

SATIN



PROSPECTUS

SATIN

Satin Leasing & Finance Ltd.

Registered Office : 306, Lusa Tower, Azadpur Commercial Complex, Delhi - 110 033
Corporate Office : 5th Floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi - 110 033
Phone : 7117878, 7221415, 7253536 Fax : 7132727

**PUBLIC ISSUE OF 14,00,000 EQUITY SHARES OF RS. 10/- EACH
FOR CASH AT PAR AGGREGATING TO RS. 140.00 LACS.**

HIGHLIGHTS

1. Existing profit making company engaged in the business of financial services.
2. Tax benefits under section 80L & 80 M under Income Tax Act, 1961 and Wealth Tax Benefits to the investors.
3. Listing is proposed at Delhi, Jaipur and Ludhiana Stock Exchanges.

Investors may note that in case of over subscription, the allotment shall be on proportionate basis and the basis of allotment will be finalised in consultation with the Stock Exchange at Delhi.

RISK FACTORS

INTERNAL

1. This being the first major venture of the promoters exposes the investors to risks associated with that of the maiden venture.
2. The requirement of funds, and their deployment are the company's own estimates and have not been appraised by any bank or financial institution. Hence the deployment of funds is entirely at the discretion of the management.
3. The total fund requirement is being met through equity. Any delay in raising the same from capital market would delay the deployment and resultantly affect the profitability.
4. The company has not considered the RBI guidelines regarding asset classification, income recognition, capital adequacy etc. which may have an adverse impact on the profitability of the Company.
5. The company has not followed the guidance notes issued by ICAI regarding lease assets accounting, which might affect the future profitability.
6. Promoters have promoted other concerns in the same line of business. As possibility of transfer of business cannot be ruled out, shareholders of this company may get adversely affected.
7. Premises for Regd. Office have been taken on lease from wife of one of the director.
8. The company is yet to be registered with RBI as Non Banking Financial Company.

EXTERNAL

1. Leasing business and Hire Purchase financing has certain inherent risks attached to it. Prompt receipt of lease rentals/principal money and their immediate redeployment is crucial for maintaining profitability. Any profits may be affected due to delays in the payments of lease rentals/hire purchase instalments by clients.
2. The business of the company is exposed to the fluctuations in the stock market and is susceptible to market risks associated with investment in shares and securities.
3. The company's assets are not fully secured by collateral. However, it has a good track record of timely recovery of loans and has a good relationship with its clients.

ISSUE OPENS ON 26TH JUNE 1996

Lead Managers to the Issue
MASTER TRUST LTD.
1001, Arunachal Building,
19, Barakhamba Road,
New Delhi-110001
Ph : 3350402, 3350403
Fax : 3722971

Registrars to the Issue
IN-HOUSE SHARE REGISTRY
3, Community Center, Naraina Phase-I,
Near Payal Cinema
New Delhi-110 028
Ph: 5792013/4/5
Fax : 5792011

**Rs. 5/-
on
Application**

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PART III

DECLARATION

PART - I

GENERAL INFORMATION

CORPORATE STATUS

Satin Leasing & Finance Limited, was incorporated as a Private Limited Company on 16th October, 1990 vide Certificate of Incorporation No. 55-41796 dated 16th October, 1990 under the name and style of Satin Leasing and Finance Pvt. Ltd. The Company was converted into a public limited company vide special resolution passed on 27th April 1994 and obtained fresh Certificate of Incorporation on 1st July, 1994.

GOVERNMENT APPROVAL

Reserve Bank of India vide its letter no.DOS/FC/ 5494/05.1.7.0460/95-96 dated 12.03.1996 has classified the company as Hire Purchase company.

It must be distinctly understood that in granting these licenses and registrations the Central Government does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed in this regard.

DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the offer document by SEBI should not, in any way, be deemed/construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme of the project for which the issue is proposed to be made, or for the correctness of the statements made or opinions expressed in the offer document. SEBI has vetted the offer document filed with it for a limited purpose of overseeing, whether the disclosures contained therein are generally adequate and are in conformity with SEBI Guidelines for Disclosures and Investor protection for the time being in force. This requirement is to facilitate the investors to take an informed decision for making investment in the proposed issue. It should also be clearly understood that, while the issuer company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the Lead Manager is expected to exercise due diligence to ensure that the company discharges its responsibility adequately in this behalf and towards this purpose, the Lead Manager Master Trust Ltd. has furnished to SEBI a due diligence certificate dated 26.02.96 in accordance with SEBI (Merchant Bankers) Regulation, 1992 which reads as follows:

- i) "We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators, etc. and other material in connection with the finalisation of the draft prospectus pertaining to the said issue.
- ii) On the basis of such examination and the discussions 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 Annexure and other material furnished by the company.

WE CONFIRM THAT:

- a) the draft prospectus forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issues:
- b) all the legal requirements connected with the said issue as also the guidelines, instructions, etc. issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with; and

- c) the disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make well informed decision as to the investments in the proposed issue.

- iii) We confirm that besides ourselves, all the intermediaries named in the prospectus are registered with SEBI and that till date such registration is valid.

This acknowledgement does not, however, absolve the Company from any liabilities under section 63 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point in time, with the Lead Manager(s) / Merchant Bankers(s) any irregularities or lapses in the Offer document.

DECLARATION

The Promoters/Directors viz. Mr. H.P. Singh, Mr. Satvinder Singh, Mr. Harbans Singh, Maj.Gen.S.K. Vij (Retd.) and Mr. Vimal Prakash Mittal declare and confirm that no information/material likely to have bearing on the decision of investors in respect of the shares/ debentures/ securities offered in terms of this Prospectus/ Letter of Offer/ offer Document has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ mis-representation and in the event of it transpiring at any point of time till allotment/refund, as the case may be, that any information/material has been suppressed / withheld and/or amounts to mis-statements/ mis-representation, the promoters/ directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter, without prejudice to the provisions of section 63 of the Companies Act, 1956.

ATTENTION

Issuer accepts no responsibility for statement made otherwise than in the prospectus or in the advertisement or any other material issued by or at the instance of the issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

FILING

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

LISTING

Applications have been made to the Stock Exchanges at Delhi, Jaipur & Ludhiana Stock Exchange for permission to deal and for an official quotation of the Equity Shares of the Company now being offered in terms of this prospectus.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81 (IA) of the Act, the present issue of capital has been authorised by the existing shareholders of the company by a Special Resolution passed at the Extra Ordinary General Meeting held on 25.01. 1996. The resolution is open for inspection at the Registered office of the Company.

INSPECTION

The complete copies of the above mentioned documents are kept open for public inspection at the Registered office of the company between 11 A.M. to 1 P.M. on any working day from the date of this prospectus till the date of closing of the subscription list.

CAUTION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of the section 68-A of the Act, which is reproduced below :-

"Any person who -

- (a) Makes in a fictitious name an application to a company for acquiring, or subscribing for any shares therein, or
- (b) Otherwise induces a company to allot, or register any transfer of shares, therein to him, or to 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 MINIMUM SUBSCRIPTION OF 100% OF THE ISSUED AMOUNT UP TO THE DATE OF CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTHWITH REFUND ENTIRE SUBSCRIPTION AMOUNT RECEIVED. FOR DELAY BEYOND 78 DAYS FROM THE DATE OF OPENING OF THE SUBSCRIPTION LIST, IF ANY, IN REFUND OF SUCH SUBSCRIPTION, THE COMPANY SHALL PAY INTEREST @ 15% P.A. IF THERE IS ANY DELAY IN REFUND OF AMOUNT COLLECTED, THE COMPANY AND THE DIRECTORS OF THE COMPANY SHALL BE JOINTLY AND SEVERALLY LIABLE TO REPAY THE AMOUNT BY WAY OF REFUND WITH INTEREST @ 15% P.A. FOR THE DELAYED PERIOD BEYOND 78 DAYS FROM THE DATE OF OPENING OF THE ISSUE.

REFUNDS/ALLOTMENTS

Letters of allotment or share certificates and/or Regret Letters with refund Cheques or pay orders (of value over Rs.1500/-) if any will be despatched by Registered Post within 10 weeks from the closure of subscription list, and if such money is not repaid within 8 days from the date the Company becomes liable to pay it, the Company and the every Director of the company who is an officer in default shall on and from the expiry of the 8th day be jointly and severally liable to repay the money with interest @ 15% p.a. where the permission has been applied for dealing and listing shares in stock exchange referred to above and if such permission has not been granted by stock exchange within 70 days from the date of closure of subscription list or where such permission is refused before the expiry of 70 days from the date of closure of subscription list then the company shall forthwith repay without interest all monies received from applicants in pursuance of prospectus and if any such money is not refunded within 8 days after the company becomes liable to repay it (i.e. from the date of refusal or within 70 days from the closure of subscription 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 8th day be jointly and severally liable to repay the money with interest @ 15% p.a. If however an appeal against the decision of any recognised Stock Exchange has been preferred under section 22 of Securities Contract (Regulation) Act 1956, any allotment made under this prospectus shall not be void until the appeal is dismissed.

Adequate funds for mailing by registered post/ UPC, as the case may be, shall be made available to the Registrars to the Issue by the Company. The cheques/Pay Orders/Refund Orders will be payable at par in India at all the places where the applications were originally accepted and will be marked "Account Payee Only" in the name of the sole/first applicant. Bank charges, if any, for encashing such Cheques/Pay Orders/Refund Orders will be payable by the applicants. No refund order will be issued to the applicants using Stock Invest for payment of application money.

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DATES 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."

ISSUE OPENS ON	:	WEDNESDAY 26TH JUNE, 1996
CLOSING NOT LATER THAN	:	SATURDAY 6TH JULY, 1996
EARLIEST CLOSING	:	TUESDAY 2ND JULY, 1996

LEAD MANAGERS TO THE ISSUE

Master Trust Ltd.
1001, Arunachal Building,
19, Barakhamba Road,
New Delhi - 110 001

REGISTRARS TO THE ISSUE

IN-HOUSE SHARE REGISTRY
3, Community Center
Naraina Phase I,
Near Payal Cinema
New Delhi-110 028

ADVISORS TO THE ISSUE

Singhman Financial Services Ltd.,
3406, 11th floor, D.B. Gupta Road,
Karl Bagh, New Delhi -110 005

AUDITORS

A.K. Gangaher & Co., Chartered Accountants,
401, Kundan Bhawan,
Azadpur Commercial Complex,
Delhi - 110 033.

CREDIT RATING

This being an issue of Equity shares, the rating from an approved agency is not required and therefore not sought for.

TRUSTEES

As the company is issuing Equity shares, appointment of trustees is not required.

UNDERWRITERS TO THE ISSUE

The issue of 14,00,000 Equity share of Rs. 10/- each for cash at par aggregating to Rs. 1,40,00,000/- offered in terms of prospectus has not been underwritten.

II. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL			NOMINAL VALUE (Rs.)
A. AUTHORISED CAPITAL			
40,10,000	Equity Shares of Rs. 10/- each		4,01,00,000
B. ISSUED, SUBSCRIBED & PAID UP			
11,04,500	Equity Shares of Rs. 10/- each		1,10,45,000
C. PRESENT ISSUE			
18,95,500	Equity Shares of Rs. 10/- each for cash at par		1,89,55,000
D. OUT OF THE PRESENT ISSUE			
4,95,500	Equity shares of Rs. 10/- each for cash at par are reserved for allotment to Promoters their friends, relatives & associates		49,55,000
E. NOW OFFERED FOR SUBSCRIPTION IN TERMS OF PROSPECTUS			
14,00,000	Equity shares of Rs.10/- each for cash at par.		1,40,00,000
OUT OF WHICH			
E1	2,00,000	Equity shares of Rs. 10/- each for cash at par reserved for Non Resident Indians/ Persons of Indian Origin Residing Abroad (NRIs)/ Overseas Corporate Bodies (OCBs) with repatriation benefits on competitive basis.	20,00,000
E2. NET OFFER TO RESIDENT INDIAN PUBLIC			
12,00,000	Equity Shares of Rs. 10/- each for Cash at par.		1,20,00,000
F. PAID UP CAPITAL AFTER THE PRESENT ISSUE			
30,00,000	Equity Shares of Rs.10/- each		3,00,00,000

Notes:

PROMOTERS CONTRIBUTION AND LOCK IN PERIOD

- The promoters/directors, their friends, relatives and associates shall be holding 16,00,000 equity shares of Rs.10/- each after the public issue. This constitutes 53.33% of the total equity shares.
- Promoters Contribution & Lock-in period shall be as under:

Date of allotment	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	%age of post Issue Capital	Lock in period
To be allotted	4,95,500	10	10/-	Cash	16.52%	5 years *
29.12.95	2,54,500	10	10/-	Cash	8.48%	5 years*
29.12.95	4,89,100	10	10/-	Cash	16.31%	NIL
30.03.95	46,000	10	10/-	Cash	1.53%	NIL
19.03.95	50,000	10	10/-	Cash	1.67%	NIL
24.11.94	82,500	10	10/-	Cash	2.75%	NIL
24.08.94	1,36,000	10	10/-	Cash	4.53%	NIL
25.03.94	5,000	10	10/-	Cash	0.17%	NIL
30.08.93	1,900	10	10/-	Cash	0.06%	NIL
26.07.91	12,100	10	10/-	Cash	0.40%	NIL
15.12.90	27,100	10	10/-	Cash	0.90%	NIL
16.10.90	300	10	10/-	Cash	0.01%	NIL
Total	16,00,000				53.33%	

* From the date of allotment in this public issue.

- The entire contribution reserved for promoters as mentioned in D above will be brought in before the issue opens for public and shall be in minimum lot of Rs.25,000 and above for individuals and Rs. 1,00,000 for Corporate Bodies etc. Further promoter's contribution to the extent of 25% of paid up capital shall be in minimum lot of Rs.25,000 and above for individuals and Rs. 1,00,000 and above for Corporate Bodies etc.

4. 2,54,500 Equity Shares allotted on December 29, 1995 are in minimum specified lots of Rs.25,000 and above for individuals and Rs. 1,00,000 and above for Corporate Bodies etc.
5. Unsubscribed portion, if any, reserved for preferential allotment as mentioned in categories E1 will be added back to the Indian Public in category E2 above.
6. In case of over subscription additional shares to the extent of 10% of net public offer to the Indian Public may be allotted on proportionate allotment basis during the process of allotment so as to round off the shares allotted to nearest multiple of 100 Equity Shares. A resolution to this effect has been passed on 25.01.1996.
7. There are 36 Shareholders against the paid-up capital of Rs. 1,10,45,000/-. All the shares have been allotted to identified persons for cash as per Companies Act, 1956.
8. The applicants who have made applications under reserved category are not eligible for applying in the net offer to the Public. Such applications, if any, will be treated as multiple applications and are liable to be rejected.
9. The company has increased its authorised capital from Rs.50.00 lacs to Rs. 150.00 Lacs and then to Rs.401.00 Lacs on 07.08.1995 & 29.09.1995 respectively.
10. The Company has obtained in principle approval from Reserve Bank of India vide its letter No.CO.FID(II)/13850/ 10.02.40 (7973) 95/96 dated 09.04.96 for allotment of 2,00,000 Equity Shares to NRI's/OCBs on repatriation basis.

11. a) List of the top 10 shareholders as on the date of filing of prospectus with Registrars of Companies i.e. on 23.04.96.

Sl.No.	Name	No. of Shares held
1.	Parinita Investments (P) Ltd.	1,93,000
2.	H.P. Singh	1,80,400
3.	Satvinder Singh	1,56,300
4.	Parishkek Finance Pvt.Ltd.	1,45,000
5.	Anureet H.P. Singh	82,900
6.	Neeti Singh	57,500
7.	Harbans Singh	46,300
8.	Mohan C. Pandey	33,000
9.	Nathu Ram Tyagi	26,500
10.	Dr. Kanwal Hazuria	20,000

- b) List of the top 10 shareholders as on 2 years before the filing of prospectus with Registrar of Companies i.e. on 25.03.94.

Sl.No.	Name	No. of Shares held
1.	Satvinder Singh	6,300
2.	H.P. Singh	16,400
3.	Kamal Inder Kaur	1,100
4.	Harbans Singh	16,300
5.	Anureet H.P. Singh	3,300
6.	Neeti Singh	1,500
7.	Taco Consultant (P) Ltd.	1,500

- c) List of the top 10 shareholders as on 10 days before the filing of prospectus with Registrar of Companies i.e. on 13.04.96.

Sl.No.	Name	No. of Shares held
1.	Parinita Investments (P) Ltd.	1,93,000
2.	H.P. Singh	1,80,400
3.	Satvinder Singh	1,56,300
4.	Parishkek Finance Pvt.Ltd.	1,45,000
5.	Anureet H.P. Singh	82,900
6.	Neeti Singh	57,500
7.	Harbans Singh	46,300
8.	Mohan C. Pandey	33,000
9.	Nathu Ram Tyagi	26,500
10.	Dr. Kanwal Hazuria	20,000

12. Aggregate shareholding of the promoter group as on 31.12.95 is 8,91,500 equity shares of Rs.10/- each which constitute 80.71% of the pre issue paid up capital. Further one of the promoter has purchased 10,000 Equity Shares of the company @ Rs.10/- per share during last 6 months and no other transaction involving sale and purchase of the Equity Share by the promoter group has taken place during last 6 months.

13. No buy-back and standby and similar arrangements have been made for purchase of securities by promoters, Directors of the Company and Lead Managers.

III TERMS OF THE PRESENT ISSUE

The Equity Shares now being issued are subject to the terms of this prospectus, the application form, the Memorandum and Articles of Association of the Company [hereinafter referred to as the 'Articles'], letter of allotment/ share certificate to be issued, the Guidelines, notifications and regulations for listing of Securities issued from time to time by Government of India/Stock Exchanges and the Companies Act 1956.

TERMS OF PAYMENT

For Resident Indian Public and Non-Resident Indians, the amount payable per Equity Share will be as under:-

	On Application	On Allotment
a) Indian Public	Rs. 5.00	Rs. 5.00
b) NRIs/Persons of Indian origin residing abroad/OCBs	Rs. 10.00	—

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

UTILISATION OF FUNDS

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

FORFEITURE

Failure to pay the amount due on allotment of Equity Shares will render the allottees liable to pay interest thereon at a rate not exceeding 12% per annum from the day specified for the payment thereof till the date of actual payment. The non payment of amount due with interest will render the Equity Shares (including the amount already paid up thereon) liable to forfeiture in accordance with the Act and the Articles of Association of the Company.

RANKING

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

RIGHTS OF INSTRUMENT HOLDERS

The Equity Shares of Rs.10/- each now being issued shall rank pari passu in all respects with the existing fully paid Equity Shares of the

company except that for the financial year during which the said equity shares are allotted, they shall rank for dividend, if any, pro-rata for the remaining period of the said financial year from their respective dates of allotment and in proportion to the amount of capital paid up therein during the said financial year and subsequent financial years until the shares are fully paid up. The instrument holder shall also be entitled to the rights given under Section 206-A of the Companies Act, 1956.

HOW TO APPLY

Procedure for Application

AVAILABILITY OF THE PROSPECTUS AND APPLICATION FORMS ALONGWITH ABRIDGED PROSPECTUS

Application Forms alongwith copies of the Memorandum containing salient features of the Prospectus, and copies of this Prospectus may be obtained from the Registered Office of the Company, Lead Managers to the Issue, and, Bankers to the issue, named herein and from the branches of the Bankers to the Issue mentioned in the Application Form.

Any person making request before the closure of the subscription shall be entitled to obtain a copy of this prospectus also, from the persons specified in the para immediately preceding to this para.

SUBMISSION OF APPLICATION AND MODE OF PAYMENT

A. Application by Indian Public

1. Application must be made only :

- (i) On the prescribed Application Form accompanying the "Memorandum" containing the salient features of this Prospectus & completed (in full in **Block Letters IN ENGLISH**) (except signatures) in accordance with the instructions contained therein & in the Application Form. Application is liable to be rejected if not made so.
- (ii) For a minimum of 500 Equity Shares and in multiples of 100.
- (iii) In single name or joint names (not more than three)
- (iv) In the names of individuals being resident of India, limited companies, statutory corporations or institutions incorporated in India and NOT in the names of Foreign nationals, Non-resident Indians/Persons of Indian origin residing abroad, Hindu Undivided Family, trusts, (unless the trust is registered under Societies Registration Act, 1860 or any other applicable trust laws and is authorised under its constitution to hold shares in a company), minors, partnership firms or the nominees or agents of any of them

MODE OF PAYMENT

2. Payment should be Made in cash or by cheque/bank draft/stockinvest. Money Orders/Postal Orders will not be accepted. Cheques/ bank drafts/stockinvest should be drawn on any Bank (including a Co-operative Bank), which is situated at and is a member or sub-member of Bankers clearing house located at the place where the application form is submitted. Stock invest should be drawn in favour of M/s. Satin Leasing & Finance Ltd. only. Outstation cheques or bank drafts will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Applicants are advised to mention application form no. on the reverse of the instrument used.
3. Applicants may submit the Stockinvest alongwith usual application form for public issue to collecting banker as in the normal case. Stockinvest is an additional facility over and above the normal modes of payments through cash/cheque/draft.

4. All cheques and bank draft must be :

- a) made payable to any of the bankers to the issue as mentioned in the application form,
- b) marked "A/c SLFL EQUITY ISSUE (e.g. Bank of India A/c. SLFL EQUITY ISSUE) and
- c) crossed Account Payee only.

In the case of payment by cheque or Bank draft or stock invest a separate cheque or bank draft or stock invest must accompany each application form.

- d) applicant should write the share application number on the back of the cheque/draft.

5. Applicants from places other than where collection centers are located may send their applications accompanied by Stock Invest in favour of Company i.e. Satin Leasing & Finance Ltd. net of postal charges to the Registrars to the issue.

6. All application forms duly completed together with cash/cheque/ Bank Draft/Stockinvest for the amount payable on application @ Rs. 5.00 per equity share must be delivered before the closing of the subscription list to any of the Bankers to the Issue or to any of the branches mentioned on the reverse of the application forms and NOT TO THE COMPANY OR TO THE MANAGERS TO THE ISSUE OR TO THE REGISTRARS TO THE ISSUE.

7. No receipt will be issued for the application money. However, Bankers to the issue and/or their branches receiving the applications will acknowledge receipt by stamping and returning to applicant, the acknowledgment slip at the bottom of each application form.

8. Applicants must at the appropriate place in the application form fill-up the details of saving bank account/ current account number and Bank's name and branch where the account is maintained so as to enable the Registrar to print on the refund orders, if any. The application without such bank details will be considered incomplete and will be rejected.

9. Where an application is for allotment of securities for a total value of Rs. 50,000/- or more i.e. the total number of securities applied for multiplied by the issue price, is Rs. 50,000/- or more the applicant or in the case of applications in joint names, each of the applicants; should mention his/her permanent account number allotted under the Income Tax Act, 1961, or where the same has not been allotted, the G.I.R. number and the Income Tax Circle/ Ward/ District. In case where neither the permanent account number nor the G.I.R. number has been allotted, the fact of non-allotment should be mentioned in the application forms. Application forms without this information will be considered incomplete and will be rejected.

For further instructions, please read the Application Form carefully.

B. APPLICATION BY NON RESIDENT INDIANS/PERSONS OF INDIAN ORIGIN RESIDING ABROAD/OCBS :-

Application under this category must be made only:

1. In the prescribed Application Form and completed in full in **BLOCK LETTERS IN ENGLISH** in accordance with the instructions contained therein and the prospectus. Applications not so made are liable to be rejected.
2. For a minimum of 500 Equity Shares and in multiple of 100 thereafter.

3. In a single or joint names (not more than three) and
4. In the name of individuals of Indian Nationality/ Origin and overseas company and other Corporate bodies (owned predominantly at least to the extent of 60% by non-resident individuals of Indian nationality/origin) and NOT in the names of minors or their nominees, firms, partnership concerns or their nominees, foreign nationals and trusts or their nominees.
5. Application by overseas companies and other corporate bodies owned at least to the extent of 60% by NRIs must be accompanied with a certificate in the prescribed form OAC/ OAC-1 from overseas auditors/chartered accountant/ certified public accountant.
6. The Company has obtained in principal approval from Reserve Bank of India vide its letter No. CO.FID (II)/13850/ 10.02.40 (7973) 95/96 dated 09.04.96 for allotment of 2,00,000 Equity Shares to NRI's/OCBs on repatriation basis. Therefore, there is no need for the NRI's to make separate application seeking permission from the Reserve Bank of India. However, allotment of Equity Shares to the NRI's will be subject to the final permission from the Reserve Bank of India or any other authority as may be necessary. Under the exchange control regulation, such investment, in share by non-resident Indians will be allowed to be repatriated along with the income earned thereon subject to deduction of Indian taxes provided the investment is made by inward remittance from abroad through normal banking channels or out of funds held in NRE/ FCNR Accounts.
7. NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange will be considered for allotment under the reserved category.
8. The said Application Form together with the amount payable on application @ Indian Rs.10/- per equity share by any of the following way:
 - a) Cheques drawn in Indian Rupees on Non Resident External Account (NRE) maintained with bank(s) at the places as mentioned in the application form.
 - b) i) Bank drafts purchased out of NRE or Foreign Currency Non-Resident (FCNR) account maintained with bank(s) in India payable at the places as mentioned in the application form.
 - ii) Indian Rupee draft purchased from abroad.

Payments by such drafts should be accompanied by a Bank Certificate confirming that the draft has been issued by debiting to NRE/FCNR Account.

- c) Stockinvest purchased out of NRE or FCNR account. An account debit certificate should be enclosed.

All cheques/bank drafts/SI accompanying the application form must be payable to any of the bankers to the issue marked "A/c SLFL EQUITY ISSUE-NRI" (for example "Bank of India" - "A/c SLFL EQUITY ISSUE-NRI") and crossed A/c Payee only.

Refunds, if any, shall be made within the time stipulated under Section 73 of the act and as per the terms and conditions stipulated in the Application Form. Refunds, interest, dividends and other disbursements, if any, will be payable in Indian Rupees only net of bank charges/ commission, in the case of the applicants who remit their application money from the funds held in NRE accounts. In case of applicants who remit their application money through Indian Rupees draft from abroad, refunds, payment of interest, dividend and other disbursements, if any will be converted into US Dollars or into any other currency as may be permitted by RBI at the Exchange rate prevailing at the time of remittance and will be despatched through registered post at the applicants risk or at the request of the applicants will be credited to their

NRE/FCNR accounts, details of which are to be furnished at the space provided for this purpose in the application form. However, the company will not in any way be responsible for any loss that might be caused due to fluctuation in the rate of Exchange while converting the rupee amount into US\$ or any other currency.

NRI wishing to pay through NR(O) accounts shall not use the form meant for NRIs/OCBs and must apply in form meant for resident Indians.

Individual NRI applicants can obtain the requisite application form on request from registered office of the Company at the following address : SATIN LEASING AND FINANCE LTD., 306, Lusa Tower, Azadpur Commercial Complex, Delhi -110 033 or from the Lead Manager to the Issue.

Other Terms and Conditions as mentioned under Application by Indian Public shall apply mutatis mutandis. For further instructions please read the Application form carefully.

PAYMENT BY STOCKINVEST

The applicant can use the instrument called STOCKINVEST for payment of application money. The applicant using STOCKINVEST should submit the applications form alongwith the instrument with any of the bankers to the issue mentioned in the application form. Stockinvest instrument is payable at par in all the branches of issuing bank and as such outstation stockinvest instrument can be attached to the application form.

1. The prospective investor, at the time of request for issue of stockinvest to the issuing bank, may have to give irrevocable authority to his bank to mark a lien for the value of stockinvest against the balance held in his saving/current/other deposit accounts.
 2. The currency of the Stockinvest shall not exceed 4 Months.
 3. The investor shall provide necessary details such as payee's name, amount, number of shares applied for, application form number etc. in the left hand side portion of the stockinvest and his name and address in a box on the reverse of the stockinvest before depositing it with the Banker to the Issue alongwith application form.
- In case a box is not provided on the reverse of the stockinvest for writing the name and address of the investor, an allonge may be obtained for the purpose and attached with the stockinvest. The allonge should be used to write the Investor(s) name and full address to enable the Registrars to return the cancelled stockinvest directly to the investor.
4. As far as possible, the investor should use only one stockinvest alongwith each application for subscription to an issue. If stockinvest of an odd amount is required and the same is not available in the printed form with the issuing bank, the investor should request the issuing bank to issue printed stockinvest for the nearest value and the balance may be used in the prescribed stockinvest form by filling the amount manually.
 5. The investor should not hand over stockinvest taken against there own account to any third party. The stockinvest is intended to be utilised only by the account holder applicants.
 6. In case of partial/ full allotment, the stockinvest will be sent to the issuing branch through the controlling branch of the stockinvest issuing bank after collection.
 7. In case of non allottees/ partial successful allottees with more than one stockinvest, the cancelled stockinvests shall be return to the applicants alongwith their relative advice.

8. In case of full or partial allotment, the right end portion of the stockinvest shall be filled in for the amount payable on the shares allotted and the stockinvests shall be discharged on behalf of the issues company for collection of the proceeds.
9. Bankers lien on the investor's deposit account will be automatically lifted:
 - (i) a valid instrument is represented by the controlling branch of bank after allotment
 - (ii) the cancelled stockinvest is surrendered by the investor or
 - (iii) an indemnity bond is executed in favour of bank after the expiry period of four months, in case where investor has not received the advice of allotment.
10. Stockinvest be marked account payee and made payable only to the issued company e.g. 'Satin Leasing & Finance Ltd.'
11. Stockinvest should be utilised by the purchaser(s) and the purchaser's name/name of one of the purchaser should be invariably indicated as the first applicant in the share application form. Thus, if the signature of the purchaser on the stockinvest and the signature of the first applicant on the application form does not tally, the application should be treated as having been accompanied by a third party stockinvest and hence be rejected.
12. Stockinvest are to be used by the purchaser(s) within ten days of issue for the purpose, the last day for use of the stockinvest submitting share application to the bank is indicated on the face of the stockinvest with a notation "To be used before _____".
13. Enquiries relating to stockinvest may be addressed only to the Registrars and not to the issuing bank.
14. Only individuals and mutual funds can apply through stockinvest.
15. Stock Brokers, Corporate Bodies, Banks and Financial Institutions should not apply through Stock Invest. However they may apply through Cheque/DD. The procedure for same has been mentioned else where in the prospectus.

Registrars to the Issue have been authorised by the company by the resolution of the Board passed on 10.04.96 to sign on behalf of the company to realise the proceeds of the stockinvests from the issuing bank or to effects non allotment advice on the instrument, or cancel the stockinvests of the non allottees or partially successful allottees who have enclosed more than one stockinvest. Such cancelled stockinvests shall be sent back by the Registrars directly to the investors.

The above information is given for benefit of investors and the company is not liable for any modification of terms of STOCKINVEST or procedure thereof by Issuing Banks.

GENERAL

(a) Joint Applications

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

(b) Multiple Applications

An applicant should submit only one Application (and not more than one) for the total number of Shares required. Application may be made in single or joint names not exceeding three. Two or more applications

in single and/or joint names will be deemed to be multiple applications if the sole and/or first applicant is one and the same. The Board of Directors reserves the right to reject in their absolute discretion all or any of the multiple application(s).

The applicants who have applied under the reservation for preferential / firm allotment will not be eligible to apply in the quota offered to Indian Public. Thus any further application made by person(s) and institution(s) to whom firm allotment / Reservation has been made shall be liable to be rejected.

Applications under Power of Attorney

In case of applications under Power of Attorney or by Limited Companies or Corporate Bodies, the Power of Attorney or the relevant authority as the case may be or a duly certified copy thereof must be attached to the application form or lodged separately at the office of the Registrars to the Issue, quoting the serial number of the Application Form simultaneously with the submission of the Application Form, failing which the application is liable to be rejected.

RECEIPT OF APPLICATION

No receipt will be issued for the application. However, the Bankers to the Issue receiving the application form will acknowledge the receipt by stamping and returning to the applicant the acknowledgment slip at the bottom of each application form.

TAX BENEFITS

The Board of Directors of the company have been advised by M/s. A.K. Gangahar & Co., the Auditors of the company vide their letter dated 08.02.96 that under the current provisions of the Income Tax Act, 1961, and other applicable tax laws for the time being in force, the following tax benefits will be available to the Company and its Members:

A. TO THE COMPANY

1. A deduction from gross total income under section 80-M of the I.T. Act, of an amount equal to so much of the amount of income by way of dividends received from another domestic companies as does not exceed the amount of dividend distributed on or before the due date for furnishing return of income under sub section (1) of Section 139 of the I.T. Act.
2. The company will be entitled to amortize, over a period of ten years under the provisions of Section 35 D of the I.T. Act of all expenditure of such nature specified in the said section including expenditure in connection with public issue of Equity shares such as brokerage, other charges etc. beginning with the previous year in which equity shares are allotted subject to the limit provided under the said Section.

B. TO THE RESIDENT MEMBERS OF THE COMPANY.

1. A member who is a resident individual will be entitled to receive dividend without deduction of income tax at source provided that:
 - i) The amount of dividend paid during any financial year does not exceed Rs.2500/- and dividend is paid by an account payee cheque (Section 194 of I.T. Act), or
 - ii) The member furnished a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that tax on his estimated total income for the previous year in which such income is to be included in computing his total income will be NIL. (Section 197 of I.T. Act.)
2. A member being a person other than a Company will be entitled to receive dividend without deduction of tax at source or with deduc-

tion at a lower rate provided he furnishes a certificate obtained from the assessing officer U/S 197 of the I.T. Act.

3. Members being Individuals, Hindu Undivided Family or other persons specified U/S 80L of the I.T. Act will be entitled to the deduction under said section from the Gross Total Income upto a maximum of Rs. 13,000/- in the aggregate per year in respect of any income of the nature specified in the said section including dividend received from the Company.

4. i) Members who are scheduled bank or public financial institutions or State Financial Corporations or State Industrial Investment Corporations or Companies Registered under Section 25 of the Companies Act, 1956, would be entitled to a deduction U/S 80M of the I.T. Act of an amount equal to 60% of the income by way of dividends.

- ii) Under Section 80M of the I.T. Act members being domestic Companies will be entitled to deduction of net income by way of dividend received by the company to the extent of the dividend distributed by them on or before the due date for furnishing the return of the income under sub-section (1) of section 139 of I.T. Act.

5. Amount invested in shares is/are exempt from Wealth Tax Act from the Assessment Year commencing from the 1st day of April, 1993.

6. If the Company shares are sold by an assessee after being held for 12 months or more, the gain, if any would be long term capital gain. Long Term Capital Gain will be Computed after indexing the cost of acquisition/improvement at lower fixed rates excluding surcharge, where applicable on such gains as under:

In case of Individual/HUF : 20% of Gain
In case of Domestic Companies : 30% of Gain

C. TO THE NON RESIDENT MEMBERS OF THE COMPANY

1. A Non Resident Indian has an option to be governed by the provisions of Chapter XII-A of the I.T. Act according to which :

- a. Under Section 115E of the I.T. Act, 1961 the investment income and long term capital gain of a non resident Indian shall be charged to income tax at the rate of 20% subject to other provisions of the Act.

- b. The long term capital gain as referred to above shall be exempted from the Income Tax wholly/proportionately, if he invests all or a portion of the net consideration in specified assets within six months of the date of transfer in accordance with Section 115F. The amount so exempted shall be chargeable to tax if the new assets are transferred or converted within a period of three years from the date of acquisition of the specified assets.

- c. Under Section 115G of the I.T. Act, a non resident is not obliged to file a return of income U/S 139(1) where his total income consists only of investment income and/or long term capital gains and tax deductible at source is deducted therefrom.

2. Under section 115I of the I.T. Act., where a non resident Indian, if he elects not to be governed by the above mentioned special provisions of chapter XII A then he will be entitled to the tax benefits as mentioned in B1, B2 B3, B5 and B6 above.

3. Under section 115H of the I.T. Act. where a non resident Indian in any previous year becomes assessable as a resident in India in respect of the total income of any subsequent year, he may furnish to the Assessing officer a declaration in writing alongwith his return of income under Section 139 for the assessment year for which he

is so assessable, to the effect that the provisions of chapter XIIA of the I.T. Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (Otherwise than by transfer) into money of such assets.

4. Under Section 48 of the Income-Tax, 1961, in computing capital gains arising from transfer of shares of an Indian Company, protection is provided to all non-Resident Indians from fluctuation in value of rupee in terms of foreign currency in which the original investment in shares was made.

5. The member will not be liable to wealth tax on the value of shares held by him.

6. In accordance with and subject to the provisions of Section 5(1) (ii) of the Gift Tax Act 1958, gift made by citizens of India or persons of Indian origin who are non resident in India, to any of their relatives in India in the form of shares acquired or purchased by them in convertible foreign exchange will be wholly exempt from gift tax.

D. TO THE MUTUAL FUNDS/FINANCIAL INSTITUTIONS

Under Section 10 (23D) of the I.T. Act all private sector and joint sector Mutual funds/Financial Institutions authorised by SEBI or the RBI will be exempt from the income tax on all their income, including from investment in share of the companies.

IV. PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The object of the present issue are :

- i) To strengthen and consolidate its capital base and further augment long term resources to meet the needs for expanding its business of Leasing, Hire Purchase and Investments in Securities by infusion of long term funds from equity capital.
- ii) To extend the areas of operations to other geographical centers so as to cover wider ambit of financing.
- iii) To enhance the infrastructure facilities of the Company so as to efficiently undertake the expanded activities.
- iv) To enhance its borrowing powers through expanded net worth.
- v) To enable the company to get the shares listed on Stock Exchanges.
- vi) To meet the issue expenses.

DEPLOYMENT OF FUNDS AND MEANS OF FINANCE

The Requirement of funds, and means of finance are company's own estimate and have not been appraised by any Bank /Financial Institution.

The requirement of funds to meet the above mentioned objects has been estimated by the company, the details of which is as under:

COST OF THE PROJECT

For the proposed expansion program the Company has estimated the total fund requirement of Rs. 189.55 lacs. The Proposed future deployment of funds and their means of finance as estimated by the company are as follows :-

Requirement of funds	(Rs.in Lacs)
Hire Purchase Finance	80.00
Leasing Assets	55.00
Investment	30.00
Infrastructural Facilities	9.55
Issue Expenses	15.00
Total	189.55

Means of Finance

Equity Capital	
Promoters Contribution	49.55
Public Issue	140.00
Total	189.55

As per the Auditors Certificate dated 08.04.96 the company has deployed a sum of Rs.325.33 lacs as on 29.02.96 on the various activities. The details of the deployment of funds alongwith its means of finance is as follows:-

DEPLOYMENT OF FUNDS	Rs. in Lacs
Owned Assets	7.98
Leased Assets	85.25
Capital Work in Progress	12.59
Investments	9.96
Misc. Exp.	0.02
(To the extent not written off)	

CURRENT ASSETS INCLUDING ADVANCE

Stock on Hire	168.12
Sundry Debtors	21.15
Advance Tax	9.58
Other Advances	2.13
Cash & Bank Balance	8.55
Total	209.53

SOURCES OF FUNDS

Share Capital	110.45
(Promoters Contribution)	
Share Application Money	2.00
Reserve & Surplus	21.98
Unsecured Loans	15.99
Secured Loans	
From Banks	29.90
Refinancing facilities	55.04
Other Secured loan	1.42
Total	86.36
Current Liabilities & Provisions	88.55
Total	325.33

Note:- 1) Other refinancing facilities include a sum of Rs.40.32 lacs from M/s. SRF Finance Ltd. towards an H.P. Finance limit of Rs.50.00 lacs for financing of automobiles which has been sanctioned by it vide its letter dated 21.04.95 and 31.01.96. As on 31.12.95 a sum of Rs.40.32 lacs was outstanding whereas a sum of Rs.37.01 lacs is outstanding as on 29.02.96. The terms and condition of the H.P. limit is as under:

M/s. SRF Finance Ltd.

1. Amount of limit	Rs. 50 lacs
2. IRR	25%
3. Period of finance	36 months
4. Penal interest, discounts if any	Nil

M/s. Pacific Pearl Finance & Leasing Ltd. vide its letter dated 03.06.95 and 20.02.96 has sanctioned a limit of Rs. 40.00 lacs out of which Rs. 19.02 lacs and Rs.17.30 lacs were outstanding as on 31.12.1995 and 29.02.96 respectively. The terms & conditions of refinancing limit sanctioned by it are as under.

M/s. Pacific Pearl Finance & Leasing Ltd.

1. Type of Transaction	HP/Lease
2. Equipment	Generator Sets, Two Wheelers, Cars and other consumer durables.
3. Amount	Rs. 40.00 lacs
4. IRR	26 to 28%
5. Repayment	Fortnightly/monthly in advance.
6. Pay mode	Post dated cheques in advance
7. Security	Personal Guarantees of promoters.

2. State Bank of India, Naraina, New Delhi vide its letter No. BR/SIB/534 dated 27.03.95 and letter No. BR/SIB/416 dated 20.02.96 has sanctioned a cash credit limit of Rs. 30.00 lacs against the book debts and term loans of Rs.1.00 lacs and Rs.0.40 lacs for purchase of computers. Out of this CC limit the company has availed a sum of Rs. 29.46 lacs as on 31.12.95. As on 31.12.95, Rs.0.90 lacs is outstanding against the term loan.

3. Current liabilities and provisions of Rs. 67.64 lacs includes an amount of Rs. 26.62 lacs payable to M/s. Shriram Honda Power Equipment Ltd. which has sanctioned a limit of Rs. 50.00 lacs vide its letter dated 09.06.94 and 26.11.94 to discount the bills of Generator sets financed by the company. As on 29.02.96 a sum of Rs.36.55 lacs is outstanding. The terms and conditions are as under:-

- Credit upto Rs.10.00 lacs for the period of 30 days from the date of the bill of Shriram Honda Power Equipment Ltd.
- Additional credit of upto Rs.40.00 lacs for the period of 60 days, Hundi to be raised by Shriram Honda Power Equipment Ltd. to the Company @ 15% per annum.

4. No bridge loan has been availed and no other financial arrangement has been made for incurring expenditure on the project which will be repaid from the proceeds of the issue.

YEARWISE BREAKUP OF EXPENDITURE PROPOSED TO BE MADE

Requirement of funds estimated at Rs. 189.55 lacs as mentioned above will be deployed during the year 1996 itself. Therefore, no yearwise break up of the requirement of funds has been given.

BASIS OF REQUIREMENTS OF FUNDS

The Company has estimated a sum of Rs.189.55 lacs for the purpose of various funds based activities including a sum of Rs. 9.55 lacs to be spent to increase Infrastructural facilities, & Rs. 15.00 lacs towards public issue expenses. The justification and the basis of projecting such deployment of funds is discussed below :-

- Leasing :- Company has set aside a sum of Rs.55.00 lacs for the purposes of creation of leased assets. The Company is taking up this activity as this business provides a good tax shield, apart from providing higher levels of operations.
- Hire Purchase Finance :- Keeping in view the increasing requirement of middle class families to acquire consumer durables on hire purchase basis a sum of Rs. 80.00 Lacs has been projected. This activity of giving funds provide better returns.
- Investments :- To avail the opportunities put forward by the growth in capital market in line with Govt.'s deregulation and liberalisation, the company proposes to invest a sum of Rs. 30.00 lacs in Shares and Securities through primary as well as secondary market.

In primary market company will be subscribing to the public issue of good companies and in secondary market equity shares / debentures of good companies will be purchased. For timely identification of investment in worthy scrips or companies, company will set up its own in house equity research cell which will carry out extensive research on the companies and industries.

4. Fixed Assets : A sum of Rs. 9.55 lacs has been earmarked for acquiring of fixed assets required for proposed expansion. The assets proposed to be acquired are computers, office equipments, furniture & fixtures.
5. Public Issue Expenses : Public Issue expenses of Rs. 15.00 lacs are kept aside which are basically in the nature of various statutory and other expenditure related to the issue.

V. COMPANY, MANAGEMENT AND PROJECT HISTORY, MAIN OBJECTS AND PRESENT BUSINESS OF THE COMPANY

Satin Leasing & Finance Ltd. (SLFL) was incorporated as a Private Limited Company on 16th October, 1990 under the Companies, Act, 1956 with the main object of undertaking hire-purchase financing & leasing of consumer durables, house hold items, vehicles, computers, machineries etc. The company was converted into a Public Limited Company vide special resolution passed on 27.04.94 and obtained fresh Certificate of Incorporation on 1st July, 1994.

PRESENT BUSINESS OF THE COMPANY

SLFL is an existing, profit making and diversified Company providing a range of financial services to its clients. It has been recording net profits consistently since its inception. Presently SATIN LEASING AND FINANCE LIMITED has allocated a major portion of its funds toward financing of consumer durables and automobiles.

The company is presently engaged in the following activities.

- Leasing
- Hire-Purchase
- Investment

LEASING & HIRE-PURCHASE

Leasing and hire-purchase financing is the main activity of the company. Under these two financing schemes the company is mainly targeting the

FINANCIAL HIGHLIGHTS

A brief summary of the company's financial performance since its incorporation is given below :

	(Rs.in Lacs) (Audited)					
Year ending PARTICULARS	31.03.91	31.03.92	31.03.93	31.03.94	31.03.95	31.12.95
Hire Purchase	0.76	6.14	7.98	10.02	15.52	25.94
Finance Charge	—	—	—	0.27	7.91	24.38
Lease Rental	—	—	—	0.02	0.49	0.72
Misc.Income	—	0.01	0.02	—	—	—
Commission/incen.	—	—	—	1.49	2.83	4.03
Management Fees	—	—	1.88	3.74	8.32	9.36
Total Income	0.76	6.15	9.86	15.54	35.07	64.43
Interest & Fin.Charges	0.05	0.73	0.84	1.50	4.30	13.70
Other Expenses	0.61	5.14	8.26	11.44	17.93	27.36
Total Expenses	0.66	5.87	9.10	12.94	22.23	41.06

shopkeeper segment desirous of availing finance for buying of consumer durables like cars, generators sets, computers etc. The company believes that in the emerging economic environment alternative sources of finance like leasing and hire-purchase offers a good scope of growth for the NBFC's. The company has proper appraisal systems for assessing the credit risks and has set prudential exposure norms. As on 31.12.95 the Company has leased assets of Rs. 87.10 lacs and stock on hire was Rs.146.41 lacs.

INVESTMENTS

The Company is engaged in Capital Market operations. These operations consist of investment in Equity Shares and debentures. While making investment decisions several parameters like history of the company, financial performance, industry prospects, risks involved in that particular industry, existing exposure in the industry in question etc. are taken into consideration.

The Company pioneered the unique concept of "daily collections" in its finance schemes which has been instrumental in not only ensuring a zero delinquency rate so far but also in aggregating a return on investments which is higher than the returns generated by normal monthly/periodical instalment schemes. By this Unique concept the company has carved a niche for itself in the organised sector of financing business. The Company is presently engaged in financing of Generator sets, Automobiles including cars and two wheelers and other consumer durable items, machinery etc. mainly to the shopkeeper segment of Delhi and that of satellite cities of Delhi. The Company has been running various daily collection schemes for collection of instalments of items financed. The instalments are collected on daily basis for the period of finance which generally varies from 120 days to 1080 days. The Company is in agreement with M/s. Pan Marketing Services who collect and monitors the day to day collection of instalment from the customers.

The company has catered to the financing requirements of over 4000 customers till now.

The Company enjoys the following credit and refinance limits

1. From State Bank of India : CC limit of Rs. 30.00 Lacs.
2. Bill Discounting facility from Shri Ram Honda Power Equipment Ltd. : Rs. 50.00 Lacs.
3. Hire Purchase Financing facility from
 - a) Pacific Pearl Finance & Leasing Ltd. : Rs. 40.00 Lacs
 - b) SRF Finance Ltd. : Rs. 50.00 Lacs

PBDT	0.10	0.28	0.76	2.60	12.84	23.37
Depreciation	—	—	0.01	0.15	3.22	7.94
PBT	0.09	0.28	0.75	2.45	9.62	15.43
Provision for diminution of Investments	—	—	—	—	0.52	3.12
Provision For Tax	0.05	0.15	0.45	1.00	2.95	4.00
PAT	0.04	0.13	0.30	1.45	6.15	8.31
Share Capital	2.74	3.95	3.95	4.64	36.09	110.45
Share Application Money	1.21	—	—	1.00	—	—
Reserves & Surplus	0.04	0.17	0.47	1.93*	8.16*	16.47
Networth	2.78	4.12	4.42	6.57	44.25	126.92
Book Value (Rs.)	10.15	10.43	11.19	14.16	12.26	11.49
EPS (Rs.)	0.10	0.33	0.76	2.57	1.70	0.75**

* Income Tax refund during 1993-94 & 1994-95 are Rs.0.01 & 0.08 respectively which are added to Reserves & Surplus.

** This is for a period of 9 months only.

Note :- The above mentioned figures have been reflected after providing for diminution of investment by Rs.0.52 lacs and Rs. 3.12 lacs for the period ending on 31.03.95 and 31.12.95 respectively whereas in the books, provision has not been actually made and figures as per book values are as under:

	(Rs.in Lacs) (Audited)					
Year ending PARTICULARS	31.03.91	31.03.92	31.03.93	31.03.94	31.03.95	31.12.95
PBT	0.09	0.28	0.75	2.45	9.62	15.43
Provision For Tax	0.05	0.15	0.45	1.00	2.95	4.00
PAT	0.04	0.13	0.30	1.45	6.67	11.43
Share Capital	2.74	3.95	3.95	4.64	36.09	110.45
Share Application Money	1.21	—	—	1.00	—	—
Reserves & Surplus	0.04	0.17	0.47	1.93*	8.68*	20.11
Networth	2.78	4.12	4.42	6.57	44.77	130.56
Book Value (Rs.)	10.15	10.43	11.19	14.16	12.41	11.82
EPS (Rs.)	0.10	0.33	0.76	2.57	1.85	1.03**

* Income Tax refund during 1993-94 & 1994-95 are Rs.0.01 & 0.08 respectively which are added to Reserves & Surplus.

** This is for a period of 9 months only.

The company has not given any Loans/Advances in concerns in which promoters/Directors are interested. There is no other investment in concern in which Promoters/Directors are interested. Further no bad debt has been provided for till date. Company has not revalued any of its fixed assets.

NOTES

- The income on Hire Purchase transaction is recognised on the basis of return of gross instalments outstanding taking month as a unit. Accordingly, equal interest is accounted for in all months of transaction.
- In respect of Lease Rentals the income is accounted on accrual basis for the accounting period.
- Depreciation has been provided as per rates provided in Schedule XIV of the Companies Act, 1956 and also on a prorata basis.
- Depreciation has been provided on W.D.V method for assets used by the Company. In respect of the assets leased out by the Company to the third parties, the Company has used the Straight line Method.
- Investments are stated at cost plus direct expenses there to. The profit/loss on sale of investment is accounted for on cash basis.
- Stock on hire is shown at agreement value net of instalment due. Unmatured Hire Purchase finance charges have been included in current liabilities and provisions.

vii) Secured loans from banks are against hypothecation of book debts. Other secured loans are from Companies etc. and which are for refinancing facilities used by the Company for its Assets and Stocks.

viii) Miscellaneous income includes profit/loss on sale of investments. No separate provision for diminution in market value of investments, as at 31st Dec. 95, has been made due to the fact that as per the accounting policy consistently adopted by the Company, the profit or loss on investments will be accounted only on sale of investment. Due to non provision of diminution in the market value of investment the profits of the period ended 31.12.95 are overstated an amount of Rs.3,11,581/- (previous year Rs.52,115/-).

ix) The company has not accounted the lease income as per revised guidelines issued by Institute of Chartered Accountants of India. The company has accounted for the lease income as is the normal business practice and which has been followed consistently by the company since last two years.

x) In the opinion of the Directors, current assets, loans & advances are good for recovery unless otherwise stated, therefore no provision for doubtful debts is being made in the accounts. In case of delayed payments overdue/penal interest is charged in most of the cases, and which is accounted for as miscellaneous income.

xi) Processing fees, commission and miscellaneous income are accounted for as and when received.

ANALYSIS OF FINANCIAL PERFORMANCE

- The total disbursement has increased by 125% over the period between 1992-93 to 1993-1994 and 180% in the corresponding period between 1993-94 to 1994-95.

2. Increase in the stock on hire over the period was 77% between 1992-93 to 1993-94 and was 197% between 1993-94 to 1994-95.

3. The total income has increased by 58% from 1992-93 to 1993-94 and by 126% from 1993-94 to 1994-95 whereas the H.P. Finance income has increased by 26% from 1992-93 to 1993-94 and by 55% from 1993-94 to 1994-95. The lease rentals have grown by 2800% between 1993-94 to 1994-95. This is due to starting of Lease Financing from the last quarter of 1993-94.

4. Hire purchase business remains the major source of income as it constitutes 81%, 65% and 44% of the total income for the periods ending 31.03.93, 31.03.94 & 31.03.95 respectively. While the lease income was nil, 2% and 23% for aforesaid periods, the income from H.P. as well as leasing business have been growing in absolute terms during the same periods.

5. Incidental to the growth witnessed in the Hire purchase and leasing business the income from Management fees accruing from processing of loan proposals has been 19%, 24% and 24% of the total income in the aforesaid period. This figure too has shown an increase in absolute terms.

6. Incidental to the growth in Hire purchase and leasing business the commission/incentives and income has been nil, 10% and 8% of the total income in 1992-93, 1993-94 and 1994-95. There has been an increase in absolute terms in the income also.

7. On the expenses side there was an increase of 42% in the total expenses over the period between 1992-93 and 1993-94 whereas it was 72% for the period between 1993-94 & 1994-95.

The contribution of interest and finance charges of total expenses has been 9%, 12% & 19% in the year 1992-93, 1993-94 and 1994-95.

8. In the nutshell the growth in the total income over the period between 1992-93 and 1993-94 has been more than 56% but when its effects are percolated down to PAT there is an over all rise of 400%. Similarly for the period between 1993-94 and 1994-95 the rise was again more than 400%.

MAIN OBJECTS OF THE COMPANY

The main objects of the company to be pursued by it on its incorporation and as appearing in its Memorandum of Association include inter-alia.

1. To carry on the business of financing the purchase of, leasing, letting on hire, hire purchase or easy payment system of household and office furniture, domestic or business appliances, computers, tabulators addressing machines, and other sophisticated office machinery, installation, fitting machinery, motor-cars, taxi cabs, automobiles, trucks, tramcars, motorlorries, tractors earth-moving machinery, wagons, cycles, bicycles, coaches, garages and all other such vehicles drawn by motor, steam, oil, petroleum, electricity or any mechanical or other power or device, agricultural implements and machinery, air ships, aeroplanes, cranes, ships, and helicopter, tools, plants, implements, utensils apparatus and requisites and accessories, furniture, television receivers, telephones, telex teleprinters or other apparatus, ships, draggers, barges and containers.

2. To carry on the business of leasing of movable properties of any kind and industrial machinery, plant of all kinds and financing the purchase thereof.

3. To carry on the business of financing the purchase of immovable properties of all kinds such as real estate, buildings, flats and apartments and to finance the sale of furniture, apparatus, machin-

ery, materials, goods and articles, and to lease out or sell any of the same on hire purchase system.

4. To finance industrial enterprises and to promote companies engaged in industrial and trading business by way of finance.

The Company has passed Special Resolution u/s 149 (2A) of the Companies Act, 1956 in the Annual General Meeting held on 29.09.1995 to adopt the following business as given in the clause no. 34 & 36 of other objects.

To undertake all the functions and activities of merchant bankers including advice to companies with regard to appropriate means of financing, channelising funds and brokers to issues of shares/debentures/bonds.

To carry on the business of buying, underwriting, investing, acquiring and holding shares, stocks, debentures, debenture stocks, bonds, notes and securities of all kinds and also to act as brokers for dealing in all type of securities.

SUBSIDIARIES OF THE COMPANY

The Company has no subsidiary.

PROMOTERS & THEIR BACKGROUND

The company has been promoted by Mr. H.P. Singh and Mr. Satvinder Singh.

Mr. Satvinder Singh aged 29 years is an MBA. After completing his post graduation in Business Administration in 1990 he alongwith his brother Mr. H.P. Singh promoted M/s. Satin Leasing & Finance Ltd. Since then he is associated with this company on a whole time basis. He has to his credit more than 5 years of experience in the field of fund based financing including hire purchase & leasing. He is also a Partner in Satin Marketing Services and is one of the Directors in Parinita Investments Pvt.Ltd. & Taco Consultants Pvt.Ltd.

Mr.H.P. Singh aged 35 years is a fellow member of the Institute of Chartered Accountants of India. He started his carrier as a Practicing Chartered Accountant. In order to devote sufficient time to SLFL, he however, surrendered his Certificate of Practice. Mr. H.P. Singh, the whole time director of the Company has to his credit 11 years of experience in the field of Audits, Accounts, Project appraisal, Advisory Services and Company Law Matters. He is also a Partner in M/s. Satin Marketing Services and is one of the Director in Parinita Investments Pvt.Ltd.

Aggregate shareholding of the promoter group as on 31.12.95 is 8,91,500 equity shares of Rs.10/- each which constitute 80.71% of the paid up capital.

FINANCIAL HIGHLIGHTS OF OTHER BUSINESS VENTURES WHERE THE PROMOTERS ARE INTERESTED

Parinita Investments (P) Limited

The Company was incorporated on 23.01.1992 with the objective of Carrying on the business of Investments of Shares & Stocks etc. Mr. H.P. Singh and Mr. Satvinder Singh are the promoter director of the company. It holds 1,93,000 Equity Share of Rs.10/- each of the company whereas SLFL does not have any holding in the company.

Following the financial performance of this company for last 3 years.

Financial year Audited	1994-95 Audited	1993-94 Audited.	In (Rs.) 1992-93
Income	16200	7000	4700
Expenditure	12948	4301	2232
PBDT	3252	2699	2468
Depreciation	-	-	-
PBT	3252	2699	2468
Provision for Tax	1500	1350	1234
PAT	1752	1349	1234
Equity Capital	220000	20000	20000
Share Application money	1075000	20000	20000
Reserve & Surplus	4335	2583	1234
Dividend (%)	-	-	-
Networth	224335	22583	21234
EPS (Rs.)	0.13	3.37	3.08
Book Value* (Rs.)	101.97	112.91	106.17

* Face value is Rs.100/- per share.

Parishek Finance (P) Ltd.

The Company was incorporated on 29.12.88. The promoters of SLFL alongwith their relatives are major shareholders of this company. This Company is engaged in the services of hire-purchase of consumer durables. It holds 1,45,000 Equity Share of Rs.10/- each of the company whereas SLFL does not have any holding in the company.

Following is the financial performance of this company for last three years.

Financial year	1994-95 Audited	1993-94 Audited	Rs. in Lacs 1992-93 Audited.
Income	24.45	19.75	12.38
Expenditure	21.71	17.75	11.48
PBDT	2.74	2.00	0.90
Depreciation	0.18	0.10	0.13
PBT	2.56	1.90	0.77
Provision for Tax	1.40	0.97	0.39
PAT	1.16	0.93	0.39
Equity Capital	10.00	10.00	2.80
Share Application money	2.34	0.34	-
Reserve & Surplus	2.91	1.75	0.82
Dividend (%)	-	-	-
Networth	12.91	11.75	3.62
EPS (Rs.)	0.94	0.90	1.39
Book Value (Rs.)	12.91	11.75	12.93

Taco Consultants (P) Ltd.

The company was incorporated on 19.10.87 Mr. Satvinder Singh and Mr. H.P. Singh are the co-promoters of the company. The company is engaged in the business of consultancy of Excise and Custom matters. It holds 16,500 Equity Share of Rs.10/- each of the company whereas SLFL does not have any holding in the company. Following is the financial performance of the company

Financial year Audited	1994-95 Audited	1993-94 Audited.	Rs. in Lacs 1992-93
Income	4.98	4.21	3.81
Expenditure	4.40	3.78	3.36
PBDT	0.58	0.43	0.45
Depreciation	0.06	0.03	0.02
PBT	0.52	0.40	0.43
Provision for Tax	0.18	0.20	0.23
PAT	0.34	0.20	0.20
Equity Capital	0.13	0.13	0.13
Share Application money	-	-	-
Reserve & Surplus	1.31	0.97	0.77
Dividend (%)	-	-	-
Networth	1.44	1.10	0.90
EPS (Rs.)	251.85	148.15	148.15
Book Value (Rs.) *	1066.67	814.81	666.67

* Face value is Rs.100/- per share.

Satin Marketing Services

It is a Partnership firm established on 19th August, 1993. Mr. H.P. Singh and Mr. Satvinder Singh are the Partners of the firm. It is marketing agency for booking of consumer durables. Following is the financial performance of the company.

Period ending on	(Rs. in Lacs)	
	31.03.95 Unaudited	31.03.94 Unaudited
Total Income	2.66	1.36
Total Expenses	2.12	0.88
Depreciation	-	-
Profit before Tax	0.54	0.48
Tax	0.22	0.19
Profit after Tax	0.32	0.29
Capital Employed	0.28	0.30

The promoters of SLFL were also associated with M/s. Anjusha Investment (P) Ltd., M/s. Amgrow Finance & Investment (P) Ltd. and M/s. H.P. Singh & Associates but as on date they do not have any interest in these companies. There have not been any dispute while the promoters were associated with these concern and they disassociated themselves due to preoccupation and other engagements.

Promoters of this company have not promoted any concern, either in past or present other than those stated in the offer document. The promoters of the company have not been associated with any Company which has raised funds from the capital market.

OUTSTANDING LITIGATION/DUES ETC.

There are no pending litigations/disputes defaults to financial institutions/banks, statutory dues and proceedings initiated for economic offenses (including the past cases) against the Promoters and group companies/firms mentioned here in above.

MANAGEMENT

Management of the company is vested with the Board of Directors. The day to day affairs of the Company are managed by Mr. H.P. Singh & Mr. Satvinder Singh the whole time directors under the overall supervision and control of the Board. The brief profile of other Directors is as follows:

Sh. V.P. Mittal, aged 61 years is B.A. (Hons.), M.A., L.L.B. He joined Government of India as Member of the Indian Revenue Service on 02.02.59. He held various posts in the Income Tax Department and the Govt. of India. He had travelled abroad extensively as member of the Indian delegation for negotiating Double Taxation Avoidance Treaties. He was also Taxation Advisor, Govt. of Barbados (West Indies) for 2 years from 1982-1983. He Retired from Government service on 31.01.1992 as Chief Commissioner of Income Tax. Presently he is working as Tax Consultant.

Sh. Harbans Singh, aged 65 years, is B.A., L.L.B. He also holds Diploma in Labour Law. He retired from Govt. of India as member of the Indian Revenue Services. During his long tenure of 35 years in Ministry of Finance, he held various posts in different capacities.

Major Gen. S.K. Vij, VSM, (Retd.), aged 58 years, superannuated from Army on 30th June, 1993 after 35 years of services. He is B.Tech (Electronics), M.Sc. (Defence Studies), MBA. He is a fellow member of F.I.E.T.E, MIE, MIMA & Senior Member of CSI. During his long tenure with Army, he was assigned and responsible for number of prestigious projects. After superannuation he joined M/s. Patel Widecom as Chief Executive Officer and was on the Board of Directors of the Company. Now he is working as a Consultant to FUJITSU ICIM LIMITED, International Software Division. He is also In-charge of Informix Development Centre of Fujitsu Icim Limited at SEEPZ Bombay.

BOARD OF DIRECTORS

Name, Description, Address Occupation	Designation	Other directorship
Mr. Savinder Singh S/o. Sh. Harbans Singh G-3/48, Model Town Delhi - 110 009 Business	Managing Director	Parinita Investment Pvt. Ltd. Taco Consultants Pvt.Ltd.
Mr. H.P. Singh S/o. Sh. Harbans Singh G-3/48, Model Town Delhi - 110 009 Business	Whole Time Director	Parinita Investment Pvt. Ltd.
Mr. Harbans Singh S/O. Late Sh. Kishan Singh G-3/48, Model Town, Delhi-110 009 Consultant	Director	Taco Consultants Pvt.Ltd.
Mr. V.P. Mittal S/o. Sh. K.L. Mittal 136, Pushpanjali Vikas Marg Extn., New Delhi-110 092 Consultant	Director	Indo Gulf Industries Ltd. Pasupati Silicons Ltd. Cosplus Credit Capital Ltd. Moongipa Finance & Credit Ltd. Silver Smith India Ltd. Anchor Fincap Pvt. Ltd. Kay Quinine Organics (India) Ltd. Naryat Sam Apparels Ltd. Sybly Spinwings Mills Ltd.
Maj.Gen. S.K. Vij (Retd.) VSM S/o. Sh. Inder Dutt Vij B-6/5 Salunke Vihar, Poona - 411 048 Consultant	Director	—

Outstanding Litigation/Defaults

There are no pending litigations/disputes defaults to financial institutions/banks, statutory dues and proceedings initiated for economic offenses (including the past cases) against the Director of the Company.

KEY MANAGEMENT PERSONNEL

The key managerial personnel of the company are as follows:-

Name	Age	Qualification	Experience (Years)	Designation
Mrs. Anuranjana K. Singh	29	B.com (H), ACA	5	Sr. Manager Finance & Taxation
Mrs. Shailja Manocha	29	B.Sc (H), MBA	5	Sr. Manager Marketing & Business Development
Pradeep K. Jain	26	B.com (H), ICWA (Inter)	4	Manager Accounts
K.K. Sharma	34	B.com	5	Manager Credit Appraisal
Deepak Gupta	24	B.sc (H), GNIIT	3	System Analyst & Programmer.

There has been no change in the key managerial personnel during last one year except the appointment of Mrs. Anuranjana K. Singh, Mrs. Shailja Manocha & Mr. Pradeep Jain.

PRESENT INFRASTRUCTURE OFFICE

The Company is presently operating from its Corporate Office located at 5th floor, Kundan Bhawan, Azadpur Commercial Complex, Delhi - 110 033 and has a floor space of approximately 811 sq. ft.. This is an important commercial and business centre in Delhi. The office premises are owned by the company. The Company has already spent a sum of Rs.8.39 lacs upto 31st December, 1995 towards infrastructural facilities. The registered office of the company measuring around 450 sq.ft. is in the name of Mrs. Kamal Inder Kaur who is wife of one of the director. The Company has already entered into a lease agreement with her on 01.01.96 which is effective for a period of 5 years i.e. till 31.12.2000. She is being paid a rent of Rs. 2000/- per month.

The company is equipped with 4 telephone lines and 1 fax machine. The company has 8 computers in LAN environment. Out of 8 Computers, 2 computers are PC-486 and rest are PC-386. The company proposes to procure 10 more computers to render the services more effectively and efficiently in the expanded environment for which necessary provision has already been made in the cost of project. The company has also acquired two printers and UPS. Various softwares are there for the smooth and efficient functioning of the operations of the Company. All the areas of operation are already computerised. The Company is in possession of following softwares.

- Leasing & Hire Purchase
- IDSS-Windows versions
- Foxpro
- Tally
- Lotus

These EDP and communication facilities are owned by the company. Apart from these packages the company has also developed many other tailor made packages for day to day operations.

MANPOWER

At present company has 18 personnel for running the business of the organisation efficiently and is in the process of recruiting 8 other personnel to fulfill manpower requirement, the break up of the same is as follows:

Vice President	- 2
Manager	- 2
Assistant	- 4

For the appointment of Proposed manpower, company has already approached the various placement agencies.

FUTURE PROSPECTS

In the last decade the Financial Services Industry has emerged as a dynamic and highly growth oriented industry. The latest development in the economic, industrial, commercial, fiscal and financial fields have removed the shackles of government controls and placed emphasis on the market forces. In its process of development, liberalisation and economic reforms. The government has accepted a variety of fiscal and monetary reforms which have virtually opened the flood gates for the capital markets and financial services industry. Given this present state of affairs there is bound to be substantial growth in this sector.

Declaration of the new industrial policy has promoted the possibilities of the further opening up of the economy. Dilution of FERA and MRTP Act, abolition of industrial license in policy liberalization, foreign equity participation, foreign investment and foreign technical support have opened up numerous domestic and global opportunities for the entrepreneurs.

SWOT ANALYSIS

Strength

The Company is a professionally managed profit making Company. Management having experience in Financial Services Industry. Existing Client base.

Weakness

The financial sector is highly regulated and changes in Govt. Policies may affect the project.

Opportunities

Increased fund base of the Company would entitle it to enhance its borrowing capacity.

Threats

Growing competition in the financial services sector and entry of big players like financial institutions and banks may be an important factor to reduce the lending rates.

PROPOSED ACTIVITIES

Lease and Hire Purchase Finance

Though finance companies are taking up new activities and newer avenues like Venture Capital Funding, Capital & money market operations, bill discounting, short term loans etc. Leasing & hire-purchase will continue to be the major business of NBFCs in general. Lease finance is identified as medium term funding between long term project finance and short term working capital.

Lease financing is fast emerging as an alternate source of financing for the growing demand for capital goods with the rapid industrialisation of the country. Due to inability of the conventional sources of finance to fully meet the demands of industry, transportation and the construction sector they have become increasingly dependent on the hire-purchase and lease finance for the acquisition of capital goods. Leasing is recognised as an alternate source of financing the world over, in India leasing currently accounts for five percent of total capital formation and is expected to touch ten percent (Source: Economic Times, Bombay 12.12.94). However, the Equipment lease Association of India has projected a growth rate of 20% p.a. for the industry as per data published by it.

In the hire purchase segment there is a bright future with the consumer class growing at a frantic pace. Consumer awareness towards HP financing is increasing, while his aspirations continue to increase at a rate faster than that of his income. Hire purchase business, which is now fully geared for a take off is expected to be brisk within the next few years.

In fact hire purchase known as another form of instalment credit, credit sale or installment sale, leasing of hire purchase of household equipment like generator set, colour T.V's, VCR's, Fridge, Washing Machines etc., have a very good potential. The company has already made a foray in this activity as it has tied up with leading distributors/vendors of such products.

The Company may face the risk of default/non-recovery of dues from clients to whom assets have been leased out. To minimise this risk, the company will exercise due caution in selection of clients. The company will lay down distinct credit norms for leasing business by ensuring creditworthiness of the entities to whom money is being lent. The company will also analyse the financial track record of its clients and will regularly carry out review and follow up of all accounts of the clients.

Experience of the Company in Leasing and Hire-purchase

Since inception the company is engaged, in the business of the purchase financing of consumer durables like cars, generators sets, computer etc. In the year 1993-94 the company started leasing activity. The highlights of the business done is as follows:-

- a) Total lease assets as on 31.12.95 = Rs. 87.10 lacs
- b) Total Hire purchase stock as on 31.12.95 = Rs. 146.41 lacs

Further the company proposes to deploy Rs.80.00 lacs on H.P. business and Rs.55.00 lacs on leasing business.

Investment in Securities

The Indian Capital Market has undergone a sea-change with the entry of FII's, Private Mutual Funds and Corporate Members. With gradual shift in preference for project financing from financial institutions and banks to capital markets new avenues of income have been created.

	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96 (10 Months)
Total no of issues	141	196	528	769	1343	1085
Total amount of Capital issued (Rs.in Crores)	1704	1711	6061	12537	13311	7833

(Source: Economic Times, 29th April 1994 & Prime Report as on January, 1996)

In order to avail the opportunities put forward by the growth in the capital market. The company proposes to make investment in both primary & secondary markets. In primary market company will be subscribing to the public issues of good companies and secondary market equity shares / debentures of good companies will be purchased. The decision of investment in securities and purchase and sale of securities are to be made by investment committee. Based on the in-house corporate research and stock market data, the committee will from time to time invest the funds of the company in shares and securities to maximize the return.

MANAGEMENT DISCUSSION

The globalisation of Indian economy and liberalisation measures introduced by the Indian Government and financial system have set the stage for an era of growth opportunities. At the same time, the deregulation trends are expected to induce greater level of competition. The opening of the economy, debottlenecking of systems and tax structure has provided the opportunity to corporate sector to achieve better results. All these factors have led to an ever booming market in the area of consumer durables and auto financing. The entry of several major global players in the consumer durables as well as in the automobiles market speaks of volumes to be done by finance companies in these areas. With a keen thrust of the economy in such sectors, financing and finance companies would be a major force to reckon with. Some of the resounding features of the financial service industry as anticipated are as under:

1. Hire Purchase and Leasing as a mode of finance will continue to play an important role in capital formation in both the private and public sectors.
2. The Companies would require to mobilise funds at low cost of capital by new instruments.
3. Growth in Industrialisation will result into the growth in Leasing Industry as more and more equipments and machinery will be required to be financed through leasing.
4. Rising purchasing power of middle class families and shift in their preferences towards acquisition of consumer durables is likely to give boost to hire purchase industry.

5. The investor population is likely to widen across the length and breadth of country.
6. New player with increasing network would enter the arena imparting sophistication to the system leading to intelligent and smart investment.

COMPETITION

In the last few years the financial sector has witnessed a severe competition. Alongwith Banks, Non-Banking Financial Companies (NBFCs) and the Financial Services Companies are also growing. In the financial services they are competing with foreign banks & subsidiaries of nationalised bank. Further, the entry of Overseas Investment Banks, foreign institutional investors, Mutual Funds, Money & Portfolio Managers, over the last few years has given new dimensions to the competition.

Rising expectations of the clients and investor to get tailor made services under one roof at reasonable cost at right time on demand has further intensified the competition among finance companies. And it is expected that specialisation and niche positioning will be the order of the day.

MANAGERIAL COMPETENCE

In the present competitive financial scenario, only the companies with professional competence coupled with modern technologies and systems will succeed. In order to compete with such a competition, the company is being managed by professionally qualified and well experienced board of directors who are ably being assisted by a young team of organised personnels.

The management of the company has developed and designed with the aid of these personnels and modern computer techniques, an upto date and efficient management information system for better control over day to day operations.

This factor has mainly been responsible for ensuring a zero delinquency rate for the company. Also the company has been able to cater the financing demands of more than 4000 customers in a span of just over five years.

The competence of the management in the field of marketing and finance is also evident from the fact that the company has tied up with corporate sector and banks for refinancing arrangements of the products being financed by the company.

Mr. Satvinder Singh, Managing Director of the company is an MBA. Since the incorporation of the company he has been associated with the company on full time basis. He has to his credit more than five years of experience in field of fund based financing. He has in his charge of the field of credit appraisal & marketing.

Mr. H.P. Singh, Whole Time Director of the company is a fellow member of the Institute of Chartered Accountants of India and has to his credit more than a decade of experience in the field of audits, accounts, project viability, advisory services and company law matters. He is over all incharge of Financing, Accounts and MIS Operations.

The company is having a team of young and experienced professionals on its roll. The company is expected to avail the business opportunities due to the promoters liaison with institutions, corporates, high network individuals. The company also proposes to increase its infrastructural facilities by opening new branches.

MARKETING

As the company is an existing profit making company which has carved out a special niche for it particularly in the area of hire-purchase and leasing. Apart from company's own marketing team, the company has

tied up with various dealers of consumer durables and automobiles. This is in addition to the cumulative consumer base of over 4000 customers who have helped in developing the business. Thus marketing strategy to be adopted by the company is to widen the existing network of clients as well as of dealers.

All the proposals where deployment of funds is needed are evaluated on stringent but simple norms. For the Leasing activity a number of schemes will be drawn so that the customers may choose from a number of options. Leasing and hire-purchase business will mainly be concentrated to shopkeepers and middle class families. Further the company proposes to conduct appropriate Market Research to find out the needs of the clients so as to offer them tailor made financial products while meeting their specific requirements. As far as increasing competition among financial service companies is concerned, company is quite confident to meet it by providing personalised and timely services as the expectations of the customers are also rising on parameters like response time, early execution and personal attention.

Recovery, Collection and Appraisal Arrangements

The company is following stringent but simple norms for verification of customers desirous of availing credit. The verification procedure includes the appraisal of financial soundness of the customers and its guarantors alongwith personal verification by the personnels from credit appraisal department in every case.

The company enjoys zero delinquency rate and has not till date initiated any legal action for recovery of any dues as the outstandings are effectively monitored by the recovery department of the company.

The Company is in agreement with M/s. Pan Marketing Services who collects and monitors the day to day collection of instalment from the customers. The agreement was entered into between the company and M/s. Pan Marketing Services on 04.07.95. The agreement is for a period of two years. The major terms and condition of the agreement are as follows:-

1. M/s. Pan Marketing Services will undertake collection of instalments of Hire-Purchase and Lease Rentals from the customers.
2. It will source new cases on behalf of SLFL.
3. M/s. Pan Marketing Services will be paid a sum equivalent to 1.5 % of the total collection subject to a minimum of Rs.50,000 per month for the services rendered by it.

PRICING OF ISSUE

The shares are being offered at par.

STOCK MARKET DATA

The existing Equity Shares of the company are not listed on any exchange.

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

The Company has not made any Public issue of capital since its incorporation and there is no other company under the same management which has made any public issue of capital in the last three years preceding the date of this prospectus

INVESTORS GRIEVANCES AND REDRESSAL SYSTEM :

Investors' Grievances shall be handled by the Registrar to the Issue with whom the company has already entered into an agreement for the retention of the issue records for a period of six months from the last date of despatch of letters of allotment / share certificates / refund orders. The

Registrars to the issue will take up all grievances and complaints of the investors during this period under the supervision of the managing Director and the whole time Director. A monthly status report of the communication received by them and accordingly redressed by them shall be forwarded to the Company. After the period of six months the company's share department will redress all investors complaints. The average time taken for redressing routine complaints will be 7 days from the date of receipt. Non routine complaints will be attended to within 15 days from the date of receipt.

VII. LITIGATION, DEFAULT AND MATERIAL DEVELOPMENT

Outstanding litigation:

- i. The company has no outstanding litigation to affect operations and finances of the company including disputed tax liabilities of any nature, and
- ii. No criminal proceedings have been launched against the company and its Directors under the enactments specified in paragraph 1 of Part 1 of Schedule XIII of the Companies Act, 1956.
- iii. No criminal proceedings have been launched against the promoters of the company.
- iv. The Company has no pending litigation other than ordinary commercial dispute with the constituents or employees against the company/group company irrespective of whether or not they fall U/s 370 (1B) of the Companies Act, 1956.

Particulars of defaults:

The company or any of the companies promoted by the same private promoters have not defaulted in meeting the statutory dues, institutional dues, bank overdue, etc. The company has not issued any Debentures or Cumulative Preference Shares since its incorporation. The Company has not complied with the provision of section 383 A of the Companies Act, 1956 regarding appointment of whole time Company Secretary.

Material Developments:

There has been no material development after the date of the latest Balance Sheet, which would have an impact on performance and prospects of the company other than what has already been set out elsewhere in this Prospectus.

STATEMENT OF THE DIRECTORS

In the opinion of the Directors of the Company there have not arisen since the date of last financial statement disclosed in the prospectus, any circumstances that materially, and adversely affects or is likely to affect the reading or profitability of the company or the value of its assets or its ability to pay its liabilities within the next twelve months.

Details of Adverse events affecting the operations of the company, occurring within one year prior to the date of filing the prospectus with the Registrar of Companies.

There has been no adverse events affecting the operations of the company.

RISK FACTORS

INTERNAL

1. This being the first major venture of the promoters exposes the investors to risks associated with that of the maiden venture.
2. The requirement of funds, and their deployment are the company's own estimates and have not been appraised by any bank or financial institution. Hence the deployment of funds is entirely at the discretion of the management.
3. The total fund requirement is being met through equity. Any delay in raising the same from capital market would delay the deployment and resultantly affect the profitability.
4. The company has not considered the RBI guidelines regarding asset classification, income recognition, capital adequacy etc. which may have an adverse impact on the profitability of the Company.
5. The company has not followed the guidance note issued by ICAI regarding lease assets accounting, which might affect the future profitability.
6. Promoters have promoted other concerns in the same line of business. As possibility of transfer of business cannot be ruled out, shareholders of this company may get adversely affected.
7. Premises for Regd. Office have been taken on lease from wife of one of the director.
8. The Company is yet to be registered with RBI as Non Banking Financial Company.

EXTERNAL

1. Leasing business and Hire Purchase Financing has certain inherent risks attached to it. Prompt receipt of lease rentals, principal money and their immediate redeployment is crucial for maintaining profitability. The profits may be affected due to defaults in the payments of lease rentals/ Hire purchase instalments by clients.
2. The business of the company is exposed to the fluctuations in the stock market and is subject to inherent risks associated with investment in shares and securities.
3. The financial service sector is characterised by high turnover in key managerial personnel, which may have a bearing on the profitability of the company.
4. Any change in Govt's. economic policies, RBI's Credit policies and SEBI guidelines will effect Company's business and profitability.
5. Competition from major players like banks/financial institution and other players in the non-banking financial industry could have an impact on the profitability of marginal players like this company.
6. The company being in the business of finance is exposed to credit and investment risks.

PART II

GENERAL INFORMATION

CONSENTS

Consents in writing from the Lead Manager, Directors, Advisor to the Issue, Registrars, Legal Advisor and Bankers to the Issue, Auditors and the Bankers to the company, to act in their respective capacities, have been obtained and filed with the Registrar of companies, NCT of Delhi & Haryana at New Delhi along with a copy of this Prospectus, as required under Section 60 of the Act and none of them have withdrawn their respective consents upto the date of delivery of the copy of this Prospectus for registration with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

M/s. A.K. Gangahar & Co. Chartered Accountants, the Auditors of the Company, have given their written consent to the inclusion of their report on the accounts and the report on tax benefits accruing to the investors of this issue and the Company as appearing herein in the form and context in which they appear in this Prospectus and the same has not been withdrawn upto the date of delivery of this Prospectus for registration with the Registrar of companies, NCT of Delhi & Haryana at New Delhi.

EXPERT OPINION

No opinion of any expert has been obtained by the company except the Tax Benefit Certificate from the Statutory Auditors of the company, M/s. A.K. Gangahar & Co., Chartered Accountant as appearing elsewhere in this prospectus.

Change in Directorships and Auditors during the last three financial years and reasons thereof :

DIRECTORS

Name of the Director	Date of Appointment	Date of Resignation	Reasons
Mr. Ravi Basra	12.04.93	10.06.93	Preoccupation
Mrs. Kamal Inder Kaur	16.10.90	29.09.95	Preoccupation
Mr. Harbans Singh	29.09.95	-	For strengthening the Board.
Mr. Vimal Prakash Mittal	29.09.95	-	For strengthening the Board.
Maj.Gen.S.K.Vij (Retd.) VSM	29.09.95	-	For strengthening the Board.

There is no dispute with the earlier Directors.

AUDITORS

M/s. A.K. Gangahar & Co., Chartered Accounts are auditors to the company since incorporation and there has been no change in the Auditors to the Company since incorporation.

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 25.01. 1998.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

The Board of Directors reserves (at its sole, unqualified and absolute discretion and without assigning any reason therefore) the right to accept or reject any application in whole or in part. If any application is

rejected in full, the whole of the application money received will be refunded to the applicant and where an application is rejected in part, the excess application money received, after being adjusted towards money if any payable on allotment, be refunded to the applicant within 70 days from the closure of the subscription list. Refund will be made by cheques or pay orders drawn on any of the Bankers designated for the purpose by the Company and will be dispatched by Registered Post for refunds in excess of Rs. 1,500/- In other cases refunds will be made by Ordinary Post. Such cheques or pay orders will be payable at par at all centers where the applications are received. Bank Charges, if any, for encashing the cheques/pay orders at any other places will be payable by the applicant.

UTILISATION OF FUNDS.

Subscriptions received against the Public Issue will be kept in separate bank accounts and the Company will not have access to such funds unless it receives the approval for listing from the Regional Stock Exchange at Delhi, Jaipur & Ludhiana Stock Exchanges, and the approval for allotment from the Delhi Stock Exchange Association Ltd.

INTEREST ON EXCESS APPLICATION MONEY.

Payment of interest at 15% per annum on the excess application money after adjustment against allotment, if any, will be made to the applicants for the delayed period beyond ten weeks from the date of closure of the subscription list as per the guidelines issued by the Government of India, Ministry of Finance, vide their letter No. F/8/6/SE/79 dated 21st July, 1983, as amended by their letter No. F/14/2/SE/85 dated 27th September, 1985 addressed to the Stock Exchanges.

BASIS OF ALLOTMENT IN CASE OF OVERSUBSCRIPTION

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

- Application will be categorised according to the number of shares applied for.
- The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis i.e. The total number of shares applied for in that category (number of applicants in the category x number of shares applied for) multiplied by the inverse of the oversubscription ratio.
- All the applications where the proportionate allotment works out to less than 100.
 - Each successful applicant shall be allotted a minimum of 100 Equity Shares and;
 - The successful applicants out of the total applicants for that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the no. Of Shares worked out as per (b) above.
- If the proportionate allotment of shares 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.
- 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.

- (f) As the process of rounding off to the nearer multiple of 100 may result in the actual allocation being higher than the shares offered, it would be necessary to allow a 10% margin i.e. The final allotment may be higher upto 110% of the size of the offering.

Securities & Exchange Board of India vide its clarification No. XI issued under RMB Circular No. 2(95-96) dated May 29, 1995 has modified the procedure relating to proportionate allotment. Under the new guidelines, 50% of the Net Public Offer is reserved for individual investors (applying for 1000 shares or less). The allotment under this category will be on proportionate basis. The balance 50% of the Net Public Offer will include applications for more than 1,000 shares and the allotment under this category will also be on proportionate basis. In addition, any excess under either of the two categories will be allowed to be added to back to any shortfall under the other category.

In case of oversubscription, the basis of allotment will be finalised in consultation with the Delhi Stock Exchange.

Investors may note that a SEBI nominated Public Representative shall be associated in the process of finalisation of Basis of Allotment if issue is oversubscribed by five times or more.

REFUNDS/ALLOTMENT

The Company shall ensure dispatch of Refund Orders of value over Rs. 1,500/- and Shares Certificates /Debentures Certificates /Allotment Letters by Registered Post only within ten weeks of the closure of the Subscription List and adequate funds would be made available to the Registrars to the Issue for the purpose. And if such money is not paid within 8 days from the day the Company becomes liable to repay it, the Company and every director of the Company who is an officer in default shall on and from the expiry of the eight day be jointly and severally liable to repay that amount with the interest @ 15% p.a.

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

Refunds will be made by cheques or pay orders drawn on the bankers appointed for this purpose. Bank charges, if any, for encashing such cheques or pay orders will be borne by the applicant. Such cheques or pay order will however be payable at par at the branches of any of the bankers to the issue located at the place where the applications were received. Refund order, if any, will be made out in the applicants' name which appears first on the application forms. All cheques, pay orders, letters of allotment and share certificates will be dispatched to the applicants by registered post at the registered address.

The company has given an undertaking that it shall make adequate funds available to the Registrars to the issue for sending shares certificates/debenture certificates/allotment advices/refund orders (of value over Rs. 1500/-) by registered post.

In case where applicants have given details of their NRE account, refunds, if any, will be directly credited to their NRI account. The applicants who are giving their Indian address must also specify their NRE account details for refund of excess application money, if any.

DISPOSAL OF APPLICATIONS MADE WITH STOCKINVEST

The applicant should not fill in the portion to be filled up by the Registrar to the Issue (right hand portion of the instrument). The Registrar to the Issue will fill up the right hand side of the stockinvest indicating the shares/debentures allotted to the applicant and also the amount calculated as follows :

- In case of full allotment the number of shares/debentures the amount filled in by the Registrars on the right hand side will be the same as the left hand side of the instrument.
- In case of partial allotment the number filled up by the Registrars (on the right hand side of the instrument) will be less than the number filled up by the applicant (on the left hand side).
- In case the allotment is nil the number filled up by the Registrars on the right hand side of the instrument will be nil.

No refund order will be issued to those applicants using Stockinvest for payment of application money. The cancelled stockinvest bearing the stamp 'Non-Allotted' across the face of the instrument shall be returned by the Registrar to the applicants. Further, the following may be noted in regard to disposal of applications made with stockinvest.

- In case of partial/full allotment, stockinvest will be sent to the issuing branch through the Company's Bankers.
- Investors may note that in case of partial or non- allotment, lien shall be lifted in the following manner :-
 - In case of non-allotment, on presentation by the applicant to the issuing bank branch, the stockinvest duly cancelled by the Registrar.
 - In case of partial allotment on receipt of duly filled in stockinvest from the Company's Bankers.
 - In case the cancelled/partially utilised stockinvest is not received by an investor or his banker from the Registrar/ company's Bankers, lien will be lifted by the issuing branch on expiry of four months from the date of issue against an indemnity bond from the investor.
- Multiple applications under a single stockinvest will be rejected as each application is required to be accompanied by a separate instrument.

Unused stockinvest will be returned to the applicant by registered post with in 10 weeks of the date of closing of the issue. Registrars to the Issue have been authorised by the Company vide Board Resolution Passed on 10.04.96 to sign on behalf of the Company for realising the proceeds of the stockinvest of the allottees from the Issuing Bank or to cancel the stockinvest of the non/ partial allottees. The cancelled instruments with non allotment advice shall be returned by the Registrars to the investors directly.

ISSUE OF SHARE CERTIFICATES

The share certificate(s)/debenture certificate(s) will be delivered within three months from the date of allotment in exchange of allotment letter(s) issued, if any.

REGISTERED OFFICE

306, Lusa Tower,
Azadpur Commercial Complex,
Delhi 110 033

CORPORATE OFFICE

5th Floor, Kundan Bhawan
Azadpur Commercial Complex
Delhi - 110 033

LEGAL ADVISOR

Gajinder Kumar, Advocate,
402, Lawyer's Chambers
Delhi High Court
New Delhi - 110 003

LEAD MANAGERS TO THE ISSUE

Master Trust Limited
1001, Arunachal Building,
19, Barakhamba Road,
New Delhi - 110 001

Registrars To The Issue

In-house Share Registry
3, Community Centre
Naraina Phase-I
Near Payal Cinema
New Delhi-110 028

ADVISOR TO THE ISSUE

Singhman Financial Services Ltd.,
3406, IIIrd Floor,
D.B. Gupta Road,
Karol Bagh, New Delhi - 110 005

AUDITOR

A.K. Gangahar & Co., Chartered Accountants,
401, Kundan Bhawan,
Azadpur, Commercial Complex,
Delhi-110 033

COMPANY SECRETARY

The Company is in process of appointing the Company Secretary.

Bankers to the Company

State Bank of India
Naraina
New Delhi - 110 028.

Bankers to the Issue

Bank of India
New Delhi Capital Market Branch
B-12, Connaught Place,
New Delhi - 110 001

The Vysya Bank Ltd.
Industrial Finance Branch,
29-30, LGF, World Trade Centre
Barakhamba Lane
New Delhi - 110 001

Brokers To The Issue

All brokers who are members of any recognised Stock Exchange in India will act as brokers to the issue.

B. FINANCIAL INFORMATION

AUDITOR'S REPORT

The Board of Directors,
Satin Leasing & Finance Ltd.
306, Lusa Tower,
Azadpur Commercial Complex,
Delhi - 110 033

A.K. Gangahar & Co.
Chartered Accountants
401, Kundan Bhawan
Azadpur Commercial Complex
Delhi - 110 033

Dear Sirs,

We have examined the books of accounts of M/s. Satin Leasing & Finance Ltd. for the five immediately preceeding financial years ending on 31st March, 1995, being the last date upto which the statutory accounts of the company have been audited by us and adopted by the members.

We have also examined and found correct the Statement of Accounts of the company for the period of nine months ended 31st December, 1995, prepared by the company and approved by the Board of Directors for the purpose of the prospectus. These profits/losses have been arrived at after making such regroupings and adjustments which in our opinion were appropriate and are subject to the notes given below.

In accordance with the requirements of clause B(1) of part II of the Schedule II of the Companies Act, 1956, we report that the Profit and Loss, Assets and Liabilities are as set out below:-

PART I : PROFIT & LOSSES

Period Ending On PARTICULARS	31.03.91	31.03.92	31.03.93	31.03.94	31.03.95	(Rs. in Lacs) 31.12.95
A. Income						
Hire Purchase	0.76	6.14	7.98	10.02	15.52	25.94
Finance Charges	—	—	—	—	—	—
Lease Rentals	—	0.01	1.88	5.25	7.91	24.38
Others	—	—	—	0.27	—	—
Total (A)	0.76	6.15	9.86	15.54	35.07	64.43
B. Expenditure						
Personnel Cost	0.28	3.28	4.86	6.03	9.28	16.51
Financing Charges	0.05	0.73	0.84	1.50	4.30	13.70
(Including Interest Paid)	—	—	—	—	—	—
Depreciation	—	—	0.01	0.15	3.22	7.94
Other Expenditure	0.34	1.87	3.40	5.41	8.65	10.86
Total (B)	0.67	5.88	9.11	13.09	25.45	49.01
Profit Before Tax (A-B)	0.09	0.27	0.75	2.45	9.62	15.42
Less: Tax	0.05	0.10	0.43	0.99	2.87	4.00
Profit After Tax (PAT)	0.04	0.17	0.32	1.46	6.75	11.42

PART II : ASSETS AND LIABILITIES

The Assets and Liabilities of the Company for the last five years ended 31st March 95 and for the period ended 31st Dec. 95 have been arrived at after making such adjustments and regroupings which in our opinion were appropriate and subject to the notes appearing here under were as follows:

AS AT PARTICULARS	31.03.91	31.03.92	31.03.93	31.03.94	31.03.95	(Rs. in Lacs) 31.12.95
ASSETS						
1. Fixed Assets	—	—	0.14	6.61	47.66	103.96
Less : Depreciation	—	—	0.01	0.15	3.37	8.89
Net Block	—	—	0.13	6.46	44.29	95.07
Capital Work in Progress	—	—	—	—	—	8.39
2. Investments	—	0.07	0.12	0.18	5.63	13.55
3. A. Current Assets, Loans and Advances						
Receivables	9.63	19.04	20.68	33.91	94.00	167.51
Cash & Bank Balance	0.16	0.11	0.13	0.18	2.82	9.99
Loans & Advances	1.02	1.14	2.23	2.78	9.81	11.45
Total (A)	10.81	20.29	23.04	36.87	106.63	188.95

B. Current Liabilities & Provisions

Current Liabilities	1.83	9.14	13.50	22.18	59.72	63.64
Provisions	0.05	0.15	0.45	1.00	2.95	4.00
Total (B)	1.88	9.29	13.95	23.18	62.67	67.64
Net Current Assets (A-B)	8.93	11.00	9.09	13.69	43.96	121.31
4. Preliminary Expenditure (To the extent not written off or adjusted)	0.05	0.04	0.04	0.03	0.02	0.02
Total	8.98	11.11	9.38	20.36	93.90	238.34
Liabilities						
1. Share Capital	2.74	3.95	3.95	4.64	36.09	110.45
2. Share Application Money	1.21	—	—	1.00	—	—
3. Retained Earnings	0.04	0.17	0.47	1.93	8.68	20.11
4. Secured Loans	4.07	6.07	4.04	11.04	39.19	91.39
5. Un-Secured Loans	0.92	0.92	0.92	1.75	9.94	16.39
Total	8.98	11.11	9.38	20.36	93.90	238.34

NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. REVENUE RECOGNITION

- Revenue is being recognised in accordance with the Guidance Note on accrual basis of accounting issued by the Institute of Chartered Accountants of India. Accordingly, whenever there are uncertainties in realisation of income, the same is not accounted for.
- The income on Hire Purchase transaction is recognised on the basis of return of gross instalments outstanding taking month as a unit. Accordingly, equal interest is accounted for in all months of transaction.
- In respect of Lease Rentals the income is accounted on accrual basis for the accounting period.

B. DEPRECIATION

- Depreciation has been provided as per rates provided in Schedule XIV of the Companies Act, 1956 and also on a prorata basis.
- Depreciation has been provided on W.D.V method for assets used by the Company. In respect of the assets leased out by the Company to the third parties, the Company has used the Straight line Method.

C. INVESTMENTS

- Investments are stated at cost plus direct expenses thereto. The profit/loss on sale of investment is accounted for on cash basis.
- On 01.07.94 the company was converted into a Public Limited Company as the company was originally incorporated on 16.10.90 as Satin Leasing & Finance Pvt.Ltd. The company has increased its authorised capital from 50 lacs to 150 lacs on 07.08.95 and further to Rs.401.00 lacs on 29.09.95.
- Stock on hire is shown at agreement value net of instalment due. The amount of Rs. 15,53,794.94 as on 31.12.1995 (previous year Rs.11,94,539.60) being unmatured Hire Purchase finance charges have been included in current liabilities and provisions.
- Secured loans from banks are against hypothecation of book debts. Other secured loans are from Companies and which are for refinancing of Assets and Stocks.

- Miscellaneous income includes profit/loss on sale of investments. No separate provision for diminution in market value of investments, as at 31st Dec. 95, has been made due to the fact that as per the accounting policy consistently adopted by the Company, the profit or loss on investments will be accounted for only on sale of investments. Due to non provision of diminution in market value of investment the profits of the period are over stated by an amount of Rs.3,11,581/- (Previous year Rs.52,115/-).
- The company has not accounted for the lease income as per revised guidelines issued by Institute of Chartered Accountants of India. The company has accounted for the lease income as is the normal business practice and which has been followed consistently by the company since last two years.
- In the opinion of the Directors, current assets, loans & advances are good for recovery unless otherwise stated, therefore no provision for doubtful debts is being made in the accounts. In case of delayed payments overdue/penal interest is charged in most of the cases, and which is accounted for as miscellaneous income.
- During the period ended 31.12.1995 the company has paid a sum of Rs.30,000/- (previous year Rs.60,000/-) to a firm of Chartered Accountants for professional services rendered, in which one of the Directors was associated till 19.09.95.
- Processing fees, commission and miscellaneous income are accounted for as and when received.
- No dividend has been declared by the company, since its incorporation.

for A.K.GANGAHER & CO.
CHARTERED ACCOUNTANTS

Place : Delhi.
Dated : 08.02.96

- Sd -
(A.K.GANGAHER)
Proprietor

WORKING CAPITAL & TERM LOAN

State Bank of India, Naraina, New Delhi vide its letter No. BR/SIB/534 dated 27.03.95 and letter No. BR/SIB/416 dated 20.02.96 has sanctioned a cash credit limit of Rs. 30.00 lacs against the book debts and term loans of Rs. 1.00 lac and Rs. 0.40 lacs for purchase of computers. Out of this CC limit the company has availed a sum of Rs. 29.46 lacs as on 31.12.95. As on 31.12.95 Rs. 0.90 lacs is outstanding against this term loan. The main terms and condition are as under:-

- | 1. Nature of Facility | Limits (Rs. in Lacs) |
|--------------------------------|----------------------|
| Cash Credit | 30.00 |
| Machinery Term Loan (Computer) | 1.00 |
2. Rate of Interest will be charged @ 19.75%
3. Margin - 25%
4. Personal guarantee of all the Directors of the Company & Equitable mortgage of immovable property of Mr. Harbans Singh & Mr. Satvinder Singh.
5. Company will increase the paid up Capital from 5.64 Lacs as on 31.03.94 to 31.00 Lacs as on 31.03.95 and further to Rs. 50.00 Lacs by 31.03.96.

D. STATUTORY AND OTHER GENERAL INFORMATION MINIMUM SUBSCRIPTION

The minimum subscription which in the opinion of Board, on the basis of which Directors will proceed to make allotment of equity shares is 80,00,000/- being 100% of the amount payable on application at the rate of Rs. 5/- per share towards the shares offered to Indian Public and 100% of the amount payable on application at the rate of Rs. 10/- per share offered to NRI/OCBs. However the amount payable on application on equity shares being unsubscribed by NRIs/OCBs will be added back to public offer and the minimum amount in respect of which the Board of Directors will proceed to allot will change accordingly but in no case shall be less than Rs. 70,00,000.

If the Company does not receive the minimum subscription of 100% of the Issued amount, up to the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days from the date of opening of the subscription list, if any, in refund of such subscriptions, the company shall pay interest @ 15% p.a. If there is any delay in refund of amount collected, the company and the directors of the company shall be jointly and severally liable to repay the amount by way of refund with interest @ 15% p.a. for the delayed period beyond 78 days from the date of opening of the issue.

EXPENSES OF THE ISSUE

The expenses of this issue, including Brokerage, fees payable to the Lead Managers to the Issue, Registrars to the Issue and Bankers to the Issue, stamp duty, printing, distribution and publication expenses, legal charges, registration fees, bank charges, Auditors' fees and other miscellaneous expenses estimated at Rs. 15.00 lacs, are payable by the Company and will be met out of the proceeds of this Issue, and shall be within the limits prescribed by the Government.

FEES PAYABLE TO THE LEAD MANAGERS TO THE ISSUE

Fees payable to Lead Managers to the Issue Master Trust Ltd. will be as per the Memorandum of Understanding executed on 01.02.96.

FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

The fees payable to the Registrars to the Issue, M/s. In-house Shares Registry vide their letter dated 9th February, 1996 shall be Rs 2.45 per

allottee and Rs. 1.45 per non-allottee. Additional charges towards each application with stockinvest is Rs. 1.50 and that for NRI application is Rs. 2.00 per NRI application. The computer processing charges will be a subject to minimum of Rs. 25000. All other out of pocket expenses related to this issue would be based on actual and payable by the company.

FEES PAYABLE TO THE ADVISOR TO THE ISSUE

No fee is payable to the advisor to the issue.

BROKERAGE

Brokerage will be paid by the Company at the rate of 1.5% on the Issue Price of the Shares offered to the Public on the basis of allotments made against applications bearing the stamp of a member of any recognised Stock Exchange in India. Brokerage at the same rate will also be payable to the Bankers to the Issue, named herein, in respect of allotments made against applications procured by them, provided that the relevant Application Forms bear their respective stamps in the Broker's column.

PREVIOUS ISSUE OF CAPITAL

The company has not made any Previous issue of Capital since its incorporation.

REVALUATION OF ASSETS

There has been no revaluation of assets of the company since its incorporation.

PREVIOUS COMMISSION AND BROKERAGE

Except for the brokerage payable, as mentioned in the Prospectus, no sums have been paid or are payable as commission or brokerage to any person for subscribing or procuring or agreeing to subscribe or procure subscription for any Shares or Debentures of the Company.

ISSUE OF SHARES OTHER THAN 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 OF SHARES/DEBENTURES AT A PREMIUM OR DISCOUNT

No Shares or Debentures of the Company have been issued at a premium or at a discount since its incorporation.

CAPITALISATION OF RESERVES OR PROFITS

The Company has not capitalized its Reserves or its Profits since its incorporation.

DEBENTURES AND REDEEMABLE PREFERENCE SHARES

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

ACQUISITION OF RUNNING BUSINESS

The Company does not propose to acquire any running business and no part of the proceeds of the present Issue is to be applied directly or indirectly for any of the purposes set out in Clause B-4 of the Part II of Schedule II to the Act.

OPTION TO SUBSCRIBE

The Company has not entered into any contract or arrangement, preceding the date of this Prospectus, 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 or Debentures of the company.

PURCHASE OF PROPERTY

Save as stated hereunder, and save in respect of the property purchased or acquired or to be purchased or acquired under the relevant contracts listed under the heading "Material Contracts", there is no property which the Company has purchased or acquired or propose to purchase or acquire, which is to be paid for wholly or partially out of the proceeds of the present Issue or the purchase or acquired or propose to purchase or acquire, which is to be paid for wholly or partially 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 :-

- a) The contract for the purchase of acquisition whereof was entered into in the ordinary course of the Company's business, the contract not being made in contemplation of this Issue nor this Issue in consequence of such contract, or,
- b) In respect of which the amount or purchase money is not material.

PAYMENTS OR BENEFITS TO PROMOTERS, DIRECTORS AND OFFICERS OF THE COMPANY.

No Amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any promoter of the Company and no amount or benefit, other than normal remuneration or benefit has been paid or given or is intended to be paid or given to any officer to the Company except remuneration, sitting fees and/or reimbursement of expenses for services rendered by the Managing director/Directors of the company.

INTEREST OF PROMOTERS AND DIRECTORS

All the Directors are deemed to be interested to the extent of remuneration payable to them. All the Directors are also deemed to be interested to the extent of reimbursement of traveling, boarding, lodging and other expenses, if any, under the provisions of the Articles of Association of the Company.

All the Directors are deemed to be interested to the extent of fees payable to them for attending the meetings of the Board or committee meetings thereof.

All the Directors may be deemed to be interested to the extent of their respective share holding in the company and shares if any, that may be subscribed for by and allotted to them including their friends, associates, relatives, nominees and the companies in which they are members and/or directors, in the present Issue.

Mr. H.P. Singh, Mr. Satvinder Singh & Mr. Harbans Singh are interested in the payment of rent to the extent of Rs. 2000/- per month to Mrs. Kamalinder Kaur being relative.

Mr. Harbans Singh, Mr. H.P. Singh & Mr. Satvinder Singh are interested in the appointment and remunerations paid to Mr.H.P.Singh and Mr.Satvinder Singh being relatives.

CLASSES OF SHARES

The company has issued only Equity Shares.

AUTHORISED CAPITAL.

The authorised capital of the Company is Rs. 401 lacs consisting of 40,10,000 equity Shares of Rs. 10/- each.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

CALLS

16. The Board of Directors may, from time to time, subject to the terms on which any share may have been issued, subject to section 91

of the Act make such calls as they think fit upon the members in respect to 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 person and at the time and place appointed by the Directors. A call may be made payable by instalments and shall be deemed to have been made at time when the resolution of the Directors authorising such call was passed.

17. No call shall be made within one month of the last preceding calls was payable not less than thirty days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
18. If the sum payable in respect of any call of installment be not paid or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the case shall have been made or the installment shall be due shall pay interest for the same at the rate of 12 (Twelve) percent per annum from the day of appointed for the payment thereof upto the time of the actual payment or at such other rates as the Directors may determine. The Directors shall be at liberty to waive payment of any such interest wholly or in part.
23. If any member fails to pay any call or installment on or before the day appointed for the payment of same the Directors may at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same together with any interest that may have accrued any expenses that may have been incurred by the Company by reasons of such non-payment.
24. The notice shall name a further day (not being less than Thirty days from the day of notice) and place or places 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 appointed, the shares in respect to which such call was made or installment is payable will be liable to be forfeited.
25. If 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 case or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture neither the receipt by the Company of a 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 principle or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the such shares as herein provided.
26. When any share shall have been so forfeited, notice of forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall 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 to make such entry as aforesaid.
30. The forfeiture of 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.
31. A duly verified declaration in writing that the declarant is a Director of the Company and that certain share in the Company has 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 share 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 and the person to whom the shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money, nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

36. Where any shares under the powers in that behalf herein contained are sold by the Directors and Certificate thereof has not been delivered upto the company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered. Wherein any such case the certificate in respect of the share forfeited and/or sold is not delivered and a new certificate for such share has been issued, the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.

TRANSFER AND TRANSMISSION

37. (i) 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 has been delivered to the Company together with the certificate which is in existence, along with the Letter of allotment of shares. The instrument of transfer of any shares shall be in writing in the prescribed form and shall be executed both by the transferor and the transferee shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the Signature of one creditable witness who shall add his address occupation.
- (ii) The instrument of transfer shall be in writing and all the provision of section 108 of the Companies Act, 1956 and of any statutory modification thereof for time being shall be duly complied with in respect of all transfers of shares and registration thereof.
38. Application for the registration of the transfer of share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, on 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 Section 110 of the Act and subject to provisions of these Articles the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of Members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
39. Before registering any transfer tendered for to registration the Company may, if it so thinks holds fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objections is taken will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within fifteen days 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 the non receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company in respect of such non-receipt.
40. 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 known to the Company or its Directors be 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 notwithstanding that the company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner and in every such case the person registered as transferee, his executors administrators and assigns alone shall be entitled to be recognized 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.

41. Subject to the provisions of Section 111 of the Act, The Board, without assigning any reason for such refusal, may within one months from the date on which the instrument of transfer was delivered to the company, refuse to register any transfer of a share upon which the company has lien and in the case of not fully paid up may refuse to register a transfer to a transferee of whom the Board does not approve; provided that registration of a 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 or any account whatsoever except a lien on shares.
42. No transfer shall be made to person of unsound mind.
43. Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Directors may require to prove the title of the transfer to make the transfer. Thereafter the transferee shall be registered as a member in respect of such shares. The directors may waive the production of any certificate upon evidence satisfactory to them of its loss or destruction.
44. All instrument of transfer which have been registered shall be retained by the Company.
45. If the Directors refuse 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.
46. On giving 21 days's previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, the Transfer books and Register may be closed during such time as the Directors think fit not exceeding forty-five days in a year, but not exceeding thirty days at a time.
47. The executors or administrators of a deceased member (not being one of several joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member and in case of any one or more joint-holders of any shares, the survivor or survivors shall be the only persons recognized 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 recognizing any executor or administrator, the Directors may require him to obtain a Grant of Probate or Letters of Administration or other legal representation as the case may be, from some competent court. Provided nevertheless that in any case where the Directors in their absolute discretion think fit, it shall be lawful for the directors to dispense with the production of probate or Letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may consider necessary.

VOTE OF MEMBERS

77. (a) On a show of hands every member present in person and being a holders of Equity Shares shall have one vote and upon a poll every member present in person or by proxy shall have his voting right as laid down under Section 87 (1) (b) of the Act provided that no Member Company shall vote by

proxy so long as resolution of its directors under the provisions of Section 187 of the Act is in force, Preference shares whether redeemable or otherwise shall confer the right of vote only when the dividend on such shares is in arrears for not less than two years or when any resolution is proposed for reducing capital of the Company or winding up of the Company or directly affecting the interest of holder of such shares of a class as regards dividend return of capital or voting. Upon any question which entitles that holders of Preference shares whether redeemable or otherwise to vote, those shares shall confer one vote on each share holder.

- (b) The holder of shares on which any calls are in arrears shall not be entitled to any voting right.
 - (c) Where a body corporate is a member of the company it would be represented at the meeting of the Company in the manner laid down under Section 187 of the Act.
79. Where there are joint registered holder of any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled there to and if more than one of such joint holders be present at any meeting either personally or by proxy, then one of the said persons so present whose name stands first on the Register in respect thereof several executors or administrators of a deceased member in whose name and share stands shall for the purpose of this Article be deemed joint holders thereof.
80. Votes may be given either personally or by proxy, or in the case of a member company, by a representative duly authorised as aforesaid.
81. The instrument appointing a proxy, shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its attorney. A proxy who is appointed for a specified meeting only shall be called a Proxy.
82. No person shall be appointed a proxy who is not a member of the Company and qualified to vote. But any person under a power of attorney may be present and vote at meeting without being a shareholder himself provided that such power of attorney has deposited at the office of the Company at least 48 hours before the time for holding the meeting.
83. The instrument appointing a proxy and the power of attorney or other authority if any under which it is signed or notorially certified copy of that power or authority shall be deposited at the office of Company not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of the specific meeting or its adjourned meeting as the case may be.
85. Every instrument appointing a Proxy shall as nearly as circumstances admit be in any of the forms set out in Schedule IX to the Act.
86. No member shall be entitled to be present or vote to on any question either personally or by proxy or as proxy for another member at any general meeting or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member or in regard to which the Company has, and has exercised any right of lien.
87. (1) Any objection as to the admission or rejection of a vote on a show of hands or on a poll made in due time shall be referred to the Chairman who shall forthwith determine the same and such determination shall be final and conclusive.

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

88. Any resolution passed by the directors notice whereof shall be given to the members in the manner in which notices are herein-after directed to be given and which shall, within one month after it shall have been so passed, be rectified and confirmed in writing by member entitled at a poll by three-fourth of the votes, shall be as valid and effectual as a resolution of a General Meeting but this clause shall not apply to resolution for winding up the Company or to a resolution passed in respect of any matter which by the statutes or these presents ought to be dealt with by special or extra ordinary resolution.
88. (A) The following shall be the first directors of the Company.
- (1) MRS. KAMALINDER KAUR
 - (2) MR. HARVINDER PAL SINGH
 - (3) MR. SATVINDER SINGH
89. The number of Directors of the Company shall not be less than three and not more than twelve.
90. The Board of Directors shall have power at any time to appoint any person as additional Director but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles and so that such appointment shall be effective unless two thirds of the Directors concur therein, any Directors so appointed shall hold office only until the next annual general meeting of the company.
91. A director shall be not required to hold any qualification shares in the Company.
92. (i) Each Director shall be paid out of the fund of the company by way of remuneration for his services a sum of Rs.250/- (Rupees two Hundred and fifty) for each meeting attended by him besides his travelling and other expenses actually and reasonable incurred.
- (ii) Subject to the provisions of Act and subject in particular to the sanction to the Central Government and approval of the shareholders by special resolution the Directors may be paid commissions on the net profit of the Company within the time limit provided in Section 309 of the Act to be divided between them in equal share or in such proportion as may be agreed between them.

APPOINTMENT OF DIRECTORS

96. Any casual vacancy occurring among the Directors may be filled up by the Board of Directors, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred. Provided that the Directors shall not fill a casual vacancy by appointing any person who has been removed from the office of a Director of the Company.

MANAGING DIRECTOR/GENERAL MANAGER/MANAGER/SECRETARY

117. (i) Subject to Section 197 A, 269, 314, 383 A and 388 of the Act. The Board of Directors may, subject to the provision of the Act appoint General Managers or Managing Directors and a Secretary on such terms and at such remuneration and upon such condition as they may think fit and any General Manager or Managers, Managing Director or Managing Directors and Secretary so appointed may be removed by the Directors and they may appoint another or others in his or their place/ places.

- (ii) Subject to section 197 A, 269, 314 and 388 of Act. A Director may be appointed as General Manager, Manager or Managing Director or Secretary.
- (iii) The provisions of the Act or these regulations requiring or authorising a thing to be done by a Director, General Manager, Manager, Manager or Managers or Managing Directors and Secretary shall not be satisfied by its being done by the same person acting both as Director and General Manager, Manager or Managing Director or Managing Directors and Secretary.

PRESENT MANAGING DIRECTOR AND HIS REMUNERATION

Pursuant to the provisions of Sections 269, 198 and 309 read with Schedule XIII, of the Companies Act, 1956, Mr. Satvinder Singh, has been appointed as Managing Director of the Company in the Annual General Meeting held on 29/9/95 for a period of 5 years at a remuneration set out as under, with liberty to the Board of Directors, to alter or vary the same so as not to exceed the limits set out in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendment thereof, and as may be agreed to between the Board of Directors and Shri Satvinder Singh.

- a. **SALARY** : Rupees 25,000/- per month in the grade of Rs. 25,000 - 2500-37,500.
- b. **PERQUISITES**

CATEGORY A

1. Rent free unfurnished, residential accommodation, the monetary value of which shall be evaluated as per Rule 3 of IT rules 1962.

2. MEDICAL BENEFITS FOR SELF & FAMILY

Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months salary in a period of three years.

3. LEAVE TRAVEL CONCESSION

For self & his wife & dependant children once in a year to & fro for any place in India subject to the condition that only actual fare & no hotel expenses etc. will be allowed.

4. CLUB FEES

Club fees for membership of maximum two clubs. This will however not include admission fees or life membership fees.

CATEGORY B

PROVIDENT FUND

Participation in a recognised provident fund as per rules of the company, subject to the ceiling of 10% of salary.

GRATUITY

Gratuity not exceeding half month's salary for each completed year of service.

LEAVE

One month's leave with full pay for every completed 11 months of service.

CATEGORY C

Car with driver for use of company business.

PRESENT WHOLETIME DIRECTOR AND HIS REMUNERATION

Pursuant to the provisions of Sections 269, 198 and 309 read with Schedule XIII, of the Companies Act, 1956, Mr. H.P. Singh, has been appointed as Wholtime Director of the Company in the Annual General Meeting held on 29/9/95 for a period of 5 years at a remuneration set out as under, with liberty to the Board of Directors, to alter or vary the same so as not to exceed the limits set out in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendment thereof, and as may be agreed to between the Board of Directors and Shri H.P. Singh.

- a. **SALARY** : Rupees 25,000/- per month in the grade of Rs. 25,000 - 2500-37,500.

CATEGORY A

1. Rent free unfurnished, residential accommodation, the monetary value of which shall be evaluated as per Rule 3 of IT rules 1962.

2. MEDICAL BENEFITS FOR SELF & FAMILY

Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months salary in a period of three years.

3. LEAVE TRAVEL CONCESSION

For self & his wife & dependant children once in a year to & fro from any place in India subject to the condition that only actual fare & no hotel expenses etc. will be allowed.

4. CLUB FEES

Club fees for membership of maximum two clubs. This will however not include admission fees or life membership fees.

CATEGORY B

PROVIDENT FUND

Participation in a recognised provident fund as per rules of the company, subject to the ceiling of 10% of salary.

GRATUITY

Gratuity not exceeding half month's salary for each completed year of service.

LEAVE

One month's leave with full pay for every completed 11 months of service.

CATEGORY C

Car with driver for use of company business.

DIVIDENDS

125. Subject to the rights of members (if any) entitled to shares with preferential or special rights attached thereto the profits of the Company which it shall from time to time determine to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company but so that partly paid up share only entitled the holder with respect thereto such a proportion of the distribution upon fully paid up shares as the amount paid thereon bears to the nominal amount of such share. All dividends shall be apportioned and paid proportionately paid or credited a paid on the shares during any portion or portions

of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. Where capital is paid up in advance of call upon the footing that the same shall carry interest such capital shall not, whilst carrying interest, confer a right to participate in profits.

126. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits.
127. No larger dividend shall be declared than is recommended by Directors, but the Company in General Meeting may declare a smaller dividend.
128. No dividend shall be payable except out of the net profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company year shall conclusive.
129. The declaration of the net profits of the Company in the audited annual Accounts for any year shall be conclusive.
130. The Board of Directors may from time to time, pay to the members such interim dividends in their judgment the position of the Company justifies.
131. The Directors may retain any dividends on which the Company has lien and may apply the same in or toward satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
132. Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call no such member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the member, be set off against the call.
133. A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.
134. The directors may retain the dividends payable in respect of which any person is under the transmission, Article entitled to become a member or in respect of which any person under that Article is entitled to transfer until such person shall become a member in respect thereof shall duly transfer the same.
135. Any one of several persons who are registered as the joint holders of any share may give effectual receipt of such share.
136. Unless otherwise directed any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled there to, or in the case of joint holders to the registered address of that on whose name stands first on the register in respect of joint holding or to such person and such address as the member or person entitled or such joint holders as the case may be, may direct and every cheque or warrants so sent shall be made payable to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint holders as the case may direct.
137. All dividends unclaimed shall be dealt in accordance with the provisions of Section 205(A) of the Companies ACT, 1956 and the rules made thereunder.

SECURITY

158. No member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the Company's premises or properties of the Company Without the permission of the Directors, or subject to these Articles to require

discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the directors will be in expedient in the interest of the members of the Company to communicate.

WINDING UP

159. If the Company shall be wound up, the surplus assets shall be applied in the first place in repaying to the holders of the Preference Shares the amount paid up thereon with all arrears or deficiency of dividend (if any) upto the commencement of the winding up, and the residue shall belong to the holder of the Equity Shares in the Proportion set forth in the Memorandum of Association of the Company and to the holders of such other class or classes of shares according to the rights existing in them.

INDEMNITY

161. Subject to Section 201 of the Act, the directors, Managers, Auditors, Trustees and Officers for the time being of the Company shall be indemnified out of the funds of the Company against all bonafide costs, charges, losses, damages, and expenses which they shall respectively incur or be put to on account of any contract, act, deed, matter or thing which shall be made, done, entered into or executed by them respectively on behalf of the Company and the Directors, Managing Director or Managers, Trustees or other officers shall be reimbursed by the Company all responsible expenses incurred by them in or about any legal proceedings or arbitration on account of the Company, or otherwise, in the execution of their respective offices, except such cost, losses and expenses as shall happen through their respective willful default or neglect, any such, Director, Manager, or other officers shall be chargeable only for so much money as he or they shall actually receive and they respectively shall not be answerable for the acts, receipts neglects or defaults of each other but each of them, for his own acts, receipts defaults or neglect only, not shall they respectively be answerable for any banker, broker, collector or other person with whom or into whose hands any property or moneys of the Company may be deposited or come nor the insufficiency of the title to any estate or property which may from time to time be acquired on behalf of the Company, nor for the insufficiency of any security upon which any of the moneys of the Company shall be invested by order of or under authority from the Director, nor for any loss or damage which may happen in the execution of their respective offices unless the same shall happen through their own respective willful default or neglect.

MATERIAL CONTRACTS AND DOCUMENTS OPEN FOR INSPECTION

The contract mentioned in paragraph 'A' below (not being contracts entered into in the ordinary course of business carried on by the company or entered into more than two years before the date of this prospectus) which are or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts, together with copies of Documents in para 'B' below, all of which have been attached to the copy of this Prospectus which has been delivered to the Registrar of Companies, NCT of Delhi & Haryana at New Delhi for registration may be inspected at the Registered Office of the Company between 11.00 am and 1.00 p.m. on any working day from the date of this Prospectus till the date of closing of subscription List.

A. MATERIAL CONTRACTS

1. Letter dated 29.01.96 from Master Trust Ltd. offering their services to act as Lead managers to the Issue and the Company's acceptance thereof.

2. Memorandum of Understanding between the company and Master Trust Ltd. dated 01.02.96.
3. Memorandum of understanding dated 09.02.96 with In-house share Registry offering their services to act as Registrars to the Issue.
4. Letter dated 16.02.96 from M/s. Singhman Financial Services Ltd. offering their services to act as advisor to the Issue and the Company's acceptance thereof.
5. Copy of lease agreement entered into on 01.01.96 between the company and Mrs. Kamal Inder Kaur, wife of one of the director.
6. Agreement dated 04/07/95 between the Company and M/s Pan Marketing Services.
14. Copy of Resolution under Section 149(2A) passed in the Annual General Meeting held on 29.09.1995.
15. Copy of the Certificate dated 08.04.96 from the auditors to the Company regarding deployment of the funds as on 29.02.96.
16. Copy of letter No.BR/SIB/534 dated 27.03.95 and letter No.BR/SIB/416 dated 20.02.96 from State Bank of India, Naraina, New Delhi for sanctioning of cash credit limit and term loan.
17. Copy of Resolution dated 29.09.95 for appointment of Whole Time Director & Managing Director.
18. Copy of Resolutions dated 07.08.95 & 29.09.95 to increase the authorised capital from Rs. 50.00 lacs to 150.00 lacs and than to Rs.401.00 lacs.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated 16.10.1990. Fresh Certificate of Incorporation consequent upon conversion to public limited company dated 01.07.1994.
3. Letters of consent received from the Lead managers to the Issue, Auditors, Legal Advisors, Bankers to the Issue, Advisor to the Issue, Bankers to the Company, Registrars to the Issue and Directors referred to in the Prospectus, to act in their respective capacities.
4. Copy of letter from Reserve Bank of India dated 12/3/96 classifying the Company as Hire-Purchase Company.
5. Letter from Auditors of the Company, dated 08.02.96 certifying the tax benefits mentioned in the Prospectus.
6. Auditors' Report dated 08.02.96 included in the Prospectus.
7. Copy of Board Resolution dated 10.04.96 authorising Registrars to the issue to encash the Stockinvest.
8. Power of Attorney executed by the Directors of the Company in favour of Sh. Rajiv Bhatia for signing the prospectus and making corrections there in.
9. Copies of initial Listing Applications dated 16.02.96 made to Stock Exchange at Delhi, Jaipur & Ludhiana.
10. SEBI Acknowledgment Card No.5/1091/95-NRO/1115 dated 26.03.96.
11. Annual reports of Satin Leasing & Finance Ltd. for the past five years.
12. Copy of Balance Sheet of the Group Companies for the year 1992-93, 1993-94 & 1994-95.
13. Copy of Resolution under Section 81(1A) passed in the Extra Ordinary General Meeting held on 25.01.96.
19. Copy of in principle approval from Reserve Bank of India vide its letter No.CO.FID(II)/13850/ 10.02.40 (7973) 95/96 dated 09.04.96 for allotment of 2,00,000 Equity Shares to NRI's/OCBs on repatriation basis.
20. Copy of sanction letters from SRF Finance Ltd. dated 21.4.95 and 31.1.96.
21. Copy of sanction letters from M/s Pacific Pearl Finance & Leasing Ltd. dated 3.6.95 and 20.2.96.
22. Copy of Board Resolution passed at the meeting of Board of Directors dated 10.4.91 for taking up the Business of Investments at the Time the Company was Private Company.

PART III

DECLARATION

THE BOARD OF DIRECTORS HEREBY DECLARE THAT TO THE BEST OF OUR KNOWLEDGE, ALL THE RELEVANT PROVISIONS OF THE COMPANIES ACT 1956 AND THE GUIDELINES ISSUE BY THE GOVERNMENT HAVE BEEN COMPLIED WITH AND NO STATEMENT MADE IN THE PROSPECTUS IS CONTRARY TO THE PROVISIONS OF THE COMPANIES ACT 1956 AND RULES THEREUNDER.

SIGNED BY DIRECTOR.

SATVINDER SINGH*

H.P. SINGH*

HARBANS SINGH*

V.P. MITTAL*

MAJ. GEN. S.K.VIJ (RETD.) VSM.*

*(By their constituted Attorney Sh. Rajiv Bhatia)

Dated : 23.04.96

Place : Delhi.