

The company has lost EOU designation approximately 10 years ago

**Baby Marine Group**  
Front-runners with rich experience  
in seafood industry.

Cumulative exports crossed Rs.250 crores in a decade.

Group turnover in 91-92 above Rs.50 crores.

Markets — Japan, Spain, France, Italy, UK, USA.

Now promoting most modern seafood processing plant.

High value addition. Export thrust segment.

Equity participation  
by the founders of  
Thomsun Group, Dubai

PROSPECTUS

# UNIROYAL

Public issue of 33,00,000 equity shares of Rs.10/- each for

cash at par aggregating Rs.330 lakhs.

**HIGHLIGHTS** ■ 100% Export Oriented Unit (EOU) ■ Project for the processing of marine products through 'Individually Quick Frozen (IQF)' technology — very high value addition compared to conventional process ■ Promoted by Mr. K.C. Babu, Mr. K.C. Thomas and Mr. K.C. Rajan of the Baby Marine Group which has rich experience in the export of marine products — cumulative export turnover for the last 10 years exceeds Rs.250 crores ■ Equity participation by Mr. Varghese Thomas, Mr. V.T. John & Mr. P. Shrinivas of Thomsun Group of Dubai which has interests in import of marine products from India and recording and distribution of audio and video cassettes in the Middle East ■ Abundant indigenous availability of raw-materials ■ Project appraised and funded by IDBI ■ Low gestation period — 'Canning unit' is already in commercial production and has commenced exports in April 1993; IQF plant is expected to commence production in September 1993 ■ Easy liquidity-listing sought at Cochin, Bombay, Ahmedabad and New Delhi ■ Tax benefits — 10B, 80 HHC, 80L, 80M and Wealth Tax benefits.

Investors may note that in case of oversubscription a SEBI nominated public representative shall be associated in the process of finalization of basis of allotment.

**ON APPLICATION**  
Rs. 5 PER SHARE

**RISK FACTORS** ■ The company will be largely dependent on natural sea-catch for raw materials. Availability of the raw material would depend upon the seasonality of catches in a particular area. There is no tie-up with regard to the supply of raw materials ■ Selling prices will be influenced by price movement in the international market ■ Foreign currency loan is subject to exchange rate fluctuations ■ Since the Company is a 100% EOU, it has to export 100% of its production. As on date, the Company has not entered into any selling arrangements ■ Subsidy from Marine Products Export Development Authority (MPEDA) of Rs.18 lakhs forming part of means of financing of the project is yet to be received by the Company.

**ISSUE OPENS ON AUGUST 18TH 1993**



LEAD MANAGERS TO THE ISSUE

**Indbank**

Merchant Banking Services Limited  
26/27, Jehangir Street  
Second Line Beach, Madras 600 001



REGISTRARS TO THE ISSUE

**Computer Age Management Services (P) Ltd.,**  
A & B Lakshmi Bhavan,  
609 Anna Salai, Madras-600 006.

**UNIROYAL MARINE  
EXPORTS LIMITED**

Reg. off: 11/19, Vengalam P.O., Calicut Dist., Kerala 673 303



GIVING THE WORLD OUR BEST

IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUED AMOUNT, INCLUDING DEVOLVEMENT OF UNDERWRITERS WITHIN 120 DAYS FROM THE DATE OF OPENING OF THE ISSUE, THE COMPANY SHALL REFUND ENTIRE SUBSCRIPTION AMOUNT WITHIN 120 DAYS, WITH INTEREST FOR DELAY BEYOND 78 DAYS FROM THE DATE OF CLOSURE OF THE ISSUE AS PER SECTION 73 OF THE COMPANIES ACT 1956.



# UNIROYAL MARINE EXPORTS LIMITED

Registered Office : 11/19, Vengalam P.O., Calicut District,  
Kerala - 673 303.

(Incorporated as a Public Limited Company on August 21, 1992 under the Companies Act, 1956)

## PART I

### I. GENERAL INFORMATION

#### GOVERNMENT APPROVAL - LETTER OF INTENT/INDUSTRIAL LICENCE

Government of India, Ministry of Industry, Department of Industrial Development, Secretariat for Industrial Approvals, EOU Section, vide their Letter No.PER:107(1993)/EOA/92/93 dated 3rd March, 1993 has granted the Company 100% EOU status for the manufacture of Frozen Marine Products including Individually Quick Frozen (IQF) products at an annual capacity (based on maximum utilisation of plant & machinery) of 8,600 M.T.

Copy of the aforesaid approval is open to the public for inspection at the Registered Office of the Company.

It must be distinctly understood that in granting the Letter of Acknowledgement, the Government of India does not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed with regard to them.

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE VETTING OF DRAFT OFFER DOCUMENTS BY SEBI SHOULD NOT IN ANY WAY BE DEEMED/CONSTRUED AS APPROVAL FROM SEBI FOR THE PROPOSED ISSUE. SEBI DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR PROJECT OR FOR THE PRICING OF THE ISSUE OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. SEBI MERELY ENSURES, ON THE BASIS OF INFORMATION FURNISHED TO IT, THAT ADEQUATE DISCLOSURES HAVE BEEN MADE IN THE OFFER DOCUMENT TO ENABLE THE INVESTORS TO TAKE INFORMED INVESTMENT DECISIONS.**

#### LISTING

Applications have been made to the Stock Exchanges at Cochin, Ahmedabad, Bombay, and New Delhi for permission to deal in and for an official quotation of the Equity Shares of the Company.

#### FILING

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

Attention of the applicants is specifically drawn to Sub-Section(1) of Section 68-A of the Act, which is reproduced below.

"Any person who

- (a) makes in a fictitious name an application to a company for acquiring, or subscribing for any shares therein, or
- (b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name shall be punishable with imprisonment for a term which may extend to five years."

**IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUED AMOUNT, INCLUDING DEVOLVEMENT OF UNDERWRITERS WITHIN 120 DAYS FROM THE DATE OF OPENING OF THE ISSUE, THE COMPANY SHALL REFUND THE ENTIRE SUBSCRIPTION AMOUNT WITHIN 128 DAYS, WITH INTEREST FOR DELAY BEYOND 78 DAYS FROM THE DATE OF CLOSURE OF THE ISSUE AS PER SECTION 73 OF THE COMPANIES ACT, 1956.**

#### DISPOSAL OF APPLICATION FORMS

The Company will inform the applicants in respect of allotment made or rejected by despatch of Share Certificates or Letters of Regret as the case may be, together with Refund Orders/cancelled Stockinvest instrument, if any, through Registered Post only (and Under Certificate of Posting for amounts less than Rs.1,500) to the applicant within ten weeks from the date of closing of the subscription list.

For those who have opted for Stockinvest instrument as a means of payment, in case of non-allotment, cancelled Stockinvest instruments shall be sent back to them by the Registrars directly through Registered Post (and Under Certificate of Posting for amounts less than Rs.1,500). If there is a delay in the refund of such amount for more than 8 days, the Company shall pay interest at the rate of 15% per annum for the delayed period as per Section 73 of Companies Act.

#### ISSUE PROGRAMME

**THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS AS MENTIONED BELOW OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (hereinafter referred to as "THE BOARD"), BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE EARLIEST CLOSING DATE AS INDICATED HEREUNDER.**

ISSUE OPENS ON	:	WEDNESDAY	AUGUST 18th, 1993
ISSUE CLOSES ON	:	SATURDAY	AUGUST 28th, 1993
EARLIEST CLOSING	:	TUESDAY	AUGUST 24th, 1993

#### LEAD MANAGERS

Indbank Merchant Banking Services Limited  
26/27 Jehangir Street,  
Second Line Beach,  
Madras - 600 001.

#### AUDITORS

Sudhir & Kuruvilla  
Chartered Accountants,  
XXXV/1949, IInd Floor,  
Telstar, M.G.Road,  
Cochin - 682 016.

#### TRUSTEES FOR THE DEBENTURE HOLDERS

Not applicable as it is an Equity Issue.

#### CREDIT RATING

As the Company is issuing Equity Shares, rating from an approved agency is not required and therefore not sought for.



## UNDERWRITERS TO THE ISSUE

The issue of 32,96,000 Equity Shares of Rs.10/- each aggregating to Rs.3,29,60,000 has been fully underwritten as under and the issue of 4,000 Equity Shares of Rs.10/- each aggregating to Rs.40,000 has been contingently underwritten as mentioned elsewhere in the Prospectus.

Name & Address of the Underwriters	Underwriting Letter Dated	Amount Underwritten
------------------------------------	---------------------------	---------------------

(Rs.in lacs)

### A. FINANCIAL INSTITUTIONS

Industrial Development Bank of India Kandamkulathy Towers, P.B.No. 1159, M.G.Road, Cochin - 682 011.	01/07/93	100.00
--	----------	--------

Total (A)

100.00

### B. MERCHANT BANKERS/BANKS

Indbank Merchant Banking Services Ltd. 26/27 Jehangir Street, Second Line Beach, Madras - 600 001.	26/06/93	49.60
--	----------	-------

The Federal Bank Ltd. 62 Mount Road, Madras - 600 002.	19/06/93	20.00
--	----------	-------

Bank of Baroda 90 C.P.Ramaswamy Road, Madras - 600 018.	26/06/93	5.00
---	----------	------

The South Indian Bank Ltd. 1 Sterling Road, Nungambakkam, Madras - 600 034.	07/06/93	5.00
--	----------	------

The Catholic Syrian Bank Ltd. Tarapore Towers, 826 Mount Road, Madras - 600 002.	17/06/93	5.00
--	----------	------

Foresight Financial Services Ltd. Temple Tower III Floor, 476/2 Anna Salai, Nandanam, Madras - 600 035.	08/06/93	25.00
--	----------	-------

South Asian Financial Exchange Ltd. 34 Victoria Crescent, (Off) Ethiraj Salai, Egmore, Madras - 600 105.	15/06/93	25.00
--	----------	-------

Prudential Capital Markets Ltd. 6-3-1110, 26 & 27 Amrutha Mall, Somajiguda, Hyderabad - 500 016.	18/06/93	25.00
--	----------	-------

Synergy Financial Exchange Ltd. 98 A, Dr. Radhakrishnan Salai, Madras - 600 004.	02/06/93	25.00
--	----------	-------

PL Finance & Investment Ltd. No.1 Apex Chambers (First Floor), 20 Sir Thyagaraya Road, T.Nagar, Madras - 600 017.	02/06/93	25.00
--	----------	-------

India Securities Ltd. 14 Haddows Road, Madras - 600 006.	03/05/93	10.00
--	----------	-------

Sundaram Finance Services Ltd. 21 Pattullo Road, Madras - 600 002.	10/06/93	10.00
--	----------	-------

Classic Financial Services & Enterprises Ltd. Block No. 2, IV Floor, 476 Anna Salai, Madras - 600 035.	01/06/93	10.00
--	----------	-------

Kotak Mahindra Finance Ltd. "Chaitanya" 16 II Floor, 12 Khader Nawaz Khan Road, Madras - 600 006.	12/06/93	5.00
--	----------	------

Total (B)

229.60

Total (A + B)

329.60

### C. CONTINGENT UNDERWRITING

4,000 Equity Shares of Rs.10/- each aggregating to Rs.40,000 reserved for allotment to the employees (including Indian Working Directors)/Workers of the Company as mentioned earlier in this Prospectus has been contingently underwritten as follows.

Name & Address of the Underwriters	Underwriting Letter Dated	Amount Underwritten
------------------------------------	---------------------------	---------------------

(Rs.in lacs)

### MERCHANT BANKERS/BANKS

Indbank Merchant Banking Services Ltd. 26/27 Jehangir Street, Second Line Beach, Madras - 600 001.	26/06/93	0.40
--	----------	------

0.40

GRAND TOTAL (A+B+C)

330.00

Underwriting commission on this portion will be payable only to the extent of the amount unsubscribed and added to the public issue.

In the opinion of the Board of Directors and Lead Managers, the resources of the above mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above referred underwriting letters have been accepted by the Company at its Board Meeting held on 5th July, 1993.



## II. CAPITAL STRUCTURE OF THE COMPANY

### SHARE CAPITAL

NOMINAL VALUE  
(Rs.)

<b>(A) AUTHORISED</b>			
80,00,000	Equity Shares of Rs.10/- each		8,00,00,000
<b>(B) ISSUED, SUBSCRIBED AND FULLY PAID-UP</b>			
20,28,600	Equity Shares of Rs.10/- each fully paid up and allotted		2,02,86,000
<b>OUT OF THE ABOVE</b>			
(i) 700	Equity Shares of Rs.10/- each for cash at par issued to the signatories of the Memorandum and Articles of Association		7,000
(ii) 15,36,300	Equity Shares of Rs.10/- each for cash at par have been allotted to the Promoters, Indian Resident Directors, their friends and relatives vide Board Resolution dated 28th April, 1993		1,53,63,000
(iii) 4,91,600	Equity Shares of Rs.10/- each for cash at par have been allotted to Non-Resident Indians on non-repatriation basis vide Board Resolution dated 28th April, 1993		49,16,000
<b>(C) PRESENT ISSUE FOR CASH AT PAR</b>			
44,71,400	Equity Shares of Rs.10/- each for cash at par		4,47,14,000
<b>(D) OUT OF THE PRESENT ISSUE</b>			
(i) 5,11,400	Equity Shares of Rs.10/- each for cash at par are reserved for Promoters, Indian Resident Directors, their friends and relatives (this amount will be brought in at least one day before the opening of the subscription list)		51,14,000
(ii) 6,60,000	Equity Shares of Rs.10/- each for cash at par have been reserved for allotment to Non-Resident Indians on non-repatriation basis (this amount will be brought in at least one day before the opening of the subscription list)		66,00,000
<b>(E) NOW OFFERED FOR SUBSCRIPTION IN TERMS OF THIS PROSPECTUS</b>			
33,00,000	Equity Shares of Rs.10/- for cash at par		3,30,00,000
<b>(F) OUT OF WHICH</b>			
4,000	Equity Shares of Rs.10/- each for cash at par are reserved for preferential allotment to the employees (including Indian Working Directors) & Workers of the Company		40,000
<b>(G) NOW OFFERED TO RESIDENT INDIAN PUBLIC</b>			
32,96,000	Equity Shares of Rs 10/- each for cash at par (to which will be added the unsubscribed portion, if any, of F above)		3,29,60,000
<b>(H) PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>			
65,00,000	Equity Shares of Rs.10/- each for cash at par		6,50,00,000

### NOTES

- The promoters will be holding 32,00,000 Equity Shares forming 49.23% of the post issue equity capital of the Company.
- The dates of allotment of shares already allotted under 'B' above are as follows.

Sl.No.	No of Shares allotted	Date of allotment
1.	700	14/08/92
2.	15,36,300	28/04/93
3.	4,91,600	28/04/93

- The lock-in period for the shares allotted under 'B' above and to be allotted under 'D' above will be as follows.

Reference in Capital Structure	No. of Shares	% of 'H'	Lock - In Period (years)*
B (i)	700	0.01	3
B (ii)	5,07,500	7.81	5
B (iii)	10,28,800	15.83	3
B (iii)	65,000	1.00	5
B (iii)	4,26,600	6.56	3
D (i)	5,11,400	7.87	5
D (ii)	6,60,000	10.15	5

\* The lock-in period commences from the date of allotment or the date of commercial production, whichever is later.

- The shares to be allotted under 'D(i)' and 'D(ii)' above and the shares allotted under 'B(ii)' and 'B(iii)' above on 28/04/93 will be/are in excess of Rs.50,000 per application.
- The allotment per employee under employees' quota shall not exceed 200 shares per individual. As on 1st April, 1993 the number of permanent employees on the payrolls of the Company was 20. The reservation for employees has been restricted to their entitlement at the rate of 200 shares per employee which works out to 4,000 shares. Equity Shares remaining unsubscribed will be added back to the public offer. The shares reserved for employees are freely transferable.
- While granting the 100% EOU status, the Government of India has granted permission to the Company to issue shares worth upto Rs.150 lacs to NRIs on non-repatriation basis. Since the shares are being issued on non-repatriation basis, no prior approval from RBI is necessary and hence is not sought for.
- The Company has made an application to the Cochin Stock Exchange (CSE) vide letter dated 30/04/93 for their recommendation for relaxation under Section 19 (2) (b) of the Securities Contract Regulation Rules, 1957.



### III. TERMS OF THE PRESENT ISSUE

#### TERMS OF PAYMENT

##### A. For Indian Public

On application	:	Rs.5/- per Equity Share
On allotment	:	Rs.5/- per Equity Share

##### B. For Employees

On application	:	Rs.10/- per Equity Share
----------------	---	--------------------------

Failure to pay the amount due on allotment, within the stipulated period, will render the allottee(s) liable to pay interest at 18% per annum and in case of non-payment of the same, at the option of the Board, also render the shares, including the amount already paid by them liable to forfeiture in terms of the provisions contained in the Memorandum and Articles of Association of the Company.

#### RIGHTS OF INSTRUMENT HOLDERS

The Equity Shares now being offered are subject to the terms of this Prospectus, Memorandum containing salient features of Prospectus appended alongwith Application Form and the Memorandum and Articles of Association (hereinafter referred to as "Articles") of the Company. These Equity Shares shall rank pari passu with the existing Equity Shares already issued by the Company in all respects, except that the holders of the Equity Shares now offered will be entitled to dividend, if any, which may be declared or paid on the Equity Shares in respect of and in proportion to the amount paid up on the Equity Shares pro-rata for the period during which such capital is paid up thereon.

The transferee being the instrument holder, is entitled to offer of rights/bonus as specified in Section 206 A of the Companies Act and any other rights available under the Act.

#### AVAILABILITY OF MEMORANDUM CONTAINING SALIENT FEATURES OF THE PROSPECTUS AND APPLICATION FORMS

Application Forms appended to the Memorandum containing salient features of the Prospectus may be obtained from the Registered Office of the Company, Underwriters, Brokers to the issue, Lead Managers to the issue, and the Bankers to the issue named herein or from their branches as stated on the reverse of the Application Form. Anybody desirous to have a full copy of the Prospectus may write to the Registered Office of the Company.

#### APPLICATION FOR SHARES

Applications for shares must be made in the Application Form accompanying the Memorandum containing the salient features of the Prospectus in accordance with the instructions contained therein and if not so made is liable to be rejected.

Application Forms, duly completed, together with the amount payable on application must be lodged before the closure of the subscription list with any of the Bankers to the issue named in this Prospectus or at any of their branches mentioned in the Application Form and NOT with the Registered Office of the Company, Lead Managers to the issue and Registrars to the issue.

#### APPLICATION AND MODE OF PAYMENT BY INDIAN PUBLIC

Application (in white colour form) must be made only :

- By Indian nationals resident in India on the prescribed Application Form accompanying the Memorandum containing the salient features of the Prospectus.
- For a minimum of 100 Equity Shares or multiples thereof.
- In a single name or in joint names (not more than three).

(d) In the name of individuals (not more than three), limited companies or statutory corporations/institutions and NOT in the names of trusts (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorised under its constitution to hold shares in a company), foreign nationals, minors, firms or partnership concerns or the nominees of any of them, and

(e) In full names in BLOCK LETTERS IN ENGLISH.

(f) Application Form duly completed together with Cash, Cheque, Bank Draft or Stockinvest for the amount payable on application at the rate of Rs.5/- per Equity Share must be delivered before the close of the subscription list to any of the Bankers to the issue named herein or to any of their branches mentioned on the reverse of the Application Form and NOT to the Company or to the Lead Managers to the issue or Co-managers to the issue or to the Registrars to the issue.

(g) Payment should be made in Cash or by Cheque/Bank Draft/Stockinvest (MONEY ORDERS/POSTAL ORDERS WILL NOT BE ACCEPTED). Cheques/ drafts should be made payable to any of the Bankers to the issue with whom the application is lodged and should bear the words 'A/c.UNIROYAL - EQUITY ISSUE' and crossed 'Account Payee only' (eg. INDIAN BANK A/c. UNIROYAL - EQUITY ISSUE). A separate Cheque/Bank Draft must accompany each application and should be drawn on any bank including a co-operative bank which is a member or sub-member of the Bankers Clearing House located at the centre where the application is submitted. Outstation Cheques/Drafts will not be accepted and application(s) accompanying such Cheque(s) or Draft(s) will be rejected. Money Order(s) will not be accepted. For further instructions, please read the Application Form carefully.

(h) All Stockinvests should be made payable to Uniroyal Marine Exports Limited.

(i) No receipt will be issued for application money but the Bankers to the issue or their branches will acknowledge receipt of the application by stamping and returning to the applicant the perforated acknowledgment at the bottom of each Application Form.

#### APPLICATION AND MODE OF PAYMENT BY EMPLOYEES(INCLUDING INDIAN WORKING DIRECTORS)/ WORKERS OF THE COMPANY

1) The first applicant shall be an employee/worker of the Company.

2) The Application will be on the prescribed Application Form (green colour) and completed in full in BLOCK LETTERS IN ENGLISH in accordance with the instructions contained herein and in the Application Form and is liable to be rejected if made otherwise.

3) For a minimum of 100 Equity Shares or in multiples thereof but not exceeding 200 shares per Application Form.

4) In a single name or joint names (but not more than three in total).

5) Application Form duly completed together with Cash, Cheque, Bank Draft or Stockinvest for the amount payable on application at the rate of Rs.10/- per Equity Share must be delivered before the close of the subscription list at the Registered Office of the Company and NOT to the Lead Managers to the issue or Co-managers to the issue or to the Registrars to the issue.

6) Payment should be made in Cash or by Cheque/Bank Draft drawn on any bank including a co-operative bank which is a member or sub-member of the Bankers Clearing House located in the place where the Registered Office is situated/or at pre-designated places. Outstation Cheques and Bank Drafts will not be accepted. The employees also have the option of using Stockinvest instrument.



As such, outstation Stockinvest would be accepted. The Stockinvest should be payable to the Company directly and submitted at the Registered Office of the Company.

- 7) All Stockinvests should be made payable to Uniroyal Marine Exports Limited.
- 8) Other terms and conditions as mentioned under 'Application by Indian Public' shall apply mutatis mutandis.
- 9) No receipt will be issued for application money but the Bankers to the issue or their branches will acknowledge receipt of the application by stamping and returning to the applicant the perforated acknowledgment at the bottom of each Application Form.

#### **THE APPLICANT HAS THE OPTION TO APPLY THROUGH STOCKINVEST.**

#### **PROCEDURE FOR PAYMENT BY MEANS OF STOCKINVEST**

(All conditions mentioned earlier for making an application through Cheques/Demand Draft will also apply to applications made with Stockinvest).

1. It is issued to the applicant, to be used for applying for shares/debentures/bonds only.
2. The applicant will authorise payment of the maximum sum payable towards application money for the shares/debentures/bonds applied for on the left hand side of the Stockinvest. The payee will fill in the actual amount receivable on the right hand side indicating the number of shares /debentures/bonds for which payment is appropriated. The amount shown on the right will be equal to or less than the amount indicated on the left and should be the overall ceiling for Stockinvest, indicated on the top right hand side.
3. Stockinvest is paid on filling in the required particulars on the right side under due authorisation and discharge by their authorised signatory and presenting it for payment.
4. Stockinvest is neither transferable nor negotiable. The issuing bank undertakes to pay the lower of the two sums indicated on the face of the instrument (representing the application money payable on his entitlement of shares/debentures/bonds according to the basis of allotment and his application) in terms of the authorisation given by the account holder herein. Payment will be made only by credit to the payee's account with their banker.
5. Stockinvest is current for four months from the date of its issue indicated on its face and no amount can be claimed on the Stockinvest by the issuing bank branch unless it is presented to it within these four months.
6. Stockinvest is payable at all branches of the issuing bank.
7. Stockinvest is valid for payment only when signed by the issuing banker at the appointed place on its face.
8. The account holder's instructions to the bank, given herein, are irrevocable.
9. It is understood that, at the explicit undertaking of the account holder, an amount equivalent to the sum mentioned on the left hand side of the Stockinvest is either debited to his account or lien marked on his deposit account from the date of its issue, till full liability under the Stockinvest is extinguished.
10. The bank shall not be liable for any delay, error, fraud, forgery or any lapse either in the issue or encashment of the Stockinvest. It shall also not be liable for any damages/losses in the case of death/insanity or insolvency of the drawer before actual allotment/delivery of the relative shares/debenture/bonds by the

payee company. The applicant may approach the banks concerned for obtaining Stockinvest and detailed instructions for the same.

#### **GENERAL**

##### **1. JOINT APPLICATIONS**

An application may be made in single or joint names (not more than three). In case of a joint application, Refund Order (if any)/Dividend/Interest Warrant, etc. will be made out in favour of and all communications will be addressed to the applicant whose name appears first at his/her address stated in the Application Form.

##### **2. MULTIPLE APPLICATIONS**

An applicant should submit only one application (and not more than one) for the total number of shares required. Applications may be made in single or joint names (not more than three). Two or more applications in single and/or joint names will be deemed to be multiple applications if the sole and/or first applicant is one and the same. The Board of Directors reserves the right to reject in its absolute discretion all or any multiple applications. Those who have applied under preferential allotment of Equity Shares may also apply in the quota offered to Indian public and these applications will not be treated as multiple applications.

##### **3. APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made under a Power of Attorney by a limited company, body corporate or registered society, the relevant Power of Attorney or the relevant resolution or authority to make the application as the case may be, together with the certified true copy thereof along with the copy of the Memorandum and Articles of Association and/or by-laws must be lodged for scrutiny separately, quoting the reference number of the Application Form, at the Registered Office of the Company or with the Registrars to the issue, simultaneously with the submission of the Application Form, failing which the application is liable to be rejected.

#### **TAX BENEFITS**

The Directors of the Company are advised by the Auditors, Sudhir & Kuruvilla, Chartered Accountants, that according to current tax laws the following tax benefits are available to the Company and its members.

##### **A. To the Company**

1. The Company being a 100% EOU, is eligible for tax holiday under Section 10B of the Income Tax Act, 1961 for a total period of 5 years in a block of 8 years from the commencement of commercial operation.
2. In terms of provisions of Section 35D of the Income Tax Act, the Company will be entitled to amortization over a period of 10 (ten) years of the expenditure incurred in connection with the preliminary expenditure including the expenses incurred on the issue of shares.
3. Under Section 80 HHC of the Income Tax Act, 1961, the Company shall be entitled to exemption in respect of the profits derived from exports.
4. Under Section 80M of the Income Tax Act, 1961 in respect of income by way of dividends received from another domestic company, a deduction of an amount equal to as much of the amount of such income by way of dividends from another domestic company as does not exceed the amount of dividend distributed by the Company to its members on or before the due date for furnishing the return of income for the respective previous year.
5. The Company is entitled to a deduction of an amount equal to 100% in respect of capital expenditure (other than in land) under and subject to the provision of Section 35(i)(v) of the Income Tax Act, 1961 incurred in connection with scientific research related to the business carried on by the Company in the year in which such expenditure is incurred.



6. Under Section 35AB of the Income Tax Act, the Company will be entitled to a deduction for any lumpsum consideration paid for acquiring any know-how for the Company's business; 1/6th of the amount so paid shall be deducted from the profits of the business in the previous year of payment and in the five immediately succeeding previous years. However, where such payment is for know-how developed in a laboratory, university or institution referred to in Section 32A (2B), 1/3rd of the amount shall be deducted in the previous years of payment and in the two immediately succeeding previous years.
7. After the issue of shares to the public in terms of the Prospectus & on the Equity Shares of the Company being listed on recognised stock exchanges in accordance with the provisions of the Securities Contract (Regulation) Act, 1956, the Company will become a company in which public are substantially interested under Section 2(18)(b) of the Income Tax Act, 1961 and hence, the taxation rate applicable to the profits of the Company would be lower.
8. After the Company becomes a company in which public are substantially interested, the provisions of Wealth Tax Act, 1957 will not be applicable.

#### **B. To the Members of the Company**

1. Members of the Company who are individuals or Hindu Undivided Families or an association of persons or body of individuals will be entitled to deduction under Section 80L of the Income Tax Act from total income upto a maximum of Rs.10,000/- in the aggregate per year in respect of any income of the nature specified in the said section including dividend received from the Company.
2.
  - a. Members being domestic companies will be entitled to deduction under Section 80M of the Income Tax Act, 1961 of so much of the amount of dividend income as does not exceed the amount of dividend distributed by the recipient domestic company on or before the due date for furnishing of its income tax return under Section 139(1) of the Income Tax Act, 1961 by such domestic company.
  - b. Members who are scheduled banks or public financial institutions or state financial corporations or state industrial investment corporations or companies registered under Section 25 of the Companies Act, 1956 would be entitled to a deduction under Section 80M of 60% of the dividend received by them from the Company and included in their gross total income.
3. No income tax will be deducted at source in the case of a shareholder being an individual who is resident in India from dividend received from the Company
  - a. if aggregate of the amount of such dividend distributed or paid during the financial year by the Company to a shareholder does not exceed Rs.2500/- or
  - b. if the member furnishes to the Company a declaration in writing in duplicate in the prescribed form and verified in the prescribed manner to the effect that his estimated total income of the previous year in which such dividend income is to be included in computing his total income will be less than the minimum amount liable to income tax as computed under the provisions of the Income Tax Act, 1961.
4. Members of the Company who sell their shares after retaining them for a period of 12 months or more are liable for income tax on capital gains at 20% after deducting the adjusted cost of acquisition on the basis of the cost of inflation index under Section 112 of the Income Tax Act, 1961.

5. In accordance with the amended Wealth Tax Act, 1957, shares and debentures of the Company are totally exempt from wealth tax, being productive assets.
6. Members of the Company who were ordinarily residing in a foreign country who have returned to India with the intention of permanently residing in India will be entitled to total exemption from wealth tax under Section 5(i)(xxxiii) of the Wealth Tax Act, 1957 for a period of seven successive assessment years commencing from the assessment year next following the date on which such persons returned to India on the value of the assets including shares of the Company acquired by them out of the money brought into India.

#### **C. To Non-Resident Indians**

1. A member of the Company being a citizen of India or a person of Indian origin, who is not a resident in India will be entitled to exemption under Section 5(1)(iid) of the Gift Tax Act, 1958 in respect of gifts made to any of his relatives in India in the form of shares/debentures acquired by him out of convertible foreign exchange.
2. Under Sections 115E, 115F & 115-I of the Income Tax Act, an Indian citizen or any persons of Indian origin who is a non-resident and who has investment income including dividends/interest or income by way of long term capital gains or both on shares/debentures of the Company shall be charged to income tax at a flat rate of 20% if he so opts. The investment income and long term capital gains referred to above shall be exempt from income tax entirely/ proportionately if he invests all or a portion of the consideration in specified assets within six months of the date of transfer. The amount so exempted shall be chargeable to tax if the new assets are transferred within three years.
3. Under Section 115G, it shall not be necessary for a Non-Resident Indian to furnish his return of income, if his total income consists only of "Investment Income" or income by way of long term capital gains or both, provided tax at source has been deducted from such income.
4. In accordance with the Wealth Tax Act, 1957, all productive assets including shares/debentures would be totally free from Wealth Tax.
5. In accordance with Section 48, capital gains arising from transfer of capital assets being shares in or debenture of the Company shall be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with the transfer and the full value of the consideration into the same foreign currency as was initially utilised in the purchase of the shares or debentures and the gain so computed in foreign currency shall be reconverted into Rupees.
6. A member of the Company being a person of Indian origin who was ordinarily residing in a foreign country and who has returned to India with the intention of permanently residing in India will be entitled to total exemption from wealth tax in respect of monies or the value of assets brought by him into India and value of assets acquired by him out of such monies within one year immediately preceding the date of his return and at any time thereafter under Section 5(i)(xxxiii) of the Wealth Tax Act, 1957 for a period of seven successive assessment years commencing from the assessment year next following the date on which such a person returned to India.



#### IV. PARTICULARS OF THE ISSUE

##### OBJECTS

The Company is setting up a modern "Individually Quick Frozen" (IQF) seafood processing plant at Vengalam Village near Calicut, Kerala to manufacture IQF raw and cooked Shrimps, IQF Squid and Cuttle Fish, IQF Whole Fish, Fish Fillet, IQF and cooked Lobster and Block Frozen Shrimp, Squid and Cuttle Fish. The Company proposes to set up facilities to process 4,200 tpa of block frozen and 13,500 tpa of IQF products. The Company has also taken over an existing unit called 'Mermaid Foods' at the site of the project at Vengalam Village, Calicut District, Kerala along with the purchase of land and the total cost including that of land is Rs.42.85 lacs.

The objects of the issue are to partially finance the cost of the above project, described in more detail elsewhere in the Prospectus, to meet the expenses of the issue and to list the shares on the stock exchanges.

##### COST OF THE PROJECT (AS PER IDBI APPRAISAL)

The cost of the project was estimated at Rs.1,020 lacs as appraised by IDBI in March 1993 vide letter reference DO No.3721/UME dated March 19, 1993.

		(Rs. in lacs)
Project Cost		Total
1.	Land & Site Development *	24.33
2.	Buildings	128.03
3.	Plant & Machinery	
	- Imported	196.64
	- Indigenous	304.34
		500.98
4.	Mermaid Food unit **	20.57
5.	Miscellaneous Fixed Assets	130.11
6.	Preliminary & Pre-operative expenses	78.05
7.	Provision for contingencies	67.93
8.	Margin money for working capital	70.00
	<b>Total</b>	<b>1020.00</b>

##### MEANS OF FINANCING (AS PER IDBI APPRAISAL)

		(Rs. in lacs)
Equity Share Capital		
- Promoters	320.00	
- Public	330.00	
		650.00
Rupee Loan from IDBI		159.00
Foreign Currency Loan from IDBI		193.00
Subsidy from MPEDA		18.00
	<b>Total</b>	<b>1020.00</b>

##### NOTES

- IDBI has sanctioned the term loans vide their letter Ref. No. 3647/UME dated 16th March, 1993 and the Company has signed the loan agreement with IDBI on 19th March, 1993.
- Letters of Credit have been opened on 23rd March, 1993.
- The promoters have brought in their contribution to the extent of Rs.245.54 lacs as on 31st March, 1993.
- The details of assets costing more than Rs.50 lacs (5% of the project cost) is as given below.

Name of Asset		Cost (Rs. in lacs)
(i)	FloFreeze	57.48
(ii)	Spiral Freezer	59.34
(iii)	Inline Process equipment for FloFreeze equipment for Spiral Freezer	73.54
(iv)	Refrigeration system, Trolley Freeze & GlazoFreeze	95.00

- The Company's average net working capital requirement is estimated at Rs.218 lacs in the year 1995-96 out of which the margin money required to be bought in by the Company is Rs.70 lacs.

- The subsidy from MPEDA will be disbursed after the machinery/equipment is installed and commissioned.

\* The break-up of land & site development cost is as follows.

		(Rs. in lacs)
Land taken over from 'Mermaid Foods' (207 cents)		15.94
Land development already incurred by 'Mermaid Foods'		4.06
Stamp duty & registration charges (for 'Mermaid Foods')		2.28
Site development		2.05
	<b>Total cost</b>	<b>24.33</b>

\*\* The break-up of the cost of 'Mermaid Foods' is as follows.

		(Rs. in lacs)
Buildings, electrical wiring & plumbing		5.90
Machinery & equipment		5.95
Stocks		2.89
Technical know-how		5.15
Stamp Duty & Registration Charges		0.68
	<b>Total cost</b>	<b>20.57</b>

Note : Total stamp duty and registration charges are Rs. 2.96 lacs, which is the sum of the above two stamp duty and registration charges.

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

##### HISTORY AND BUSINESS OF THE COMPANY

Uniroyal Marine Exports Limited was incorporated on 21st August, 1992 as a Public Limited Company with the Registrar of Companies, Kerala at Cochin and obtained the Certificate of commencement of business on 2nd September, 1992.

The Company had taken over an existing unit called 'Mermaid Foods' along with the acquisition of land and has commenced exports from April 1993.

##### MAIN OBJECTS OF THE COMPANY

The main objects of the Company as set out in the Memorandum of Association are as under:

To carry on the business of purchasing, processing, curing, canning, freezing, selling, exporting and dealing in marine products.

##### SUBSIDIARY (IES) OF THE COMPANY, IF ANY

The Company has no subsidiary.

##### PROMOTERS

Uniroyal Marine Exports Limited is jointly promoted by the brothers Mr.K.C.Rajan, Mr.K.C.Babu and Mr.K.C.Thomas. They belong to the Baby Marine Group of Companies.

MR.K.C.BABU, 42, B.Com., will be the Managing Director of the Company. He and his brothers started operation of fishing trawlers in the year 1970 from the Malabar and Quilon coast. The Malabar operations were under the direct charge of Mr.K.C.Babu. He is one of the founder partners of the Baby Marine Group. He has been involved with Baby Agencies since its inception in 1973. Baby Agencies does commission business in marine products. In the year 1978 the brothers acquired a defunct sea food processing unit in Calicut and renamed it as Baby



Marine Exports. This defunct unit was refurbished and made fully operational under the guidance of Mr.K.C.Babu. This marked the first entry of the brothers into the Sea Food Processing industry. He has over 20 years experience in the field.

**MR.K.C.THOMAS, 47, under-graduate**, is the Managing Partner of Baby Marine (Eastern) Exports. This unit was taken over in the year 1985 as a sick unit. He has been in charge of the unit since inception. The unit was revived and is presently working to full capacity. He started his career operating fishing trawlers in the year 1970. He is also a partner in Baby Marine Exports, Baby Marine Fisheries and Baby Agencies.

**MR.K.C.RAJAN, 49, under-graduate**, is one of the partners of Baby Memorial Hospital, which runs two hospitals in Calicut. In addition, he is a partner in Baby Agencies and Baby Marine Fisheries. He also started his career operating fishing trawlers from the Malabar and Quilon coast.

### COMPANIES PROMOTED BY THE SAME PROMOTERS

#### 1. Baby Marine Exports

Baby Marine Exports (BME) was founded as a partnership firm in the year 1978. The partners were Mr.K.C.Ninan, Mr.K.C.Rajan, Mr.K.C.Thomas, Mr.K.C.Babu and Mrs.Kunjukunjam Varghese.

BME is located in Calicut in an area of almost 2.50 acres. BME is having a conventional block frozen facility of 20 tonnes per day (TPD) capacity in a built up area of 30,000 square feet (sq. ft.) and employs over 200 workers.

#### 2. Baby Marine (Eastern) Exports

This unit was acquired in the year 1985 as a sick unit. The partners were Mr.K.C.Thomas, Ms.Sally Rajan, Ms.Anita Alexander and Mr.Alex K.Ninan. Mr.K.C.Thomas is in charge of the unit since inception. The unit was revived and is presently working to full capacity and employs over 300 workers. The unit is situated on almost 3 acres of land in Mandapam having a total built up area of 40,000 sq. ft. This unit is having a block frozen facility of almost 15 TPD capacity and IQF processing capacity of 10 TPD.

#### 3. Baby Marine Products

This unit was purchased in the year 1983. The partners were Mr.K.C.Babu, Ms.Elizabeth Ninan, Ms.Mariamamma Thomas, Ms.Sally Rajan and Mr.John Varghese. Mr.K.C.Babu is the Managing Partner. It is located in Malpe, right in the centre of one of the main fish landing centres on the Karnataka coast. This unit is having block freezing capacity of 12 TPD with ice plant and cold storage of 100 tonnes and 25 tonnes respectively. The unit employs around 200 workers.

The Group over the last ten years has earned valuable foreign exchange for the country to the tune of over Rs.250 crores. 'Baby Marine Exports' was the recipient of the maximum performance award from MPEDA for export of peeled and undeveined shrimps from India to Japan in 1989-90 & 1990-91.

The export turnovers of the three concerns for the last five years are as follows.

Year	Baby Marine Exports	Baby Marine (Eastern) Exports	Baby Marine Products
			(Rs. in lacs)
87-88	1336.97	895.47	446.72
88-89	1391.38	909.65	432.72
89-90	1317.32	1026.13	502.36
90-91	1988.07	1370.50	896.61
91-92	2419.69	1410.55	1041.92
<b>Total</b>	<b>8453.43</b>	<b>5612.30</b>	<b>3320.33</b>

#### 4. Baby Marine Fisheries

Baby Marine Fisheries (BMF) is a partnership firm which commenced business in 1991. BMF has a marine product processing unit at Mandapam, Tamil Nadu. It also operates two fishing trawlers from Cochin.

The financial highlights of the above four firms for the last three years are as given below.

Year ending 31st March	Baby Marine Exports			Baby Marine (Eastern) Exports		
	1992	1991	1990	(Rs. in lacs)		
Total sales	2422.78	1996.48	1326.97	1419.68	1370.50	1026.13
Other income	227.31	132.75	90.31	112.71	76.98	33.96
Operating cost	2534.33	2087.23	1405.05	1433.94	1409.49	1037.42
Profit before interest & depreciation	115.76	42.00	12.23	96.45	37.99	22.67
Interest expenses	46.27	22.22	17.83	31.07	15.84	14.55
Depreciation	14.73	10.81	11.69	7.93	6.91	2.91
Other income — non operational	0.19	0.14	18.17	0.07	0.05	10.16
Profit before tax	54.95	9.11	0.88	59.52	15.29	15.37
Taxation	1.17	4.77	8.79	—	1.84	2.00
Profit after tax	53.78	4.34	(7.91)	59.52	13.45	13.37
Partners' capital	16.03	16.03	16.03	15.40	15.40	15.40
Reserves						
- Export Development Reserve	55.80	55.80	55.80	24.10	24.10	24.10
- Investment Allowance Reserve	4.51	4.51	4.51	—	—	—
- Other Reserves	129.38	124.07	16.76	—	—	—

Year ending 31st March	Baby Marine Products			Baby Marine Fisheries*	
	1992	1991	1990	(Rs. in lacs)	
Total sales	1050.91	896.61	502.45	188.21	184.15
Other income	73.20	46.05	21.16	10.47	0.97
Operating cost	1065.14	920.50	513.33	148.24	165.34
Profit before interest & depreciation	58.97	22.16	10.28	50.44	19.78
Interest expenses	22.62	11.24	8.44	17.38	10.14
Depreciation	6.88	7.33	5.22	26.14	10.99
Other income — non operational	1.61	—	4.40	—	0.03
Profit before tax	30.88	3.59	1.02	6.92	(1.32)
Taxation	—	—	0.27	—	—
Profit after tax	30.88	3.59	0.75	6.92	(1.32)
Partners' Capital	10.64	10.64	10.64	27.93	27.93
Reserves					
- Export Development Reserve	13.81	13.81	13.81	—	—
- Investment Allowance Reserve	1.95	1.95	1.95	14.75	—
- Other Reserves	0.87	0.87	—	—	—

\* Baby Marine Fisheries commenced commercial production only in the year 1991.



## 5. Baby Agencies

Baby Agencies is a partnership firm which commenced business in 1973. The Company does commission business in marine products. The financial highlights for the last three years are as given below.

	1992	1991	1990
			(Rs.)
Commission (Net)	30,000	29,000	38,000
Other income	—	726	—
Bank charges	25	20	10
Income tax	1,800	6,532	—
Net Profit	28,175	23,174	37,990

## 6. Baby Memorial Hospital

Baby Memorial Hospital (BMH) is a partnership firm which commenced operations in 1987. BMH runs two hospitals in Calicut. The financial highlights for the last three years are as given below.

	1992	1991	1990
			(Rs. in lacs)
Total income	69.84	53.15	46.01
Income tax	0.10	—	—
Depreciation	8.69	11.55	10.35
Net Profit	4.19	1.03	(6.50)
Partners' Capital account	53.56	53.56	53.56

## 7. Narayanan & Company

Narayanan & Company is a partnership firm which commenced operations in 1979. The firm has a petrol pump and a service station at Calicut.

The financial highlights for the last three years are as given below.

	1992	1991	1990
			(Rs. in lacs)
Sales	242.46	199.51	152.54
Other income	3.86	3.84	2.74
Depreciation	0.08	0.03	0.04
Income tax	0.01	—	—
Net Profit	0.78	0.79	0.18
Partners' Capital account	3.23	3.23	3.23

There are no other companies promoted by the same promoters.

There are no litigations, disputes, defaults, proceedings initiated for economic offences against the promoters/promoters' companies.

There has been no litigations, disputes, defaults, proceedings initiated for economic offences against the promoters/promoters' companies in the past.

## MANAGEMENT

The profiles of Mr.K.C.Babu, Mr.K.C.Thomas and Mr.K.C.Rajan are given elsewhere in the Prospectus.

### Mr.Iype Mathew

Mr.Iype Mathew, 41, is a Chartered Accountant in practice for nearly 18 years. His experience in taxation and corporate matters will be of considerable help to the Company.

### Mr.V.Mohanlal

Mr.V.Mohanlal, 33, B.Com., is a renowned film actor who won the Best Actor Award in the year 1991. He is actively involved in the production and distribution of films and is the proprietor of 'Pranavam Arts'.

### Mr.V.S.Ramnath

Mr.V.S.Ramnath, 41, B.Com., is the agent in India for a number of buyers of frozen marine products like M/S.HOKO FISHING CO., JAPAN, M/S.GELAZUR, FRANCE, M/S.COMPESCA S.A., SPAIN,

M/S.PESCLAUDIO S.P.A., ITALY and M/S. FARPORT INTERNATIONAL INC., U.S.A.

## Mr.Varghese Thomas, Mr.V.T.John & Mr.P.Shrinivas

Mr.Varghese Thomas, 45, under-graduate, Mr.V.T.John, 41, under-graduate and Mr.P.Srinivas, 56, under-graduate are founder partners of the THOMSUN Group of Dubai, UAE. The Thomsun Group has risen to be one of the largest NRI business houses in Dubai having a predominant share in the recording and distribution of video and audio cassettes in the Middle East and elsewhere. Apart from their flagship concern THOMSUN Electronics, they own THOMSUN Supermarket, Dubai and East Fish (P) Limited, Ajman, UAE. They are also one of the leading importers of marine products from India. The Group also owns a printing press in Dubai with latest sophisticated machines and produces work of international standards. They also own a chain of supermarkets and dealerships in consumer electronics. The supermarket business includes trading in sea food products. The Group turnover for the year ended 31-12-1992 was 111.55 million Dirhams (Rs.93.70 crores) on which the Profit after tax was 23.90 million Dirhams (Rs.20.08 crores).

## BOARD OF DIRECTORS

1. <b>Mr.K.C. Babu</b> S/o. Late K. G. Chandy Managing Director Kalluvila Thangasseri, Quilon Business	Partner Managing Partner Managing Partner Partner Partner	Baby Marine Exports Baby Marine Products M/s. Narayanan & Co. Baby Marine Fisheries Baby Agencies
2. <b>Mr.K.C. Thomas</b> S/o. Late K. G. Chandy Director Kalluvila Thangasseri, Quilon Business	Managing Partner Partner Partner Partner	Baby Marine (Eastern) Exports Baby Marine Exports Baby Marine Fisheries Baby Agencies
3. <b>Mr.Iype Mathew</b> S/o. M.I. Mathew Director 'Mattackel', Asramom, Quilon Chartered Accountant		
4. <b>Mr.V. Mohanlal</b> S/o. K. Viswanathan Nair Director Pranavam, Kowdiyar Trivandrum, Kerala Cine Artist	Proprietor	Pranavam Arts
5. <b>Mr.K.C. Rajan</b> S/o. K. G. Chandy Director Kalluvila Thangasseri, Quilon Business	Director Partner Partner Partner	Cochin Cosmos Foods Ltd. Baby Marine Fisheries Baby Agencies Baby Memorial Hospital
6. <b>Mr.Varghese Thomas</b> S/o. K. C. V. Thomas Director P.O.Box 6419 Dubai, U.A.E. Business	Partner Partner Director	Thomsun Electronics Dubai, U.A.E. Thomsun Supermarket Dubai, U.A.E. East Fish (P) Ltd. Ajman, U.A.E. Trivandum Flour Mills (P) Ltd.



7. Mr. V.T. John	Partner	Thomsun Electronics
S/o. P. J. Thomas		Dubai, U.A.E.
Director	Partner	Thomsun Supermarket,
P.O.Box 6419		Dubai, U.A.E.
Dubai, U.A.E.	Director	East Fish (P) Ltd.,
Business		Ajman, U.A.E.
	Director	Trivandrum Flour
		Mills (P) Ltd.
8. Mr.P.Shrinivas	Partner	Thomsun Electronics
S/o. P.K.Kutty		Dubai, U.A.E.
Director	Partner	Thomsun Supermarket,
P.O.Box 6419		Dubai, U.A.E.
Dubai, U.A.E.	Director	East Fish (P) Ltd.,
Business		Ajman, U.A.E.
	Director	Trivandrum Flour
		Mills (P) Ltd.
9. Mr.V.S.Ramnath	Managing Partner	Ramnath & Co.
S/o.Mr.D.R.Mani	Partner	Lakshmi Agencies
Director	Partner	Choice Food Products
35/2968	Partner	Polymer Industries
Laxmi Villa		
Church Road		
Cochin		
Business		

## PROJECT

UMEL proposes to set up facilities to process 13,500 tpa of IQF and 4,200 tpa of Block Frozen sea products at Vengalam Village near Calicut, Kerala. The project has been appraised by IDBI in March 1993.

## LOCATION OF THE PROJECT

The proposed project will be located at Vengalam Village, Calicut District, 11 km. from Calicut City on the Calicut-Cannanore National Highway. Calicut, the major town of Malabar coast, has abundant availability of various varieties of shrimps and fish which are the main raw materials for the project. The long coast line and large number of fish landing centres along with well connected coastal roads give an added advantage to the site. Calicut is well connected to other important towns of Kerala and also Mangalore, an important port city of Karnataka. The Company has already acquired 2.07 acres of land at Vengalam Village from Mr.K.P.Chandran along with an existing unit at a total cost of Rs.42.85 lacs. Mr.K.P.Chandran is not related to any of the promoters or the directors of the Company.

The break-up of the cost is as follows.

	(Rs.)
Land (207 cents) valued at Rs.7,700/- per cent	15,93,900
Buildings, electrical wiring & plumbing & land development	9,96,470
Machinery & equipment	5,95,150
Stocks	2,89,000
Technical know-how	5,15,000
Stamp duty & registration charges (total)	2,96,000
<b>Total</b>	<b>42,85,520</b>

## LAND

The Company has already acquired 2.07 acres of land at Vengalam Village.

The Deed of Conveyance for land and buildings was executed on 1st September, 1992 at a cost of Rs.25,90,000.

## Valuation Report of 'Mermaid Foods'

The valuation of the land and buildings was done by Mr.A.Viswanadhan, Chartered Engineer & Architect, Panel Valuer for Income Tax, Panel

Valuer for Ministry of Finance, Government of India, Registration No. Category I 2924 of 1973. His consent under Section 58 of the Companies Act, 1956 has been obtained for inclusion of his name in this Prospectus.

The land is located in Quilandy Taluk under Survey No. 95/1, 95/2, 109/7B and 96/1B. The valuer has valued the land at Rs.7,700 per cent aggregating Rs.15.94 lacs for 2 acres and 7 cents.

## BUILDINGS/CIVIL WORKS

Mermaid Foods has the following buildings as per the valuation done by the above mentioned valuer.

Item	Area (sq. mt.)	Value after depreciation (Rs.)
RCC building construction in 1969	198.00	1,28,198
A C sheet roof building in 1969	808.32	3,32,880
Quarters construction in 1986	75.96	61,174
Land Development	—	4,06,111
Old quarters construction	—	15,000

In addition to the above, the proposed building for the project will accommodate both the factory as well as the administrative block. It will consist of ground floor of almost 2,200 square metres (sq. mt.), first floor of 1,500 sq. mt. and second floor of 870 sq. mt. The building will be a RCC frame structure with brick masonry partition walls. The Company has appointed Mr.P.Balakrishnan Nair as the architect at a fee of 3% on civil construction.

The ground floor will accommodate the receiving section, process hall, IQF Flo & Spiral Freezers, two plates and one trolley freezer, manual packing area with provision for installation of a packing and sealing machine, 20 tpd ice plant, two chambers for cold storage of 125 ton capacity each along with its ante room, generator room and machine room to accommodate the compressors.

The first floor will house the administrative office, a 250 sq. mt. laboratory and stores for cartons and chemicals.

The second floor will be used as an additional storage place for cartons and as rest room for the staff.

Construction has commenced in December 1992 and is expected to be complete by August 1993.

## PLANT AND MACHINERY

Mermaid Foods has the following plant and machinery as per the valuation done by Mr.K.Valsaraj, Engineer, Technical Advisor, Kerala Financial Corporation and approved valuer by Indian Overseas Bank and The Vysya Bank Limited. His consent under Section 58 of the Companies Act, 1956 has been obtained for inclusion of his name in this Prospectus.

Item	Cost (Rs.)
Machinery & equipment - main	4,62,350
Machinery & equipment - laboratory equipment	29,700
Machinery & equipment - spare parts	28,200
Machinery & equipment - furniture	20,750
Machinery & equipment - grading shed	41,600
Machinery & equipment - others	12,550
<b>Total</b>	<b>5,95,150</b>



In addition to the above, the Company proposes to install the following machinery.

### IMPORTED

Item	Cost (Rs. Lacs)	Supplier	Status
Flo-Freezer (Capacity:6000 M.T.)	57.50	Frigoscandia, Sweden	Orders placed on 15th December, 1992. Letters of Credit opened on 23rd March, 1993.
Spiral Freezer (Capacity:3000 M.T.)	59.00	Frigoscandia Sweden	Orders placed on 15th December, 1992. Letters of Credit opened on 23rd March, 1993.
Components for fabrication of cooking line, pre-cooler and Glazofreeze	17.00	Frigoscandia Sweden	Orders placed on 15th December, 1992. Letters of Credit opened on 23rd March, 1993.

### INDIGENOUS

Item	Cost (Rs. Lacs)	Supplier	Status
Inline process equipment for FloFreeze, Spiral Freezer	73.50	Frigoscandia Winner Food Process Systems Ltd., Indore	Orders placed on 9th December, 1992.
Refrigeration system, trolley freeze and Glazofreeze	95.00	Frigoscandia Winner Food Process Systems Ltd., Indore.	Orders placed on 9th December, 1992.

Delivery of the above plant and machinery is expected in May/June 1993, installation & commissioning is expected to take place in July 1993, trial production is expected to commence in August 1993 and commercial production is expected to commence in September 1993.

Frozen storages	19.53	Bombay Ammonia (Madras) Pvt. Ltd.	Order placed on 8th February, 1993
Generator sets (2 Nos)	18.95	Greaves Cotton & Co. Ltd.	Delivered on 25th June, 1993

The Company is planning to procure two refrigerated trucks of 14 tonnes capacity, one each from Baby Marine Exports and Baby Marine Products. Mr.K.C.Babu, the Managing Director of the Company is a partner in Baby Marine Exports and Managing Partner in Baby Marine Products. Mr.K.C.Thomas, Director of the Company is a partner in Baby Marine Exports. The Company has also procured one jeep from Mr.K.C.Babu, the Managing Director of the Company on 3rd September, 1992 at a cost of Rs.1.97 lacs.

In addition to the above, the Company is planning to procure five insulated trucks of 12 tonnes capacity and five insulated vans of 8 tonnes capacity to transport raw materials to the factory and the finished products to the ports.

### PROCESSING TECHNOLOGY

Individual Quick Freezing as the term indicates, involves the freezing of each particle of the product either raw or cooked separately, in an average span of time of about 12 minutes. For additional protection and preservation, the product is glazed using a fine spray of chilled water.

Individually Quick Freezing is one of the current methods of freezing adopted by the seafood industry world-wide. Since this technology has

been developed only very recently, chances of its becoming obsolete in the foreseeable future are remote. Also, there is no comparable technology developed to match this system. The only alternative method of freezing today is block freezing which is by far inferior to the IQF system. IQF freezing offers many advantages to the end user and the product enjoys a great demand. IQF products realise higher prices when compared with the other types of preserving the products. The proposed IQF machine can freeze around one ton of sea food per hour, whereas in block freezing less than half this capacity is frozen in 90 minutes. Therefore, the unit cost of production will be less. With Kerala's vast marine resources and potential, sea food items could be sent in semi-processed and value-added forms, IQF frozen and in the traditional block frozen form from this factory.

The on-line cooking system would provide a range of pre-cooked, value added IQF frozen products for the international markets.

### COLLABORATION - TECHNICAL ARRANGEMENTS

The Company neither has any collaborator nor has entered into any technical arrangement.

### RAW MATERIALS

The main raw materials required for the proposed project are shrimps and fishes. The variety of fish, area of availability and peak period is as given below.

Variety of Fish/Shrimp	Area of Availability	Peak Period
<b>Shrimp</b>		
Karikadi	Kerala & Karnataka coast	May to September
Poovalan	Kerala, Karnataka & Tamil Nadu coast	May to October
Tiger	Coastal Tamil Nadu, Orissa & West Bengal	November to May
White & Flower	Coastal Tamil Nadu, Goa & Karnataka	October to March
<b>Others</b>		
Squid, Cuttle fish and other fishes	East and West coast of the country	—

The raw material requirement at maximum capacity utilisation (45% in the year 1995-96) for the various varieties is as given below.

Name of Shrimp/Fish Variety	Total Amount Requirement (Tonnes)
Peeled undeveined shrimps	2,400.00
Headless shell on shrimps	681.82
Head on shrimps	90.91
Squid	771.43
Cuttle fish	771.43
Other fish items	1,300.00

Cost of shrimp/fish consumed is estimated to form 90.59% of the total cost of production in the year 1995-96.

The factory is located near Calicut on the Malabar coast very close to two of the largest fishing harbours viz., Beypore and Puthiappa, where demand for raw materials is lesser. The Company has initiated discussions with certain suppliers in coastal Karnataka. Agreements will be entered into at the time of commencement of procurement and production. The Government is systematically developing aquaculture through Marine Products Exports Development Authority (MPEDA). Hence the Company envisages no difficulty in procuring the raw materials. However, there is no tie-up regarding the supply of raw materials at present.



The Company also requires polythene bags, polythene sheets, duplex cartons and master cartons for packing purposes, all of which are available locally.

## PERSONNEL

At full capacity utilisation, the Company requires 30 skilled, 100 semi-skilled, 170 unskilled and 25 casual workers. In addition, the Company requires 23 personnel for factory supervision and 53 personnel for administration and sales.

Skilled and unskilled labour is available in plenty in and around the proposed location for the site.

As on 1st April, 1993, the Company has recruited 6 skilled, 10 unskilled and 4 administrative and sales personnel.

## POWER

The maximum demand for power is 600 KVA with a connected load of 700 KW. The peak hour requirement is 120 KW. The contracted load is 600 KVA.

The power required for the project will be supplied by the Kerala State Electricity Board (KSEB) as well as two 250 KVA generator sets the Company proposes to install. KSEB has sanctioned the supply of power to the extent of 600 KVA vide Letter No.TSS/1515/VDA/3526 dated 14th June, 1993.

## UTILITIES

Mermaid Foods has the following utilities valued by Mr.A.Viswanadhan as under.

Item	Cost (Rs.)
Water source	25,000
Electrical	10,000
Plumbing	10,000
Electricity & Plumbing for Quarters	8,106

In addition, the Company requires the following utilities:

## WATER

The total estimated requirement of water is 75,000 litres per day. The site selected for the project has two wells with perennial water supply and is expected to meet the entire requirements of the plant. An overhead tank of one lac litre capacity is provided in the existing canned food processing unit at the proposed site. Provision is also made for the construction of another overhead tank of 50,000 litres capacity along with the factory building for the process requirement.

## STEAM

Diesel fired IBR boiler is being installed for the blancher attached to the Flo Freezer.

## COMPRESSED AIR & FUEL

Compressed air is not required for the project. A small quantity of petroleum fuel will be required for the blanching unit boiler. Apart from this, no fuel will be required for the process.

## EFFLUENT DISPOSAL

No liquid or gaseous pollutants are generated during the production process.

Kerala State Pollution Control Board has given No Objection Certificate vide Letter No.PCB/NOC/247/92 dated 12th November, 1992.

## SCHEDULE OF IMPLEMENTATION OF THE PROJECT

1. Land acquisition is already over.
2. The Promoters have brought in their contribution to the extent of Rs.245.54 lacs as on 31st March, 1993.

Activity	Expected date of completion
Land acquisition	Already completed
Civil construction	August 1993
Machinery - Opening of L/Cs	Opened on 23.03.1993
- Installation	July 1993
- Commissioning	July 1993
Trial production	August 1993
Commercial production	September 1993

3. The sources and application of funds as on 31.03.1993 are as follows.

Sources of funds	(Rs. in lacs)
1. Shareholders' funds	245.63
2. Loan funds	—
<b>Total</b>	<b>245.63</b>

Application of funds	(Rs. in lacs)
1. Net block	38.85
2. Capital work in progress	96.49
3. Net current assets	102.35
4. Miscellaneous expenditure	7.94
<b>Total</b>	<b>245.63</b>

## PRODUCTS

The range of products proposed to be processed include Shrimps, Squid and Cuttle Fish, Lobster and Fish. The broad categories these would come under are:

- A. Shrimps
  - (i). Cooked/Blanched IQF
  - (ii). Raw IQF shrimps
  - (iii). Block frozen
- B. Squid and Cuttle Fish
  - (i). Whole, Whole cleaned, Fillets, Rings (Block & IQF)
- C. Lobster
  - (i). Whole cooked & IQF
- D. Fish
  - (i). Whole, Whole gutted & Fish fillets

The products are commercial in nature.

## MARKETING AND SELLING ARRANGEMENTS

Export of processed marine products is one of the major thrust areas for foreign exchange. In the recent past, exporters have diversified into new products and into export of value added sea products. At present, exports of sea foods are made to Japan, Western Europe and USA. Most of the exports constitute block frozen products which have less value addition compared to bulk packed IQF products.

India's total marine products exports stood at Rs.1581.44 crores in 1992. This represented a phenomenal growth of 24.11% in terms of value over the year 1991 (Source: Statistics of Marine Products Export 1991 published by Marine Products Export Development Authority (MPEDA); provisional figures from MPEDA for the year 1992).

## Existing arrangements for the Baby Marine Group

The promoters are associated with the Baby Marine Group which has been in the field of marine products exports since 1978. Over the last ten years, the Group has exported marine products worth more than Rs.250



crores. Currently, the Group sells through the various representatives of overseas companies stationed in India. Some of the companies to whom the Group has sold in the past are Mitsubishi Corporation, Itochu Corporation, Yuasa Trading Company, Mitsui & Company, all based in Japan, Galazur of France, Compesca of Spain, Pesclaudio of Italy and Kenbell of U.K.

### Proposed arrangements for the Company

The Company plans to sell both through the representatives of overseas companies stationed in India as well as directly abroad through commission agents. However, there is no direct arrangement with any of the companies in the 'Baby Marine' Group for the same.

Mr.V.S. Ramnath, one of the Directors, is the agent in India for M/S. HOKO FISHING CO., JAPAN, M/S. GELAZUR, FRANCE, M/S. COMPECA S.A., SPAIN, M/S. PESCLAUDIO S.P.A., ITALY, M/S. FARPORT INTERNATIONAL INC., U.S.A., M/S. MORUBEL N.V., BELGIUM, M/S. REWE INTERNATIONAL, GERMANY and M/S. NEPTUNE FISHERIES, U.S.A. - all major buyers of frozen marine products.

With the promoters' vast experience in the field, the Company envisages no difficulty in selling its entire production.

### EXPORT POTENTIAL/OBLIGATION

The Company is an 100% EOU and has the following important obligations.

1. The Company has to export the entire production (100%) excluding rejects not exceeding 5(five) percent for a period of 10 years.
2. The value addition shall be a minimum of 35.50%.

The Company proposes to meet the export obligation using the promoters' experience in the international market.

The Company will be procuring raw materials in the form of raw shrimp/fish. The entire processing is being done by the Company. Hence the Company expects to meet the value addition requirement without any difficulty.

### FUTURE PROSPECTS

#### Profitability Projections (as per IDBI appraisal)

	1993-94@	1994-95	1995-96	1996-97
	(Rs. in lacs)			
Capacity utilisation(%)	30.00	40.00	45.00	45.00
Expected sales	1981.20	3962.40	4457.70	4457.70
Total material cost	1286.46	2572.91	2894.53	2894.53
Total cost of production	1740.58	3463.43	3898.50	3905.35
Gross profit before depreciation, interest & taxes	240.62	498.97	559.20	552.35
Total financial charges	41.72	74.25	69.78	59.59
Depreciation	58.76	88.15	88.15	88.15
Operating profit	140.14	336.57	401.27	404.61
Other income	6.00	7.50	8.25	9.00
Preliminary expenses written off	4.73	4.73	4.73	4.73
Profit/Loss before taxation	141.41	339.34	404.80	408.89
Provision for taxation	—	—	—	—
Profit after tax	141.41	339.34	404.80	408.89
Equity share capital	650.00	650.00	650.00	650.00
Earning per share (Rs.)	2.18	5.22	6.23	6.29
Cash profits	204.90	432.22	497.68	501.77
Cash earning per share (Rs.)	3.15	6.65	7.66	7.72
Proposed dividends - %	—	20.00	25.00	25.00
- (Rs. in lacs)	—	130.00	162.50	162.50
Free reserves	18.00	159.41	368.75	611.05
Book value (Rs.)	10.28	12.45	15.67	19.40
Break-even point	: 19.10%			
Cash break-even point	: 13.40%			

@ 1993-94 - 8 months production only

### Assumptions

1. The installed capacity (17,700 tpa) of the unit has been worked out on the basis of 300 days working on 3 shift basis. Taking into account the seasonality of catch, the operational capacity (8,600 tpa) has been assumed at 50% of the installed capacity as per industry practice.
2. Raw material prices have been assumed at the prevailing rates as under.

	Raw Material Price (Rs./kg.)	Recovery Rate	Cost per kg. of Finished Product
<b>Shrimp</b>			
Peeled undeveined	40	45%	88.89
Headless	120	66%	181.82
Headon	165	99%	166.67
Squid	35	70%	50.00
Cuttle fish	40	70%	57.15
Others	25	90%	27.77

3. Product mix has been assumed as under.

Product	%
<b>IQF</b>	
Shrimp	36
Squid and cuttle fish	19
Others	30
<b>Block Frozen</b>	
Shrimp	6
Squid and cuttle fish	9
	100

4. Consumption of power from KSEB and own generation has been assumed at 80% and 20% respectively. Cost of KSEB power has been taken at Rs.0.80 and generated power at Rs.2.91 (cost of diesel, etc. consumed) per unit.

5. Depreciation has been provided on straight line method.

6. Interest rates have been assumed at the following rates.

#### Working capital

- Packing credit 16.5%

#### Term loans

- Re. loan 20%
- Fc loan 10%

7. Selling prices have been assumed at prevailing international rates, as under.

	U.S. \$ per kg.	Rs. per kg. @
<b>Shrimp</b>		
PUD	5.00	150
Headless	8.00	240
Headon	7.50	225
Squid	2.70	81
Cuttle fish	3.00	90
Others	1.80	54

@ Exchange rate taken at 1 US \$ = Rs.30/-

8. The unit will start commercial production from August 1993.

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

The Company is expected to earn both cash profits and net profit in the very first year of full operation viz., 1993-94.



The Directors are of the opinion that barring unforeseen circumstances, the Company should be in a position to declare dividend within a reasonable period after the commencement of the commercial production.

#### **VI. PARTICULARS OF LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370 (1B), WHICH MADE CAPITAL ISSUE DURING THE LAST THREE YEARS**

There is no listed company under the same management.

#### **VII. OUTSTANDING LITIGATION/OTHER DISPUTES**

1. The Company does not have any outstanding disputed tax liability of any nature which affects the operations and finance of the Company.
2. No criminal prosecution had been launched against the Company and Directors for alleged offences under the enactments in para (1) of Part I of Schedule XII of the Companies Act, 1956.
3. There is no default in meeting statutory dues, institutional dues, and towards instrument holders like debentures, fixed deposits and arrears of cumulative preference shares, etc.
4. Except the progress made in the implementation of the project, no material development has taken place after the day of the latest Balance Sheet as on 31.3.1993 which affects the performance and prospects of the Company.

#### **RISK FACTORS**

- The Company will be largely dependent on natural sea-catch for raw materials. Availability of the raw material would depend upon the

seasonality of catches in a particular area. There is no tie-up with regard to the supply of raw materials.

- Selling prices will be influenced by price movement in the international market.
- Foreign currency loan is subject to exchange rate fluctuations.
- Since the Company is a 100% EOU, it has to export 100% of its production. As on date, the Company has not entered into any selling arrangements.
- Subsidy from Marine Products Exports Development Authority (MPEDA) of Rs.18 lacs forming part of means of financing of the project is yet to be received by the Company.

#### **PERCEPTION OF MANAGEMENT**

- The factory is located near Calicut on the Malabar coast, very close to two of the largest fishing harbours viz., Beypore & Puthiappa, where demand for raw materials is lesser. The Company has initiated discussions with certain suppliers in coastal Karnataka. Agreements will be entered into at the time of commencement of procurement and production. The Government is systematically developing aquaculture through MPEDA. Hence the Company envisages no difficulty in procuring the raw materials.
- The promoters with their rich experience in the field are confident of exploiting the international market prices to the Company's advantage.
- The Company's earnings are going to be in Hard Currency. Hence, to that extent, the Company is hedged against exchange rate fluctuations.
- The promoters belong to the Baby Marine Group which has exported over Rs.250 crores worth of marine products over the last 10 years. With their vast experience in the field, the promoters envisage no difficulty in exporting the entire production.
- The subsidy from MPEDA will be disbursed after the machinery/equipment is installed and commissioned.



## A. GENERAL INFORMATION

### CONSENTS

Consents in writing of the Auditors, Legal Advisor, Lead Managers to the issue, Bankers to the Company, Bankers to the issue, Brokers to the issue and Registrars to the issue to act in their respective capacities have been obtained and filed with Registrar of Companies, Kerala at Cochin along with a copy of this Prospectus as required under Section 60 of the Act and none of them has withdrawn the consent upto the time of filing of this Prospectus for Registration with the said Registrar of Companies.

### EXPERT OPINION

Sudhir & Kuruvilla, Chartered Accountants, Auditors of the Company, have also given their written consent to the inclusion in this Prospectus, of their report as also to the inclusion of their report on tax benefits, appearing hereinafter in the form and context in which it is included and such consent has not been withdrawn upto the time of filing the Prospectus for registration with the said Registrar of Companies.

### CHANGE IN DIRECTORS AND AUDITORS

The change in the Directors on the Board of the Company since formation is given below.

Name	Appointed on
Mr.P.Shrinivas	11.12.1992
Mr.V.S.Ramnath	11.12.1992

There is no change in the Auditors of the Company since inception.

### AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Companies Act, the present issue has been authorised by the shareholders of the Company by a Special Resolution passed at the Extra-ordinary General Meeting held on 15th March, 1993.

### PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT

The Board of Directors reserves the full unqualified and absolute right to accept or reject any application in whole or in part without assigning any reason. Where the application is rejected in full, the whole of the application money received will be refunded. If an application is rejected in part, the balance of the application money received, if any, will be refunded to the applicant in accordance with the provisions of Section 73 of the Act. Refund will be made by Cheque or Pay Orders drawn on any Scheduled Bank payable at par at all places where applications are received, through Registered Post only at the applicant's risk.

In case of joint applications, refund Pay Orders, if any, will be made out to the first named applicant and all communications will be addressed to the applicant whose name appears first at his/her address stated in the Application Form.

The Company will inform the applicant in respect of allotment made or rejected by despatch of Share Certificates or Letters of Regret as the case may be together with Refund Orders, if any, through Registered Post only to the applicant at the applicant's risk within ten weeks from the date of closing of the subscription list.

### DISPOSAL OF APPLICATION MONEY

The sum received in respect of the public issue will be kept in separate bank accounts and the Company will not appropriate the funds unless approval of the Cochin Stock Exchange is obtained and as listing has been proposed on Cochin, Bombay, New Delhi and Ahmedabad Stock Exchanges, no allotment or utilisation shall be allowed till listing approval is available from each of the Exchanges concerned.

The Company will make available to the Registrars to the issue adequate funds to enable them to despatch Refund Orders/Allotment Letters/Share Certificates by Registered Post.

### DISPOSAL OF APPLICATIONS MADE WITH STOCKINVEST

The share applications and the accompanying Stockinvests duly listed will be sent to the Registrar who will arrange for allotment of shares. Once the entitlement for allotment is determined, the Registrar will arrange for presentation of the successful applicants' Stockinvest, together with necessary endorsement, on the right hand portion to the Company's Banker.

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

The Registrar will intimate the investor of the full/partial allotment. In the case of non-allotment, the Registrar will give a list of such Stockinvest forms to the issuing banker together with cancelled Stockinvest forms. The controlling bank branch/main branch will advise the concerned issuing branch to lift the lien from the investor's deposit. The Stockinvest issuing branch will advise the investor of lifting of the lien.

### INTEREST ON EXCESS APPLICATION MONEY

Payment of interest at 15% per annum on the excess application money will be made to the applicant as per the guidelines issued by the Government of India, Ministry of Finance vide their Letter No.F-8/6/SE/79 dated July 21, 1983 and as amended vide their Letter No.F/14/2/SE/85 dated September 27, 1985 addressed to the Stock Exchanges.

### OVERSUBSCRIPTION

In the event of the present issue being oversubscribed, the basis of allotment will be finalised in consultation with the Cochin Stock Exchange at Cochin.

### COMPANY SECRETARY

Mr.K.P.Satheesan  
2/2376 A, Chithira,  
Malaparamba,  
Calicut - 673 009.

### LEGAL ADVISOR

Matthai & Matthai  
Advocates,  
39/1098 Banerji Road,  
Cochin - 682 018.

### LEAD MANAGERS TO THE ISSUE

Indbank Merchant Banking Services Limited  
26/27 Jehangir Street,  
Second Line Beach,  
Madras - 600 001.

### CO-MANAGERS TO THE ISSUE

The Federal Bank Limited  
62 Mount Road,  
Madras - 600 002.

Foresight Financial Services Limited  
Temple Tower III Floor,  
476/2 Anna Salai,  
Madras - 600 035.

South Asian Financial Exchange Limited  
34 Victoria Crescent,  
(Off) Ethiraj Salai, Egmore,  
Madras - 600 105.

Prudential Capital Markets Limited  
6-3-1110, 26 & 27 Amrutha Mall,  
Somajiguda,  
Hyderabad - 500 016.

### ADVISORS TO THE ISSUE

Synergy Financial Exchange Ltd.,  
98-A, Dr. Radhakrishnan Salai,  
Madras - 600 004.

### AUDITORS

Sudhir & Kuruvilla  
Chartered Accountants,  
XXXV/1949, IInd Floor,  
Telstar, M.G.Road,  
Cochin - 682 016.



**BANKERS TO THE COMPANY**

UCO Bank  
Jayanthi Buildings,  
Calicut - 673 001.

**REGISTRARS TO THE ISSUE**

Computer Age Management Services (P) Limited  
A & B Lakshmi Bhavan,  
609 Anna Salai,  
Madras - 600 006.

**BANKERS TO THE ISSUE**

Indian Bank  
155 Thambu Chetty Street,  
Madras - 600 001.

**BROKERS TO THE ISSUE**

Members of all recognised stock exchanges registered with SEBI can act as brokers to the issue.

Bank of Baroda  
28 Rajaji Salai,  
Madras - 600 001.

The Federal Bank Limited  
29 Royapettah High Road,  
Madras - 600 014.

The South Indian Bank Limited  
37 Mount Road, Madras - 600 002.

The Catholic Syrian Bank Limited  
Tarapore Towers, 826 Mount Road,  
Madras - 600 002.

**B. FINANCIAL INFORMATION****AUDITORS' REPORT**

M/s. MERMAID FOODS  
(Proprietor Mr.K.P. Chandran, Calicut)

	Year ended 31.03.1988	Year ended 31.3.1989	Year ended 31.3.1990	Year ended 31.3.1991	Year ended 31.3.1992
<b>Profit &amp; Loss</b>					
Sales	21,25,369.40	11,06,475.84	24,15,105.10	34,64,244.45	12,36,419.05
Other Income	1,98,036.08	2,09,226.07	1,01,210.35	3,28,561.05	52,511.00
Profit on sale of Assets	—	—	1,17,647.30	66,796.46	1,28,336.35
Increase or Decrease in Stock of Finished Products	3,82,837.42	1,04,881.29	5,492.57	(1,41,532.45)	1,62,738.55
	27,06,242.90	14,20,583.20	26,39,455.32	37,18,069.51	15,80,004.95
Manufacturing and Other expenses	24,48,981.70	15,13,486.50	26,14,185.27	33,59,429.90	15,18,847.97
Interest	94,374.50	52,181.76	68,278.20	1,34,829.55	1,45,123.63
Depreciation	37,287.00	32,436.61	27,373.33	38,274.50	1,25,235.05
	25,80,643.20	15,98,104.87	27,09,836.80	35,32,533.95	17,89,206.65
Net Profit (Loss)	1,25,599.70	(1,77,521.67)	(70,381.48)	1,85,535.56	(2,09,201.70)
Transfer to Reserve	62,000.00	—	—	—	—
Net Profit (Loss) before Tax transferred to Proprietor's Capital Account	63,599.70	(1,77,521.67)	(70,381.48)	1,85,535.56	(2,09,201.70)
<b>Assets &amp; Liabilities</b>					
Proprietor's funds:					
Capital & Current Account	4,10,390.37	1,59,576.18	34,671.52	6,59,816.15	7,94,060.50
Reserves	62,000.00	62,000.00	62,000.00	—	—
Loan Funds	16,72,697.35	19,48,574.05	22,34,223.20	5,90,450.78	5,20,094.22
	21,45,087.72	21,70,150.23	23,30,894.72	12,50,266.93	13,14,154.72
<b>Application of Funds</b>					
Fixed Assets (WDU)	4,20,477.38	3,89,096.97	5,56,002.27	3,91,257.75	6,05,296.00
Investments (at cost)	6,09,742.00	6,09,742.00	6,40,242.00	7,942.00	7,942.00
Deposits & Advances	1,87,221.27	1,17,826.46	1,74,441.30	43,556.40	63,034.54
Current Assets	8,98,211.32	10,13,542.17	10,79,774.30	7,60,938.18	11,49,838.03
	21,15,651.97	21,30,207.60	24,50,459.87	12,03,694.33	18,26,110.57
Less : Current Liabilities & Provisions	32,385.71	21,878.83	1,81,386.60	15,248.85	5,11,955.85
Net Current Assets	20,83,266.26	21,08,328.77	22,69,073.27	11,88,445.48	13,14,154.72
<b>Miscellaneous Expenditure</b>					
Deferred Revenue Expenditure	61,821.46	61,821.46	61,821.45	61,821.45	—
	21,45,087.72	21,70,150.23	23,30,894.72	12,50,266.93	13,14,154.72

The above Assets & Liabilities And Profit & Loss Statements of M/s. Mermaid Foods, Calicut (Proprietor : K.P. Chandran) for the period from 1.4.1988 to 31.3.1992 are prepared from the Statement of Accounts submitted by the said unit. The statement also includes Assets and Liabilities not purchased or taken over by M/s. Uniroyal Marine Exports Limited, Calicut.

For SUDHIR & KURUVILLA  
Chartered Accountants,

K.C. KURUVILLA  
(Partner)

Place : Cochin  
Date : 25.03.1993



The Board of Directors  
Uniroyal Marine Exports Limited,  
Vengalam P.O.,  
Kozhikode.

Dear Sirs,

We have examined the Books of Accounts of M/s. Uniroyal Marine Exports Limited for the period from the date of incorporation, i.e., 21.8.1992 to 31.3.1993, being the last date upto which the accounts of the Company have been made up, approved by the Board of Directors and audited by us. In accordance with the provisions of Clause B (2) of Part II of Schedule II of the Companies Act, 1956, we report as under:

# **1. Profit and Losses**

## **Income**

Sale (Mermaid Canning Division)	3,53,963
Stock differential	8,12,228

11,66,191

## **Expenditure**

Purchase of finished goods	82,780
Materials consumed	3,42,847
Manufacturing & other expenses	6,75,837
Depreciation, Amortisation of expenses	55,016

11,56,480

Profit before tax

Profit after tax

9,711

9,711

## **Assets and Liabilities**

The Assets and Liabilities of the Company upto 31st March, 1993 have been arrived at after making such adjustments and regroupings as were in our opinion appropriate and subject to the notes hereunder.

**As at 31.3.1993**

## **Fixed Assets**

Gross Block	39,29,653
Less : Depreciation	44,170

38,85,483

## **Capital work in progress**

Plant and building under construction	43,25,893
Advances for fixed assets	41,15,600
Pre-operative expenditure pending capitalisation	8,10,676
Financial charges	4,26,278
	96,78,447
Less : Interest received	29,867

96,48,580

## **Current assets, loans and advances**

Inventories	12,18,626
Cash & bank balances	90,06,521
Sundry Debtors, loans and advances	2,63,348
	1,04,88,495
Less : Current Liabilities	2,53,102

1,02,35,393

7,93,927

2,45,63,383

Technical know how and preliminary expenses not written off

## **Liabilities**

### **Share capital**

Issued, Subscribed & paid up  
700 Equity Shares of Rs.10/- each

7,000

Share application deposit

2,45,46,672

Reserves & Surplus

9,711

Profit after tax

2,45,63,383



## NOTES

1. Depreciation on fixed assets used by the Company has been provided on straight line method at rates specified in Schedule XIV of the Companies Act.
2. As the Company was incorporated on 21.8.1992, previous years figures are not applicable.
3. All the expenses including depreciation on assets used in construction division have been grouped under Capital work in progress to be capitalised on completion of the new project under execution.
4. The estimated amount of contracts remaining to be executed on capital account and not provided for net of advances is Rs.360 lacs.
5. No dividend has been declared by the Company nor any asset have been revalued since inception.

For SUDHIR & KURUVILLA  
Chartered Accountants,

Place : Cochin  
Date : 07.06.1993

K.C. KURUVILLA  
Partner

## TERM LOAN ARRANGEMENTS

Industrial Development Bank of India (IDBI) has sanctioned the term loans on the following terms and conditions:

### I. Under Project Finance Participation Scheme

#### 1. Interest

The Company shall pay to IDBI interest on the principal amount of the Rupee term loan outstanding from time to time at the lending rate of interest prevailing on the date of execution of the Loan Agreement. As on date, the applicable rate of interest is 19.5% p.a. Such interest shall be payable quarterly on April 1st, July 1st, October 1st and January 1st. The Company shall also pay an additional interest of 1.05% (including interest tax) from the date of commencement of commercial production till the date of listing of the shares with a recognised stock exchange.

#### 2. Foreign Currency Loan

The Company shall pay to IDBI interest on the principal amount of the foreign currency loan outstanding from time to time. The exact rate of interest will be advised later.

#### 3. Up-front fee

The Company shall pay an up-front fee of 1.05% on the Rupee loan amount and the foreign currency loan amount at the time of execution of respective loan documents.

#### 4. Liquidated damages

- (i) A charge of 2% p.a. by way of liquidated damages will be levied for defaults in payment of principal, interest or other moneys payable under the Loan Agreement. Arrears of liquidated damage shall carry interest at the applicable rate for normal loan.
- (ii) A charge of 6% p.a. by way of liquidated damages will be levied for defaults in payments of principal interest, or other moneys payable under the FC loan agreement. Arrears of liquidated damages shall carry interest at the highest lending rate of the lenders for Rupee term loan prevailing on the date of default.

#### 5. Period of repayment of the loan

The Rupee loan shall be repaid in 16 quarterly instalments commencing from October 1, 1994. The instalments shall be payable on the same dates as mentioned in 2 above.

Foreign Currency loan shall be repaid in equal half yearly instalments. Exact schedule will be advised later.

Foreign Currency loan shall be repaid in equal half yearly instalments. Exact schedule will be advised later.

#### 6. Security

The above loans shall be secured by a first charge on all the movable and immovable assets of the Company, both present and future, excluding specified movables charged / to be charged to the Company's Bankers for working capital borrowings.

7. Before seeking disbursement from IDBI, the entire promoters' contribution should be fully subscribed and at least 50% thereof should be paid up.
8. The Company shall modify its Articles of Association to incorporate the 'Nominee Directors Clause' as per draft enclosed.
9. The Company shall register itself as a 100% export oriented unit.
10. The Company shall arrange for underwriting the balance amount of public issue of Rs.230 lacs.
11. The Company shall obtain SEBI clearance for its public issue of Equity Shares of Rs.330 lacs.
12. The Company shall obtain necessary approval for effluent treatment from State Pollution Control Board.
13. The Company shall broad-base its Board of Directors by including one or two eminent persons with suitable industry/business experience, to the satisfaction of IDBI.
14. Give undertakings that any overrun in the cost of the project and/or shortfall, if any, in the means of finance envisaged, shall be met by the promoters by way of bringing in additional equity or interest free unsecured loans subordinated to the IDBI term loans on terms acceptable to IDBI.
15. Furnish an undertaking from the promoters for non-disposal of their shareholding in the Company till full repayment of the IDBI assistance.
16. Agree that IDBI shall have the right to review the cost of the project before the final disbursement of the loan. Pending completion of the review, the borrower shall obtain prior approval of IDBI for utilising the amount of the loan equivalent to the contingency provision in the cost of the project.
17. The borrower shall satisfy IDBI that the physical progress as well as expenditure incurred on the project are as per schedule. Towards this end, the Borrower shall agree and undertake to furnish to the Lenders such information and data as may be required by the lenders.
18. The borrowers shall obtain need based working capital from its bankers.
19. So long as any portion of the loan from IDBI remains outstanding, IDBI shall reserve to itself the right to appoint a Nominee on the Company's Board who shall not be required to hold qualification share or retire by rotation. IDBI shall have the liberty and discretion to appoint its Director immediately after the acceptance of the Letter of Intent by the Company but such appointment shall not be construed as any commitment on the part of IDBI to disburse financial assistance, unless IDBI is fully satisfied that the Company has complied with all the stipulated terms and conditions precedent to such disbursement. The Nominee Director shall have the right to attend all meetings of the Committee(s) constituted/to be constituted by the Company.



## C. STATUTORY AND OTHER INFORMATION

### MINIMUM SUBSCRIPTION

The minimum amount which in the opinion of the Board must be raised by the issue of Equity Shares in order to provide for the sums required in terms of the Act and in terms of the Prospectus is Rs.1,48,50,000 being the application money payable on 29,70,000 Equity Shares of Rs.10/- each.

The Directors shall proceed to allot the said shares on receipt of application money payable thereon. The subscription of the minimum amount is assured in view of the underwriting arrangements mentioned earlier in this Prospectus.

If the Company does not receive the minimum subscription of 90% of the issue including devolvement of underwriters within 120 days from the date of opening of the issue, the entire subscription will be refunded to the applicants within 128 days, with interest for delay beyond 78 days from the date of closure of the issue as per Section 73 of the Companies Act, 1956.

### EXPENSES OF THE ISSUE

The expenses of the present issue including underwriting commission, brokerage, fees to the Managers and Registrars to the issue, printing, advertising, stamp duty, legal charges, Auditors' fees, registration, etc., are estimated at Rs.40 lacs and will be met out of the proceeds of the present issue.

### FEES PAYABLE TO THE LEAD MANAGERS

The fees payable to Indbank Merchant Banking Services Limited, the Lead Managers to the issue is Rs.1,55,000.

The fees payable to the Co-Managers and Advisors to the issue are as follows.

	(Rs.)
The Federal Bank Limited	10,000
South Asian Financial Exchange Limited	Nil
Foresight Financial Services Limited	Nil
Prudential Capital Markets Limited	Nil
Synergy Financial Exchange Limited	Nil

### FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the issue viz., Computer Age Management Services (P) Limited is at Rs.1.90 for each allotted application and at Rs.1.30 for each non-allotted application. In addition, Rs.1.50 is payable per application accompanied by Stockinvest. In addition to the above, out of pocket expenses, cost of stationery, postage, conveyance and other incidental expenses are to be reimbursed. The offer from the Registrar dated March 31, 1993 is kept open for inspection at the Registered Office of the Company.

### UNDERWRITING COMMISSION

Underwriting commission is payable at the rate of 2.5% to the Underwriters on the nominal value of Equity Shares offered by this Prospectus to the Indian Public subscription for cash at par and underwritten in the manner mentioned earlier in the Prospectus.

No underwriting commission is payable on the Equity Shares offered on a preferential basis to the employees. However, underwriting commission will be payable at the rate of 2.5 % on the face value of Equity Shares remaining unsubscribed, if any, in this category and added back to the offer to the India Public.

### BROKERAGE

Brokerage will be paid by the Company at the rate of 1.5% on the nominal value of Equity Shares on the basis of allotment made against applications bearing the stamp of a member of any recognised stock exchange in India in the brokers column in the Application Form. Brokerage at the same rates will be payable to the Bankers to the issue

in respect of allotment made against applications procured by them provided the respective Application Forms bear their respective stamp in the brokers column. No brokerage will be payable in respect of the Equity Shares allotted on the preferential basis to the employees.

### PRELIMINARY EXPENSES

The Company has incurred a sum of Rs. 7.94 lacs as on 31.3.1993 towards preliminary expenses upto the extent not written off or adjusted.

### PREVIOUS ISSUE

Save as otherwise stated in this Prospectus, no previous issue has been made by the Company since the date of its incorporation.

### ISSUE OF SHARES/DEBENTURES AT A PREMIUM OR DISCOUNT

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

### COMMISSION OR BROKERAGE ON PREVIOUS ISSUE

Except for the underwriting commission and brokerage payable as mentioned in this Prospectus, no sums have been paid or are payable as commission or brokerage for subscribing to or agreeing to subscribe to or procuring or agreeing to procure subscription for any of the shares of the Company since the date of its incorporation.

### ISSUE OF SHARES OTHERWISE THAN FOR CASH

The Company has not issued any shares for consideration other than cash.

### DEBENTURES AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY THE COMPANY OUTSTANDING AS ON THE DATE OF PROSPECTUS AND TERMS OF ISSUE

The Company has not issued or agreed to issue any preference shares or debentures since its incorporation.

### OPTION TO SUBSCRIBE

Except as stated elsewhere in this Prospectus, the Company has not since its incorporation entered into, nor does it intend at present, to enter into any contract or arrangement giving any option or preferential right of any kind to any person to subscribe for any shares in 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 contracts referred to herein under the heading "Material Contract", there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue or the purchase or acquisition of which has not been completed on the date of issue of this Prospectus other than property

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the Company's business, the contract not being made in contemplation of the issue nor the issue in consequence of the contract or
- as respects which the amount of the purchase money is not material.

The Company is planning to procure two refrigerated trucks of 14 tonnes capacity, one each from Baby Marine Exports & Baby Marine Products. Mr.K.C.Babu, the Managing Director of the Company is a partner in Baby Marine Exports and Managing Partner in Baby Marine Products. Mr.K.C.Thomas, Director of the Company is a partner in Baby Marine Exports. The Company has also procured one jeep from Mr.K.C.Babu, the Managing Director of the Company on 3rd September, 1992 at a cost of Rs.1.97 lacs.



## CAPITALISATION OF RESERVES AND PROFITS

The Company has not capitalised reserves or profits since the date of its incorporation.

## CLASSES OF SHARES

The Company has only one class of shares, viz. Equity Shares of nominal value of Rs.10/- each.

## MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

### Number of Directors

#### Article 85

Until otherwise determined by a Special Resolution, the number of Directors of the Company shall not be less than three and not more than twelve.

### First Directors

#### Article 86

The persons named here below shall become and be the First Directors of the Company.

1. Mr. K.C. Babu
2. Mr. K.C. Rajan
3. Mr. K.C. Thomas
4. Mr. Iype Mathew
5. Mr. V. Mohanlal
6. Mr. V.T. John
7. Mr. Varghese Thomas

### Alternate Director

#### Article 99

The Board may 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 and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Board and to attend and vote there at accordingly; but he shall not require any qualification and shall ipso facto vacate office if and when the absent Director returns to the state in which meetings of the Board are ordinarily held or the absent Director vacates office as a Director.

### Nominee Director

#### Article 118

1. Subject to the provisions of Section 255 of the Act, the Company may, as a result of special arrangement arrived at with any person or body corporate, allow such person or body corporate nominating (including power to replace or remove) representatives on the Board of the Company. This discretion shall vest in the Board of Directors.
2. The Directors appointed under the provisions of subclause (1) above shall be deemed ex-officio Directors within the meaning of these articles. The number of ex-officio Directors shall not exceed the third of the total strength of the Board at any time. The ex-officio Directors as aforesaid shall not be liable to retire by rotation.

### Remuneration to Director

#### Article 88

Until otherwise determined by the Company in general meeting, each Director shall be entitled to receive out of the funds of the Company for his services in attending meetings of the Board, a fee of Rs.250/- per meeting attended by him. All other remuneration, if any, payable by the Company to each Director, whether in respect of his services as a Managing Director or a Director in the whole or part time employment of the Company, shall be determined in accordance with and subject to the provisions of these Articles and of the Act. The Directors shall also be entitled to be paid, their reasonable travelling and hotel and other expenses incurred in consequence of their attending at Board or Committee meetings or otherwise incurred in the execution of their duties as Directors.

#### Article 89

If any Director, being willing, is appointed to an executive office either for whole time or part time or is called upon to perform extra services or to make any special exertions for any of the purposes of the Company or in giving special attention to the business of the Company or as a member of a Committee of the Board then, subject to Sections 198, 309 and 310 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

### Managing Director

#### Article 117

Subject to the provisions of the Act, the Board shall have the power to appoint from time to time one or more of their body of the office of the Managing Director or whole-time Director for such period and on such terms as they think fit, such period not exceeding five years at a time. A Director so appointed shall not, whilst holding that office be subject to retirement by rotation. Subject to the provisions of the Act, the Board may by resolution, vest in such Managing Director or whole-time Director such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine.

Subject to the approval of the Central Government, Mr. K.C. Babu shall be the first Managing Director of the Company for a period of five years with effect from the date of incorporation of the Company on such terms and conditions as may be fixed by the Board.

Subject, to the provisions of Sections 309, 310 and 311 of the Act, the Managing Director/whole time Director shall receive such remuneration as may be determined by the Board from time to time.

### Present Managing Director

The Board of Directors of the Company at its meeting held on 22.08.1992 appointed Mr.K.C.Babu as the Managing Director of the Company for a period of five years from 21st August, 1992. The appointment was passed through a special resolution at the Extraordinary General Meeting of the Company held on 15.09.1992. The terms and conditions of the appointment are as follows.

1. (a) Salary : Rs.15,000/- (Rupees Fifteen Thousand only) per month  
(b) Commission : One percent commission on the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956 subject to the ceiling of 50% of the annual salary or Rs.90,000/- per annum, whichever is less.
2. Perquisites : Perquisites shall be restricted to an amount equal to annual salary or Rs.1,15,000/- per annum whichever is less.

### Category-A

#### i). Housing

- a. The expenditure incurred by the Company on hiring unfurnished accommodation for the Managing Director will be subject to a ceiling of 50% of the salary, over and above 10% payable by the Managing Director.
- b. In case the Managing Director is provided accommodation owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

or

- c. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.



**ii). Medical Reimbursement :**

Reimbursement of the expenses incurred by the Managing Director for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.

**iii). Leave Travel Concession :**

Leave Travel Concession for the Managing Director and his family once in a year incurred in accordance with the rules of the Company.

**iv). Club Fees :**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**v). Personal Accident Insurance :**

Premium not to exceed Rs.1,000/- per month.

**Category-B**

**Provident Fund :** Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on the perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.

**Category -C**

Provision for car for use on the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director.

The Company has received permission from the Central Government for the appointment vide letter No.1/288/CLVIII/92 dated 23.03.1993, subject to the following modifications.

1. Salary : Rs.6,000 (Rupees Six Thousand Only)  
(This salary is inclusive of DA and all other allowances)
- 2.. Commission : 1% of Net Profit of the Company computed in the manner laid down in Section 309 of the Act subject to a ceiling of 50% of annual salary.

**Powers of Directors**

**Article 116**

Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company and shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise to be exercised or done by the Company or by these Articles or otherwise to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or things, the Board shall be subject to the provisions in that behalf contained in the Act or any statute or in the Memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Subject to the provisions of the Companies Act, 1956, a Director or any other person mentioned in Section 297 of the Act, may enter into any contract with the Company for the purposes mentioned therein.

A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement or proposal contract or arrangement referred to in such clause 2 above may disclose the nature of his concern or interest at the meeting of the Board in the manner provided in Section 299 of the Act.

**Borrowing Powers**

**Article 56**

The Board may, from time to time, at 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 purpose of the Company.

**Article 57**

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other 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.

**Share Qualification of Directors**

**Article 87**

Until otherwise determined by the Company in general meeting, a Director shall not be required to hold any share in the capital of the Company as his qualification.

**Company's Lien on Shares**

**Article 22**

The Company shall have a first and paramount lien upon all shares other than fully paid-up shares registered in the name of any member, either alone or jointly with any other person and upon the proceeds of sale thereof for all moneys called or payable at a fixed time in respect of such shares and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Board at any time may declare any shares to be exempt, wholly, or partially, from the provisions of the Article.

**Interest of Director**

All the Directors may be deemed to be interested to the extent of remuneration and the reimbursement of expense, if any, which they are entitled to receive under the Articles.

The Directors of the Company are or may be deemed to be concerned or interested in the present issue to the extent of shares, if any, held by or that may be allotted to them or held by or that may be allotted to companies in which they are directors or members out of the present issue and also to the extent of dividends payable to them and other distribution in respect of the said shares.

**Transfer and Transmission of shares**

**Article 38**

Subject to the provisions of Section 111 of the Act, the Board without assigning any reason for such refusal, may within two months from the date on which the instrument of transfer was delivered to or the intimation of transmission was lodged with the Company, refuse to register any transfer of, or the transmission by operation of law of the right to a share whether fully paid up or not and may also decline to register any transfer of share upon which the Company has a lien and in case of a share not fully paid up, the Board may refuse to register the transfer to a transferee of whom the Board does not approve. The Board may also likewise refuse to register a transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Board from transferring the shares out of the name of transferor or when a transferor objects to the transfer, provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction. Provided however that the registration of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

**Article 43**

The executor or administrator of a deceased member (not being one of several joint holders) shall be the only person recognised by the Company as having any title to the share registered in the name of such member, and in case of the death of any one or more of the joint-holders of any registered share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator, the Board may require him to obtain a Grant of Probate or Letter of Administration or other legal representation, as the case may be, from a competent court in India and having effect in the place. Whereas the Board, in its absolute



discretion, thinks fit, it shall be lawful for the Board to dispense with the production of Probate or Letter of Administration or such other legal representation upon such terms as to indemnify or otherwise as the Board, in its absolute discretion, may consider adequate.

### PAYMENT OR BENEFIT TO PROMOTERS AND OFFICERS OF THE COMPANY

Save as stated in this Prospectus, no amount or benefit has been paid or given to the Promoters or Officers of the Company since incorporation of the Company nor are intended to be paid or given to any promoter or to any officer of the Company except their remuneration and/or reimbursement for services as Promoters, Directors, Officers or Employees of the Company.

### REVALUATION OF ASSETS

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

### MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

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 the Company.

These contracts together with the documents referred to in paragraph "B" below, copies of all of which have been delivered to the Registrar of Companies, Kerala at Cochin for registration, may be inspected at the Registered Office of the Company between 10.00 A.M. and 5.00 P.M. on any working day from the date of this Prospectus until the closing of the subscription list.

#### A. MATERIAL CONTRACT

1. Letter No.IBMBS/URM/ISSUE/92 dated 3rd October, 1992 from Indbank Merchant Banking Services Limited to act as Lead Managers to the issue and the Company's acceptance thereof.
2. Letter dated 31st March, 1993 from M/s.Computer Age Management Services (P) Limited, Registrars to the issue and the Company's acceptance thereof vide letter dated 13th April, 1993.
3. Letter of underwriting as stated elsewhere in the Prospectus and the Company's acceptance thereof.
4. Copy of loan agreement between IDBI and the Company.
5. Purchase Orders/Work Orders/Contract for a value of or exceeding Rs.10 lacs are detailed below.

Sl. No.	Purchase Order No. & Date	Name of the Supplier	Nature of Contract/ Items ordered	Order Value (Rs. lacs)
1.	Nil dated 9.12.92	Frigoscandia Winners Food Process Systems Ltd., Indore	Inline process equipment for FloFreeze, equipment for Spiral Freezer	73.50
2.	Nil dated 9.12.92	Frigoscandia Winners Food Process Systems Ltd., Indore	Refrigeration system, Trolley Freeze and GlazoFreeze	95.00
3.	Nil dated 15.12.92	Frigoscandia, Sweden	FloFreeze	57.50
4.	Nil dated 15.12.92	Frigoscandia, Sweden	Spiral Freezer	59.00
5.	UME/BAC (M) 158/92-93 dated 8.2.93	Bombay Ammonia (Madras) Pvt. Ltd.	Frozen Storage (2 Nos.)	19.53
6.	Nil dated 18.12.92	Malabar Constructions	Building Constructions	38.61
7.	UME/GENERATOR/ 93-94	Greaves Cotton & Co. Ltd.	250 KVA Diesel Generators (2 Nos.)	18.95

6. Copy of sale deed of the 'Mermaid Food Unit'.

#### B. DOCUMENTS

1. Memorandum and Articles of Association of the Company
2. Certificate of Incorporation dated 21st August, 1992 issued by the Registrar of Companies, Kerala at Cochin.
3. Certificate of Commencement of Business dated 2nd September, 1992.
4. Consent letters from Lead Managers, Auditors, Legal Advisor, Bankers to the issue, Bankers to the Company, Registrars to the issue, Underwriters to the issue referred to in the Prospectus to act in their respective capacities.
5. Auditors' Report and Balance Sheet as on 31.03.1993.
6. Copy of resolution under Section 81(1A) of the Companies Act passed by the Members of the Company at the Extraordinary General Meeting held on 15th March, 1993.
7. Certificate of Tax Benefits from the Auditors.
8. Copy of Resolution under applicable provisions of the Act passed at the Extraordinary General Meeting held on 15.09.1992 approving appointment of and remuneration to Managing Director, Mr.K.C.Babu.
9. Letter of application dated 5.7.1993 made to the Cochin Stock Exchange.
10. Letter of application dated 5.7.1993 made to the Bombay Stock Exchange.
11. Letter of application dated 5.7.1993 made to the Ahmedabad Stock Exchange.
12. Letter of application dated 5.7.1993 made to the New Delhi Stock Exchange.
13. Sanction letter from KSEB.
14. Copy of No Objection Certificate from Kerala State Pollution Control Board.
15. Copy of accounts of Baby Marine Exports, Baby Marine (Eastern) Exports, Baby Marine Fisheries, Baby Marine Products, Baby Agencies, Baby Memorial Hospital and Narayanan & Co.
16. Copy of 'Statistics of Marine Products Export 1991' published by MPEDA.
17. Copy of EOU approval.
18. Copy of valuation report of the land & buildings of Mermaid Foods.
19. Copy of the valuation report of Machinery & Equipments of Mermaid Foods.
20. Copy of consents under Section 58 from Mr.A.Viswanadhan and Mr.K.Valsaraj.
21. Copy of Central Government approval for the Managing Director.

#### DECLARATION

We hereby declare that 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 this Prospectus is contrary to the provisions of the Companies Act, 1956 and rules thereunder.

#### Signed by Directors

1. K.C.Babu
2. K.C.Thomas
3. Iype Mathew
4. V. Mohanlal (by his constituted attorney Mr. K.C. Babu)
5. K.C. Rajan
6. Varghese Thomas
7. V.T. John (by his constituted attorney Mr.K.C.Babu)
8. P. Shrinivas (by his constituted attorney Mr.K.C. Babu)
9. V.S. Ramnath

Place : Calicut  
Date : 5th July, 1993