actually arrived or not and no Equitable interest in any shares shall be created except upon the footing and condition that articles 30 is to have full effect. Such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of transfer of a share operate as a waiver of the Company's lien, if any, on such share.

MANAGING DIRECTOR

Subject to the provisions of Section 316 and 317 of the Act, the Board may from time to time appoint one or more Directors to be Managing Directors of the Company, either for fixed term not exceeding five years for which he is to hold such office, and may from time to time (subject to the provisions of any contract between him and the Company) remove or dismiss him from office and appoint another in his place.

Subject to the provisions of Section 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles of the Company, receive such additional remuneration as may from time to time be sanctioned by the Company. Presently the Company does not have any Managing Director.

DIRECTORS AND RESTRICTION ON THEIR POWER

Subject to the provisions of the Act, the Control of the Company shall be vested in the Board who shall be entitled to exercise all such acts and things as the Company is authorised to exercise and to do. Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other statute or by the Memorandum of the Company or by 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 provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in the Articles, or in any regulation, not inconsistent therewith and duly made thereunder, including regulation made by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Until otherwise determined in the general meeting by Special Resolution the number of the Directors of the Company shall not be less than three and more than nine. The Company in general meeting may from time to time increase or reduce the number of Directors within the limit fixed as above.

The Board shall have power, at any time and from time to time to appoint any person as a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the next Annual General Meeting of the Company and shall then be eligible for re-election.

The Directors are not required to hold any qualification shares.

REMUNERATION OF DIRECTORS

Unless otherwise determined by the Company in General Meeting each Director shall be entitled to receive out of the funds of the Company for his services in attending meeting of the Board or committee of the Board, a fee not exceeding Rs. 250/- per meeting of the Board or Committee of the Board attended by him, as may be determined by the Board from time to time. All other remuneration, if any, payable by the Company to each Director, in the whole or part time employment of the Company, shall be determined in accordance with and subject to the provisions of the Articles of Association of the Company and the Companies Act, 1956.

The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in connection of their attending Board and Committee meeting or otherwise incurred in the execution of their duties as Director.

If any Director, being willing is called upon to perform extra service or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then subject to Section 198, 309 and 314 of the Act, the Board may remunerate the Director so doing whether by a fixed sum or by a percentage of profits or otherwise and such remuneration may be in addition to or in substitution for any other remuneration to which he may be entitled.

BORROWINGS

Article 54 provides that the Board may from time to time at its discretion subject to the provisions of

Section 58A, 292, 293 and 370 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums of money for the purposes of the Company.

INTEREST OF PROMOTERS AND DIRECTORS

The promoters and Directors are or may be deemed interested to the extent of the remuneration to which they are entitled under the Company's Articles of Association and to the extent of any share in the company held by them or which may be subscribed by and allotted to them.

INDEMNITY

The Articles of Association of the Company provide that every Director or Officer of the Company or any person employed by the Company and any person appointed as Auditors shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Officer, Employee or Auditors 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, 1956, in which relief is granted to him by the court.

REVALUATION OF ASSETS AND CAPITALISATION OF RESERVES

There has been no revaluation of assets or capitalisation of reserves of the company since incorporation.

PREVIOUS SHARE CAPITAL ISSUE

700 Equity Shares of Rs. 10/- each fully paid up were taken by the Subscribers to the memorandum of Association of the Company.

MATERIAL CONTRACTS

No contracts (not being contracts entered into 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

Documents referred to below may be inspected at the registered Office of the Company situated at 178, Mahatma Gandhi Road, 2nd Floor, Calcutta-700 007 between 10.30 a.m. to 12.00 noon and 2.00 p.m. to

4.00 p.m. on any working day (except Saturday and holiday) 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.

1. Memorandum and Articles of Association.
2. Certificate of Incorporation.
3. Certificate of Commencement of Business.
4. Report of the Auditors of the Company
5. Consent letter of bankers, Auditors' and Brokers.

Consent in writing of the Bankers to the issue, Auditors and Brokers to act in their respective capacities has been obtained and filed with the Registrar of Companies, West Bengal, as required by the Act and have not been withdrawn.

M/s. Jain Sarawgee & Co., Auditors of the Company have given their written consent to the issue of the Prospectus with the inclusion herein of the report in the form and context in which it appears and such consent has not been withdrawn.

REGISTERED OFFICE

178, Mahatma Gandhi Road, 2nd Floor
Calcutta-700 007

Dated 26th June, 1981

H. K. BAGLA

R. L. JAIN

S. L. KOTKIWAL

} Directors