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IND RECTIFIERS LIMITED

PROSPECTUS

1. The consent of the Government of India has been obtained to this Issue of Capital by the letters No. R-238CCI/61-1632 dated 15-9-1961, 6-3-1962 & 29-3-1962 issued by the Ministry of Finance, of which complete copies are open to public inspection at the Registered Office of the Company. It must be distinctly understood that in giving this consent the Government of India do not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed with regard to them.

2. Industrial Licences Nos. L/5(I)N-21/58 dated 29-5-1958 for Selenium Rectifier Apparatus, L/5(I)N-60/59 dated 22-12-1959 for Selenium Plates, L/5(I)-21/EEI/60 dated 25-1-1961 for Silicon Diodes and Transistors and L/5(I)-31/EEI/60 dated 1-4-1961 for substantial expansion of the Silicon Rectifier Apparatus to 4500 Kva per annum have been issued in favour of the Company by the Central Government. Copies of the Licences are open to public inspection at the Registered Office of the Company. It must be distinctly understood that in granting these licences the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

3. A copy of this prospectus having attached thereto documents as required under Section 60 of the Companies Act, 1956 and specified hereunder has been delivered to the Registrar of Companies, Maharashtra, Bombay for registration.

4. Application will be made to the Bombay Stock Exchange for permission to deal in and for an official quotation of the shares of the Company.

5. The subscription list will open at the commencement of Banking hours on the 7th day of June 1962 and will close at the close of Banking hours on the 13th day of June 1962, or earlier at the discretion of the Board of Directors but not before the close of Banking hours on the 9th day of June 1962.

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PROSPECTUS

HIND RECTIFIERS LIMITED

LAKE ROAD, BHANDUP, BOMBAY-78.

6. SHARE CAPITAL.

Authorised :	3,00,000 shares of Rs. 10/- each	Rs. 30,00,000
Issued, Subscribed and Paid-up :	50,000 Equity Shares of Rs. 10/- each.	Rs. 5,00,000

7. PRESENT ISSUE

2,00,000 Equity Shares of Rs. 10/- each	Rs. 20,00,000
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Out of this :

50,000 Equity Shares of Rs 10/- each will be issued at par to the existing Shareholders.	Rs. 5,00,000
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30,000 Equity Shares of Rs. 10/- each are reserved for issue to Messrs. Westinghouse Brake & Signal Co. Ltd., 82, York Way, London N. 1., for supply of Plant & Equipment	Rs. 3,00,000
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OFFERED AT PAR TO THE PUBLIC FOR SUBSCRIPTION IN CASH PURSUANT TO A SPECIAL RESOLUTION UNDER SECTION 81 OF THE COMPANIES ACT, 1956 PASSED AT THE GENERAL MEETING HELD ON 23rd APRIL 1962.

1,20,000 Equity Shares of Rs. 10/- each	Rs. 12,00,000
	Rs. 20,00,000

8. TERMS OF PAYMENT OF SHARES OFFERED TO THE PUBLIC

On application :	Rs. 2.50 nP. per share
On allotment :	Rs. 2.50 nP. per share
Balance :	Rs. 5.00 per share, as and when called in accordance with the Articles of Association, but not earlier than three months after the date of allotment. No call shall exceed Rs. 2.50 nP. per share and no call will be made payable within two months after the last preceding call was payable.

Rs. 10.00

Application for shares must be for a minimum of 50 shares or for multiples of 50 shares.

9. DIRECTORS.

Name	Description & Occupation	Address
1. Shri Rameshwarprasad Nevatia. (Chairman)	Industrialist. Director:— 1. Mukand Iron & Steel Works Ltd. 2. Bajaj Auto Limited. 3. Raza Buland Sugar Co., Ltd. etc.	22A, Pitale Prasad, Worli, Bombay 18.
2. L. E. Thompson Esq.	Engineer Director:— Westinghouse Brake & Signal Co. Ltd., U.K.	"Ryecroft", 37, Coulsdon Road, Old Coulsdon, Surrey, (U.K.)
3. Shri Ramkrishna Bajaj.	Industrialist. Director:— 1. Bajaj Electricals Ltd. 2. Bata Engineering Co. Ltd. etc.	31B, Carmichael Road, Bombay-26.

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|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 4. Shri Rasiklal J. Chinai. | Industrialist,
Director:—
1. National Rayon Corporation Ltd.
2. Gwalior Rayon Silk Mfg. (Wvg.) Co. Ltd.
3. Mukand Iron & Steel Works Ltd., etc. | Mount Pleasant,
Murzban Road,
Andheri,
Bombay-58. |
| 5. Shri Ganeshnarayan R. Podar. | Industrialist,
Director:—
1. Podar Mills Ltd.
2. State Bank of Jaipur.
3. Shree Shakti Mills Ltd., etc. | Podar Mansion,
Marine Drive,
Bombay-1. |
| 6. Shri M. T. Shivdasani.
(Technical Director) | Executive, | Shyam Niwas,
B. Desai Road,
Bombay-26. |
| 7. Shri Rahulkumar Bajaj
(Ex-officio). | Industrialist,
Mg. Director:—
Jamnalal Sons Pvt. Ltd.
Director:—
Bachhraj & Company Ltd.
etc. | 31B, Carmichael Road,
Bombay-26 |

10. REGISTERED OFFICE.

Lake Road, Bhandup, Bombay—78.

11. MANAGING AGENTS.

M/s. R. P. Nevatia & Co., Pitale Prasad, 22A, Worli Sea Face, Bombay—18.

12. BANKERS.

1. The Punjab National Bank Ltd.
2. The Central Bank of India Ltd.

13. SOLICITORS.

M/s. Chimanlal Shah & Co., Dalal Street, Fort, Bombay—1.

14. AUDITORS.

M/s. Khandwala & Shah, Commerce House, Medows Street, Fort, Bombay—1.

15. UNDERWRITERS.

The entire aforesaid issue of 1,20,000 Equity Shares offered to the public has been underwritten by:

The Punjab National Bank Ltd., Parliament Street, New Delhi.

In the opinion of the Board of Directors the resources of the underwriters are sufficient to discharge their obligations.

16. BROKERS.

BOMBAY

- | | |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 1. Messrs. Devkaran Nanjee & Co.,
5, Hamam Street,
Bombay 1. | 2. Messrs. Batlivala & Karani,
Union Bank Building,
Dalal Street,
Bombay 1. |
| 3. Messrs. Merwanjee Bomanjee Dalal,
Allahabad Bank Building,
Apollo Street,
Bombay 1. | 4. Messrs. Harkisondass Lukhmidass,
5, Hamam Street,
Bombay 1. |

5. Messrs. Narandas & Sons,
Union Bank Building,
Dalal Street,
Bombay 1.

7. Messrs. Jashwantlal V. Bhagat,
5, Hamam Street,
Bombay 1.

6. Messrs. P. R. Subramanyam,
70-A, Stock Exchange Bldg.,
Apollo Street,
Bombay 1.

8. Messrs. Indralal Madanlal Jhunjhunwala,
Agha Khan Bldg.,
Dalal Street, Bombay-1.

MADRAS

9. Messrs. Maconochie & Co.,
Mercantile Bank Bldg.,
Madras-1.

10. Messrs. Chitra & Co.,
322/323, Linghi Chetty Street,
Madras 1.

NEW DELHI

11. Messrs. Harbans Singh Mehta & Co.,
33, Regal Building,
Parliament Street,
New Delhi.

12. Messrs. Raj Paul Chadha & Co.,
Delite Cinema Building,
Asaf Ali Road,
New Delhi.

CALCUTTA

13. Messrs. M. R. Dhawan & Co.,
4/8, Asaf Ali Road,
New Delhi 1.

14. Messrs. G. M. Pyne,
Allahabad Bank Building,
14, India Exchange Place,
Calcutta 1.

The Consents in writing of the abovenamed Bankers, Solicitors, Auditors, Underwriters and Brokers to act in their respective capacities have been filed with the Registrar of Companies, Maharashtra, Bombay and the same have not been withdrawn.

17. HISTORY OF THE COMPANY.

This Company was incorporated as a Private Limited Company on 25th April 1958 to take over from Messrs. Kaycee Industries Ltd., Bombay, the business of manufacture of rectifier apparatus, being carried on by them in technical collaboration with the Westinghouse Brake & Signal Co. Ltd., U.K. The Company was converted into a public company on the 11th May 1961.

18. OBJECTS OF THE COMPANY.

The objects of the Company are as set out in the Memorandum of Association and in particular to manufacture, assemble, process, sell, distribute, import or export or otherwise deal in all kinds of rectifier apparatus, elements, any other types of electrical apparatus or devices, machinery, equipment and goods. A copy of the Memorandum of Association is available for inspection at the Registered Office of the Company during usual business hours.

19. TECHNICAL COLLABORATION.

The Company has technical know-how agreement with Westinghouse Brake & Signal Co. Ltd., 82, Yorkway, London N. 1, U.K. for the manufacture and application of Semi-Conductors and Rectifiers of all types and for the manufacture and application of Rectifier Apparatus embodying such Semi-Conductors. The said Agreement is open for inspection at the Registered Office of the Company. The Company has also obtained the approval of the Government of India to enter into a sub-licence with Westinghouse Brake & Signal Co. Ltd. under which the Company will receive technical know-how and patent rights of the Westinghouse Electric Corporation of U.S.A. through Westinghouse Brake & Signal Co. Ltd. in connection with the manufacture of Silicon Semi-Conductors, including Transistors, Photo-transistors, etc. etc.

20. PROSPECTS OF THE INDUSTRY.

Electric Power Generation is usually for consideration of economy in the form of Alternating Current. Nevertheless, the use of Direct Current is very widespread. For certain applications, viz., electroplating, battery charging, tele-communication, etc. Direct Current is indispensable. For industrial applications requiring speed regulation such as railway traction, cranes, mill drives, etc. DC Motors are necessary since power generated and transmitted is in the form of AC it has to be converted into DC for all these applications. In the past various methods for conversion of AC to DC were used such as mercury arc rectifiers, motor gene-

rators, etc. Because of rapid technological development semi-conductor rectifiers have now very largely replaced rotating equipment in certain fields such as battery charging and electroplating. Semi-conductor rectifiers offer various advantages like robustness, low maintenance costs, reliability of service, smaller space and weight ratio and higher efficiency. Hence, semi-conductor rectifiers such as selenium and silicon rectifiers are now progressively displacing other modes of conversion in the various applications. The rising industrial tempo of the country during the Third Five Year Plan will generate a large demand for this class of equipment.

The Company enjoys premier position in the country in the production of selenium plates and apparatus. The Company is now extending its activities to production of silicon semi-conductors and the multifarious applications thereof. For the extended activities it is in an advantageous position as it has secured a sub-licence for technical know-how of Westinghouse Electric Corporation of U.S.A. as mentioned above.

21. FACTORY SITE.

The Company's factory is situated on land admeasuring about 20,000 sq. yds. at Lake Road, Bhandup. At present the factory has built up area of 24,000 sq. ft. and another 18,000 sq. ft. area is under construction. When the extension is completed it will be the largest factory in India devoted to the manufacture of semi-conductors and rectifier apparatus.

22. SELLING AGENTS.

The Company has entered into a sole distributorship agreement dated the 7th October 1958 with M/s. Kaycee Industries Ltd., Kamani Chambers, Nicol Road, Ballard Estate, Bombay, who have considerable experience in marketing engineering products. They are entitled to a discount at rates varying from 12½% to 5% on slab basis on the net sale proceeds. The said Agreement is to remain in force till 31st March 1963.

23. MANAGING AGENTS.

The Articles of Association of the Company provide for appointment of Managing Agents, Messrs. R. P. Nevatia & Co., Pitale Prasad, Worli Sea Face, Bombay—18 were appointed Managing Agents of the Company from the 1st April 1961. The Central Government has approved the appointment of the Managing Agents by their letter No. 9(780)—C III/60 dated the 2nd December 1960 and an Agreement dated the 29th March 1961 incorporating the modifications directed by the Central Government has been executed with the Managing Agents which provides for a tenure of 5 years on a remuneration of 10 per cent of commission on the net profits of the Company subject to a minimum remuneration of Rs. 15,000/- per year in the event of absence or inadequacy of profits.

In the event of the Company being wound up either voluntarily by or subject to the supervision of the Court and if such winding up was not due to negligence or the default of the Managing Agents, they shall receive from the Company or the Liquidator thereof as a compensation for the loss of their employment as such Managing Agents as aforesaid the maximum sum of money to be determined in accordance with the provisions of Section 366 of the Companies Act, 1956 provided that in the event of the winding up of the Company commencing whether before or at any time within twelve months after the date of the cessation or termination of the Office of the Managing Agents no compensation shall be payable to them if the assets of the Company on the winding up after deduction of the expenses thereof are not sufficient to repay the share capital (including the premium, if any) contributed by the Members of the Company. The Managing Agents shall not be entitled to any compensation for the loss of their office in any of the cases specified in Section 365 of the Companies Act, 1956.

24. INTEREST OF DIRECTORS.

All the Directors will be interested to the extent of the shares held by them and shares subscribed for and allotted to them in the Company.

Shri R. P. Nevatia and Shri Rahulkumar Bajaj being partners of Messrs. R. P. Nevatia & Co., the Managing Agents are entitled to their respective shares of the remuneration payable to the Managing Agents and are interested accordingly.

Mr. L. E. Thompson is a Director of M/s. Westinghouse Brake & Signal Co. Ltd., U.K. and accordingly interested in the royalty payable to the said Company in terms of the Collaboration Agreement and the arrangement for supply of Plant and Equipment to the Company for which payment is to be made by allotment of Equity Shares of Rs. 3,00,000/-.

Shri M. T. Shivdasani is a Technical Director of the Company and is paid Rs. 500/- per month.

Shri Ramkrishna Bajaj and Shri Rahulkumar Bajaj are members and Shri M. T. Shivdasani is Chief Executive of Kaycee Industries Ltd. who are Sole Distributors of the Company.

25. PAST BENEFITS TO OFFICERS.

During the two preceding financial years ended 31st March 1960 and 31st March 1961 Shri S. K. Nevatia, then Managing Director of the Company, received by way of remuneration Rs. 18,000/- and Rs. 19,500/- respectively. During the said two financial years Shri M. T. Shivdasani received Rs. 6,000/- each year.

26. CAPITAL OUTLAY AND MINIMUM SUBSCRIPTION

The minimum subscription in respect of the public issue on which the Directors will proceed to allot shares is Rs. 12,00,000/-.

The financial requirements of the Company are estimated as follows :-

	(Figures in lakhs Rs.)		
	Existing	Proposed	Total
1. Land	Rs. 1.63	-	1.63
2. Buildings	7.97	2.40	10.37
3. Machinery, Equipment & Installations	7.40	3.60	11.00
4. Underwriting, Brokerage and Expenses of the issue	-	.65	.65
5. Working Capital	5.50	4.85	10.35
Total	Rs. 22.50	11.50	34.00

The present issue of Rupees twenty lakhs is proposed to be utilised as under :-

Additions to Fixed Assets	Rs. 6,00,000
Additional Working Capital	Rs. 5,50,000
(including Expenses of the Issue Rs. 65,000/-)	Rs. 11,50,000
Balance amount will be used for repayment of the borrowings, out of which the existing Fixed Capital Expenditure has been partly financed.	Rs. 8,50,000
Total	Rs. 20,00,000

Additional requirements of working capital will continue to be met by cash credit or overdraft arrangement with Banks or by short term deposits.

27. EXPENSES OF THIS ISSUE.

Expenses of this issue are expected to be Rs. 65,000/- including underwriting commission, brokerage, printing, advertisements, legal expenses, etc. and will be met out of the Company's revenue. No other preliminary expenses are outstanding or payable by the Company.

28. UNDERWRITING AND BROKERAGE.

The whole of the public issue of Rs. 12,00,000/- consisting of 1,20,000 Equity Shares of Rs. 10/- each has been underwritten by the Punjab National Bank Ltd., Parliament Street, New Delhi.

The underwriting commission at the rate of 2½% of the nominal value of 1,20,000 Equity Shares of Rs. 10/- each is payable to the said underwriters. The brokerage will be paid by the Company to bankers (including the underwriters) and to members of any recognised Stock Exchange at the rate of 1% of the nominal value of the aforesaid 1,20,000 Equity Shares on the basis of allotments made in respect of applications bearing their stamp.

29. AUDITORS' REPORT.

Khandwala and Shah,
Chartered Accountants.
30th April 1962.

The Directors,
M/s. Hind Rectifiers Limited,
Lake Road, Bhandup,
Bombay-78.
Dear Sirs,

We have examined the Books of Account of the Hind Rectifiers Pvt. Ltd. for the three years ended 31st March 1961 and report that the profits of the Company are as set out below. These profits are arrived at after charging all expenses of Working & Management.

Particulars	Period ended 31-3-1959	Year ended 31-3-1960.	Year ended 31-3-1961.
	Rs.	Rs.	Rs.
1. Income as audited Accounts			
Sales			
Stocks	11,78,486	18,27,941	15,81,397
Service Charges & Miscellaneous Receipts	6,27,180	5,77,349	7,30,328
	718	23,427	8,784
	Rs. 18,06,384	24,28,717	23,20,509
2. Expenditure as per audited Accounts.	16,63,270	22,08,818	22,05,527
3. Loss on Sale of Machinery	1,743	181	-
4. Provision for Depreciation	9,881	10,401	12,987
5. Provision for Taxation	65,000	98,03	45,898
	17,39,894	23,17,400	22,64,412
6. Balance of Profits before Appropriations.	66,490	1,11,317	56,097
7. Excess provision of Royalty of previous year less short provision for Taxation.	-	-	9,596
8. Total for Appropriations	-	-	65,693
9. Preliminary Expenses	2,781	-	-
10. Goodwill	20,000	20,000	20,000
11. Development Rebate Reserve	10,000	4,000	3,000
12. General Reserve	-	25,000	-
	32,781	49,000	23,000
13. Balance of Profits after Appropriations	33,709	62,317	42,693

Rates of Dividend on Equity Shares	9%	18%	10%
Source from which paid	Out of profits.	Out of profits.	Out of profits.

NOTES:

- Figures for only three years have been given as the Company was incorporated on 25th April 1958.
- Audited Accounts of the Company have not been made up for the year ended 31st March 1962.

We further report that the Assets and the Liabilities of the Company as at 31st March 1961 which is the last date to which the Company's audited Accounts were made up prior to the date of this report, are as set out below:

- Fixed Assets at original cost less Sales, Adjustments and Depreciation and including Machinery awaiting installation Rs. 5,55,011/-

Rs. 14,51,812

2. Current Assets :

Stock-in-Trade, comprising Raw material, Work-in-Process and Finished goods, at Cost.	Rs.	7,30,328	
Goods for Repairs	"	23,313	
Instruments & Tools	"	27,314	
Sundry Debtors, Unsecured and Considered Good.	"	4,29,642	
3. Loans & Advances recoverable in Cash or Kind or for Value to be received, Unsecured & Considered Good.	"	12,10,597	
4. Cash in hand and at a Bank in Current Account and in Fixed Deposit against a guarantee.	"	2,51,459	
		15,430	
		29,29,298	

Less: Liabilities & Provisions :

5. Secured loans and Interest accrued thereon (Secured by Hypothecation of Stocks & Land & Buildings)	"	7,97,000	
6. Unsecured Loans from Directors & others including interest accrued thereon.	"	6,64,885	
7. Sundry Creditors	"	6,56,944	
8. Provision for Taxation	"	2,16,750	
9. Proposed Dividend	"	50,000	23,85,579

Net Assets as at 31st March 1961.

Rs. 5,43,719

Represented by :-

10. Capital :

4000 Equity Shares of Rs. 100/- each fully paid.	"	4,00,000	
1000 Equity Shares of Rs. 100/- each issued to Vendors as fully paid as per agreement.	"	1,00,000	5,00,000

11. Reserves & Surplus :

General Reserve	"	25,000	
Development Rebate Reserve	"	17,000	
Profit & Loss Account (Surplus)	"	1,719	43,719
Total	"		5,43,719

Yours faithfully,
Khandwala & Shah
Chartered Accountants

30. IMPORT LICENCE FOR MACHINERY.

As mentioned in paragraphs 2 and 19, industrial licence has been obtained for production of Silicon Diodes under Sub-licence from M/s. Westinghouse Electric Corporation of U.S.A. For this specialised equipment is required which will be supplied by M/s. Westinghouse Brake & Signal Co. Ltd., London. The Company has applied to the Chief Controller of Imports, New Delhi, for issue of a licence for Rs. 3,00,000/- c.i.f. Payment for the machinery is to be made to M/s. Westinghouse Brake & Signal Co. Ltd., U.K. by allotment of Equity Shares.

31. CONTRACTS AND AGREEMENTS.

The Company has entered into following material contracts within two years before the date of this prospectus:-

- An agreement dated 8th September 1960 for a loan of Rs. 95,000/- obtained from the Trustees of Bajaj Electricals Ltd. Employees' Provident Fund on the security of an equitable mortgage by deposit of Title Deeds of land.
- By a supplemental agreement dated 29th March 1961 the Company obtained further loan of Rs. 3,05,000/- making a total loan of Rs. 4,00,000/- from the

Trustees of Bajaj Electricals Ltd. Employees' Provident Fund. The Company agreed to create the first legal mortgage of the land and premises bearing survey No. 186 in the Registration Sub-District of Bandra, District Bombay Suburban. The said loan of Rs. 4,00,000/- bears interest at 7% per annum with half yearly rests and is re-payable as follows: 1

Rs. 1 lakh to be re-paid on or before 31st March 1964; Rs. 1 lakh to be re-paid on or before 31st March 1965; The final instalment of the balance of the principal amount together with all other moneys to be re-paid on or before 31st March 1966.

- (c) The Company has executed a Mortgage Deed of the land and buildings at Bhandup in favour of the Trustees of the Bajaj Electricals Ltd. Employees' Provident Fund on the 16th January 1962.

Copies of all the aforesaid agreements can be inspected at the registered office of the Company.

32. DIRECTORS.

Article 111 of the Articles of Association of the Company provides that subject to the provisions of Section 255 and 256 of the Companies Act, 1956 until otherwise determined by the Company in General Meeting the number of Directors shall not be more than 7 (seven).

Subject to the provisions of the Companies Act, 1956 and Articles of Association of the Company the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that in exercising any such power or doing any such act the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in the Articles or in any regulations not inconsistent therewith duly made thereunder by the Company in General Meeting.

The Trust Deed for securing Debentures or Debenture-stock may, under the Articles of the Company, if so arranged, provide for the appointment from time to time by the trustees thereof, or by the holders of the debentures or Debenture-stock of some person to be a Director of the Company to be called the Debenture Director; and may empower such Trustees or holders of Debentures or Debenture-stock from time to time to remove any Director so appointed.

Under the agreement with the Managing Agents, M/s. R. P. Nevatia & Co. the Managing Agents are entitled to appoint, remove or re-appoint Ex-Officio Directors of the Board not more than two Directors where the total number of Directors exceeds five and not more than one Director where the total number of Directors does not exceed five.

The agreement for any collaboration arrangement with any person or firm or Company for supply of machinery, technical know-how or advice may provide for such person, firm or company to appoint from time to time any person as a Director of the Company (hereinafter referred to as Special Director). The Special Director shall not be liable to retire by rotation and shall hold office so long as the collaboration agreement remains in force.

The Board may appoint any qualified technical person as a Technical Director for such period and on such terms and conditions as the Board of Directors may in the interest of the Company deem fit.

The Debenture, Ex-officio, Special or Technical Directors shall not be liable to retire by rotation.

It is not necessary for a Director to hold any qualification shares.

The Board of Directors may appoint an Alternate Director to act for a Director during the latter's absence from the State of Maharashtra for a period of not less than three months.

The remuneration of a Director shall be such sum not exceeding Rs. 250/- for every meeting of the Board or a Committee thereof attended by him, as shall from time to time be fixed by the Directors which at present has been fixed at Rs. 100/-. The Directors may also be paid all travelling, Hotel and other expenses for attending the meetings of the Board or a Committee thereof or in connection with any business of the Company.

If any Director is required to reside in or outside Bombay or otherwise perform extra services the Board may arrange with such Director for Special remuneration for such services either by way of salary, commission or payment of such sum of money as they shall think fit in addition to or in substitution for his remuneration, and may provide residential accommodation for him and all the necessities at the cost of the Company.

33. DIVIDEND.

The Company in General Meeting may declare a dividend to be paid to the Members according to their rights and interest in the profits of the Company and subject to the provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof.

No dividend shall be payable except out of the profits of the Company during the year or any other undistributed profits, and no dividend shall carry interest as against the Company. The shares now being issued to the Public will not be entitled to participate in any dividend that may be declared in respect of the year ended 31st March 1962. Subject to the provisions of the Companies Act, 1956 and to the Articles of Association of the Company, the net profits of the Company from time to time determined to be divided in respect of any year or other period shall be divisible among the holders of Equity Shares in proportion to the amounts paid up or credited as paid up on the Equity Shares held by them respectively.

34. BORROWING POWERS.

Article 160 authorises the Board of Directors to borrow moneys subject to the provisions of the Act and Articles of Association provided that the total amount borrowed and outstanding at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not, without the consent of the Company in General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, and provided further that no such borrowing shall exceed the limit laid down by the Company in General Meeting.

35. MODIFICATIONS OF RIGHTS.

Whenever the capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights and privileges attached to each class may be modified or dealt with in accordance with the provisions of the Act.

36. VOTES OF MEMBERS.

Subject to the provisions of the Act and the Articles of Association of the Company votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act and the Articles.

Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

Subject to the provisions of the Act and the Articles upon a show of hands every member holding Equity Shares entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Articles) shall have one vote.

Subject to the provisions of the Act and the Articles upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and in respect of every Equity Share his voting right shall be in the same proportion as the Capital paid up on such Equity Share bears to the total paid up Equity Capital of the Company.

37. RESTRICTIONS ON THE RIGHT OF TRANSFER OF SHARES.

The Company shall not register a transfer of shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the Transferor and the Transferee is delivered to the Company along with the Certificate of Share or Shares. The Directors may decline to register any transfer of shares.

38. REVALUATION.

During the two years preceding the date of this Prospectus, there has been no re-valuation of the assets of the Company. No capitalisation of reserves or profits have taken place.

39. ISSUE OF SHARE CERTIFICATES.

Share Certificates will be available for issue within four months of allotment.

40. COMMISSION.

No sums have been paid within two years preceding the date hereof or are payable as commission for agreeing to subscribe or procuring or agreeing to procure subscription for any shares issued herebefore. The Company has not issued any debentures.

41. APPLICATIONS.

Applications must be in the form accompanying the prospectus which can be obtained from the Company's registered office and the Bankers and Brokers to this issue.

The application form duly completed with the amount of Rs. 2.50 per Equity Share payable on application should be lodged with one of the Bankers to the issue viz.:

1. The Punjab National Bank Ltd.,
Ilaco House, Sir P. M. Road,
Fort, Bombay.

Or

2. The Central Bank of India Ltd.,
Mahatma Gandhi Road,
Fort, Bombay.

Or any of their Branches at :

Ahmedabad, Allahabad, Amritsar, Bangalore,
Baroda, Bhopal, Bombay, Calcutta, Cochin,
Coimbatore, Delhi, New Delhi, Gwalior, Hyderabad,
Indore, Jaipur, Kanpur, Lucknow, Ludhiana,
Madras, Madurai, Nagpur, Patiala, Patna,
Poona, Rajkot, Surat, Trivandrum, Vijayawada
and Visakhapatnam.

Cheques or Drafts should be drawn in favour of "The Punjab National Bank Ltd. A/c. Hind Rectifiers Ltd. Equity Issue" OR "The Central Bank of India Ltd. A/c. Hind Rectifiers Ltd. Equity Issue" and should for the Applicant's protection be crossed "A/c. Payee only". A separate cheque or draft must accompany each application. All cheques and drafts must be drawn on Banks situated at the places where the application is lodged. Cheques or drafts drawn on places other than where the application is submitted will be liable to be rejected.

The allotment will be indicated by the despatch of an Allotment Letter. Board of Directors reserve the right of accepting or rejecting any application in whole or in part without assigning any reason. Where the application is rejected or not accepted in full, the whole or any balance of the application money received as the case may be, will be refunded to the applicant without any interest by a cheque on Bombay within two months from the date of closing of the subscription list.

42. INSPECTION OF DOCUMENTS.

Copies of the following documents can be inspected at any time during the usual business hours at the Registered Office of the Company until the subscription list is closed:-

Memorandum & Articles of Association.

Certificate of Incorporation.

Fresh Certificate of Incorporation converting the Company into Public Company.

Managing Agency Agreement dated the 29th March 1961.

Manufacturing Licences Nos:-

L/5(DN)-21/58 dated 29-5-1958. L/5(DN)-60/59 dated 22-12-1959.

L/5(I)-21/EEI/60 dated 25-1-1961. L/5(I)-31/EEI/60 dated 1-4-1961.

Consent to Issue Capital No. R 238-CCI/61-1632 dated 15-9-1961, 6-3-1962 and 29-3-1962.

Collaboration Agreement with Westinghouse Brake & Signal Co. Ltd.

Special Resolution under Section 81 of the Companies Act, 1956 relating to the Issue of Capital.

Sole Distributorship Agreement with M/s. Kaycee Industries Ltd.

Balance Sheet & Profit & Loss Accounts for the past 3 years ended 31st March 1961.

Conveyance of Land.

Copies of Consent letters of the Bankers, Brokers, Underwriters, Solicitors & Auditors.

Agreement to Mortgage dated 8th September 1960 and supplemental agreement dated 29th March 1961 in favour of the Trustees of Bajaj Electricals Ltd. Employees' Provident Fund.

Copy of Mortgage Deed of the land and buildings at Bhandup in favour of the Trustees of Bajaj Electricals Ltd. Employees' Provident Fund dated 16th January 1962.

R. P. NEVATIA

L. E. THOMPSON

— by his authorised agent S. K. Nevatia

RAMKRISHNA BAJAJ

RASIKLAL J. CHINAI

— by his authorised agent S. K. Nevatia

G. N. PODAR

M. T. SHIVDASANI

RAHULKUMAR BAJAJ

Directors

Bombay, 24th May 1962