



BRAHMANAND HINGHAR LIMITED

(Incorporated on June 21, 1990, as BrahmaNand Developments Private Limited under the Companies Act, 1956 with Registration No.21-49290 with Registrar of Companies West Bengal. The Company subsequently became a public company under the name of BrahmaNand Developments Limited with effect from June 16, 1994. The name of the company was changed to BrahmaNand Himghar Limited and fresh Certificate of incorporation was obtained on April 29, 1998.)

Registered Office: 36-A, Bentinck Street, 2nd Floor, Kolkata - 700 069
(Formerly located at 9, Crooked Lane, 2nd floor, Kolkata-700069)
Phone No.: 91-33-2248 1768/3599; Fax No.: 91-33-2248 1768; E-Mail: bhl@hotmail.com

**PUBLIC ISSUE OF 80,00,000 EQUITY SHARES OF RS. 5/- EACH
FOR CASH AT PAR AGGREGATING RS. 400.00 LACS.**

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the company, there has been no formal market for the equity shares of the Company. The Issue price should not be taken to be indicative of the market price of the Equity Shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the Equity shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by Securities & Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy and adequacy of this document.

Attention of the investors is specifically invited to the Statement of Risk Factors mentioned on page nos. (ii) to (iv) of the prospectus.

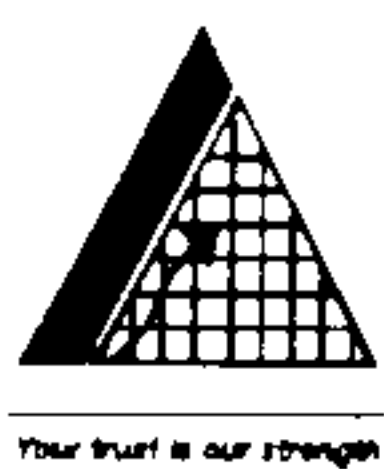
ISSUER'S ABSOLUTE RESPONSIBILITY

The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the issuer and the issue, which is material in the context of the issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares of the Company offered through this Prospectus are proposed to be listed at The Calcutta Stock Exchange Association Limited (The Designated Stock Exchange) ("CSE"). The in-principle approval for listing has been obtained from CSE vide letter reference CSEA/LD/1407/2003 dated 14th November 2003.

LEAD MANAGER TO THE ISSUE



ASHIKA CAPITAL LIMITED
SEBI REGN NO: INM 000010536
7, Bipin Bihari Ganguly Street
4th Floor, Kolkata 700 012
Phone No : (033) 2221-5031/5032/ 5112/ 5113
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E-mail: ashika@cal2.vsnl.net.in

REGISTRAR TO THE ISSUE



S. K. COMPUTERS
SEBI REGN NO: INR 000003886
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ISSUE OPENS ON : THURSDAY, 12TH FEBRUARY, 2004
EARLIEST CLOSING DATE : MONDAY, 16TH FEBRUARY, 2004
ISSUE CLOSES ON : SATURDAY, 21ST FEBRUARY, 2004

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DEFINITIONS / ABBREVIATIONS

Articles	Articles of Association of Brahmanand Himghar Limited
ACL	Ashika Capital Limited
EGM	Extra Ordinary General Meeting
BHL	The Company/ Brahmanand Himghar Limited
Board	The Board of Directors of Brahmanand Himghar Limited.
CDSL	Central Depository Services (India) Ltd.
CSE	Calcutta Stock Exchange
Employee	Employees of Brahmanand Himghar Limited
EPS	Earnings per share
IPO	Initial Public Offer
Issue / Offer	Public Issue of 80,00,000 equity shares of Rs. 5/- each for cash at par aggregating to Rs. 400.00 Lacs
IT Act	Income Tax Act, 1961
Memorandum	Memorandum of Association of Brahmanand Himghar Limited
NBFC	Non-Banking Finance Company
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
RBI	Reserve Bank of India
ROC	The Registrar of Companies, West Bengal
SEBI	The Securities and Exchange Board of India
The Act	The Companies Act, 1956

CURRENCY OF PRESENTATION

In this Prospectus, all references to "Rs." are to Indian Rupee. All financial data contained in this Prospectus has been rounded off to the nearest lacs, except stated otherwise. In this Prospectus, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

RISK FACTORS & PROPOSALS TO ADDRESS THEM

Investors should consider carefully the following risk factors, together with the other information contained in this Prospectus, before they decide to buy the Company's Equity Shares. If any of the following risks actually occur, the Company's business, financial condition and results of operations could suffer, the trading price of the Company's Equity Shares could decline and you may lose all or part of your investment.

INTERNAL RISK FACTORS

1. Risk envisaged by Management

The cost of the new project including Working Capital Requirements and means of finance has not been appraised by any bank/ financial institution and are based on the Company's own estimates. The deployment of funds collected in this issue will be at the sole discretion of the management of the Company.

Proposals to address the risk

The Company has drawn out a business plan for the activities to be pursued in the cold storage industry. The promoters of the Company have 3 years experience in cold storage business. The Company will ensure judicious deployment depending upon requirements at predetermined intervals.

2. Risk envisaged by Management

The requirement of enhanced working capital for the existing operations of the company will be entirely funded from the proposed public issue. Any delay in raising funds from the IPO may have an adverse impact on the performance of the Company.

Proposals to address the risk

The Company is running its existing operations successfully and with the deployment of the money raised through IPO it shall expand the volumes, therefore any delay in raising funds shall affect performance to the extent of increasing the volumes and accordingly future profitability of the Company.

3. Risk envisaged by Management

The Company has additionally incurred a sum of Rs.10 lacs towards the cost of acquisition of land for the new project as against Rs.11 lacs envisaged in the original project.

Proposals to address the risk

The additional cost for acquisition of land has

been incurred to avail the opportunity of better locational advantages and infrastructure facilities. The additional cost of acquisition shall be financed by the Company from its internal accruals.

4. Risk envisaged by Management

The Company is yet to appoint architect and building contractor for the proposed building and civil works of Rs.65.13 lacs.

Proposals to address the risk

The company is in process of appointing architect / contractor for the proposed building and civil works.

5. Risk envisaged by Management

The Company is yet to place orders for Plant and Machinery and various other equipments (to the tune of Rs.55.08 lacs i.e 27.54% of the new project cost) for the proposed project.

Proposals to address the risk

The Plant & Machinery and various other equipments required for the proposed project are readily available in the market and the Company does not foresee any problem in acquiring the same at appropriate point of time.

6. Risk envisaged by Management

The company has not taken any steps for recruiting the required manpower for the proposed project.

Proposals to address the risk

The Company has requisite manpower for running its existing cold storage. However, for the proposed project the necessary recruitment will be done in due course of time.

7. Risk envisaged by Management

Investors may note that listing of Company's shares on only one stock exchange does not necessarily ensure liquidity.

Proposals to address the risk

In the present era of online electronic linked

trading mechanism, liquidity will no longer be a problem for the investors even if the shares are listed in one Stock Exchange only.

8. Risk envisaged by Management

The company's existing business is seasonal in nature.

Proposals to address the risk

In the proposed project for multi-purpose cold storage there will be a regular flow of income throughout the year as it will involve more than one product at the same time and the seasonal aspect of all the products will not be the same.

9. Risk envisaged by Management

The Company is yet to obtain necessary approval from the State Pollution Control Board in Jharkhand for the proposed multi-purpose cold storage.

Proposals to address the risk

The business of cold storage is non-pollutant in nature and as such management does not foresee any problems in obtaining the same.

10. Risk envisaged by Management

The company's investments in quoted equity shares are valued at cost. The cost of such investment as reflected in the Balance Sheet as at March 31, 2003 was Rs12.83.lacs, whereas the market value was Rs.2.25 lacs on that date.

Proposals to address the risk

The investment of the company in quoted equity shares are long term in nature and diminution in value of shares being temporary in nature, no provision for the same has been made.

11. Risk envisaged by Management

As per the revised schedule, there will a delay in implementing the project by a period of 2 months. The delay in implementation would cause revenue loss to the Company.

Proposals to address the risk

The Company has already started the civil and construction works and is confident to complete the project within the revised schedule of implementation.

EXTERNAL RISK FACTORS

1. Risk envisaged by Management

The market is highly competitive and the liberalized policies of the government are likely to attract increasing competition from existing as well as new entrants.

Proposals to address the risk

The promoters of the company have 3 years of experience in running cold storage business and therefore the company does not foresee any risk whatsoever in this respect.

2. Risk envisaged by Management

Any adverse change in the Government Policies may affect the performance and profitability of the Company.

Proposals to address the risk

Government of India has identified cold storages as a thrust area and incentives are being provided to encourage the Industry.

Hence, the company does not foresee any adverse policy changes that could be detrimental to the growth of this sector.

3. Risk envisaged by Management

Natural calamities like floods, droughts, earthquakes and other force majeure events could affect the business.

Proposals to address the risk

The above risk factors are essentially applicable to the entire business sector as a whole and not specifically to the Company only.

4. Risk envisaged by Management

The cold storage industry in West Bengal is faced with over capacity.

Proposals to address the risk

The specific area where the existing cold storage is located is not facing over capacity constraint. The new project is a Multi Storage Cold Storage Project and is to be located in Jamshedpur, Jharkhand and not in West Bengal. This concept of Multi Storage Cold Storage Project is unique in Jamshedpur and the company does not envisage any over capacity problem there.

5. Risk envisaged by Management

The business of the company is dependent on the production of perishable commodities. If productions of the crops are hampered by climatic factors, pest attacks etc., the company's profitability will be impacted.

Proposals to address the risk

Good monsoons, government subsidy and the recent thrust by the government towards agricultural sector shall exhibit a positive impact and as such the company does not foresee any problem in this regard.

6. Risk envisaged by Management

The Government fixes the rent chargeable by cold storage every year. Thus the Company's profitability is subject to fluctuations in the same

Proposals to address the risk

Considering the beneficial measures undertaken by the Government towards promotion of agriculture related activities, the company is optimistic that fluctuations in rent chargeable would not adversely affect the company's business.

NOTES :

1. Net Worth of the Company as on March 31, 2003 is Rs.254.17 Lacs.
2. Public Issue of 80,00,000 Equity Shares of Rs.5/- each for cash at par aggregating to Rs.400.00 Lacs.
3. The cost per share to the promoters is Rs. 5/- and book value per share as on March 31, 2003 is Rs. 7.44 per equity share (face value of the shares are of Rs. 5/- each).
4. The investors are advised to refer to the Para on "Basis of Issue Price" before making an investment in this issue.
5. Investors may note that in case of over subscription, the allotment shall be on proportionate basis and for details, reference may be made to Para "Basis of Allotment" given in prospectus.
6. The investors are advised to refer the Para on promoters' background and past financial performance of the company before making investment in the proposed issue.
7. There are no relationships with statutory auditors of the company other than auditing and certification of financial statements.
8. Investors may note that trading in the shares of the company shall be done only in dematerialised form.
9. There is no contingent liability as on 31/03/2003.
10. There has not been any change in the name of the company at any time during the last three years.
11. There are no interests of promoters/ directors other than reimbursement of expenses incurred or their normal remuneration or benefit and as such no disclosure has been made in respect of the same.
12. The Company has taken the office space from G.Raj &Co (Consultants) Limited free of rent upto 31.03.2003. However, the company is paying rent @ 2000/- per month with effect from 01.04.2003. The Company has also invested a sum of Rs.10,00,000/- into the equity share capital of the aforesaid associate company.
13. No loans and advances has been made by the Issuer Company to any person(s)/ companies in which directors are interested.

HIGHLIGHTS

- An existing profit making company with a track record of consistent profitability for 5 years.
- Locational advantages being close proximity to agricultural produce belt viz. potatoes, mahua, fruits and vegetables etc.
- Proposed listing at Calcutta Stock Exchange.

PART – I

I. GENERAL INFORMATION



BRAHMANAND HIMGHAR LIMITED

(Incorporated on June 21, 1990, as BrahmaNand Developments Private Limited under the Companies Act, 1956 with Registration No.21-49290 with Registrar of Companies West Bengal. The Company subsequently became a public company under the name of BrahmaNand Developments Limited with effect from June 16, 1994. The name of the company was changed to BrahmaNand Himghar Limited and fresh Certificate of incorporation was obtained on April 29, 1998.)

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Phone No.: 91-33-2248 1768/3599; Fax No.: 91-33-2248 1768 E-mail: bhl@hotmail.com

PUBLIC ISSUE OF 80,00,000 EQUITY SHARES OF RS. 5/- EACH FOR CASH AT PAR AGGREGATING RS. 400.00 LACS

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue has been authorised by a resolution passed by the Board of Directors of the Company at their meeting held on 05.05.2003 and a special resolution passed at Extra Ordinary General Meeting of the shareholders of the Company held on 30.05.2003.

GOVERNMENT APPROVALS

The Company has received approval from Directorate of Agricultural Marketing vide license number 584 dated 28th August 2001 to carry on the business of cold storage. The West Bengal Pollution Control Board has given consent to the company vide consent letter number 6048. The company has received the acknowledgement of filing of Industrial Entrepreneur Memorandum with Secretariat for Industrial Assistance vide no.1100/SIA/IMO/2001 dated 18.05.2001.

The company does not require to take approvals from the Government and various non Government agencies to undertake the proposed activities save and except approval from the Pollution Control Board of the state is required and those approvals which may be required to be taken in the normal course of business from time to time. It must be understood that in granting the above approvals the Government does not undertake any responsibility for the financial soundness of the undertaking or for the correctness of any of the statements made or opinions expressed in this regard.

The Company does not require any Letter of Intent or under any other law for the time being in force for carrying on its business.

PROHIBITION BY SEBI

The Company, its directors/promoters and persons in control, its associates, its directors, its promoters, other companies/entities promoted by the promoter of BHL, and companies/entities with which the Company's directors are associated as directors have not been prohibited from accessing/operating in the capital markets or restrained from buying/selling/dealing in securities under any order or discretion passed by SEBI.

ELIGIBILITY FOR THE ISSUE

According to Clause 2.2.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 and amendments thereof, an unlisted company shall make a public issue of any equity share or any security convertible into equity shares at a later date subject to the following:-

- i) The company has net tangible assets worth of above Rs 3 crore in each of the preceding 3 full years (each of 12 months), of which not more than 50% is held in monetary assets;
- ii) It has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least (3) out of immediately preceding five (5) years;
- iii) It has a pre-issue net worth of not less than Rs. 1 crore in each of the preceding three (3) full years (of 12 months each);
- iv) It has not changed its name within the last one year;

- v) The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. offer through Prospectus+ firm allotment+ promoter's contribution through the Prospectus) does not exceed five (5) times its pre-issue net worth as per the last available audited accounts.

As per Clause 2.2.2A, the Issuer shall not make an allotment pursuant to a public issue or offer for sale of equity shares or any security convertible into equity shares unless in addition to satisfying the conditions mentioned in Clause 2.2.1, the prospective allottees are not less than one thousand (1000) in number.

The pre-issue net worth, distributable profits and net tangible assets in terms of section 205 of the Companies Act, of the Company for the last three complete years are as under:

(Rs. in Lacs)			
For the Financial year ending March 31			
	2001	2002	2003
Net Tangible Assets	727.46	698.36	716.32
Monetary Assets	230.58	264.83	282.86
% of Monetary Assets to Net Tangible Assets	31.70%	37.92%	39.49%
Distributable Profits	4.57	4.80	29.69
Net worth	237.06	235.86	254.17

Source: Audited Annual Accounts of the Company for the respective financial years.

The proposed issue size of Rs. 400 Lacs would not exceed five times the pre-issue net worth as on 31st March 2003 which is Rs. 254.17 Lacs. There has been no other issue in the same financial year. Based on the above data the Lead Manager has certified vide its certificate dated 20/11/2003 that the Company is fulfilling the criteria of eligibility norms for Public Issue by unlisted company as specified in the Guideline 2.2.1 of SEBI (DIP) Guidelines, 2000 and amendments thereof. Therefore, the Board of Directors of the Company has resolved to go for the proposed Public Issue pursuant to the above-mentioned guidelines.

Monetary Assets have been considered as defined by AS-11 issued by Institute of Chartered Accountants of India, which is as follows:

"Monetary items are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money, e.g., cash, receivables, payables."

Monetary Assets taken as per the above definition are: Cash and Bank, Sundry Debtors, Loans and Advances and Other Current Assets.

'Net tangible assets' shall mean the sum of all net

assets of the company, excluding 'intangible assets', as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

DISCLAIMER CLAUSES

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. THE LEAD MANAGER, M/s. ASHIKA CAPITAL LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE 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 PROSPECTUS, 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 M/S ASHIKA CAPITAL LIMITED HAS FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 10, 2003 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS :

- (i) **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE.**
- (ii) **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSION WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY,**

WE CONFIRM THAT :

- A. THE PROSPECTUS FORWARDED TO THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
- B. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
- C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

(iii) WE CONFIRM THAT, BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.

THE FILING OF THE PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 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. THE SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE PROSPECTUS.

DISCLAIMER STATEMENT FROM THE ISSUER

It should be noted that the company accepts no responsibility for statements made otherwise than in the prospectus or in the advertisement or any other material issued by or at the instance of the company and that anyone placing reliance on any other source of information would be doing so at his/her own risk.

DISCLAIMER OF THE CALCUTTA STOCK EXCHANGE ASSOCIATION LIMITED

As required, a copy of this prospectus has been submitted to the CSE. CSE has given vide letter reference CSEA/LD/1407/2003 dated 14th November 2003. respectively its permission to the Company to use the Exchange's name in the Prospectus as the stock exchange on which the Company's securities are proposed to be listed. CSE has scrutinised this prospectus for their limited internal purposes of deciding on the matter of granting the aforesaid

permission to the Company. CSE does not in any manner:

- i) Warrant, certify or endorse the correctness or completeness of any of the contents of this prospectus, or
- ii) Warrant, that the Company's securities will be listed or will continue to be listed on the respective Exchange, or
- iii) Take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company

and it should not, for any reason be deemed or construed that this prospectus has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent enquiry, investigation and analysis and shall not have any claim against the said exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

GENERAL DISCLAIMER

The Company accepts no responsibility for statements made otherwise than in the prospectus or in the advertisement or any other material issued by or at the instance of the Company and that anyone placing reliance on any other sources of information would be doing so at his / her own risk.

JURISDICTION

This issue is made in India to persons resident in India (including Indian Nationals resident in India who are majors, Hindu Undivided Families, Companies, Corporate Bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks and Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts (Registered under Societies Act, 1860, or any other Trust law and are authorized under their constriction to hold and invest in shares) and to NRI's, OCB's, FIIs as defined under the Indian laws. This prospectus does not, however constitute an offer to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person in whose possession this prospectus comes is required to inform himself about and to observe any such restrictions. Any disputes arising out of this Issue shall be subject to the jurisdiction of Court(s) in Kolkata.

FILING

A copy of the Prospectus, having attached thereto the documents required to be filed under Section 60 of the Companies Act, 1956, (hereinafter referred to as "the Act") has been delivered to the Registrar of Companies, West Bengal, Kolkata (ROC). A copy of the Prospectus has been filed with Securities And Exchange Board of India (Eastern Region) situated at 234/3A, A. J. C. Bose Road, Kolkata for its observations and SEBI has given its observations. A copy of the documents referred in page number 58 under the head 'Material Contracts And Documents Open for Inspection' in the prospectus has been kept open for public inspection at the registered office of the Company.

LISTING

Initial listing application has been already made by the Company to CSE (Designated Stock Exchange), for permission to list the Equity Shares and for an official quotation of the equity shares now being issued in terms of this prospectus and for the existing equity shares of the Company. The company has already received the in principle approval from CSE for the aforesaid purpose.

In case, the permission for listing of the equity shares is not granted by the above mentioned Stock Exchange, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then the Company and every director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73(2) of the Companies Act, 1956.

The Company with the assistance of the Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at CSE are taken within seven working days of finalisation of the basis of allotment for the Issue.

UNDERTAKING FROM PROMOTERS AND DIRECTORS

The Company accepts full responsibility for the accuracy for the information given in the prospectus and confirms that to the best of their knowledge and belief, there are no other facts, their omission of which make any statement in the prospectus misleading and they further confirm that they have made all reasonable inquiries to ascertain such facts. The issuer further declares that the Stock Exchange to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the equity shares are offered or for the correctness of the statement made or opinions expressed in this prospectus. The promoters/directors declare and confirm that no information/material likely to have a bearing on the decision of investors in respect

of the shares offered in terms of this prospectus has been suppressed, withheld and/or incorporated in the manner that would amount mis-statement, misrepresentation and in the event of its transpiring at any point of the time till allotment/refund, as the case may be, that any information/material has been suppressed /with held and/or amounts to a mis-statement / mis-representation, the promoters/directors undertake to refund the entire application monies to all the subscribers with in 7 days thereafter with out prejudice to the provisions of Section 63 of the Companies Act.

INFORMATION ABOUT THE ISSUE AND THE ISSUER

All information shall be made available by us and the lead manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports, at bidding centres etc.

CORPORATE GOVERNANCE

The SEBI Guidelines in respect of Corporate Governance shall be applicable to the company immediately on the listing of the shares on the aforesaid Stock exchange. The Company undertakes that it shall take necessary steps to comply with all the requirements of the guidelines on corporate governance as would be applicable to it upon the listing of its shares as well as any requirements of the Stock exchange concerned with regard to Corporate Governance before the grant of the listing permission by the stock exchange.

To comply with the SEBI Guidelines in relation to corporate governance the Issuer company have already appointed two independent additional directors Mr. Jugal Kishore Agarwal and Mr. Inder Raj Agarwal in the Board of Directors of the company with effect from 4th December 2003. As the Chairman of the company is non-executive one third of the Board of Directors should comprise of independent directors. The Issuer Company has already formed the following committees as per the SEBI Guidelines.

Audit Committee :

1. Mr. Sushil Khowala- Director.
2. Mr. Jugal Kishore Agarwal – Independent Director.
3. Mr. Inder Raj Agarwal - Independent Director.

Shareholders/Investors Grievance Committee :

1. Mr. Bimal Kumar Agarwal - Director.
2. Mr. Jugal Kishore Agarwal – Independent Director.
3. Mr. Inder Raj Agarwal - Independent Director.

Remuneration Committee :

1. Mr. Dinesh Kumar Agarwal - Director.
2. Mr. Jugal Kishore Agarwal – Independent Director.
3. Mr. Inder Raj Agarwal - Independent Director.

The Company Secretary shall act as the Secretary to all the Committees.

ISSUE OF SHARES IN DEMATERIALISED FORMAT

The Company has entered into agreements with NSDL and CDSL for dematerialisation of shares for the existing and the proposed shareholders. The company has also given option to the subscribers/shareholders/ investors to receive the share certificates in physical form or in the demat form.

IMPERSONATION

As a matter of abundant caution attention of the applicants is specifically drawn to sub-section (1) of section 68A of the act which is reproduced below: -

“Any person who -

- (a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or
- (b) otherwise induces a company to allot, or register, any transfer of shares therein to him or any other person in a fictitious name,

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

MINIMUM SUBSCRIPTION

If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of the issue on account of cheques having been returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received. If there is delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest as per section 73 of the Companies Act 1956.

SHARE CERTIFICATES / ALLOTMENT LETTERS / REFUND ORDERS

Letters of Allotment/ Share Certificate(s) together with refund orders, as the case may be, will be dispatched

by Registered Post to the sole / first applicant within 10 weeks from the date of closure of the issue. The Company shall pay interest @15% *per annum* on the entire amount if the allotment of the Equity Shares has not been made within thirty days of the date of closure of the issue. This interest will be paid from 31st day from the date of closure of the issue until the actual date of allotment. Alternatively, in case of any delay in the dispatch of refund orders beyond 30 days from the date of closure of the issue, interest @15% *per annum*, will be paid on the refund amount from 31st day from the date of closure of the issue until the date of dispatch of the refund orders.

The Company shall ensure dispatch of refund orders of value up to Rs.1500/- under certificate of posting and Share Certificates/ Allotment advices and/ or regret letters together with refund orders over Rs.1500/- by Registered Post only.

The Company has undertaken to make available necessary funds to the Registrar for the purpose of dispatch of Allotment Letters/ Share Certificates/ Refund Orders as stated above.

The Company agrees that -

- a. As far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the public issue.
- b. It shall pay interest @ 15% per annum if the allotment has not been made and refund orders are not dispatched to the investors within 30 days from the date of closure of the issue.

Despatch of share certificates / refund orders and demat credit would be completed and allotment and listing documents would be submitted to CSE within two working days of the finalisation of the basis of allotment. The listing and trading of the securities offered through this prospectus shall commence at CSE within seven working days from the date of finalisation of the basis of allotment.

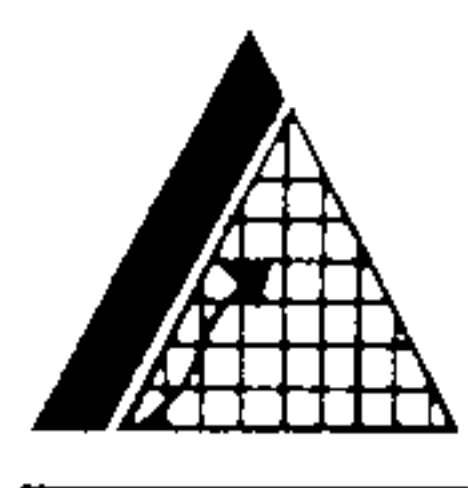
ISSUE PROGRAMME

The subscription list will open at the commencement of banking hours and will close at the close of banking hours on the dates as mentioned below or earlier date at the discretion of the Board but not before the close of the banking hours on the date mentioned under the caption “earliest closing”

ISSUE OPENS ON	:	THURSDAY, 12TH FEBRUARY, 2004
EARLIEST CLOSING DATE	:	MONDAY, 16TH FEBRUARY, 2004
ISSUE CLOSES ON	:	SATURDAY, 21ST FEBRUARY, 2004

II. ISSUE MANAGEMENT TEAM

LEAD MANAGER TO THE ISSUE



ASHIKA CAPITAL LIMITED
SEBI REGN NO: INM 000010536
7, Bipin Bihari Ganguly Street
4th Floor, Kolkata 700 012
Phone No. : (033) 2221-5031/5032/5112/5113
Fax No. : (033) 2215 9418
E-mail : ashika@cal2.vsnl.net.in

REGISTRAR TO THE ISSUE



S. K. COMPUTERS
34/1A, Sudhir Chatterjee Street
Kolkata 700 006
Phone No. : +91-33-22196797
Fax No. : +91-33-22194815
E-Mail: agarwalskc@rediffmail.com

AUDITORS

SKL & COMPANY

Chartered Accountants
7A, Bentinck Street
New Wing, Room no 212,
Kolkata - 700 001,
5Phone: 248 4195/5656

LEGAL ADVISOR TO THE ISSUE

ANGSHUMAN CHOUDHARY

Advocate
2/5-6, Santoshi Villa,
Post Office Road, Mango
Jamshedpur-831 012

BANKERS TO THE COMPANY

UTI BANK LIMITED

Jamshedpur

UTI BANK LIMITED

Kankurgachi Branch
Kolkata

STATE BANK OF INDIA

Garbeta Dist. Midnapur

BANKERS TO THE ISSUE

PUNJAB NATIONAL BANK

Bistupur, Jamshedpur

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. SITAL PRASAD SWAIN

Brahmanand Himghar Limited
36-A, Bentinck Street, 2nd Floor,
Kolkata - 700 069
Phone No.: 91-33-2248 1768/3599;
Fax No.: 91-33-2248 1768;
E-Mail: bhl@hotmail.com

Investors can contact the compliance officer in case of any pre-issue / post-issue related problems such as non-receipt of letters of allotment / share certificates / refund orders etc.

TRUSTEES

As the proposed Issue is for Equity Shares only, trustee is not required to be appointed.

CREDIT RATING

As the proposed Issue is for Equity Shares, credit rating is not required.

UNDERWRITERS TO THE ISSUE

Underwriting being optional, the Company does not propose to underwrite the issue.

III. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL	NOMINAL VALUE (Rs.)
A. AUTHORISED CAPITAL	
36 Cumulative Redeemable Preference Shares of Rs.50,000/- each	1,800,000
200 Cumulative Redeemable Preference Shares of Rs.1,000/- each	200,000
1,100 Cumulative Redeemable Preference Shares of Rs.10,000/- each	11,000,000
1,50,00,000 Equity Shares of Rs.5/- each	75,000,000
	88,000,000
B. ISSUED, SUBSCRIBED & PAID-UP	
13, 20% Cumulative Redeemable Preference Shares of Rs.50,000/- each for cash	6,50,000
15, 15% Cumulative Redeemable Preference Shares of Rs.50,000/- each for cash	7,50,000
100, 15% Cumulative Redeemable Preference Shares of Rs.1,000/- each for cash	100,000
887, 14% Cumulative Redeemable Preference Shares of Rs.10,000/- each for cash	8,870,000
34,17,000 Equity Shares of Rs.5/- each for cash	17,085,000
	27,655,000
C. PRESENT ISSUE	
1,05,83,000 Equity Shares of Rs.5/- each for cash at par	52,915,000
D. OUT OF THE PRESENT ISSUE	
25,83,000 Equity Shares of Rs.5/- each for cash at par are reserved for firm allotment to the Promoters, Directors, their Friends, Relatives and Associates.	1,29,15,000
F. NET OFFER TO RESIDENT INDIAN PUBLIC	
80,00,000 Equity Shares of Rs.5/- each for cash at par	4,00,00,000
G. PAID UP CAPITAL AFTER THE PRESENT ISSUE	
13, 20% Cumulative Redeemable Preference Shares of Rs.50,000/- each for cash	6,50,000
15, 15% Cumulative Redeemable Preference Shares of Rs.50,000/- each for cash	7,50,000
100, 15% Cumulative Redeemable Preference Shares of Rs.1,000/- each for cash	100,000
887, 14% Cumulative Redeemable Preference Shares of Rs.10,000/- each for cash	8,870,000
1,40,00,000 Equity Shares of Rs. 5/- each for cash.	70,000,000
	80,370,000

NOTES TO THE CAPITAL STRUCTURE

1. Details of Increase in Authorised Capital :

Sr. No.	Particulars of Increase	Date of Meeting
1.	Rs. 20 Lacs	Incorporation
2.	From Rs. 20 Lacs to Rs. 100 Lacs	28.02.1994
3.	From Rs. 100 Lacs to Rs. 330 Lacs	20.04.1995
4.	From Rs. 330 Lacs to Rs. 830 Lacs	30.05.2003
5.	From Rs. 830 Lacs to Rs. 880 Lacs	04.08.2003

2. The equity shares of the Company of face value of Rs.10/- were split into 2 equity shares of face value of Rs.5/- each vide a special resolution passed at the Extra Ordinary General Meeting held on 30.05.2003. The equity shares of the Company presently have a face value of Rs. 5/- each.

3. Capital Build up

The existing share capital of the Company has been subscribed and allotted as under :

Date of Allotment/Fully paid up	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Value (Rs.)	No. of Shares of face value Rs. 5 per share	Consideration	Remarks
Incorporation	200	10	10	2000	400	Cash	Subscribers to the Memorandum
29.03.1991	71500	10	10	715000	143000	Cash	Allotted to Promoters / Others
30.03.1992	41000	10	10	410000	82000	Cash	Allotted to Promoters / Others
30.03.1993	87300	10	10	873000	174600	Cash	Allotted to Promoters / Others
30.03.1994	221000	10	10	2210000	442000	Cash	Allotted to Promoters / Others
30.03.1995	542000	10	10	5420000	1084000	Cash	Allotted to Promoters / Others
30.03.1996	152500	10	10	1525000	305000	Cash	Allotted to Promoters / Others
29.03.1997	163000	10	10	1630000	326000	Cash	Allotted to Promoters / Others
30.03.1999	430000	10	10	4300000	860000	Cash	Allotted to Promoters / Others
				17085000	3417000		

4. Promoters Contribution and Lock-in Period

Sr. No	Date of Allotment	Date when made fully paid up	Consideration	No. of shares	Face Value (Rs.)	Issue Price (Rs.)	No. of Shares of face value Rs. 5 per share	% of Post issue paid up capital	Lock-in period*
1.	Incorporation	Incorporation	Cash	200	10	10	400	0.00	1 year
2.	29.03.1991	29.03.1991	Cash	71500	10	10	143000	1.02	1 year
3.	30.03.1992	30.03.1992	Cash	41000	10	10	82000	0.59	1 year
4.	30.03.1993	30.03.1993	Cash	87300	10	10	174600	1.245	1 year
5.	30.03.1994	30.03.1994	Cash	221000	10	10	442000	3.16	1 year
6.	30.03.1995	30.03.1995	Cash	542000	10	10	1084000	7.74	1 year
7.	30.03.1996	30.03.1996	Cash	152500	10	10	305000	2.18	1 year
8.	29.03.1997	29.03.1997	Cash	163000	10	10	326000	2.33	1 year
9.	30.03.1999	30.03.1999	Cash	321500	10	10	643000	4.59	1 year
10.	30.03.1999	30.03.1999	Cash	108500	10	10	217000	1.55	3 years
11.	To be allotted	-	Cash	2583000	5	5	2583000	18.45	3 years
							6000000	42.86	

*Equity shares held by the promoters, friends, relatives and associates representing 20% of the post-issue capital of the company shall be locked-in for a period of 3 years from the date of allotment in the present issue. Equity shares held by the promoters, over and above 20% of the post issue equity share capital as mentioned above shall be locked-in for a period of 1 year from the date of allotment in the present issue.

5. Promoters' Contribution and lock-in in respect of promoters whose name figure in the prospectus as promoters in the paragraph "Promoters and their Background".

Name of the Promoter	Date of Allotment	Date when Made fully paid	Consideration (cash, bonus, kind, etc.)	No. of Shares	Face Value	Issue Price	No. of Shares of face value Rs. 5 per capital	% of post Issue paid up	*Lock period
1. Mr. Rajendra Agarwal	29.03.1991	29.03.1991	Cash	16500	10/-	10/-	33000	7.43%	1 year
	30.03.1992	30.03.1992		15000			30000		1 year
	30.03.1993	30.03.1993		75000			150000		1 year
	30.03.1994	30.03.1994		36300			72600		1 year
	30.03.1995	30.03.1995		129700			259400		1 year
	30.03.1996	30.03.1996		22500			45000		1 year
	29.03.1997	29.03.1997		25000			50000		1 year
	To be allotted			-			400000		3 years
							1040000		
2. Mr. Bimal Kumar Agarwal	29.03.1991	29.03.1991	Cash	8000	10/-	10/-	16000	5.00%	1 year
	29.03.1992	29.03.1992		1500			16000		1 year
	30.03.1994	30.03.1994		88900			177800		1 year
	30.03.1995	30.03.1995		64100			128200		1 year
	30.03.1996	30.03.1996		17500			35000		1 year
	29.03.1997	29.03.1997		20000			40000		1 year
	To be allotted			-			300000		3 Years
									700000
3. Mr. Kumar Sushil Khowala	29.03.1991	29.03.1991	Cash	2000	10/-	10/-	4000	3.57%	1 year
	30.03.1993	30.03.1993		2300			4600		1 year
	30.03.1994	30.03.1994		2000			4000		1 year
	30.03.1995	30.03.1995		64600			129200		1 year
	30.03.1996	30.03.1996		15000			30000		1 year
	29.03.1997	29.03.1997		14100			28200		1 year
	To be allotted			-			300000		3 years
									500000

* From the date of allotment in the present issue.

Note:

All the shares as stated above have been acquired by the present promoters on 03.10.2002.

6. **The details of sale / purchase / financing of shares by Promoters Group / Directors**

The Promoters Group / Directors have not purchased and/or sold/financed any shares of the Company during the past 6 months.

7. The promoters, directors, their friends and relatives and associates currently hold 100% of the paid-up equity capital of the Company. After the public Issue, their holding will be 42.86% of the post-issued Paid-up Capital of the Company.

8. The promoters' contribution of Rs. 1,29,15,000/- as mentioned under the category 'D' shall be brought in at least one day before opening of the Issue.
9. The minimum promoters contribution from Promoters, Directors, their friends, Relatives and Associates shall be Rs. 25,000/- and for firms and body corporates not being business associates shall be Rs. 1,00,000/-.
10. Neither the Promoters, the Directors nor the Lead Manager of the Issue have entered into any "buy-back", "stand by" and "similar" arrangement for the purchase of equity shares of the company.
11. In case of over subscription, if the process of rounding off to the nearest multiple of 100 shares results in the allocation being higher than the Equity shares offered, the Company may allot additional Equity Shares up to a maximum of 10% of the net offer to the public.
12. The equity shares offered through this public issue shall be made fully paid up or may be forfeited within 12 months from the date of allotment of equity shares.
13. Names of the top ten shareholders of the Company :
As on 29.01.2004 i.e. the date of filing of the prospectus with ROC :

Sl. No	Name of the Shareholders	No. of Shares (Face value Rs. 5 per share)*
1.	Rajendra Kumar Agarwal	640000
2.	Bimal Kumar Agarwal	400000
3.	Shiv Om Investment & Consultancy Ltd.	240000
4.	Sushil Kumar Khowala	200000
5.	Kamlesh M. Pvt. Ltd.	100000
6.	J. M. Finance Co. Ltd.	80000
7.	D. K. Vyapar Vinimay Pvt. Ltd.	70000
8.	Liska Synte. Pvt. Ltd.	60000
9.	Garima Sales Pvt. Ltd.	60000
10.	CIMS Commotrade Pvt. Ltd.	60000

14. Names of the top ten shareholders of the Company :
As on 19.01.2004 i.e. ten days prior to the date of filing the prospectus with ROC :

Sl. No	Name of the Shareholders	No. of Shares (Face value Rs. 5 per share)*
1.	Rajendra Kumar Agarwal	640000
2.	Bimal Kumar Agarwal	400000
3.	Shiv Om Investment & Consultancy Ltd.	240000
4.	Sushil Kumar Khowala	200000
5.	Kamlesh M. Pvt. Ltd.	100000
6.	J. M. Finance Co. Ltd.	80000
7.	D. K. Vyapar Vinimay Pvt. Ltd.	70000
8.	Liska Synte. Pvt. Ltd.	60000
9.	Garima Sales Pvt. Ltd.	60000
10.	CIMS Commotrade Pvt. Ltd.	60000

15. Names of the top ten shareholders of the Company :

As on 29.01.2002, i.e. two years prior to the date of filing the prospectus with ROC :

Sl. No.	Name of the Shareholders	No. of Shares (Face value Rs. 5 per share)*
1.	Shiv Om Investment & Consultancy Ltd.	240000
2.	Ramrichpal & Co.	121000
3.	Kamlesh Merchantile Credit (P) Ltd.	100000
4.	J. M. Finance Co. Ltd.	80000
5.	D. K. Vyapar Vinimay Pvt. Ltd.	70000
6.	Liska Synte. Pvt. Ltd.	60000
7.	Garima Sales Pvt. Ltd.	60000
8.	CIMS Commotrade Pvt. Ltd.	60000
9.	Shyam Sunder Sharma	50000
10.	Tarun Ganguly	50000

*These shares were originally allotted at the face value of Rs. 10/- per share.

16. Shareholding pattern of promoter group as on 30th September 2003

Particulars	No. of Equity Shares (Face value of Rs. 5/- each)	% to total equity
a. Promoters	12,40,000	36.29
b. Friends, relatives and associates of promoters and directors	21,77,000	63.71
c. Companies in which 10% or more of the share capital is held by the promoter / his immediate relatives/firms, or HUF in which the promoter his immediate relative is a member.	Nil	Nil
d. Companies in which company mentioned in c. above holds 10% or more of the share capital	Nil	Nil
e. HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total.	Nil	Nil
TOTAL	34,17,000	100.00

17. Shareholding pattern of promoter group – post public issue

Particulars	No. of Equity Shares	% to total equity
a. Promoters	22,40,000	16.00
b. Friends, relatives and associates of promoters and directors.	37,60,000	26.86
c. Companies in which 10% or more of the share capital is held by the promoter / his immediate relatives/firms, or HUF in which the promoter his immediate relative is a member.	Nil	Nil
d. Companies in which company mentioned in c. above holds 10% or more of the share capital	Nil	Nil
e. HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total.	Nil	Nil
TOTAL	60,00,000	42.86

18. The equity shareholding pattern of the company before and after the issue shall be as follows : -

Entity	Pre Issue		Post Issue	
	No. of Shares	%	No. of Shares	%
Promoters, their friends, relatives & associates	34,17,000	100 %	60,00,000	42.86%
Public	Nil	Nil	80,00,000	57.14%
Total	34,17,000	100 %	1,40,00,000	100.00 %

19. The Shareholders of the Company do not hold any warrant, option or convertible loan or any debenture that would entitle them to acquire further shares of the Company.
20. A minimum of 50% of the net offer of securities to the public shall initially be made available for allotment to retail individual investors who have applied for securities of or for a value of not more than Rs.50,000/- (10,000 equity shares). The remaining 50% of the net offer to the public is reserved for individuals applying for more than Rs.50,000/- (10,000 equity shares) and corporate bodies / institutions etc. The unsubscribed portion in either of these categories shall be added to other category interchangeably.
21. The equity shares to be held by the promoters under the lock in period shall not be sold / hypothecated/ transferred during the lock in period. However inter se transfer between the promoters named in the prospectus as such would be permitted provided that the requirement of the lock in period guidelines continues to apply to the extent initially prescribed.
22. No single applicant can make an application for number of shares that exceeds the shares offered to the Indian public.
23. The Company does not propose, intend, negotiate or consider altering the capital structure by way of split/ consolidation of the denomination of the shares or issue of shares on a preferential basis or issue of bonus or rights or further public issue of shares, within a period of six months from the date of closure of the public issue
24. The Company shall not make any further issue of capital in any manner whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or otherwise, during the period commencing from the submission of the prospectus to SEBI, till the equity shares referred to in this prospectus have been listed or application moneys refunded on account of non-listing or undersubscription.
25. At any given point of time, there shall be only one denomination for the equity shares of the company and the company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
26. Bridge Loans:
There are no "Bridge loans" from any Bank taken by the company for any purpose whatsoever or for the proposed project.
27. None of the shares of the company have been issued for consideration other than cash or out of revaluation reserve at any point of time.

IV. TERMS OF THE PRESENT ISSUE

PRINCIPLE TERMS AND CONDITIONS OF THE ISSUE

The Equity Shares being issued are subject to the terms of this Prospectus, the terms and conditions contained in the Application Form, the Memorandum and Articles of Association of the Company, provisions of the Act, other applicable acts and the Letters of Allotment / Equity Shares Certificates or other documents and the Guidelines issued from time to time by the Government of India and SEBI.

TERMS OF PAYMENT

Applications should be for a minimum of 400 Equity Shares and in multiples of 100 Equity Shares

thereafter. The amount payable per Equity Share by an applicant shall be as follows:

Category	For Indian Public
On Application	Rs. 5.00
Total	Rs. 5.00

Where any applicant is allotted lesser number of equity shares than he/ she has applied for, the excess amount paid on application shall be refunded to the applicant. No interest would be payable on application money pending allotment up to 30 days from the date of closure of the issue.

INTEREST IN CASE OF DELAY ON ALLOTMENT / DESPATCH

The Company agrees that -

- a. as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the public issue;
- b. It will pay interest @ 15% *per annum* for the period of delay beyond 30 days if the allotment has not been made and/ or refund orders have not been dispatched to the investors within 30 days from the date of closure of the issue.

ARRANGEMENT FOR DISPOSAL OF ODD LOTS

The Company's shares will be traded in dematerialised form only and the marketable lot is 1 share. Therefore, there is no possibility of odd lots.

RIGHTS OF INSTRUMENT HOLDERS

RANKING OF EQUITY SHARES

The Equity Shares to be issued shall be subject to the Memorandum and Articles of Association of the Company and shall rank *pari passu* with the existing Equity Shares of the Company save and except that they shall rank for dividend, if any, which may be declared, *pro-rata* for the period from the date the new Equity Shares are allotted.

RIGHTS OF MEMBERS

1. To attend and vote on any matter brought before it unless prohibited by law.
2. To vote either personally or by proxy.
3. To receive dividend, if declared.
4. To receive offer for rights shares.
5. To be allotted bonus shares, if declared.
6. To receive surplus on liquidation.

INSTRUCTIONS FOR APPLICANTS

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

Copies of Prospectus and Application forms along with Memorandum containing salient features of the Prospectus may be obtained from the Registered Office of the Company, Lead Managers, Bankers to the Issue, Registrar to the issue named herein or from their branches as stated on the reverse of application form. Any individual desiring to have a full copy of the prospectus may write to the Lead Manager or to the Registered Office of the Company. The investors are advised to retain the copy of the prospectus/ Memorandum in Form 2A (abridged Prospectus) for their future reference.

Application may be made by :

1. Indian Nationals resident of India who are Adult Individuals in single name or joint names (not more than three)
2. Hindu Undivided Families through the Karta of the Hindu Undivided Family.
3. Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorized to invest in the shares.
4. Indian Mutual Funds registered with SEBI.
5. Indian Financial Institutions & Banks.
6. Trusts, who are registered under the Societies Regulation Act, 1860 or any other trust law and are authorized under its constitution to hold and invest in shares.
7. Commercial Banks and Regional Rural Banks, Co-operative Banks may also apply subject to permission from Reserve Bank of India.
8. Permanent and Regular employees of the Company.
9. Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) subject to the applicable RBI Guidelines and Approvals, if any.

Applications not to be made by :

1. Minors
2. Foreign Nationals (except NRIs)
3. Partnership firms or their nominees

PROCEDURE FOR APPLICATION

Application by Resident Indian Public

Applicants must note that: -

1. Application must be made only in prescribed application form accompanying the memorandum.
2. Application must be completed in full in block letters in English except signatures in accordance with the instructions contained herein and in the application form. Applications not so made are liable to be rejected.
3. Application must be for a minimum of 400 equity shares and in multiple of 100 thereafter. An applicant can make an application only for the maximum of equity shares that are offered to the public.
4. Application must be in the name of Resident Indian Individuals, limited companies, statutory corporations/ institutions incorporated in India, Indian Mutual Funds registered with SEBI and Banks. Application in the name of minors, foreign nationals, Trusts not registered under the

Societies Registration Act, 1860, or any other Trust Laws, partnership firms or their nominees will be treated as invalid.

5. Applicants residing at places where no collection centers have been opened may submit/ mail their application at their sole risk along with application money due there unto by Demand Draft to the Registrar to the Issue, S. K. Computers superscribing the envelope BRAHMANAND HINGHAR LIMITED - Public Issue" so as to reach the Registrar on or before the closure of the Subscription List. Such Demand Drafts should be payable at Calcutta only. The charges, if any, for purchase of the Demand Draft will have to be borne by the applicant.
6. Application by Mutual Funds/ Indian Financial Institutions/ Banks, Investment Institutions: A separate application can be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications provided the applications made by the AMCs / Trustees / the Custodians clearly indicate their intention as to each Scheme concerned for which application has been made.
7. All cheques/ bank drafts accompanying the application should be crossed "A/c payee only" and made payable to any of the Bankers to the Issue and lodged at any of their nominated branches and should bear the words "BHL - Public Issue"
8. Applicants should indicate the application number on the reverse of the instrument through which payment is made.
9. Applications may be made by Hindu Undivided families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

APPLICATIONS BY MUTUAL FUNDS

A separate application can be made in respect of each scheme of an Indian Mutual Fund registered with Board and that such applications shall not be treated as multiple applications Provided that the application made by the Asset Management Companies/Trustees/ Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme of which application is being made. The Company reserves the right to accept or reject, in its absolute discretion, any or all multiple applications.

APPLICATION BY NRI'S

Application by NRI's/ OCB's may be made only on a non-repatriable basis. The same will be treated at par with applications made by the members of the resident Indian Public, subject to relevant regulations.

The individual NRI applicants can obtain the

application forms from the Registered office of the Company:

36-A, Bentinck Street, 2nd Floor, Kolkata - 700 069
Phone No.: 91-33-2248 1768/3599

GENERAL INFORMATION

1. JOINT APPLICATION

An application may be made in single or joint names (not more than three as aforesaid). In the case of such joint applications refund/pay orders (if any), dividend warrants etc. and all other communications will be made out in favour of the first named applicant and will be dispatched to his/her address as stated in the Application Form.

2. APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES

In the case of applications under Power of Attorney or by limited companies or corporate bodies or registered societies, the relevant Power of Attorney or the relevant authority, as the case may be to make the application or a duly certified copy thereof along with a copy of Memorandum and Articles of Association must be lodged separately, quoting the reference number of the Application Form at the office of the Registrars to the issue simultaneously with the submission of the Application Form to the Bankers to the issue failing which the application is liable to be rejected.

3. MULTIPLE APPLICATIONS

An applicant should submit only one application (and not more than one) for the total number of shares required. Two or more applications in single/joint (not more than 3) names will be deemed to be multiple applications if the sole and/ or the first applicant is one and the same. The Board of Directors reserves the right to reject in its absolute discretion all or any of the multiple applications.

4. APPLICATION BY POST

All applications duly completed must be delivered before the closure of the subscription list to any of the Bankers to the issue or any of their branches mentioned on the reverse of the application form and NOT to the Company or to the Lead Managers or Co-Manager or Advisor or Registrars to the issue.

However, the Investors from the places other than the places where the authorised collection centers are located, can forward their application to the Registrar to the Issue directly by Regd. post with acknowledgement due and such application shall be dealt with by the Registrar to the Issue in the normal course.

5. The Application Form number should be mentioned on the reverse of the instrument through which the payment is made.
6. Applicants must insert particulars relating to his / her Savings / Current Bank Account number and the name of the Bank with whom such account is held, in the box provided for this purpose in the application form to enable the Registrars to print the details in the refund orders after the names of the Payee(s). Applications not containing the above details are liable to be rejected.
7. A separate cheque / bank draft must accompany each application form.
8. Where an application is for allotment of equity shares 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 (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income Tax Circle/Ward/District should be mentioned. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non allotted should be mentioned in the application form. Application forms without this information will be considered incomplete and will be liable to be rejected.
9. No receipt will be issued for the application money. However, the Bankers to the Issue and/ or their branches receiving the application will acknowledge receipt by stamping and returning to the applicant the acknowledgement slip at the bottom of each Application Form. For further instructions, please read the Application Form carefully.
10. Having regard to the provisions of Section 269SS of the Income tax Act, 1961, the payment against the Application Monies should not be effected in cash, if the amount to be paid is Rs. 20,000/- or more or if such application money together with deposit on loan with the Company (whether originally paid in cash or otherwise) remaining unpaid, whether repayment has fallen due or not, aggregate Rs. 20,000/- or more. In case payment is effected in contravention of this, the application money will be refunded and no interest will be paid thereon.
11. The proceeds of the issue will be used for the purposes mentioned under the objects of the issue. The sums received in respect of the public issue will be kept in separate bank accounts and the Company will not utilise the fund unless approval from the Calcutta Stock Exchange is obtained for allotment and listing of the shares is available.
12. Thumb impression or signature in language other than English, Hindi or any other language specified in the 8th Schedule to the Constitution of India must be attested by Magistrate or Notary Public or a special Executive Magistrate under his official seal.
13. All communications should be addressed to the Registrar to the Issue.

NOMINATION FACILITY TO INVESTOR

As per Section 109A of the Companies Act, 1956, the sole applicant / joint applicant may appoint a nominee, in a prescribed manner, a person to whom his share in the company shall vest in the event of his death.

PAYMENT BY STOCKINVEST

RBI has withdrawn the Stockinvest Scheme vide notification No. DBOD. NO.FSC.BC.42/24.47.001/2003-04 dated 05/11/2003.

SUBMISSION OF APPLICATION FORM AND INSTRUCTIONS FOR PAYMENT

All applications duly completed must be delivered before the closure of the subscription list to any of the Bankers to the issue or any of their branches mentioned on the reverse of the application form and NOT to the Company or to the Lead Managers or Registrars to the issue.

However, the Investors from the places other than the places where the authorised collection centers are located, can forward their application to the Registrar to the Issue directly by Registered Post with acknowledgement due and such application shall be dealt with by the Registrar to the Issue in the normal course.

Payment should be made in cash or by cheque/ demand draft and should be drawn on any Bank (including a Co-Operative Bank) that is situated at and is a member or sub-member of the Bankers Clearing House located at the centers (indicated in the application form) where the application is submitted. Payment over Rs.20,000/- should be made in cheque/ draft/stockinvest only. Money Orders, postal orders, out-station Cheques or Demand Drafts, cheques/ draft drawn on banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected. A separate cheque/ bank draft must accompany each Application Form.

No receipt will be issued for the application money. However the Bankers to the Issue receiving the application will acknowledge the receipt by stamping and returning the acknowledgement slip.

The Application form number should be mentioned on the reverse of the instrument through which the payment is made.

In order to avoid any misuse of the Refund Orders, applicants are advised to indicate the details regarding their Saving Bank/Current Account number and the name of the Bank and Branch with whom such account is held in the space provided in the application form.

In case payment is effected in contravention of the conditions mentioned herein, the application money will be refunded and no interest will be paid thereon.

OVER SUBSCRIPTION AND BASIS OF ALLOTMENT

In the event of public issue of equity shares being over-subscribed, the Executive Director/Managing Director of the Calcutta Stock Exchange Association Limited along with the lead Merchant Banker, Board of Directors of the company and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner with the following guidelines:

- a) A minimum 50% of the net Issue to the Indian public will be made available for allotment in favour of those retail individual applicants who have applied for shares for a value of Rs.50,000 or Less. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis relevant SEBI Guidelines.
- b) The balance of Net Issue to Indian Public shall be made available to investors including corporate bodies/institutions and individual applicants who have applied for allotment of shares for a value of more than Rs. 50,000.
- c) The unsubscribed portion of the net Issue to any of the categories specified in (a) or (b) shall be made available for allotment to applicants in the other category, if so required.
- d) Applicants will be categorised according to the number of equity shares applied for.
- e) The total number of equity 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 applications in the category multiplied by the number of equity shares applied for) multiplied by the inverse of the over subscription ratio.
- f) Number of equity shares to be allotted to the successful allottees will be arrived at on a proportionate basis i.e. total number of equity shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.

g) In all the applications where the proportionate allotment works out to less than 100 equity shares per applicant in the allotment shall be made as follows:

- i) Each successful applicant shall be allotted a minimum of 100 equity shares, and
- ii) The successful applicants out of the total applicants of that category shall be determined by drawal of lots in such a manner that the total number of equity shares allotted in that category is equal to the number of equity shares worked out as per (b) above.

h) If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot) the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted equity shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category is more than the equity shares allotted to the applicants in the category, the balance available equity shares for allotment shall be first adjusted against any other category where the allotted equity shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance equity shares if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of equity shares.

In the event of public issue of equity shares being over-subscribed, the basis of allotment will be finalised by the Board of directors of the Company in consultation with CSE, Lead Manager & Registrar to the Issue in marketable lots and on a proportionate basis.

The drawal of lots (where required) to finalise the basis of allotment, shall be done in the presence of a public representative on the Governing Board of the CSE. The basis of allotment shall be signed as correct by the Executive Director/Managing Director of the CSE and the public representative (where applicable) in addition to the lead merchant banker responsible for post issue activities and the Registrar to the Issue.

INTEREST ON EXCESS APPLICATION MONEY

Payment of interest @ 15% *per annum* on the excess application money for the delayed period beyond 30 days as will be made to the applicant for the delayed period, if any, where allotment of equity shares and issuance of Refund Orders take place beyond 30 days from the date of closure of the issue.

DESPATCH OF REFUND ORDERS

The Company ensures despatch of refund orders of value over Rs.1,500 and share/debenture certificates by Registered Post only and adequate funds for the purpose shall be made available to the Registrars by the company.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No receipt shall be issued for the application money. However, the Bankers to the issue receiving the application forms shall acknowledge the receipt of the application by stamping and returning the detachable acknowledgement slip appended to the application form. The sum received in respect of the issue shall be kept deposited in separate bank accounts and the Company will not have any access to the funds unless approval of the Designated Stock Exchange i.e. Calcutta Stock Exchange is obtained for the basis of allotment and listing approval from the Stock Exchange where listing is proposed. The Company reserves the full and unqualified and absolute right to accept or reject any application in whole or part and in either case without assigning any reason whatsoever.

DEPOSITORY OPTION TO INVESTORS

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialised form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Many body corporate and their investors are now opting for this mode of electronic accounts. The Company will also opt for this mode of electronic accounts. The Company will also opt for this method subject to investors exercising their option to hold the shares in Dematerialised form, for which necessary column have been provided in the respective application forms.

The investors have an option either to receive the share certificate or to hold the shares with depository. However, as per SEBI's circular RMB (Compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only.

The company has been allotted ISIN. The ISIN of the company is INE318GO1015

1. Tripartite agreements has been signed between the Company, S. K. Computers, NSDL and CDSL dated 1st January 2004 and 19th January 2004 respectively.
2. The investor has an option to seek allotment of equity shares in electronic and / or physical mode.
3. Such an option if exercised should be indicated in the relevant blocks in the share application form itself.

4. Separate applications for electronic and physical equity shares by the same applicant shall be considered as multiple applications.
5. In case of partial allotment, allotment will be done in demat option for the shares sought in demat and balance if any will be allotted in physical shares.
6. Investors who wish to apply shares in electronic form need to have at least one Beneficiary Account with a Depository prior to the allotment.
7. The applicants name in the Depository Instruction Section in the Application Form should be the same as appearing in his or its Beneficiary Account. In case of joint applicants, in addition to the name, the sequence of the names in the Application Form and the Beneficiary Account should be the same.
8. Allotment advice / Refund Orders will be directly sent to the investors by the Registrar.
9. If incomplete / incorrect investor depository account details are given in the application, physical equity shares will be allocated to investors.
10. Responsibility for correctness of applicant's demographic details given in the share application form vis-à-vis, those with his/her Depository Participant, would rest with the investor.
11. Shares in electronic form can be traded on Stock Exchange having electronic connectivity with the NSDL & CDSL.

UNDERTAKING BY THE COMPANY

The company hereby undertakes that :

- the complaint received in respect of the issue shall be attended to by the Company expeditiously and satisfactorily;
- the Company shall take necessary steps for the purpose of getting the securities listed in the concerned stock exchange within 7 working days of finalisation of basis of allotment;
- the funds required for dispatch of refund orders/ allotment letters/ certificates by registered post shall be made available to the Registrar to the Issue by the Company;
- the promoters' contribution in full, wherever required, shall be brought in advance before the issue opens for public subscription and the balance, if any, shall be brought in pro-rata basis before the calls are made on public;
- no further issue of securities shall be made till the securities offered through this offer document are listed or till the application moneys are refunded on account of non-listing, under subscription, etc;

- the certificates of the securities / refund orders to the non-resident Indians shall be dispatched within specified time.

UTILISATION OF ISSUE PROCEEDS

A statement of the Board of Directors stating that :

- (i) all monies received out of issue of shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies act, 1956;
- (ii) details of all monies utilised out of issue referred in sub item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the purpose for which such monies had been utilised; and
- (iii) details of all unutilised monies out of issue of shares, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in Balance Sheet of the company indicating the form in which such unutilised monies have been invested.
- (iv) The utilisation of monies received under promoters' contribution and from firm allotments shall be disclosed under an appropriate head in the balance sheet of the company indicating the purpose for which such monies have been utilized;
- (v) The details of all unutilized monies out of the funds received under promoters' contribution shall be disclosed under a separate head in the balance sheet of the company indicating the form in which such unutilized monies have been invested.

BENEFITS AVAILABLE UNDER THE INCOME TAX ACT AND OTHER LAWS TO THE COMPANY AND ITS SHAREHOLDERS, (INDIAN RESIDENTS, NRIs, FIIs, etc.) :

The Company has been advised by M/S SKL & Co., Chartered Accountants vide their letter dated-21.06.2003, that under the current tax laws, the following tax benefits inter-alia will be available to the Company and shareholders of the Company. A shareholder is advised to consider on his own case the tax implications of an investment in the shares.

1. BENEFITS AVAILABLE TO THE COMPANY

- (i) Under section 32 of the IT Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patent, trademark, copyright, know-how, licenses, etc., if acquired after 31st March 1998. The Company can carry forward and set-off the unabsorbed depreciation

allowance, if any, against its income of the future years. The Company is also entitled to carry forward and set-off its unabsorbed business losses for a period upto eight subsequent years for setoff against its business income.

- (ii) Under section 35 of the IT Act, the Company can also claim deduction of the whole of the capital expenditure (other than on land and any interest in land) incurred on scientific research related to the business carried on by the Company in the year in which such expenditure is incurred.
- (iii) Under Section 80(IB) of the Income Tax Act 1961, a deduction equal to hundred per cent (100%) of the profits and gains derived from the eligible business, i.e. operation of a cold storage plant, for first five consecutive assessment years and (30%) of the profits and gains derived for next five years from the eligible business is allowed to the Company.
- (iv) Under section 35D of the Act, the company will be entitled to a deduction equal to 1/5th of the expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges, by way of amortization over a period of 5 successive years, beginning with the previous year in which the new unit commence production, subject to the stipulated limits.

2. BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

(i) Resident shareholders

- a) Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act long-term capital gains arising on transfer of shares in the company i.e. if shares are held for a period exceeding 12 months shall be concessionaly taxed at the flat rate of 20% (plus applicable surcharge) (after indexation as provided in the second proviso to section 48) or at 10% plus applicable surcharge (without indexation), at the option of the shareholder.
- b) Under section 10(36) of the Income Tax Act, Long Term Capital Gains arising on transfer of any equity share in a Company is exempt from Tax, provided the shares allotted through public issue on or after the 1st day of March 2003 and listed in a recognised Stock

Exchange in India before the 1st day of March 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

- c) In terms of Section 10(23D) of the Income Tax Act, 1961 all Mutual Funds set up by Public Sector Banks or Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorised by the Reserve bank of India, subject to the conditions specified, will be exempt from Income Tax on all their income, including income from investment in the shares of the Company.
- d) Under Section 54EC of the IT Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax to the extent such gains are invested within six months from the date of transfer in the purchase of any specified bonds issued by the National Bank for Agriculture and Rural Development (NABARD), the National Highway Authority of India (NHAI), the National Housing Bank (NHB), the Rural Electrification Corporation Ltd. (REC) and Small Industrial Development Bank of India (SIDBI).
- e) Under Section 54ED of the IT Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in equity shares forming part of an eligible issue of capital.
- f) Under Section 54F of the IT Act, long-term capital gains tax arising on transfer of the shares of the Company held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years after the date of takeover.
- g) Dividends distributed by the Company shall be exempt from tax. However the Company will be liable to pay dividend distribution tax @ 12.5% of the dividend distributed plus surcharge.

(ii) Non-Resident Indians/Non- Residents (Other than FIIs and foreign venture Capital Investors)

A Non-Resident Indian (i.e. an individual being a citizen of India or person of Indian origin) has an option to be governed by the provisions of Chapter XII-A of the Income tax Act 1961 if he opts so:

- a) Under section 115E of the income-tax Act, 1961 capital gains arising to a non-resident on transfer of shares in the Company subscribed to in a convertible Foreign Exchange and held for a period exceeding 12 months shall be taxed at a concessional flat rate 10% (without indexation benefit) (plus applicable surcharge).
- b) Under the provisions of section 115F of the Income tax Act, 1961 long term capital gains arising to a non-resident Indian from the transfer of shares of the shares of the Company subscribed to in a convertible Foreign Exchange shall be exempt from Income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so invested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.
- c) Under provisions of Section 115G of the Income tax Act, 1961 it shall not be necessary for a Non-Resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.
- d) Under Section 115I of the Income Tax Act, 1961, a Non-Resident Indian may opt not to be governed by the Provisions of Chapter XII-A for any Assessment Year by furnishing his Return of Income under Section 139 of the Income Tax Act declaring therein that the provisions of this chapter shall not apply to him for that assessment year and if he does so the provisions of this chapter shall not apply to him instead the other provisions of the Income Tax shall apply.

- e) Under Section 48 of the IT Act, capital gains arising out of transfer of capital assets being shares in the Company shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased and such gains are reconverted into Indian currency.
- f) Under Section 112 of the Income-tax, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company i.e. if shares are held for a period exceeding 12 months shall be concessionally taxed at the flat rate of 20%(plus applicable surcharge) (after indexation as provided in the second proviso in Section 48) or at 10% (plus applicable surcharge) (without indexation), at the option of the shareholder.
- g) Under Section 54EC of the IT Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax to the extent such gains are invested within six months from the date of transfer in the purchase of any specified bonds issued by the National Bank for Agriculture and Rural Development (NABARD), the National Highway Authority of India (NHAI), the National Housing Bank (NHB), the Rural Electrification Corporation Ltd. (REC) and Small Industrial Development Bank of India (SIDBI).
- h) Under Section 54ED of the IT Act, long-term capital gains tax arising on transfer of the shares of the Company shall be exempt from capital gains tax if the gains are invested within six months from the date of transfer in equity shares forming part of an eligible issue of capital.
- i) Under Section 54F of the IT Act, long-term capital gains tax arising on transfer of the shares of the Company held by an individual or Hindu Undivided Family shall be exempt from capital gains tax if the net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential

house, or for construction of a residential house within three years.

- j) Under section 10(36) of the Income Tax Act, Long Term Capital Gains arising on transfer of any equity share in a Company is exempt from Tax, provided the shares allotted through public issue on or after the 1st day of March 2003 and listed in a recognised Stock Exchange in India before the 1st day of March 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

(iii) Foreign Institutional Investors (FIIs)

- a) The income by way of short term capital gains or long term capital gains realised by FIIs on sale of shares in the Company would be taxed at the following rates as per section 115AD of the Income Tax Act, 1961.
 - Short term capital gains-30% (plus applicable surcharge)?
 - Long term capital gains-10% (without cost indexation) (Plus applicable surcharge)
 (Shares held in a Company would be considered as a long-term capital asset provided they are held for a period exceeding twelve months)
- b) Dividend declared, distributed or paid by the Company would be exempt from tax, however the Company should be required to pay tax @12.5% on dividend distribution.
- c) Under section 10(36) of the Income Tax Act, Long Term Capital Gains arising on transfer of any equity share in a Company is exempt from Tax, provided the shares allotted through public issue on or after the 1st day of March 2003 and listed in a recognised Stock Exchange in India before the 1st day of March 2004 and the transaction of sale of such share is entered into on a recognised stock exchange in India.

(iv) Venture Capital Companies/Funds

In terms of Section 10(23FB) of the Income Tax act, 1961 all Venture capital companies/funds registered with the Securities and Exchange Board of India, subject to the conditions specified, will be exempt from tax in respect of all their income, including income from sale of shares of the Company.

THE WEALTH-TAX ACT, 1957

Asset as defined under Section 2(ea) of the Wealth-tax Act, 1957 do not include shares in companies and hence, the share of the Company is not liable to wealth-tax.

SALES TAX ACT

There is a proposal to introduce Value Added Tax (VAT), which would replace the existing state sales tax. The benefit in form of exemption is likely to undergo a change if VAT is introduced. The Empowered Committee of State Finance Ministers have recommended that all benefits in the form of exemption be converted into deferral of Sales tax.

Notes

- All the above benefits will be available only to the sole/first named holder in case the shares are held by joint holders.

- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

- In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

SCOPE OF ACTIVITIES OF THE REGISTRAR TO THE ISSUE

The registrar to the issue shall also be the Share Transfer Agent and would also be responsible for all the post issue activities pertaining to the issue.

V. PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present issue of equity shares is being made:

- To set up a 3000 metric ton multi-purpose cold storage project.
- To meet the additional working capital requirements for the existing operations.
- To meet the expenses of the present Issue.
- To list the shares of the Company on Stock exchange.

SUMMARY OF REQUIREMENT OF FUNDS

As per the estimate of the company, the requirement of the funds for the proposed project and the working capital for the existing unit is as under:

(Rs. in lacs)

Sr. No.	PARTICULARS	2003-04 Amount	2004-05 Amount	TOTAL Amount
1.	Cost of the proposed 3000 metric ton multipurpose cold storage project.	91.30	118.70	210.00
2.	Additional working capital requirement for the existing business.	315.00	-	315.00
3.	Public Issue Expenses	14.15	-	14.15
	TOTAL	520.45	118.70	539.15

MEANS OF FINANCE

(Rs. in lacs)

PARTICULARS	AMOUNT
Promoters Equity	129.15
Public Issue	400.00
Internal Accruals	10.00
TOTAL	539.15

Note : The cost of the new project including Working Capital Requirements and means of finance has not been appraised by any bank/ financial institution and are based on the Company's own estimates.

1. THE PROJECT

The Company has a Cold Storage of 14000 metric tonnes licensed capacity and is situated at village Amlasoli in the district of Midnapore (West Bengal). The existing Cold Storage is meant for storing potatoes only. The Company is now proposing to set up Multipurpose Cold Storage of 3000 Metric Ton Capacity at Jamshedpur in the State of Jharkhand.

Apart from providing the warehousing facilities to the farmers and others for storing potatoes in the existing cold storage facilities at village Amlasoli in the district of Midnapore (West Bengal), the Company plans to invest and trade in potatoes itself by warehousing the same in its own account. The Company foresees tremendous business opportunities and wide operating margin in storing the potatoes during the peak season and offloading the same in the off-season. Initially the Company plans to utilize half of its existing facilities for its own operation.

2. **WORKING CAPITAL REQUIREMENT FOR THE EXISTING BUSINESS**

The working capital requirements as per the Company's estimates has been arrived at on the following basis:

Rs. In Lacs

Particulars	Financial Year		Incremental
	2002-03	2003-04	
Total Current Assets(A)	282.86	597.86	315.00
Current Liabilities(B)	130.17	130.17	-
Working Capital Gap (A-B)	152.69	467.69	315.00
Cash Credit Loan from S.B.I Garbetta Branch	75.00	75.00	-
Margin for Working Capital	77.69	392.69	315.00

Incremental Working Capital Gap of Rs. 315.00 Lacs for the year 2003-2004 proposed to be funded in the following manner

Rs. in Lacs

PARTICULARS	AMOUNT
Proceeds from Public Issue	315.00

The detail of incremental working capital is as under

Rs. in Lacs

PARTICULARS	AMOUNT
Investment in Potato for Storage and Trading	210.00
Advances to Traders and Farmers	105.00
Receivables	50.00
Total	315.00

1. The detail of Investment in Potato for Storage and Trading is as follows:

Sl. No.	Particulars	2003-2004
a)	Capacity of cold storage in Quintals	1,40,000
b)	Rate of Potatoes per Quintal (Rs in lacs.)	300.00
c)	Total cost of Potatoes (Rs. in lac)	420.00
d)	Investment in Potato for Storage and Trading (50% of 'c' above)	210.00

2. The details of Advance to Traders and Farmers will be as under :

Rs. In Lacs

Sl. No.	Particulars	2003-2004
a)	Investment in Potatoes by Traders & Farmers (1c - 1d)	210.00
b)	Loans & Advances to Traders and Farmers (50% of 'a' above)	105.00
c)	Less: Loans & Advances as on 31.03.2003	50.00
d)	Additional Loans & Advances	55.00

Note : Advance to Traders & Farmers: To improve competitiveness the company has strategize that it will assist small and marginal farmers by way of financial assistance and provide them with the requisite seeds and fertilizers in the catchments area of cold storage. Numerous small and marginal farmers produce potatoes under a formal understanding that the crop produced by them will be stored in the company's cold storage.

3. Receivables

The details of trade debtors will be as under :

Rs. In Lacs

Sl. No.	Particulars	2003-2004
a)	Investment in own Potato	210.00
b)	Price Appreciation @ 27.5%	57.75
c)	Total Value	267.75
d)	Trade Debtors (assuming 4 month debtors)	89.25

The details of Rent Receivable will be as under :

Sl. No.	Particulars	2003-2004
a)	Capacity of cold storage in Quintals	1,40,000
b)	Rent per Quintal (Rs.)	90.00
c)	Total Rent (Rs. in lacs)	126.00
d)	Rent Receivable (50% of 'c' above)	63.00

Total Receivables

Rs. in Lacs

Particulars	2003-2004
Trade Debtors	89.25
Rent Receivable	63.00
Total	152.25
Less : Receivable as on 31.03.2003	102.38
Additional Receivables	49.87
(approx.)	50.00

3. ISSUE AND LISTING EXPENSES

The Company has estimated that an amount of Rs.14.15 Lacs would be incurred towards issue expenses. These expenses would comprise fees payable to the Lead Manager, Registrar, Legal Advisor, Auditors, advertising and marketing expenses, stationery and distribution expenses, bank charges and other incidental and miscellaneous expenses.

4. DETAILS OF THE ESTIMATED COST OF THE PROPOSED MULTIPURPOSE COLD STORAGE OF 3000 METRIC TON CAPACITY

1. Land (Rs.21.00 lacs)

The company has entered into an agreement for purchase of approximately 60 kathas of land at Plot No. 406-409, District-Saraikela-Kharsawan, Mouza Tamolia, P.S. Chandil from Sri Shankar Gorai a villager of Vill.-Tamolia, P.S.-Chandil, P.O.-Kapali District-Saraikela-

Kharsawan. The land has already been registered in the name of the Company. The Company has additionally incurred a sum of Rs.10 lacs towards the cost of acquisition of land for the new project as against Rs.11 lacs envisaged in the original project.

Sri Shankar Gorai from whom the above stated land has been acquired is not related to any promoters / directors of BHL. The land acquired by BHL is free from all encumbrances and has a clear title. The company will shortly apply for mutation and other necessary Government approvals, if any, pertaining to land.

2. Building and Civil Works (Rs. 65.13 Lacs)

The company is yet to appoint any architect and contractor for the proposed building and civil works. However, proposed expenditure of Rs.65.13 lacs can be divided into expenditure to be incurred for Chamber and stairs to the tune of Rs. 50.67 lacs and for ancillary works to the tune of Rs.14.46 lacs.

3. Plant & Machinery (Rs. 55.08 lacs)

The details of the Plant and Machinery required for the proposed project are (to the tune of Rs.55.08 lacs i.e 27.54% of the new project cost) given hereunder:

S. No.	Description	Quantity	(In Rs.) Rate	(Rs. In Lacs) Amount
1.	Supply & Installation of reciprocating Ammonia compressors with accessories			
	a) ACCEL 8/100	1	2,40,000	2.40
	b) ACCEL 6/100	2	2,05,000	4.10
	c) Super 5.5 x 5.5	1	1,18,000	1.18
2.	Supply & Installation of Compressor Motor and Starter			
	a) 125 HP Squirrel cage motor	1	1,40,000	1.40
	b) 60 HP squirrel cage motor	2	66,000	1.32
	c) 30 HP squirrel cage motor	1	42,000	0.42
3.	Supply of Ammonia Oil Separator	1	14,000	0.14
4.	Supply & Installation of Atmospheric type condensers	24 Sets	15,500	3.72
5.	Supply & Installation of Ammonia receiver complete with valve and fittings	1	70,000	0.70
6.	Supply & Installation of Suction Trap Cum Heating Exchanger	1	19,000	0.19
7.	Supply & Installation of Air Cooling units (For Fruits and vegetables)	16	34,000	5.44
8.	Supply & Installation of Cooling Coils (For Potato)	10	34,000	3.40
9.	Supply & Installation of Vertical Surge Accumulator	5	11,000	0.55
10.	Supply & Installation of Centrifugal Pump sets complete with motor 44.5 ltr/sec at 16 mwc. 15 HP 1500 RPM motor-KIRLOSKAR	2	32,000	0.64
11.	Supply & Installation of Non-Condensable Gas Purger with fittings & valves	1	7,500	0.08
12.	Supply & Installation of Refrigeration Piping valves & fittings	1 Lot	2,80,000	2.80

13.	Supply & Installation of Refrigeration Pipe Insulation	1 Lot	65,000	0.65
14.	Supply & Installation of Cooling Water & Drain Piping	1 Lot	75,000	0.75
15.	Supply & Installation of Electrical wiring & earthing	1 Lot	95,000	0.95
16.	Painting including material	L.S.		0.25
17.	Supply & Installation of Fire Fighting equipments	1 Lot	30,000	0.30
18.	Supply & Installation of Insulated Doors & Windows	1 Lot	1,95,000	1.95
19.	Supply & Installation of Fresh Air Ventilation	1 Lot	15,000	0.15
20.	Supply & Installation of Measuring Instruments	4 Sets	5,500	0.22
21.	First Charge of Compressor Oil	2 Drum	17,000	0.34
22.	First Charge of Ammonia Gas	1625 kg	50	0.81
23.	Total Plant Erection, Testing, Commissioning & Trial Running	L.S.		0.50
24.	Supply & Installation of Diesel Engine with drive accessories, fuel tank etc. Model : ALGP-680 Model : ALGP-402 Model : ALGP-400 & 75 kv alternator	1 1 1	2,30,000 2,15,000 2,80,000	2.30 2.15 2.80
25.	Insulation of all Chambers by EPS (Thermocole) with bitumen, nail, wire etc.	300 Cu.M	2,800	8.40
	TOTAL			51.00
	Add : Sales Tax, Freight, Packing & Insurance Charges @ 8%			4.08
	Grand Total			55.08

- NOTE :** a) The Company is yet to place orders for Plant & Machinery and various other equipments for the proposed multipurpose cold storage project.
b) The Company has not availed any bridge loan towards the project.
c) **The expected date of supply of Plant & Machinery and other equipments are by 15.04.2004.**

4. ELECTRICAL INSTALLATIONS

The Company has earmarked an amount of Rs. 3.00 Lacs towards the electrical installations in the proposed project of 3000 Metric Ton Multipurpose Cold Storage.

5. RACK INSTALLATIONS

The details of Rack Installations of Rs. 6.43 Lacs are estimated as given hereunder : **(Rs. In Lacs)**

Description	Qty.	Rate	Unit	Amount
1. Rough dressed wood (local) work in timber challies fitted & fixed in positions as per drawing, direction & specification including nails & ereosote oil.	55	8000.00	Cu.M	4.40
2. Construction of Bamboo challies tied with wooden bracings (75mm x 25mm) fitted and fixed in position & direction including cost of nails.	2900	70.00	Sq.M	2.03
Total				6.43

6. FURNITURE AND FITTINGS

The Company has estimated a cost of Rs.2.00 Lacs for the furniture and fittings and other related items.

7. PRELIMINARY & PRE-OPERATIVE EXPENSES

The preliminary and pre-operative expenses of Rs.2.10 Lacs includes Rs.1.50 Lacs for technical consultancy and supervision, Rs.0.25 Lacs for the

preparation of project report and feasibility study and Rs.0.35 Lacs as miscellaneous expenses.

8. CONTINGENCY EXPENSES

A contingency provision of 4% amounting to Rs. 5.27 Lacs has been considered on the cost of Building and Civil Works, Plant & Machinery, Electrical Installations, Rack Installations and Furniture & Fixtures towards the proposed project of 3000 Metric Ton Multipurpose Cold Storage.

9. WORKING CAPITAL REQUIREMENT

The total working capital requirement for the proposed project post expansion i.e. by 31.03.2004, as estimated by the company is Rs. 50.00 lacs. The details of calculations are as under:

(Rs. In Lacs)

Particulars	Amount
Loans & Advances to Farmers	55.00
Stock of Consumables	0.55
Receivables	5.00
	60.55
Less : Internal Accruals	10.55
Working Capital Requirement	50.00

The detail of Loans & Advances to Farmers will be as under:-

Particulars	2003-04
Capacity of cold storage in Quintals	
Potatoes	10000
Imli, Mahua, Gur	10000
Other Fruits & Vegetables	10000
Total Capacity	30000
Total cost of Potatoes @ Rs. 300/- per Quintal (Rs. in lacs)	30.00
Total cost of Imli, Mahua, Gur @ Rs. 800/- per Quintal (Rs. in lacs)	80.00
Total Cost	110.00
Advances to Farmers 50% of Sl. No. 3 (Rs. in lacs)	55.00

Note : a. No loans & Advances are to be given for storing the fruits and vegetables.

b. Rs. 800/- per Quintal is taken as average price for Imli, Mahua, Gur.

The detail of Receivables has been assumed as follows :-

Particulars	2003-04
Potatoes to be stored (In Quintals)	10000
Rent per Quintal (Rs.)	100.00
Total Rent (Rs. in lacs)	10.00
Receivable 50% of Sl. No. 3 (Rs. in lacs)	5.00

Note : 1. It has been assumed that the company will receive full advance of rent for the goods to be stored except potatoes.

2. Expected rent per quintal for potatoes is expected to be Rs. 100/- per quintal considering the fact that the proposed cold storage will be situated in

Jamshedpur and there is no government control over the rent.

3. On lump sum basis it has been assumed that stock of consumables will be Rs. 55000

DEPLOYMENT OF FUNDS IN THE PROJECT

As per the certificate dated 24/01/2004 obtained from M/s. SKL & Co., Chartered Accountants. Statutory Auditors of the company having office at 7A, Bentinck Street, New Wing, Room no.212, Kolkata-700 001, the company has till 24/01/2004 incurred a sum of Rs.32 Lacs towards the object of the issue. The amount has been brought in by the promoters towards the reservation made for them on firm allotment basis in the Prospectus. A cash flow statement showing the sources and deployment of the funds is given below:

(Rs. in Lacs)

PARTICULARS	AMOUNT
SOURCES OF FUNDS	
Contribution from promoters towards firm allotment	32.00
DEPLOYMENT OF FUNDS	
Towards implementation of project	26.88
Public Issue expenses	5.12

The year wise break up of estimated expenditure for the proposed project is as under:

(Rs. in lacs)

Sl. No.	Description	2003-04	2004-05
a)	Land	21.00	-
b)	Construction of Building and Civil Works	52.10	13.03
c)	Plant & Machinery	16.52	38.56
d)	Electrical Installation	-	3.00
e)	Rack Installation	-	6.43
f)	Furniture and Fittings	-	2.00
g)	Preliminary and Preoperative expenses	1.68	0.42
h)	Contingencies	-	5.27
l)	Working Capital	-	50.00
	Total	91.30	118.70

INVESTMENT AVENUES IN WHICH THE MANAGEMENT PROPOSES TO DEPLOY ISSUE PROCEEDS PENDING ITS UTILISATION IN THE PROPOSED PROJECT.

Pending the deployment of funds towards the various objects of the issue, the funds would be deployed in liquid instruments. Such investment would be authorised by the Board of Directors or a committee thereof, duly empowered in this regard.

VI. COMPANY MANAGEMENT AND PROJECT

HISTORY

The company was originally incorporated as Private Limited Company under the name and style as Brahmanand Development Pvt. Ltd. on 21st June 1990 in the State of West Bengal vide Registration Number 21-49290. In the year 1994, the company converted itself into a Limited Company. The Company was initially engaged into investment related activities. In the year 1998, the company diversified into cold storage business by setting up a 14000 metric ton Cold Storage for preservation of potatoes and accordingly the name of the Company was changed to Brahmanand Himghar Limited. The Company obtained a fresh certificate of incorporation on April 29, 1998 from the Registrar of Companies West Bengal. The company is presently having one of the largest Cold Storage in the Manapuri District, West Bengal.

Cold Storage is one of the major agro-based rural industries in the state of West Bengal and is referred under "Priority Sector". It plays a vital role in agriculture and maintains economy of perishable commodity in a to orderly marketing. The main contribution of the industry is that it prevent wastage, ensure fair prices to producers, provide incentives for additional production and also ensure adequate supply throughout the year and also maintains nutritious food value.

The company is presently catering to the potato growers in Amlasoli and adjoining areas. The Company is only one of it's kind in village Amlasoli. The growers who earlier had to move around 40 kms to avail the facility of cold storage can now have the same in the vicinity of their farms. The company at present is having a licensed cold storage capacity of 14000 Metric Tonnes. The Company in a long run envisages a chain of cold storages under its umbrella.

MAIN OBJECTS OF THE COMPANY

The main object clause of the Memorandum of Association of the company enables the company to undertake the activities for which the funds are being raised in the present issue. The activities of the company has been carried out until now in accordance with the object of Memorandum of Association of the company and that the main objects of the company adequately cover its existing and proposed activities.

- To construct, build, own and maintain and to carry on business as keepers of cold storage, storage

chambers, ice-plants, godowns, warehouses, refrigerators, freezing houses and room coolers for storing fish, sea foods, marine products and processed marine products, meat, eggs, poultry products, protein foods, milk, cream, butter, cheese, fruits, vegetables, potatoes, or other substances made from all or any of them and canned, tinned and processed food for every description and to act as transporters of the aforesaid items.

- To carry on the business of builders, contractors, dealers in and manufacturers of prefabricated and precast houses, buildings & erections and materials, tools, implements machinery and metalware or incidental thereto and to carry on any other business that customarily, usually and conveniently carried on therewith.
- To apply for, tender, purchase, or otherwise acquire any contracts, subcontracts, licenses and concessions for or in relation to the objects or businesses, herein mentioned or any of them and to undertake, execute, carry out, dispose of or otherwise turn to account the same.
- To build, construct, alter, maintain, enlarge, pull down, remove or replace and work, manage and control any buildings, offices factories, mills, shops, machinery, engines, roadways, tramways, railways, branches or sidings, bridges, reservoirs, water courses, electric works & other works and conveniences which may seem calculated directly or indirectly to advance the interests of the Company and to join with any other person or company in doing any of these things.
- To carry on business of civil, mechanical, electrical and consulting engineers, agriculture engineers, construction engineers and engineers in all branches of work.

PRESENT BUSINESS

The Company started its Cold Storage operations from 1st March 2000. The company already has a cold storage unit in village Jharia, P.O. Amlasoli, P.S. Goaltore, Dist. Midnapore, West Bengal, which is used for storing potatoes. The cold storage has been running successfully for the past 3 years.

CORPORATE PHILOSOPHY

BHL mission is to keep pace with global standards of storage and constantly deliver advanced storage facility to give the customers a competitive edge over others.

SUBSIDIARIES OF THE COMPANY

The Company does not have any subsidiary.

PROMOTERS AND THEIR BACKGROUND

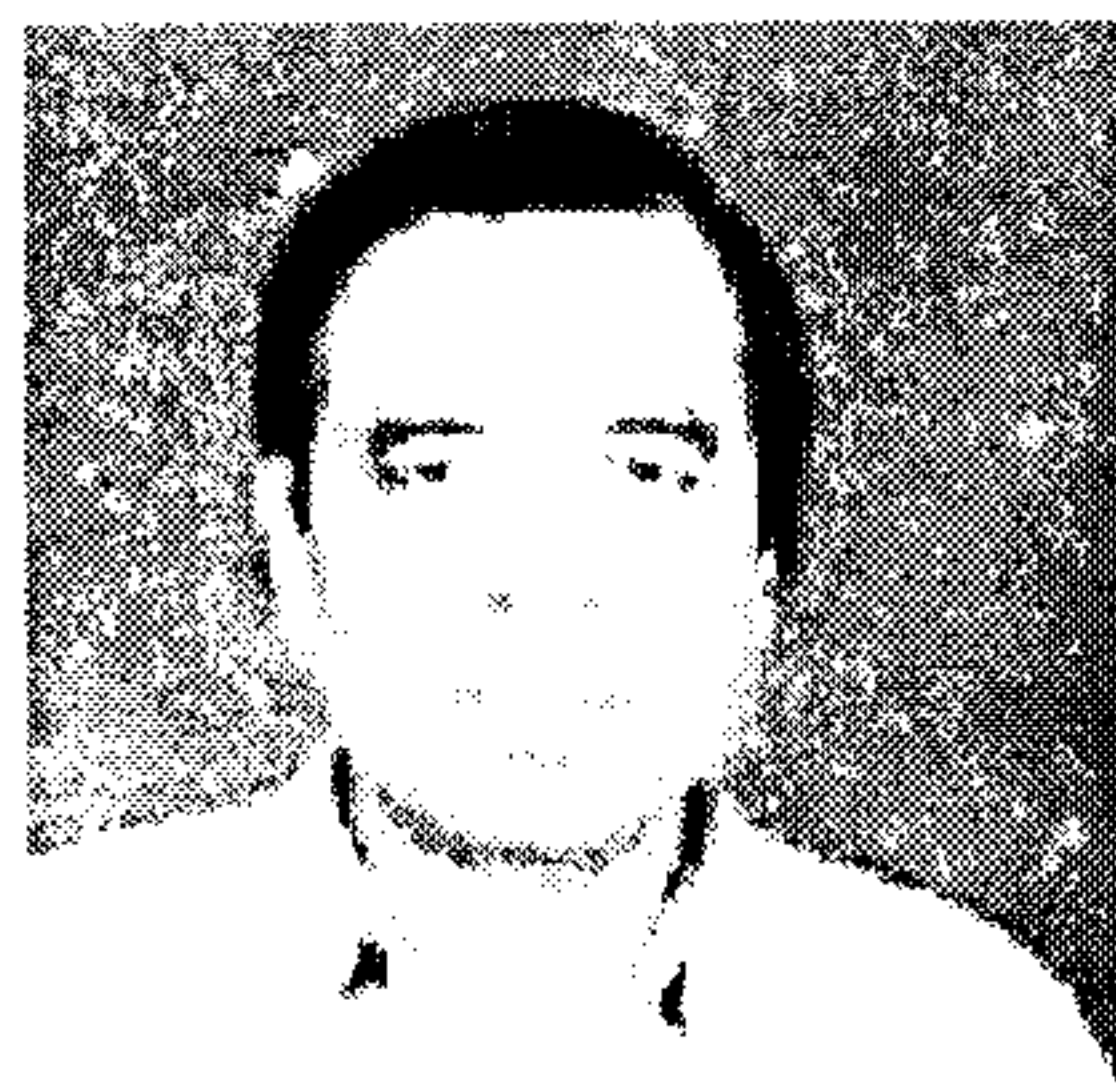
The company was originally promoted by Sri Bal Kishan Agarwal and Sri Ajay Kumar Churiwala. Subsequently, in the year 1999 the company appointed Mr. Rajendra Kumar Agrawal, Mr. Bimal Kumar Agrawal and Mr. Sushil Kumar Khowala as directors of the company to take advantage of their financial and professional expertise in handling the regular operational activities of the company and setting up of the 14000 metric ton cold storage in village Jharia, P.O. Amlasoli, P.S. Goaltore, Dist. Midnapore, West Bengal. Later on, in the year 2002, the above three directors took ownership and for control of the company by acquiring 100% equity share capital of the company from the existing promoter group and their associates. The brief details of their experiences are as under:



Mr. Rajendra Kumar Agrawal

Voter ID Number : JVN1225504
Driving License Number : 6926/85
Permanent Account Number : ADAPA1525F
Bank Account Number : CANARA BANK, Canning street Branch (Kolkata),
SB-A/C NO.- 17160

aged 50 years is a fellow member of Institute of Chartered Accountants of India since 1985. He has more than 20 years of experience in the field of finance, taxation and consultancy matters. From the last three years he is directly involved in controlling all the activities of the Cold Storage of the Company. Presently he is the Managing Director of the Company and is looking into the overall affairs of the Company.



Mr. Bimal Kumar Agrawal

Voter ID Number : WB/22/159/354437
Driving License Number : Not Available
Permanent Account Number : ADAPA750N
Bank Account Number : CANARA BANK, Burrabazar branch(Kolkata),
SB-A/C NO.- 3405

aged 50 years is a fellow member of Institute of Chartered Accountants of India since 1985. As a practicing Chartered Accountant, he has more than 15 years of experience in different lines of business especially in the manufacturing and financial sector. Presently he is looking after the finance and taxation matters of the company.



Mr. Sushil Kumar Khowala

Voter ID Number : JNV1235618
Driving License Number : Not Available
Permanent Account Number : ACKPK4733G
Bank Account Number : UTI BANK LTD S.B A/C NO. 012010100064297

aged 39 years is a practicing Chartered Accountant from the year 1990 and is the active partner of M/S Agrawal & Friends, a Chartered Accountant firm. He possesses more than 10 years of experience in the finance, taxation and corporate law related segments. He was instrumental in setting up the existing cold storage of the Company in village Jharia, P.O. Amlasoli, P.S. Goaltore, Dist. Midnapore, West Bengal and formulating the plans, strategies and modalities for setting up the new 3000 metric ton multipurpose cold storage at Jamshedpur, in the east Singhbhum district of Jharkhand. Over the period he has developed considerable knowledge and skill in the particular industry and is looking after the day-to-day scheduling and related operational activities of the company. He plays a key role in the marketing activities of the cold storage.

OTHER VENTURE OF THE PROMOTER

Sl. No.	Name of the group company	Activity Undertaken	Comment
1	G. Raj & Co. Consultants(Ltd.)	Providing depository services	Faced no litigation/ defaults/ Overdues/ Labour problems/closure etc.

DETAILS OF DIRECTORS AS ON THE DATE OF FILLING THE PROSPECTUS WITH ROC

Name and Residential Address	Date of Appointment	Qualification	Particulars of other Directorship	No. of shares held in the Company (Face value of Rs. 5/- each)
Mr. Rajendra Kr. Agrawal Krishnakunj, Air base Colony, Po. Kadma, Jamshedpur Service	22.03.1999	FCA	G.Raj & Co (consultants) Ltd.	640000
Mr. Bimal Kr. Agrawal 277 Lake Plaza, Jessore Road, Kolkata Profession	22.03.1999	FCA	G.Raj & Co (consultants) Ltd.	400000
Mr. Sushil Kr. Khowala 13,B.Road, River view Colony, Po. Kadma, Jamshedpur Profession	22.03.1999	FCA	G.Raj & Co (consultants) Ltd.	200000
Mr. Dinesh Kr. Agrawal 36-A, Bentinck Street, 2 nd Floor, Kolkata Profession	02.05.2003	FCA	G.Raj & Co (consultants) Ltd.	Nil
Mr. Jugal Kishore Agarwal Purani Basti Road Jugsalai, Jamshedpur Pin-831006 Dist-East Singhbhum Industrialist	04.12.2003	B.COM	Castrol Goods (P) Ltd. Ignite Steels (P) Ltd.	Nil
Mr. Inder Raj Agarwal Narsingh Bhawan Jhapatapur, Kharagpur West Bengal, Pin- 721301 Dist.- Midnapore Industrialist	04.12.2003	B.COM	Bindu Food Processors (P) Ltd.	Nil

KEY MANAGERIAL PERSONNEL

Key managerial person's and their details viz. experience, job designation, industry experience, educational qualifications are as follows:

Sl. No.	Name	Date of joining	Designation	Experience
1.	Mr. Rajendra Kumar Agarwal, FCA	30.05.2003	Managing Director	3 years in Cold Storage business.
2.	Sital Prasad Swain B. Com, ACS	08.07.2003	Company Secretary	5 years in legal and financial sector
3.	Pradeep Kr. Lodha Commerce Graduate	01.06.1999	General Manager	15 Years in Cold Storage business.
4.	Rajeshwar Singh Non-Matriculate	01.07.1999	Machine Incharge	20 Years of operating in Cold Storage.

The persons whose name appears in the above mentioned table are in the employment of the Company as permanent employees.

CHANGE IN KEY PERSONNEL

Pursuant to the approval obtained from the shareholders in the Extra Ordinary General Meeting of the Company held on 30.05.2003, Sri Rajendra Kumar Agrawal was appointed as the Managing Director of the company for a period of five years with effect from 30.05.2003 at a remuneration of Rs.16,000/- per month. The Company has also appointed Mr. Sital Prasad Swain as the company Secretary of the company to look after the legal and secretarial matters of the company.

COMPANIES UNDER THE SAME MANAGEMENT U/S 370(1B) OF THE COMPANIES ACT, 1956

There are no Companies under the same management u/s 370(1B) of the Companies Act, 1956.

CURRENT INFRASTRUCTURE & NETWORK

The Company's registered cum corporate office is situated in the heart of Calcutta in Bentinck Street. It is in the close proximity to all the business and trade centers in the city. The details of the Company's offices are as follows :-

SI. No.	BRANCHES/ WAREHOUSES	ADDRESS
01	Registered Office	36-A, Bentinck Street, 2nd Floor, Kolkatta-700 069 The Company has a built up area of 350 sq. ft. taken on rent from G. Raj & Co. (Consultants) Limited, a group Company.
02	Cold Storage	Vill. - Jharia, Amlasoli, PS.- Goaltore, Garbeta, Dist.- Midnapore It is owned by the Company.

DETAILS OF THE PROJECT

OVERVIEW

The project is for setting up 3000 Metric Tonnes Multipurpose Cold Storage nearby Jamshedpur, Jharkhand. The company is successfully running a cold storage of 14000 Metric Tonnes capacity at Midnapore district in West Bengal.

NEED FOR THE PROJECT

There is a scope of gainful utilisation of cold storage in Jamshedpur area. As there is no cold storage in the entire district, prospects of setting up a multipurpose cold storage nearby Jamshedpur are very promising. The state of Jharkhand faces acute shortage of Cold Storages for preservation of its abundant agricultural

produce. The farmers are forced to take their produces for storage in neighboring district and state for preservation, resulting into unnecessary up and down transportation, high percentage of damages in transportation and huge financial loss.

LAND

The proposed multipurpose cold storage will be located at Plot No. 406-409, District-Saraikela-Kharsawan, Mouza Tamolia, P.S. Chandil which is nearby Jamshedpur in close proximity to national highway NH - 33. The site for cold storage will provide for easy accessibility for trucks so as to facilitate hassle-free loading and unloading of agricultural produce.

WATER

Water requirement for cold storage and human consumption will be made available to the proposed cold storage unit after installing 2" dia. Deep boring with jet pump and 2 HP motor.

POWER

The annual power requirement of the proposed cold storage will be 2,65,000 units p.a. approximately. The Company does not foresee any problem in obtaining the supply of necessary power from Jharkhand State Electricity Board. The company will also install a generator as a standby arrangement.

FUEL

The Company will require about 13,500 litres p.a. of diesel for generator. The generator will be utilised as standby power arrangement to ensure uninterrupted running of refrigeration system. The Company presumes to use the generator facilities for two and half hours everyday.

MAN POWER AVAILABILITY

In the initial phase manpower from the existing cold storage will be deployed on deputation basis to train the new manpower to be employed for the purpose.

LOCATION AND ACCESSIBILITY

The unit is proposed to be located nearby Jamshedpur in close proximity to national highway NH33. Jamshedpur is a well-planned and developed town and is easily accessible by rail and road. It is just 120 km from state capital Ranchi. Agriculture produce like Imlı, Mahua etc. are abundant in this area as well as adjacent areas. Also potato producing areas of West Bengal i.e. Midnapore, Bankura are within 250 km, and are easily accessible by road. Proximity to national highway will ensure good transportation facility for loading and unloading of agricultural produce for storage.

PROJECT IMPLEMENTATION

The project is scheduled to be completed by May 2004. The schedule of implementation of the project is given as follows:

Sl. No.	Description	Expected date of commencement	Expected date of completion
a)	Acquisition of Land	August 2003	January, 2004
b)	Documentation and other legal formalities	January, 2004	January, 2004
c)	Construction of Building and Civil Works	January, 2004	April, 2004
d)	Installation of Plant & Machinery and other equipments	February, 2004	May, 2004
e)	Trial and commercial run	May, 2004	May, 2004

OPERATION & MAINTENANCE

Operation and maintenance plays a vital role for safe, efficient and trouble free operation of cold storage. It is the most critical area as any lapse can lead to wastage of huge quantity of agricultural produce. The company is well experienced in this area as it is successfully running a cold storage at Midnapore district in West Bengal. The company has experienced Operational & Maintenance personnel and will mobilize them for smooth running of the unit. Maintenance activities will focus on predictive/preventive practices in order to cut down overall Operation & Maintenance cost.

DESCRIPTION OF INDUSTRY AND BUSINESS

INDUSTRY SCENARIO

India is one of the world's largest producers of fruits, vegetables, but its share in the world market both in fresh and processed form is less than 1 percent. Only 1.3 percent of the production is economically processed. The trend in production of both fruits and vegetables has been upward since 1987-88. It is estimated that because of inadequate post-harvest infrastructure, 35 to 40 percent is perished before it reaches the consumer. The total cold storage capacity is around 10 million tonnes whereas the total fruits and vegetable output is over 100 million tonnes per annum, resulting in an estimated wastage of Rs.23,000 crores annually.

The food processing industry in India is regarded as a sunrise industry. Creation of cold storage facilities is the only remedy that could reduce perishability and enhance value addition. With adequate storage and modern processing facilities India could emerge as a leading exporter of horticultural produce.

Source: Report on Cold Storage Projects prepared by Industrial & Technical Consultancy Organisation of Tamilnadu Limited (ITCOT)

GROWTH IN COLD STORAGE

Cold storages provide the vital link between production

and consumption of perishable products. By way of conservation of perishables, cold storages help in enhancing the marketing period of agricultural and horticultural produce and ensure availability to the consumer over an extended period. In the process, they ensure reasonable prices to farmers, who can sell their produce at the time when the prices become remunerative.

With the launching of Grow More Food campaign in the first five-year Plan, the cold storage industry attracted the attention of industrialists, growers and consumers, and the number of cold storages rose upto 359 with an installed capacity of 0.30 million tonnes by 1960. During the third five-year plan, the Government provided incentives for setting up of cold storages, especially for storing potatoes. As a result, the number of cold storages increased to 1,091 with an installed capacity of 1.55 million tonnes by 1969. The trend in growth of the cold storage industry is highlighted as under:

Growth of Cold Storage Industry in India
(In million tonnes)

Year	Numbers	Storage Capacity
1980	2283	3.96
1981	2495	4.82
1988	2659	5.58
1997	8200	8.70
2001	-	10.35

Source: Facts for You, Vol. 12; Agriculture & Industry Survey, Nov'97; Others

The growth of cold storage industry has been 7.8 percent per annum in terms of numbers and 4.7 percent in terms of storage capacity.

Out of total installed capacity of 10.35 million tonnes, over 87 percent is used exclusively for the storage of potatoes. The acute shortage of storage space for other perishables can well be imagined. The utilisation

of cold storage capacity according to commodities is depicted as under:

Commodity-wise Utilisation of Cold Storages

Commodity	Percentage
Potato	85.3
Multi-purpose	10.8
Fruits & Vegetables	1.1
Meat & Marine Products	1.7
Milk & Dairy Products	0.7
Others	0.4
Total	100

Source: Agricultural Marketing in India, S.C.Verma

The existing capacity of cold storage is insufficient as far as the total production of perishables are concerned. The storage capacity of cold storage and frozen storage in the country is barely sufficient for 14 percent of potato production, 0.5 percent of fruits and vegetables, and 0.47 percent of fish. Hence, the capacity is much less than the country's production of cold storage items.

MARKET SCENARIO

The Indian food processing industry is regarded as a sunrise industry. Its growth is expected to generate employment, reduce post harvest losses, increase farm incomes, contribute substantially to the gross domestic product, reduce rural-urban migration and help to usher in a brown revolution. The growing perception of its importance as a means of increasing food availability was officially acknowledged with the creation of Ministry of Food Processing in 1988. Of the many sub-sectors which comprise the food-processing sector as a whole, the fruit and vegetable processing industry commands a unique position.

- It draws upon a large raw material base as India produces 7.6 percent of the world's fruit and nearly 10 percent of its vegetables.
- Production in the organized sector grew at over 14 percent per annum during the 80s.
- It has immense growth potential since less than 5 percent of fresh fruits and vegetables are utilized for processing.
- It provides nearly 60 percent of the total exports of processed foods in value terms.
- The fruit and vegetable processing industry in India faces strong backward linkages with agriculture and equally crucial forward linkages with modern markets.
- It is the only sector in which the processed product competes with its own raw material for consumer demand.

Numerous constraints such as :

- Lack of Adequate storage facilities near production centers and demand pockets.
- Low crop yields.
- Over dependence on a few fruits like mango.
- Poor quality of produce
- The grower's preference for table varieties rather than for processing varieties which, in turn, is partly the result of market channels oriented to catering to urban consumer markets.
- The short season of most fruits and vegetables with shorter procurement periods.
- High losses during grading, handling, storage, transportation and distribution after harvesting, which have a direct effect on the price of raw material.
- The erratic and unreliable supply of fruits and vegetables.

The estimated break-up of the production of processed fruits and vegetables is as follows:

The Industry Product Mix

Segments	In %
RTS Beverages	27.00
Canned & Bottled Fruits and Vegetables	3.69
Fruit Juices	3.28
Fruit Pulp	22.51
Jams/Squashes/Syrups	7.45
Fruit Juice Concentrates	0.95
Pickles, Preserves & Chutneys	11.00
Tomato Products, including Ketchup & Sauce	8.05
Dehydrated Fruits & Vegetables	2.22
Frozen Fruits & Vegetables	9.36
Others	4.49
TOTAL	100.00

Source : Ministry of Food Processing Industries

During recent years, great emphasis has been laid on increasing the production of subsidiary foods such as fruits, vegetables, meat and marine products. All these products are highly perishable and have a short shelf life. A lot of wastage of these products is taking place in our economy, which is assessed to be around 30 to 40 percent of the total production of perishables/semi-perishables. This loss is primarily due to spoilage in the absence of adequate cold storage facilities.

In spite of the rapid development of cold storage industry in India over the years, the cold storage

capacity available today is woefully meagre, if the total production of fruits, vegetables and other perishables is taken into consideration. The available capacity is insufficient from the point of either minimising the wastage or providing a timely supply of perishables to the consumers. The existing capacity is extremely inadequate to control the wide seasonal fluctuation in the prices of perishable commodities. Therefore, there is the need for a planned strategy on scientific lines to fulfil the present and future requirements of cold storage in each state. Addition of cold storage capacity by way of investment in different centers is rendered necessary to attain the recommended per capita consumption requirements of perishables and to enhance the income of farmers.

The state of Jharkhand faces acute shortage of cold storage facilities, especially in Jamshedpur region, which does not have any storage facility. The region that produces Imli, Mahua and other vegetables, in abundant quantity, is incurring heavy losses due to no-availability of storage facility. Also Jamshedpur is located nearby to potato producing regions of West Bengal like Midnapore, Bankura, from where farmers and traders could easily utilise the storage facility at Jamshedpur. Therefore scope of cold storage in this region is very high.

STOCK MARKET DATA

As the shares of the company are yet to be listed on any stock exchange, no quotation for the market price of its shares is available.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF THE OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

STATEMENT OF PROFITS AND LOSSES

Rs. in lacs

Particulars	For the Year ended (Audited)			
	31.03.2001	31.03.2002	31.03.2003	30.09.2003*
Rent	144.20	128.42	155.20	17.07
Other Income	3.59	7.17	10.13	6.24
Total Income	147.79	135.59	165.33	23.31
Direct Expenses	52.29	36.69	39.85	29.56
Administrative, Selling & Other Expenses	15.24	17.43	23.37	11.82
Total Expenditure	67.53	54.12	63.22	41.38
Net Profit Before Interest, Depreciation, Tax & Extraordinary item.	80.26	81.47	102.11	(18.07)
Interest	30.73	33.03	31.21	15.43
Depreciation	44.54	43.24	38.67	16.81
Profit Before Tax & Extraordinary item.	4.99	5.20	32.23	(50.31)
Provision for Taxation	0.42	0.40	2.54	-
Provision for Deferred Tax	-	-	4.00	-
Extraordinary item	-	-	-	-
Net Profit After Extraordinary item	4.57	4.80	25.69	(50.31)

Note:

1. The Figures given above has been reclassified, rearranged and recasted wherever considered necessary to reflect the operation of the company on the basis of a uniform practice.
2. * The loss of Rs. 50.31 lacs is due to the fact that cold storage business is seasonal one. A major portion of income is recognized in the month of February and March of every year.
3. The rent as shown under the head income is received from various traders and farmers.

DETAILS OF OTHER INCOME

(Rs. in Lacs)

Particulars	For the period ended			
	31.03.2001	31.03.2002	31.03.2003	30.09.2003
Other Income				
Rent	—	1.87	1.29	—
Interest	2.12	3.14	3.61	2.15
Insurance Claim	0.95	2.05	4.96	4.08
Misc Receipt	0.52	0.11	0.27	0.01
Total	3.59	7.17	10.13	6.24

Note: The Other Income has arisen out of normal business activities and is of non-recurring in nature.

STATEMENT OF ASSETS AND LIABILITIES

Rs. in Lacs

Particulars	As at 31.03.2001	As at 31.03.2002	As at 31.03.2003	As at 30.09.2003
A. Fixed Assets				
Gross Block	380.32	386.81	393.91	393.91
Less: Depreciation	46.02	89.26	127.93	144.74
Net Block after adjustment for Revaluation Reserve	334.30	297.55	265.98	249.17
Capital WIP	—	—	—	5.04
Total Fixed Asset (A)	334.30	297.55	265.98	254.21
B Investments	162.58	135.98	167.48	167.93
C Current Assets, loans and Advances				
Sundry Debtors	98.10	109.44	115.96	73.17
Cash & Bank Balances	21.94	61.82	67.94	38.57
Loans and Advances	110.54	93.57	98.96	97.45
Stock in hand	—	—	—	19.80
Total (C)	230.58	264.83	282.86	228.99
D Liabilities and Provisions				
Secured Loans	220.17	219.73	213.08	199.21
Unsecured Loans	11.61	1.00	1.00	1.00
Current Liabilities and Provisions (including deferred tax provisions)	120.22	120.67	130.17	120.99
Share Application Money	29.00	8.40	12.20	26.30
Total (D)	381.00	349.80	356.45	347.50
E Net worth (A+B-C)	237.06	235.86	254.17	199.93
F Represented by				
1. Equity Share Capital (A)	170.85	170.85	170.85	170.85
2. Reserves	66.47	65.17	84.43	34.12
Less Revaluation Reserve	—	—	—	—
Reserves (Net of Revaluation Reserves) (B)	66.47	65.17	84.43	34.12
Miscellaneous Expenditure (C)	0.26	0.16	1.11	5.04
Net worth (A+B-C)	237.06	235.86	254.17	199.93

Cumulative Redeemable Preference Share Capital	109.40	112.70	105.70	103.70
Accounting Ratios				
Earnings per share (Rs)	0.13	0.14	0.87	-
Return on net worth %	1.93	2.04	11.68	-
Net asset value per share (Rs)	6.94	6.90	7.44	5.97
No. of equity shares of Rs.5/-*	3417000	3417000	3417000	3417000

* The equity shares of the Company of face value Rs. 10/- were split into 2 equity shares of face value of Rs. 5/- each vide a special resolution passed at the Extra Ordinary General Meeting held on 30.05.2003. The equity shares of the Company presently have a face value of Rs.5/- each.

Note:

1. The Figures given above has been reclassified, rearranged and recasted wherever considered necessary to reflect the operation of the company on the basis of a uniform practice.
2. The Company has the potential of higher rent income but due to lack of adequate finance it is not able to exhaust the capacity. In the year 2002-03 the total rent was Rs.155.20 Lacs compared to Rs.128.42 Lacs in the year 2001-02, thereby making an annual growth of 20.85% over its previous year.
3. The beneficiaries of the Loan & Advances and Sundry Debtors constitutes numerous traders and farmers and none of the sundry debtors and loans & Advances is related to the director or promoters of the issuer company in any way.
4. The profit before tax of the Company has gone up from 5.20 lacs in the FY 2001-02 to 32.23 lacs in the FY 2002-03 showing an impressive growth of 519.81%.
5. The growth of rent in the Company has been to some extent due to better utilisation of capacity and reloading of seed potatoes.
6. E.P.S & Return on network for the six month period ended on 30.09.2003 has not been calculated due to the fact that figures as on 30.09.2003 are not comparable with regard to full year operations due to the reasons stated above.
7. Share application money of Rs. 26.30 Lacs as on 30.09.2003 has been brought in towards promoter contribution from (1) Purnima Sharma Rs. 16.00 Lacs (on 08.06.2002 – 1.00 Lacs, On 28.02.2003 – 10.00 Lacs, On 28.05.2003 – 5.00 Lacs) (2) M.B Bhattacharjee Rs. 6.00 Lacs (On 07.07.2003) (3) Gita Agarwal - Rs. 1.30 Lacs (On 04.12.2202 – 0.30 Lacs, On 02.08.2003 – 1.00 Lacs) (4) Rakhi Sarawgi Rs. 0.60 Lacs (On 02.06.2003) (5) Sharda Lodha Rs. 0.60 Lacs (On 18.03.2003) (6) Dipti Sahay Rs. 0.50 Lacs (On 18.08.2003) (7) Lalita Khandelwal- Rs. 0.50 Lacs (On 18.08.2003) (8) Subodh Ranjan Sahay Rs. 0.50 Lacs (On 18.08.2003) (9) Srikant Sharma Rs. 0.20 Lacs (On 06.02.2003) 10) Shirshendu Dey Rs. 0.10 Lacs (On 06.02.2003)

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions since incorporation.

Significant Economic Changes that materially affected or are likely to affect income from continuing operations

Any change in Government policy with respect of agriculture produce will have a major effect on the operations as well as the profitability of the Company. However, the Government of India has identified cold storage as a priority area and incentives are being provided to encourage the industry. Hence, the Company does not foresee any adverse policy changes that could be detrimental to the growth of this industry.

Known Trends or uncertainties that have had or expected to have a material adverse impact on sales, revenue or income from continuing operations.

There are no known trends/uncertainties that may have had or expected to have any material adverse impact on sales, revenue or income from continuing operations of the company.

Future changes in relationship between costs and revenues in case events such as labour or material costs or prices that will cause a material change are known

As the Company is an existing company and its revenues are linked to the efforts made /services rendered and the value of order also provide sufficient cushion for unforeseen contingencies

The extent to which material increase or revenue are due to increased rent, introduction of new products or services or increased rent rates

Total revenue earned during the year are considering the increased quantity stored and higher rent rates and not introduction of new product or services

Status of any publicly announced new products or new segment

There are no publicly announced new product or business segment

The extent to which business is seasonal

Cold storage is seasonal in nature and business volumes are only dependent on the produce of potatoes in the area

Any significant dependence on a single or few suppliers or customers

The Company does not significantly depend on a single or few suppliers or customers.

Competitive conditions

A close look at the global business scenario reveals that the Cold storage Industry has become increasingly complex and competitive. It needs to be emphasized that effective management of information, customer centric operation and simplification of business processes is the need of the hour. However, the Company is confident of withstanding such competition.

MATERIAL DEVELOPMENT

The Board of Directors declare that in their opinion, there has not arisen any circumstances since the date of last financial statement, as disclosed in the prospectus that materially and adversely affects or is likely to affect the trading or profitability of the Company, or value of its assets, or its ability to pay its liabilities within the next 12 months.

FINANCIAL OF GROUP COMPANY

G. Raj & Co. (Consultants) Limited

Background of the Company

The Company was incorporated on 05.04.1989 having its registered office at 9, Crooked Lane, Second Floor, Kolkata-700 069. The office of the company is taken on rent basis from Birmecha Investments Pvt. Ltd. of 36A, Bentinck Street, Kolkata-700 069. It has a City Office at Bihar State Co-op. Bank Bldg., Bistupur, Jamshedpur -- 831 001. The Company is mainly engaged in providing Depository services and broking in shares and securities. The Company is not listed on any stock exchange. The company is a depository participant with National Securities Depository Limited. The SEBI registration number of the company is IN-DP-NSDL-144-2000. The company is also a Member of Bhubneswar Stock Exchange and Multiple

Member of the Inter-Connected Stock Exchange of (I) Ltd. having registration number as INB170587231 and INB240587239 respectively.

FINANCIAL HIGHLIGHTS

The financial highlights of

G. Raj & Co. (Consultants) Limited for 3 years are given below:

(Rs. in Lacs)

Year Ended March 31,	(Audited)		
	2001	2002	2003
Total Income	0.95	0.67	1.93
Profit after tax (PAT)	0.87	0.62	1.78
Equity Share Capital	118.56	118.56	170.11
Reserves (excluding revaluation reserve)	4.11	4.72	26.09
Earnings per share (EPS) (in Rs.)	0.07	0.05	0.10
Net Asset Value (NAV) per share (in Rs.)	10.82	10.15	11.39

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

There are no pending litigations, disputes or suits against this Company and there is no default in meeting any of the Statutory/bank/institutional dues. No proceedings have been initiated for economic offences against it and it is not a sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1956.

BASIS FOR ISSUE PRICE

The Company and the Lead Manager to the Issue, in consultation with whom the price has been decided, are of the opinion that the issue price of Rs.5/- for the Public Issue is reasonable and justified in view of the following factors:

Qualitative factors

- Existing profit making company. The company has reported an increase of over 21% in income and 519% increase in profit after tax for the financial year ending 31st March 2003 over its last year performance due to better rent realization and effective cost cutting measures.
- The promoters have experience of more than 3 years in the Cold Storage sector.
- The Government of India has given major thrust on the Cold Storage business and has provided ample incentives to the sector from time to time.
- The Company is in the process of setting up of Multi-purpose Cold Storage of 3000 metric ton capacity.

Quantitative Factors

Adjusted Earning Per Share (EPS)		Return on Net Worth	
Year	EPS	Year	RONW%
2000-01	0.13	2000-01	1.93
2001-02	0.14	2001-02	2.04
2002-03	0.87	2002-03	11.68
Weighted Average	0.50	Weighted Average	6.84
Price/Earning Ratio (P/E) in relation to Issue Price Based on pre issue EPS at Issue Price of Rs. 5/-	5.75	Minimum Return on Total Net Worth after Issue needed to maintain EPS at Rs. 0.87	15.55%
Industry P/E		Net Asset Value (NAV) Rs.	
Highest	Not available	(a) As at 31.03.2003	7.44
Lowest	Not available	(b) After issue	5.61
Average	Not available	(c) Issue price	5.00

Note:

- The Company has no revaluation reserves.
- The Company's profit has been growing steadily over the years.
- Considering the past financial performance and future prospects of the Company, the details of which are stated on page number 29 - 35 of the prospectus, in our opinion the issue price of Rs. 5/- per share at par appears to be reasonable & justified.

Comparison of the accounting ratios of the issuer company as mentioned above with the industry average and with the accounting ratio of the peer group (i.e. company of the comparable size in the same industry for the year ending 31st March 2003 as follows:

Particulars	Company Brahmanand Himghar Ltd.	Peer Group* Bindu Food Processors Pvt.Ltd.	Industry
Face value per share (Rs.)	5.00	10.00	
E P S	0.87	0.97	Not Available
P E Ratio	5.75	10.31	Not Available
Return on net worth(%)	11.68	4.69	Not Available
Share Price as on	N.A.	N.A.	Not Available

* Source: Audited Balance sheet & P&L A/c of M/s Bindu Food Processors Pvt Ltd.

** The equity shares of the Company of face value Rs.10/- were split into 2 equity shares of face value of Rs.5/- each vide a special resolution passed at the Extra Ordinary General Meeting held on 30.05.2003. The equity shares of the Company presently have a face value of Rs.5/- each.

VII. OUTSTANDING LITIGATIONS OR DEFAULTS

- There are no pending litigations in which the promoters of the Company are involved.
- There are no overdues, defaults to the Financial Institutions/Banks, re-schedulement of loans to Banks/FI's by the Company. There are no pending offences of non-payment of statutory dues and dues towards instrument holders like debentures holders, fixed deposit holders and arrears of cumulative preference shares by the promoters
- There are no cases of litigations pending against the Company or against any other company or against any other company whose outcome could have a materially adverse effect on the position of the Company.
- There are no pending litigation's against the Promoter's/Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.

5. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and Firms promoted by the promoters.
6. There are no outstanding litigation's, disputes pertaining to the matters likely to affect the operations and financials of the Company including disputed tax liability, prosecution under any enactment in respect of Schedule XIII of the Companies Act, 1956.
7. There are no litigation's outstanding against the Promoters/Directors in their personal capacity. The Company, its promoters and other Companies with which promoters are associated have been neither suspended by SEBI nor any disciplinary action has been taken by SEBI. There are no prosecution launched by Income Tax Authorities and no liability compounded by the Promoters/Company/Companies/Ventures with which the Promoters are associated is subsisting.
8. There are no cases of pending litigation/defaults in respect of the firms/Companies with which the Promoters are associated in the past but are no longer associated.

VIII.RISK FACTORS & PROPOSALS TO ADDRESS THEM

Investors should consider carefully the following risk factors, together with the other information contained in this Prospectus, before they decide to buy the Company's Equity Shares. If any of the following risks actually occur, the Company's business, financial condition and results of operations could suffer, the trading price of the Company's Equity Shares could decline and you may lose all or part of your investment.

INTERNAL RISK FACTORS

1. Risk envisaged by Management

The cost of the new project including Working Capital Requirements and means of finance has not been appraised by any bank/ financial institution and are based on the Company's own estimates. The deployment of funds collected in this issue will be at the sole discretion of the management of the Company.

Proposals to address the risk

The Company has drawn out a business plan for the activities to be pursued in the cold storage industry. The promoters of the Company have 3 years experience in cold storage business. The Company will ensure judicious deployment depending upon requirements at predetermined intervals.

2. Risk envisaged by Management

The requirement of enhanced working capital for the existing operations of the company will be entirely funded from the proposed public issue.

Any delay in raising funds from the IPO may have an adverse impact on the performance of the Company.

Proposals to address the risk

The Company is running its existing operations successfully and with the deployment of the money raised through IPO it shall expand the volumes, therefore any delay in raising funds shall affect performance to the extent of increasing the volumes and accordingly future profitability of the Company.

3. Risk envisaged by Management

The Company has additionally incurred a sum of Rs.10 lacs towards the cost of acquisition of land for the new project as against Rs.11 lacs envisaged in the original project.

Proposals to address the risk

The additional cost for acquisition of land has been incurred to avail the opportunity of better locational advantages and infrastructure facilities. The additional cost of acquisition shall be financed by the Company from its internal accruals.

4. Risk envisaged by Management

The Company is yet to appoint architect and building contractor for the proposed building and civil works of Rs.65.13 lacs.

Proposals to address the risk

The company is in process of appointing architect / contractor for the proposed building and civil works.

5. Risk envisaged by Management

The Company is yet to place orders for Plant and Machinery and various other equipments (to the tune of Rs.55.08 lacs i.e 27.54% of the new project cost) for the proposed project.

Proposals to address the risk

The Plant & Machinery and various other equipments required for the proposed project are readily available in the market and the Company does not foresee any problem in acquiring the same at appropriate point of time.

6. Risk envisaged by Management

The company has not taken any steps for recruiting the required manpower for the proposed project.

Proposals to address the risk

The Company has requisite manpower for running its existing cold storage. However, for the proposed project the necessary recruitment will be done in due course of time.

7. Risk envisaged by Management

Investors may note that listing of Company's shares on only one stock exchange does not

necessarily ensure liquidity.

Proposals to address the risk

In the present era of online electronic linked trading mechanism, liquidity will no longer be a problem for the investors even if the shares are listed in one Stock Exchange only.

8. Risk envisaged by Management

The company's existing business is seasonal in nature.

Proposals to address the risk

In the proposed project for multi-purpose cold storage there will be a regular flow of income throughout the year as it will involve more than one product at the same time and the seasonal aspect of all the products will not be the same.

9. Risk envisaged by Management

The Company is yet to obtain necessary approval from the State Pollution Control Board in Jharkhand for the proposed multi-purpose cold storage.

Proposals to address the risk

The business of cold storage is non-pollutant in nature and as such management does not foresee any problems in obtaining the same.

10. Risk envisaged by Management

The company's investments in quoted equity shares are valued at cost. The cost of such investment as reflected in the Balance Sheet as at March 31, 2003 was Rs.12.83.lacs, whereas the market value was Rs.2.25 lacs on that date.

Proposals to address the risk

The investment of the company in quoted equity shares are long term in nature and diminution in value of shares being temporary in nature, no provision for the same has been made.

11. Risk envisaged by Management

As per the revised schedule, there will a delay in implementing the project by a period of 2 months. The delay in implementation would cause revenue loss to the Company.

Proposals to address the risk

The Company has already started the civil and construction works and is confident to complete the project within the revised schedule of implementation.

EXTERNAL RISK FACTORS

1. Risk envisaged by Management

The market is highly competitive and the liberalized policies of the government are likely to attract increasing competition from existing as well as new entrants.

Proposals to address the risk

The promoters of the company have 3 years of experience in running cold storage business and

therefore the company does not foresee any risk whatsoever in this respect.

2. Risk envisaged by Management

Any adverse change in the Government Policies may affect the performance and profitability of the Company.

Proposals to address the risk

Government of India has identified cold storages as a thrust area and incentives are being provided to encourage the Industry. Hence, the company does not foresee any adverse policy changes that could be detrimental to the growth of this sector.

3. Risk envisaged by Management

Natural calamities like floods, droughts, earthquakes and other force majeure events could affect the business.

Proposals to address the risk

The above risk factors are essentially applicable to the entire business sector as a whole and not specifically to the Company only.

4. Risk envisaged by Management

The cold storage industry in West Bengal is faced with over capacity.

Proposals to address the risk

The specific area where the existing cold storage is located is not facing over capacity constraint. The new project is a Multi Storage Cold Storage Project and is to be located in Jamshedpur, Jharkhand and not in West Bengal. This concept of Multi Storage Cold Storage Project is unique in Jamshedpur and the company does not envisage any over capacity problem there.

5. Risk envisaged by Management

The business of the company is dependent on the production of perishable commodities. If productions of the crops are hampered by climatic factors, pest attacks etc., the company's profitability will be impacted.

Proposals to address the risk

Good monsoons, government subsidy and the recent thrust by the government towards agricultural sector shall exhibit a positive impact and as such the company does not foresee any problem in this regard.

6. Risk envisaged by Management

The Government fixes the rent chargeable by cold storage every year. Thus the Company's profitability is subject to fluctuations in the same

Proposals to address the risk

Considering the beneficial measures undertaken by the Government towards promotion of agriculture related activities, the company is optimistic that fluctuations in rent chargeable would not adversely affect the company's business.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

The company has already entered into an agreement with their Registrar M/s. S K Computers for looking after the Company's Investor's grievances for a period of six months from the date of allotment. The issue records will be with the Registrar to the issue for a minimum period of six months for redressal of investor complaints. Subsequently the Company will be setting up a Committee headed by a Director, to handle all investor grievances.

A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrars to the issue in attending to the grievances of the investors. The Company assures that Board of Directors shall adhere to the following schedules in respect of the complaints, if any, to be received.

Sl. No.	Nature of Complaint	Time Taken
01	Non-receipt of the refund warrants or the share certificates	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
02	Change of Address Notification	Within 7 days of receipt of information.
03	Any other complaint in relation to the public issue	Within 7 days of receipt of complaint with all relevant details

The Company's directors would directly deal with SEBI officer with respect to implementation of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the Company in case of any pre issue/post issue related problems.

PART - II

I. GENERAL INFORMATION

CONSENTS

Consents in writing from the Directors, Lead Manager, Registrar to the Issue, Bankers to the company, bankers to the issue, Legal Advisor and Auditor to act in their respective capacities, have been obtained and filed with the Registrar of Companies, West Bengal along with a copy of this Prospectus, as required under Section 60 of the Act and none of them have withdrawn their respective consents up to the date of delivery of the copy of this Prospectus for registration with the Registrar of Companies, West Bengal, Calcutta.

SKL & Company, Chartered Accountants, the statutory auditor of the Company, has given their written consent to the inclusion of his report on the accounts and the report on tax benefits accruing to the investors of this issue and the Company, as appearing hereinafter 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, West Bengal, Calcutta.

EXPERT OPINION

Except for the various tax benefits available to the Company and its members expressed by the auditor of the Company given in page number 18 - 21 of the prospectus, the Company has not obtained any other expert opinion.

CHANGE OF DIRECTORS/AUDITORS IN LAST THREE YEARS

The following changes in the Board of Directors have taken place within the past 3 years till the date of issue of Prospectus.

CHANGE OF DIRECTORS

Sl. No.	Name of the Director	Date of Appo- intment	Date of Resig- nation	Reasons
01	Inder Raj Agrawal	29.05.1997	26.05.2001	Personal
02	Dinesh Kumar Agarwal	02.05.2003	-	-
03	Jugal Kishore Agarwal	04.12.2003	-	-
04	Inder Raj Agarwal	04.12.2003	-	-

CHANGE OF AUDITORS

There has been no change in the Statutory Auditor of the Company during the last 3 years from the date of filing of this prospectus.

AUTHORITY OF THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act, 1956, the present issue has been authorised by a resolution passed by the Board of Directors of the Company at their meeting held on 05.05.2003 and a special resolution passed at Extra Ordinary General Meeting of the shareholders of the Company held on 30.05.2003.

PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT/REFUND

Letters of Allotment/ Share Certificates as the case may be will be dispatched by Registered Post to the sole / first applicant within 30 days from the date of closure of the issue. The Company shall pay interest @ 15% *per annum* on the entire amount if the allotment of the Equity Shares has not been made within thirty days of the date of closure of the issue. This interest will be paid from 31st day from the date of closure of the issue until the actual date of allotment. Alternatively, in case of any delay in the dispatch of refund orders beyond 30 days from the date of closure of the issue, interest @ 15% *per annum* will be paid on the refund amount for the period beginning after the expiry of 30 days from the date of closure of the issue until the date of dispatch of the refund orders.

The Company shall ensure dispatch of refund orders of value upto Rs.1500/- under certificate of posting and Share Certificates/ Allotment advice's and/or regret letters together with refund orders over Rs.1500/- by Registered Post only.

The Company has given an undertaking to the Lead Managers that the requisite funds for the purpose will be made available to the Registrars to the issue. Refunds will be made by Refund Orders drawn on any Scheduled Bank in Kolkata and bank charges, if any, for encashing such Refund Orders will be payable by the applicant. Such Refund Orders will however be payable at par at the places where the applications are received. In case of a joint application, the Refund Order, if any, will be made out in the first name and communications will be addressed to the person whose name appears first in the application form.

OVER SUBSCRIPTION AND BASIS OF ALLOTMENT

In the event of public issue of equity shares being over-subscribed, the Executive Director/Managing Director of the Calcutta Stock Exchange Association Limited along with the lead Merchant Banker, Board of Directors of the company and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner with the following guidelines :

- A minimum 50% of the net Issue to the Indian public will be made available for allotment in favour of those retail individual applicants who have applied

for shares for a value of Rs.50,000 or Less. In case allotments are made to a lesser extent than 50% because of lower subscription in the above category, the balance Equity Shares would be added to the higher category and allotment made on a proportionate basis relevant SEBI Guidelines.

- b) The balance of Net Issue to Indian Public shall be made available to investors including corporate bodies/institutions and individual applicants who have applied for allotment of shares for a value of more than Rs. 50,000.
- c) The unsubscribed portion of the net Issue to any of the categories specified in (a) or (b) shall be made available for allotment to applicants in the other category, if so required.
- d) Applicants will be categorised according to the number of equity shares applied for.
- e) The total number of equity 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 applications in the category multiplied by the number of equity shares applied for) multiplied by the inverse of the over subscription ratio.
- f) Number of equity shares to be allotted to the successful allottees will be arrived at on a proportionate basis i.e. total number of equity shares applied for by each applicant in that category multiplied by the inverse of the over subscription ratio.
- g) In all the applications where the proportionate allotment works out to less than 100 equity shares per applicant in the allotment shall be made as follows:
 - i) Each successful applicant shall be allotted a minimum of 100 equity shares, and
 - ii) The successful applicants out of the total applicants of that category shall be determined by drawal of lots in such a manner that the total number of equity shares allotted in that category is equal to the number of equity shares worked out as per (b) above.
- h) If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot) the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted equity shares arrived at after such rounding off.

If the Equity Shares allocated on a proportionate basis to any category is more than the equity shares allotted to the applicants in the category, the balance available equity shares for allotment shall be first adjusted against any other category where the allotted equity shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance equity shares if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of equity shares.

In the event of public issue of equity shares being over-subscribed, the basis of allotment will be finalised by the Board of directors of the Company in consultation with CSE, Lead Manager & Registrar to the Issue in marketable lots and on a proportionate basis.

The drawal of lots (where required) to finalise the basis of allotment, shall be done in the presence of a public representative on the Governing Board of the CSE. The basis of allotment shall be signed as correct by the Executive Director/Managing Director of the CSE and the public representative (where applicable) in addition to the lead merchant banker responsible for post issue activities and the Registrar to the Issue.

ISSUE OF SHARE CERTIFICATES

In case the Company issues letters of Allotment, the related equity share certificate will be dispatched through registered post within two months from the date of allotment in exchange for the letters of allotment.

ISSUE MANAGEMENT TEAM

LEAD MANAGER TO THE ISSUE

ASHIKA CAPITAL LIMITED

7, Bipin Bihari Ganguly Street

4th Floor, Kolkata 700 012

Phone No. : +91-33-221 5031/5032/5112/5113

Fax No. : +91-33-215 9418

E-Mail : ashika@cal2.vsnl.net.in

REGISTRAR TO THE ISSUE

S. K. COMPUTERS

34/1A, Sudhir Chatterjee Street

Kolkata 700 006.

Phone No. : +91-33-22196797

Fax No. : +91-33-22194815

E-Mail : agarwalskc@rediffmail.com

AUDITORS

SKL & COMPANY

Chartered Accountants

7A, Bentinck Street

New Wing

Room No. 212

Kolkata 700 001

Phone : 248 4195/5656

LEGAL ADVISOR TO THE ISSUE

ANGSHUMAN CHOUDHARY

Advocate

2/5-6, Santoshi Villa
Post Office Road, Mango
Jamshedpur 831 012

BANKERS TO THE COMPANY

UTI BANK LIMITED

Jamshedpur

UTI BANK LIMITED

Kankurgachi Branch, Kolkata

STATE BANK OF INDIA

Garbeta, Dist. Midnapur

BANKERS TO THE ISSUE

PUNJAB NATIONAL BANK

Bistupur, Jamshedpur

COMPANY SECRETARY & COMPLIANCE OFFICER

MR. SITAL PRASAD SWAIN

Brahmanand Himghar Limited
36-A, Bentinck Street, 2nd Floor
Kolkata - 700 069
Phone No. : 91-33-2248 1768/3599
Fax No. : 91-33-2248 1768
E-Mail : bhl@hotmail.com

Investors can contact the compliance officer in case of any pre-issue / post-issue related problems such as non-receipt of letters of allotment / share certificates / refund orders etc.

BROKERS TO THE ISSUE

All Brokers who are members of recognized Stock Exchanges can act as Brokers to the issue.

II. FINANCIAL INFORMATION

To,

The Board of Directors

M/s Brahmanand Himghar Limited,

36-A, Bentinck Street,
Second Floor,
Kolkata- 700 069

Dear Sirs,

Re : Public Issue of 80,00,000 Equity Shares of Rs.5/- each or cash at par aggregating to Rs. 400 lacs.

In accordance with the requirements of Clause B of Part II of Schedule II to the Companies Act, 1956 and the Securities and Exchange Board of India (Disclosure of Investor Protection) Guidelines, 2000, we have examined the following information proposed to be included in the prospectus of your company in connection with the public issue of 80,00,000 Equity Shares of Rs.5/- each for cash at par aggregating to Rs.4, 00,00,000/- and hereby confirm that the statements mentioned below and annexed to this report have been verified from the audited accounts, internal documents and further based on the explanation and information given to us during the course of our checking and found the same in accordance herewith.

1. Statement of Profits and Losses (Annexure I)
2. Statement of Assets and Liabilities (Annexure II)
3. Major Notes to Accounts (Annexure III)
4. Capital Statement as on March 31, 2003 (Annexure IV)
5. Taxation Statement (Annexure V)

We further report that the "other financial information" has been correctly computed from the figures as statements of Adjusted Assets and Liabilities and Adjusted Profits and Losses of the Company.

We further confirm that the Company does not have any subsidiaries within the meaning of section 4 of the Companies Act, 1956.

This report is intended solely for your information for inclusion in the proposed Public Issue of Equity Shares of the Company and is not to be used, or distributed for any other purpose without our prior written consent.

For SKL & COMPANY
Chartered Accountants

(S. K. Ladia)
Proprietor

Place: Kolkata
Dated: 04.12.2003

ANNEXURE : I

STATEMENT OF PROFITS AND LOSSES

(Rs. in Lacs)

Particulars	For the year ended					
	31.03.1999	31.03.2000	31.03.2001	31.03.2002	31.03.2003	30.09.2003*
Rent	–	114.27	144.20	128.42	155.20	17.07
Other Income	1.15	0.23	3.59	7.17	10.13	6.24
Total Income	1.15	114.50	147.79	135.59	165.33	23.31
Direct Expenses	–	9.39	52.29	36.69	39.85	29.56
Administrative, Selling & Other Expenses	0.56	2.76	15.24	17.43	23.37	11.82
Total Expenditure	0.56	12.15	67.53	54.12	63.22	41.38
Net Profit Before Interest, Depreciation, Tax & Extraordinary item.	0.59	102.35	80.26	81.47	102.11	(18.07)
Interest	–	1.85	30.73	33.03	31.21	15.43
Depreciation	0.09	1.10	44.54	43.24	38.67	16.81
Profit Before Tax & Extraordinary item.	0.50	99.40	4.99	5.20	32.23	(50.31)
Provision for Taxation	0.06	–	0.42	0.40	2.54	–
Provision for Deferred Tax	–	–	–	–	4.00	–
Extraordinary item	–	1.75	–	–	–	–
Net Profit After Extraordinary item	0.44	97.65	4.57	4.80	25.69	(50.31)

Note:

- 1) The Figures given above has been reclassified, rearranged and recasted wherever considered necessary to reflect the operation of the company on the basis of a uniform practice.
- 2) * The above figure is not comparable with the corresponding figures of previous year due to the fact that cold storage business is a seasonal business. A major portion of income is received in the month of February and March of every year.

Details of other income

(Rs. in Lacs)

Particulars	For the year ended					
	31.03.1999	31.03.2000	31.03.2001	31.03.2002	31.03.2003	30.09.2003
Other Income						
Rent	0.02	0.02	–	1.87	1.29	–
Interest	–	0.21	2.12	3.14	3.61	2.15
Insurance Claim	–	–	0.95	2.05	4.96	4.08
Misc Receipt	1.13	–	0.52	0.11	0.27	0.01
Total	1.15	0.23	3.59	7.17	10.13	6.24

Note: The Other Income has arisen out of normal business activities and is of non-recurring in nature.

ANNEXURE II

STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lacs)

Particulars	As at 31.03.1999	As at 31.03.2000	As at 31.03.2001	As at 31.03.2002	As at 31.03.2003	As at 30.09.2003
A Fixed Assets						
Gross Block	9.78	352.62	380.32	386.81	393.91	393.91
Less: Depreciation	0.39	1.48	46.02	89.26	127.93	144.74
Net Block after adjustment for Revaluation Reserve	9.39	351.14	334.30	297.55	265.98	249.17
Capital WIP	42.00	—	—	—	—	5.04
Total Fixed Asset (A)	51.39	351.14	334.30	297.55	265.98	254.21
B Investments	91.64	66.99	162.58	135.98	167.48	167.93
C Current Assets, loans and Advances						
Sundry Debtors	3.57	128.98	98.10	109.44	115.96	73.17
Cash & Bank Balances	0.38	14.08	21.94	61.82	67.94	38.57
Stock in Hand	—	—	—	—	—	19.80
Loans and Advances	19.19	43.87	110.54	93.57	98.96	97.45
Total (C)	23.14	186.93	230.58	264.83	282.86	228.99
D Liabilities and Provisions						
Secured Loans	—	139.34	220.17	219.73	213.08	199.21
Unsecured Loans	—	—	11.61	1.00	1.00	1.00
Current Liabilities and Provisions (including deferred tax provisions)	2.98	103.77	120.22	120.67	130.17	120.99
Share Application Money	—	4.00	29.00	8.40	12.20	26.30
Total (D)	2.98	247.11	381.00	349.80	356.45	347.50
E Net worth (A+B-C)	159.73	250.25	237.06	235.86	254.17	199.93
F Represented by						
1. Equity Share Capital (A)	170.85	170.85	170.85	170.85	170.85	170.85
2. Reserves	(10.66)	79.75	66.47	65.17	84.43	34.12
Less : Revaluation Reserve	—	—	—	—	—	—
Reserves (Net of Revaluation Reserves) (B)	(10.66)	79.75	66.47	65.17	84.43	34.12
Miscellaneous Expenditure (C)	0.45	0.35	0.26	0.16	1.11	5.04
Net worth (A+B-C)	159.73	250.25	237.06	235.86	254.17	199.93
Cumulative Redeemable Preference Share Capital	3.45	107.70	109.40	112.70	105.70	103.70
Accounting Ratios						
Earnings per share (Rs)	—	2.91	0.13	0.14	0.87	—
Return on net worth %	0.28	39.72	1.93	2.04	11.68	—
Net asset value per share (Rs)	4.67	7.32	6.94	6.90	7.44	5.97
No. of equity shares of Rs.5/-*	3417000	3417000	3417000	3417000	3417000	3417000

*Equity Shares of Rs.10/- each has been sub-divided into two Equity Shares of Rs.5/- each fully paid up vide the resolution passed at the Extra-Ordinary General Meeting of the Company held on 30.05.2003.

Note:

1. The Figures given above has been reclassified, rearranged and recasted wherever considered necessary to reflect the operation of the company on the basis of a uniform practice.
2. E.P.S & Return on networth for the six month period ended on 30.09.2003 has not been calculated due to the fact that figures as on 30.09.2003 are not comparable with regard to full year operations due to the reasons stated above.
3. Share application money of Rs. 26.30 Lacs as on 30.09.2003 has been brought in towards promoter contribution from (1) Purnima Sharma Rs. 16.00 Lacs (on 08.06.2002 – 1.00 Lacs, On 28.02.2003 – 10.00 Lacs, On 28.05.2003 – 5.00 Lacs) (2) M.B Bhattacharjee Rs. 6.00 Lacs (On 07.07.2003) (3) Gita Agarwal - Rs. 1.30 Lacs (On 04.12.2202 – 0.30 Lacs, On 02.08.2003 – 1.00 Lacs) (4) Rakhi Sarawgi Rs. 0.60 Lacs (On 02.06.2003) (5) Sharda Lodha Rs. 0.60 Lacs (On 18.03.2003) (6) Dipti Sahay Rs. 0.50 Lacs (On 18.08.2003) (7) Lalita Khandelwal- Rs. 0.50 Lacs (On 18.08.2003) (8) Subodh Ranjan Sahay Rs. 0.50 Lacs (On 18.08.2003) (9) Srikant Sharma Rs. 0.20 Lacs (On 06.02.2003) 10) Shirshendu Dey Rs. 0.10 Lacs (On 06.02.2003)

ANNEXURE III**1. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES****Basis of Preparation of Financial Statements**

The financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

Revenue Recognition

The Company follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

Fixed Assets

All Fixed Assets are valued at cost less depreciation. Pre-operative expenses are capitalized. Interest on borrowings and financing cost during the period of implementation of the Project is added to the cost of fixed assets.

Depreciation

Depreciation is provided on written down value basis (WDV) applying the rates specified in Schedule XIV of Companies Act, 1956.

Investment

Investments are stated at cost.

Retirement Benefits

- a) The Company contributes to Provident Fund administered by Government.
- b) Gratuity benefit at the time of retirement are charged to Profit and Loss Account on the basis of actuarial valuation and paid to an approved Gratuity Fund.
- c) Leave Encashment benefit is charged to Profit and Loss Account on accrual basis.

Segment Reporting

The Industry primarily focuses on the operation of Cold storage, which has a strong Project Future. For this reason, the Company does not see its product group as separate segment thereby, eliminating the issue of reportable Segment.

Insurance Claim

Insurance claim are accounted for on settlement of claim.

Miscellaneous Expenditure

Preliminary Expenses are amortized over a period of 10 years.

Taxes on Income

Tax on income for the current period is determined on the basis of taxable income. Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year and quantifying using the tax rates and laws enacted as on the Balance Sheet date. Deferred tax is recognized and carry

forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Contingent Liabilities

The Company has no knowledge of any Contingent liability therefore; it has not been provided/disclosed in the Balance Sheet up to 31.03.2003. However the company has entered into an agreement on 6.08.2003 for purchase of 60 Kathas of land at a price of Rs. 21.60 lacs. Out of this company has already paid Rs. 5.00 lacs. Therefore capital commitment remains outstanding Rs. 16.60 lacs.

2. NOTES ON ACCOUNTS

Contingent liabilities not provided for. Nil

Deferred Tax

The Company has adopted Accounting Standard 22(AS 22) "Accounting for Taxes on income" and accordingly:

- The net deferred tax liability amounting to Rs. 4.00 lacs pertaining to the period prior to 1st April 2002 has been adjusted against Reserves and Surpluses in accordance with the transitional provisions of AS 22 "Accounting for Taxes on Income".
- The Company has provided for deferred tax during the year. The change in policy has resulted in a provision for deferred tax liability of Rs. 4.00 lacs for the current year and the net profit after tax is lower by a like amount.

Related Party Disclosures

As per the accounting Standard on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

List of related party and their Relationship :

Party	Relationship
G. Raj & Co.(Consultants) Ltd.	Associate Company
Mr. Rajendra Kumar Agarwal	Key Management Personnel
Sital Prasad Swain	Key Management Personnel
Pradeep Kr. Lodha	Key Management Personnel
Rajeshwar Singh	Key Management Personnel

Transaction with the related parties :

Rs.In lacs

	30.09.2003		31.03.2003		31.03.2002		31.03.2001	
	Assoc-iate	Key management personnel	Assoc-iate	Key management personnel	Assoc-iate	Key management personnel	Assoc-iate	Key management personnel
Remuneration to Key management personnel	-	1.67	-	1.39	-	1.39	-	1.39
Rent Payment	0.12	-	-	-	-	-	-	-
Investment in Equity Share capital	-	-	10.00	-	-	-	-	-

The company has taken office space at free of rent from G. Raj & Co. (Consultants) Ltd. upto 31.03.2003

**ANNEXURE IV
CAPITALISATION STATEMENT**

Rs. In lacs

Particulars	PRE ISSUE AS AT 31.03.2003	AS ADJUSTED FOR ISSUE
Short term debt	100.40	100.40
Long term debt	112.68	112.68
Total debt	213.08	213.08
Shareholders fund		
Share capital	170.85	700.00
Reserves and surplus	84.43	117.87
Total shareholders fund	255.28	817.87
Long term debt /equity	0.44: 1	0.11:1

**ANNEXURE V
TAX SHELTER STATEMENT**

Rs. In lacs

Particulars	31.03.1999	31.03.2000	31.03.2001	31.03.2002	31.03.2003
Tax rate (Including surcharge)%	35.00	38.50	39.55	35.70	36.75
Tax at Notional Rate	(0.20)	(0.42)	2.40	2.25	3.47
Difference between tax depreciation and book depreciation	(0.76)	(1.09)	10.88	5.73	2.54
Other Adjustments	Nil	Nil	(5.86)	(0.53)	Nil
Net Adjustments	(0.76)	(1.09)	5.02	5.20	2.54
Tax saving thereon	(0.26)	(0.45)	1.96	1.73	1.03
Total taxation	0.06	-	0.42	0.40	2.54

SUNDRY DEBTORS

Particulars	Amount in Rs. Lacs as on 31/03/2003	Amount in Rs. Lacs as on 30/09/2003
Debt outstanding for a period exceeding 6 months	13.58	67.93
Other Debts	102.37	5.23
Total	115.95	73.16

LONG TERM BORROWINGS

PRINCIPLE TERMS OF LOAN AND ASSETS CHARGED AS SECURITY

The details of total secured loans of the company as on 31st March 2003 are as follows:

Particulars	Amount of loan sanctioned	Amount outstanding as on 31.03.2003
Term Loan from West Bengal Financial Corporation	Rs. 150.00 Lacs	Rs. 106.40 Lacs
Working Capital term Loan from West Bengal Financial Corporation	Rs. 25 Lacs	Rs. 25 Lacs
Cash Credit Facilities - Marketing Loan from State Bank Of India, Garbeta	Rs. 75 Lacs	Rs. 75.40 Lacs*
Car Loan Account		
- From Citi Corp. Finance Ltd.	Rs. 1.88 Lacs	Rs. 0.92 Lacs
- From ICICI Ltd.	Rs. 3.30 Lacs	Rs. 1.32 Lacs
- From Standard Chartered Bank	Rs. 3.00 Lacs	Rs. 2.34 Lacs
- From Citi Bank	Rs. 1.95 Lacs	Rs. 1.70 Lacs
Total	Rs. 260.13 Lacs	Rs. 213.08 Lacs

*Rs.0.40 lacs stands outstanding towards the service charges for cost of renewal and legal expenses charged by the respective Bank.

PRINCIPLE TERMS OF LOAN AND ASSETS CHARGED AS SECURITY

The Company was sanctioned financial assistance from West Bengal Financial Corporation and State Bank of India for its Cold Storage Project as Under:

i. The salient features of the agreement for Term Loan for Rs.150.00 lacs with WBFC dated 16.11.1999 are as under

Security

- First equitable mortgage of all the immovable properties created/ to be created by the Company for the unit located at at Vill: Jharia, PO: Amlasoli, PS: Goaltore Dist. Midnapore
- First charge by way of hypothecation of all the movable assets of the unit located at Vill: Jharia, PO: Amlasoli, PS: Goaltore Dist. Midnapore, West Bengal Including moveable machinery, machinery spares, tools and accessories, both present and future, subject to prior charge in favour of Company' s bankers on book debts and other specified moveable as may be agreed to by the Corporation for security borrowings for working capital requirements.
- Irrevocable and unconditional guarantee of the directors (both present & future) to be executed jointly and severally in their personal capacities.
- Lien of NSC/KVP/FDR/LIC (surrender value) worth Rs.10.00 lacs in favour of the Corporation.

Utilisation

The loan amount would be utilized as per fund utilization chart and is not to be diverted or utilized to finance any other business. Payment would be made directly to the suppliers and/or other creditors for the project.

Repayment

The term loan will be repaid by 27 quarterly instalments. The first & second installment being Rs.5.00 lacs each and the remaining 25 (twenty five) instalments being Rs.5.60 lacs each. The first instalment will fall due for payment on completion of 18 months from the date of first disbursement of the loan.

Interest

Interest on the loan will be charged @ 15.50 % per annum.

Margin

The aggregate amount of the loan disbursed/ outstanding will not exceed 70% of the value of assets offered and accepted as security.

ii. The salient features of the agreement for Working capital Term Loan for Rs. 25.00 lacs with WBFC dated 11.12.2002 are as under

Security

- Extension of First equitable mortgage of all the immovable properties created/ to be created by the Company for the unit located at Vill : Jharia, P.O. : Amlasoli, P.S. : Goaltore Dist. : Midnapore West Bengal.
- Extension of First charge by way of hypothecation of all the moveable assets of the unit located at Vill: Jharia, P.O. : Amlasoli, P.S. : Goaltore, Dist. : Midnapore, West Bengal. Including moveable machinery, machinery spares, tools and accessories, both present and future, subject to prior charge in favour of Company' s bankers on raw materials, stock-in- trade, finished and semi-finished goods, book debts and other specified moveable as may be agreed to by the corporation for security borrowings for marketing / crop loan.
- Irrevocable and unconditional guarantee of the directors (both present & future) to be executed jointly and severally in their personal capacities.
- Execution of demand Promissory Note in favour of the corporation for immediate repayment of the loan outstanding on demand.
- Extension of charge on existing liquid security for term loan and a further collateral security of Rs. 6.00 lacs by way of lien or pledge.

Utilisation

The loan amount would be utilized towards working expenses as considered in the project and is not to be diverted or utilized to finance any other business. Payment would be made directly to the suppliers and/or other creditors for the project. Monthly stock statement shall have to be furnished to the corporation.

Repayment

The working capital term loan will be repaid within 4 (four) equal monthly instalment of Rs. 6.25 lac each commencing from ninth month from the date of first disbursement.

Interest

Interest on the loan will be charged @ 14.75 % per annum.

Margin

The aggregate amount of the loan disbursed/ outstanding will not exceed 75% of the value of assets offered and accepted as security.

The aggregate amount of the loan disbursed/ outstanding will not exceed 75% of the value of assets offered and accepted as security.

III. STATUTORY AND OTHER INFORMATION

MINIMUM SUBSCRIPTION

The minimum subscription to be raised by this Issue is 72,00,000 Equity Shares of Rs.5/- each for cash at par aggregating to Rs.3,60,00,000 being 90% of 80,00,000 Equity Shares aggregating to Rs.4,00,00,000 offered through this Prospectus.

If the Company does not receive the minimum subscription of 90% of the net offer to the public on the date of closure of the issue or the subscription level falls below 90% after the closure of the issue on account of cheques having been returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days, if any, in refund of such subscription, the Company shall pay interest as per Section 73 of the Companies Act, 1956.

RIGHTS OF THE EQUITY SHAREHOLDERS

The Equity Shares now being issued are subject to the terms of this prospectus, the Application Form, Memorandum and Articles of Association of the Company, the Guidelines issued by the Government of India and Securities and Exchange Board of India from time to time and the Companies Act, 1956. These new equity shares shall rank pari-passu with the existing issued equity shares of the Company in all respects.

Shareholders are entitled to receive dividend as and when declared, Bonus and Rights shares as and when made. Further the rights of the above and other holders of the instruments are subject to the provisions of Section 206A of the Companies Act, 1956 and other laws applicable from time to time.

EXPENSES OF THE ISSUE

The expenses of the Issue payable by the Company inclusive of brokerage, fees payable to the Lead Manager to the Issue, Registrar to the Issue, Legal Advisors & Tax Consultants, stamp duty, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses will not exceed Rs.14.15 Lacs, and will be met out of the proceeds of the present issue.

FEES PAYABLE TO THE LEAD MANAGER

The total fees payable to the Lead Manager to the Issue will be as per the Memorandum of Understanding signed with the Lead Manager viz. Ashika Capital Limited, copies of which are available for inspection at the Registered Office of the Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue as set out in their offer letter, copies of, which are kept open for inspection at the Registered Office of the Company. The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of stationery, postage, and stamp duty, communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post.

BROKERAGE

Brokerage will be paid @ 1.5% on the nominal value of the equity shares on the basis of allotments made against applications bearing the stamp of a member of any recognised stock exchange in India in the brokers column. Brokerage at the same rate will also be payable to the banker to the issue in respect of allotment made against applications bearing their respective stamps in the brokers column. In case of tampering or over stamping of broker/agents codes on the application form, the Issuer's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter.

PREVIOUS ISSUE OF CAPITAL DURING LAST FIVE YEARS

The Company has not made any public issue of equity / debentures whatsoever prior to this issue. The details of issue of capital have been outlined in the paragraph on the build up of the share capital under the F.

ISSUE OF SHARES OTHERWISE THAN FOR CASH

No shares or debentures have been issued or agreed to be issued as fully or partly paid otherwise than for cash since incorporation.

PREFERENCE SHARES AND DEBENTURES

Details of outstanding preferential shares as on date is given as follows

Description	Date of Allotment	Amount (in Rs.)	Due date of redemption
15% Cumulative Redeemable Preference shares @ Rs.1,000/- each	30.05.1998	50,000.00	29.05.2004
	30.06.1999	50,000.00	29.06.2004
20% Cumulative Redeemable Preference shares @ Rs.50,000/- each	30.09.1999	50,000.00	29.09.2004
	30.10.1999	50,000.00	30.10.2004
	30.11.1999	50,000.00	29.11.2004
	30.12.1999	50,000.00	30.12.2004
	31.01.2000	3,50,000.00	30.01.2005
	31.03.2000	2,00,000.00	30.03.2005
15% Cumulative Redeemable Preference shares @ Rs.50,000/- each	31.03.2000	50,000.00	30.03.2005
	30.10.2000	6,00,000.00	29.10.2005
14% Cumulative Redeemable Preference shares @ Rs.10,000/- each	31.12.2000	17,80,000.00	30.12.2004
	30.09.2001	1,90,000.00	29.09.2004
	31.12.2000	21,90,000.00	30.12.2005
	31.03.2001	7,50,000.00	30.03.2006
	30.06.2001	1,50,000.00	29.06.2006
	30.09.2001	27,00,000.00	29.09.2006
	30.04.2002	11,10,000.00	29.04.2007
Grand Total		1,03,70,000.00	

The Company has not issued any debentures since its incorporation.

ISSUE AT A PREMIUM OR DISCOUNT

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

OPTION TO SUBSCRIBE

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

PURCHASE OF PROPERTY

Save in respect of the property purchased or acquired or proposed to be purchased or acquired under the contract referred to herein below under the heading Material Contracts and Documents for inspection, there is no property which the Company has purchased or acquired or proposes to purchase or acquire which

is to be paid, wholly or partly out of the proceeds of the present issue or the purchase or acquisition of which has not been completed on the date of issue of this prospectus other than the following

- a) The contract for the purchase or acquisition whereof was entered into in the ordinary course of the company's business, the contract not being made in contemplation of the issue in consequence of the contract.
- b) In respect of which the amount is not material. Except as stated in this prospectus the Company has not purchased any property in which any of its promoters or directors has or have any direct or indirect interest or in respect of any payment thereof.

REVALUATION OF ASSETS

There has been no revaluation of the assets since incorporation of the Company.

INTEREST OF DIRECTORS AND PROMOTERS

Except as otherwise stated in page number 46 under the head 'Related Party Disclosures' of this prospectus, all the Directors may be deemed to be interested to the extent of remuneration and fees payable to them for attending the meeting of the Board or Committee thereof and reimbursement of travelling and other incidental expenses, if any, for such attendance's as per the Articles.

All the Directors/ Promoters of the Company shall be deemed to be interested to the extent of shares held by them and/or their friends and relatives and which may be allotted to them out of the present issue, and are deemed to be interested to the extent of remuneration and perquisites being drawn by them from the Company.

The Whole-time Director is interested to the extent of remuneration paid to him for services rendered to the Company. Further, the Managing Director is interested to the extent of equity shares that may be subscribed and allotted/ transferred to him out of the present Offer in terms of the Prospectus and also to the extent of any dividend payable to him and other distributions in respect of the said Equity Shares.

The Directors may also be regarded as interested in the shares, if any, held by or that may be subscribed by and allotted/ transferred to the companies, firms and trust, in which they are interested as Directors, Members, partners and/or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by LHIL with any company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as stated otherwise in this Prospectus, the Company has not entered into any contract, agreements or arrangement during the preceding two years from the date of the Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

APPOINTMENT OF MANAGING DIRECTOR

In accordance with the provisions of Sections 198, 269,309,310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and with the approval of the shareholders at their General Meeting, Sri Rajendra Kumar Agrawal was appointed as the Managing Director for a period of five years with effect from 30.05.2003 at a remuneration of Rs.16,000/- per month. On termination of employment no other benefits will accrue to the Managing Director.

IV. THE MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

INCREASE AND REDUCTION OF CAPITAL

Power to increase capital

6. The Company in general meeting may, from time to time, increase its capital by the creation of new shares of such amount as may be deemed expedient. On what conditions right shares may be issued
 - (a) Subject to any special rights or privileges for the time being attached to any shares in the capital of the Company then issued, the new shares may be issued upon such terms and conditions, and with such rights and privileges attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.
 - (c) The redemption of preference shares under these provisions by the Company shall not be taken as reducing the amount of its authorised Share Capital.

Power to Issue Sweat Equity Shares

- (C) The Board shall have power to issue sweat equity shares in manner and subject to conditions contained in section 79 (A) of the Act.

Reduction of capital

9. The Company may from time to time by special resolution, reduce its share capital and any Capital Redemption Reserve Account or share premium account In any manner and with and subject to any incident authorised and consent required by law.

ALTERATION OF CAPITAL

Power to subdivide and consolidate shares

10. The company in general meeting may from time to time:
 - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

- (c) cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (d) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

CALLS

Board may make calls

28. The Board, subject to necessary approval as may be required from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture holders in respect of all moneys unpaid on the shares/debentures held by them respectively and such member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments.

When Interest on call or Instalment payable

36. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the instalment shall be due, shall pay interest @ 15% P.A. from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.

LIEN

Company's lien on Shares/Debentures

41. The Company shall have first and paramount lien upon all the shares / debenture (other than fully paid up shares/debentures) registered in the name of each member/debenture holder (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares/debenture shall be created except upon the footing and condition that Article 25 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of

shares/debentures shall operate as a waiver of the Company's lien if any on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause

As to enforcing lien by sale

42. For the purpose of enforcing such lien the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

FORFEITURE

If call or Installment not paid notice must be given

44. (a) If any member or debenture holder fails to pay the whole or any part of any call or instalment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.

In default of payment of shares or debentures to be forfeited

45. If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys due in respect thereof,

be forfeited by a resolution of the Directors to that effect. 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 principal or interest, nor any indulgence granted by the company in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.

Forfeited share/debenture to be property of Company and may be sold

47. Any share or debenture so-forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.

TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

58. Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

Dematerialisation/Rematerialisation

[B] Notwithstanding anything contained in these Articles the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

Option for Investors

[C] Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person options to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security.

Securities In Depository to be in fungible form

[D] All securities of the Company held by the Depository shall be dematerialised and be in fungible form.

Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

Title to shares of deceased holder

64. The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained probate or letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent court in India, provided that in any case where the Directors in their absolute discretion think fit, the Directors may dispense with the production of probate or letters of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

Registration of persons entitled to share otherwise than by transfer

65. (a) Subject to the provisions of Articles 67 and 77(d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

- (b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

Persons entitled may receive dividend without being registered as member

67. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/debenture.
68. Article 70 shall not prejudice the provisions of Articles 44 and 55.

BORROWING POWERS

Powers to borrow

75. The Board may, from time to time, as its discretion, subject to the provisions of Sections 58A, 292 and 293 of the Act raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company: Provided that the Board shall not, without the sanction of the Company in general meeting borrow any sum of money which together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves that is to say reserves not set aside for any specific purposes.

Conditions on which money may be borrowed

76. The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the Issue of bonds perpetual or redeemable, debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the company (both present and future) including its uncalled capital for the time being.

GENERAL MEETINGS

When Annual General Meetings to be held

85. In addition to any other meetings, general meetings of the Company shall be held within such intervals as are specified in Section 166(1) of the Act and, subject to the provisions of Section 166(2) of the Act, at such times and places as

may be determined by the Board. Each such general meeting shall be called an "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall, except in the case where an Extraordinary General Meeting is convened under the provisions of the next following Article, be called a "general meeting".

When other general meetings to be called

86. The Board may whenever it thinks fit call a general meeting and it shall on the requisition of the members in accordance with Section 169 of the Act proceed to call an Extraordinary General Meeting. The requisitionists may in default of the Board convening the same convene the Extraordinary General Meeting as provided by Section 169 of the Act.

PROCEEDING AT GENERAL MEETINGS

Business of Meetings

89. The ordinary business of an Annual General Meeting shall be to receive and consider the Profit and Loss Account, the Balance Sheet and the Reports of the Directors and of the Auditors, to elect Directors in the place of those retiring by rotation, to appoint Auditors and fix their remuneration and to declare dividends. All other business transacted 'at an Annual General Meeting and all business transacted at any other general meeting shall be deemed special business.

Quorum to be present when business commenced

90. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.

BOARD OF DIRECTORS

Board of Directors

120. Unless otherwise determined by the Company in General Meeting the number of Directors shall not be less than three and not more than twenty. The Directors at the time of adoption of these articles are:
1. MR. RAJENDRA KUMAR AGRAWAL
 2. MR. BIMAL KUMAR AGRAWAL
 3. MR. SUSHIL KUMAR KHOWALA
 4. MR. DINESH KUMAR AGRAWAL

Limit of Directors' numbers

121. Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.

ALTERNATE DIRECTORS

Power to appoint Alternate Director

124. The Board may in accordance with and subject to the provisions of Section 313 of the Act appoint any person to act as alternate director for a director during the latter's absence for a period of not less than three months from the date in which meetings of the Board are ordinarily held.

Appointment of Additional Directors

125. Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but the total number of Directors shall not exceed the maximum number fixed by these Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall be eligible for re-appointment.

Qualification of Director

128. A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.

Directors not to act when number falls below minimum

133. When the number of Directors in Office falls below the minimum above fixed, the Directors shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.

Eligibility

134. A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.

ROTATION OF DIRECTORS

Rotation of Directors

143. Not less than two thirds of the total number of Directors shall

- (a) be persons whose period of office is liable to determination by retirement of Directors by rotation, and
- (b) save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.

The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.

THE SECRETARY

Secretary

161. Subject to the provisions of Section 383A of the Act, the Directors may from time to time, appoint and at their discretion remove any individual (hereinafter called 'the Secretary') who shall have such qualifications as the authority under the Act may prescribe to perform any functions which by the Act or these Articles are to be performed by the Secretary, and to execute and other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.

SEAL

The seal, its custody and use

162. (a) The Board shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority previously given of the Board or a Committee of the Board authorised by the Board in that behalf and save as provided in Article 15(1) hereof, any two Directors or one Director and the Secretary or one Director and such other person as the Board may appoint shall sign every instrument to which the Seal is affixed. Provided nevertheless that any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

CAPITALISATION OF RESERVES

165. (1) The Company in General Meeting may, upon the recommendation of the Board, resolve :

- (a) to capitalise whole or any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, otherwise available for distribution :
- (b) that such sum be accordingly set free, for distribution in the manner specified in Clause (2) amongst these members who would have been entitled thereto if distributed by way of dividend and in the same proportions. -

(2) The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provisions contained in Clause (3), either in or towards :-

- (i) Paying up any amounts for the time being unpaid on any shares held by such members respectively.

- (ii) Paying up in full, unissued shares, debentures or debenture stock of the Company to be allocated and distributed, credited as fully paid-up, to be and amongst such members in the proportion aforesaid; or
 - (iii) Partly in the way specified in sub-clause (1) and partly in the specified in sub-clause (ii).
- (3) A share premium account and a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up to unissued shares to be issued to members of the Company as fully paid bonus shares.
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

DIVIDENDS

Division of Profits

168. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.

Dividend payable to registered holder

169. No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.

Company In Annual General Meeting may declare dividends

173. The Company in Annual General Meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.

Power of Directors to limit dividends

174. No larger dividend shall be declared than is recommended by the Directors but the Company general meeting may declare a smaller dividend.

Directors' declaration as to net profits conclusive

176. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

Unpaid Dividend or Dividend Warrant posted

182. (a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall

within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank, as per Section 205A of the Act, and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years or such other period as may be prescribed by central government from time to time from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under Sub-section (1) of Section 205C of the Companies Act.

WINDING UP

Distribution of Assets

207. (a) Subject to the provisions of the Act, if the company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if In winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.

- (b) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.

Distribution In specie or kind

208. Subject to the provisions of the Act.

- (a) If the Company shall be wound up whether voluntarily or otherwise the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit

of the contributories or any of them as the liquidators with the like sanction shall think fit.

- (b) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any to dissent and ancillary rights as If such determination were a special resolution passed pursuant to section 494 of the Act.
- (c) in case any shares to be divided as aforesaid involved a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special' resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, If practicable act accordingly

INDEMNITY AND RESPONSIBILITY

Directors and others rights to Indemnity

- 212.(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime' Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including travelling expense) which such Director, Manager, Secretary and Officer or employee may incur or become liable to by reason of any contract entered into or act or deed done by him as such Director, Manager, Secretary, "Officer or Servant or in any-way In the discharge of his duties Including expenses and the amount for which such Indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members ever all other claims.
- (b) Subject as aforesaid every Director,

Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or In connection with any application under Section 633 of the Act in which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

Interest of Promoters/Directors

All the Directors of the Company may be deemed to be interested to the extent of sitting fees, normal remuneration for the services rendered and the reimbursement of expenses, if any, payment to them under Articles.

All directors may also be deemed to be interested to the extent of :-

The shares, if any, held by them or by their relatives or by firms of which any of them is a partner or by the companies in which any of them is a director or member.

The shares, if any, out of the present issue that may be subscribed for and allocated to them or their friends, relatives and associates or any company in which they are directors / members or to firms of which they are partners.

All directors may be deemed to be interested or concerned in the contracts / agreements / arrangements / transactions entered into or to be entered into by the Company with any company in which they hold directorships.

None of the directors are interested in the appointment of any of the Lead Manager, Registrars and Bankers to the issue.

V. MATERIAL CONTRACTS AND DOCUMENTS OPEN FOR INSPECTION

The contracts 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 referred to 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, West Bengal at Calcutta for registration, may be inspected at the Registered

Office of the Company between 11:00 a.m. 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

The following material contracts and documents not being contracts entered into the ordinary course of business carried on or intended to be carried on by the Company 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 referred below all of which have been attached to the copy of this Prospectus, have been delivered to the Registrar of Companies, West Bengal, Kolkata for registration and may be inspected at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day from the date of this Prospectus until the date of closing of the subscription list.

1. Copy of Memorandum of Understanding (MOU) entered into by the Company and the Lead Manager viz. Ashika Capital Limited.
2. Memorandum of Understanding between the Company and the Registrar to the Issue, M/s S K Computers dated 21.06.2003.
3. Copy of Tripartite agreement dated 19/01/2004 between Central Depository Services Ltd and M/s S K Computers and the Company.
4. Copy of Tripartite agreement dated 01/01/2004 between National Securities Depository Ltd. (NSDL), M/s S K Computers and the Company.

B. DOCUMENTS FOR INSPECTION

1. Copy of Memorandum and Articles of Association including Group Company.
2. Copy of Certificate of Incorporation including Group Company.

3. Copy of Fresh Certificate of Incorporation dated 16.06.1994 & 29.04.1998.
4. Letters of consent received from the Lead Manager to the Issue, Auditor, Directors, Compliance Officer, Legal Advisor to the issue, Bankers to the Company, Bankers to the issue, Registrar to the Issue as referred to in the Prospectus to act in their respective capacities.
5. Copy of auditor's letter dated 21.06.2003 advising the Company about the tax benefits available to the Company and its members.
6. Copy of auditor's letter dated 24.01.2004 certifying the deployment of the funds by the company towards the proposed project till 24.01.2004.
7. Auditor's Reports dated 04.12.2003 included in the Prospectus and consent to include the same in the prospectus.
8. Copies of Resolution passed under Sections 81(1A) in Extra Ordinary General Meeting dated 30.05.2003.
9. Power of Attorney executed by the Directors for signing and correction in the prospectus.
10. Copies of audited Balance Sheet for the period from 1st April 1999 to 31st March 2003 and the period ended on 30.09.2003.
11. Copy of due diligence Certificate dated 10.07.2003 given to SEBI by the Lead Manager.
12. Copy of initial Listing applications made with Calcutta Stock Exchange.
13. Copy of the in-principle approval letter obtained from CSE vide letter reference CSEA/LD/1407/2003 dated 14th November 2003.
14. Copy of SEBI observation Letter No.SEBI/ERO/BM/2003/6597 dated December 1, 2003 and compliance thereof.

PART - III

I. DECLARATION

The board of directors hereby declare that, to the best of their knowledge, all the relevant provisions of the companies act, 1956 and the guidelines issued 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.

The board of directors further declare that, in their opinion, there has not arisen any circumstances since the date of last financial statement, as disclosed in the prospectus that materially and adversely affects or is likely to affect the trading or profitability of the company, or the value of its assets, or its ability to pay its liabilities within the next 12 months.

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

The Promoter/Director, declare and confirm that no information / material likely to have bearing on the decision of investors in respect of shares/securities offered in terms of this prospectus/prospectus has been suppressed/ withheld and or incorporated in a manner that would amount to mis-statement / mis-representation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/ material has been suppressed/withheld and/or amounts to a misstatement/miss-representation, the promoters/ directors undertake to refund the entire application monies to all the subscribers within seven days thereafter, without prejudice to the provisions of Section 63 of the Companies Act.

SIGNED BY DIRECTORS :

Mr. Rajendra Kumar Agrawal (Managing Director)

Mr. Bimal Kumar Agrawal

Mr. Sushil Kumar Khowala

Mr. Dinesh Kumar Agarwal

Mr. Jugal Kishore Agarwal

Mr. Inder Raj Agarwal

Place: Kolkata

Date: January 29, 2004