

PART I

I GENERAL INFORMATION

DEE DEE STEEL CASTINGS LIMITED

Regd Office: D- 185, Phase VI, Focal Point, Dhandari Kalan, Ludhiana.
Tel:(0161) 671475,670378,406293 Fax: (0161) 403865

(Incorporated on 05.04.1988 under the Companies Act , 1956 as a Private Limited Company under the name and style of M/s. Dee Dee Steel Castings Private Limited and converted into Dee Dee Steel Castings Limited on 10.05.1995 vide fresh Certificate of Incorporation issued by the Registrar of Companies, Punjab ,Himachal Pradesh and Chandigarh at Jalandhar dated 16.06.1995)

DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the offer document by SEBI should not, in any way, be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme of the project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the offer document. SEBI has vetted the offer document filed with it for a limited purpose of overseeing, whether the disclosures contained therein are generally adequate and are in conformity with SEBI Guidelines for Disclosures and investor protection for the time being in force. This requirement is to facilitate the investors to take an informed decision for making investment in the proposed issue. It should also be clearly understood that, while the issuer company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Lead Manager is expected to exercise due diligence to ensure that the company discharges its responsibility adequately. In this behalf and towards this purpose, the Lead Manager DB Merchant Banking Services Ltd. has furnished to SEBI a due diligence certificate dated 25th July 1995 in accordance with SEBI (Merchant Bankers) Regulation, 1992 which reads as follows:

- i) "We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaboration, etc. and other materials in connection with the finalisation of the draft prospectus pertaining to the said issues.
- ii) On the basis of such examination and the discussion with the Company, its directors and other officers, other agencies, independent verification of the statement concerning objects of the issue, projected profitability, price, justification and the contents of the documents and other material furnished by the company."

WE CONFIRM THAT:

- a) the draft prospectus forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issues;
- b) all the legal requirements connected with the said issue as also the guidelines, instructions, etc. issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with;
- c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make well informed decision as to the investments in the proposed issue.
- iii) We confirm that besides ourselves, all the intermediaries named in the prospectus are registered with SEBI and that till date such registration is valid.

This acknowledgement does not, however, absolve the company from any liabilities under Section 63 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI, further reserves the right to take up, at any point of time, with the lead manager any irregularities or lapses in offer document.

The promoters/ directors namely Shri Sanjeev Gupta, Shri Deepak Gupta Smt. Manisha Gupta, Smt. Bimla Rani, confirm that no information / material likely to have bearing on the decision of investors in respect of shares/ debentures / securities offered in terms of this prospectus/ letter of offer / offer document has been suppressed / withheld and/or incorporated in the manner that would amount to misstatement / misrepresentation and in the event of it transpiring at any point of time till allotment/ refund, as the case may be, that any information / material has been suppressed / withheld and/ or amounts to a misstatement / misrepresentation, the promoters/ directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter, without prejudice to the provisions of Section 63 of the Companies Act 1956.

GOVT. APPROVALS

The Company is an existing SSI unit and will remain a SSI unit after the proposed expansion of the project. The Company has got approval from Govt. of Punjab, Director of Industries vide their letter no. 16/09/26644/PMT/SSI dated 27-03-89 to operate as an SSI unit.

LISTING

Initial listing applications have been made to the Stock Exchanges at Delhi, Ahmedabad, Jaipur and Ludhiana for enlistment and permission to deal in the Equity Shares of the Company being issued in terms of this Prospectus.

FILING

A copy of this Prospectus, having attached thereto, the documents as required to be filed under Section 60 of the Companies Act, 1956, (hereinafter referred to as the 'Act') has been delivered for registration to the Registrar of Companies at Jalandhar.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Act, the present issue has been authorised by a Special Resolution passed by the Shareholders of the Company at the Annual General Meeting of the Company held on 20.06.1995.

MINIMUM SUBSCRIPTION

IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION AMOUNT OF 90% OF THE ISSUED AMOUNT TILL THE DATE OF CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTHWITH REFUND THE ENTIRE SUBSCRIPTION AMOUNT RECEIVED. FOR DELAY BEYOND 78 DAYS FROM THE DATE OF OPENING OF THE ISSUE IF ANY, IN REFUND OF SUBSCRIPTION, THE COMPANY SHALL PAY INTEREST @ 15% PER ANNUM IF THERE IS ANY DELAY IN REFUND OF AMOUNT COLLECTED, THE COMPANY AND THE DIRECTORS OF THE COMPANY SHALL BE JOINTLY AND SEVERALLY LIABLE TO REPAY THE AMOUNT DUE BY WAY OF REFUND WITH INTEREST @ 15% PER ANNUM FOR DELAYED PERIOD BEYOND 78 DAYS FROM THE DATE OF OPENING THE ISSUE

CAUTION

Attention of the applicants is specifically drawn to the provisions of Sub-section (1) of Section 68-A of the 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."

ALLOTMENT / REFUNDS

Letters of Allotment or Share Certificates and/or Regret Letters together with refund cheques or pay orders, if any, will be dispatched within ten weeks from the closure of the subscription list, and if such money is not repaid within eight days from the day the Company becomes liable to pay it, the Company and every Director of the Company who is an officer in default shall on and from the expiry of the eighth day be jointly and severally liable to repay the money with interest @ 15% p.a.

The company shall ensure dispatch of refund orders of value over Rs. 1500/- and share/debenture certificates by Registered Post or as per extant Postal Rules and adequate funds for the purpose shall be made available to the Registrars. Refund orders upto Rs. 1500/- shall be dispatched in accordance with the extant Postal Rules.

Where the permission having been applied for dealing and listing of shares in the Stock Exchanges referred to above and if such permission has not been granted by the Stock Exchange(s) within 70 days from the closure of subscription list or where such permission is refused before the expiry of 70 days from the date of closure of subscription list, then the Company shall forthwith repay without interest all monies received from applicants in pursuance of the prospectus, and if any such money is not repaid within 8 days after the Company becomes liable to repay it (that is from the date of refusal or within 70 days from the date of closure of list whichever is earlier) the Company and every director of the Company who is an officer in default shall on and from the expiry of the eighth day be jointly and severally liable to repay that money with interest @ 15% p.a. If, however, an appeal against the decision of any recognised stock exchange refusing permission for the shares to be dealt in on that Stock Exchange has been preferred u/s 22 of the Securities Contract (Regulation) Act, 1956. Any allotment made under this prospectus shall not be void until the appeal is dismissed.

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS AS MENTIONED BELOW

ISSUE OPENS ON	:	22.01.1996
ISSUE CLOSES ON	:	27.01.1996

LEAD MANAGERS TO THE ISSUE

DB Merchant Banking Services Ltd
402, New Delhi House,
27, Barakhamba Road,
New Delhi - 110 001
Tel.: 3310720, 3312854
Fax.: 91-11-3326740

REGISTRARS TO THE ISSUE

In House Share Registry
3, Community Centre
Naraina Industrial Area,
Phase-I
New Delhi - 110 028
Tel: 5467313, 5458008,
Telex: 031-76298 KUKI-IN
Fax: 91-011-5458008

ADVISORS TO THE ISSUE

Kinetic Capital Services (P) Ltd.
Shakunt Bhawan, 20, Beadonpura,
Ajmal Khan Road, Karol Bagh,
New Delhi-110005
Tel: 5720437, 5730720,
Fax: 91-11-5744783

AUDITORS

Davinder Pal Singh & Co.
Chartered Accountants
Adj. Link Road Service Station,
Link Road, Ludhiana.

CREDIT RATING

This being an issue of Equity Shares, no credit rating is required.

TRUSTEES

The issue being of Equity Shares, appointment of Trustees is not required.

UNDERWRITERS

The public offer of 19,20,000 Equity Shares of Rs. 10/- each for cash at par aggregating to Rs. 192.00 lacs offered for subscription in terms of this prospectus has not been underwritten in accordance with the press release issued by IMARP Department of SEBI dated 10/10/94.

II CAPITAL STRUCTURE OF THE COMPANY**SHARE CAPITAL**

		NOMINAL VALUE
A. AUTHORISED		
35,00,000	Equity Shares of Rs.10/- each	3,50,00,000
B. ISSUED, SUBSCRIBED AND PAID UP		
2,89,000	Equity Shares of Rs. 10/- each	28,90,000
C. PRESENT ISSUE THROUGH THIS PROSPECTUS		
29,11,000	Equity Shares of Rs.10/- each for cash at par	2,91,10,000
D. OUT OF THE PRESENT ISSUE		
9,91,000	Equity Shares of Rs.10/- each for cash at par are reserved for allotment to the promoters, Indian Resident Directors their friends, relatives and associates	99,10,000
E.OFFERED TO THE PUBLIC FOR SUBSCRIPTION IN TERMS OF THIS PROSPECTUS		
19,20,000	Equity Shares of Rs.10/- each for cash at par	1,92,00,000
OUT OF WHICH		
(i)	2,88,000 Equity Shares of Rs. 10/- each for cash at par have are reserved for preferential allotment to Non Resident Indians(NRIs)/persons of Indian origin residing abroad, including Overseas Corporate Bodies(OCB's) and Foreign Institutional Investors(FIIs) on competitive & repatriation basis	28,80,000
(ii)	2,88,000 Equity Shares of Rs. 10/- each for cash at par are reserved for preferential allotment to Mutual Funds on competitive basis.	28,80,000
(iii)	6,400 Equity Shares of Rs. 10/- each for cash at par reserved for Employees and Whole-time Directors of the Company	64,000
F. NET OFFER TO INDIAN PUBLIC		
13,37,600	Equity Shares of Rs.10/- each for cash at par	1,33,76,000
G. PAID UP CAPITAL AFTER THE ISSUE		
32,00,000	Equity Shares of Rs. 10/- each	3,20,00,000

Notes:

1. The lock-in-period in respect of equity shares already allotted/to be allotted to the Promoters, Directors, their friends, relatives and associates will be as follows :

Date of Allotment	Reference	No. of Shares	% of 'G'	Issue Price (Rs.)	Nominal Value (Rs.)	Nature of Allotment	Lock in Period
24.05.1988	B above	200	0.01%	10/-	2000/-	Cash	NIL
25.08.1988	B above	2200	0.07%	10/-	22000/-	Cash	NIL
25.08.1988	B above	2600	0.08%	10/-	26000/-	Other than Cash	NIL
24.04.1989	B above	18900	0.59%	10/-	189000/-	Cash	NIL
15.11.1989	B above	10300	0.32%	10/-	103000/-	Cash	NIL
01.03.1993	B above	65800	2.06%	10/-	658000/-	Cash	NIL
10.05.1995	B above	100000	3.12%	10/-	1000000/-	Bonus	NIL #
26.06.1995	B above	89000	2.78%	10/-	890000/-	Cash	25/6/98
To be allotted	D above	800000	25.00%	10/-	8000000/-	Cash	5 Yrs*
To be allotted	D above	191000	05.97%	10/-	1910000/-	Cash	3 Yrs*
Total		1280000	40.00%		12800000/-		

- * Lock-in-period would commence from the date of commencement of commercial production or date of allotment in the proposed issue whichever is later.
 - # No lock in period is required as the shares are issued as bonus shares.
2. The unsubscribed portion, if any, out of the preferential offer under E (i), (ii) and (iii) shall be added back to net offer to the Indian Resident Public under F above
 3. The Company has issued 100000 Bonus Shares in the ratio of 1:1 at its Extraordinary General Meeting held on 10.05.95 out of Free Reserves.
 4. The entire subscribed capital of 2,89,000 equity shares of Rs. 10/- each aggregating Rs. 28.90 lacs is held by the promoters and including the reservation of 9,91,000 equity shares of Rs.10/- each aggregating Rs.99.10 lacs, the total holding of the promoters will be 128.00 lacs forming 40.00 % of the post issue paid up capital of Rs. 320.00 lacs
 5. Allotment of equity shares under E(iii) shall not exceed 200 shares per individual employee. There are 32 permanent employees including one wholtime director.
 6. Each application in the Contribution from the promoters under D above would be for a minimum of Rs. 25,000/- from individuals and a minimum of Rs. 1.00 Lacs from bodies corporate/ Trust etc.
 7. The promoters would bring in their entire contribution under 'D' above before the opening of the Issue.
 8. The company may allot additional shares upto a maximum of 10% of the present Issue size during the process of finalisation of Basis Of Allotment (to avoid odd lots) as per the revised Basis of Allotment procedure prescribed by SEBI.
 9. There are 21 shareholders as per the issued capital.
 10. The Company has allotted 2600 shares on 25.08.1988 against part payment of Transfer of Lease Rights of Land.
 11. The Company has obtained the approval of Reserve Bank of India for Issue of Shares to NRI's vide RBI's letter no. CO FID II 2707/ 10.02.40(6838)/95/96 dated 17.08.1995

III TERMS OF THE PRESENT ISSUE

The Equity Shares now being offered are subject to the terms of (a) this prospectus, (b) the application form, (c) the Memorandum and Articles of Association of the Company [hereinafter referred to as the 'Articles'], (d) the Guidelines for listing of Securities issued from time to time by Government of India/Stock Exchanges and (e) the Companies Act 1956.

TERMS OF PAYMENT

The amount payable per Equity Share will be as under:-

	On Application	On Allotment
Indian Public	2.50	7.50
Indian Mutual Funds	10.00	-
NRI's/FIIs	10.00	-

The application should be for a minimum of 500 equity shares or in multiples of 100 equity shares thereof. Excess amount paid on application shall be adjusted towards the amount payable on allotment of shares actually allotted and the balance amount, if any, thereafter will be refunded by the company to the applicants.

FORFEITURE

Failure to pay the amount due on allotment of Equity Shares will render the allottees liable to pay interest thereon at a rate not exceeding 15% per annum from the day specified for the payment thereof till the date of actual payment. The non payment of interest will render the Equity Shares including the amount already paid up thereon liable to forfeiture in accordance with the Act and the Articles of Association of the company.

UTILISATION OF FUNDS

The sum received in respect of the Public Issue will be kept in separate Bank Account and the company will not appropriate the funds unless approval of the Ludhiana Stock Exchange has been obtained for allotment and till listing approval is available from the Stock Exchanges of Delhi, Ahmedabad, Ludhiana & Jaipur.

RANKING

The new Equity Shares now being offered in terms of this Prospectus shall rank pari passu with the existing Equity Shares of the Company in all respects, save and except that these new Equity Shares will qualify for dividend, if any, only from the date of allotment and such dividend shall be in proportion to the amount paid up thereon and pro-rata for the period from the date of allotment of equity shares till the end of relevant financial year in which new equity shares are allotted.

RIGHTS OF INSTRUMENT HOLDERS

Subject to the provisions of sub-section (2) of Section 92 of the Act, every member holding any equity share capital therein shall have a right to vote in respect of capital, on every resolution placed before the company, and his voting right on a poll shall be in proportion to his share of the paid-up equity capital. The other rights of the shareholders in respect of dividends etc. are as per the relevant Articles of Association which have been reproduced later in this prospectus.

HOW TO APPLY

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

Application forms with copies of this prospectus may be obtained from the Registered Office/Head Office of the Company, the underwriters, brokers to the issue, Lead Managers, Co-Managers to the issue, and bankers to the issue named herein or from their branches as stated on the reverse of the application form.

PROCEDURE FOR APPLICATION

APPLICATIONS BY RESIDENT INDIAN PUBLIC

1. Applications must be made only in the prescribed application form accompanying the Memorandum containing the salient features of this Prospectus.
2. Application must be :
 - a. Completed in full in **BLOCK LETTERS in ENGLISH** (except signature) in accordance with the instructions relevant thereto and in the Application Form. Applications not so made are liable to be rejected.
 - b. For a minimum of 500 equity shares or in multiples of 100 thereafter.
 - c. In single name or joint names (not more than three).
 - d. By Indian Nationals Resident in India.
 - e. In the names of resident Indian individuals, limited companies, statutory corporations/institutions and not in the name of foreign nationals/non-residents Indians, persons of Indian origin residing abroad, trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any

other applicable Trust Law and is authorised under its constitution to hold shares in a company), Hindu Undivided Families, Minors except through guardians, partnership firms or their nominee(s) or agents. Im 5

3. Application Forms duly completed together with Cash/Cheque/Stockinvest/bank draft (money orders/postal orders will not be accepted) for the amount payable on application at the rates prescribed earlier in this Prospectus must be delivered before the close of the subscription list to any of the Bankers to the issue named herein or to any of their nominated branches mentioned in the Application Form and **NOT to the Company or to the Lead Managers or to the Registrars to the issue (except in case of postal applications as mentioned below)** Neither the Company, Lead Managers, Co-Managers nor Registrars to the issue will be responsible for any application form directly submitted to them. Any claim, charge of loss in respect of such application form will be void ab-initio. For further instructions please read the Application Form carefully.
4. Applicants from places other than where the collection centers are located should forward their applications alongwith Demand Draft in favour of **Punjab National Bank. A/c DDSC Public Issue payable at New Delhi** or alongwith stockinvest to the Registrar to the Issue directly by Registered post with acknowledgement due. Charges for obtaining Stockinvest/Demand Draft and postal charges shall be borne by the applicants.
5. Applications made otherwise than mentioned herein above are liable to be rejected.
6. Where an application is for allotment of securities for a total value of Rs. 50,000/- or more, i.e. the total number of securities applied for multiplied by the issue price, is Rs.50,000/- or more the applicant or in the case of applications in joint names, each of the applicants, should mention his/her permanent account number allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income tax Circle/Ward/District. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non-allotment should be mentioned in the application forms. Application forms without this information will be considered incomplete and will be liable to be rejected."

MODE OF PAYMENT

7. Payment should be made by cheque/bank draft/stockinvest. Money Orders/Postal Orders will not be accepted. Cheques/bank drafts should be drawn on any Bank (including a Co-operative Bank) as mentioned on the application form, which is situated at and is a member or sub-member of Banker's Clearing House located at the place where the application form is submitted. Outstation cheques/bank drafts will not be accepted and applications accompanied by such cheques/bank drafts will be rejected.
8. All Cheques/Bank drafts should be crossed **A/c payee only** and made payable to any of the Bankers to the Issue with whom the application is lodged and marked "**A/c DDSC Public Issue**" (for example **Punjab National Bank A/C DDSC Public Issue**). Stockinvest should be crossed **A/c Payee only** and made payable directly to the company and NOT to any of the Bankers to the Issue. A separate cheque/bank drafts/stockinvest must accompany each application form.
9. Applicant may submit the stockinvest alongwith the usual Application Form for the Issue to the collecting bankers as in normal case. Stockinvest is an additional facility over and above the normal mode of payment through cash, cheque or Bank Draft.
10. Applicant should mention the application number on the reverse

of the instrument through which the application money is paid.

11. **The applicant must fill in the relevant column in the Application Form giving particulars of savings bank/current account number and the name of the bank with whom such account is held, to enable the registrar to print the said details in the Refund Orders, after the names of the Payees. Applications not giving the above particulars will be rejected.**

For further instructions, please read the Application Form carefully.

II. APPLICATION BY EMPLOYEES

Application by Employees must be made only:

1. On the prescribed application form and completed in full in **BLOCK LETTERS IN ENGLISH** and in accordance with the instructions contained herein and in the Application Form and applications are liable to be rejected if not so made.
2. In single or joint names (not more than three), the first named applicant should be an employee(s)/Worker(s) of the Company.
3. For a maximum of **200 Equity Shares** only.
4. The allotment of Equity Shares under Employees Quota shall not exceed 200 Equity Shares per individual.
5. All Cheques/draft/stock invests accompanying the application should be "**Account Payee only**" and made payable to Bankers to the issue with whom the application is lodged and should bear the words "**A/c DDSC EQUITY ISSUE EMPLOYEES**" e.g.: **Punjab National Bank A/c DDSC EQUITY ISSUE EMPLOYEES**"
6. Other terms and conditions as mentioned under Application by Resident Indian Public shall apply mutatis mutandis.
7. For further instruction, please read the application form carefully.

APPLICATION BY NON RESIDENT INDIANS

1. (a) Applications must be made only on the prescribed Application Form accompanying this prospectus.

Applications must be:

- (b) Completed in full in **BLOCK LETTERS** in ENGLISH and in accordance with the instructions contained herein and in the Application Form and are liable to be rejected if not so made.
 - (c) For a minimum of 500 Equity Shares and in multiples of 100 thereafter.
 - (d) In single or in joint names (not more than three)
 - (e) In the names of Non-Residents (but not in the names of minors) of Indian Nationality / Origin and Overseas Companies and other Corporate Bodies owned predominantly (at least 60%) by Non-Resident individuals of Indian Nationality/Origin.
2. In the case of application by Overseas Companies and other corporate bodies owned predominantly (at least to the extent 60%) by Non-Resident Individuals of Indian Nationality/Origin, a certificate in the prescribed form OAC/OAC-1 from an overseas Auditor/ Chartered Accountant/ Certified Public Accountant should be submitted alongwith the application.
 3. Application forms from Non-Resident Indians properly completed together with cheques/demand drafts/stock invests for the amount

payable on application at the rate of Indian Rs. 10/- or equivalent of Indian Rs. 10/- per share remitted through normal banking channels or funds held in Non-Resident External (NRE) Accounts/ Foreign Currency Non-Resident

(FCNR) Account maintained with banks authorised to deal in foreign exchange in India along with documentary evidence in support of the remittance, must be delivered before the close of the Subscription List to such of the Branches of the Bankers to the issue at places mentioned against their names in the application form. The attention of the NRI investors is specifically drawn to the fact that applications under NRI category with remittance of funds from NRO accounts will not be valid and will be rejected.

4. All Cheques or bank drafts or stockinvests accompanying the Application Form should be drawn in favour of the Bankers to the Issue, with whom the application is lodged & crossed "A/c Payee only" and marked either as **A/c DDSC - Public Issue - NRI** (e.g. Punjab National Bank- A/c DDSC Public Issue -NRI). The Cheque/ Draft should be payable at Delhi, Ahmedabad, Ludhiana & Jaipur.
5. The application forms should be lodged with any of the Bankers to the issue or their nominated Branches authorised to receive such applications. A separate cheque or bank draft or stockinvest must accompany each application form. The Company will not be in any manner responsible for the application collected by any Bank which is not a Banker to the issue or the branches of a bank which is not designated branch as specified for the purpose.
6. Allotment of the Equity shares to Non-resident Indians shall be subject to the prior approval of the Reserve Bank of India or from such other requisite authority as may be necessary.
7. NRI forms may be obtained from the Lead Managers office & Company's Regd. office at **D-185, Phase VI, Focal Point, Dhandari Kalan, Ludhiana.**
8. Refund, interest, dividends and other distribution, if any will be payable in Indian Rupees only and net of bank charges/ commission. In case of applicants who remit their application money from funds held in NRE/FCNR Accounts such payments shall be credited to their NRE/FCNR Accounts under intimation to them; details of which should be furnished in the space provided for this purpose in the Application Form.

In the case of applicants who remit their application money through Indian Rupee will be converted into US Dollars or into such payments in currency as may be permitted and will be despatched by registered post at the applicant's sole risk or at the request of the applicant will be credited to their NRE/FCNR Accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for the loss of exchange on account of fluctuations in the rate.
9. The applicant must mention the Application Form Number on the reverse of the instrument used for payment. This is to avoid misuse of the instrument submitted along with the application. The applicant must indicate the name of their bank and the saving/ current account nos. in application form. In case of refund, the name of the payee the refund order will be sent directly to the payee's address.
10. Allotment of shares to NRI's/OCB's/FII's shall be subject to the individual and overall ceilings indicated in the Foreign Institutions investor guidelines issued by the Govt. of India.

APPLICATION BY MUTUAL FUNDS

Applications must be made:

- a. On the prescribed application form (white Colour) and completed in full in Block Letters in English in accordance with the instructions contained herein and in the application form and are liable to be rejected if not so made.
- b. For a minimum of 5000 Equity Shares and in multiples of 1000 shares thereof.
- c. In single or joint names (not more than 3). However, the first named applicant must be a Mutual Fund.
- d. All Cheques/Drafts accompanying the application form, for the amount payable on application at the rate of Rs. 10 per share, must be drawn in favour of the Bankers to the Issue and be marked "A/c. DDSC EQUITY ISSUE-MFs", e.g. "PUNJAB NATIONAL BANK - A/c. DDSC EQUITY ISSUE-MFs" and "A/c. DDSC EQUITY ISSUE-FIs", e.g. "PUNJAB NATIONAL BANK - A/c. DDSC EQUITY ISSUE-FIs" (for Financial Institutions) and crossed A/c. PAYEE ONLY.

In case of payment by Cheque/Draft, a separate Cheque/Draft must accompany each application form.

Other terms and conditions as mentioned under application by Indian Public shall apply mutatis mutandis. For further instructions please read the application form carefully.

PAYMENT BY STOCKINVEST

The applicant has the option to use Stockinvest for applying for the shares now Bank issuing such instruments in various denominations by making the necessary application using the Stockinvest can be obtained from any Bank issuing such instruments in various denominations by making the necessary application & depositing the amounts with the respective Banks. The applicant using the Stockinvest should submit the application form to any of the bankers to the issue before closing of subscription list alongwith the Stockinvest after filling in the appropriate amount.

Wherever the applicant has made payment through Stock invest, the company will fill in the actual amount receivable on the right hand side of the instrument indicating the number of Equity Shares for which the payment is appropriated. The amount shown on the right hand side will be equal to or less than the amount indicated on the left depending upon the number of Equity shares allotted. In case of non-allotment the Stockinvest instrument will be disposed off in the prescribed manner.

PROCEDURE FOR APPLICATION BY STOCK INVEST

Stockinvest can be used in lieu of cash/cheque/Bank drafts for making applications. Some details of the Stockinvest schemes are given below:

1. Stockinvest is issued to the applicant for use with applications for new issues of share/debentures/bonds.
2. Stockinvest can be obtained from any bank issuing these instruments by making the necessary application and depositing the amounts with them.
3. Stockinvest is issued for the denominations specified by the investor to the issuing branch. The payee will fill in the actual amount receivable on the right side indicating the number of shares for which the payment is appropriated. The amount indicated by the payee shall be within the amount of Stockinvest.
4. The applicant using the stockinvest should submit the application alongwith stockinvest for the amount payable on application. The name of the purchaser/one of the purchasers should be invariably

indicated as the first applicant in the share application form.

5. Stockinvest is paid on the payee filling in the required particulars on the right side under due authorisation and discharged by their authorised signatory and presenting it for payment.
6. Stockinvest is neither transferable nor negotiable. The issuing bank undertakes to pay the lower of the two sums indicated on the face of the instrument (representing the application money payable on his entitlement of shares according to the basis of allotment and his application) in terms of the authorisation given by the account holder. Payment will be made only by credit to the payee's account with their bankers.
7. Stockinvest is current for four months from the date of its issue indicated on its face and amount can be claimed on the Stockinvest from the issuing bank branch unless it is presented to it within these four months.
8. Stockinvest is payable at all branches of the issuing bank including all the centres where Stock Exchange are present.
9. Stockinvest is valid for payment only when signed by the issuing banker at the appropriate place on its face.
10. The account holder's instruction to the bank given therein, are irrevocable.
11. It is understood that at the explicit undertaking of the account holder, an amount equivalent to the sum mentioned on the left hand side of the Stockinvest is either debited to his account or lien marked on his deposit account from the date of its issue, till full liability under the Stockinvest is extinguished.
12. The bank shall not be liable for any delay, error, fraud, forgery or any other lapse in the issue or encashment of the Stockinvest. It shall also be not liable for any losses/damages in case of death/insanity or insolvency of the drawer before actual allotment delivery of the relative shares by the payee company.
13. The Bankers lien shall be automatically lifted provided:
 - i) Valid instrument is presented to the Bank after allotment or
 - ii) The cancelled Stockinvest is surrendered by the investor or
 - iii) An indemnity Bond is executed in favour of the bank after the investor has not received the cancelled stockinvest.
14. Registrar to the issue has been authorised by the Company to sign on behalf of the Company to realise the proceeds of the Stockinvest instrument or cancel the stockinvest of the non allottees or partially successful allottees who have enclosed more than one stockinvest. Such cancelled stockinvest shall be sent back by the Registrars directly to the investors.
15. All the cancelled stock invests will be returned to the investor directly.

SPECIAL INSTRUCTIONS TO THE USER OF STOCKINVEST

The Stockinvest instrument should be used within ten days of the date of issue of the instrument, failing which such application are liable to be rejected.

The stockinvest should be utilised by the purchaser(s) and the purchaser(s) name/name of one of the purchaser should be invariably indicated as the first applicant in the share application form. If the Signature of the first applicant on the application form does not tally, the application will be treated as having been accompanied by third party stockinvest and is liable to be rejected.

All stockinvest instruments should be crossed A/c payee only and should be made payable to 'Dee Dee Steel Castings Ltd.'

The Reserve Bank of India vide its Circular No. DBOD No. FSC.BC 100/24.47.00/94 dated September 2, 1994 has restricted the use of Stockinvest to Individual Investors and Mutual Funds only. Stock brokers, Corporate bodies, Banks and Financial Institutions are not allowed to apply through Stockinvest.

Note

Multiple applications received with a single stockinvest are liable for rejection.

GENERAL

JOINT APPLICATIONS

An application may be made in single or joint names (not more than three). In the case of joint applications, refund/pay order, if any, dividend/interest warrant, etc. will be made out in favour of and all communications will be addressed to the applicant whose name appears first and at his/her address as stated in the Application Form.

(b) MULTIPLE APPLICATIONS

An applicant should submit only one application each (and not more than one) for the total number of Equity Shares required. Application may be 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 of the categories of multiple applications.

Mutual funds/FIIs/Banks/Financial institutions to whom shares are not being allotted on a firm basis are eligible to apply in the public offer. For Mutual funds, each scheme of the mutual fund will be recognised as a separate identifiable unit for all purposes. Hence a separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications. However, applications are to be made by the Asset Management Companies/Custodians who should clearly indicate the scheme for which the application is being made.

Application by Mutual Funds, Banks and Indian Financial Institutions to whom shares have been allotted on a firm basis must be made on the prescribed form which can be obtained on request from the Head Office of the Company and from the Lead Managers to the Issue. The Application form should be complete in all respects and in accordance with the instructions contained therein. Application forms if not so made are liable to be rejected. For further instructions, please read the application form.

Employees/Shareholders can make separate applications in Public Category and it will not be treated as Multiple Application.

Other Applicants in reserved/firm category cannot apply in Public Category.

APPLICATIONS UNDER POWER OF ATTORNEY

In case of applications under Power of Attorney or by Limited Company or Body(ies) Corporate or Society(ies), such Power of Attorney or the relevant authority together with true copy(ies) thereof or certified copy(ies) of the Board Resolution(s) or authority(ies), as the case may be, of the Company/Society must be attached to Application Form at the time of submission of application or lodged simultaneously quoting the reference of Application Form Number at the office of the Registrars to the Issue. The original(s) will be returned after retaining the certified copy(ies) thereof. In the case of absence of the above, the application is liable to be rejected.

TAX BENEFITS

The Directors have been advised by the Statutory Auditors of the company, Davinder Pal Singh & Co. Chartered Accountants, Ludhiana vide their letter dated 30.09.1995 that under the current provisions of the Income Tax Act, 1961 and other applicable tax laws for the time being in force, the following benefits are available to the company and the members of the company.

TO THE COMPANY

1. The company will be entitled to amortization over a period of ten Years under the provisions of Section 35D of the Income Tax Act, 1961 of all expenditure of the nature specified in the said sections including expenditure in the connection with the public issue in terms of the prospectus, such as underwriting commission, brokerage, other charges etc; subject to limits as specified under the said section.
2. Under Section 80M of the Income Tax Act, 1961 in respect of Income by way of dividends received from another domestic company, a deduction of an amount equal to so much of the amount of such income by way of dividends from another domestic company as does not exceed the amount of dividend distributed by the company to its members on or before the due date for furnishing the return of income for the respective previous year shall be allowable to the company.
3. Under Section 35(2) of the Income Tax Act, 1961 the company will be entitled to deduction of an amount equal to 100% in respect of capital expenditure (other than on acquisition of land) incurred on scientific research related to business carried on by the company, in the year in which the such expenditure is incurred.

TO MEMBERS OF THE COMPANY WEALTH TAX AND GIFT TAX

1. Total exemption from Wealth Tax would be available on investment in Equity Shares.
2. Gifts made by citizens of India or persons of Indian Origin who are non-resident in India, to any of their relatives in India in the form of shares acquired by them with convertible foreign exchange will be wholly exempted from gift tax.

INCOME TAX

A) Residents

1. a) Members being individuals, Hindu Undivided Families, Association of persons, or Body of individuals or specified categories will be entitled to deduction under sec 80L of the Income Tax Act from gross total Income of an amount upto a maximum of Rs. 13,000 in the aggregate, per year under the said section, for & including dividends received from the Company, subject to the provision of the said Section.
b) Members being individual will be entitled to receive dividends without deduction of income Tax at source provided :
 - (i) The amount of such dividend distributed or paid in a financial year does not exceed Rs.2500/- as per provision of Section 194 of the Income Tax Act, 1961 or
 - (ii) The member furnishes to the Company declaration under Section 197 (A) (1) in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that the tax on his estimated total income of the previous year in which such income to be included in computing his total income will be NIL or below the taxable limit.
- c) A domestic Company which is a member of the Company will be entitled to a deduction under 80M of the Income Tax Act of an

amount equal to :

- i) in case of Scheduled Bank, Public Financial Institutions, State Financial Corporations or State Industrial Investment Corporations or Company registered under Section 25 of the Companies Act, 60% of the dividend income from the Company.
 - ii) in case of any other domestic Company, to the extent the net income by way of dividends received by it from the Company does not exceed the dividend distributed by it before the due date of furnishing its Return of Income.
- d) All mutual funds set up by Public Sector Banks, or financial institutions or mutual funds authorised by the Securities & Exchange Board of India will be exempt from Income Tax on all their income, including income from investment in shares of the Company.
2. Under Section 48 of the Income Tax Act, 1961 the Long term Capital Gains arising out of sales of share will be computed after indexing the cost of acquisition/improvement. Long term Capital Gains would be charged to tax under Section 112 at flat rates as under :

In case of Individual/H.U.F. -20% of gain
In case of Firms/AOP -30% of gain
In case of Companies -30% of gain

In addition surcharge will be payable where applicable Members being an individual or Hindu Undivided Family will also be entitled to deduction if the net consideration in respect of the shares transferred is invested according to terms of section 54F of the Income Tax Act, 1961.

B) Non-Residents :

1. A Non-Resident Indian has an option to be governed by the provisions of chapter XII-A of the Income Tax Act, 1961 according to which :
 - a) Under Section 115E of the Income Tax Act, 1961 the investment income including dividends in Equity Shares of the Company acquired by them out of convertible foreign exchange and long term capital gains of a Non-Resident Indian shall be taxed to Income Tax at the flat rate of 20% subject to other provisions of the Act.
 - b) The long term capital gains as referred to above, shall be exempted from Income Tax entirely/proportionately, if he invested all or a portion of net consideration on specified assets within six months of the date of transfer in accordance with Section 115 F

The amount so exempted shall be chargeable to tax if the new assets are transferred or converted within three years from the date of the acquisition of the specific assets (Section 115F(2) of the Income Tax Act, 1961).
 - c) According section 115G, a Non-Resident Indian is not obliged to file the return of his income if :
 - (i) his total income in respect of which he is assessable under this Act during the previous year consisted only of investment income or income by way of long term capital gains or both; and
 - (ii) the tax deductible at source under the provisions of Chapter XVII - B has been deducted from such income.

2. Under Section 115I, a Non-Resident Indian if he opts not to be governed by the above mentioned special provisions of Chapter XII-A, then he will be entitled to tax benefits and shall be subject to tax in accordance with the other provisions of the Income Tax Act, 1961.

IV. PARTICULARS OF THE ISSUE

OBJECTS OF THE PRESENT ISSUE

The present issue is being made :-

- (i) To part finance the cost of the expansion project for CI Castings and CI Ingot Moulds .
- (ii) To augment the long term resources and the margin money for working capital requirements.
- (iii) To meet the public issue expenses.
- (iv) To enlist the Equity shares of the Company at recognised stock exchanges.

COST OF THE PROJECT

The cost of the Project as estimated by the Company at its own are as under:

"The requirement of funds , deployments and the profitability projections are the Company's own estimates and have not been appraised by any financial institution/bank."

(Rs. in lacs)

Particulars	Existing	Proposed as on (31/03/95)	Total
Land	2.43	-	2.43
Building	4.62	21.25	25.87
Plant & Machinery	11.80	95.00	106.80
Misc. Fixed Assets	8.65	20.00	28.65
Escalations & Contingencies	-	13.62	13.62
Preliminary Expenses	0.02	30.00	30.02
Margin Money for Working Capital	12.84	120.66	133.50
Total	40.36	300.53	340.89

MEANS OF FINANCE

(Rs.in Lacs)

Particulars	Existing as on (31/03/95)	Proposed	Total
Equity Share Capital			
-Promoters, their friends relatives.	10.00	118.00	128.00
- Public Issue	-	192.00	192.00
Reserve & Surplus	15.11	(10.00)	5.11
Share Application Money	8.90	(8.90)	-
Secured Loans	1.66	-	1.66
Unsecured loans	4.69	-	4.69
Internal Accrual	-	9.43	9.43
Total	40.36	300.53	340.89

NOTE :

The total Plant & Machinery of Rs. 106.80 Lacs Includes Rs. 66.94 lacs on account of Moulding Boxes, Patterns and Diesel Generating Set which does not come under the definition of Plant and Machinery for ascertaining the status of the Unit as an SSI Unit

WORKING CAPITAL

The total working capital requirements for the year 1996-97 at 60% of capacity utilisation has been estimated at Rs.217.85 lacs . The company's working capital calculations has been based on the practices followed in general in the same type of industry as under;

Rs. in Lacs						
Sr. No.	Particulars	Period	Working Capital	Margin %	Bank Amount	Finance
1.	Raw Material	1 Month	54.27	25%	13.57	39.60
2.	Finished Goods & Work in Process	1 Month	68.77	25%	17.19	50.40
3.	Wages & Labour	1 Month	1.92	100%	1.92	—
4.	Power & Fuel	1 Month	6.78	100%	6.78	—
5.	Consumable Stores	1 Month	4.32	100%	4.32	—
6.	Repairs & Maint	1 Month	0.73	100%	0.73	—
7.	Other Manu- facturing Exp.	1 Month	0.75	100%	0.75	—
8.	Sundry Debtors	5 Weeks	85.96	100%	85.96	—
			<u>223.50</u>		<u>131.22</u>	<u>92.28</u>
						90.00

SAY

The company is already availing working capital limits of Rs. 23.50 lacs from the bank and has yet to apply to the bank for sanction of limits to the extent of Rs.66.50 lacs .The additional margin money for working capital is proposed to be financed from the proceeds of Public Issue.

V. COMPANY, MANAGEMENT AND PROJECT

HISTORY, MAIN OBJECTS AND PRESENT BUSINESS OF THE COMPANY

Dee Dee Steel Castings Limited (hereinafter referred to as the 'Company') was incorporated on 5th April 1988 as a Private Limited Company under the Companies Act,1956 and was converted into a Public Limited Company on 15.05.1995 by deleting the word 'Private' from the name and fresh certificate of incorporation issued by Registrar of Companies , Punjab , Himachal Pradesh & Chandigarh, at Jallundhur, dated 16.06.1995 to carry on the activities as detailed in the main objects of the company under the caption " Main Objects of the Company".

The Company started manufacturing CI Castings specifically CI INGOT MOULDS from the year 1988. At present also the company is engaged in manufacturing of CI Castings, specifically CI INGOT MOULDS with an installed capacity of 2000 TPA based on single shift per day. The company is in the process of expansion of its existing installed capacity of 2000 TPA to 12000 TPA on single shift basis on 300 working days per annum. The product is used by Mini Steel Plants for making Steel Ingots . The Company has an existing marketing network for the product.

In the year 1990-91, the gross income of the company was Rs.97.14lac and PAT was Rs.0.69 lac. By the end of the financial year 1992-93, the gross income increased to Rs.108.02 lac and PAT to Rs.1.32 lac. Due to good performance by the company in the year 1994-95 the gross income was Rs.149.46 lac and PAT Rs.5.93 lac which increased by 4.5 times over the previous year. During the period from April-

August, 1995 company has already achieved PAT of Rs.4.36 lac.

The manufacturing activity of the company is linked with the key sector industry, on which the whole development of the country is based. It is likely to grow with the growth in the Industry/ Infrastructure.

The implementation of the project is in progress. The company has sufficient land measuring 2777.77 sq. yards. The construction of building has started and the company has also identified suppliers of plant & machinery and miscellaneous fixed assets and placed the orders for key plant & machinery. The company has already got 60 KW power connection which is sufficient for existing as well as proposed requirements. The company has already got NOC from Pollution Control Board, Punjab

MAIN OBJECTS OF THE COMPANY

The main objects of the company as set out in the Memorandum and Articles of the company are as follows :

1. To carry on all or any of business of manufacturer, processors, importers, exporters of and dealers, traders, agents in all kinds of ferrous and non-ferrous materials meant for any industrial or non-

industrial use whatsoever and to carry on the business in cold or hot rolling, re-rolling, silting, edge-milling, sheeting, stamping, pressing extruding, drawing, flattening, straightening, heat treatment of all kinds of steel and other metals or & Other kinds of strips, sheets, fails, taper, wires, wire products, rods, plates and any other redone, shaper or forms.

2. To erect, acquire, purchase, take on lease or tendency and run iron and Steel foundry based on coupla furnace, Electric furnace or any type of furnace used for the manufacturing of all types of castings, steel ingots and ingots moulds, Alloy steels or special steels from pig iron and Cast Iron Scrap, Iron Scrap or any other material and to sell such casting and ingot moulds as may be required by any industry or industries or as deeded necessary.
3. To manufacture, import, export, buy, sell, distribute or otherwise deal in all types of ferrous and non-ferrous items and to use metals, metal alloys, amalgams in any form or shapes.

PRESENT BUSINESS OF THE COMPANY

Presently, the company is engaged in the manufacture of CI Castings specifically **CI INGOT MOULDS** of two types Single and Duplex of 3 sizes only with an installed capacity of 2000 TPA at D-185, Phase VI, Focal Point, Dhandari Kalan, Ludhiana.

PAST FINANCIAL PERFORMANCE

Particulars	31.8.95	31.3.95	31.3.94	31.3.93	31.3.92	31.3.91
Production						
Capacity	2000 TPA	2000 TPA	2000 TPA	2000 TPA	2000 TPA	2000 TPA
Capacity Utilised	568 MT	1255 MT	1052 MT	1233	MT 1080 MT	1154 MT
Capacity Utilised (%)	68.18	62.75	52.60	61.67	54.00	57.70
Operating Income	65.45	149.46	91.13	107.94	71.23	97.14
Other Income	(0.11)	—	0.82	0.08	—	—
Gross Income	65.34	149.46	91.95	108.02	71.23	97.14
Manufacturing expenses	19.08	38.72	18.88	21.96	19.54	19.35
PBDIT	6.22	9.78	4.41	3.84	4.42	4.83
Depreciation	0.95	1.57	1.20	0.80	1.61	2.64
Interest	0.91	1.77	1.89	1.69	2.19	1.50
PBT	4.36	6.44	1.33	1.32	0.62	0.69
Tax	—	0.51	—	—	0.10	—
PAT	4.36	5.93	1.33	1.32	0.52	0.69
Dividend (%)	—	12%	—	—	—	—
Dividend (Rs)	—	1.20	—	—	—	—
Equity Capital	28.90	10.00	10.00	10.00	3.42	3.42
Share Application Money	10.28	8.90	2.65	0.90	3.48	1.35
Reserves						
& Surplus	10.11	15.11	10.37	9.04	2.91	2.49
Net Worth	49.29	34.01	23.02	19.94	9.81	7.26
EPS (Rs.)	1.11	3.14	1.05	1.21	0.75	1.44
Book Value						
Per Share	12.58	17.99	18.20	18.29	14.22	15.22

A. SIGNIFICANT ACCOUNTING POLICIES

1. **Convention**
The accounts are prepared under the historical cost convention in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
2. **Fixed Assets and Depreciation**
Fixed assets are stated at cost plus any directly attributable cost of bringing the asset to their working condition for end use.
3. **Current Assets**
Raw Materials, Stocks in Process are valued at cost. Finished goods are valued at lower of cost or net realizable value
4. **Depreciation**
Depreciation is provided on straight line method at the appropriate rates in accordance with schedule XIV of the Companies Act, 1956

5. Revenue Recognition

As per the requirements of the Companies Act 1988, all expenses and incomes are accounted for on accrual basis.

B. NOTES

1. In the opinion of the Board of Directors, the aggregate value of current assets, Loan and Advances on realization in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
2. The balances grouped under sundry creditors and Sundry Debtors are subject to their confirmation from respective parties
3. (a) The Company has provided depreciation on fixed assets as per Straight Line Method at the rate prescribed in schedule XIV of the Companies Act, 1956.

(b) The Company had provided depreciation upto the previous year 1989-90 on WDV method at the rates prescribed in schedule XIV of the Companies Act, 1956. During the previous years 1990-91 & 1991-92, the depreciation has been provided on WDV method at the rates prescribed under the Income Tax Act, 1961.

(c) **DUE TO CHANGE IN THE METHOD OF PROVIDING DEPRECIATION, THE PROFIT OF THE COMPANY DURING THE YEAR 1992-93 HAD BEEN INCREASED BY RS. 138920/-**

SUBSIDIARY

The Company does not have any subsidiary company.

PROMOTERS

The Company has been promoted by Shri. Dev Raj Singla and Sh. Deepak Gupta.

Sh. Dev Raj Singla aged 48 years, was on the board of the company and resigned on 27.01.1990 due to some pre-occupations. At present he has no share holding in the company.

Sh. Deepak Gupta aged 37 years, is Chartered Accountant, has done his Chartered Accountancy in 1981, was senior partner in R.K. Deepak & Co. from September 1981 to May 1995. He is the promoter director of the company since inception. He is having vast experience in the field of finance, taxation, and company law matters. He was secretary and vice-chairman of Northern India Regional Council for the year 1988-89 and 1990-91 respectively. He is also at the board of various companies namely Kinetic Trust Ltd., Kinetic Growth Stocks Ltd., Kinetic Capital Services Pvt. Ltd., Kinetic Stocks & Securities Ltd, S.G. Capital Services Ltd.

There are no outstanding litigations/disputes/defaults present and past pending against the promoters and other ventures promoted / controlled by the promoters.

FINANCIAL HIGHLIGHTS OF OTHER VENTURES PROMOTED BY THE PROMOTERS

M/S KINETIC TRUST LTD.

The Company was incorporated on 12/08/1992 to carry on comprehensive financial services and dealing in all kinds of securities. The past financial performance of the company since its incorporation is as under :

Year	(A U D I T E D) (Rs. in Lacs)		
	Year Ending 31/3/95	Year Ending 31/3/94	Year Ending 31/3/93
Sales & Other Income	148.07	30.37	—

Net Profits after Tax	2.40	1.10	(0.02)
Equity Capital	26.03	5.20	0.01
Reserves & Surplus	2.95	1.08	—
Share Application Money	49.00	49.00	4.90
E.P.S.	0.32	0.20	—
Book Value	10.39	10.20	10.00

Notes: Face value of the shares is Rs.10/- each.

For calculation of EPS and Book Value, share application money is included in equity capital.

M/S KINETIC STOCKS & SECURITIES LTD.

The company was incorporated in 12-08-1992 with main objects, among others of to carry the business of investment trust company and otherwise deal in shares. The company commenced business activities in 01-10-1992. The performance of the company since its incorporation is as under :

	(A U D I T E D)		
	Period Ending 31/3/95	Year Ending 31/3/94	Year Ending 31/3/93
Sales & other Income	9.32	Nil	Nil
Net Profit Before Tax	1.16	(0.02)	(0.001)
Equity Capital	4.90	0.007	0.007
Net Profit After Tax	0.73	(0.02)	Nil
Reserves & Surplus	0.71	(0.02)	Nil
E.P.S	1.50	-	-
Book Value	11.45	-	-

Notes: Face value of the shares is Rs.10/- each.

M/S KINETIC GROWTH STOCK LTD

The company was incorporated in 12/08/92 with main objects, among others of to carry the business of investment trust company and otherwise deal in shares. The company commenced business activities in 1/10/92. The performance of the company since its incorporation is as under

	(A U D I T E D)		
	Period Ending 31/3/95	Year Ending 31/3/94	Year Ending 31/3/93
Sales & other Income	Nil	Nil	Nil
Net profits	(0.01)	(0.01)	(0.01)
Equity Capital	0.007	0.007	0.007
E.P.S.	-	-	-

Notes: Face value of the share is Rs. 10/- each

M/S KINETIC CAPITAL SERVICES PRIVATE LTD

The company was incorporated in 7/4/93 with main objects, among others of carrying investments in shares, securities, bonds, debentures and to act as project financial and management consultants. The performance of the company since its incorporation the year ended 31st March, 1994.

	(A U D I T E D)	
	Year Ending 31/3/95	Year Ending 31/3/94
Sales & other Income	0.22	Nil
Net Profits	0.02	(0.001)
Equity Capital	4.75	0.003
EPS Rs.	0.04	3.33
Book Value	10.04	13.33

Notes: Face value of the share is Rs.10/- each.

PROMOTERS HAVE NOT PROMOTED ANY OTHER CONCERN OTHER THAN AS STATED ABOVE

MANAGEMENT & ORGANISATION

The management of the company vests with the Board of Directors. The day to day affairs of the company are being looked after by Sh. Sanjeev Gupta as the Managing Director. Sh. Sanjeev Gupta is an Arts Graduate and having 12 years business experience and would lead the technical team of professionals for the implementation of the project and subsequent production also. Besides the Company has a management team consisting of following technically and professionally qualified persons.

Name	Qualification	Designation	Total	Experience
Smt. Manisha Gupta	M.Phil, Public Administration Director Diploma in Personnel Management & Industrial Relations	Director	Whole time	3 Years
Sh. Ashwani Kumar	B.Com, A.C.A.	Manager Finance		3 Years
Sh. Phagu Ram	Under Metric	Production Manager		25 Years
Sh. Pardeep Kumar	B.Sc. Lab	Incharge		5 Years

BRIEF PROFILE OF DIRECTORS

The brief profile of other Directors of the Company are as under:

Sh. Sanjeev Gupta aged 31 years, is an Arts Graduate He is the Managing Director of the Company, He joined the board as director on 27.01.1990 and thereafter was appointed as managing director on 1st October, 1990 He has proved his management in M/s Dee Dee Industries by working as Production Incharge from June 1983 to March 1987, and as Manager from April 1987 to January 1990. His name has already been selected for Bharat Udyog Award 1995 for his vital contribution in the field of Industry to be given by Industrial Exhibition Committee.

Sh. Deepak Gupta aged 37 years, is Chartered Accountant since 1981, was senior partner in R.K. Deepak & Co. from September 1981 to May 1995. He is the promoter director of the company since inception. He is having vast experience in the field of finance, taxation, and company law matters. He was secretary and vice-chairman of Northern India Regional Council for the year 1988-89 and 1990-91 respectively. He is also at the board of various companies namely Kinetic Trust Ltd., Kinetic Growth Stocks Ltd., Kinetic Capital Services Pvt. Ltd., Kinetic Stocks & Securities Ltd & S.G. Capital Services Ltd.

Manisha Gupta aged 27 years is M.Sc., M.Phil Public Administrative and Diploma in Industrial Relation and Personnel Management She is the whole time director of the company she worked as Manager personnel in M/s Aditya Financial Consultants Pvt. Ltd. from Jan. 1992 to December 1994. She joined the board of the company on 14.12.1994 and thereafter appointed as Whole time Director of the Company.

Smt. Bimla Rani aged 59 years, F.A. She has 12 years business experience as she was partner in M/s Dee Dee Industries, leading manufacturers of CI Ingot Moulds, from Sept. 1981 to Jan. 1990 and joined the Board as additional director on 12.07.1988 and resigned on 01.03.1993. She again appointed as director on 14.12.1994

BOARD OF DIRECTORS

Name, Description, Addresses and Occupation	Designation	Other Directorship(s)
Sh. Sanjeev Gupta S/o Sh. R.K. Gupta 279, Model House, Ludhiana-141002 (Business)	Managing Director	Shrutika Fincap Ltd.
Sh. Deepak Gupta S/o Sh. R.K. Gupta 279, Model House, Ludhiana-141002 (Business)	Director	Kinetic Trust Ltd. Kinetic Growth Stock Ltd. Kinetic Capital Services Pvt. Ltd. Kinetic Stocks & Securities Ltd. S.G. Capital Services Ltd.
Smt. Manisha Gupta W/o Sh. Sanjeev Gupta 279, Model House, Ludhiana-141002 (Business)	Wholetime Director	Nil
Smt. Bimla Rani W/o Sh. R.K.Gupta 279, Model House, Ludhiana-141002 (Business)	Director	Nil

There are no outstanding litigations, present and past pending against any director towards tax liabilities of any nature nor any criminal / civil prosecution have been launched against them for any offences etc.

PROJECT

Presently the company is manufacturing only Single and Duplex Ingot moulds of three sizes only and now company proposes to expand its production capacity from 2,000 TPA at present to 12,000 TPA.

C.I. Ingot Moulds used by the Mini Steel Plants are of different types i.e. Single, Duplex and Flat and of various sizes i.e. from 3.1/2" X 4.1/2" to 10" X 11" X 60". Keeping in view the expansion and growth of Mini Steel Plants and to meet their increasing and varying demand the Company has decided to manufacture different types and sizes of C.I. Ingot Moulds and also other castings. This necessitates expansion of installed capacity.

PRESENT CAPACITY UTILISATION

Present capacity utilisation at the existing unit is 62.75% of Installed Capacity.

SWOT ANALYSIS

Strengths

- (i) Locational advantages - Plant located in Ludhiana where all types of infrastructural facilities like availability of raw material, market for finished products, labour, power, transports are easily available.
- (ii) Low gestation period, as the production of proposed plant will start in April 1996.

Weaknesses

- (i) The Company has not yet tied up the additional working capital requirements.

- (ii) Project has not been appraised by any Financial Institution or Bank.

Opportunities

- (i) Steel is major core sector industry.
(ii) Export Potential.
(iii) There exist a huge demand for castings in Railways, Automobile Industry and also in industrial machinery & tools sector.

Threats

- (i) Competition from existing manufacturers and prospective entrants in the industry can not be ruled out.

LOCATION

The project is located at D-185, Phase VI, Focal Point, Ludhiana. The site is well connected by rail, road and air. The Dry Port of Ludhiana and Dhandari Kalan Railway station is just 2 Km. from the site of location. The land is on 99 years lease from Punjab Small Industries & Export Corporation (PSIEC). Since the land is situated in Ludhiana industrial area developed by PSIEC, the land is available for industrial use.

Ludhiana is a fully developed city and all the infrastructural facilities are adequately available in abundance.

LAND

The land measuring 2777.77 Sq.Yds. is already in the possession of the Company and is on 99 years lease. The land is most suitable for the project with the advantages like - facilities of Induction Furnaces i.e. consumption center nearby, easy accessibility to rail, road, transport, Proximity to Ludhiana City and Mandi Gobindgarh - the major

consumption centers of C.I. Castings & C.I. Ingots Moulds, easy availability of raw materials, easy availability of skilled/ unskilled labour and other infrastructure viz. power, telecommunications etc.

BUILDING AND CIVIL WORKS

The unit proposes to construct the following building as estimated by Subhash Luthra Associates, Architects-Estimators-Valuers. The detail and type of building to be constructed is as follows :

S.NO.	PARTICULARS	COVERED AREA	ESTIMATED COST (RS. IN LACS)
1.	Extension of Existing Shed	2700 Sq.Ft.	5.40
2.	Proposed New Shed	5000 Sq.Ft.	10.00
3.	Administrative Block	1250 Sq.Ft.	3.75
4.	Labour Quarters (Double Storey)	1050 Sq.Ft.	2.10
			Total 21.25

PLANT AND MACHINERY

The Company's major Plant & Machinery consists of Moulding Boxes, Electric Fully Automatic Overhead Crane, Coupla Furnance, Conveyor, Aluminium Wooden Patterns Baking room with Trolley, Paint Shop Compressor, Core Room, Sand Muller, Facing Machine, Lab Equipment, Hand Blowers and Hand Grinders, Sand Rammer, Shaper Gen Set and Electricals and Installations. All these are available from Ludhiana and around. The supply position is comfortable.

The details of the machinery proposed to be installed are given hereunder:-

EQUIPMENT	SUPPLIER'S NAME	QUANTITY	DATE OF DELIVERY	AMOUNT (RS. IN LACS)	STATUS
Coupla Furnance (48" Dia, Double Lining with Blower)	Gurcharan Welding Works, Ludhiana	1	Feb.'96	2.50	Orders Placed
Conveyor (3 Ton Capacity) Placed	"	1	Feb.'96	1.50	Orders
Electric Fully Automatic Overhead Crane (5 Ton Capacity)	Asia Cranes (P) Ltd Ludhiana	2	Feb.'96	10.00	Orders Placed
Moulding Boxes (500 Sets @ 11400 per set)	Diana Mining Equipment Ludhiana	500	Mar.'96	57.00	Orders Placed
Aluminium & Wooden Patterns	Singh Pattern Works Ludhiana		Mar.'96	2.00	Orders Placed
Baking Room with Trolley Ludhiana	Longia Steel Foundry	2	Mar.'96	3.00	Orders Placed
Paint Shop with Compressor	"	1	Mar.'96	1.00	Orders Placed
Core Room(10"10')	"	1	Mar.'96	0.50	Orders Placed
Sand Muller (1/2 Ton Capacity)	"	2	Mar.'96	1.50	Orders Placed
Facing Machine (Heavy Duty)	Guru Industrial Corp	2	Mar.'96	1.50	Orders Placed
Lab Equipment	Minhans Chemicals & Scientific, Ludhiana		Mar.'96	1.00	Orders Placed
Lathe Machine (10' Bed)	Sibco Machinery Corp. Ludhiana	1	Mar.'96	1.50	Orders Placed
Shaper Machine (24" Bed)	"	1	Mar.'96	0.75	Orders Placed
Hand Blowers & Hand	Longia Foundry Works	4	Mar.'96	0.50	Orders

Grinders with Long Shaft	Ludhiana				Placed
Sand Rammer with Compressor Placed	"	1	Mar.'96	1.50	Orders
Gen Set 75 Kw	Meera & Co. Ltd.	1	Mar.'96	2.64	Orders
Electricals & Placed Installations			Mar.'96	6.61	Orders Placed
Total					95.00

The Company has identified the suppliers of Plant & Machinery and Placed the orders of all the Plant & Machineries. Company has not paid any advance against the order of machinery as machinery is locally available in buyer's market and suppliers are offering their product on credit. The Delivery and installation of plant and Machinery is expected in the Month of March 1996. The Plant will be ready for the commercial production in the Month of April 1996.

RAW MATERIAL

The main raw material for the project is Pig Iron and C.I. Scrap. The company intends to procure the basic raw material i.e. C.I. Scrap from its suppliers of Ludhiana, Mandi Gobindgarh and other cities of Punjab. Pig Iron will be procured directly from the steel plants manufacturing Pig Iron viz Bokaro, Bhilai, Rouerkeela Steel Plants, the public sector companies, and/or through their indenting agents viz. Rita Machines India Ltd & Jaldhara General Industries, Ludhiana. No tie up for purchase of raw material has been made as the raw material is readily available as when required.

The quantity of raw material required at 80% capacity utilisation is 10560 MT.

TECHNICAL ARRANGEMENTS

The company has not entered into any technical arrangements.

MANUFACTURING PROCESS

Initially temporary moulds with green sand and silica sands are prepared. 100 temporary moulds are prepared in one day. Then molasses cores are prepared by mixing sand and mallasses. These malloses cores are baked for one day. After baking mollasses cores and temporary sand moulds are finished. After finishing malloses cores are coated with Graphite Paint. The Graphite Paint Coated Mollasses Cores are fitted in temporary sand moulds.

Next step is to melt C.I. Scrap and Pig Iron and non alloys in Coupla Furnance. Coupla Furnance melts 3 ton Scrap/Pig Iron and per hour The liquid metal so prepared is poured in temporary sand moulds. After solidification of the metal for one day, C.I. Ingots Moulds are finished with the process of grinding and machining. Finished C.I. Ingots Moulds are ready for use.

UTILITIES

POWER

The company has power connection of 60 KW which is sufficient for its existing and proposed requirements.

FUEL

Hard Coke and Power is required for running the Plant both the items are easily available in Ludhiana.

EFFLUENTS

The manufacturing process does not create a serious pollution problem because the pollutants generated are less in quantity and can be easily controlled within the prescribed limits by installation of simple pollution control equipment. However, the company has already obtained NOC from the Punjab Pollution Control Board.

MANPOWER

The Company envisaged some additional requirement of manpower. The details of existing and additional manpower is as under :-

	Existing	Proposed
Managerial Staff	4	6
Non-Managerial Staff	6	10
Skilled & Unskilled Workers	22	60

PRODUCT

The company is manufacturing CI Castings specifically CI Ingots Moulds, which is used by the Mini Steel Plants for manufacturing Steel Ingots.

MARKET POTENTIAL

The castings industry has been dominated by players in the unorganised sector. Out of an estimated number of 6,000 foundry units, only about 200 units are in the organised and 'captive' sector, the rest in the unorganised one. The total capacity of the industry is placed around 7,60,000 tonnes per annum. In recent months, however, the organised sector has been registering impressive growth. Industry spokesman is on record that "considering the present trend of demand of castings in the automobile sector, tractors and other engineering industries as also exports. Indian foundries can expect golden years ahead with excellent business prospects".

Castings are an intermediate product and as such the 'fortunes' of the industry are dependent on the 'fortunes' of the end user industries. The major end-users of castings are the Railways, the automobile sector and the industrial machinery and machine tools segment.

The Railways are the major end-users of castings, accounting for nearly 37 percent of the total demand of the product. Cast steel bogies, couplers and wagon castings are some of the products where castings are used. They are used both in the replacement of componenets and in additions made to the rolling stocks (locomotives, wagons and passenger coaches). The demand for castings originating from Railways is linked to the budgetary allocation made for purpose.

Industrial machinery and machine tools sector is another end users of castings. Steel castings are used in machine tools, textile machinery, hardware for transmission and pumps. Iron castings are used in process equipment in chemical industries, flywheels in sugar plants, steel plants and mining. The automobile sector constitute another major end-user of castings. It is used in several areas such as cylinder blocks, base plates, brake drums, etc. The major part of demand from the automobile sector emanates from the tractor and heavy commercial vehicle segment of the industry. This segment accounts of 24 percent of the demand for steel castings and 14 percent of the demand for iron castings.

When the industrial recession ended by the beginning of 1993, and demand for castings also picked up, many units which survived the recession expanded their capacity. (Source Money Tech Financial Observer dated 03.07.95.)

The sustained production performance together with increase in finished product prices has improved the financials of this industry. In fact, in 1994-95 the Wholesale Price Index of castings increased by 17.5 per cent. The profit after tax to sales which was 1.21 per cent in 1992-93 improved to 6.6 per cent in 1994-95. Similarly, profit before tax to sales which was 1.51 per cent in 1992-93 improved to 17.4 per cent in 1994-95. In 1994-95, the profit before depreciation, interest and tax (PBDIT) and profit after tax (PAT) improved by 51 per cent and 131 per cent respectively when compared to 1993-94. This compares well with the all industries percentage of change in 1994-95 (over previous year) of 31.7 per cent and 63.2 per cent of PBDIT and PAT respectively. In other words, a financial turn-around is seen in casting industry.

Even though production performance is showing an upward trend, the industry is facing some major constraints in terms of availability of power, raw material and technology.

A geographical analysis indicate that many casting units are located in places like Coimbatore, Rajkot and Calcutta. Castings units are also located in Maharashtra and Andhra Pradesh. All these states, with the exception of Maharashtra suffer from high percentage of power shortage and losses.

Apart from power, another factor affecting the industry is the availability of raw material. Casting industry as a feed stock require pig iron, steel scrap and other alloys. Till 1992-93, the international prices of these materials were either declining or remaining steady. However, the prices of these materials have started increasing in the subsequent years. Also, there is a high demand-supply gap in foundry pig iron. This has prompted several corporates in casting industry to enter into backward integration.

Third factor affecting production is the technology. The production process involves pattern making, sand mixing, mould making, core making, melting and pouring, fettling and sand blasting. The Indian casting industry has a low degree of automation in all these processes, leading to high cost of production. For instance, computer aided design, testing and pattern making will significantly improved the productivity. Also, in many Indian foundries, value addition in terms of machining are not carried out. An analysis carried out by CMIE of 97 sample units in casting forging industry indicate an average capacity and forging industry indicate an average capacity utilisation of only around 65 per cent. (SOURCE : JOURNAL OF THE ICAI VOLUME XLIV, NO.3, SEPTEMBER 1995.)

Future Outlook

Industrial recovery and the momentum of economic reform process have imparted the necessary impetus to the castings industry to provide a wider range of products and services than before and that too at an optimum or competitive cost. Foundries have realised that it is imperative in the changed circumstances to provide value added castings to the varying consumer needs. Many of them there fore, have added, as mentioned earlier separate machine shops to produce and supply such products. In order to upgrade the quality of the products supplied, many foundries are entering into technical collaboration with foreign companies.

The fortunes of the automobile industry are on the upswing with major world players in the industry either planning or have already undertaken substantial investment in the industry in collaboration with Indian firms in the sector. This upsurge in the automobile sector should auger well for the castings industry, whose growth is also interlinked in a great measure with the growth is also interlinked in a great measure with the growth of the automobile sector. Likewise the machine tool sector is also out of recession and the glad tidings should have its beneficial impact on castings. Thus in the domestic sector, the enduser industries recovery from recession should translate itself into ushering in better days for the castings industry.

MARKETING AND SELLING ARRANGEMENTS

The manufacturing activity of the company is linked with the key sector industry, on which the whole development of the country is based. It is likely to grow with the growth in the Industry/ Infrastructure/ Civilisation. Moreover there are few units manufacturing CI Ingot Moulds. The demand for CI Ingot Moulds in Punjab and surrounding areas is about 40000 TPA, out of which 20000 TPA is met by Punjab and balance is met by Uttar Pradesh and West Bengal and other parts of the country.

The Company already has an established marketing network for the selling its entire output of CI Ingot Moulds. The products is sold to Mini Steel Plants. Since the life of the product is limited to maximum of 150 to 200 heats on average, there is recurring demand for the product. Since the Ludhiana and Mandi Gobindgarh are known as core centers as far as induction furnaces, steel rolling and re-rolling industry is concerned, hence the company is confident to dispose off its whole of its production.

SCHEDULE OF IMPLEMENTATION

Particulars	Commencement	Completion
- Procurement of Land	Existing	
- Building & Civil works	July '95	Jan. '96
- Plant & Machinery		
a> Placement of Orders	Sept'95	Oct.'95
b> Supply of Equipment	Feb.'96	Mar.'96
c> Commissioning of Machinery	Mar.'96	Mar.'96
- Trial Run	Mar.'96	Mar.'96
- Commercial Production	Apr.'96	—

DEPLOYMENT OF FUNDS

	(Rs. in Lacs)		
	From 01.04.95 to 26.07.95	From 27.07.95 to 31.08.95	Total
Building	0.10	1.05	1.15
Misc. Fixed Assets	5.93	0.18	6.11
Preliminary Expense	0.98	—	0.98
Working Capital	—	5.66	5.66
Total	7.01	6.89	13.90

SOURCES OF FUNDS

Promoter's Contribution			
Share Application Money	4.38	5.90	10.28
Internal Accruals	2.63	0.99	3.62
	7.01	6.89	13.90

EXPORT OBLIGATIONS

The Company is under no obligation to export its products.

FUTURE PROSPECTS

The profitability projections are the company's own estimates and have not been appraised by any financial institution/bank.

Future projections of the Company for the next five years as estimated by the Company are given below:

YEAR	(Rs.in Lacs)				
	1995-96	1996-97	1997-98	1998-99	1999-00
Production Capacity					
Existing	2000	2000	2000	2000	2000
Proposed	—	10000	10000	10000	10000
Capacity Utilisation %					
Existing	70%	70%	70%	80%	80%
Proposed	—	60%	70%	80%	80%
Production Envisaged	1400	7400	8400	9600	9600
Sales	177.87	897.00	1081.17	1235.00	1235.00
Other Income	7.70	40.70	46.20	52.80	52.80
Manufacturing Expenses	33.38	173.94	196.52	222.40	225.27
Financial charges	4.23	16.20	16.20	16.20	16.20
Depreciation	2.33	9.33	9.33	9.33	9.33
Profit before Tax	19.56	112.84	140.66	165.20	165.19
Tax	5.36	30.85	43.06	53.51	55.00
Profit After Tax	14.20	81.99	97.60	111.69	110.15
Dividend - rate (%)	*12%	15%	20%	25%	25%
Dividend Amount	3.05	48.00	64.00	80.00	80.00
Equity Share Capital	28.90	320.00	320.00	320.00	320.00
Share Application Money	99.10	—	—	—	—
Reserves & Surplus	16.26	50.25	83.85	115.54	145.69
Net Worth	144.26	370.25	403.85	435.54	465.69
Earning Per Shares (Rs.)	1.11	2.56	3.05	3.49	3.44
Cash Earning Per Share(Rs)	1.45	2.95	3.44	3.88	3.83
Book Value Per Share (Rs)	11.27	11.57	12.62	13.61	14.55
Break Even Point (At 70% Capacity Utilisation)	13.52%	—	—	—	—

* On Pro-rata Basis.

ASSUMPTIONS

1. The Company purposes to increase the production capacity from 2000TPA to 12000 TPA .
2. 300 working days has been considered in a year on single shift basis.
3. Ex- factory price per ton of raw material is Rs 8000/-
4. Ex-factory price per ton of C.I. Ingots Moulds is Rs. 13000/-
5. Depreciation has been provided on SLM method as per Companies Act, 1956.
6. The power requirement will be fulfilled from PSEB.
7. The salary & wages increase @ 10% each year is envisaged.
8. Selling and Administrative expenses are envisaged at 3.0% of sales.
9. The Company expects to receive the funds of Public Issue in the 3rd week of April 1996.

The projected funds flow statement for the next five years are as under:

PARTIULARS	(Rs. in lacs)				
	1995-96	1996-97	1997-98	1998-99	1999-00
SOURCES OF FUNDS					
Increase in Share Capital	118.00	192.00	—	—	—
Increase in Secured Loans	15.47	66.50	—	—	—
Profit Before Tax	19.56	112.84	140.66	165.20	165.15
Depreciation	2.33	9.33	9.33	9.33	9.33
Preliminary & Preoperative Expenses Written off	2.00	3.00	3.00	3.00	3.00
Total	157.36	383.67	152.99	177.53	177.48
DISPOSITION OF FUNDS					
Capital Expenditure	45.87	104.00	—	—	—
Increase in current Assets	42.56	230.77	56.93	60.02	42.48

Increase in Securities & Advances	5.00	5.00	5.00	—	—
Increase in preliminary Exp	20.00	10.00	—	—	—
Decrease in Share Application Money	8.90	—	—	—	—
Decrease in Reserve & Surplus	10.00	—	—	—	—
Repayment of Term Loan	1.66	—	—	—	—
Decrease in Current Liabilities	16.81	—	—	—	—
Tax	5.36	30.85	43.06	—	—
Dividend	1.20	3.05	48.00	53.51	55.00
Total	157.36	383.67	152.99	177.53	177.48

Note

As a matter of abundant caution, the attention of the investors is drawn to the fact that the figures mentioned above are only indicative and are subject to change.

STOCK MARKET DATA

The Company is making a Public Issue for the first time since its inception and the shares are yet to be listed. As such information

PARTICULARS IN REGARD TO THE COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS

The company is making a public issue for the first time since its inception. There is no other listed company under the same management within the meaning of section 370 (1B) of the Companies Act, 1956 which has raised money from public during the last three years. However one of the group company i.e. M/s Kinetic Trust Ltd. came with a public issue in September 1995.

Following are issue details:

Name of Company	: KINETIC TRUST LTD.
Year of Issue	: 1995
Type of Issue	: Public
Amount of Issue	: 9,50,000 Equity Shares of Rs. 10 each aggregating to Rs. 95,00,000 lacs.
Date of opening	: 26.09.95
Date of closure	: 29.09.95
Date of despatch of share certificate, refund orders	: 24.11.95
Listing - Stock Exchange - Date	: Ludhiana Bombay Delhi 28.11.95 01.12.95 01.12.95
Rate of Dividend paid	: —
Performance Vs Promises	: Mar'96 results are not available
Pending Investors Complaints	: No complaint is pending as on 14.12.95

OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS :

- There are no outstanding litigations which may affect operations and finances of the Company including disputed tax liabilities of any nature. There is no criminal prosecution launched against the Company and the directors for alleged offences under the enactments specified in paragraph 1 of part 1 of schedule XIII of the Companies Act, 1956.
- There is no default in meeting statutory dues, institutional dues and towards instrument holders.
- No proceedings have been initiated for economic offences against the Promoter or Promoter Companies and no default in meeting

statutory dues and towards instrument holders by the Promoter or Promoter Companies.

- There are no pending litigations/disputes, defaults to financial institutions/banks, statutory dues and proceedings initiated for economic offences against the other group companies (whether covered or not U/s. 370 (1B)) or promoters.
- There is no material development after the date of the last Balance Sheet except that the Company has filed winding up petition in Punjab & Haryana High Court, Chandigarh, against Shri Rama Steels Pvt. Ltd. for recovery of outstanding Debts amounting to Rs. 244014.10 along with interest.

INVESTORS GRIEVANCES AND REDRESSAL SYSTEM

The Company has proposed the following system of redressing the investor grievances:

- The investors shall have to communicate in writing to the Registrars to the Issue clearly mentioning the application number & mode of payment marking a copy to the Company.
- The company on receipt of the complaint of the Investor shall take up the matter with the Registrars. The Company's secretarial department will co-ordinate with the Registrars and shall see to it that the complaint is attended within 15 days.
- The Company has appointed M/s Beetal Capital Services Ltd., B-19, Dhyan Singh Complex, Ludhiana, Share Transfer Agents registered with SEBI, for carrying out the post issue routine share transfer and investor services etc.

RISK FACTORS AND MANAGEMENT PERCEPTION THEREOF

RISK FACTORS

Internal

- The promoter does not have any experience in the activities going to be undertaken by the company.
- The total requirement of working capital are estimated at Rs.223.50 lacs, out of which Rs.90.00 lacs to be financed by the bank. The Company has not tied up for the additional working capital requirements of Rs. 66.50 lacs from the bank. The working capital requirements are not appraised by the bank of the Company.
- The requirement of funds, mean of finance and financial projections of the Company have not been assessed and financed by any bank /financial institution. The deployment of funds collected in this issue is left entirely at the discretion of the promoters/directors of the Company.
- Project is at a very early stage of implementation as out of total project cost of Rs.300.53 lacs, only Rs.13.90 lacs have been deployed till 31 August 1995.

External

1. Company may face competition from existing/ new entrants in the Industry.
2. The earnings of the company may be affected by the changes in the industrial and fiscal policies announced by the Govt. of India from time to time.
3. Listing at four stock exchanges does not ensure liquidity.

MANAGEMENT PERCEPTION OF RISK FACTORS

To Internal Risks

1. Managing Director of the Company Mr. Sanjeev Gupta has twelve years of experience in the activities going to be undertaken by the company.

2. The company is presently sanctioned a Working capital limit of Rs. 23.50 Lacs by PNB. The company does not foresee any problem to get sanctioned additional Working Capital requirements from the bank.

To the External Risks

1. The company feels confident in meeting the competition due to their past experience and adequate marketing network.

PART -II

GENERAL INFORMATION

CONSENTS

Consents in writing of the Directors, Auditors, Company Secretary, Bankers to the Company, Bankers to the Issue, Lead Managers to the Issue, Registrars to the Issue, Underwriters and Brokers to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, Punjab, H.P. and Chandigarh at Jalandhar together with a copy of the Prospectus as required under Section 60 of the Act and none of them has withdrawn their consent upto the time of filing of the copy of this Prospectus for registration with the Registrar of Companies, Punjab, H.P. and Chandigarh at Jalandhar.

M/s Davinder Pal Singh & Co., the Auditors of the Company have also given their written consent to the inclusion of their report and certificate of Tax Benefits in the form and context in which it appears in this Prospectus and such consents, reports and certificates have not been withdrawn upto the date of filing of this prospectus with the said Registrar of Companies.

EXPERT OPINION

Expert opinion on Tax Benefits as mentioned elsewhere in this Prospectus has been obtained from M/S Davinder Pal Singh & Co., Chartered Accountants, who are also acting as Auditors of the Company. No other expert opinion has been sought for on any other matter.

CHANGE IN DIRECTORS AND AUDITORS

Directors

The following persons have joined/resigned the Board of Directors of the Company during last three years.

Name Reasons	Date of Change	Nature of Change &
Mrs. Bimla Rani	12.07.1988	Appointed as Director to Broad base the Board
	01.03.1993	Resigned, Personal
	14.12.1994	Appointed as Director to Broad base the Board
Mrs. Ritu Gupta	27.01.1990	Appointed as Director to Broad base the Board
	14.12.1994	Resigned, Personal
Mrs. Manisha Gupta	14.12.1994	Appointed as Director to Broad base the Board

Auditors

M/s Gupta Rajnish & Associates, Chartered Accountants resigned as Auditors on 10th December, 1994 and M/s Davinder Pal Singh & Co., Chartered Accountants, Ludhiana have been appointed as the Auditors of the Company on 14th December, 1994.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Act, the present issue has been authorised by a Special Resolution passed by the Shareholders of the Company at the Annual General Meeting of the Company held on 20.06.1995.

PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT AND ISSUE OF CERTIFICATES

PROCEDURE FOR ALLOTMENT

The Company shall proceed to allot the Equity Shares on receipt of minimum subscription as mentioned elsewhere in this Prospectus, in consultation with the Stock Exchange at Ludhiana.

BASIS OF ALLOTMENT IN CASE OF OVERSUBSCRIPTION

In case of oversubscription, the allotment shall be on a proportionate basis and a SEBI nominated Public Representative shall be associated in the process of finalisation of basis of allotment if the oversubscription level is more than 5 times of the issued amount.

In the event of the present issue of equity shares being oversubscribed, the allotment shall be finalised in consultation with Ludhiana Stock Exchange.

The allotment shall be subject to allotment in marketable lots on proportionate basis as explained below -

- a> Application will be categorised according to the number of shares applied for.
- b> The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of shares applied for in that category (number of applicants in that category x number of shares applied for) multiplied by the inverse of oversubscription ratio.
- c> Number of the shares to be allotted to the successful allottees will be arrived at on a proportionate basis i.e. total number of shares applied for by each applicant in that category multiplied by the inverse of the subscription ratio.
- d> In all the applications where the proportionate allotment works out to less than 100 shares per applicant, the allotment shall be made as follows -
 - i> Each successful applicant shall be allotted a minimum of 100 shares, and
 - ii> The successful applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (b) above.
- e> If the proportionate allotment to an applicant works out to a number which is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted, the shares arrived at after such rounding off.
- f) If the shares allocated on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allocated shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance shares, if any remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of shares.
- g) If the process of rounding off to the nearer multiple of 100 results in the actual allocation being higher than the shares offered, the company may allot additional shares upto a maximum of 10% of the size of the offering. The requisite resolution under Section 81 has been passed by the company in this regard at the Annual General Meeting of the Company held on 20.06.1995.
- h) A minimum 50% of the net offer to the public issue amount would be allocated for individual investors applying for securities including shares not exceeding 1,000 and remaining part of the offer could be set apart for the individuals applying for more than 1,000 shares and for corporate bodies/institutions.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

No receipt will be issued for application money. However, the Bankers to the Issue receiving the application will acknowledge the receipt of the application by stamping and returning the detachable acknowledgements appended to each application form.

The Board reserves its full unqualified and absolute right without assigning any reason thereof to accept or to reject any application in whole or in part. In case an application is rejected in full, the whole of the application money received will be refunded and where an application is rejected in part, the balance of the application money received will, after adjusting the payment towards allotment money, be refunded to the first named applicant within ten weeks from the date of the closing of the subscription list in accordance with the provisions of Section 73 of the Act.

The sum received in respect of the Issue will be kept in separate bank account and the Company will not appropriate the funds unless approval of Ludhiana Stock Exchange is obtained for allotment and where listing has been proposed on more than one exchange, no allotment or utilisation shall be allowed till listing approval is available from each of the exchanges concerned.

DISPOSAL OF APPLICATION MADE WITH STOCKINVEST

The applications and the accompanying stockinvest duly listed will be sent to the Registrars to the Issue who will arrange for the allotment. Once the entitlement for the allotment is determined, the Registrars will arrange for presentation of the successful Stockinvest together with necessary endorsements on the right hand portion to the Company's Bankers.

The Company's Banker will arrange for collection of the proceeds of the Stockinvest.

In case of non allotment the Registrars to the Issue shall return the Stockinvest duly canceled to the unsuccessful applicants. On production of the canceled Stockinvest by the applicant the issuing branch shall lift the lien immediately.

In case of partial allotment and where more than one stockinvest is used unutilised stockinvest will be canceled. Where, however, the canceled stockinvest are not presented on expiry of four months from the date of issue or 'no paid advice' or any other intimation has been received by the issuing branch or the controlling office, the lien may be lifted on a request received from the applicant against an indemnity bond furnished by him. Where full or partial allotment is made, the Registrars to the Issue shall present the Stockinvest to the Company's Bankers for encashment in the normal course through clearing. On receipt of the paid discharged instruments, the issuing branch would debit the account of the Purchaser to the extent of the amount paid and lift the lien for balance of the amount.

The Registrars to the Issue have been authorised by the Company by a resolution passed by the Board of Directors on 26.06.1995 to sign on behalf of the Company for realising the proceeds of the stockinvest from the issuing Bank or to affix non-allotment advice on the instrument, or to cancel the Stockinvest of the non allottees or partially successful allottees who have enclosed more than one stockinvest. Such cancelled Stockinvest shall be sent back by the Registrars directly to the Investors within ten weeks from the date of the closing of subscription list.

REFUNDS/ALLOTMENTS

Letters of Allotment or Share Certificates and/or Regret Letters together with refund cheques or pay orders, if any, will be dispatched within ten weeks from the closure of the subscription list, and if such money is not repaid within eight days from the day the Company becomes liable to pay it the Company and every Director of the Company who is an officer in default shall on and from the expiry of the eighth day be jointly and severally liable to repay the money with interest @ 15% p.a.

The company shall ensure dispatch of refund orders of value over Rs. 1500/- and share/debenture certificates by Registered Post or as per extant Postal Rules and adequate funds for the purpose shall be made available to the Registrars. Refund orders upto Rs. 1500/- shall be dispatched in accordance with the extant Postal Rules.

Where the permission having been applied for dealing and listing of shares in the Stock Exchanges referred to above and if such permission has not been granted by the Stock Exchange(s) within 70 days from the closure of subscription list or where such permission is refused before the expiry of 70 days from the date of closure of subscription list, then the Company shall forthwith repay without interest all monies received from applicants in pursuance of the prospectus, and if any such money is not repaid within 8 days after the Company becomes liable to repay it (that is from the date of refusal or within 70 days from the date of closure of list whichever is earlier) the Company and every director of the Company who is an officer in default shall on and from the expiry of the eighth day be jointly and severally liable to repay that money with interest @ 15% p.a. If, however, an appeal against the decision of any recognised stock exchange refusing permission for the shares to be dealt in on that Stock Exchange has been preferred u/s 22 of the Securities Contract (Regulation) Act, 1956 any allotment made under this prospectus shall not be void until the appeal is dismissed. Refunds will be made by Cheques or Pay Orders drawn on refund Banker and Bank Charges, if any, for encashing such Cheques or Pay Orders will be payable by the applicant. Such Cheques or Pay Orders will, however, be payable at par at the places at which the applications are accepted. In case of Joint applications Refund/Pay Order, if any will be made out in the first applicant's name and all communications will be addressed to the first applicant at his/her address stated in the Application Form and at the sole risk of applicant.

No refund order will be issued to those applicants using stockinvest for payment of application money.

ISSUE OF SHARE CERTIFICATES

Share Certificates will be delivered within two months from the date of allotment in exchange of Allotment Letter(s) or Allotment Advice(s) issued, if any. The allottees should carefully preserve Allotment Letter(s)/ Allotment Advice(s), if any, to be exchanged for the Share Certificate(s).

INTEREST ON EXCESS APPLICATION MONEY

Payment of interest at the rate of 15% on the excess application money will be made to the applicant as per the guidelines laid down by the Ministry of Finance, Govt. of India, New Delhi vide their letter No. F/8/6/SE/79 date 21st July, 1983 as amended vide their letter No. F/14/2/SE/85 dated 27th Sept., 1985 or any modification thereof. In case of delay in refunds, the Company will pay interest in terms of Section 73 of the Act.

REGISTERED OFFICE

D 185 Phase VI, Focal Point,
Dhandari Kalan, Ludhiana.

WORKS

D 185, Phase VI Focal Point,
Dhandari Kalan, Ludhiana.

COMPANY SECRETARY

Ms. Priya Khanna
204, B-XI, Samrala Road,
Ludhiana.

LEAD MANAGERS TO THE ISSUE REGISTRARS TO THE ISSUE

DB Merchant Banking Services Ltd
402, New Delhi House,
27, Barakhamba Road,
New Delhi - 110 001
Tel.: 3310720, 3312854
Fax.: 91-11-3326740

In House Share Registry
3, Community Centre
Naraina Industrial Area,
Phase-I
New Delhi - 110 028
Tel: 5467313, 5458008,
Telex: 031-76298 KUKI-IN
Fax: 91-011-5458008

ADVISORS TO THE ISSUE

Kinetic Capital Services (P) Ltd.
Shakunt Bhawan, 20, Beadonpura,
Ajmal Khan Road, Karol Bagh,
New Delhi-110005
Tel: 5720437, 5730720,
Fax: 91-11-5744783

AUDITORS

Davinder Pal Singh & Co.
Chartered Accountants
Adj. Link Road Service Station,
Link Road, LUDHIANA.

BANKERS TO THE COMPANY

Punjab National Bank
Industrial Area-A,
Ludhiana

BANKERS TO THE ISSUE

Punjab National Bank
Ferozpur Road,
Ludhiana

BROKERS TO THE ISSUE

Any registered member of Recognised Stock Exchange can act as broker to the issue by affixing his name, address and code no. stamp in the broker's column on the application form and will be eligible for brokerage as per details mentioned in this prospectus. However no brokerage shall be paid on application forms not bearing any code number.

B. FINANCIAL INFORMATION

AUDITORS REPORT

The Board of Directors
Dee Dee Steel Castings Ltd.
D- 185, Phase VI, Focal Point,
Dhandari Kalan, Ludhiana

Davinder Pal Singh & Co.
Chartered Accountants
Adj. Link Road Service Station
Link Road, Ludhiana

Dear Sirs,

We have examined the Books of Account of DEE DEE STEEL CASTINGS LTD. for the period ended 1st April, 1995 to 31st Aug., 1995. The accounts of the Company for the financial year ended 31st March, 1991 TO 31st March, 1994 were audited and reported upon by M/s. Gupta Rajnish & Associates, Chartered Accountants and adopted by the members of the Company.

We have also examined and found correct the accounts of the Company for the financial year ended 31st March, 1995 prepared and approved by the Board of Directors of the Company. In accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956, we report that the profits and losses, assets and liabilities and dividends of the Company are set out hereunder :-

1. PROFITS AND LOSSES

The Profits and Losses of the Company have been arrived at after making such regroupings and adjustments as are in our opinion, appropriate and are subject to the notes given below :

FINANCIAL YEAR ENDED (Rs. in Lacs)	Period Ended 31.08.95	Year Ended 31.03.95	Year Ended 31.03.94	Year Ended 31.03.93	Year Ended 31.03.92	Year Ended 31.03.91
INCOME						
Operating Income	65.45	149.46	91.13	107.94	71.23	97.14
Other Incomes	(0.11)	—	0.81	0.07	—	—
	65.34	149.46	91.84	108.01	71.23	97.14
EXPENDITURE						
Manufacturing, Administrative, Selling & Other Expenses	59.12	139.66	87.52	104.17	66.81	92.31
Interest	0.91	1.77	1.89	1.68	2.19	1.50
Depreciation	0.95	1.58	1.20	0.84	1.61	2.64
	60.98	143.01	90.61	106.69	70.61	96.45
Profit/(Loss) Before Taxation	4.36	6.44	1.33	1.32	0.62	0.69
Less : Provision for Taxation	—	0.51	—	—	—	—
Profit/(Loss) after Tax available for appropriation	4.36	5.93	1.33	1.32	0.62	0.69

2. ASSETS AND LIABILITIES

The Assets and Liabilities of the Company have been arrived at after making such regroupings and adjustments as are in our opinion, appropriate and are subject to the notes given below :

PARTICULARS	AS AT 31.08.95	AS AT 31.03.95	AS AT 31.03.94	AS AT 31.03.93	AS AT 31.03.92	AS AT 31.03.91 (Rs. in Lacs)
ASSETS						
FIXED ASSETS						
Gross Block	39.77	32.50	22.77	21.71	16.94	15.16
Less: Depreciation	5.95	5.00	3.42	2.22	6.90	5.29
Net Block	33.82	27.50	19.35	19.49	10.04	9.87
Project & Pre-operative Expenses	—	—	—	—	—	—
	33.82	27.50	19.35	19.49	10.04	9.87
INVESTMENTS						
	—	—	—	—	—	—
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	25.49	16.63	11.57	7.58	7.11	4.25
Sundry Debtors	24.05	21.44	22.24	25.88	18.04	12.47
Cash & Bank Balances	0.95	0.11	0.29	0.24	0.13	0.10
Loans and Advances	1.95	0.70	1.55	0.72	1.32	1.06
Misc. Expenditure	0.99	0.02	0.02	0.03	0.51	1.14
TOTAL	87.25	66.40	55.02	53.94	37.15	28.89
LIABILITIES						
SHAREHOLDERS' FUNDS						
Share Capital	28.90	10.00	10.00	10.00	3.42	3.42
Share App. Money	10.28	8.90	2.65	0.90	3.48	1.35
Reserves & Surplus	10.11	15.11	10.37	9.04	2.91	1.82
	49.29	34.01	23.02	19.94	9.81	6.59
LOAN FUNDS						
Secured Loans						
(i) Working Capital (Secured against Hyp. of scrap of all Kinds, coke/coal and other consumable stores required for CI Castings, CI Ingot Moulds, Finished, Semi Finished under process goods or any other goods)	15.36	8.03	7.55	4.80	4.95	3.37
(ii) Term Loan DCM Financial Services Ltd. (Secured against Hyp. of DCM Toyota)	0.28	1.66	—	—	0.78	1.53
Unsecured Loans	4.69	4.69	2.73	2.62	5.41	3.87
CURRENT LIABILITIES AND PROVISIONS						
Liabilities	17.63	16.81	21.72	26.58	16.20	12.33
Provisions	1.20	—	—	—	—	1.20
TOTAL	87.25	66.40	55.02	53.94	37.15	28.89

A. SIGNIFICANT ACCOUNTING POLICIES

1. Convention

The accounts are prepared under the historical cost convention in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.

2. Fixed Assets and Depreciation

Fixed assets are stated at cost original cost plus any directly attributable cost of bringing the asset to their working condition for indeed use.

3. Current Assets

Raw Materials, Stocks in Process are valued at cost. Finished goods are valued at lower of cost or net realizable value

4. Depreciation

Depreciation is provided on straight line method at the appropriate rates in accordance with schedule XIV of the Companies Act, 1956

5. Revenue Recognition

As per the requirements of the Companies Act 1988, all expenses and incomes are accounted for on accrual basis.

B. NOTES

1. In the opinion of the Board of Directors, the aggregate value of current assets, Loan and Advances on realization in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
2. The balances grouped under sundry creditors and Sundry Debtors are subject to their confirmation from respective parties
3. (a) The Company has provided depreciation on fixed assets as per Straight Line Method at the rate prescribed in schedule XIV of the Companies Act, 1956.
(b) The Company had provided depreciation upto the previous year 1989-90 on WDV method at the rates prescribed in schedule XIV of the Companies Act, 1956. During the previous years 1990-91 & 1991-92, the depreciation has been provided on WDV method at the rates prescribed under the Income Tax Act, 1961.
(c) DUE TO CHANGE IN THE METHOD OF PROVIDING DEPRECIATION, THE PROFIT OF THE COMPANY DURING THE YEAR 1992-93 HAD BEEN INCREASED BY RS. 138920/-

3. DIVIDEND

We further report that the rate and amount of dividends declared, subject to deduction of tax at source by the Company, for the financial years are as follows:

Year Ending	No. of Shares	Rate of	Dividend	Amount (Rs.)
31.03.95	1,00,000	12%	1,20,000	

For Davinder Pal Singh & Co.
Chartered Accountants

Place : Ludhiana
Dated : 30.09.1995

SD/-
(DAVINDER PAL SINGH)
Prop.

Details of Working Capital

Fund Base of	Sanctioned Limit	Name of Institution
	Rs. in lacs.	
1. Cash Credit (Hypothecation)	15.00	Punjab National Bank, Feroz Pur Road, Ludhiana.
2. Book Debts (Hyp.)	7.50	- do -
3. D.D clean	1.00	- do -

Terms & Conditions of Bank Finance

1. Hypothecation of Scrap of all kinds coke/cole and other consumable stores required for C.I castings, C.I Ignor moulds, finished Semi-finished, under-process goods/or any other good lying at factory premises.
2. Hypothecation of Present and future book debts, outstanding decrees, money receivables, claims, contracts, bills etc by way of first charge as a continue security.
3. Equitable mortgage of land & Building situated at D-185, Phase VI, Focal Point Ludhiana.
4. Personal guarantee of all the four directors of the company.

C. STATUTORY AND GENERAL INFORMATION

MINIMUM SUBSCRIPTION

The minimum amount which in the opinion of the Board must be raised by this issue of Equity Shares in order to provide for the sums required to be provided in terms of the Act and SEBI guidelines is Rs.43.20 lakhs being 90% of the application money of 19,20,000 equity shares of Rs 10/- each for cash at par, being offered in terms of this prospectus. The subscription of the minimum amount is assured in view of the underwriting arrangements referred to earlier in this Prospectus.

HOWEVER IF THE COMPANY DOES NOT RECEIVE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUED AMOUNT TILL THE DATE OF CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTH WITH THE ENTIRE SUBSCRIPTION AMOUNT RECEIVED. FOR DELAY BEYOND 78 DAYS, FROM THE DATE OF OPENING OF THE ISSUE IF ANY, IN REFUND OF SUCH SUBSCRIPTION THE COMPANY SHALL PAY INTERST AT THE RATE OF 15% PER ANNUM IF THERE IS DELAY OF AMOUNT COLLECTED, THE COMPANY AND THE DIRECTORS OF THE COMPANY SHALL BE JOINTLY AND SEVERALLY LIABLE TO REPAY THE AMOUNT DUE BY WAY OF REFUND WITH INTEREST @ 15% P.A. FOR THE DELAYED PERIOD BEYOND 78 DAYS FROM THE DATE OF THE OPENING OF THE ISSUE.

EXPENSES OF THE ISSUE

The expenses of the present issue including underwriting commission, brokerage, printing, distribution and publication expenses, advertisement expenses, legal charges, stamp duty, fees payable to the lead managers, company law advisors and registrars to the issue, bank charges, auditors fees, listing fees, and other charges are estimated at Rs. 30.00 Lacs and the same will be met out of the proceeds of the present issue.

FEE PAYABLE TO THE LEAD MANAGERS TO THE ISSUE

The fees payable to the lead managers to the issue namely DB Merchant Banking Services Ltd. shall be Rs. 1.00 lac apart from reimbursement of actual out of pocket expenses.

FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

Fees payable to the Registrars to the issue. The fees payable to the Registrars to the issue i.e. In House Share Registry, will depend upon the number of applications received in the Public Issue. The processing charges are Rs.2.50 per allottee and Rs. 1.50 per non-allottee apart from other charges and other miscellaneous expenses as contained in the MOU dated 13th July, 1995

In addition to the above charges Rs. 1.50 per stock invest shall be given for stock invest processing and Rs. 2.00 per NRI application.

FEES PAYABLE TO THE ADVISOR TO THE ISSUE

The fees payable to the advisor to the issue namely Kinetic Capital Services (P) Ltd. shall be Rs. 21,000/- only.

BROKERAGE

Brokerage will be paid @ 1.5% on the issue price of the Equity Shares on the basis of allotment made against application bearing the stamp of a member of any recognised stock exchange in India in the broker's column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of allotments made against the applications procured by them provided the relevant form of application bear their respective stamp in broker's column.

PREVIOUS ISSUES FOR CASH

Save as stated elsewhere in the prospectus, no Public or Rights Issue of shares or debentures has been made by the company since its incorporation for cash or otherwise except that 2600 equity shares issued on 25.08.1988 for acquiring of land and 100000 Equity Shares issued on 10.05.1995 as Bonus to the existing shareholders in the ratio of 1:1.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUE

Except for the Underwriting Commission or Brokerage payable in terms of this Prospectus, no such sums have been paid or are payable as commission or brokerage to any person for subscribing to or agreeing to subscribe or to procure subscription for any shares in the Company since its incorporation.

ISSUE OF SHARES OTHERWISE THAN FOR CASH

No shares or debentures have so far been issued for consideration otherwise than cash except that 2600 equity shares issued on 25.08.1988 for acquiring of land and 100000 Equity Shares issued on 10.05.1995 as Bonus to the existing shareholders in the ratio of 1:1.

PREFERENCE SHARES AND DEBENTURES

The Company has not issued any debentures, debenture stock or preference shares (redeemable or otherwise) since incorporation.

ISSUE AT A PREMIUM OR DISCOUNT

No shares or debentures have been issued or agreed to be issued at a premium or discount nor does it presently propose to issue any shares or debentures at a premium or at a discount.

OPTION TO SUBSCRIBE

Except as otherwise stated in this Prospectus, the Company has not entered into nor does it for the present propose to enter into any contract or arrangement whereby an option or preferential right or any kind has been or is proposed to be given to any person to subscribe for shares in the Company.

CAPITALISATION OF RESERVES AND PROFITS

There has been no capitalisation of reserves or profits of the Company since its incorporation except 1 lac Shares issued as Bonus Shares aggregating Rs. 10,00,000/-. The figure of equity before and after the issue of Bonus Shares were Rs. 10.00 lac and 20.00 lac respectively. The figure of Reserves before and after the issue of Bonus Shares were Rs. 15,10,530.42 and 5,10,530.42 respectively.

PURCHASE OF PROPERTY

Save as stated elsewhere in the Prospectus and save in respect to the property purchased or acquired or to be purchased or acquired under the contracts referred to herein below under the heading 'Material Contracts', there is no property which the Company has purchased or

acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue or the purchase of acquisition of which has not been completed on the date of issue of this Prospectus other than the property for which:

- a) the contract for the purchase or acquisition entered into in the ordinary course of Company's business, the contract not made in contemplation of this Issue nor the issue of this Prospectus.
- b) of which the amount of the purchase money is not material.

PAYMENTS OF BENEFITS TO PROMOTERS OR OFFICERS OF THE COMPANY

Save otherwise stated in this Prospectus, no amount or benefit has been paid or given within two years preceding the date of this Prospectus nor is intended to be paid or given to any promoter or officer of the Company except their remuneration and reimbursement of expenses to which they are, or may become, entitled to under the provisions of the Act, Articles of Association of Company or otherwise by law.

INTEREST OF PROMOTERS AND DIRECTORS

All the directors except the Managing Director/Wholetime Director may be deemed to be interested to the extent of the fees and reimbursement of expenses, if any payable to them for attending meeting of the Board or Committee(s) thereof. The Managing Director/Wholetime Director of the Company, may be deemed to be interested to the extent of remuneration receivable by him as Managing Director/Wholetime Director. The directors/promoters are or may be deemed to be interested to the extent to the Shares, if any, held by them and/or their relatives in the Company and any Debentures that may be subscribed for by, and allotted to them or their relatives or companies or firms in which they or their relatives are directors and/or members or partners, as the case may be and to the extent as mentioned earlier.

All the directors may also be deemed to be interested to the extent of any contracts/agreements/arrangements entered into or to be entered into by the company with any company in which they hold directorships or with any firm in which the directors or their relatives are partners or proprietors or in their individual capacity.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

NUMBER OF DIRECTORS

Article 90 provides : The number of Directors of the Company shall not be less than three and not, more than twelve.

Article 92(A) provides: The first Directors of the Company are:

1. Sh. Dev Raj Singla
2. Sh. Deepak Gupta

NOMINEE DIRECTOR

Article 92(b) provides: The Board may authorise by the resolution or by agreement the State Financial Corporation (S.F.C.), State Industrial Development Corporation, (S.I.D.C.), Life Insurance Corporation of India (L.I.C.), Industrial Finance Corporation (I.F.C.), The Industrial Credit and Investment Corporation of India (I.C.I.C.I.), Industrial Development Bank of India (I.D.B.I.), Unit Trust of India (U.T.I.) and/or any other financial institutions, Corporations or any banks which continue(s) to be member of the company by virtue of being holder of any share or shares in the country or to any of the aforesaid Financial Institution, Corporations or bank to whom any money remains due by the Company under or by virtue of any agreement or agreements executed between the company and S.F.C., L.I.C., I.F.C., S.I.D.C., I.C.I.C.I., I.D.B.I., U.T.I. and others to nominate one or more directors (nominee Directors) on the Board and such nominee directors shall not be subject to any qualification shares nor shall (subject to provisions of Section 255 of the Act) be liable to retirement by rotation or be subject to removal.

ADDITIONAL DIRECTOR

Article 93 provides: 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 should not exceed the limit fixed by these 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.

SHARE QUALIFICATION

Article 94 provides: A Director of the company shall not required to hold any share as his qualification.

ALTERNATE DIRECTORS

Article 109 provides: The Board may in accordance with and subject to the provisions of section 313 of the Act appoint any person to act as alternate director for a director during the later's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

CASUAL VACANCY

Article 108 provides: If any Director appointed by the company in General Meeting vacate office as a director before his terms of office will expire in the normal course, the resulting casual vacancy may be filled by the Board at a meeting of the board, but any person so appointed shall held office only upto the date upto which the director in whose place he is appointed would have held office if had not been vacated as aforesaid. Provided that the board may not fill such vacancy by appointing thereto any person who has been removed from the office of director under section 284 of the Act.

REMUNERATION OF DIRECTORS

Article 95 provides : The maximum remuneration of director for his services shall be such sums as may be prescribed by the Act or the Central Government from time to time for each meeting of the board of directors or the committee thereof attended by him. All other remuneration, if any payable by the company to each director, whether in respect of his services as a managing director or a director or a director in the whole or part-time employment of the company or otherwise shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall be entitled to be paid their reasonable travelling and hotel and other expenses incurred in consequence of their attending Board and Committee meetings or otherwise incurred in the execution of their duties as Directors. The Company in General Meetings or otherwise incurred in the execution of their duties as Directors. The Company in General Meeting may sanction a remuneration upto 11% of the Net profits of the company to all or of the Directors.

Article 96 provides : If any director, being willing, shall be called upon to perform extra services or to make any special exertions for any of the purposes of the company or as a member of a committee of the board, then Subject to section 198, 309, 310, and 314 of the Act, the Board may remunerate the Directors so doing wither by fixing sum or a percentage of profit or otherwise and such remuneration may be in addition to any other remuneration to which he may be entitled.

APPOINTMENT OF MANAGING DIRECTOR

Article 123 (1) provides: Subject to the provisions of section 197A, 269, 316, and 317 of the Act, the Board may from time to time appoint one or more Directors to be Managing Director/s or Whole Time Director/s of the company and may, from time to time (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places. Subject to the provisions of section 255 of the Act, A Managing Director/ Whole Time Director shall not, while he continues to hold that office, be subject to retirement by rotation.

REMUNERATION OF MANAGING DIRECTOR

Article 125 provides : Subject to the provisions of section 309, 310, 311 of the Act, a Managing Director/ Whole Time Director shall, in addition to the remuneration payable to him as a Director under these Articles receive such additional remuneration as may from time to time be sanctioned by the company in General Meeting.

PRESENT MANAGING DIRECTOR AND HIS REMUNERATION

CHAIRMAN

Article 112 provides : The Board shall appoint a Chairman of its meeting and determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting of the board, the chairman be not present within five minutes after the appointment for holding the same, the directors present shall choose some one of their member to be chairman of such meeting.

POWER OF THE BOARD

Article 121 provides: Subject to the provisions of the Act, control of the company shall be vested in the board who shall be entitled to exercise all such powers, and to do all such Acts and things as the company is authorised to exercise and do. Provided that the board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the memorandum of the company or by these articles or otherwise, to be exercised or done by the company in General Meeting. Provided further that in exercising any such power or doing any such Act or thing, the Board shall be subject to the provisions contained in the Act or any other statute or in the memorandum of the company or in these articles or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in the General Meeting. No regulation made by the company in General Meeting shall invalidate any prior act or the Board which would have been valid if that regulation had not been made.

Article 122 provides Subject to the provisions of the Act, the board may from time to time, as it may think fit, delegate all or any of the powers hereby conferred upon the Board other than the power to make calls on members in respect of money unpaid on their shares and issue debentures.

BORROWING POWERS

Article 61 provides : The Board any, from time to time at its discretion, subject to the provisions of section 292, 293, and 370 of the Act, raise or borrow either from the directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the company; provided that the Board shall not without the sanction of the company in General Meeting, borrow any sum of money which together with moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceeds the aggregate for the time being of the paid-up capital of the company and its free reserves, that is to say, reserves not set aside for any specific purpose

Article 62 provides The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock or any mortgage or other tangible security on the undertaking of the whole or any part of the property of the Company (both present and future) but shall not create a charge on its uncalled capital for the time being without the sanction of the company in the General Meeting.

LIEN ON SHARES

Article 34 provides: The Company shall have first and paramount lien upon every share (not being fully paid up) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares, whether the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 11 hereof is to have full effect. Unless otherwise agreed, the registrations of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

AS TO ENFORCING LIEN BY SALE

Article 35 provides For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall made until such time payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his

committee, curator bonis or other legal representative as the case may be and default shall have been made by him or them in the payment of the money called or payable at a fixed time in respect of such shares for thirty days after the date of such notice.

APPLICATION OF PROCEEDS OF SALE

Article 36 provides The net proceeds of the sale be received by the company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue if any shall (subject to a like lien for sums not presently payable as existed upon share before the sale) be paid to the persons entitled to the share at the date of this sale.

VALIDITY OF SALES IN EXERCISE OF LIEN AND AFTER FORFEITURE

Article 37 provides Upon any sale after forfeiture or for enforcing a lien in purported exercise herein before given, the board may appoint some persons to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the register in respect of the share sold and the purchaser shall not be bound to see the regularity of the proceedings, not to the application of the purchase money and after his name has been entered in the register in respect of such share validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damage only and against the company exclusively.

MODIFICATION OF RIGHTS OF MEMBERS

Article 60 provides: Whenever the capital ("by reason of the issue of preference share or otherwise) is divided into different class of shares, all or any of the rights and privileges attached, to each class may subject to the provisions of section 106 and 107 of the Act be modified, commuted, affected, abrogated, varied or dealt with by agreement between the company and any persons purporting to contract on behalf of that class provided on such agreement is a consented to in writing by the holders of at least three fourth of the issued shares of that class or (b) sanctioned by a resolution passed at a separate General Meeting of the holders of shares of that class in accordance with section 106(1)(b) of the Act and all the provisions hereinafter contained as to General Meeting shall mutatis mutandis apply to every such meeting except that the quorum there shall be members holding or representing by proxy one-fifth of the nominal amount of the issued shares of the class. This article is not by implication to curtail the power of modification which the company would have if this Article were omitted. The company shall comply with the provisions of section 192 of the as to Act as to forwarding a copy of any such agreement or resolution to the registrar.

VOTING RIGHTS & RESTRICTIONS THEREON

Article 88 provides : No member shall be entitled to vote either personally or by proxy at any Meeting of the company in respect of any shares 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 any right of lien. But the board of directors may by a resolution passed at the meeting of the board, waive the operation of this Article.

ADMISSION OR REJECTION OF VOTES

Article 89 provides: (i) Any objection as to the admission or rejection of a vote either on a show of hands, or on a poll made in due time shall be referred to the chairman, who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.

(ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote is tendered and every vote not disallowed at such meeting shall be valid for all purposes.

TRANSFER AND TRANSMISSION

EXECUTION OF TRANSFER

Article 39 provides: The instrument of transfer shall in writing and all the provisions of section 108 of the companies Act and of any statutory thereof for the time being shall be duly complied with in respect of all transfer of shares and the registration thereof.

APPLICATION BY TRANSFEROR

Article 40 provides Application for the registration of the transfer of a share may be made with or by the transferor or the transferee, provided that where such application is made by a 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 the act, and subject to provisions of these articles, the company shall unless objections 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.

TRANSMISSION OF REGISTERED SHARES

Article 48 provides The executor or administrator of a deceased member (not being one of the several joint-holders) shall be the only person recognised by the company as having any title to the share registered in the name of such member, and in case of death of any one or more of the joint-holders of any registered share the survivor shall be the only person recognised by the company as having any title or interest in such share, but nothing herein contained shall be taken to release the estate of deceased joint-holder from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a Grant or probate or letters of Administration or other legal representations as the case may be from competent Court in India; Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of probate or letters of administration or such other legal representation upon such terms as to indemnity as it considers proper.

FORFEITURE OF SHARES

IF CALL OR INSTALLMENT NOT PAID NOTICE MAY BE GIVEN

Article 25 provides: If any member fails to pay any call or installment of call on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid serve notice on such member requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment.

Article 26 provides: The notice shall name a day (not being less than one month from the date of notice) and a place or places on and at which call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or, before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

IF NOTICE IS NOT COMPILED WITH SHARES MAY BE FORFEITED

Article 27 provides: If the requisition of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given, at any time thereafter, before of all payment of all calls or installment interest and expenses due in respect thereof, be forfeited by a resolution of the board to that effect.

Article 28 provides: When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forth with be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry so aforesaid.

Article 29 provides: Any share so forfeited shall be deemed to be property of the company and the Board may sell, re-allot or otherwise disposed of the same in accordance with the provisions of Listing Agreement.

Article 30 provides: The Board may, at any time before forfeited share have been sold or otherwise disposed of annual the forfeiture thereof on such conditions as they think fit.

DIVIDENDS

DIVIDEND TO BE PRORATE ON THE PAID-UP AMOUNT

Article 138 provides: Subject to the special rights of holders of preference shares, if any for the time being the profit of the company distributed as dividends or bonus shall be distributed among the members in proportion to the amounts paid or credited as paid on the shares held by them respectively, but no amount paid on a share in advance of calls shall while carrying interest to be treated for the purpose of this article as paid on the shares. All dividends shall be apportioned and paid pro-rata accordingly to the amounts paid or credited for the purpose.

DIVIDEND RIGHT

Article 144 provides A transfer of shares shall not pass the rights to any dividend declare thereon before the registration of the transfer.

POWER TO RETAIN DIVIDEND UNTIL TRANSMISSION IS EFFECTED

Article 145 Provides The Director may retain the dividends payable upon shares in respect of which any person is under transmission Article entitled to become a member or which any person that Article is entitled to transfer, until such person become a member of such shares or such shares or shall duly transfer the same.

BOOKS OF ACCOUNTS

Article 153 provides: The Books of accounts shall be kept at the Regd. Office or at such other place in India as the Board may from time to time decide.

CAPITALISATION OF RESERVES

Article 134 (1) provides: The Company in General Meeting may resolve that any amount standing to the credit of the share premium account or capital Redemption Reserve Account or any moneys, investments or any other assets forming part of undivided profits (including the profits or surplus moneys arising from the realization) and where permitted by law from the appreciation in value of any capital assets of the company standing the credit of the General Reserve any reserve fund or any other funds of the company or in the hand of the company and available for dividend, be capitalised, by the issue and distribution as fully paid-up shares of the company which may have been issued and are credited as partly paid-up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the share premium account or the Capital Redemption Reserve account shall be applied only in crediting the payments of shares of the company to be issued to members (as herein provided) as fully paid bonus shares.

WINDING UP

Article 172 provides: If the company shall be wound up and the assets available for distribution among the member as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion 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. And if in a winding up, the assets available for distribution among the member shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up or which ought to have been paid up on the shares issued upon special terms and Article is to be without prejudice to the rights of holders of shares issued upon special terms and conditions and preference shareholders shall have prior to repayment of capital and dividend due.

INDEMNITY

Article 174 provides: Subject to the provisions of Section 201 of the Act, every Director, Secretary or officer of the Company or any person (whether an office of the company or not) employed by the company and any person appointed as auditor shall be indemnified out of the funds of the Company against all bonafide liability incurred by him as such Director, Secretary, Officer, Employee or Auditor in defending any proceedings whether civil or criminals 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 Act in which relief is granted to him by the Court.

REVALUATION OF ASSETS

The Company has not revalued its assets since the date of incorporation of the company.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The Contracts referred to in paragraph 'A' below (not being the Contracts 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 material have been entered into by the Company. Copies of these Contracts together with Copies of Documents referred to in paragraph 'B' below have been attached to the Copy of this Prospectus which has been delivered to the Registrar of Companies, Punjab, H.P. and Chandigarh at Jalandhar for registration, may be inspected at the Registered Office of the Company between 10.00 A. M. to 1.00 P.M. on any working day from the date of Prospectus till the closure of the subscription list.

A. MATERIAL CONTRACTS

1. MOU dated 21st July 1995 between DB Merchant Banking Services Limited and Company.
2. MOU dated 13th July 1995 between In-house Share Registry and Company.

DOCUMENTS

1. Memorandum and Articles of Association of the company.
2. Fresh Certificate of Incorporation consequent on conversion of Private Limited Company into Limited Company
3. Copies of the special resolutions passed by the shareholders in their meeting held on 20.06.95 under section 81(1A), of the Act.
4. Report of the Auditors dated 30.09.95. referred to in the Prospectus.
5. Letter dated 30.09.95 of the Auditors confirming the tax benefits as mentioned in the Prospectus.
6. Consent letters from the Directors, Lead Managers, Advisors, Registrars, Bankers and Brokers to the Issue, Bankers to the Company, Company Secretary and Auditors referred to in this Prospectus to act in their respective capacities.
7. Copies of initial listing applications made to Stock Exchanges at Delhi, Ahmedabad, Jaipur and Ludhiana.
8. Copies of Annual Accounts as referred to in the Auditors Report.
9. Copy of resolution passed on 26.06.1995. authorising Registrar to sign the stockinvest on behalf of the company.
10. Copy of NOC from Punjab Pollution Control Board
11. Copies of the Power of Attorney(s) executed by the Directors of the company for signing and making necessary corrections in the prospectus.
12. Approval of Reserve Bank of India for Issue of Shares to NRI's vide RBI's letter no. CO FID II 2707/10.02.40(6838)/95/96 dated 17.08.1995
13. Copy of letter no. 16/09/26644/PMT/SSI dated 27.03.89 from Govt. of Punjab, Director of Industries.
14. Acknowledgement Card No. 5/660/95-NRO/1588 dated November 9, 1995 issued by SEBI.

PART III

DECLARATION

All the provisions of the Companies Act, 1956 and the guidelines issued by the Central Government have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956 and Rules made thereunder.

Signed by the Directors

1. Mr. Sanjeev Gupta(*)
2. Mr. Deepak Gupta(*)
3. Smt. Manisha Gupta(*)
4. Smt. Bimla Rani(*)

* by their Constituted Attorney Mr. Rajesh Kumar Bansal

Place : Ludhiana.

Date : December 5, 1995