

SAMSON

LEASING AND FINANCE COMPANY LTD.

(A Non Banking Financial Company)
Regd. Office : 6, Shyam Sunder Building, Karanchi Khana, Kanpur

**Public Issue of 22,50,000 Equity Shares of Rs.10/-
each at par aggregating to Rs.2,25,00,000/-**

RISK FACTORS

INTERNAL

- Financial figures are estimated figures. The project cost and financial projections have not been appraised by any financial institution/bank and same have been estimated by the Company.
- In the absence of financial stake by any banks or financial institutions, the monitoring and deployment of funds raised through this Issue is solely left to the Promoters/Directors of the Company.
- The Company being in the business of finance, is exposed to risks inherent to the business. The returns depend on the performance of investee Company.
- The financial service sector is characterised by high employee turnover.
- The Company has not yet applied for registration with RBI, as its net worth as on date is below the statutory limit of Rs.50.00 lacs. The Company will obtain registration with RBI and will follow the guidelines issued from time to time, which may have a bearing on the operations of the Company.
- The Company is yet to identify the premises for carrying on additional activities.
- This is the first business venture of the first generation promoters.

EXTERNAL

- Finance companies in general are susceptible to market risks. Any adverse movement in interest rates, government policies, market sentiments and stock prices, would have an unfavourable impact on the operations and performance of the Company.
- Increasing competition from existing companies as well as new entrants and depressed market conditions may adversely affect the business.
- Hire Purchase and Leasing activities carry unusual credit risks. For success in leasing activities, prompt receipt of dues and their immediate deployment is crucial and any default in payment by clients can lead to losses.
- Recession in any of the industries in which the Company proposes to deploy its funds would also adversely affect the working of the Company.
- The financial sector is highly regulated and any change in Government/RBI policies have bearing on the operations of the Company.

ISSUE OPENS ON 29.5.1995

Lead Manager to the Issue

Key Leasing and Finance Ltd.
5th Floor, Padam Towers,
14/113, Civil Lines, Kanpur - 208 001
Phone No. 293 056/058
Fax No. (0512) 293 153

Registrar to the Issue



**Renovision Technofin &
Management Services (P) Ltd.**
505, Bhikaiji Cama Bhawan,
Bhikaiji Cama Place,
New Delhi-110 066
Tel: 687 0107 Fax: 6887990

GENERAL INFORMATION

SAMSON LEASING AND FINANCE COMPANY LIMITED

(Incorporated as a Public Limited Company on 18th April 1991 under the Companies Act, 1956 and obtained the Certificate of Commencement of Business on 10th June, 1991)
Regd. Office: 6, Shyam Sunder Building, Karanchi Khana, Kanpur

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81 (1A) of the Companies Act, 1956, the present issue of Equity Shares has been authorised by a special resolution passed at the Extra Ordinary General Meeting held on 15.12.1994.

DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the offer document by SEBI should not, in any way, be deemed or 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 or 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 investors to take an informed decision for making investment in the proposed issue. It should 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 KEY LEASING AND FINANCE LTD has furnished to SEBI a due diligence certificate dated 23.12.1994 in accordance with SEBI (Merchant Bankers) Regulations 1992 which reads as follows:

- i) We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc. and other materials in connection with the finalisation of the draft prospectus pertaining to the said issue;
- ii) On the basis of such examination and the discussion with the Company, its Directors and other officers, other agencies, independent verification of the statements concerning objects of the issue projected profitability, price justification and the contents of the documents mentioned in the Annexure and other papers 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 issue;
- (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 and;
- (c) the disclosures made in the draft prospectus, are true, fair, and adequate to enable the investors to make a well informed decision as to the investment 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.
- iv) Since the issue is not underwritten, our satisfaction about the network of the underwriters to fulfill their underwriting commitments is not required.

LISTING

The Regional Stock Exchange of the Company is the U.P. Stock Exchange, Kanpur. An application has been made to the Stock Exchange at Kanpur for permission to deal in and for an official quotation of the existing Equity Shares of the Company as well as of equity shares being issued in terms of this Prospectus.

FILING

A copy of this Prospectus having attached thereto the documents 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, (Uttar Pradesh) at Kanpur.

CAUTION

Attention of 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 the 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.

MINIMUM SUBSCRIPTION

IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 100% OF THE ISSUE AMOUNT WITHIN 60 DAYS FROM THE DATE OF CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTHWITH REFUND THE ENTIRE SUBSCRIPTION RECEIVED. (SINCE THE ISSUE IS NOT UNDERWRITTEN, THERE WILL BE NO DEVOLVEMENT OF UNDERWRITERS.) FOR DELAY BEYOND 78 DAYS, IF ANY, ON REFUND OF SUCH SUBSCRIPTION, THE COMPANY SHALL PAY INTEREST AS PER SECTION 73 OF THE COMPANIES ACT, 1956.

DISPATCH OF REFUND ORDERS/ALLOTMENT LETTERS.

The Company shall ensure dispatch of refund orders of value over Rs. 1500/- and share certificates by Registered Post only and adequate funds for the purpose will be made available to the Registrars.

Allotment letters/Refund orders/Share Certificates will be despatched to allottees and non-allottees within ten weeks of closure of subscription list. In case of any delay in the refund of such amount by more than 8 days from the due date, the company will pay interest @ 15% p.a. to the applicants for the delayed period as per section 73(2) and 73(2A) of the Companies Act, 1956. The Company shall make available to the Registrars to the issue adequate funds for this purpose.

ISSUE DATES

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DATES AS MENTIONED BELOW OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (hereinafter referred to as 'the Board') BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE DATE MENTIONED AGAINST THE CAPTION "EARLIEST CLOSING".

For Indian Public	
ISSUE OPENS ON	MONDAY, 29TH MAY, 1995
EARLIEST CLOSING	WEDNESDAY, 31ST MAY, 1995
CLOSING NOT LATER THAN	THURSDAY, 8TH JUNE, 1995

LEAD MANAGER TO THE ISSUE**KEY LEASING AND FINANCE LTD.**

5th Floor, Padam Towers,
14/113, Civil Lines,
Kanpur 208 001
Phone No. 293056/293058
Fax No. 293153

CO MANAGER TO THE ISSUE**CENTRAL BANK OF INDIA**

Zonal Office,
33, N. S. Road,
Calcutta - 700 001

ADVISORS TO THE ISSUE**SPARK FINCON LTD.**

510-511, City Centre,
63/2, The Mall,
Kanpur - 208 004
Phone No. 366840, 356566 Fax : 319416

REGISTRAR TO THE ISSUE***Renovision Technofin &
Management Services (P) Ltd.***

505, Bhikaiji Cama Bhawan,
Bhikaiji Cama Place,
New Delhi - 110 066
Phone: 687 0107/687 0108 Fax: 6887990

AUDITORS**Agarwal & Saxena**

Chartered Accountants
510-511, City Centre,
63/2, The Mall, Kanpur- 208 004

CREDIT RATING

Proposed issue is an issue of Equity Shares, rating is not required.

TRUSTEES

As the present Issue is an issue of Equity Shares the appointment of trustees is not required.

UNDERWRITERS

The management does not propose to get the proposed issue underwritten.

II. CAPITAL STRUCTURE OF THE COMPANY

(Rupees)

SHARE CAPITAL		
A. AUTHORISED CAPITAL		3,00,00,000
30,00,000 Equity Shares of Rs.10/- each		
B. ISSUED SUBSCRIBED AND PAID UP		7,000
700 Equity Shares of Rs.10/- each for cash at par.		
C. PRESENT ISSUE		2,99,93,000
29,99,300 Equity Shares of Rs.10/- each for cash at par.		
D. OUT OF THE PRESENT ISSUE		74,93,000
7,49,300 Equity Shares of Rs.10/- each for cash at par are reserved for firm allotment to the Promoters, their friends, relatives and Business Associates		
E. NET OFFER TO THE RESIDENT INDIAN PUBLIC IN TERMS OF THIS PROSPECTUS		2,25,00,000
22,50,000 Equity Shares of Rs.10/- each for cash at par		
F. PAID UP CAPITAL AFTER ISSUE		3,00,00,000
30,00,000 Equity Shares of Rs.10/- each		

NOTES:

1. PROMOTERS HOLDING AND LOCK IN PERIOD

Date of Allotment	Number of Shares	Face Value (in Rs.)	Percentage post issue capital	Lock in period	Consideration
18.4.1991	700	7,000	0.02%	*	Cash
To be allotted	7,49,300	74,93,000	24.98%	*	Cash
			25.00%		

- * The above Shares will be locked in for the period of 5 Years commencing from the allotment date in the present issue.
- 2. The amount mentioned under 'D' above will be brought in by the Promoters at least a day before the Date of Opening of Public Issue. Each application in 'D' above will be for Rs. 25,000/- and above, in respect of contributions from friends, relatives and business associates. However, the minimum contribution for firms or corporate bodies, and business associates not being Individuals is Rs.1,00,000/-.
- 3. The total promoter's contribution will be 25% of the post issue capital.
- 4. The Authorised Capital is as per Memorandum & Articles of Association registered with Registrar of Companies Uttar Pradesh, Kanpur

TERMS OF THE PRESENT ISSUE

The Equity Shares now being offered are subject to the terms of this prospectus, the Application form, the Memorandum containing salient features of the prospectus, the Memorandum and Articles of Association of the Company (hereinafter referred to as "The Articles"), the Guidelines for listing of securities issued by the Government of India, the relevant provisions of the Act from time to time.

Further, the terms and conditions of the offer are in conformity with the various circulars/notifications provisions of various enactments as amended from time to time by SEBI specially with clarification no VIII.

TERMS OF PAYMENT

For Resident Indian Public.

On Application: Rs.10.00 per Equity Share

The application must be for a minimum of 500 Equity Shares and in multiples of 100 thereafter. Where an applicant is allotted lesser number of Equity Shares than he/she has applied for, the excess application money, if any, will be refunded to the applicant within 10 weeks from the date of closure of the subscription list in terms of section 73 of the Act after adjusting the money payable for the number of shares allotted.

UTILISATION OF FUNDS

The sums 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 U.P. Stock Exchange, Kanpur is obtained for allotment and listing approval is available from the above Stock Exchange.

RIGHTS OF EQUITY SHAREHOLDERS

The Equity Shares, as aforesaid, shall rank pari passu with the existing

Equity Shares of the Company save and except that they shall rank for dividend, if any, which may be declared, in proportion to the amount paid up and pro-rata for the period from the date of allotment till the end of the relevant financial year in which the new Equity Shares are issued.

The Shareholders are entitled to receive dividend, as and when declared, Bonus and Rights Shares, as and when issued. Further the rights of the above and other holders of Shares are subject to the provisions of the Act, the Memorandum and the Articles, the terms of this Prospectus and other laws applicable from time to time.

PROCEDURE FOR APPLICATION

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

Application forms with Memorandum containing salient features of the Prospectus may be obtained from the Corporate Office of the Company, Lead Managers, and Bankers to the Issue named herein and from the branches of the Bankers to the Issue as stated in the Application Form.

A copy of the Prospectus shall be made available on request from the Corporate office of the Company and the lead managers to the issue.

HOW TO APPLY

A. APPLICATION BY RESIDENT INDIAN PUBLIC

- a) Applications must be made only:
 - i) by Indian Nationals resident in India,
 - ii) on the prescribed Application Form (WHITE COLOUR) accompanying this Prospectus and/or Memorandum containing salient features of the Prospectus and completed in full in BLOCK LETTERS IN ENGLISH, except signatures, in accordance with the instructions contained herein and in the Application form and is liable to be rejected if not so made.

- iii) for a minimum of 500 Equity Shares or in multiples of 100 thereafter.
- iv) in single name or joint names (not more than three) and
- v) a) in the names of resident Indian individuals, limited companies, statutory corporations or institutions and HUF through its karta but NOT in the names of minors, foreign nationals, Non-residents, Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorised under its constitution to hold Shares and Debentures in a Company), partnership firms or their nominees or their Agents.
- b) Payment should be made by cash/cheque/bank draft/ Stockinvest. Money orders/Postal orders will not be accepted. Cheques or Bank Drafts or Stockinvest should be drawn on any Bank (including a Cooperative Bank included in the second schedule to the Reserve Bank of India Act, 1934) which is situated at and is a Member or Sub-member of the Bankers' Clearing House located at the place where the Application Form is submitted. Outstation Cheques or Bank Drafts will not be accepted and applications accompanied by such Cheques or Bank Drafts will be rejected. A separate cheque or bank draft/ stockinvest must accompany each Application Form. All cheques/bank drafts must be made payable to the Bankers to Issue with whom the application is lodged and marked "A/c Samson - Equity Issue" and crossed "Account Payee Only" (for example, "PUNJAB NATIONAL BANK A/c Samson - Equity Issue") Stock Invests should be drawn in favour of the company "Samson Leasing and Finance Company Limited."
- c) Application forms duly completed together with Cash/ Cheque/Bank Draft/Stockinvest for the amount payable on application at the rate of Rs. 10.00/- per share must be delivered before closing of the subscription list to any of the Bankers to the Issue named herein or to any of their branches mentioned on the reverse of the Application Form and NOT to the Company or to the Lead Managers or to the Registrars to the Issue and are liable to be rejected if not so made.

Application Forms lodged directly with the Company or the Lead Managers to the Issue or the Registrars to the Issue will be sent back to the applicants by Ordinary Post at the applicants risk. No receipt will be issued for the application money. However, the Bankers to the Issue and/or their Branches receiving the applications will acknowledge receipt by stamping and returning to the applicant the acknowledgment slip at the bottom of the Application Form.

Applicants should indicate on the reverse of the cheque/draft/stockinvest the application form number for which the payment is made. The applicant may indicate his 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 order after the names of the payees.

B. APPLICATION BY EMPLOYEES

No reservation for Employees has been made in this issue

THE APPLICANT (INDIVIDUALS AND MUTUAL FUNDS) HAS THE OPTION TO APPLY THROUGH STOCKINVEST ALSO

Only individual investors and mutual funds can apply through stock invest in compliance with RBI letter no. DBOD/No./fsc/BC/24-47-001/94 dated September 2, 1994.

For further instructions please also read the Application Form carefully.

GENERAL INSTRUCTIONS

A. PROCEDURE FOR PAYMENT OF APPLICATION MONEY BY STOCKINVEST (APPLICABLE TO ONLY INDIVIDUALS AND MUTUAL FUNDS)

1. The prospective investor, at the time of request for issue of STOCKINVEST to the issuing bank, may have to:

- a) Indicate that he/she agrees to abide by the terms of issue and encashment of the STOCKINVEST.
 - b) give irrevocable authority to his/her bank to mark a lien for the value of the STOCKINVEST against the balance held in his/her savings/current/other deposit account.
 - c) agree to lifting of the bankers lien on expiry of the currency of the STOCKINVEST or in case of intimation of partial/non-allotment of Equity Shares; and
 - d) agree that the issuing bank will not be liable for any damages or consequences arising out of the loss of these instruments.
 - e) service charges, if any, for procuring the stockinvest shall be borne by the applicant.
2. Stockinvest issued by any Scheduled Commercial Bank including Co-operative Bank (even where the issuing Banker is not collecting Banker) will be accepted.
 3. Stockinvest are to be used by the purchase(s) within 10 days of its purchase. The last day for the use of stockinvest for submitting share application to the bank is indicated on the face value of the stockinvest with a notation "To be used before _____".
 4. Stockinvest should be marked "A/c. Payee" and payable only to the company i.e. **SAMSON LEASING AND FINANCE COMPANY LTD.** The applicant shall provide necessary details, such as payee's name, amount, number of shares applied for, application form no. etc., in the left hand side portion of the stockinvest and his address in the box on the reverse of the stockinvest before depositing it with Bankers to the issue. In case if a box is not provided on the reverse of the stockinvest for writing the name and address of the investors, an allonge may be obtained for the purpose and attached with the stockinvest. The allonge should be used to write the applicant's name(s) and full address to enable the Registrar to return the cancelled stockinvest directly to the applicants.
 5. The currency of the STOCKINVEST shall not exceed 4 months.
 6. The STOCKINVEST will be issued to the applicant in blank format after authentication of the date of issue by the designated branch. The STOCKINVEST duly completed would be submitted alongwith the share application to the bank branch handling the capital issue.
 7. Stockinvest should be signed and dated by the appropriate authority of the issuing Bank. Investors have to fill in the Stockinvest the following details:
 - (a) name of collecting bank
 - (b) name of the company
 - (c) amount
 - (d) number of Shares applied for and submit the same to the Collecting Banker duly signed together with the application form.
 8. Separate Stockinvest of suitable and appropriate denomination (whether available) should be submitted with each application form for the shares applied for. In case of Stockinvest of fixed denomination, the investor can fill an amount less than the denomination amount depending upon the money required to be paid on application for the shares applied for.
 9. The applicant should not hand over stockinvest taken against their own account to any third party. The stockinvest should be utilised by the purchaser(s) and the purchaser's name/name of one of the purchasers should be invariably indicated as the first applicant in the share application form. Thus, if the signature of the purchaser on the stockinvest and the signature of the first applicant on the application form do not tally, the application would be treated as having been accompanied by a third party stockinvest and shall be liable to be rejected.
 10. Only individuals and Mutual Funds are eligible to obtain StockInvest.
 11. The Bankers Lien shall be automatically lifted provided:
 - i) Valid instrument is presented by the Controlling branch of the Bank after allotment.
 - ii) The cancelled Stockinvest is surrendered by the investor.
 - iii) An Indemnity Bond is executed in favour of the bank after the validity period of the stockinvest is over, in case where the investor has not received the cancelled stockinvest.

The above information is given for the benefit of investors and the company is not liable for any modification of terms of STOCKINVEST or procedures thereof by issuing banks.

As far as possible, the Applicants should use only one Stockinvest along with each application for subscription to the issue.

Registrars to the Issue have been authorised by the Company through resolution of the Board passed on 20.3.1995 to sign on behalf of the Company to release the proceeds of the Stockinvest from the issuing bank or to affix non-allotment advice on the 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 applicants.

B. JOINT APPLICATION

An application may be made in single or joint names (not more than three). In the case of joint applications refund/pay orders (if any), dividends/interest warrants, 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 stated in the application form.

C. MULTIPLE APPLICATIONS

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

D. APPLICATION UNDER POWER OF ATTORNEY

In the case of applications under Power of Attorney or by Limited Companies or corporate bodies, the relevant Power of Attorney or the relevant authority, as the case may be, or a duly certified copy thereof, along with a copy of the Memorandum of Association & Articles of Association and/or Bye Laws, must be lodged separately quoting the reference number of the Application Form at the office of the Registrars to the Issue with the submission of the application form, failing which the application form is liable to be rejected.

E. ACCEPTANCE OF APPLICATION

The Board reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason thereof. In case an application is rejected in full, the entire application money received will be refunded to the applicant. If an application is rejected in part, the balance of the application money received will be refunded to the applicant within ten weeks of the date of the closing 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 that money with interest @15 % p.a. as provided in the provisions of Section 73 of the Act.

TAX BENEFITS

The Company has been advised by their statutory Auditors, M/s. Agarwal & Saxena, Chartered Accountants, vide their letter dated 23rd December, 1994 that under the current provisions of the Income Tax Act, 1961 (hereinafter referred to as the "Income Tax Act") and other applicable Direct Tax Laws for the time being in force, the following tax benefits and deductions will, inter alia, be available:

A. TO THE COMPANY:

1. Section 80M of the Income-Tax, 1961 as substituted by the Finance Act 1993 provides that where the gross total income of a domestic Company in any previous year includes any income by way of dividend from other domestic Companies, there shall be allowed a deduction of an amount equal to the income by the way of dividend received by it from other domestic Companies, not

exceeding the amount of the dividend distributed by the Company on or before the due date for furnishing the return of income.

2. The Company will be entitled U/s. 35 D of the Income Tax Act, 1961 to amortise preliminary expenses in connection with the issue for Public subscription of shares in or debentures of the Company, being the underwriting commission, brokerage and charges for drafting, typing, printing and advertisement of the prospectus over a period of ten years beginning with the previous year in which the business commences or, as the case may be, the previous year in which the expansion takes place.

B. TO THE RESIDENT MEMBERS

1. Members of the Company who are individuals or Hindu Undivided Families will be entitled to a deduction under section 80-L of the Income Tax Act, 1961 from their total income to the extent of Rs.10,000/- per year in respect of specified items which would include dividend received from the Company.
2. Members, being individual resident in India, will be entitled to receive dividends without deduction of Income Tax at source provided (i) pursuant to section 194 of the Income Tax Act, 1961 the amount of such dividend paid during any financial year by the Company to the member by an account payee cheque does not exceed two thousand five hundred rupees. (ii) pursuant to section 197-A of the Act and the member furnishes to the Company a declaration in writing, in duplicate, in the prescribed form that the estimated total income of the previous year in which such dividend income is to be included in computing his total income will be less than the minimum amount liable to Income Tax as computed under the provisions of the Act.
3. a. Members who are scheduled bank or public financial institutions or state financial corporations or a state industrial investment corporation or companies registered under section 25 of the Companies Act, 1956 would be entitled to a deduction under section 80-M of the Income Tax Act, 1961 of 60% of the income by way of dividends received by them from the Company and included in their gross total income.
b. Members who are domestic companies other than those referred to in 3(a) above would be entitled to deduction under section 80-M of the Income-tax Act, 1961 the amount of income by way of dividend received by them for other domestic companies including dividend received from the company, not exceeding the amount of dividend distributed by such domestic Companies on or before the specified due date.
4. If the Company's shares are sold by the member after holding for 12 months or more, for calculation of the capital gain on sale of shares of the Company, the member will be allowed deduction of indexed cost of acquisition on the basis of cost inflation index prescribed with reference to the year of acquisition as per section 48 of the Income Tax Act, 1961.
5. The entire value of shares held by members who are individuals, Hindu Undivided Families or a Company will be exempt from wealth tax since the said Asset is not covered under section 2(ea) of the Wealth Tax Act, 1957.

IV: PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present issue of Equity Shares is being made to:

1. To augment the long term resources for the working capital requirements of the Company for leasing, Investments, money market operations, inter corporate deposits, bridge finance and bill discounting.
2. To establish office with necessary infrastructure at Kanpur.
3. To get the Equity Shares of the Company listed on recognised Stock Exchanges
4. To meet the expenses of the proposed Issue.

The Company has not given any financial assistance to any companies in which the Directors are interested. The Company has not received any financial commitment from companies in which the Directors are interested.

PROJECT:**REQUIREMENT OF FUNDS AND MEANS OF FINANCE**

The requirement of funds and means of finance as estimated by the company are as follows:-

Requirement of Funds	(Rs. in Lacs)	
	Existing Capital	Proposed Issue
-Fixed Assets	—	9.00
-Other Current Assets	—	6.19
-Leased Assets	—	200.00
-Investments	—	60.00
-Inter Corporate Deposits	—	20.00
-Share Issue expenses	—	34.00
-Preliminary Expenses	0.07	0.00
-Bank/Cash Balance	0.14	00.74
TOTAL	0.21	329.93
SOURCES OF FUNDS		
Equity Share Capital	0.07	299.93
Lease Deposit	0.00	30.00
Reserve / Profit & Loss A/c	0.14	0.00
TOTAL	0.21	329.93

NOTE: It is to be noted that the requirement of funds and means of finance as stated above have not been appraised by any financial institution/bank. These are based on company's own estimates.

BASIS OF REQUIREMENTS OF FUNDS

Basis for need of funds is as under ;

- Leasing :

The company proposes to deploy Rs. 200 lacs in leasing activity. The projection for this business is based on the expected growth in capital asset formation and increased industrial activities. The leasing business will also provide a tax shield to the company through depreciation charge.

- Investments: The company proposes to deploy Rs.60.00 Lacs in investments. Investments will be essentially of medium and long term nature. The investments envisaged would either be through primary market or secondary market. The investment mix would depend on the capital market conditions and the yields envisaged. The company proposes to invest in both, quoted and unquoted securities. The investment in quoted and unquoted securities will be in the ratio 75:25. The actual pattern of investment will depend upon market conditions prevailing from time to time.

- Inter-Corporate Deposit, Bridge Finance and Bill Discounting: The company proposes to deploy Rs. 20 lacs in Inter Corporate Deposits, Bridge Finance and Bill Discounting. However deployment on this account would vary from year to year based on market opportunities. The company envisages investing in other liquid assets like Bills, Bridge Loans, funding for short period with reputed Companies.

- Issue Expenses:

The Public issue expenses of Rs. 34.00 lacs are basically in the nature of various statutory and other issue related expenditure.

- Building :

The present office at Kanpur is not owned by the company but is on the rental basis to start the operations of the company. The company has earmarked Rs. 9.00 lacs for acquiring office premises of approximately 1200 sq. ft. in the commercial area of Kanpur. Negotiations are in progress to acquire the office space in any of the commercial buildings of Kanpur.

PROJECTED FUND FLOW:

Projected Fund flow for the current year and next three years as per the Company's estimates are as follows:

	(Rs. in lacs)			
	1994-95	1995-96	1996-97	1997-98
SOURCES				
Equity Capital		299.93	—	—
Cash Profit from operations	.12	28.75	39.00	45.00
Lease Deposits		30.00	—	—
Opening Cash /Bank	.04	.16	29.76	8.76
	.16	358.84	68.76	53.76
APPLICATION				
Fixed Assets	-	9.00	—	—
Current Assets	-	6.08	—	—
Leased Assets	-	200.00	—	—
Investments	-	60.00	—	—
Inter Corporate Finance/				
Bridge Finance	-	20.00	30.00	10.00
Dividend	-	—	30.00	37.50
Share Issue Expenses	-	34.00	—	—
Cash/Bank/FDR	.16	29.76	8.76	6.26
	.16	358.84	68.76	53.76

The Company has not accepted any public deposits till date.

V COMPANY, MANAGEMENT AND PROJECT**A. HISTORY AND PRESENT BUSINESS OF THE COMPANY**

SAMSON LEASING AND FINANCE COMPANY LTD. was incorporated as a Public Limited Company on 18th April, 1991 with Registrar of Companies (U.P.), Kanpur and obtained the certificate of Commencement of Business on 10th June, 1991 with the object of making investment, hire-purchase and leasing. However, the activities could not be started. Now, the company intends to carry on the business of Leasing, Hire Purchase, Investment Banking, and Money market operations. There has been no major development since its inception.

B. MAIN OBJECTS OF THE COMPANY

The main objects of the Company are set out in the Memorandum and Articles of the Company and include inter alia the following :

1. To lend money and negotiate loans, draw, accept, endorse, discount, buy, sell and deal in bills of exchange, promissory notes, bonds, debentures, and other negotiable instrument and securities. Issue on commission, subscribe for, take, acquire and hold, sell, exchange and deal in shares, stock, bonds, obligations or securities of any government, local authority or company. Form, promote, subsidise and assist companies, syndicates and firms of all kinds. Give any guarantee for the payment of money or the performance of any obligation or undertaking. Undertake and execute any trust, acquire, improve, manage, work, develop, exercise, all right in respect of leases and mortgages, and to sell, dispose of, turn to account and otherwise deal with properties of all kinds and in particulars, land, buildings, concessions, patents, business concerns and undertakings. Generally to carry on and undertake any business, undertaking transaction or operation commonly carried on or undertaken by bankers, capitalists, promoters, financiers, concessionaries, contractors, mercantile and any other business.
2. To undertake and carry on the business of financing the purchase of residential house, land, shops, shopping complexes, business establishment and other real estates and properties and sale thereof on hire purchase basis or otherwise and to erect and construct and to act as contractors for construction of houses, building, offices, shops, shopping complexes and works of all descriptions on any land of the company or upon the lands of others and to let out the same on lease or otherwise and to acquire by purchase, lease exchange, hire or otherwise, land or property of any tenure or any interest in the same, and to sell,

lease, let, mortgage or otherwise dispose of the land, houses, building and other property of the company.

3. To purchase or otherwise acquire, maintain, sell and give on lease all kinds of motor, motor vehicles, motor-cycle, medicine equipments, air conditioners, air conditioning plant, computers, televisions, electronic equipments, household equipments, refrigerators, and appliances or any other equipment or assets for the company may think fit.
4. To carry on the business of financing industrial enterprises, whether by way of making loans and advances to or subscribing of the capital of private industrial enterprises in India and to lend money either with or without security upon such terms and conditions as the company may think fit to the subscribers of the scheme of company and to establish finance, encourage saving scheme, gift or bonus scheme, house building schemes, hire purchase and installment supply schemes, committee fund schemes and pursue the policy of wise economy.

SUBSIDIARY

The Company does not have any subsidiary company.

Promoters and their background

The company was promoted by Shri Ramesh Maheshwari, Shri Naresh Chandra Kansal, Smt. Kusumlata Kansal, Shri Sandeep Kansal, Shri Deepak Kansal, Shri Shankar Lal Maheshwari and Shri Manish Agarwal, and Shri Naresh Chandra Kansal, Smt. Kusum Lata Kansal and Shri Ramesh Maheshwari were the first directors. All of them have resigned due to sale of controlling interest and change of management. Shri Sunil Agarwal, Shri Vinod Kumar Sharma and Shri Amar Nath Kundu have joined the board as Directors, after acquiring the controlling interest in the company, resulting in a total change in the management with effect from 20th November, 1994. Later on, Shri Binod Kumar Jain and Shri Manoj Kumar Jain joined the Board of Directors with effect from 03.02.95 to broad base the board. Shri Binod Kumar Jain (39 years) is a Chartered Accountant and is an expert in the field of finance and has about 10 years experience of business development.

Shri Manoj Kumar Jain (25 years) is a Chartered Accountant and is an expert in the field of accounts, finance and taxation.

Mr. Vinod Kumar Sharma (42 years) is a science graduate from University of Kanpur having overall experience of 22 years in the field of marketing of lighting products and has held various senior positions in the marketing department of various companies. He is presently whole time director of M/s Life Electricals (P) Ltd. and looking after the entire operations of the company including sales, since last 5 years.

Mr. Sunil Agarwal (33 years) is a science graduate from University of Kanpur. He has 8 years experience in the field of sales promotion and marketing of products of various companies and has a track of success to his credit. Earlier he was also Director of M/s Alpha Estates Ltd, a company engaged in the construction industry.

Mr. Amar Nath Kundu (32 years) is a commerce graduate from the University of Burdwan (W.B.) and is having 8 years experience in the field of finance, accounts of working with M/s Calcutta Weldmesh (P) Ltd. Calcutta as senior manager (finance).

There is no outstanding litigation/disputes, defaults to financial institutions/banks, non-payment of statutory dues, proceedings initiated for economic offences (including past cases) against promoters/directors.

The above directors/promoters are not associated or have not promoted any other concern.

MANAGEMENT

Presently the affairs at Kanpur are being looked after by Shri Sunil Agarwal who will be supported by Mr. Vinod Kumar Sharma under the guidance of Board of Directors. The company intends to appoint professionals in a phased manner to look after the various areas of operations.

BOARD OF DIRECTORS

NAMES, DESCRIPTION, ADDRESS AND OCCUPATION	OTHER DIRECTORSHIPS
SHRI BINOD KUMAR JAIN (S/o Shri T.C. Jain) DIRECTOR 47 B, Nalini Seth Road, 4th Floor, CALCUTTA (Chartered Accountant)	Marigold Securities Ltd. Matrix Merchandise Ltd. Vintage Merchants Ltd. Abhinandan Vanijya (P) Ltd.
SHRI MANOJ KUMAR JAIN (S/o Shri Moti Lal Jain) DIRECTOR 202, Rabindra Sarani, Ground Floor, Calcutta (Chartered Accountant)	Platinum Commerce (P) Ltd.
SHRI VINOD KUMAR SHARMA (S/o Late Shri R.N.Sharma) DIRECTOR 3A/8, Azad Nagar, Kanpur (Service)	Life Electricals (P) Ltd.
SHRI SUNIL AGARWAL (S/o Late Dr. P.N.Agarwal) DIRECTOR (7/171, Swaroop Nagar, Kanpur - 208 002) (Service)	—
SHRI AMAR NATH KUNDU (S/o Shri Bhola Nath Kundu) DIRECTOR 40/10, Vijay Nagar, Kanpur (Service)	—

INFRASTRUCTURAL FACILITIES:

OFFICES:

KANPUR: The Registered Office of the Company is situated at 6, Shyam Sunder Building, Karanchi Khana, Kanpur - 208 001. The area of office space is 300 sq.ft. and the same has presently been taken on rental basis to start the operations of the company.

Apart from this the Company is planning to take another office (of approximately 1200 sq.ft area) within Kanpur for broadbasing its activities. The Company is in process of negotiation, for the premises to be acquired for this purpose. Necessary furnishing will also be done to suit the requirement of the business.

SYSTEMS SUPPORT AVAILABLE (BOTH HARDWARE AND SOFTWARE)

HARDWARE:

The company intends to install computers with LAN and Modem facilities.

SOFTWARE

The company is in the process of identifying suitable software packages to assist it in its day to day operations like database on corporates for its ICD operations, database on industries for project consultancy etc.

COMMUNICATION EQUIPMENTS

The company proposes to install an EPABX system. In order to have effective and timely communication the company also proposes to install a fax, in the office besides the usual office support systems.

MANPOWER/HUMAN RESOURCES

The company is presently managed by Board of Directors and one of the Directors Mr. Sunil Agarwal is looking after the affairs of the company on day to day basis with limited support staff. The company proposes to go in for recruitment of additional staff, managerial and others - depending upon the business growth, which is likely to be as under:

ACTIVITY	NO.OF PERSONS
1. Lease & Hire Purchase	3
2. Investments	2
3. ICD/Finance	2
4. Support Staff	3
	<u>10</u>

OTHER OFFICES

The Company is proposing to set up office at Delhi, when the need arises, after review of the operation of the company.

BUSINESS PLAN AND PROSPECTS :

The policies of the present Government in production oriented activities have opened up many productive opportunities. This situation offers tremendous scope for activities like financial services since funding needs of the productive activities are on the increase. The broad objective of the Company is to exploit these opportunities. The Company intends to take up the following activities :

- Leasing and Hire Purchase
- Inter-Corporate Deposits/Bridge Finance/Bills Discounting
- Investments

Leasing :

The future for the financial services industry appears to be quite bright in view of the favourable industrial policy and other liberalisation measures initiated by Government of India. Leasing as a mode of finance will continue to play an important role in capital formation in both the private and public sectors. There are about 300 companies in this line of activity including financial institutions, bank subsidiaries and private finance companies (SOURCE - Equipment Leasing Association (India)). As per the data published by Equipment Leasing Association (India), the total leased assets of its 108 members companies amounted to Rs.1,232 crores in 1990-91 and it has projected growth rate of 20% p.a. According to the data compiled on 48 companies, the gross leased assets had gone up from 879 crores in 1990-91 to Rs. 1,320 crores in 1991-92, indicating growth rate of about 50% (source- Economic Times dated 26.11.1992). The sales of the industry have increased from Rs. 439.48 crores in the financial year 1991-92 to 629.85 crores for the year 1992-93 thereby registering a growth rate of 43.32%. Consequently, the net profits have increased from Rs. 96.14 crores in 1991-92 to Rs. 137.84 crores in 1992-93 registering a growth rate of 43.37% (Source - Dalal Street, Vol. VII No. 16 dated August 22, 1993).

With elaborate appraisal and strict monitoring systems that the company proposes to establish it will be possible to undertake Lease business with good returns and minimum risk.

As stated elsewhere, the company proposes to earmark a sum of Rs. 200.00 lacs for Leasing. The company intends to cater to small and medium size companies with good financial track record.

Inter-Corporate Deposits and Bridge Finance/Bills Discounting :

Short term corporate finance essentially includes direct funding for inter corporate requirements, discounting of short term bills and intermediation for such requirements of the corporates. With falling interest rates and relaxation in the restrictions of commercial paper and certificate of deposits markets, the funds syndication market has become favourably active and competitive.

Although many finance companies are already in this line of activity, the company, considering the vast scope in this field, proposes to engage in this activity. Most of the companies are looking outside the financing system for financing their receivable through bill discounting and factoring routes in view of recently announced R.B.I. directives.

Investments :

The Indian capital market offer good opportunities for investments because of opening of economy and deregulation of financial sector. The company seeks very attractive opportunities in the following areas:

- Primary Market:** Due to proportionate allotment policy, new issue applications offer an attractive opportunity to bulk investments. The company proposes to take advantage of this and invest in good issues to build its investment portfolio/profits.
- Secondary Market:** With the increasing activities and volumes in the secondary markets, there are opportunities for the company to invest in bulk lots of equity shares, right renunciations and mutual fund instruments. The company proposes to invest in Stock Markets for short term and long term appreciations.

The company proposes to deploy Rs.60.00 lacs in investments and maintain that level of operation. The capital market has been remaining buoyant and the company does not foresee any problem in getting a safe and good return.

SWOT ANALYSIS

STRENGTH

- Financial Sector - A thrust area and rapidly growing industry.
- Promoters - Having experience in financial sector.

WEAKNESS

- Company being in business of finance is exposed to the credit risk which are inherent in this line of business.
- In the absence of any financial stake of any financial institution/bank, the monitoring and deployment of funds to be raised through this issue are left entirely to the management of the company.

OPPORTUNITIES

- Growing demand for financial services sector.
- Capital market is booming and provides tremendous opportunities for profitable investment in secondary and primary markets as well as in trading of shares and securities.

THREATS

- The company is likely to face competition from new companies in addition to the existing players in the financial services.
- Change in policies of R. B. I. /SEBI and Government may lead to change in the business plan of the company.

The Company's Business Strategy :

The Beneficial impact of the Liberalisation and deregulatory policies of the Government are evident in the overall spurt in the industrial activities and investment scenario. The new economic policies have had a dramatic effect on the financial sector. The capital market has now become the main source of project financing. The role of Non-Banking financial companies have been enlarged. The spurt in economic activities and encouragement given to NBFC's to play vital role has opened up new horizons for full scale professionally managed financial companies.

The company intends to utilise opportunities arising from the accelerated pace of business in the country which has created a tremendous scope for the activities proposed to be undertaken. Although, there is severe competition prevailing in the financial sector specially from the Banks/Financial Institution. The following will be the company's strategy to face competition and to strengthen its position:

- Unique positioning in the market place through a diversified product base thereby eliminating reliance on a particular segment of the market.
- Identifying growth areas in the financial services industry and gearing the company accordingly to capture the largely untapped retail segment of the market and thereby developing a 'niche' to combat competition.
- Providing high quality customer service through prompt decision making, strong administration support, and advance computerisation techniques.
- Instituting a sound manpower recruitment and training programme to ensure development and retention of talent within the company.

The company proposes to market its services on its own and it has no marketing tie-up with anybody.

With the raising of resources the company will be in a position to offer a combination of fund based and non-fund based services. The company's main target will be small and medium term units promoted by Technocrats. The company expects good volume of business in this segment.

Future Prospects and Profitability: The Fund requirements of the Company are self appraised. The profitability projections are as per the Company's estimates and are as detailed below:

(Rs. in lacs)

	As on 31st March			
	1994-95	1995-96	1996-97	1997-98
Gross Receipts	0.45	59.25	79.50	84.00
Profit before Tax	0.20	28.75	39.00	45.00
Tax	0.08	—	—	—
Profit after tax	0.12	28.75	39.00	45.00
Paidup Capital	0.07	300.00	300.00	300.00
E.P.S	17.14	0.96	1.30	1.50
Reserves & Surplus	0.14	28.75	37.75	45.25
Book Value	30.00	10.96	11.26	11.50
Gross Profit (%)	44.44	48.52	49.05	53.57
Net Profit (%)	26.66	48.52	49.05	53.57
Return on Capital employed (%)	57.14	8.74	11.54	13.03
Return on Total Assets (%)	75.00	8.85	12.43	15.39
Average Industry Margin - 43% (source - Dalal Street vol vii no. 16 dated 22.8.93)				

Breakup of total income is as follows:

	1994-95	1995-96	1996-97	1997-98
Lease Rentals	—	45.00	60.00	60.00
Investments	0.45	10.00	12.00	15.00
Income from ICD etc.	—	2.25	7.50	9.00
Upfront fees on Lease	—	2.00	—	—
TOTAL	0.45	59.25	79.50	84.00

ASSUMPTIONS - NOTES

- Lease rent has been assumed at the following prevailing market rates for a lease period of 5 years..
 - 25%/40% depreciable asset @ 26/1000
 - 100% depreciable asset @ 24/1000
- Upfront fee has been calculated @ 1% for the lease period of 5 years.
- It is assumed that the lease disbursement for 25/40 % depreciable asset and for 100% depreciable asset will be in the ratio of 50:50.
- First year calculation has been made on an average of nine months.
- Depreciation has been calculated on straight line method.
- Lease deposit has been accounted for as interest free received @ 15% of the lease fund disbursed.
- Fund based income would be in the form of interest, Dividends on Investments, Income from Share and Debentures & on surplus funds deployed for short duration.
- Projections of all heads of expenses of 31st March 1996, 31st March 1997 and 31st March 1998 have been based on the progressive growth likely to be achieved by the company.
- Income is assumed to grow at a nominal rate over the period.

NOTE: The recent guidelines issued by Reserve Bank of India on June 13, 1994 to Non Banking Financial Companies on prudential norms for income recognition, provisioning for bad and doubtful debts, asset classifications, capital adequacy etc. may have a bearing on the future profitability of the Company. The impact of the same has not been analysed and considered in the financial projections for future years.

MISCELLANEOUS INFORMATION.

AS A MATTER OF ABUNDANT CAUTION, THE ATTENTION OF INVESTORS IS DRAWN TO THE FACT THAT THE FIGURES MENTIONED ABOVE ARE INDICATIVE AND SUBJECT TO CHANGE DEPENDING ON THE AMOUNT OF BUSINESS GENERATED AND OTHER FACTORS WHICH ARE LIKELY TO HAVE A BEARING ON THE PROFITABILITY OF THE COMPANY.

PARTICULARS IN REGARD TO THE COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANINGS OF SECTION 370(1B) WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS.

N I L

STOCK MARKET DATA ON SHARES

This is the first issue of the company and hence no stock market data is available.

COMPANIES UNDER THE SAME MANAGEMENT:

This is the first public issue of the company. There are no other listed Companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.

OUTSTANDING LITIGATIONS

The Company has no outstanding litigations pertaining to matters likely to affect operations and finances of the company, including disputed tax liability of any nature.

No criminal prosecutions have been launched against the Company and its Directors for alleged offences under the enactments specified in para 1 of schedule XIII of the Act.

DEFAULTS

The company has not defaulted in meeting any statutory dues, institutional dues, Bank dues or dues towards holders of instruments like Debentures, Fixed Deposit, arrears on cumulative preference shares etc.

MATERIAL DEVELOPMENTS

There are no material developments after the date of Auditors' Report appearing in this Prospectus which are likely to effect the performance and prospects of the Company.

RISK FACTORS -

Internal :

- # Financial figures are estimated figures. The project cost and financial projections have not been appraised by any financial institution/bank and same have been estimated by the company.
- # In the absence of financial stake by any banks or financial institutions, the monitoring and deployment of funds raised through this issue is solely left to the promoters/directors of the company.
- # The Company being in the business of finance, is exposed to risks inherent to the business. The returns depend on the performance of investee Company.
- # The financial service sector is characterised by high employee turnover.
- # The Company has not yet applied for registration with RBI, as its net worth as on date is below the statutory limit of Rs. 50.00 lacs. The company will obtain registration with RBI and will follow the guidelines issued from time to time, which may have a bearing on the operations of the company.
- # The Company is yet to identify the premises for carrying on additional activities.
- # This is the first business venture of the first generation promoters.

External :

- # Finance companies in general are susceptible to market risks. Any adverse movement in interest rates, Government policies, market sentiments and stock prices, would have an unfavourable impact on the operations and performance of the company.
- # Increasing competition from existing companies as well as new entrants and depressed market conditions may adversely affect the business.
- # Hire Purchase and Leasing activities carry usual credit risks. For success of leasing activities, prompt receipt of dues and their immediate deployment is crucial and any default in payment by clients can lead to losses.
- # Recession in any of the industries in which company proposes to deploy its funds would also adversely affect the working of the company.
- # The financial sector is highly regulated and any change in Government/RBI policies have bearing on the operations of the company.

**A. GENERAL INFORMATION:
CONSENTS**

Consents in writing of the above mentioned Directors, Auditors, Advisor to the Issue, Co Managers, Legal Advisors, Bankers to the Company, Lead Managers to the Issue, Bankers to the issue, Registrars to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, (Uttar Pradesh) at Kanpur along with a copy of this prospectus for registration as required under Section-60 of the Act and none of them have withdrawn their consents up to the time of delivery of the copy of this Prospectus for registration with the Registrar of Companies (U.P.) Kanpur. M/s. Agarwal & Saxena, Chartered Accountants, Kanpur, the Auditors of the Company have also given their written consent to their Report and Certificate of Tax Benefits being included herein in the form and context in which it is included and such consent has not been withdrawn up to the time of delivery of the Prospectus for registration with the Registrar of Companies, (Uttar Pradesh) at Kanpur.

EXPERT OPINION

No opinion of any expert has been obtained by the Company except as stated in this Prospectus.

CHANGE IN DIRECTORS SINCE INCORPORATION AND REASONS THEREOF

The Changes in the Board of Directors of the company are as follows:

Name of Director	Date of Appointment/ Change	Reason Resignation
1. Sunil Agarwal	20.11.94	Appointed to broad base the board
2. Vinod Kumar Sharma	20.11.94	" "
3. Amar Nath Kundu	20.11.94	" "
4. Ramesh Maheshwari	20.11.94	Resigned personal
5. Naresh Chandrs Kansal	20.11.94	Resigned personal
6. Kusumlata Kansal	20.11.94	" "
7. Binod Kumar Jain	03.02.95	Appointed to broad base the board
8. Manoj Kumar Jain	03.02.95	" "

CHANGES IN AUDITORS SINCE INCORPORATION AND REASONS THEREOF

M/s Agarwal & Saxena, Chartered Accountants, Kanpur are the auditors of the Company since incorporation and there has been no change in the auditors of the company.

AUTHORITY FOR THE PRESENT ISSUE:

Pursuant to Section 81 (1A) of the Companies Act, 1956, the present issue of Equity Shares has been authorised by a special resolution passed at the Extra Ordinary General Meeting held on 15.12.1994.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

The Board reserves (at its sole, absolute and uncontrolled discretion and without assigning any reason), the right to accept or to reject any application on 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 be adjusted towards the shares allotted and the balance, if any, thereafter, will be refunded to the applicant within 10 weeks from the date of closing of the subscription list. If such money is not repaid within 8 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 that money with interest @15% per annum as prescribed under the provisions of Section 73 of The Companies Act, 1956. Adequate funds for the purpose of dispatch of instruments by registered post will be made available to the Registrar to the issue by the Company.

Where the permission having been applied for dealing and listing shares in Stock Exchange referred to above and if such permission has not been granted by the Stock Exchange within 70 days from the closure of the 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 moneys received from applicants in pursuance of the prospectus and if any such money is not repaid within eight 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 eight days be jointly and severally liable to repay that money with interest at the rate of 15% per annum. The subscription received against the issue shall be kept in separate bank accounts and the Company will not have access to such funds unless basis of allotment is finalized and approved by the Regional Stock Exchange, Kanpur.

DISPOSAL OF APPLICATIONS RECEIVED THROUGH STOCKINVEST

The procedure for disposal of applications made by cash/cheque/demand draft will apply, mutatis mutandis, to Stockinvest except the following:

- On allotment/partial allotment, Registrars to the issue shall fill in the amount which would be less than or equal to the amount filled in by the investor before presenting the Stockinvest to the respective issuing banker for payment to the extent of allotment. The bank will lift the lien on the balance amount, if any, on the applicant's account on receipt of the stockinvest.
- In case of non allotment, the Registrar to the Issue will return the stockinvest to the applicant without encashing the same. The Bank will vacate the lien on the account of the applicant on receipt of the stock invest.
- Renovision Technofin & Management Services (P) Ltd. Registrars to the Issue, have been authorised by the company vide Board Resolution dated 20.3.1995 to sign Stockinvests on behalf of the company, to realise the proceeds of the Stockinvests from the Issuing Banks or to affix non-allotment advice on the instrument, or to cancel the stockinvest of non-allottees or partly successful allottees who have enclosed more than one Stockinvest. Such cancelled Stock invests shall be sent back to the investors directly by the Registrars to the Issue within 10 weeks of the date of closing of the Issue.

INTEREST ON EXCESS APPLICATION MONEY:

Payment of interest @ 15% per annum on the excess application money will be made to the applicants as per the guidelines issued by the Ministry of Finance, Government of India, vide letter No.F/8/SE/79 dated the 12th July, 1983 as amended by letter No.F/14/2/SE/85 dated 27th September, 1985, addressed to the Stock Exchanges.

ALLOTMENT/REFUNDS:

Allotment Letter(s)/Share Certificate(s) or A/c. Payee Refund Cheque (s) or Pay Order(s), if any, will be despatched by registered post to the applicant's registered address at his sole risk within 10 weeks of the closing of the subscription list. If such money is not repaid within 8 days, from the day the Company becomes liable to pay for 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 that money with interest @ 15% per annum as prescribed under the provisions of Section 73 of The Companies Act, 1956.

The Company has given an undertaking to the Lead Managers that requisite funds for the purpose will be made available to the Registrars to the Issue. Refunds will be made by Account Payee cheque or pay orders, drawn on the company's bankers and bank charges, if any, for encashing such cheque or pay orders will be borne by the applicants. Such cheques or pay orders will however, be payable at par at the places where applications are received.

The Company shall ensure dispatch of refund orders of value over Rs. 1,500/- and share certificates by registered post only and adequate funds for the purpose will be made available to the registrars.

SCHEDULE OF ALLOTMENT

The company shall proceed to allot the equity shares within a period of 10 weeks on receipt of the minimum subscription in consultation with the Uttar Pradesh Stock Exchange, Kanpur.

The Share Certificates will be delivered within three months from the date of allotment in exchange of Allotment Letters, if any.

OVERSUBSCRIPTION

In case of oversubscription, the final basis of allotment will be finalized in consultation with the Uttar Pradesh Stock Exchange. Also investors may note that in case of oversubscription more than five times, a SEBI nominated public representative shall be associated in the process of finalisation of basis of allotment.

BASIS OF ALLOTMENT

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

- a) Applicants will be categorized 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 the category (number of applicants in the category X number of shares applied for) multiplied by the inverse of the over-subscription 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 application in that category multiplied by the inverse of the oversubscription 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 drawal 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 that is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of the 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 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.

ISSUE OF SHARE CERTIFICATE

The share certificate will be delivered within 3 months from the date of allotment and will be exchanged for letters of Allotment issued if any.

INVESTOR GRIEVANCE AND REDRESSAL SYSTEM

The Company will set up an investor relation cell for redressal of investor grievances. It shall be the endeavour of the Company to address any investor complaints within three weeks from the date of receipt of complaints.

Registered Office:

6, Shyam Sunder Building,
Karanchi Khana,
Kanpur - 208 001

LEAD MANAGERS TO THE ISSUE

Key Leasing and Finance Ltd.

5TH Floor, Padam Towers,
14/113, Civil Lines,
Kanpur - 208 001

CO MANAGER TO THE ISSUE

Central Bank of India

Zonal Office,
33, N. S. Road,
CALCUTTA 700 001

ADVISORS TO THE ISSUE

Spark Fincon Limited

510-511, City Centre,
63/2, The Mall,
KANPUR - 208 004

LEGAL ADVISORS

Mr. Arvind Kumar Srivastava

416, City Centre,
63/2, The Mall,
Kanpur - 208 004

AUDITORS

Agarwal & Saxena.

Chartered Accountants
510-511, City Centre,
63/2, The Mall,
Kanpur - 208004.

BANKERS TO THE COMPANY

Central Bank of India
Brabourne Road,
5, Synagogue Street,
Calcutta - 700 001

BANKERS TO THE ISSUE

Central Bank of India
Brabourne Road,
5, Synagogue Street,
Calcutta - 700 001

REGISTRAR TO THE ISSUE

Renovision Technofin & Management Services (P) Ltd.

505, BHAIKAIJI Cama BHAWAN,
BHAIKAIJI Cama Place,
New Delhi

B. FINANCIAL INFORMATION

The Board of Directors,
Samson Leasing & Finance Co Ltd.
6, Shyam Sunder Building,
Karanchi Khana, Kanpur

Agarwal & Saxena
Chartered Accountants
510-511, City Centre,
63/2, The Mall, KANPUR

Dear Sirs,

We have examined the accounts of the company for the year ended on 31st March, 1992, 31st March, 1993 and 31st March, 1994 audited by us and adopted by the members of the company at the Annual General Meetings and also examined the interim statement of accounts of the company for the period from 1.04.1994 to 31.12.1994. In accordance with the requirements of Para B1 of the Part II of Schedule II to the Companies Act, 1956, we report that the Profit and Losses, Assets and Liabilities, are as set below:

I. PROFIT AND LOSSES

(in Rupees)

	YEAR ENDED 31ST MARCH			
	1992	1993	1994(9 Months)	31.12.94
INCOME				
Income from Investments/Share Dealing	4132	4413	4525	19410
TOTAL	4132	4413	4525	19410
EXPENSES				
Administrative & Others	2732	2773	2825	7500
TOTAL	2732	2773	2825	7500
PROFIT BEFORE TAX	1400	1640	1700	11910
PROVISION FOR TAX	700	820	850	-
PROFIT AFTER TAX	700	820	850	11910

II. ASSETS AND LIABILITIES

We further report that the Assets and Liabilities of the Company as at four financial year ended on 31st March 1992, 1993, 1994 respectively and as at 31st December, 1994 are as set below. These Assets and Liabilities have been arrived at after making such regrouping as are, in our opinion, appropriate.

(in Rupees)

	AS AT 31ST MARCH			
	1992	1993	1994	31.12.94
SOURCES OF FUNDS				
SHAREHOLDERS FUNDS				
Share Capital	7000	7000	7000	7000
PROFIT & LOSS A/C	700	1520	2370	14280
TOTAL	7700	8520	9370	21280
APPLICATION OF FUNDS				
(A) CURRENT ASSETS, LOANS & ADVANCES:				
Cash and Bank	10075	640	3515	13055
LESS: CURRENT LIAB. & PROVISIONS	12950	1520	2370	0
Net Current Assets	(2875)	(880)	1145	13055
(B) MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)				
Preliminary Expenses	10575	9400	8225	8225
TOTAL	7700	8520	9370	21280

NOTES:

1) AUTHORISED CAPITAL:

Authorised Capital consist of 30,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 3,00,00,000 (Rupees Three Crores)

2) Company has not taken any loans from Directors.

3) Preliminary expenses:

Preliminary expenses are being written off over a period of 10 years commencing from financial year 1991-92.

III. DIVIDENDS

The Company has neither declared nor paid any dividend since its incorporation till date i.e. upto January, 12, 1995

For Agarwal & Saxena

Sd/-

(Anil K. Saxena)

Partner

Place : Kanpur

Dated : 12th January, 1995

Chartered Accountants

C. STATUTORY AND OTHER OTHER INFORMATION

MINIMUM SUBSCRIPTION

IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 100% OF THE ISSUE AMOUNT WITHIN 60 DAYS FROM THE DATE OF CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTHWITH REFUND THE ENTIRE SUBSCRIPTION RECEIVED. (SINCE THE ISSUE IS NOT UNDERWRITTEN, THERE WILL BE NO INVOLVEMENT OF UNDERWRITERS.) FOR DELAY BEYOND 78 DAYS, IF ANY, ON REFUND OF SUCH SUBSCRIPTION, THE COMPANY SHALL PAY INTEREST AS PER SECTION 73 OF THE COMPANIES ACT, 1956.

DISPATCH OF REFUND ORDERS ETC.

"The Company shall ensure despatch of refund orders of value over Rs. 1500/- and share certificates by Registered Post only and adequate funds for the purpose will be made available to the Registrars.

EXPENSES OF THE ISSUE

The expenses of the present issue in terms of this Prospectus include brokerage, fees of the Lead Managers to the Issue, fee of the Registrars to the Issue, stamp duty, printing, distribution, advertising and publication expenses, legal charges, Registration fees, bank charges, Auditor's Fees and other charges are estimated at about Rs. 34.00 lacs and will be met out of the proceeds of the present issue which shall not exceed the amount prescribed by the Government.

FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

Fees payable to the Registrars to the Issue shall be Rs. 3.00 per allottee and Rs. 2.00 per non-allottee and additional Rs. 2.50 for every application made through Stockinvest apart from reimbursement of actual expenses such as Registered Post charges, cost of stamps, stationery etc.

FEES PAYABLE TO LEAD MANAGERS TO THE ISSUE

Fees payable to Lead Managers to the Issue, Key Leasing & Finance Limited will be Rs. 50,000/- as per the Letter of Offer dated December 15, 1994 given to the Company by the Lead Manager. Copies of aforesaid letters & resolution are kept open for inspection at the Registered Office of the Company.

FEES PAYABLE TO CO MANAGERS TO THE ISSUE

Fees payable to Co Managers to the Issue, Central Bank of India will be Rs. 25,000/- as per the Letter dated March 06, 1995 given to the Company by the Co Manager.

FEES PAYABLE TO ADVISORS

The total fees payable to the advisors to the issue will be Rs. 10,000/-.

UNDERWRITING COMMISSION

Since the issue is not underwritten, no underwriting commission is payable.

BROKERAGE

Brokerage will be paid by the company at the rate of 1.5% on the nominal value of the Equity Shares on the basis of allotments made against applications bearing the stamp of a Member of any recognised Stock Exchange in India in the Brokers Column in the Application Form. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of allotments made against applications procured by them provided the relative form of applications bear their respective stamps in the Brokers column.

PREVIOUS ISSUE

The company has not issued any shares or debentures to the public since the date of its incorporation.

PREVIOUS COMMISSION AND BROKERAGE

Save for the brokerage payable in terms of this Prospectus, no such sums have been paid since the date of incorporation of the Company or are payable as commission or brokerage to any person for subscribing or agreeing to subscribe or for procuring or agreeing to procure subscriptions for any shares/debentures of the Company.

ISSUE OTHERWISE THAN FOR CASH

The company has not issued or agreed to issue any Shares or Debentures otherwise than for cash since the date of its incorporation.

ISSUE AT PREMIUM OR DISCOUNT

No share or debentures have been issued by the Company at a premium or at a discount since its incorporation.

PREFERENCE SHARES AND DEBENTURES

The company has not issued any Preference Shares/Debentures since its incorporation.

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 any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares/debentures of the company.

PURCHASE OF PROPERTY

Save as elsewhere stated in this Prospectus and save in respect of 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 or acquisition of which has not been completed on the date of the issue of this Prospectus, other than property:

(a) the contract for the purchase or acquisition whereof was entered into in the ordinary course of the Company's business, the contract not being made in contemplation of the issue nor the issue in consequence of the contract, or

(b) in respect of which the amount of the purchase money is not material.

Except as stated elsewhere in this Prospectus, the Company has not purchased any property in which any of its Promoters and/or directors had or have any direct or indirect interest or in respect of any payment made thereof.

CAPITALISATION OF RESERVES

No capitalisation of reserves or profits of the company has been made since the incorporation of the company.

REVALUATION OF ASSETS

No revaluation of assets has been made since the incorporation of the company.

CLASSES OF SHARES

The capital of the company is Rs.300 lacs divided into 30,00,000 Equity Shares of Rs.10/-each.

PAYMENT OR BENEFITS TO PROMOTERS OR OFFICERS OF THE COMPANY

Save as stated in the prospectus, no amount or benefit has been paid or given by the Company to its Promoters or officers since the incorporation of the Company nor it is intended to be paid or given to any promoters or to any officers of the Company, except the normal remuneration and/or reimbursement for services rendered to the Company to which they are entitled or may become entitled under the Articles or otherwise in accordance with the law.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

CALL ON SHARES

(Articles 20,21,22,23,24,25,26,27,)

20. The Board may, from time to time, subject to the terms on which any share may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments, provided that the option or right to call of shares shall not be given to any person except with the sanction of the company in general meeting.

21. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.

22. Not less than 30 days' notice of any call shall be given by the company specifying the time and place of payment and to whom such call shall be paid. Provided that before the time for payment of such call, the Board may by notice in writing to the members revoke the same or extend the time for payment thereof.

23. The amount of each call shall be fixed by the Board at its discretion but no call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.

24. If by the terms of issue of any share or otherwise, the whole or part of the amount or issue price thereof is made payable at any fixed time or by instrument at fixed times, every such amount or issue price or installment thereof shall be payable as if it were a call duly made by the Board and of which due notice has been given, and all the provisions herein contained in respect of calls shall apply to such amount, or issue price or installment accordingly.

25. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest for the same to the rate of 12 percent, Per annum, for the day appointed for the payment thereof the time of the actual payment or at such other rate as Directors may determine but they shall have power to waive and for go the payment thereof, wholly or in part.

26. On the trial or hearing of any action or suit brought by the company against any member and/or his representative to recover any debt or moneys claimed to be due the company in respect of his share it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is

not entered as paid in the books of the company, and it shall not be necessary to prove the appointment of the Directors who made any call, not that a quorum of Directors was present at the meeting was duly convinced, or constituted nor any other matter whatsoever; but the proof of the matters shall be conclusive evidence of the debt.

27. The Board may, if they think fit receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for and upon the money so paid in advance or so much thereof as from time to time exceeds the amount if the calls then made upon the shares in respect of which such advance has been made the company may pay interest at such rate as may be agreed, but the member shall not be entitled to participate in dividend or profits or to any voting rights in respect of money so paid by him until the same but for such payment became presently payable.

TRANSFER AND TRANSMISSION OF SHARE (Articles 42,43,44,45,46,47,48,49,50,51,52,53,54,)

42. Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee and attested has been devoured to the company together with the certificate or certificates of the shares, or if no such certificate is in existence, alongwith the letter of allotment of shares. The instrument of transfer of any shares shall contain the name and other particulars of the transferee and the transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register in respect thereof. The provisions contained in Section 108 of the Act shall be duly complied with in respect of all transfers.
43. Application for the registration of the transfer of a share may be made either by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Act, and, subject to the provisions of Articles 6 and 8 hereof, the company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice enter on the Register the name of transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
44. "The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of statutory modification thereof for the time being shall be duly complied with a respect of all transfers of shares and the registration thereof."
45. Before registering any transfer tendered for registration the Company may, if it so thinks fit, give notice by letter posed in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within two weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Company shall be deemed to have decided not to give notice and in any event non receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company.
46. Neither the Company nor its Directors shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not know to the Company or its Directors, legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside. And in every such case the person registered as transferee, his heirs, executors, administrators and assign alone shall be entitled to be recognised as the holder of such share and the previous holder shall so far as the Company is concerned be deemed to have transferred his whole title thereto.
47. Subject to the provisions of section 111 of the Act, and section 22A of the Securities Contract (Regulation) Act, 1956, the Board, may within two months from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. Registration of transfer shall not be refused on the ground of the transferor being, either alone or jointly with any other person or persons, indebted to the Company an any account whatsoever except a lien.
48. All instrument of transfer which shall be registered shall be retained by the Company.
49. If the Board refuses to register the transfer of any shares, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company send to the Transferee and the transferor notice of the refusal.
50. On giving twenty one days, notice by advertisement in a newspaper circulating in the District in which the office of the Company is situated, the Register of members may be closed during such time as the Board thinks fit not exceeding thirty days at a time.
51. The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be only person whom the Company shall recognise as having any title to the shares registered in the name of such member and, in case of the death on any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to the shares, the Company may require him to obtain a grant of probate or letter so administration, or succession certificate or other legal representation, as the case may be. From a 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 of letters or administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may in its absolute discretion consider adequate.
52. Any person becoming entitled to or to transfer shares in consequence of the death, luncy bankruptcy or insolvency of any member or by operation of law, upon producing such evidence that the sustains the character in respect of which he proposes to act under this Article or of his title as the Board thinks sufficient, may, with the consent of the Board (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such shares. This Articles is hereinafter referred to as "The Transmission Article". Subject to any other provisions of the Articles, if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered himself, he shall deliver or sent to the Company a notice in writing signed by him stating that he so elects, If he shall elect an instrument of transfer in accordance with the provisions of these Articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid.

53. Subject to any other provisions of these Articles if the Board in their sole discretion are satisfied in regard thereto, a persons becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other moneys payable in respect of the share.

54. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had direct or indirect notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company.

FORFEITURE OF AND LIEN OF SHARES

(Articles 28,29,30,31,32,33,34,35,36,37,38,39,40,41)

28. If and member fails to pay any call or installment on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter during such time as the call or installment remain unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have been accrued and all expenses of such non-payment.
29. The notice shall name a further day (not being less than 30 days from the date of the notice) and a place on and at which such 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 or places appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
30. If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Neither the receipt by the Company of portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.
31. When any share shall have been so forfeited, notice of the forfeiture shall 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 forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or make such entry as aforesaid.
32. Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose off the same upon such terms and in such manner as they think fit, either to the original holder thereof or to any other person.
33. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise despised off, annul the forfeiture thereof upon such conditions as they think fit.
34. Any member whose, shares have been forfeited shall not withstanding such forfeiture be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses, owing

upon or in respect of such shares at the time of the forfeiture together with interest thereupon, from the time of the forfeiture until payment 12% per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture but shall not be under any obligation to do so.

35. The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

36. A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares.

37. (i) The Company shall have a first and permanent lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others), and upon the sale proceeds thereof for all moneys (whether presently payable or not) called or payable the fixed time in respect of such shares provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable thereon.

38. No equitable interest in any share shall be created except upon the footing and condition that Article 13 hereof is to have effect and the said lien shall extent to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any on such shares.

39. For the purpose such lien, the Board may sell the shares subject thereto in such manner as they think fit, but no sale be made until such period aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his heirs, executors, or administrators, or his committee, curator bonis other person recognised by the Company as entitled to represent such member or his estates and default shall have been made by him or them in the payment of the sum payable as aforesaid for seven days after such notice. They net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as in presently payable by such member and the residue (if any) paid to such member, his heirs, executors, administrators or other representatives or person so recognised as aforesaid.

40. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or dispositions nor impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

41. Where any shares under the powers in that behalf herein contained are sold by the Board and the certificate thereof has not been delivered to the Company by the former holder of said shares, such certificate shall ipso facto stand cancelled and extinguished and become null and void and annulled, and thereafter, the Board may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

VOTE OF MEMBERS

(Articles 92,93,94,95,96,97,98,99,100,101,102,103,104,105,106,)

92. No member shall be entitled to exercise any voting right on any question either personally or by proxy or upon poll 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 exercised any right of lien.

93. A member, of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hand or at a poll, by his committee or other guardian.

94. (i) A body corporate (whether a company within the meaning of the Act or not) may by resolution of its Board or Directors or other governing body, authorise such person as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company.

(ii) Where the President of the India or the Governor of a State is a member of the Company, the President or, as the case may be, the Governor may appoint such person as he thinks fit to act as his representatives at any meeting of the Company and such person shall be deemed to be a member of the Company and shall be entitled to exercise the same rights and powers including the right to vote by proxy, as the President or, as the case may be, the Governor could exercise as a member of the Company.

(iii) Where any shares in the Company are held in trust by a person (hereinafter referred to as the Trustee) the right and powers (including the right to vote by proxy) exercisable at any meeting of any class of members of the Company by the Trustee as a member in the Company shall be exercisable in the manner provided in Section 153-B of the Act.

95. Subject and without prejudice to any special privileges or restrictions or conditions for the time being attached to or affecting the preference or other special classes of shares, if any, issued by and for the time being forming part of the capital of the Company, every member entitled to vote under the provisions of Articles 98 and 99 or by any other Articles shall not show hands and every member, present in person or by proxy or agent duly authorised by a power-of-attorney or representative duly authorised and not disqualified as aforesaid shall have voting rights in proportion to his share of the paid-up equity capital of the Company subject however to any limited imposed by law. But no member shall have any voting right in respect of any moneys paid in advance as provided by Art.27.

96. On a poll taken at a meeting of Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all votes, or cast in the same way all the votes he used. A member or his proxy who votes shall be deemed to have used all his votes unless he expressly gives written notice to the contrary at the time he casts any votes.

97. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled hereto and if more than one of such joint-holders be present at any meeting, then one of the said persons so present whose name stands first on the register in respect of such shares alone be entitled to vote in respect thereof, where there are several executors or administrators of a deceased member in whose sole name any shares stand any one of such executors or administrators may vote in respect of such shares unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and object to the vote.

98. Any person entitled under the Transmission Article to transfer any shares shall not be entitled to be present, or to vote at any meeting either personally or by proxy, in respect of such shares, unless forty-eight hours at least before the time for holding the meeting or adjourned meeting, as the case may be, at which he purposes to be present to vote, he shall have satisfied the Board of his right to transfer such shares (as to which the opinion of the Directors shall be final) or unless the Board shall have previously admitted his right to vote in respect thereof.

99. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy and the proxy (whether a member or not) as his proxy and the proxy so appointed shall not have any right to speak at the meeting. Such proxy shall not be entitled to vote except on a poll.

100. The instrument appointing a proxy shall be in writing and shall be signed by the appointer or his attorney duly authorised in writing. If the appointer is a body corporate, such instrument shall be under its seal or be signed by an officer or an or an attorney duly authorised by it, or by the person authorised to act as the representative to such Company under Article 93. Any instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or join in the demand for a poll on behalf of the appointer.

101. No instrument of proxy shall be treated as valid and no person shall be allowed to vote or act as proxy, unless such instrument or proxy and the power-of-attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the Registered Office of the Company, at least forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote.

Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member of the attorney at least seven days before the date of a meeting of the attorney at least seven days before the date of a meeting require him to produce the original power-of-attorney or authority and unless the same is thereupon deposited with the Company the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such non-production and deposit.

102. If any such instrument of appointment be confined to the object of appointing an attorney or proxy or substitute, it shall remain, permanently or for such time as the Board may determine, in the custody of the Company and if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in its custody.

103. The instrument appointing a proxy may be in either of the forms set out in Schedule IX to the Act of the following form or as near thereto as circumstances admit.

FORM OF PROXY

I/We of in the district of being a member/members.....of the above named Company hereby appoint.....ofin the district.....of.....or failing him.....of.....in the district.....of as my/our proxy to the vote for me/us on my/our behalf at the Annual General Meeting/ General Meeting (not being Annual General Meeting) of the Company to be held on the.....day of.....and at any adjournment thereof.....signed this.....day of.....

- 104 A vote given in pursuance of an instrument of proxy shall be valid, notwithstanding the previous death of the principal or the revocation of the proxy or any power-of-attorney under which such proxy was signed or there transfer of the shares in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the Registered office of the Company before the vote is given.
105. No objection shall be made to the validity of any vote, except at the meeting or adjourned meeting of poll at which such vote shall be tendered, and every vote, whether given personally or by proxy, and not disallowed at such meeting or poll, shall be deemed valid for all purposes of such meeting or poll whatsoever.
106. The Chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meeting and the Chairman present and the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

DIRECTORS

(Articles 107,108,109,110,111,112,113,114,115,116,117,118,)

107. The number of Directors shall not be less than three and until otherwise determined by a General Meeting nor more than twelve including the Debenture and nominee Directors (if any), within the aforesaid limits the Company in General Meeting by ordinary Resolution may increase or reduce the number of its Directors. Any increase beyond the said limit shall not have any effect unless approved by the Central Government Under Section 259 of the Act.
108. Whenever special necessity occurs to have legal, technical or expert advice or whenever the Directors deem otherwise expedient in the interest of the Company, they may co-opt any one or more persons as Special Legal or Technical Directors for such time and on such remuneration as the Board of Directors may determine, whether such persons or persons be shareholders or not. The Special Director or Directors appointed under this Article shall be in addition to the Directors appointed under preceding Article, and will be counted for the purpose of making up the maximum number of Director hereby prescribed and will not be liable to retire by rotation.
109. The above-mentioned Special or Technical Directors shall have such powers and privileges and duties as the Board determines and shall hold office as long as the necessity exists or otherwise at the discretion of the Board of Directors.
110. The Board may appoint as an Alternate Director to act for a Director (hereinafter called the "Original Director") during the latter's absence for a period of not less than three months from the State in which meeting of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Board and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than permissible to the original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meetings of the Board are ordinarily held. If the term of office of the Original Director is determined before he so returns to the State in which meetings of the Board are ordinarily held, any provisions in Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.
111. Any trust deed securing and covering the issue of Debentures of the Company may provide for the appointment of a Director (in these present referred to as "the Debenture Director") for and on behalf on the debenture holders for such period as is therein provided not exceeding the period for which the debentures or any of them shall remain outstanding and for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death removal or otherwise, for appointment of a Debenture Director in the vacant place. The Debenture Director shall not be liable to retire by rotation or be removed from office except as provided as aforesaid. The Debenture Director shall not be bound hold any qualification shares.
112. Unless otherwise determined by Company in a General Meeting, the qualification of a Director other than Directors appointed by Central/State Government, Financial Institutions/Underwrites Scheduled Banks or Creditors of the Company or Special/Alternate/Debenture/Technical Directors, shall be the holding in his or their own names or jointly with other persons, whether beneficially or as trustee or otherwise, of shares in the Capital of the Company of the nominal value or Rs.100(Rupees One Hundred) It shall be his duty, if not already qualified, to obtain such qualification shares within two months from the date of his appointment as a Director.
113. Unless otherwise determined by the Company in general meeting the remuneration and travelling expenses payable to the Directors of the Company shall be as hereinafter provided:-
- (i) Each Director (other than the Managing Director or any other whole-time paid Director) shall be entitled to be paid out of the funds of the company by way of remuneration for his services a sitting fee not exceeding Rs.250/= for every meeting of the Board of Directors or a Committee of the Board attended by him.
 - (ii) The Directors (other than the Managing Director or any other whole-time paid Director) shall also be entitled to further remuneration by way of commission at exceeding 1 percent, of the net profit of the Company calculated in accordance with the provisions of the Company Act, 1956, and such remuneration shall be divided among the Directors (other than the Managing Director or whole-time paid Director) in such proportion and manner as may be agreed upon between them and the Board of Directors and in the absence of an agreement, equally.
 - (iii) If any Director be called upon to perform extra services or make special exertions or effects (which expression shall include work done by a Director as a member of any Committee of the Board) the Board may arrange with such Director for special remuneration for such service or exertions of effects either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in additions to or in substitution for his remuneration above provided.
 - (iv) The Board may allow and pay to any Director who is not a bonafide resident of the place at which any meeting of the Board or any General Meeting of the Company may be held and who shall come to that place for the purpose of attending any such meeting such sum as may be actually and reasonably be incurred by such directors for travelling, hotel and other expenses in connection with his attending

the meeting in addition to his remuneration as specified above.

- (v) The Directors shall be entitled to be repaid travelling and other expenses, incurred in connection with the business of the Company.

114. The continuing Directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum above fixed, the Directors shall not, except for the purpose of filling vacancies or of summoning a General Meeting act, so long as the number is not below the minimum.

115. Subject to provisions of the Act, the Directors (including a Managing Director) shall not be disqualified by reasons of his or their office as such from holding office under the Company or from contract or any contract of arrangement entered into by or on behalf of the Company with any Director or with any Company or partnership, of or in which any Director shall be a member of otherwise interested be avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as provided by Section 299 of the Act, and in this respect all the provisions of Section 300, 301, 309 and 310 as the case may be of the Act shall be duly observed and complied with.

116. A Director of the Company may be or become a Director of any Company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise, and no such Director shall be accountable for any benefits received as a Director or such company, except in so far as Section 309(6) or 314 of the Act may be applicable.

117. The Board shall have power at any time and from time to time to appoint any person who has been removed from the office of a Director of the company, to be a Director of the Company as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 107 hereof. Any Director so appointed shall hold office only until the conclusion of the next following Annual General Meeting of the Company when he shall be eligible for reappointment the persons hereinafter named shall be the Directors of the Company at the time of adoption of these Articles.

1. Ramesh Maheshwari
2. Naresh Chandra Kansal
3. Kusumlata Kansal

118. The Board shall also have power to fill a vacancy in the Board, Any Director so appointed shall hold office only so long as the vacating Director would have held the same if no vacancy had occurred.

POWER OF DIRECTORS

145. The management and control of the business of Company shall be vested in the Board of Directors who may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any statutory modification thereof for the time being in force or by any other Act or by the memorandum or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to any regulation of these Articles, to the provisions of the Act or any statutory modification thereof for the time being in force or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting by no regulation made by Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board of Directors shall not, except with the consent of the Company in General Meeting.

- (a) sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company, or where the Company own more than one undertaking, the whole, or substantially the whole, of any such undertaking;
- (b) remit, or give time for the repayment of, any debt due by a Director;
- (c) invest otherwise than in trust securities, the sale-proceeds resulting from the acquisition, of any undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on or can be carried on only with difficulty or only after a considerable time;
- (d) contribute, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in financial year, exceed twenty-five thousand rupees or five percent, of its average net profit as determined in accordance with Section 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

146. (i) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.

- (a) the power to make call on shareholder in respect of money unpaid of their shares;
- (b) the power to issue debenture;
- (c) the power to borrow moneys otherwise than on debentures;
- (d) the power to invest the funds of the Company;
- (e) the power to make loans;

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or to the Managing Directors or any other principal officer of the Company or to a principal officer of any of its branch offices, the powers specified in (c), (b) and (e) of this clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in clause (1) (c) specify the total amount outstanding at any one time up to which money may be borrowed by the delegates: provided, however, that where the Company has an agreement with its bankers for the borrowing of moneys by way of overdraft, cash credit or other accounts by means of which the arrangement so made is availed of shall not require the sanction of the Board.
- (3) Every resolution delegating the power referred to in clause (1) (b) shall specify the total amount up to which the funds may be invested and the nature of the investments which may be by the delegates:
- (4) Every resolution delegating the power referred to in clause (1) (e) shall specify the total amount up to which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.
- (5) Nothing in this Article contained shall be deemed to effect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in (a), (b), (c), (d) and (e) clause (1) above.

147. Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers and without prejudice to the other powers, conferred by these Articles but subject to the restrictions contained in these Articles, the Board of Directors shall have the following powers, that is to say, power :-

- (1) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provision of Section 76 and 208 of the Act.
- (2) Subject to Section 292, 297 and other relevant provisions of the Act, to purchase or otherwise acquire for the Company

- any property rights or privileges which the Company is authorised to acquire, at of for such price or consideration and generally on such terms and conditions as they may think fit, and in any such purchase or other acquisition to accept such title as the Board of Directors may believe or may be advised to be reasonably satisfactory.
- (3) At their discretion and subject to the provisions of the Act, to pay for any property rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, mortgages or other securities of the Company, and any such shares may be issued either as fully paid up or partly paid up and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
 - (4) To insure and keep insured against loss or damage by fire or otherwise for such period and such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the company either separately or conjointly; also to insure all or any portion of the goods, produce machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of insurance effected in pursuance of this power.
 - (5) To open accounts with any bank or bankers or with any company, firm individual and to pay money into and draw money from any such account from time to time as the Board of Directors may think fit.
 - (6) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they think fit.
 - (7) To appoint any person or persons (whether incorporated not) to accept and hold in trust for the Company any property belonging to the Company, or in which it is interested, or for any other purposes; and to execute and do all such acts and things as may be required in relation to such trust, and to provide for the remuneration of such trustee or trustees.
 - (8) To, institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company, and to refer or any differences to arbitration, and adserve and perform any awards made thereon.
 - (9) To act on behalf on the Company in all matter relating to bankrupts and insolvents.
 - (10) To make and give receipts, releases, and other discharges for moneys payable to the Company and for the claims and demands of the Company.
 - (11) Subject to the provisions of Section 292, 293(1), 295, 370, 372 and 373 of the Act, to invest and deal with any moneys of the Company not immediately required for the purposes thereof, upon such security (not being shares of this Company) or without security and in such manner as they may think fit, and from time to time to vary or realise such investment save a provided in Section 49 of the Act, all investment shall be made and held in the Company's own name.
 - (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit; and any such mortgage may contain a power of sale and such other powers, provisions covenants and agreements as shall be agreed upon.
 - (13) To determine from time to time who shall be entitled to sign, on the Company's behalf bills, notes, receipts, acceptance, endorsements, cheques, dividend warrant, releases, contracts and documents, and to give the necessary authority for such purpose.
 - (14) To distribute by way of bonus amongst the staff of the Company a share of shares in the profits of the Company and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus on commission as part of working expenses of the Company.
 - (15) To provide for the welfare of Directors or ex-Directors or ex-Directors or employees or ex-employees of the Company's or its predecessors in business and the wives, widows and families or the dependents or connections or such persons by building or contributing to the building of houses dwellings or quarters, or by grants of moneys, pensions, allowances, bonuses, profit-sharing bonuses, payments towards insurance of other payments; or by creating and from time to time subscribing or contributing to, aiding or supporting provident and other association, institutions, funds or trusts, or conveniences or profit-sharing schemes and by providing or subscribing or contributing towards places of instruction and recreation, hospital and dispensaries, medical and other attendance and other assistance as the company shall think fit, subject to the provisions of the Companies Act;
 - (16) Subject to the provisions of Section 293 and 293B of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, National Defense Fund or any other institutions object or purposes or for any exhibition, or for any public general or useful object, but not amounting to and political contribution, or cause.
 - (17) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to a Depreciation Fund, or an Insurance Fund, or as a Reserve Fund or Sinking Fund or any special funds to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalising dividend of for repairing improving extending and maintaining any of the property of the Company, and for such other purposes (including the purposes referred to in the preceding clause) as the Board of Directors may, in their absolute discretion, think conducive to the interest of the Company; and to invest the several sums so set aside or so much thereof as require to be invested, upon such investment (other than shares of the Company) as they think fit, and from time to time to deal with and very such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner and for such purposes as the Board of Directors, in their absolute discretion, think conducive to the interest of the Company, notwithstanding that the matters to which the Board of Directors apply or upon which they expend the same, or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Board of Directors may think fit, and to employ the assets constituting, all or any of the above funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment or debenture or debenture stock and that without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same, with power, however to the Board of Directors at their discretion to pay or allow to the credit of such funds interest such rate as the Board of Directors may think proper.
 - (18) Without prejudice to the appointment of the Managing Director or whole-time Director and to the position right and

powers of such Managing Director or whole-time Director by virtue of these Articles and by virtue of any agreement entered into between any of them and the Company to appoint and, at their discretion, remove or suspend such manager, secretaries, officers assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries, emoluments or remuneration and to require security in such instances and of such amount as they may think fit, And also without prejudice as aforesaid, from time to time to provide for the management and transaction of the affairs of the Company in specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.

- (19) To comply with the requirements of any local law which in their opinion it shall in the interests of the Company be necessary or expedient to comply with.
- (20) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Board of any managers or agents and to fix their remuneration.
- (21) Subject to the provisions of Section 292 of the Act and these Articles from time to time, and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the member for the time being of any such Local Board, or any of them to fill up any vacancies therein and to Act notwithstanding vacancies; and any such appointment or delegation under these Articles may be made on such terms and subject to such conditions as the Board of Directors may think fit, and the Board of Directors at any time may remove any person so appointed, and may annul or vary any such delegation.
- (22) At any time and from time to time by power-of-attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion and for such period and subject to such conditions as the Board of Directors may from time to time think fit.
- (23) Subject to the provisions of Section 294, 297 and 300 of the Act, for in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations and contracts, and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.
- (24) Generally subject to the provisions of the Act and these Articles to delegate the powers authorities and discretions vested in the Board of Directors to any person, firm Company or fluctuating body of persons as aforesaid.
- (25) From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.

DUTIES OF DIRECTORS

(Article 148)

148. The Directors shall duly comply with the provisions of the Act, or any other statutory modification thereof for the time being in force, and the rules made thereunder and in particular the provisions in regard to registration of the particulars of mortgages, debenture and charges affecting the property of the Company or created by it and keeping Register of Directors, Managers, etc., and sending to the Register annual returns and an annual list of members and a summary of particulars relating thereto, and the Balance-Sheet and the notice of any consolidation or increase of share capital or conversion of shares into stock and the copies of Special Resolution and the Register of Directors, Manager etc., and notification of any change therein and other returns and documents required to be filed with the registrar under the Act.

BORROWING

(Articles 57,58,59,60,61,)

57. The Board may from time to time at its discretion, subject to the provisions of Section 58 A, 292 and 370 of the Act, raise or borrow and/or secure payment of any sum or sums of money for the purposes of the Company.
58. The Board may raise or secure the payment or re-payment of such sum in such manner and upon such terms and conditions in all respects as it things fit and in particular by the issue of bonds, notes, convertible, redeemable or otherwise, perpetual or redeemable debentures or debenture stock or any mortgage or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
59. If the terms and conditions on which money is borrowed by the Company require that loans made to the Company be guaranteed by all or any of the Directors of the Company, the Director or the Directors (including the Managing Director) so guaranteeing the loans, shall be entitled to receive such payment on account of his/their having given such guarantee as may be determined by the Board, not exceeding one percent per annum of the amounts of the loans or borrowings so guaranteed. All such payment shall not be a remuneration in respect of his/their serving as a director of the Company, but this shall be subject to the relevant provisions of the Act.
60. A Director shall be entitled to receive such interest on any loan made by the him to the Company as may be agreed between the Board and the Director making the loan to the Company.
61. Any debentures, debenture-stock, bonds of other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, or conversion appointment of Directors and otherwise and upon such terms and conditions as the Board may think fit. Debenture, Debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debenture with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

MANAGING DIRECTORS/WHOLETIME DIRECTORS

(Articles 119,120,121,122)

119. Subject to Section 197, 267 and 269 of the Act, the Board of Director may, from time to time appoint on of their body to be the Managing Director of a Company for a term not exceeding five year for which he is to hold such office, and may, from time to time (subject to the provisions of any contract with the Company) remove or dismiss him from office and appoint another in his place. Subject to the provisions of Section 318 of the Act the Company may in event of its terminating the appointment of a Managing Director prior to the expiry of his term, pay compensation to the Managing Director such sum which shall not exceed remuneration, the Managing Director would have earned if he had been in office for unexpired residue of his term calculated on the basis of his average remuneration actually earned by him during the period of 8 years preceding the date on which he ceased to hold office of the Managing Director.
120. A Managing Director shall not be liable to retire by rotation under Section 255 of the Act. A Managing Director on ceasing to hold the office of Director for any cause shall, ipso facto and immediately cease to be a Managing Director subject to the provisions of the Act.

121. Subject to the provisions of Section 198 and 309 of the Act, the remuneration of the Managing Director (including the fir Managing Director) may from time to time be fixed by the Board of Director and may be way of fixed salary or commission on the net profit or by any or all of those modes, and provide the prerequisites in consideration of his services. For the purposes of this clause the net profits of the Company every financial year shall determined in the manner laid down under the provisions of Section 349 and 350 of the Act as amended from time to time and the remuneration payable as aforesaid shall be computed in the manner laid down in Section 309 (5) of the Act.

122. The Board may from time to time entrust to and confer upon the Managing Director such of the powers exercisable under these presents by the Board of Directors as they may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of, and in substitution for all or may of the powers of the Board in that behalf, and may from time to time revoke, withdraw or vary all or any of such powers.

WINDING UP

(Articles 197,198,)

197. Upon the winding of the Company the holders of Preference Shares, if any, shall be entitled to be paid all arrears of Preferential dividend up to the commencement of winding up and also to be repaid the amount of capital paid up or credited as paid up on such Preference Shares held by them respectively, in priority to the Equity Shares but shall not be entitled to any other further rights to participate in profits or assets, subject as aforesaid and to the rights of any other holders of shares entitled to receive preferential payment over the Equity Shares, in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amount of capital paid up or credited as paid upon such shares and all surplus assets there after shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid on such Equity Shares respectively, at the Commencement of the winding up. If the assets shall be insufficient to repay the whole of the paid-up Ordinary Capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members holding Equity Shares in proportion to the capital paid up or which ought to have been paid up on the Equity Shares held by them respectively at the commencement of the winding up other than the amounts by them advance of calls.

198. If the Company shall be wound up, whether voluntarily or otherwise, the Liquidators may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide among the contributors in specie of kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon trusts for the benefit to the contributories, or any of them as the Liquidators, with the like sanction, shall think fit.

INDEMNITY

(Article 192,193,)

192. Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified against, and it shall be the duty of the Directors to pay out of the funds/assets of the Company all cost assets and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other Officer or employee may incur or become liable to by reason of any contract entered into or may be in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him or them as such Directors, Manager Secretary, Officer or employee in defending any proceedings, whether civil or criminal, in which judgments given in his or their favour or be he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.

193. Subject to the provisions of Section 201 of the Act and so far as such provisions permit, no Director, Auditor, Manager or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency of any security in or upon which any of the moneys of the Company shall be

invested, or for any loss or damage occasioned by any error of judgment, omission, default, or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation, thereto, unless the same, happens through his own dishonesty or wilful default.

MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of the 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. The contracts together with the documents referred to in para (B) below, copies of all of which have been attached to the copy of this prospectus which has been delivered to Registrar of Companies (U.P.), Kanpur for registration, may be inspected at the registered office of the company between 10.30 A.M. and 1.30 P.M. on any working day from the date of this prospectus until the closing of the subscription list.

A. MATERIAL CONTRACTS :

1. MOU dated 23.12.94 between the Company and Key Leasing & Finance Limited to act as Lead Managers to the Issue.
2. Letter from Renovision Technofin & Management Services (P) Ltd. setting out their terms and conditions for acting as Registrar to the issue.
3. Letter from Spark Fincon Limited setting out their terms and conditions for acting as Advisors to the issue and the company's acceptance thereof.

B. DOCUMENTS FOR INSPECTION :

1. Certificate of Incorporation of the Company dated 18th April, 1991 and certificate of commencement of business dated 10th June, 1991 in the name of Samson Leasing and Finance Company Limited.
2. Memorandum & Articles of Association of the company.
3. Letter of application for listing made to U.P. Stock Exchanges, KANPUR.
4. Consents from the Auditors of the Company, Legal Advisors, Lead Managers, Advisors, Bankers to the Issue, Bankers to the Company, and Registrars to the Issue, to act in their respective capacities.
5. Auditors' Report dated January, 12, 1995 on the Accounts of the company and the tax benefit certificate dated 23.12.94.
6. Copy of Special Resolution passed u/s 293(1)(a), 293(1)(d) of the Companies Act, at the Extra Ordinary General meeting of the company held on December 15, 1994.
7. The Powers of Attorney executed by the Directors of the Company for signing and making corrections in the Prospectus on their behalf.
8. Copy of Board Resolution approving prospectus and authorising Registrars to the Issue for realising stockinvest.
9. SEBI Acknowledgment Card No. 5/307/94-NRO/1131 dated January 18, 1995 and compliance thereof.

DECLARATION

We hereby declare, that all the relevant provision of the Companies Act 1956 and the guidelines issued by the Government have been complied with and no statement made in Prospectus is contrary to the provision of the Companies Act, 1956 and rules made thereunder.

Signed by Directors :

1. Shri Binod Kumar Jain*
2. Shri Manoj Kumar Jain*
3. Shri Vinod Kumar Sharma*
4. Shri Sunil Agarwal*
5. Shri Amar Nath Kundu

*(By his constituted attorney Mr. Amar Nath Kundu)

Place :- Kanpur.
Date :- 27.3.1995

Co-Manager to the Issue



Central Bank of India

Merchant Banking Cell

Zonal Office (6th Floor)

33, N.S. Road

Calcutta - 700 001