

MARICO INDUSTRIES LIMITED

Registered Office: Rang Sharda, K. C. Marg, Bandra Reclamation, Bandra, West
Mumbai 400 050. Tel. No. : 022-6443714 Fax No. : 022-6422205

Simultaneous Offer for sale by promoters to the public of 26,25,000 Equity Shares of Rs. 10/- each at a premium of Rs. 165/- per share aggregating to Rs. 4593.75 lacs and fresh issue of 10,00,000 Equity Shares of Rs. 10/- each for cash at a premium of Rs. 165/- per share aggregating to Rs. 1750 lacs (hereinafter referred to as 'Issue') by the Company.

HIGHLIGHTS

1. A fast moving consumer goods Company manufacturing and marketing branded personal and fabric care products, edible oils and processed foods.
2. Existing dividend paying Company with consistent growth in sales and profits.
3. Ranked FIFTH amongst Wholly Owned Indian Companies for Marketing Excellence as per A&M 1995 ranking of India's most admired marketing companies and nineteenth amongst Indian and multinational companies. Professional management. Awarded the 'National HRD Award' by National HRD Network in 1994.
4. Wide and well established distribution network of 1400 Domestic Distributors servicing around 3,00,000 Domestic Retailers through 27 depots.
5. Export network of 9 Overseas distributors located in U.A.E., Sultanate of Oman, Kuwait, Bahrain, Doha-Qatar, Saudi Arabia, Kenya, South Africa and Bangladesh.
6. Listing at Bombay and National Stock Exchange.

Notes :

1. Investors are advised to refer to the Para on "Justification of Premium" before investing in the issue.
2. Out of the total proceeds of Rs. 6343.75 lacs from the proposed composite issue Rs. 4593.75 lacs will be going to the promoters. The proceeds going to the promoters are on account of offer for sale of 26.25 lacs promoters' shares for which the cash consideration paid was Rs. 24.796 lacs and the free reserves capitalised were to the extent of Rs. 237.704 lacs.
3. The proceeds of the fresh issue by the Company of Rs. 1750 lacs shall be utilised for part repayment of long-term loan and debentures of Rs. 1125 lacs, to meet partly the expenses of the issue, listing etc. of Rs. 130 lacs and balance to augment the long-term working capital funds.
4. Profits after tax for half-year ended Sept. 30, 1995 of Rs. 1210 lacs includes depreciation writeback of Rs. 286 lacs on account of change in depreciation policy to comply with the mandatory accounting standards prescribed by ICAI w.e.f. 1-4-1995.

RISKS AS PERCEIVED BY THE MANAGEMENT AND MANAGEMENT'S PERCEPTION OF RISK FACTORS

Internal:

1. The Company's requirement of funds has not been appraised by any financial institution / bank. The deployment of the proceeds of the proposed Composite Issue shall be entirely at the discretion of the management.
The requirement of funds is based on the Company's own estimates. However, it may be mentioned that ICRA has rated the Company's Commercial paper at A1+ and MAA+ for its NCD and Fixed deposit.
2. Nearly 70% of the turnover of the Company originates from the brands "Parachute" and "Saffola" for which the Company has entered into a Registered Users Agreement with The Bombay Oil Industries Ltd. (BOIL) to use the brands exclusively.
Under the agreement the Company has a right to use the brands/marks in perpetuity. In addition the Company has preemptive right to purchase the brands/marks in the event BOIL desires to sell.
3. BOIL can terminate the Registered Users Agreement if the stake of Marwala Group falls below 25% in the Company or Marwala group loses control over the Company.
The right to terminate ensures effective control over the usage of the marks by BOIL (Regd Proprietor) and which is in compliance with statutory requirements.
4. Civil suit filed at Bhatinda against Company for Rs. 2.21 lacs.
The liability is disputed by the Company.
5. Contingent Liabilities not provided for : (i) Disputed tax liabilities of Rs. 20.65 lacs. (ii) Letters of credit of Rs. 94.87 lacs.
Letters of credit are opened in the normal course of business for imports.
6. Suit against one of Company's advertisement for "PARACHUTE AMLA" filed by Dabur India Ltd. at Delhi and ex-parte injunction obtained. Damages claimed Rs. 5 lacs.
Company is contesting the suit and has applied for vacation of the stay which is yet to be heard.
7. The Company has agreed in principle, to provide the bankers of Kanmoor Foods Ltd. (KFL), a guarantee covering KFL's outstanding with its banks of Rs. 12 crores.
The guarantee, if issued will be secured by a counter guarantee from BOIL, the holding company of KFL, and a residual charge on the Bhandup property of BOIL, valued currently at approximately Rs. 18 crores.
8. 5 cases against Directors and 8 cases against nominees of the Company have been filed under the Prevention of Food Adulteration Act. If convicted minimum financial liability is Rs. 1000/- and imprisonment of 3 months.
The Company's products are subject to regular sampling under the said Act. Till date none of the

cases filed have been decided. The Company has challenged the findings of the analysis and is confident of defending itself.

9. Criminal suit under Section 138 of the Negotiable Instruments Act filed against the Company, its managing director and senior executives by an ex-job worker for stopping payment of a cheque for Rs. 2 lacs.
Payment stopped for non-compliance of contractual terms and failure to produce proof of expenses. Application for dismissal of complaint is pending hearing. Company has in turn filed a suit in the Bombay High Court for recovery of a sum of Rs. 10.42 lacs from the ex-job worker.
10. Criminal case for negligence filed u/s 304 (A) of I.P.C. against Company officials and deceased contractor at Jalgaon for accidental death of contract workmen.
As deaths occurred due to an accident, the Company is confident of defending the charges before the Court.
11. Notice received u/s 33 (A) of Water (P&C of Pollution) Act, 1974 from MPCB in respect of Jalgaon factory for violation of effluent norms.
As the violation is marginal, company is confident of resolving the issue and has sought time to comply with the norms.
12. 4 flats taken on licence for monthly rents of Rs. 10000 (1flat) and Rs. 8000 (3 flats) and 1 godown hired for storage on monthly charges of Rs. 8760.
The rents/hire charges paid are commensurate with prevailing market rates.
13. Eviction suit filed by BPT against BOIL in Small Causes Court, Mumbai in respect of property at Sewree, Mumbai.
BOIL has agreed to compromise the suit in line with a Bombay High Court judgement. The financial liability is likely to be around Rs. 60 lacs.
14. Contingent Liabilities of BOIL not provided for : (i) Guarantees to banks/finance companies Rs. 1613.75 lacs (ii) Letters of credit of Rs. 18.93 lacs (iii) Claims not acknowledged as debts Rs. 4.54 lacs (iv) Bad debts Rs. 29.76 lacs.
Letters of credit are opened in the normal course of business for imports.
15. Eviction suit filed against BOIL in respect of premises at Q. Shed, Sewree, Mumbai.
BOIL is contesting the suit and is confident of resolving the issue.
16. EPRO Biotechnologies Ltd. (EPRO) has overdrafts of Rs. 240 lacs in its overdraft facility with Indian Bank.
A proposal for reschedulement of repayment of the facility has been submitted to the bank for consideration.
17. Claims not acknowledged as debts in respect of EPRO Rs. 1.52 lacs.
18. Two Civil suits for an aggregate amount of Rs. 1.73 lacs filed against EPRO at Ahmedabad.
The Company has disputed the liability and is contesting the suits.
19. Civil suit for Rs. 1.41 lacs filed at Udipi decreed against Kanmoor Food Ltd. (KFL).
KFL has filed an appeal to set aside the decree which is pending hearing.
20. Contingent liabilities of KFL not provided for : (i) Guarantees issued by Bank - Rs. 0.15 lacs. (ii) Claims not acknowledged as debts - Rs. 10.66 lacs. (iii) Disputed milling tax Rs. 7.31 lacs. (iv) Liabilities towards replenishment of licences - Rs. 21.86 lacs. (v) Doubtful advances / debts not provided for - Rs. 208.79 lacs.
KFL is optimistic of recovering the doubtful advance / debts.
21. Losses incurred by group companies viz. BOIL during 1992-93, Hindustan Polyamides & Fibres Ltd. during 1993-94, KFL during 1992-94 and EPRO during 1992-95.
All the above group companies except EPRO have made profits during the year 1994-95.
Risk factors mentioned at items 14 to 21 relating to BOIL, EPRO and KFL have no bearing on the company's operations and liabilities, if any, shall be borne by the respective companies.

External:

1. Increased competition in the personal care segment from new entrants may affect the company's profitability.
However, with well entrenched Brands, an established Distribution Network and its skills in Brand Building, the Company believes it has an effective competitive edge which will enable it to combat emerging competition.
2. The availability of raw materials, largely agri-based are subject to the risk of vagaries of nature and the consequent fluctuations in their prices may have a bearing on the profitability.
The Company on the basis of its experience in the recent past does not foresee any difficulty in procurement of primary raw materials viz. oils and oilseeds. The policy of the Government of India in permitting imports of oils under open general licence would further ensure that these raw materials are available at reasonable prices throughout the year. The vulnerability on profitability has been substantially contained on one hand through increasing equity of the various brands, sharp focus on efficiency programmes and on the other hand by diversifying the sources of raw materials.

LEAD MANAGERS TO THE ISSUE

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Corporate Finance and
Capital Markets Group
9th Floor, Sakhar Bhavan
Nariman Point, Mumbai 400 021.
Phone : (022) 287 27 67
Fax : (022) 287 26 75

**Kotak Mahindra
Capital Company**
Bakhtawar, 1st Floor, Nariman Point
Mumbai 400 021.
Phone : (022) 282 66 55
Fax : (022) 282 66 30

**Enam Financial Consultants
Pvt. Ltd.**
24, B. D. Rajabhadur Compound, Ambalal
Doshi Marg, Fort, Mumbai 400 001.
Phone : (022) 265 01 72
Fax : (022) 265 31 93

REGISTRARS TO THE ISSUE

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8-2-621A, Road No. 10
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Grams : KARYV

**ISSUE OPENS ON : THURSDAY MARCH 21, 1996.
ISSUE CLOSURES ON : TUESDAY MARCH 26, 1996.**

MARICO INDUSTRIES LIMITED

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PART I

1. GENERAL INFORMATION

MARICO INDUSTRIES LIMITED

(hereinafter referred to as "the Company")

Incorporated as a Public Limited Company on October 13, 1988 under the Companies Act, 1956

Registered Office : Rang Sharda, K. C. Marg, Bandra Reclamation,
Bandra (West), Mumbai 400 050.
Tel. No. : (022) 6443714 Fax No. : (022) 6422205

GOVERNMENT APPROVAL

The products manufactured by the Company are exempt from licencing under the present Industries (Development and Regulation) Act, 1951. The Licences held by the Company prior to the exemption / liberalisation are as under :

- Industrial Licence No. L/28(1) / N-132/60 dated August 19, 1960 for the manufacture of vegetable non-essential oil from oilseeds at its factory at Fosberry Road, Sewree, Mumbai as amended by endorsement dated September 26, 1990.
- Industrial Licence No. CIL:327(75) dated August 26, 1975 for the crushing of oilseeds at its factory at Jalgaon as amended by endorsements dated October 15 1975, June 26 1981, and May 19 1991.

In terms of the new Industrial policy of the Government of India vide Notification No. 477 (E) dated July 25, 1991 the Company has filed a memorandum with the Department of Industrial Development, Entrepreneur Unit, Ministry of Industry, Government of India for the manufacture of coconut oil and copra cake at its factory at Kanjikode, Palghat, Kerala with an annual capacity of 24000 M.T. of coconut oil and 13000 M.T. of copra cake which has been duly acknowledged by the Government of India vide their letter No. 2743/SIA/IMO/92 dated July 06, 1992. The Company has also filed a memorandum with the Government to increase its refining capacity to 57600 tonnes of edible oils at Jalgaon, Maharashtra. The said memorandum has been acknowledged by the Government of India vide letter No. 1421/SIA/IMO/94 dated May 06, 1994. The above are adequate for the Company to carry out its present activities. It must be understood that in giving these acknowledgements, the Central Government does not take any responsibility for the financial soundness of any scheme or for the correctness of any of the statements made or opinions expressed in regard thereto.

LISTING

Initial listing applications have been made to the Bombay Stock Exchange and the National Stock Exchange for permission to deal in and for an official quotation of the equity shares now offered in terms of this Offer for sale cum Prospectus (hereinafter referred to as 'Prospectus'). In case the permission to deal in and for official quotation of the equity shares now offered in terms of this Prospectus is not granted by the above stock exchanges, the Company shall forthwith repay without interest all money received from applicants in pursuance of this Prospectus and if any such money is not repaid within 8 days after the Company is liable to repay it, the Company shall/will pay interest as prescribed under Section 73(2) of the Companies Act, 1956 (hereinafter referred to as "the Act").

FILING

A copy of this Prospectus accompanied by such documents as are required to be filed under Section 60 of the Act has been delivered for registration to the Registrar of Companies, Maharashtra at Mumbai.

ACKNOWLEDGEMENT CARD

The Company has obtained Acknowledgement Card for this Prospectus vide letter No. IMID/BKG/2559/2454/96 dated February 13, 1996 from the Securities and Exchange Board of India (hereinafter referred to as "SEBI").

DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE VETTING OF THE PROSPECTUS BY SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE PROSPECTUS. SEBI HAS VETTED THE PROSPECTUS FILED WITH IT FOR A LIMITED PURPOSE OF OVERSEEING, WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER CITIBANK N.A. HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 2, 1996 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS 1992 WHICH READS AS FOLLOWS :

- We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc. and other materials in connection with the finalisation of the Prospectus / letter of offer pertaining to the said issue;
- On the basis of such examination and the discussions with the Company, its directors and other officers, other agencies, independent verification of the statements concerning objects of the issue, projected profitability, price justification and the contents of the documents mentioned in the Annexure and other papers furnished by the Company,

WE CONFIRM that :

- the draft Prospectus forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issue;
 - all the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with ; and
 - the disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.
- We confirm that besides ourselves, all the intermediaries named in the Prospectus / Letter of offer are registered with SEBI and that till date such registration is valid.
 - We have satisfied ourselves about the network of the underwriters to fulfill their underwriting commitments.

This acknowledgement does not, however, absolve the Offerer / Constituted Attorney / Company from any liabilities under Section 63 of the Companies Act, 1956 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed offer. SEBI further reserves the right to take up, at any point of time, with the lead manager any irregularities or lapses in the Prospectus.

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

DISCLAIMER IN RESPECT OF JURISDICTION

This offer of Equity shares is made in India to the Indian Public. This Prospectus does not, however, constitute an offer to sell or an invitation to offer in respect of shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform himself about and to observe any such restrictions.

APPLICATIONS IN FICTITIOUS NAMES

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

"Any person who -

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

MINIMUM SUBSCRIPTION

IF THE COMPANY DOES NOT RECEIVE THE MINIMUM SUBSCRIPTION OF 90% OF THE ISSUED AMOUNT (INCLUDING OFFER FOR SALE), ON THE DATE OF THE CLOSURE OF THE ISSUE, THE COMPANY SHALL FORTHWITH REFUND THE ENTIRE SUBSCRIPTION AMOUNT RECEIVED. FOR DELAY BEYOND 78 DAYS FROM THE DATE OF THE CLOSURE OF THE ISSUE, IF ANY, IN REFUND OF SUCH SUBSCRIPTION, THE COMPANY SHALL PAY INTEREST AS PER SECTION 73 OF THE ACT.

ALLOTMENTS / REFUND ORDERS

Share Certificates/Allotment Letters and / or Refund Orders, as the case may be, will be despatched within ten weeks from the closure of the subscription list. For delays beyond this period the Company shall be liable to pay interest on delayed refunds as per Section 73 of the Act.

Refunds will be made by account payee cheques or pay orders drawn on the Company's bankers and payable at par at all the places where applications are accepted. The Company will ensure despatch of Refund Orders of value upto Rs. 1,500 under Certificate of Posting and Refund Orders of value over Rs. 1,500 as also Share Certificates by Registered Post as per the current guidelines. For this purpose adequate funds will be made available to the Registrar to the Issue.

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS ON THE DAYS MENTIONED BELOW:

ISSUE OPENS ON	: THURSDAY, MARCH 21, 1996
CLOSES ON	: TUESDAY, MARCH 26, 1996

ISSUE MANAGEMENT TEAM

LEAD MANAGERS TO THE ISSUE

CITIBANK N. A.

Corporate Finance and Capital Markets Group
9th Floor, Sakhar Bhavan
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MUMBAI 400 021.
Phone : (022) 287 27 67
Fax : (022) 287 26 75

KOTAK MAHINDRA CAPITAL COMPANY

Bakhtawar, 1st Floor
Nariman Point
MUMBAI 400 021.
Phone : (022) 282 66 55
Fax : (022) 282 66 30

ENAM FINANCIAL CONSULTANTS PVT. LTD.

24, B D Rajabhadur Compound
Ambalal Doshi Marg, Fort
MUMBAI 400 001.
Phone : (022) 265 01 72
Fax : (022) 265 31 93

ADVISORS TO THE ISSUE

BIRLA GLOBAL FINANCE LTD.

Apeejay House, 2nd Floor
Dr. V.B. Gandhi Marg
Fort, Mumbai 400 001.
Phone : (022) 2880660
Fax : (022) 2881088

CO-MANAGERS TO THE ISSUE

STATE BANK OF SAURASHTRA

Merchant Banking Bureau
H.O. Nilambaug Chowk
Bhavanagar 364 001
Phone : (0278) 20370-89
Fax : (0278) 22032

ALLBANK FINANCE LTD.

Allahabad Bank Building
18, Dr. Gopalrao Deshmukh Marg
Mumbai 400 026
Phone / Fax : (022) 386 53 45

ESCORTS FINANCE LTD.

Shah House
Shivsagar Estate
Worli, Mumbai 400 018
Phone : (022) 496 44 61
Fax : (022) 495 09 24

REGISTRARS TO THE ISSUE

KARVY CONSULTANTS LIMITED

8-2-621/A, Road No. 10
Banjara Hills
Hyderabad - 500 034.
Phone : (040) 312454
Fax : (040) 311968
Grams : KARVY

LEGAL ADVISORS TO THE ISSUE

AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO.

Solicitors & Advocates
Lentin Chambers, 3rd floor
Dalal Street, Fort
MUMBAI 400 023.

AUDITORS

DALAL DESAI & KUMANA

Union Cooperative Insurance Bldg.
23, Sir P. M. Road, Fort
MUMBAI 400 001.

CREDIT RATING

As the Issue is of Equity shares only, credit rating is not required.

TRUSTEES

The issue being of Equity shares, appointment of Trustees is not required.

UNDERWRITERS TO THE ISSUE

The Issue is not being underwritten

II. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL	Nominal Value (Rupees)	Issue Price (Rupees)
A. AUTHORISED		
10,000 14 % Cumulative Redeemable Preference shares of Rs.100/- each	10,00,000	
1,49,00,000 Equity shares of Rs.10/- each	<u>14,90,00,000</u>	
	<u>15,00,00,000</u>	
B. ISSUED, SUBSCRIBED AND PAID-UP		
1,35,00,000 Equity shares of Rs.10/- each	<u>13,50,00,000</u>	
	<u>13,50,00,000</u>	
C. FRESH ISSUE BY COMPANY		
10,00,000 Equity shares of Rs.10/- each for cash at a premium of Rs. 165/- per share in terms of this Prospectus	1,00,00,000	17,50,00,000
D. OFFER FOR SALE MADE IN TERMS OF THIS PROSPECTUS BY PROMOTERS		
26,25,000 Equity shares of Rs.10/- each for cash at a premium of Rs. 165/- per share in terms of this Prospectus	2,62,50,000	45,93,75,000
E. AGGREGATE SHARES BEING OFFERED IN TERMS OF THIS PROSPECTUS TO THE INDIAN PUBLIC		
36,25,000 Equity shares of Rs. 10/- each for cash at a premium of Rs. 165/- per share	3,62,50,000	63,43,75,000
F. EFFECT OF THE ISSUE ON THE PAID UP CAPITAL AND SHARE PREMIUM ACCOUNT		

	NO. OF SHARES	NOMINAL VALUE (Rs.)	SHARE PREMIUM ACCOUNT (Rs.)
Existing	1,35,00,000	13,50,00,000	NIL
Through this Public Issue	10,00,000	1,00,00,000	16,50,00,000
TOTAL	<u>1,45,00,000</u>	<u>14,50,00,000</u>	<u>16,50,00,000</u>

- A minimum of 50 % of the net offer to the public shall initially be made available for allotment to individual investors applying for shares not exceeding 1000. The balance 50% shall initially be made available for allotment to investors, including corporate bodies/institutions and individual investors who have applied for more than 1000 shares. Unsubscribed portion in either of these categories shall be added to the other category.
- As on October 30, 1995, the Promoters held 12876615 Equity shares constituting 95.38% of the existing Equity share Capital of the Company which has been allotted by the Company as under:

Date of Allotment	No. of shares	Face Value	Issue Price
13-10-1988	70	Rs. 10/-	Rs. 10/-
19-03-1990	8,99,930	Rs. 10/-	Rs. 10/-
16-11-1992	3,00,000	Rs. 10/-	Rights at Rs. 10/-
21-12-1992	2,30,735	Rs. 10/-	Rights at Rs. 10/-
26-03-1993	28,61,470	Rs. 10/-	Bonus shares
17-08-1995	85,84,410	Rs. 10/-	Bonus shares

The lock-in period for the Promoters' shareholdings will be applicable to 36,25,000 Equity shares as given below and shall commence from the date of allotment/allocation under the present issue.

Date of Allotment	No. of shares Locked-in	Lock-in Period
17-08-1995	36,25,000	4.5 years

The post issue holding by Promoters will be 1,02,51,615 Equity shares constituting 70.70% of the post issue Equity share capital of the Company. The abovementioned locked-in Equity shares will constitute 25% of the Equity share Capital of the Company after the present Public Issue.

- The shares offered for sale by the promoters have been allotted by the Company as under:

Date of Allotment	No. of shares	Face Value Rs.	Issue Price Rs.	Consideration
13-10-88	70	10/-	10/-	Cash
19-03-90	179930	10/-	10/-	Cash
16-11-92	60000	10/-	10/-	Cash
21-12-92	7960	10/-	10/-	Cash
26-03-93	560140	10/-	—	Bonus shares
17-08-95	1816900	10/-	—	Bonus shares
Total	<u>26,25,000</u>			

4. The details of the present Paid-up Equity share Capital of the Company are as follows:

Date of Allotment	No. of shares	Face Value (Rs./ share)	Aggregate FaceValue (Rs.)	Issue Price (Rs.)	Allottees
13-10-1988	70	10	700	10	Subscribers to Memorandum
19-03-1990	899930	10	89,99,300	10	The Bombay Oil Industries Limited
16-11-1992	300000	10	30,00,000	10	Promoters
21-12-1992	300000	10	30,00,000	10	Promoters & Others
26-03-1993	3000000	10	3,00,00,000	—	Bonus shares in the ratio of 2 : 1
17-08-1995	9000000	10	9,00,00,000	—	Bonus shares in the ratio of 2 : 1

Bonus shares referred to hereinabove have been allotted out of free reserves.

5. DETAILS OF TEN LARGEST SHAREHOLDERS AS ON THE DATE OF PROSPECTUS AND TEN DAYS PRIOR THEREOF

Name of shareholders	No. of shares held
Rishabh Harsh Trading and Investment Limited	2,160,000
Sanjay Nandana Trading and Investment Limited	2,160,000
Ajay Anuja Trading and Investment Limited	2,160,000
Madhav Nandini Trading and Investment Limited	2,160,000
Mr. H.C. Mariwala, jointly with Mrs. Archana H Mariwala	577,000
Mr. C.V. Mariwala, jointly with Mr. K.V. Mariwala (as Trustees of Mariwala Family (No. 2) Trust)	432,000
Mr. C.V. Mariwala, jointly with Mr. K.V. Mariwala (as Trustees of Mariwala Family (No. 3) Trust)	432,000
Mr. C.V. Mariwala, jointly with Mr. K.V. Mariwala (as Trustees of Mariwala Family (No. 4) Trust)	432,000
The Bombay Oil Industries Limited	432,000
Mr. Kishore V. Mariwala, jointly with Mrs. Hema K. Mariwala	388,000

6. DETAILS OF TEN LARGEST SHAREHOLDERS TWO YEARS PRIOR TO DATE OF PROSPECTUS

Name of shareholders	No. of shares held
Harsh Archana Trading & Investment Limited	720,000
Madhav Nandini Trading & Investment Limited	720,000
Ajay Anuja Trading & Investment Limited	720,000
Rishabh Harsh Trading & Investment Limited	720,000
Sanjay Nandana Trading & Investment Limited	720,000
Ravindra K. Mariwala jointly with Hema K. Mariwala	62,400
Rajendra K. Mariwala jointly with Anjali R. Mariwala	62,400
Shyam H. Mariwala jointly with Hansa H. Mariwala	56,883
Madhav H. Mariwala jointly with Nandini M. Mariwala	55,509
Harsh C. Mariwala jointly with Archana H. Mariwala	51,000

7. Allotment/Allocation in marketable lots

The allotment/allocation of shares would be in marketable lots of 100 shares. If during the process of rounding off, the number of Equity shares to the nearest multiple of 100 shares results in the actual allotment/allocation being higher than the Equity shares being offered in terms of this Prospectus, the Company, may allot additional fresh Equity shares upto a maximum of 10% of the size of the net public offer under category E above, in which case the public issue size may go up to the extent of such additional allotment.

III. TERMS OF THE PRESENT OFFER CUM ISSUE

The Equity shares now being offered are subject to the terms of this Prospectus, the Application Form, the Memorandum and Articles of Association of the Company (hereinafter referred to as the Memorandum and the Articles respectively), the provisions of the Act and the share Certificates to be issued. In addition to such terms, the Equity shares shall also be subject to the guidelines, notifications and regulations for the issue of capital and for listing of securities issued from time to time by the Government of India and/or other statutory authorities and bodies and any deeds or documents executed by the Company regarding the Public Issue.

Authority for the Issue :

The issue of fresh Equity shares by the Company has been authorised by the shareholders of the Company pursuant to Section 81(1A) of the Companies Act, 1956 by a Special Resolution passed at the Extra Ordinary General Meeting held on December 26, 1995. There is no authorisation required for the offer for sale portion of the Issue.

Principal Terms of Issue

Face Value of the share and Issue Price

Equity shares of Face Value Rs. 10 are being issued at a premium of Rs. 165 per share.

TERMS OF PAYMENT

The full amount of Rs. 175/- per Equity share will be payable on application.

Applications should be for a minimum of 100 Equity shares and in multiples of 100 thereafter and the amount payable for every equity share will be as follows:

	Against capital	Against premium	Total
On application (Rs.)	10	165	175

Where an applicant is allotted lesser number of shares than he has applied for, the excess application money will be refunded to the applicant, without interest, within 10 weeks from the date of closure of the subscription list in terms of Section 73 of the Act.

The offerers / Company will not be responsible for postal delay and loss in transit. Any claims, damages, or loss due to postal delays or loss in transit will not be entertained.

RANKING OF NEW EQUITY SHARES

The new Equity shares now being issued shall rank pari passu in all respects with the existing Equity shares of the Company except that they shall be entitled to dividend for the financial year in which they are allotted on a pro-rata basis from the date of allotment.

PROCEDURE FOR APPLICATION

Availability of Prospectus and Application Forms

The Prospectus and Application Forms with the Memorandum containing salient features of the Prospectus may be obtained from the Registered Office of the Company and the Lead Managers, Co-Managers, Advisors, Brokers and Bankers to the Issue as stated on the Application Form.

Applications by Indian Public

Applications must be made only :

- On the prescribed Application Form (white colour) accompanying the abridged Prospectus completed in full in BLOCK LETTERS in ENGLISH (except signatures) in accordance with the instructions contained herein and in the Application Form and are liable to be rejected if not so made.
- For a minimum of 100 Equity shares or in multiples thereof.
- In a single name or joint names (not more than three).
- In the name of resident Indian individuals, Limited Companies, Bodies Corporate or Statutory Corporations / Institutions, Hindu Undivided Families in the name of 'karta' and NOT in the name of Foreign Nationals, Non-Residents (except through an NRO A/c on a non repatriation basis), 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 of a Company), Minors, Partnership Firms or the nominees or agents of any of them.
- By Indian Mutual Funds / Financial Institutions authorised to invest in the Public Issue.
- In case of NRI's / Persons of Indian origin with address in India, seeking to apply for shares on a non-repatriation basis may do so on the same application form meant for Resident Indian Investors. Payments may be made by Cheques / Demand Drafts drawn out of NRO accounts.

PROCEDURE FOR PAYMENT

For Indian Public

- Payment should be made in cash or by cheque or by bank draft or by stockinvest. Money orders/postal orders will not be accepted. Cheques or bank drafts should be drawn on any Bank (including a Cooperative Bank) which is situated at and is a member or sub-member of the bankers' clearing house located at the place where the Application Form is submitted. Outstation cheques or bank drafts will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. A separate cheque or stockinvest or bank draft should accompany each Application Form. All cheques or bank drafts must be crossed "A/c PAYEE ONLY" and drawn in favour of any of the Bankers to the Issue as mentioned therein and marked as "A/c MARICO-Equity Issue" eg. "CITIBANK - A/c MARICO-Equity Issue".
- For further instructions, please read the Application Form carefully.
General conditions applicable to all applicants
 - To avoid any misuse of the instruments viz. cheques/drafts, etc. submitted alongwith the Application Forms, the applicants are advised in their own interest to mention the serial number of the Application Form on the reverse of the instrument.
 - To prevent any fraudulent encashment of refund orders by third parties, the applicants are advised in their own interest to provide information in the Application Form in the space so provided regarding their savings bank/ current account number and the name of the bank with which the said account is held to enable the Registrars to put the said details in the refund order after the name of the payee.
- All Application Forms duly completed together with cash/cheques/bank drafts/stockinvest for the amount payable on application at the rates mentioned elsewhere in this Prospectus must be delivered before the closing of the subscription list to any of the Bankers to the Issue named herein or to any of their branches mentioned on the reverse of the Application Form and NOT to the Company or to the Lead Managers or the Registrars to the Issue. A separate cheque or bank draft or stockinvest must accompany each Application Form. Application Forms duly completed may also be delivered before the closure of the Subscription List to any of the designated collection centres of Karvy Investor Services Centres which are mentioned in the Application Form. Such Application Forms should be accompanied by cheque/demand draft/stockinvest. Collection Centres are not authorised to accept cash.
- No receipt will be issued for the application money received. However, the Bankers to the Issue and/or their Branches receiving the applications will acknowledge receipt by stamping and returning to the applicants the acknowledgement slip at the bottom of each Application Form.
- If the amount payable on application is Rs. 20,000 or more, such payment should not be effected in cash and must be effected only by way of an Account Payee cheque or an Account Payee draft, in terms of Section 269 SS of the Income Tax Act, 1961. Otherwise the application will be rejected and application money refunded without any interest.
- If the application is for equity shares of the total value of Rs. 50,000 or more, the applicant, or in case the application is in joint names, each of the applicants should mention his/her Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 or GIR number and the Income Tax Circle / Ward / District. In case neither PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned. Application Forms without this information will be considered incomplete and are liable to be rejected.
- The offerers / Company will not be responsible for postal delay and loss in transit. Any claims, damages or loss due to postal delays or loss in transit will not be entertained.
- For further information, please read the Application Form carefully.

PROCEDURE FOR PAYMENT BY STOCKINVEST

- Applicants can use stockinvests for payment of the application money. Applicants using stockinvests should submit the Application Forms alongwith the instrument to any of the Bankers to the Issue mentioned in the Application Form. Stockinvests are payable at par at all the branches of the issuing bank and as such, outstation stockinvests can be attached to the Application Form. However, it should be ensured that the bank from which the stockinvest is purchased has a branch in Mumbai. Applicants should use only separate stockinvest alongwith each application for subscription to the Issue.

2. Applicants have to fill in the following particulars on the stockinvest :
 - i) the title of the account i.e. Marico Industries Limited
 - ii) the number of Equity shares applied for
 - iii) the amount payable on application for the same
 - iv) the name and address of the applicant where the stockinvest should be returned in case of non-allotment.
 3. The instrument should thereafter be signed by the applicant. It should also bear the rubber stamp of the bank issuing the instrument and should be crossed "A/C Payee Only" and made payable to the Company. Service charges for issuing the stockinvests must be borne by the applicant.
 4. Stockinvests should be utilised by the purchasers and the purchaser's name / name of one of the purchasers should be invariably indicated as the first/sole applicant in the Application Form. Thus, if the signature of the purchaser on the stockinvest and the signature of the first applicant on the Application Form does not tally, the application will be treated as having been accompanied by a third party stockinvest and is liable to be rejected. In case the stockinvest is purchased in joint account, the names of both the account holders should be mentioned in the stockinvest instruments in the place mentioned for writing the name of the investor.
 5.
 - i) The currency of the stockinvest shall not exceed 4 months. However, the instrument should be used within 10 days of purchase.
 - ii) The date of issue of the stockinvest by the issuing bank should be clearly mentioned on the instrument.
 - iii) The instrument should be duly signed by the authorised officer of the bank, giving his code number.
 - iv) The instrument should bear the code number and address of the issuing bank branch.
 - v) The amount written on the Application Form to be deposited and the amount of the stockinvest instrument accompanying the Application Form should be same.
 6. Applicants should not fill in the portion to be filled up by the Registrars to the Issue (on the right hand portion of the instrument).
 7. No Refund Orders will be issued to applicants, using stockinvests for payment of application money.
 8. Applications submitted alongwith stockinvests not conforming to the above guidelines are liable to be rejected.
 9. In case of non-allotees, the cancelled stockinvests will be returned to the applicants alongwith the relative advice.
 10. In case of partial / full allotment, stockinvests will be sent to the issuing bank through the controlling branches of the Bankers to the Issue for collection.
 - i) Applicants may please note that in case of partial or non-allotment, lien shall be lifted in the following manner :
 - a) In case of non-allotment, on presentation by the applicants to the issuing bank of the stockinvest duly cancelled by the Registrars.
 - b) In case of partial allotment (for unutilised amount) on receipt of advice from the controlling branches of the Bankers to the Issue as to the amount collected or on surrender of unutilised / cancelled stockinvests received by the applicants directly from the Registrars.
 - ii) In case the cancelled / partially utilised stockinvest is not received by an applicant from the Registrars, lien will be lifted by the issuing bank on expiry of four months from the date of issue of the instrument against an indemnity bond from the applicant.
 11. The Registrars to the Issue have been authorised by the Company vide the Board Resolution passed on February 2, 1996 to sign on behalf of the Company for realising the proceeds of stockinvests of the allottees from the issuing bank or to cancel the stockinvests of the non / partial allottees or who have enclosed more than one stockinvest. The cancelled instrument with non-allotment advice shall be returned by the Registrars to the applicants directly.
 12. Enquiries relating to stockinvests should be addressed only to the Registrars and not to the issuing bank.
 13. Multiple applications under a single stockinvest will be rejected as each application is required to be accompanied by a separate instrument.
- In addition to the above, the recent RBI guidelines dated 02.09.94 on modification of the stockinvest scheme state the following :-

- a) The stockinvests should be restricted to individual investors and mutual funds only. Stockbrokers, corporate bodies, banks and financial institutions will not be allowed this facility.
- b) The stockinvests should be issued only against term deposits, credit balances available in savings bank or current accounts.
- c) The stockinvest instrument should not be issued in blank. The applicant should get the banks to fill in the name of the capital issuing Company (in this case "Marico Industries Limited") before the stockinvests are issued to them.
- d) The applicant should ensure that the banks issue stockinvests only if they have made arrangements at all the mandatory centres as decided by SEBI from time to time (presently 30 - including 21 centres where stock exchanges are situated).

Attention of the applicants is further drawn to the "INVESTOR GUIDANCE SERIES NO. V" issued by the Securities and Exchange Board of India relating to the STOCKINVEST SCHEME.

GENERAL INSTRUCTIONS

JOINT APPLICATION

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

MULTIPLE APPLICATIONS

An applicant should submit only one application 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 the first applicant is one and the same. The Board reserves the right to reject in its absolute discretion, all or any multiple applications. However, Mutual Funds applying in the issue may make separate applications for each scheme and such applications will not be regarded as multiple applications.

APPLICATIONS UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES

In the case of applications under a Power of Attorney or by Limited Companies or Corporate Bodies, the relevant Power of Attorney or the relevant authority, as the case may be or a duly certified copy thereof (together with a certified true copy of the Memorandum and Articles in case of Limited Companies or Corporate Bodies) must be attached to the Application Form or must be lodged separately at the office of the Registrars to the Issue simultaneously with the submission of the Application Form mentioning the serial number of the Application Form and the bank branch where the application has been submitted, failing which the application is liable to be rejected.

OVERSUBSCRIPTION

In the event of the present Issue being oversubscribed by more than 2 times, allotment of Equity shares will be finalised on proportionate basis in consultation with the Bombay Stock Exchange in the presence of a SEBI nominated representative in marketable lots.

TAX BENEFITS

The Company has been advised by its Auditors viz. Dalal Desai & Kumana, vide their Letter dated December 01, 1995 that following benefits would be available to the Company and to the Members of the Company under the provisions of the Income Tax Act, 1961 (hereinafter referred to as the Act) and other applicable laws for the time being in force :

A. TO THE COMPANY

1. Under Section 32 of the Act depreciation is allowable in respect of some of the assets specified in the Appendix 1 to rule 5 like boilers etc. @ 100%.
2. Under Section 35 of the Act :
 - i) the Company will be entitled to a deduction of the whole of capital expenditure (other than land) incurred on scientific research related to the business carried on by the Company in the year in which such expenditure is incurred.
 - ii) Company will also be entitled to deduction equal to 125% of the amount paid to any National Laboratory functioning under the aegis of specified institutions, or University or I.I.T. for research under approved programmes.

3. Under Section 35AB of the Act, the Company can amortise any lump sum consideration paid in acquiring any knowhow for use for the purpose of business over a period of 6 years.
4. Expenditure of the nature specified in Section 35D of the Act can be amortised over a period of 10 years under the provisions of the said section subject to the limits specified therein.
5. Under Section 80 HHC of the Act, the Company will be entitled to a deduction in respect of profits as determined under the said section, attributable to export of goods.
6. Under Section 80-IA of the Act, the Company will be entitled to a deduction of an amount to the extent of 30% of the profits and gains derived from the new industrial undertaking (Kanjikode factory) subject to the conditions specified in the said section in respect of ten assessment years commencing from the assessment year relevant to the previous year in which the Company's new undertaking begins to manufacture or produce articles. This deduction is restricted to the installed capacity as on March 31, 1995.
7. Under Section 80 M of the Act, the Company will be entitled to a deduction in respect of the dividends received from domestic Company as does not exceed the amount of dividend distributed by the Company to its members before the due date of filing the return of income as provided under the said section.
8. In accordance with and subject to the provisions of Section 112 of the Act, long term capital gains accruing to the Company will be subject to tax @ 30% (to be increased by applicable surcharge) only instead of normal rate of tax applicable to the Company.

B TO THE RESIDENT MEMBERS OF THE COMPANY

- (a) Under Section 80 L of the Act, a deduction from the gross total income upto a maximum of Rs. 13,000 in the aggregate per year in respect of any income of the nature specified in the said section including dividends from Companies, may be claimed by Individuals, Hindu Undivided Families and such other persons as are specified in the said Section.
 - (b) (i) Under Section 48 of the Act, for the purpose of computing long term capital gains arising out of sales of shares indexed cost of acquisition / improvement computed with respect to cost inflation index will be allowed to be deducted from the sale price of the shares.
 - (ii) Under Section 112 of the Act, long term capital gains accruing on sale of shares of the Company held for more than twelve months is taxable at a lower rate.
- (c) Members, being domestic company will be entitled to a deduction under Section 80 M of the Act of an amount equal to :
 - (i) in case of scheduled bank, public financial institution, state financial corporation or state industrial investment corporation or Company registered under Section 25 of the Companies Act, 1956, 60% of the dividend income received from the Company and included in the gross total income.
 - (ii) in case of any other domestic company, to the extent the net income by way of dividends received by it from the Company does not exceed the dividend distributed by it before the due date for furnishing the return of income.
 - (d) Under Section 10(23D) of the Act, all mutual funds set up by public sector banks or financial institutions or mutual funds authorised by the Securities and Exchange Board of India will be exempt from income tax on all their income, including income from investment in the shares of the Company.
 - (e) Individuals, resident in India, can receive dividends without deduction of income-tax at source provided :
 - (i) the amount of such dividend paid during the financial year does not exceed Rs. 2,500, or
 - (ii) 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 the tax on his estimated total income of the previous year in which such dividend income is to be included in computing his total income, will be nil.
 - (iii) the assessing officer on being satisfied that the total income of the member justifies no deduction of income tax or deduction of tax at lower rate, gives a certificate in writing to that effect in the prescribed manner.
 - (f) shares not being an asset, within the meaning of section 2(m) of the Wealth tax Act, 1957, are not liable to wealth tax.

IV. PARTICULARS OF THE ISSUE

OBJECTS OF THE OFFER

In order to enable the Company to comply with the listing requirements of the Stock exchanges, the Offerers named below have agreed to offer for sale of 26,25,000 Equity shares of Rs. 10/- each for cash at a premium of Rs. 165/- per share and for which they have irrevocably constituted the Company as their attorney for the sale thereof. The Company will accordingly act as the attorney of the Offerer in connection with the sale of the aforesaid Equity shares of the Company and the sale proceeds received will be paid by the Company to the Offerer net of expenses or will be disposed off in accordance with the instructions of the Offerers:

Offerer	No. of shares
Mr. C.V. Mariwala } As	
Mr. K.V. Mariwala } Trustees of :	
Mariwala Family (No. 1) Trust	2,80,000
Mariwala Family (No. 2) Trust	4,32,000
Mariwala Family (No. 3) Trust	4,32,000
Mariwala Family (No. 4) Trust	4,32,000
The Bombay Oil Industries Ltd.	4,32,000
Harsh C. Mariwala jty. with	
Archana H. Mariwala	2,84,000
Kishore V. Mariwala jty. with	
Hema K. Mariwala	1,77,000
Rajendra K. Mariwala jty. with	
Anjali R. Mariwala	82,000
Ravindra K. Mariwala jty. with	
Hema K. Mariwala	55,900
Ravindra K. Mariwala jty. with	
Paula R. Mariwala	18,100
Total	26,25,000

Note : Of the total issue proceeds of Rs. 6343.75 lacs, Rs. 4593.75 lacs are going to the promoters on account of the offer for sale.

OBJECTS OF THE ISSUE

The proceeds of the fresh issue of 10,00,000 Equity shares of Rs. 10/- each for cash at a premium of Rs. 165/- will be used for the following purposes :

1. Towards part repayment of long-term loan and debentures aggregating to Rs. 1125 Lacs as under :

Name of Lender	Principal Amount	Date of Repayment
GIC Mutual Fund	300 Lacs	June 1996
Citibank N.A.	375 Lacs	August 1996
U.T.I.	200 Lacs	October 1996
SCICI	250 Lacs	February 1997
Total :	1125 Lacs	

2. To augment the long-term working capital funds of the Company.
3. To meet partly the expenses of the Issue, listing and other incidental expenses aggregating to approximately Rs. 130 Lacs.

V. COMPANY, MANAGEMENT AND PROJECT HISTORY AND PRESENT BUSINESS

The Company was incorporated on October 13, 1988 under the name of Marico Foods Limited. It obtained the Certificate of commencement of business on November 22, 1988. The name of the Company was changed to Marico Industries Limited w.e.f. October 31, 1989. Seven members of the Mariwala family were the subscribers to the Memorandum and Articles of Association of the Company. In March 1989, The Bombay Oil Industries Limited agreed to provide expert services in technical, financial and managerial matters connected with the initial setting up of the projects of the Company in consideration of controlling the majority of the composition of the Board of Directors of the Company. As a result of this arrangement, the Company became a subsidiary of The Bombay Oil Industries Limited.

In April 1990, the Company commenced its commercial operations by taking over the business of consumer products division of The Bombay Oil Industries Limited (BOIL). The manufacturing operations commenced by taking on licence the factories of BOIL located at Sewree and Mazgaon in Mumbai. The licence

agreement for Mazgaon factory was renewed from time to time till February 1993 whereupon on stabilisation of the Company's operations at Jalgaon factory the licence agreement was terminated. The licence agreement for Sewree unit has been renewed from time to time and presently is valid upto December 31, 2000 on a monthly licence fees of Rs. 3 lacs plus reimbursement of actual expenses incurred by BOIL if any in respect of the factory. The workforce at this plant are on the rolls of the Company. The Company has complied with the relevant formalities in connection with the takeover of the consumer products division of BOIL.

The Company entered into a Registered Users Agreement dated September 26, 1990 with BOIL for the use of the brands "Parachute" and "Saffola" for an initial period of 3 years commencing from April 1, 1990 on payment of royalty @ 1%, 0.75% and 0.50% for the 1st, 2nd and 3rd year respectively on the net ex-factory sale price of the products Parachute Coconut Oil and Saffola Refined Kardi Oil. The said agreement was initially renewed for a further period of 3 years expiring on March 1996 on a royalty of 0.75% and has now been renewed in perpetuity subject to payment of royalty at the rate of 0.75% of the net ex-factory sale price of the products Parachute Coconut Oil and Saffola Refined Kardi Oil. No royalty is payable on any extensions of these brands. BOIL is entitled to terminate this agreement in the event of the shareholding of the Mariwala Group in the Company falling below 25% of the paid up capital at any point of time or Mariwala group loses control over the Company or in the event of the Company committing breach of payment terms.

In December 1989, the Company entered into an agreement with M/s. Rasoi Industries Limited for purchase of its unit located at M.I.D.C. Industrial Estate, Jalgaon at an aggregate consideration of Rs. 175 Lacs. This unit had a licence to crush 60,000 tons of seeds. In due course this unit was refurbished and modernised and commercial operations commenced in October 1990. This unit now manufactures Refined Edible Oils with an installed refining capacity of 27500 tonnes of oil.

In order to meet the growing requirement for coconut oil and to take advantage of the nearness to the source of main raw material, the Company established a new plant at Kanjikode, Palghat District, Kerala to manufacture Parachute Coconut Oil. This plant with capacity of 24000 tons of coconut oil per annum began commercial operation in May, 1993.

The Company is engaged in the business of manufacture and marketing of branded personal care products, edible oils, fabric care products and processed foods. The Company's products are sold under the brand names PARACHUTE, SAFFOLA, SWEEKAR, MARICO'S HAIR & CARE, REVIVE and SIL.

The products Parachute Coconut Oil, Saffola and Sweekar are manufactured at the Company's factories. Products Marico's Hair & Care, Revive Instant Starch, Parachute Amla and Parachute Herbal are manufactured on job work basis as per the Company's quality specifications and under the brand names of the Company. Presently, the Company has two SSI Units namely M/s. Amardeo Plastic Industries having its factory at Plot No. D-309/310, T.T.C. Industrial Area, MIDC Turbhe, Navi Mumbai - 400 613 and M/s. May & Win Enterprises Pvt. Ltd. having its factory at Plot No. R-565, Rabale MIDC, Navi Mumbai - 400 701 who are engaged in manufacture of the said products. As the manufacture of these products does not require sophisticated technology, creation of additional capacity would not be a constraint at these units. Alternatively, the Company could also source their requirements by entering into arrangements with similar SSI Units located elsewhere.

The SIL range of jams and food products are manufactured by Kanmoor Foods Limited (KFL) and marketed by the Company. KFL is a subsidiary of BOIL and the Company has a shareholding interest of Rs. 1.45 crores in the paid up equity capital of Rs. 4.95 crores of KFL. The Company has acquired the Brand 'SIL' from KFL in March 1995 for an aggregate consideration of Rupees Three crores. The Company has permitted KFL to use the brand name 'SIL' for sales to institutions and for exports for a period of 3 years commencing from April 01, 1995 on a royalty of 0.75% of the net sales value payable at the end of each financial year.

COMPANY'S PRODUCTS

The brands 'PARACHUTE' and 'SAFFOLA' are owned by The Bombay Oil Industries Limited a Company in which the promoters are interested.

The Brands Sweekar, Revive and Marico's Hair & Care are the Company's own brands. The brand 'SIL' previously owned by Kanmoor Foods Limited has been assigned to the Company by a Deed of Assignment dated March 29, 1995.

PARACHUTE AND PARACHUTE UTTAM - Coconut Oil

Indians have been using Coconut Oil for centuries, buying it loose, from the nearest shopkeeper. PARACHUTE was one of the first branded Coconut Oil available in convenient consumer packs which changed the way the people

looked at this product. Made from superior grade Copra, it gave people an assurance of quality and purity. Today, Parachute's distinctive blue bottle has become a household feature. It has captured around 54.9% of the branded urban coconut oil market (Source ORG Retail Store Audit - Coconut oils - September 1995) with around three crore regular consumers both in India and abroad. PARACHUTE was ranked number 5 brand by the A & M Mode Survey, 1995 in the Western Region.

SAFFOLA - Refined Safflower Oil

The saturated fat content in the cooking oil is one of the main reasons leading to coronary heart diseases. In comparison to other oils, kardi oil has the highest percentage of linoleic acid, a poly unsaturated fatty acid (PUFA) which contributes to lowering the cholesterol level. Saffola which evolved out of this effort, is the most popular nationally marketed brand of refined kardi Oil in the market today.

It won the Most Outstanding 'Brand of the Year' Award instituted by the Advertising Club of Bombay for 1993.

SWEEKAR - Refined Sunflower Oil

Sunflower oil contains around 88 % unsaturated fatty acids and only 12% saturated fatty acids, the latter being one of the main cause of health problems. Not surprisingly, in this health conscious age, it is the fastest-growing segment in the edible oil market. As a result, Marico's refined sunflower oil brand, Sweekar, has been growing rapidly ever since its launch in 1990. It's twin benefits - taste enhancement and healthiness - have made it the number two brand in the sunflower oil category. (Source ORG Retail Store Audit - Refined Oils consumer packs July-September 1995).

MARICO'S HAIR & CARE

Marico saw a marketing opportunity inherent in the consumer problem of limp and under-nourished hair and launched Hair & Care, a non-greasy, perfumed light hair oil with Vitamin E which provides nourishment to hair roots. The brand now has a 5.6% market share (Source ORG Retail Store Audit - Hair oils January - September 1995) in Hair Oil Segment (resulting in 22.5% share of the non greasy segment).

REVIVE - INSTANT STARCH

Starching of cotton fabrics is a laborious process when done at home, and expensive if given to a laundry. To address this problem, the Company developed an instant (cold water) starch, Revive. It gave consumers a hassle-free way to starch their clothes at home.

SIL - FRUIT JAMS

Under this brand, Marico markets a range of fruit jams, made from wholesome, orchard fresh fruits. SIL jams today have a 9.3% share of the market on all-India basis and 14.5% in western region. (Source ORG Retail Store Audit - September 1995).

SIL also has a range of ready-to-use processed foods like Sweet Corn Cream Soup, Soya and Chili sauces, Mayonnaise and Baked beans.

PARACHUTE AMLA

This product which has been recently test launched combines the goodness of Amla in a base of coconut oil.

PARACHUTE HERBAL

This product has been nationally launched recently. It provides a unique combination of coconut oil, herbs and almond extract to the consumer.

PAST FINANCIAL PERFORMANCE OF THE COMPANY

FINANCIAL PERFORMANCE

The highlights of the Company's financial performance for the last five years and for six months ended September 30, 1995 are as under :

(Rs. in lacs)

	Sept. 30, 1995 (6 months)	March 31 1995	March 31 1994	March 31 1993	March 31 1992	March 31 1991
Installed Capacity-Oil in M.T.						
Raw Oils	31300	31300	31300	7300	7300	7300
Refined Oils	27500	27500	27500	22500	15120	15120
Capacity Utilisation (%)						
Raw Oils	64.01 Ⓞ	48.63	30.60	93.17	86.85	77.99
Refined Oils	65.07 Ⓞ	63.99	44.45	31.01	40.52	40.80
Ⓞ Annualised						
SALES						
Domestic						
- Manufactured Products	15458	27192	23035	20981	15912	10571
- Traded Products	243	862	418	-	-	-
Exports (FOB Value)						
- Manufactured Products	187	280	191	51	32	12
Other Income	86	105	84	34	22	14
Total Income	15974	28439	23728	21066	15966	10597
Cost of Materials	8358	16075	13266	13047	10727	6742
Manufacturing Expenses	5618	9522	8218	5822	4127	3147
Profit before Interest						
Depreciation and Taxation	1998	2842	2244	2197	1112	708
Finance Charges	469	611	583	552	468	242
Depreciation for the year	125	324	170	166	27	12
Less : Excess Depreciation written back	286	-	-	-	-	-
	(161)	324	170	166	27	12
Profit before Tax	1690	1907	1491	1479	617	454
Tax	480	725	855	860	332	210
Profit after Tax	1210	1182	636	619	285	244
Profit after Tax (without depreciation writeback)	924	1182	636	619	285	244
Dividend on Equity shares (%)	-	15	12	20	-	-
				(pro-rata)		
Share Capital	1350	450	450	450	90	90
Reserves & Surplus	2827	2517	1403	821	525	240
Net Worth	4177	2967	1853	1271	615	330
Loan Funds	3822	2252	1476	1280	969	471
EPS(Rs.)	17.93 @	26.26	14.13	13.75*	31.67	27.11
Book Value (Rs.)	30.94 *	65.94	41.17	28.24*	68.29	36.62
Gross Profit Margin (%)	9.62	7.87	7.03	7.82	4.04	4.40
Net Profit Margin(%)	5.81	4.17	2.69	2.94	1.79	2.31
Return on						
Net worth (%)	28.97 \$	39.84	34.32	48.70	46.34	73.94

* On enhanced capital

@ Annualised on Enhanced Capital
\$ For six months only

Interim Dividend @ 25% on pro-rata basis paid for the financial year 95-96
Notes :

- The accounts of the Company are prepared under the historical cost convention on the basis of a going concern with revenues recognised and expenses accounted for on accrual basis.
- Other income includes lease income and profit on sale of investment, if any.
- A. Loans and advances as on 30th September 1995 comprise of:

Rs. in Lacs	
Loans to employees	28.45
Advance to employees	38.86
Prepaid Expenses	47.44
Lease Rent receivable	0.87
Advances to suppliers	851.22
Advance Sales Tax	67.50
Others	50.46
Balance with central excise	0.33
Deposit with government/semi government authorities & others	889.34
	1974.47

B. Age Analysis of debtors as on 30.9.95

Less than Six months	1201.39
More than Six months	84.71
	1286.10

4. No loans/advances have been made to the directors of the Company.
5. Significant Changes in Accounting Policies

1992-93 :

- (a) Depreciation on fixed assets used for Research and Development, including the assets, acquired in the earlier years has been charged at 100% and not at the rates specified in Schedule XIV, as was done in the preceding years. Consequently, depreciation for the year is higher by Rs. 26,84,172.
- (b) The method of determining the cost of finished goods and work in process has been changed from absorption costing to direct costing so as to include variable costs only, resulting in the inventories at the year end being lower by Rs. 21,58,723/-. Certain refinements have also been carried out in the basis of allocating variable costs and valuation of stores and spares, the impact of which on valuation of inventories is not material.
- (c) Depreciation on assets given on lease has been charged at rates prescribed under the Income-tax Act and not at the rates specified in Schedule XIV. Consequently, depreciation for the year is higher by Rs. 35,59,938/-.

The said policy was continued during the subsequent financial years 1993-94 and 1994-95.

Half year ended September 30, 1995 :

The Company has made the following changes in its accounting policy on depreciation and investment to fall in line with the Accounting Standards prescribed by the Institute of Chartered Accountants of India which have become mandatory with effect from 1.4.1995.

Depreciation on assets given on lease is charged over the period of lease as against rates under Income-tax Act. Depreciation on assets used for Research and Development is charged as per Schedule XIV as against 100%. Consequently, excess depreciation charged in earlier years of Rs.286.49 Lacs is written back ; and depreciation charged for the period is lower and profits higher by Rs. 64.45 Lacs. Current investments are valued at lower of costs or market value computed category wise. The diminution in the value of current investment as at 30th September, 1995 amounting to Rs.12.48 lacs has been provided for in the accounts. The profit for the period is therefore lower to this extent. Other significant accounting policies are as per the auditors report contained elsewhere in this Prospectus.

In the opinion of the Directors, there were no developments or circumstances that could materially and adversely affect or is likely to affect the trading or profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

Management discussion and analysis of the financial condition and results of the operations as reflected in the financial statements :

a. Comparison of significant items of income and expenditure

1. Half Year ended September 30, 1995

For the half year ended September 30, 1995, total revenues at Rs. 159.74 crores have grown by 12% on annualised basis. Improved realisations and increase in volumes in the main products ranging from 10% to over 20% have contributed to the growth.

Profits before tax at Rs. 16.90 crores includes Rs. 2.86 crores on account of writeback of depreciation on leased and R&D assets,

necessitated by the mandatory change in accounting standards with effect from April 01, 1995. Even otherwise, the adjusted operating profit registered a sharp growth of 47% (annualised) over the previous period. Volume increases, improved product margins due to better realisations, lower material costs and gains in yields and efficiencies resulted in a spurt in profits and more than adequately offset the higher overhead expenses.

Profits after tax for the six month period ending September 1995 at Rs. 12.10 crores are already higher than those achieved in the previous year. Provision for tax is lower primarily because of the benefits from new manufacturing undertaking at Kanjikode.

2. Financial Year ended March 31, 1995

Gross revenues at Rs. 284 crores were 19.8% over the previous year. Volume growths were registered by all products, the increase ranging from 7% to over 40% in the main products. Other products also registered higher volumes and turnovers.

Profits before tax increased by 28% to Rs. 19.07 crores while profit after tax increased by as much as 86% to Rs. 11.82 crores. All round growth in volumes contributed to the improved profit performance. Provision for tax was substantially lower, mainly due to the benefits flowing from the new industrial undertaking, tax break from investments in fixed assets and the reduction in the marginal rate of tax from 57.5% to 46% for closely held companies.

b. Unusual or infrequent events or transactions

1. a. Despatches from Sewree plant was stopped for over 20 days during January - February 1995 due to a dispute with local excise authorities which has since been resolved. The Central Board of Excise & Customs has issued relevant clarifications which confirms the Company's standpoint.
- b. An accident at our Jalgaon plant in August, 1995 resulting in death of five persons (not employees). The plant was voluntarily closed for two days as a mark of respect and has since been working normally.
2. Economic Changes
 - a. Edible oil imports have been placed under OGL. This policy change will increase the supply of edible oils and provide increased opportunity for the manufacturers.
 - b. Volatility in rate of exchange may have an inflationary effect on cost of imports. The Company is not dependent on imports as its requirements are adequately met by the domestic market.

3. Known Trends and Uncertainties

Apart from the risk, as disclosed elsewhere in the Prospectus, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

4. The relationship between costs and revenues are being constantly monitored with the objective of ensuring maintenance / improvement in profitability. Subject to competitive conditions, cost escalations are passed on.
5. Increases in total revenues are primarily due to the volume growths registered in the main product categories. New products are also showing improving trends. However, these do not significantly contribute to the Company's turnover.
6. Entire turnover of the Company comes from the branded consumer non-durable industry which encompasses personal care, foods, household products.
7. There are no major publicly announced new product launches other than Parachute Herbal - a line extension of 'Parachute' Brand.
8. There are no products sold which are seasonal in nature.
9. The Company has multiple supplier and customer base.
10. The Company in an effort to promote exports has taken steps to open a liaison office in Dubai. Permission from RBI and the U.A.E. Government for setting up the office has already been obtained. Administrative formalities are being completed with and the office is likely to commence functioning during the earlier part of 1996.

MANUFACTURING FACILITIES

The Company has two factories located at Jalgaon, Maharashtra and Palakkad, Kerala. Apart from these the Company has taken on licence the factory of The Bombay Oil Industries Limited situated at Sewree, Mumbai.

MANUFACTURING FACILITIES

FACTORIES	JALGAON	KANJIKODE	SEWREE
OWNERSHIP STATUS	Owner	Owner	Licensee (Owner - The Bombay Oil Industries Ltd.)
LOCATION - Area - District - State	M.I.D.C. Industrial Area Jalgaon Maharashtra	New Industrial Development Area Palghat Kerala	B.P.T. - P. PLOT Mumbai. Maharashtra
LAND - Title - Area	Leasehold (MIDC) 59238 sq. mts.	Freehold (assigned by Govt.) 22.485 Acres	Leasehold (BPT) 3001.01 sq. mts. The lease has expired in 1985 and an eviction suit is pending in Small Causes Court, Bombay. Following a Bombay High Court judgement in similar matter, BOIL has agreed for an out of court settlement of the matter in terms of the judgement. The liability on this count is being arrived at by BPT on payment of which the lease would be renewed for a further period of 30 years.
BUILDINGS - Constructed Area - No. of Buildings/Sheds	8888.28 sq. mts. 11 units comprising of: Refinery Boiler House Oil Mill and Seed Storage Godown Finished goods, Packing Materials and filling shed Workers Lunch Room Pump House Engineering & Lab. Building Administrative Building Security Cabin Electric House	56270 sq. feet 13 units comprising of : Oil Mill and Cake Godown Copra Godown PM Godown/Filling Plant/FG godown Boiler House Power House and Generator Room Engg. Stores and workshop Weighbridge and room Administrative Bldg. Amenity centre Security cabin Pump Room Parking area	1623.32 sq. mts. 3 Units comprising of : Main building [filling, milling and office] Quality Control Lab and filling hall Workers Block
PLANT & MACHINERY - Main Machineries	Description & Nos. Expellers - 4 Centrifugals - 3 Vacuum Drier - 1 Bleacher - 1 Pressure Test Filters - 1 Deodourizer - 1 Chilling Plant - 1 Auto Filling machine - 1 Pouch Filling machine - 4	Description & Nos. Silo & Conveyor system - 2 Copra Cutters - 2 Bean Conditioner - 1 Expellers - 6 pairs Filter Presses - 4 Filling Machines - 10 D.G. Sets - 3 Transformer - 1 Boiler - 1 Weigh Bridge - 1 Storage Tanks	Description & Nos. Expellers - 7 Cutter - 1 Filter Press - 4 Sparkle Filters - 2 Bean Conditioner - 1 Filling machines - 6 Boiler - 1 Inject Printer - 1
Labour - Staff - Workers	43 67	32 123	41 81
Power - Connected Load - Contracted Load - Standby Generator	1200 KW 600 KVA 1 No. of 250 KVA	1000 KVA 450 KVA —	247.5 H.P. 200 KVA —
Steam	Oil Fired Boilers 2 Nos. Thermic fuel boiler 2 Nos. Capacity - 4 lac. K. cal.	Boiler 1 No.	Boiler 1 No.
Water	Annual consumption 72000 M ³ Source M.I.D.C.	No consumption of water in process Source Borewell	No consumption of water in process Source B.M.C.
Pollution - Water - Air	Consent expired on 31.12.94 - Renewal applied for Not applicable	Not applicable Consent valid upto 31.12.96	Valid upto 31.10.2009 Consent expired on 31.8.95 Applied for renewal on 17.8.95
Raw Material	Kardi Seeds, raw Kardi Oil and Sunflower oil	Copra	Copra
INSTALLED CAPACITY	27500 M.T. REFINED OIL	24000 M.T. RAW OIL	7300 M.T. RAW OIL

Manufacturing Process at Jalgaon :

The oilseeds after inspection/analysis for refraction and other parameters of quality are crushed in expellers for obtaining raw oil. The raw oil is then subjected to neutralisation with caustic lye and the neutralised oil is then bleached in a bleacher with bleaching earth to obtain filtered bleached oil. This is then subjected to de-odourisation and the refined final product so obtained is filled into packs. The crushing technology adopted by the Company is indigenous and is in successful operation. The residual oil cake is sold in the market for cattle feed usage.

Manufacturing Process at Sewree and Kanjikode :

Dry coconut (copra) after inspection/analysis for oil content and other parameters of quality is cut into pieces and then cooked with steam. The cooked copra is then crushed to collect the coconut oil which is then filtered twice and after quality check is packed for despatch to sales outlets. The residual oil cake is then packed for despatch to a solvent extraction plant at Dhoraji (Gujarat) wherein by a process of solvent extraction oil is extracted. The solvent extracted oil is then sold for industrial use while the deoiled cakes are sold in the market. At times depending upon the market conditions, the residual oil cake is sold directly in the market without being subjected to any further process of solvent extraction.

MANUFACTURING PROCESS AT OUTSIDE LOCATIONS

The manufacture of the products Marico's Hair & Care, Revive Instant Starch, Parachute Amla and Parachute Herbal carried out at outside locations involves basic processing technology.

REVIVE INSTANT STARCH -

Starch is mixed with granules and other ingredients including perfumes to obtain the final product. The granules are produced by a process involving mixing, wet grinding, drying and dry grinding.

MARICO'S HAIR & CARE, PARACHUTE AMLA AND PARACHUTE HERBAL

The process consists of mixing the ingredients as per the required formulation and filling the same in packs of required sizes.

All raw materials required for the purpose including packing materials are provided by the Company and the job worker only provides other production facilities including labour. The finished products packed in whole sale packs are collected by the Company and despatched to the Company's depots all over India.

Technology :

The Company possesses the necessary technology and process know-how which are well established and running satisfactorily.

MAIN OBJECTS OF THE COMPANY

Main Objects to be pursued by the Company on its incorporation :

1. To carry on the business of manufacturers, exporters, importers, dealers and merchants of vegetable products, oils, stearine, fatty acids, acetylene, gas, starch, glucose, margarine, 'shortening' compounds, cooking mediums, salad oils, refined oils and all other allied products and by-products and the preparation of all or any of the said products or substances and for that purpose to maintain, erect and work oil mills and factories.
2. To carry on the business of extracting or manufacturing or producing synthetic edible, unedible or vegetable oil either by crushing or by chemical or any other process from copra, cotton-seed, linseed, castorseed, groundnuts, til or any other nut or seed or other oil-bearing substance whatsoever.
3. To carry on the business of boiling oil of any description whatsoever.
4. To carry on the business of manufacturers, importers and exporters of and dealers and merchants in copra, cotton seed, linseed, castor-seed, groundnuts, til or any other seed or oil-bearing substance whatsoever and oil cakes.
5. To carry on the business of manufacturers, producers, buyers, sellers and processors of and dealers in milk products and milk preparations, biscuits, breads, chapatis, chutneys, masala mixes, cakes, pastries, confectionery, sweets, chocolates, toffees, breakfast foods, proteins, foods, cereal products, wheat flakes, provisions, poultry products, sea foods, vegetable fruits and fruit products.

The main objects clause of the Memorandum of Association enables the Company to undertake its present activities.

SUBSIDIARY OF THE COMPANY.

The Company has no subsidiaries.

PROMOTERS AND THEIR BACKGROUND

In 1862, Kanji Moorarji left his native Kutch to make his fortune in Mumbai. He started a small business, trading in spices and other goods. A business that

flourished and grew, earning for the family a reputation as experts in pepper ('Mari' in Gujarati), so much so that they came to be known as the 'Mariwalas'. In 1948, the family set up The Bombay Oil Industries Limited (BOIL) which in turn set up several manufacturing facilities in Mumbai. These were :

1. A coconut oil extraction plant
2. A vegetable oil refinery
3. A Chemical plant

BOIL became one of the leaders in the industrial chemicals field bagging several awards for exports. Next, it entered the spice business, setting up a spice extracts (oleoresins) factory at Angamally, Kerala.

The day to day management of BOIL was carried out by the Chairman and Managing Director with whole-time Directors being responsible for the individual Divisions subject to the overall supervision of the Board of Directors.

In 1990, Business divisions were hived off into separate companies while the fatty acids and chemical division continued to function as part of BOIL. The spice extracts division was spun off into a new company called Kancor Flavours and Extracts Limited and the Consumer Products Division was spun off into Marico Industries Limited which had been incorporated in 1988. At this time, Consumer Products Division manufactured Parachute Coconut oil and Saffola Refined Kardi Oil. Sweekar Refined Sunflower Oil had just been launched and was at its nascent stage.

The responsibility for the day-to-day operational management of the various companies was delegated to specified members of the Mariwala family. However as growth of the various companies was not uniform and it was felt that the pattern of ownership and control was not suited to the needs of the present date and had the effect of stunting individual enterprise. Certain differences arose in that behalf which were finally resolved under law and accordingly the members of the Mariwala family were to carry out reconstitution and restructuring of the management of the entities under the group with the intention of reconciling the conflicting objectives. Pursuant to the reconstitution, the following persons namely Charandas V. Mariwala, Kishore V. Mariwala, Harsh C. Mariwala are in overall control of the Company.

Mr. Charandas V. Mariwala, a graduate in Commerce was one of the founder promoters of the BOIL and has been on its Board since inception. Since then, he has been closely associated with the Oil Industry and Trade and has occupied a prominent position in it. He has held several positions in the Govt. / Quasi-Govt. Bodies and was Chairman of the Development Council for Oils, Detergents and Paints in the Ministry of Industry, Govt. of India. He was President of the Central Organisation for Oil Industry and Trade and Vanaspati Manufacturers' Association of India. He was the first Indian to be on the Consultative Committee of the International Association of Seed Crushers and holds the distinction of being the first Indian to be invited to present papers two times at the International Oilseeds Congress. He was a member of the Govt. of India's Advisory Council for trade for several years. He was President of the Indian Merchants' Chamber, Mumbai in the year 1972 and presently is a Trustee of the Chamber. He was a Trustee of the Mumbai Port Trust for over 8 years. He was a member of the Managing Committee of the Federation of Indian Chambers of Commerce & Industry, New Delhi for nearly 25 years. He has over four decades of Industrial and Trading experience and has been Chairman and Managing Director of the BOIL since 1987 and Chairman of Marico Industries Limited since 1988.

Mr. Kishore V. Mariwala, a Chemical Engineer from Massachusetts Institute of Technology, U.S.A joined the Board of BOIL in 1970. He has been closely associated with the Chemicals Division of BOIL and under his leadership, the R&D Wing of BOIL developed indigenous technology for manufacture of Fatty Amines & Nitrites and received the prestigious Sir P.C. Ray Award for the same. Similarly, BOIL evolved a process for manufacture of Hydrogenated Castor Oil and 12-Hydroxy Stearic Acid under his leadership and was awarded the ASSOCHAM Award for import substitution. He was an honorary visiting professor of the University Department of Chemical Technology at Mumbai for 1993-94. He has been past President of Indian Chemical Manufacturers Association, Oil Technologists Association and member of the American Institute of Chemical Engineers, Royal Chemical Society, American Chemical Society etc. He has over two decades of industrial experience.

Mr. Harsh C. Mariwala, a Graduate in Commerce from the Sydenham College, Mumbai, joined the Board of Directors of BOIL in 1975. He is the moving force behind the transformation of what was earlier a commodity business, into a vibrant consumer brands Company. He is the architect of the strategy to make Marico a sharply focussed brands Company and has been instrumental in expanding and beefing up the marketing infrastructure over the years, positioning it among the top five fast moving consumer goods wholly Indian companies for marketing excellence in the country. He has nurtured this business for the past two decades with hands-on experience of the market and

its needs. He is also responsible for transforming Marico into a highly professionally managed organisation. The environment that he has helped create has enabled Marico to attract the best of talent from the various management and professional schools and institutes. With his orientation towards people, he has undertaken pathbreaking HRD practices which have won for the Company, the prestigious National Award for HRD during 1994. He is Chairman HRD-Committee and Managing Committee Member of Confederation of Indian Industry, Western Region, Mumbai. He is the Managing Director of this Company since July 1991.

Apart from Individual members of Mariwala family and their family controlled trusts and BOIL the shareholdings in the Company is held by four Investment and Trading Companies namely :

- a) Rishabh Harsh Trading & Investment Ltd.
- b) Sanjay Nandana Trading & Investment Ltd.
- c) Madhav Nandini Trading & Investment Ltd.
- d) Ajay Anuja Trading & Investment Ltd.

The above named companies are investment companies whose only source of income is dividend received on investments. These companies are in turn controlled by the Family controlled Trust and The Bombay Oil Industries Limited.

The individual members of the Mariwala family referred hereinabove together with their immediate relatives, BOIL and the Investment Companies above named control the majority of the shareholdings of the Company and are deemed to be promoters for the purpose of this Prospectus.

The other Companies presently managed by the Promoters are :

1. THE BOMBAY OIL INDUSTRIES LTD.

The Bombay Oil Industries Ltd. was incorporated on 20th February 1948 and is presently engaged in manufacture and/or marketing of industrial chemicals, leasing and hiring of storage tanks etc. The financial performance of the Company for the past three years is as under :

(Rs. Lacs)

Year Ending	March 1993	March 1994	March 1995
Sales	934.79	709.06	838.62
Other income	308.44	309.53	424.80
Expenses	1100.75	835.23	991.92
PBIDT	142.48	183.36	271.50
Interest	(157.98)	(91.74)	(69.41)
Depreciation	(65.18)	(79.43)	(84.16)
PBT (Loss)	(80.68)	12.19	117.93
Tax	0.60	0.47	0.30
Profit after Tax (Loss)	(81.29)	11.72	117.63
Share Capital - Equity	0.60	0.60	0.60
- Preference	16.00	@	-
Reserves and Surplus	1208.79	1220.52	3082.90 *

* Includes Revaluation Reserve Rs. 1744.75 Lacs.

@ Preference shares Redeemed

There are no outstanding litigation pertaining to matters likely to affect operation and finances of the Company except the following and as mentioned elsewhere in the Prospectus :

- 1) Contingent Liabilities of The Bombay Oil Industries Ltd. (BOIL) not provided for : (i) Guarantees to banks/finance companies Rs. 1613.75 lacs (ii) Letters of credit of Rs. 18.93 lacs (iii) Claims not acknowledged as debts Rs. 4.54 lacs (iv) Bad debts Rs. 29.76 lacs. Letters of credit are opened in the normal course of business for imports.
- 2) Eviction suit filed by BPT pending in the Small Causes Court, Mumbai in respect of property at 'P' Plot, Fosberry Road, Sewree, Mumbai. Negotiations for compromise in line with the Bombay High Court Judgement in similar matter is under progress and is likely to be resolved shortly resulting in the lease being renewed for a further 30 years. The approximate liability arising on this compromise would be Rs. 60 lacs.
- 3) Eviction suit filed by the Original Lessee of Q shed, Fosberry Road, Sewree, Mumbai - 400 033 for possession and recovery of past rents aggregating to Rs. 5.67 lacs. The Original Lessee have by consent terms with Bombay Port Trust (BPT) been evicted from the premises. BPT has in turn filed an eviction suit against BOIL for possession and negotiations for compromise is under progress and is likely to be resolved shortly resulting in the lease being renewed for a further 30 years. The approximate liability on this compromise would be Rs. 10 lacs.

2. HINDUSTAN POLYAMIDES & FIBRES LTD.

Hindustan Polyamides and Fibres Ltd. was incorporated on 25th February 1965. It became a subsidiary of The Bombay Oil Industries Limited in 1988. During the financial year 1988-89, it acquired the assets of the Chemical division of Weikfield Products Co. India Pvt. Ltd. located at Koregaon Bhima near Pune and commenced its commercial operations. It is presently engaged in manufacturing and marketing of specialty chemicals. The financial performance of the Company for the past three years is as follows :

(Rs. Lacs)

Year Ending	March 1993	March 1994	March 1995
Sales	187.06	158.31	311.13
Other income	18.74	23.99	43.76
Expenses	165.76	188.05	276.02
PBIDT	40.04	(5.75)	78.87
Interest	(25.53)	(25.52)	(20.67)
Depreciation	(10.30)	(10.73)	(11.84)
PBT (Loss)	4.21	(42.00)	46.36
Tax	0.00	0.00	0.00
Share Capital	30.01	30.01	30.01
Investment Allowance			
Reserve	11.38	11.38	11.38
Deficit in Profit & Loss A/c.	145.82	187.86	141.50

There are no outstanding litigations pertaining to matters likely to affect operation and finances of the Company.

3. EPRO BIOTECHNOLOGIES LTD.

Epro Biotechnologies Limited, a subsidiary of The Bombay Oil Industries Limited, was incorporated on 13th March 1989 and has been in the business of marketing seeds. Financial performance of the Company for the past three years is as follows :

(Rs. Lacs)

Year Ending	March 1993	March 1994	March 1995
Sales and other income	64.46	41.00	24.01
Expenses	324.63	166.58	46.33
PBIDT (Loss)	(260.17)	(125.58)	(22.32)
Interest	(39.02)	(37.50)	(44.19)
Depreciation	(0.49)	(0.51)	(0.61)
PBT / (Loss)	(299.68)	(163.59)	(67.12)
Tax	0.00	0.00	0.00
Share Capital	90.00	90.00	90.00
Deficit in Profit & Loss A/c.	345.67	509.26	576.38

The Company's overdraft facilities with Indian Bank are overdue to the extent of Rs. 240 lacs. The Company has submitted a proposal to its bankers for rescheduling of the repayment of its overdraft facilities.

Claims not acknowledged as debts in respect of EPRO Rs. 1.52 lacs.

There are no outstanding litigation pertaining to matters likely to affect operation and finances of the Company except the following:

- a. Two civil suits have been filed against the Company at Ahmedabad for recovery of an aggregate amount of Rs 172552/-. The Company does not admit the liability and is contesting the suits.

4. KANMOOR FOODS LTD.

Kanmoor Foods Ltd., a subsidiary of The Bombay Oil Industries Limited, was incorporated on 31st January 1991 and has been manufacturing and marketing Processed Foods, Spices, Rice, etc. Financial performance of the Company for the past three years is as follows :

(Rs. Lacs)

Year Ending	March 1993	March 1994	March 1995
Sales	3991.50	1565.14	1082.83
Other income	32.25	30.22	321.55
Expenses	5221.36	1852.30	983.58
PBIDT (Loss)	(1,197.61)	(256.94)	420.80
Interest	(465.50)	(324.57)	(366.24)
Depreciation	(5.82)	(9.62)	(16.30)
PBT (Loss)	(1,668.94)	(591.13)	38.26
Excess provision written back	—	—	7.67
Tax	—	—	—
Share Capital	90.00	90.00	90.00
Share Application Money	—	—	—
Pending allotment	—	—	405.00
Deficit in Profit & Loss A/c.	1628.75	2219.88	2173.95

The Company has negotiated rescheduling of repayment of its overdraft facilities with its consortium of bankers.

Contingent liabilities of KFL not provided for:

- i. Guarantees issued by Bank - Rs. 0.15 lacs.
- ii. Claims not acknowledged as debts - Rs. 10.66 lacs.
- iii. Disputed milling tax Rs. 7.31 lacs.
- iv. Liabilities towards replenishment of licences - Rs. 21.86 lacs.
- v. Doubtful advances / debts not provided for - Rs. 208.79 lacs.

KFL is optimistic of recovering the doubtful advance / debts.

There are no outstanding litigation pertaining to matters likely to affect operation and finances of the Company except the following:

a. Civil suit for Rs 140579/- filed at Udipi decreed against the Company. The Company has filed an appeal to set aside the decree which is pending hearing.

Besides the above, there are five non-operational Investment Companies whose only source of income, if any, is dividend received on investments.

- a. C.K. Trading & Investment Pvt. Ltd.
- b. H.J. Trading & Investment Pvt. Ltd.
- c. J.C. Trading & Investment Pvt. Ltd.
- d. K.H. Trading & Investment Pvt. Ltd.
- e. Arctic Investment & Trading Pvt. Ltd.

There is no conflict of interest amongst various group companies.

MANAGEMENT

The day to day management of the Company is vested in the Managing Director subject to the overall supervision and control of the Board of Directors. Mr. Charandas V. Mariwala is the Chairman of the Company and Mr. Harsh C. Mariwala is the Managing Director.

BOARD OF DIRECTORS

Name, address, Description	Age / Occupation	Other Directorships
Mr. Charandas V. Mariwala Chairman S/o. Late Vallabhdas V. Mariwala Sudha Kunj, 3 Tardeo Road, Mumbai 400 034. Experience - 47 yrs.	74, Industrialist	Chairman & Managing Director of The Bombay Oil Industries-Ltd. Director of : Hindustan Polyamides & Fibres Ltd. National Garage Ltd. Jayant Vitamins Ltd. Devidayal Electronics & Wires Ltd. Bombay Licenses Measures Ltd. C.K. Trading & Investment Pvt. Ltd. Committee Member of : Associated Chambers of Commerce & Industry.
Mr. Kishore V. Mariwala S/o. Late Vallabhdas V. Mariwala Sudha Kunj, 3 Tardeo Road, Mumbai 400 034. Experience-25 years.	60, Industrialist	Director of : The Bombay Oil Industries Ltd. Kanmoor Foods Ltd. Epro Biotechnologies Ltd. Excel Industries Ltd. Patspin India Limited K.H. Trading & Investment Pvt. Ltd.
Mr. Harsh C. Mariwala S/o Mr. Charandas V. Mariwala Sudha Kunj, 3 Tardeo Road, Mumbai 400 034. Managing Director Experience -20 years	44, Industrialist	Director of : The Bombay Oil Industries Ltd. Kanmoor Foods Ltd. Epro Biotechnologies Ltd. C.K. Trading & Investment Pvt. Ltd. K.H. Trading & Investment Pvt. Ltd. Unichem Laboratories Limited

MANAGEMENT TEAM

The Company has a functional organisation structure with each function headed by a Vice President, suitably qualified and experienced. Apart from Mr. Harsh C. Mariwala, the Managing Director, the Top Management Team comprises:

Name and Age (Years)	Designation	Qualifications	Experience (Years)
Mr. Jeswant Nair (39)	Vice President (Personnel)	Post Graduate Diploma in Industrial Relations & Welfare	18
Mr. Pranab K. Datta (46)	Vice President (Finance)	B.Com., A.C.A.	23
Mr. Rajendra Aggarwal (46)	Vice President (Operations)	B.Tech (Hons), MMS(Bom)	22
Mr. Shreekant Gupte (43)	Vice President (Marketing)	B.Tech. (Hons) IIT, PGDM (IIM-C)	19
Mr. Arvind Kumar (37)	Vice President (Commodities & Exports)	B.A. (Hons), PGDM (IIM-A)	16

Jeswant Nair has a Post Graduate Diploma in Management from XLRI, Jamshedpur with specialisation in Human Resource Management. His experience in industry spans 18 years in reputed companies such as Asian Paints Ltd., Garware Paints Ltd., Blue Dart Ltd.

Pranab Datta is a Chartered Accountant with multi-functional experience in Finance and Accounts, Sales, Marketing and Corporate Planning. His experience of 23 years, of which the last five years are with the Company, include Voltas, Rallis and Nelco. He oversees the Finance, Systems and Legal functions of the Company.

Rajendra Aggarwal is an Engineering Graduate from IIT, Mumbai and holds a Post-Graduate Degree in Management from Jamnalal Bajaj Institute of Management Studies, Mumbai, with specialisation in Marketing. His career in Marketing spans over two decades which includes experience in Colgate Palmolive, Balsara, Singers, Boots, Golden Tobacco, etc. He joined the Company almost five years ago as Head of Marketing and is currently overseeing the Manufacturing Operations of the Company.

Shreekant Gupte is an Engineering Graduate from I.I.T., Kanpur and holds a Post-Graduate Diploma in Management from IIM, Calcutta. His earlier experience in companies such as Asian Paints, Garware Paints, etc., have largely been in the area of Manufacturing Management and Marketing Management. He started his career in the Company as Head of Manufacturing and is currently in charge of the Marketing Operations.

Arvind Kumar is an Honours Graduate from St. Stephens College, Delhi and holds a Post-Graduate Diploma in Management from IIM, Ahmedabad. Prior to his joining the Company, he gathered experiences in manufacturing in Asian Paints, Pepsi Co. India. He heads the critical Commodity Buying Operations and is also spearheading the export efforts of the Company.

MATERIAL CHANGES IN KEY PERSONNEL

There have been no material changes in the key management personnel within one year prior to the date of filing the offer documents with the Registrar of Companies/Stock Exchanges. There have been changes in the Board of directors which are detailed elsewhere.

PARTICULARS OF CAPITAL ISSUES MADE DURING THE LAST THREE YEARS

The Company has made the following issues of equity shares during the period January 1993 to December 1995.

Date	No. of shares	Consideration
March 26, 1993	30,00,000	Bonus shares
August 17, 1995	90,00,000	Bonus shares

JUSTIFICATION FOR PREMIUM

The premium of Rs. 165 per equity share has been determined in consultation with the Lead Managers to the issue and is in accordance with the Special Resolution conveying approval thereto passed at the Extra Ordinary General Meeting of the Company held at Mumbai on December 26, 1995.

The following consideration have influenced the fixing of the premium :

I. Qualitative factors :

1. The Company is one of the Leading Indian Consumer Brands Company in the country with a critical mass of turnover and profits.
2. The Company has been consistently making profits since its inception, declaring dividends and has issued bonus shares twice during the last five years.
3. All the brands viz. Parachute, Saffola, Sweekar, Revive, Marico's Hair & Care and SIL are firmly established in their respective product categories. Parachute and Saffola are the clear market leaders and Revive, a pioneering concept has the potential to become generic to the category. Sweekar, and SIL occupy number two position in their respective segments (Source - ORG Retail Store Audit - Refined oils Consumer pack - July - September 1995 and Jams - January - September 1995).
4. The Company has a strong and well established network of 1400 domestic distributors, 9 overseas distributors and over 3,00,000 retailers.
5. Dynamic and Professional Management.
6. None of the assets have been revalued.

II. Quantitative factors :

1. 89 % of the present paid up capital has been issued by capitalisation of free reserves.
2. Compounded Sales and Profit after tax Growth - 28% and 48% respectively over the period 1994-95 v/s 1990-91.
3. The highlights of the Company's financial performance for the last three years :

(Rs. in lacs)

Year ended	March 31 1993	March 31 1994	March 31 1995	Sept. 30 1995 (6 months)
Profit after Interest Depreciation & Extraordinary Item	1479	1491	1907	1690 (Rs. 1404 Lacs without depreciation writeback)
Profit after tax	619	636	1182	1210 (Rs. 924 Lacs without depreciation writeback)
Paid up Share Capital	450	450	450	1350
Earnings per share Rs.	13.75	14.13	26.26	17.93 # (Annualised) (Annualised without depreciation writeback 13.7)
Book value per share Rs.	28.24	41.17	65.93	30.94 #
Reserves	821	1403	2514	2827
Dividend	20 % (pro-rata)	12 %	15 %	-

- on enhanced capital

Interim Dividend @ 25% on pro-rata basis paid for the financial year 95-96.

The offer price of Rs. 175 per share represents a price earnings multiple of around 9.76, based on the annualised results for the half year ended 30th. September, 1995 as against the price earning ratio range of comparable Consumer Product Companies of 18.8 to 49.2.

The Lead Managers are of the opinion that considering the past performance record and future potential of the business, the issue price is fair and reasonable.

4. Financial Ratios of the Company compare favourably with the multinational fast moving Consumer Product Companies.

The Market Value, Book Value, EPS and PE data of branded consumer product companies may be considered relevant for evaluation of the equity of the Company.

Name of the Company	Market Price as on Nov. 10, 1995 Rs.	Current		
		EPS Rs.	P/E Ratio	Book Value Rs.
Lakme Limited	304	16.2	18.8	52.9
Dabur Limited	216	10.5	20.6	57.5
Nirma Limited	570	25.5	22.3	66.8
Hindustan Lever Ltd.	598	13.0	45.9	36.8
Nestle India Ltd.	312	6.3	49.5	35.9
Reckitt & Colmann	239	5.4	44.3	27.6
Colgate Palmolive (India) Limited	274	5.6	49.2	21.7
Marico	175 (Issue price)	17.9 * 13.7 \$	9.76 12.77	30.94

* Annualised

\$ Annualised without depreciation writeback

[Source - Economic Times November 13, 1995].

Looking at the consistent growth of the Company and in view of the composite advantages which the Company enjoys, the offer price of Rs. 175/- per share is justified. The offer price has been fixed by the Offerers / Constituted Attorney in consultation with the lead managers and is considered to be reasonable and justified.

STOCK MARKET DATA

As the shares of the Company are not listed, the details are not applicable.

COMPANIES UNDER THE SAME MANAGEMENT

There is no Company under the same management within the meaning of Section 370 (1-B) of the Act.

PROMISE VERSUS PERFORMANCE

The shares of the Company are being offered to the public for the first time and hence particulars not applicable.

INVESTORS GRIEVANCE REDRESSAL

There will be a special cell for the purpose headed by the Company Secretary, based at the Registered Office. The cell will be assisted by the Registrars to the Issue.

DETAILS OF ADVERSE EVENTS AFFECTING THE OPERATIONS OF THE COMPANY, OCCURRING WITHIN ONE YEAR PRIOR TO THE DATE OF FILING THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES

There were no material adverse events except as mentioned elsewhere in the Prospectus affecting the operation of the Company occurring within one year prior to the date of filing the Prospectus with the Registrar of Companies.

Note : All known and identified liabilities have been acknowledged and accounted for and necessary disclosure is made in the Prospectus.

OUTSTANDING LITIGATION AND STATUTORY DUES / DEFAULTS

1. Civil suit filed at Bhatinda against Company for Rs. 2.21 lacs. The liability is disputed by the Company.
2. Contingent Liabilities not provided for : (i) Disputed tax liabilities of Rs. 20.65 lacs. (ii) Letters of credit of Rs. 94.87 lacs. Letters of credit are opened in the normal course of business for imports.
3. Suit against one of Company's advertisement for 'PARACHUTE AMLA' filed by Dabur India Ltd. at Delhi and ex-parte injunction obtained. Damages claimed Rs. 5 lacs. Company is contesting the suit and has applied for vacation of the stay which is yet to be heard.
4. The Company has agreed in principle, to provide the bankers of Kanmor Foods Ltd. (KFL), a guarantee covering KFL's outstandings with its banks, of Rs. 12 crores. The guarantee, if issued will be secured by a counter guarantee from The Bombay Oil Industries Ltd. (BOIL), the holding Company of KFL, and a residual charge on the Bhandup property of BOIL, valued currently at approximately Rs. 18 crores.

5. The Company's products are subject to sampling at regular intervals under the Prevention of Food Adulteration Act. On the report of analysis indicating a variation from the specifications complaints are filed in the Court. Such complaints are a regular feature in the case of similar companies. Till date in none of the cases filed against the Company have the decision of the courts gone against the Company. The year wise break up of cases filed against the Company are as under :

Year	Number of Cases
1991	1
1992	4
1993	5
1994	2
1995	1

The minimum financial liability in any of these cases is quantified as Rs. 1000/- together with imprisonment for a term not less than 3 months. In all these cases, the Company has challenged the findings of the analysis and is confident of successfully defending itself.

6. The Company had stopped payment of a cheque for Rs.2 Lacs issued to one of its ex job- worker, on failure to produce proof of expenses incurred in support thereof and for non-compliance of the contractual terms against which the job-worker has filed a Criminal suit under Section 138 of the Negotiable Instruments Act against the Company, its managing director and senior executives. The Company has filed an application for dismissal of the complaint which is yet to be heard as the court is vacant. The Company is confident of successfully defending itself in the matter. The Company has in turn filed a suit in the Bombay High Court for recovery of Rs. 10.42 Lacs towards cost of raw materials and finished goods not returned by the job-worker.
7. In pursuance to the accident that occurred on August 06, 1995 at the Company's Jalgaon factory resulting in the tragic death of 5 contract workmen, a charge sheet has been filed by the police u/s. 304 (A) of the I.P.C. relating to negligence against four executives of the Company and the deceased contractor. As the death occurred due to an accident the Company is confident of defending the charges before the court. In view of the nature of the accident it is possible that other proceeding may be taken under law. However, till date the Company has not been notified of any such proceedings.
8. Notice received u/s 33 (A) of Water (P&C of Pollution) Act 1974 from MPCB in respect of Jalgaon factory for violation of effluent norms. As the violation is marginal, Company is confident of resolving the issue and has sought time to comply with the norms.

Save the above there are no other outstanding litigation pertaining to matters likely to affect operations and finances of the Company.

RISKS AS PERCEIVED BY THE MANAGEMENT AND MANAGEMENT'S PERCEPTION OF RISK FACTORS

Internal:

1. The Company's requirement of funds has not been appraised by any financial institution / bank. The deployment of the proceeds of the proposed Composite Issue shall be entirely at the discretion of the management.
- The requirement of funds is based on the Company's own estimates. However, it may be mentioned that ICRA has rated the Company's Commercial paper at A1+ and MAA+ for its NCD and Fixed deposit.
2. Nearly 70% of the turnover of the Company originates from the brands "Parachute" and "Saffola" for which the Company has entered into a Registered Users Agreement with The Bombay Oil Industries Ltd. (BOIL) to use the brands exclusively.
- Under the agreement the Company has a right to use the brands/marks in perpetuity. In addition the Company has preemptive right to purchase the brands/marks in the event BOIL desires to sell.
3. BOIL can terminate the Registered Users Agreement if the stake of Mariwala Group falls below 25% in the Company or Mariwala group loses control over the Company.
- The right to terminate ensures effective control over the usage of the marks by BOIL (Regd Proprietor) and which is in compliance with statutory requirements.
4. Civil suit filed at Bhatinda against Company for Rs. 2.21 lacs. The liability is disputed by the Company.

5. Contingent Liabilities not provided for : (i) Disputed tax liabilities of Rs. 20.65 lacs. (ii) Letters of credit of Rs. 94.87 lacs.

Letters of credit are opened in the normal course of business for imports.

6. Suit against one of Company's advertisement for 'PARACHUTE AMLA' filed by Dabur India Ltd. at Delhi and ex-parte injunction obtained. Damages claimed Rs. 5 lacs.

Company is contesting the suit and has applied for vacation of the stay which is yet to be heard.

7. The Company has agreed in principle, to provide the bankers of Kanmor Foods Ltd. (KFL), a guarantee covering KFL's outstandings with its banks of Rs. 12 crores.

The guarantee, if issued will be secured by a counter guarantee from BOIL, the holding Company of KFL, and a residual charge on the Bhandup property of BOIL, valued currently at approximately Rs. 18 crores.

8. 5 cases against Directors and 8 cases against nominees of the Company have been filed under the Prevention of Food Adulteration Act. If convicted minimum financial liability is Rs. 1000/- and imprisonment of 3 months.

The Company's products are subject to regular sampling under the said Act. Till date none of the cases filed have been decided. The Company has challenged the findings of the analysis and is confident of defending itself.

9. Criminal suit under Section 138 of the Negotiable Instruments Act filed against the Company, its managing director and senior executives by an ex-job worker for stopping payment of a cheque for Rs. 2 lacs.

Payment stopped for non-compliance of contractual terms and failure to produce proof of expenses. Application for dismissal of complaint is pending hearing. Company has in turn filed a suit in the Bombay High Court for recovery of a sum of Rs. 10.42 lacs from the ex-job worker.

10. Criminal case for negligence filed u/s 304 (A) of I.P.C. against Company officials and deceased contractor at Jalgaon for accidental death of contract workmen.

As deaths occurred due to an accident, the Company is confident of defending the charges before the Court.

11. Notice received u/s 33 (A) of Water (P&C of Pollution) Act, 1974 from MPCB in respect of Jalgaon factory for violation of effluent norms.

As the violation is marginal, Company is confident of resolving the issue and has sought time to comply with the norms.

12. 4 flats taken on licence for monthly rents of Rs. 10000 (1flat) and Rs. 8000 (3 flats) and 1 godown hired for storage on monthly charges of Rs. 8760.

The rents/hire charges paid are commensurate with prevailing market rates.

13. Eviction suit filed by BPT against BOIL in Small Causes Court, Mumbai in respect of property at Sewree, Mumbai.

BOIL has agreed to compromise the suit in line with a Bombay High Court judgement. The financial liability is likely to be around Rs. 60 lacs.

14. Contingent Liabilities of BOIL not provided for : (i) Guarantees to banks/finance companies Rs. 1613.75 lacs (ii) Letters of credit of Rs. 18.93 lacs (iii) Claims not acknowledged as debts Rs. 4.54 lacs (iv) Bad debts Rs. 29.76 lacs.

Letters of credit are opened in the normal course of business for imports.

15. Eviction suit filed against BOIL in respect of premises at Q. Shed, Sewree, Mumbai.

BOIL is contesting the suit and is confident of resolving the issue.

16. EPRO Biotechnologies Ltd. (EPRO) has overdues of Rs. 240 lacs in its overdraft facility with Indian Bank.

A proposal for rescheduling of repayment of the facility has been submitted to the bank for consideration.

17. Claims not acknowledged as debts in respect of EPRO Rs. 1.52 lacs.

18. Two Civil suits for an aggregate amount of Rs. 1.73 lacs against EPRO at Ahmedabad.

The Company has disputed the liability and is contesting the suits.

19. Civil suit for Rs. 1.41 lacs filed at Udipi decreed against Kanmor Food Ltd. (KFL).

KFL has filed an appeal to set aside the decree which is pending hearing.

20. Contingent liabilities of KFL not provided for: (i) Guarantees issued by Bank - Rs. 0.15 lacs. (ii) Claims not acknowledged as debts - Rs. 10.66 lacs. (iii) Disputed milling tax Rs. 7.31 lacs. (iv) Liabilities towards replenishment of

licences - Rs. 21.86 lacs: (v) Doubtful advances / debts not provided for - Rs. 208.79 lacs.

KFL is optimistic of recovering the doubtful advance / debts.

21. Losses incurred by group companies viz. BOIL during 1992-93, Hindustan Polyamides & Fibres Ltd. during 1993-94, KFL during 1992-94 and EPRO during 1992-95.

All the above group companies except EPRO have made profits during the year 1994-95.

Risk factors mentioned at items 14 to 21 relating to BOIL, EPRO and KFL have no bearing on the Company's operations and liabilities, if any, shall be borne by the respective companies.

External:

1. Increased competition in the personal care segment from new entrants may affect the Company's profitability.

However, with well entrenched Brands, an established Distribution Network and its skills in Brand Building, the Company believes it has an effective competitive edge which will enable it to combat emerging competition.

2. The availability of raw materials, largely agri-based are subject to the risk of vagaries of nature and the consequent fluctuations in their prices may have a bearing on the profitability.

The Company on the basis of its experience in the recent past does not foresee any difficulty in procurement of primary raw materials viz. oils and oilseeds. The policy of the Government of India in permitting imports of oils under open general licence would further ensure that these raw materials are available at reasonable prices throughout the year. The vulnerability on profitability has been substantially contained on one hand through increasing equity of the various brands, sharp focus on efficiency programmes and on the other hand by diversifying the sources of raw materials.

PROJECT INFORMATION

OBJECTS OF THE ISSUE

The proceeds of the fresh issue of 10,00,000 Equity shares of Rs. 10/- each for cash at a premium of Rs. 165/- will be used for the following purposes :

1. Towards part repayment of long-term loan and debentures aggregating to Rs. 1125 Lacs as under :

Name of Lender	Principal Amount	Date of Repayment
GIC Mutual Fund.	300 Lacs	June 1996
Citibank N.A.	375 Lacs	August 1996
U.T.I.	200 Lacs	October 1996
SCICI	250 Lacs	February 1997
Total :	1125 Lacs	

2. To augment the long-term working capital funds of the Company.
3. To meet partly the expenses of the Issue, listing and other incidental expenses aggregating to approximately Rs. 130 Lacs.

PART II

A. GENERAL INFORMATION

CONSENTS

Consents in writing of the Directors, Auditors, Legal Advisors, Bankers to the Company, Bankers to the Issue, Lead Managers to the Issue, Co-managers to the issue, Advisors to the issue and Registrars to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, Maharashtra at Mumbai alongwith a copy of this Prospectus as required under Section 60 of the Act and none of them have withdrawn their consent upto the time of delivery of the copy of this Prospectus for registration with the Registrar of Companies.

M/s. Dalal, Desai & Kumana, Auditors of the Company, have also given their written consent for inclusion of their Report in this Prospectus as also to the inclusion of the statement as to Tax Benefits as advised by them and appearing elsewhere in this Prospectus and such consent and Report have not been withdrawn upto the time of delivery of the copy of this Prospectus for registration with the Registrar of Companies.

CHANGE IN AUDITORS/BOARD OF DIRECTORS

There has been no change in the Auditors of the Company during the last three years.

The following appointments/changes have taken place in the composition of the Board of Directors of the Company during the last three years.

Name	Date of Cessation	Reasons
J.V. Mariwala	February 23, 1995	Personal
H.V. Mariwala	November 17, 1995	Personal

AUTHORITY FOR THE PRESENT ISSUE

The present issue of Equity shares has been authorised by the members of the Company by a special resolution, pursuant to Section 81 of the Act, passed at the Extraordinary General Meeting of the Company held at Mumbai on December 26, 1995.

ALLOTMENT/ALLOCATION / REFUNDS

The Company shall proceed to allot/allocate the Equity shares on the same date within a period of ten weeks from the date of closure of the subscription list in consultation with the Bombay Stock Exchange.

Allotment under the Public Issue and allocation under the Offer for sale will be made pro-rata to the respective amounts of the Issue.

Shares offered for sale shall be transferred to the successful applicants on finalisation of the basis of allotment and allocation. The necessary share transfer forms shall be executed by the Directors and/or any of the officers of the constituted attorney and/or their authorised signatories on behalf of the Offerors, being the transferors of shares, for which necessary Power of Attorney has been executed by the Offerors. The said share transfer form shall be executed by the Directors and/or officers of the constituted attorney and/or their authorised signatories on behalf of the successful applicants as Transferees for which necessary enabling clause has been incorporated in the Application Form. The necessary Stamp Duty payable on transfer of the shares shall be borne by the Offerors.

Refunds will be made by cheque or pay order payable at par at the places where applications are received, drawn on the Company's bankers and bank charges, if any, for encashing such cheques or pay orders at any other place will be borne by the applicant. In case of refunds to applicants tendering stockinvests with their applications, unencashed stockinvests will be returned to the applicants/issuing banker.

In case of applications in joint names, the cheques / pay orders as the case may be will be made out in the name of the first named applicant and all communications will be addressed to the first applicant at his/her address stated in the application form.

The sums received in respect of the issue will be kept in separate bank accounts and the Offerors or the Company will not have access to such funds unless it receives the required approvals from the concerned Stock Exchanges.

The Company has applied for permission for dealing in and listing of its Equity shares in the Stock Exchanges referred to above and if such permission is not granted by the Stock Exchanges within 70 days from the closure of the subscription list, then the Company shall forthwith refund without interest all monies received from the applicants in pursuance of this Prospectus, and if any

such money is not repaid within eight days after the Company becomes liable to pay it (i.e. from the date of refusal) or within 70 days from the date of closure of the subscription list (whichever is earlier) the Company and every Director of the Company who is an officer in default shall on and from the expiry of the eighth day be jointly and severally liable to repay that money with interest @ 15% per annum. If, however, an appeal has been made against the decision of any recognised Stock Exchange refusing to grant such permission, under Section 22 of the Securities Contract (Regulation) Act, 1956, any allotment made under this Prospectus shall not be void until the appeal is dismissed.

The Board reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reasons therefor. In case the application is rejected in full, the whole of the application money received will be refunded and no interest will be payable thereon. Where the application is accepted in part, the balance of the application money received will be refunded to the applicant within 10 weeks of the date of closure of the subscription list and if such money is not repaid within eight days from the said date, the Company will become liable to pay interest in terms of Section 73(2)/(2A) of the Companies Act, 1956.

DISPOSAL OF APPLICATION MONEY IN CASE OF STOCKINVEST

The procedure for disposal of applications made by cash or cheque or bank draft will apply mutatis mutandis to applications accompanied by stockinvest except the following :

1. In case of non allotment the Registrars to the Issue will return the stockinvest to the applicants without encashing by registered post within 10 weeks from the date of closure of the Issue. The bank will lift the lien on the account on submission of the same by the applicant(s).
2. On allotment/partial allotment, the Registrars to the Issue will fill in the amount which would be equal to or less than the amount filled in by the applicant(s) before presenting the stockinvest to the issuing banker for payment to the extent of the allotment. The bank will lift the lien on the balance amount, if any, on the applicant(s)' account on receipt of the stockinvest.

INTEREST ON EXCESS APPLICATION MONEY

Interest @ 15% per annum on the excess application money will be paid to the applicants for the delayed period beyond 10 weeks from the date of closure of the subscription list as per the guidelines laid down by the Ministry of Finance, Government of India vide their letter No. F/8/G/SE/79 dated 21st July, 1983 as amended by letter No. F/14/2/SE/85 dated 27th September, 1985 addressed to the Stock Exchanges.

ISSUE OF CERTIFICATES

Share Certificates will be delivered within two months from the date of allotment / allocation as per the provisions of Section 113 and other relevant provisions of the Act.

BASIS OF ALLOTMENT / ALLOCATION

The allotment / allocation shall be subject to marketable lots on a proportionate basis as explained below :

- (a) Applicants will be categorised according to the number of Equity shares applied for.
- (b) The total number of shares to be allotted to each category as a whole shall be arrived at on a proportionate basis.
- (c) The number of shares to be allotted to the successful allottees will be arrived at on a proportionate basis.
- (d) All the applications where the proportionate allotment of which works out to less than 100 shares per application, the allotment shall be made as follows:
 - (i) Each successful applicant shall be allotted a minimum of 100 shares.
 - (ii) The successful applicants out of the total applicants in that category shall be determined by draw of lots in such a manner that the total number of shares allotted in that category is equal to the number of shares worked out as per (b) above.
- (e) If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100, if that number is 50 or higher. If the number is lower than 50, it would be rounded off to the lower multiple of 100.
- (f) If the shares allotted on a proportionate basis to any category are more than the shares allotted to the applicants in that category, the balance-

available shares for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category.

The balance shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for minimum number of shares.

If in the process of rounding off, the actual allotment is higher than the shares offered, the Company shall allot additional shares, upto a maximum of 10% of the fresh issue.

- (g) A minimum of 50% of the net offer to the public shall be initially made available for allotment to individual investors applying for shares not exceeding 1000.
- (h) The shares of the Company are tradable in market lots of 100. However, on the NSE the shares can also be traded in the lots of 1000 and any lots as may be prescribed by NSE from time to time.

GENERAL INFORMATION

REGISTERED OFFICE OF THE COMPANY

Rang Sharda
Krishnachandra Marg
Bandra Reclamation
Bandra (W), MUMBAI 400 050.

COMPANY SECRETARY

SANKER PARAMESWARAN
Block No.10, Laxmi Niwas
Rifle Range, Ghatkopar (West)
MUMBAI 400 086.

LEAD MANAGERS TO THE ISSUE

CITIBANK N.A.

Corporate Finance and
Capital Markets Group
9th Floor, Sakhar Bhavan
Nariman Point
MUMBAI 400 021.
Phone : (022) 287 27 67
Fax : (022) 287 26 75

KOTAK MAHINDRA CAPITAL COMPANY

Bakhtavar, 1st Floor
Nariman Point
MUMBAI 400 021.
Phone : (022) 287 66 55
Fax : (022) 287 66 30

ENAM FINANCIAL

CONSULTANTS PVT. LIMITED
24, B.D. Rajabhadur Compound
Ambalal Doshi Marg, Fort
MUMBAI 400 001.
Phone : (022) 265 01 72
Fax : (022) 265 31 93

CO-MANAGERS TO THE ISSUE

STATE BANK OF SAURASHTRA

Merchant Banking Bureau
H.O. Nilambaug Chowk
Bhavanagar 364 001
Phone : (0278) 20370-89
Fax : (0278) 22032

ALLBANK FINANCE LTD.

Allahabad Bank Building
18, Dr. Gopalrao Deshmukh Marg
Mumbai 400 026
Phone / Fax : (022) 386 53 45

ESCORTS FINANCE LTD.

Shah House
Shivsagar Estate
Worli, Mumbai 400 018
Phone : (022) 496 44 61
Fax : (022) 495 09 24

ADVISORS TO THE ISSUE

BIRLA GLOBAL FINANCE LTD.

Apeejay House, 2nd Floor
Dr. V.B. Gandhi Marg
Fort, Mumbai 400 001.

Phone : (022) 2880660
Fax : (022) 2881088

LEGAL ADVISORS TO THE ISSUE

AMARCHAND & MANGALDAS & SURESH A. SHROFF & CO.

Advocates & Solicitors
3rd floor, Lentin Chambers
Dalal Street
MUMBAI 400 023.

REGISTRARS TO THE ISSUE

KARVY CONSULTANTS LIMITED

8-2-621/A, Road No. 10
Banjara Hills
Hyderabad - 500 034.
Phone : (040) 31 24 54
Fax : (040) 31 19 68
Grams : KARVY

AUDITORS

DALAL, DESAI & KUMANA

Union Co-operative Insurance Building
Sir P. M. Road
MUMBAI 400 001.

BANKERS TO THE COMPANY

STATE BANK OF SAURASHTRA

Fort, MUMBAI 400 001.

ALLAHABAD BANK

Industrial Finance Branch
MUMBAI 400 020

BANK OF BARODA

Industrial Finance Branch
MUMBAI 400 023

INDIAN BANK

Mandvi Branch
MUMBAI 400 009

CITIBANK, N.A.

Sakhar Bhavan
Nariman Point
MUMBAI 400 021

BANKERS TO THE ISSUE

CORPORATION BANK

Dalal Street
Fort, MUMBAI 400 023

CITIBANK, N.A.

293, Dr. D.N. Road,
MUMBAI 400 001

H.D.F.C. BANK

Dr. Annie Besant Road,
Worli, MUMBAI 400 018

ALLAHABAD BANK

37 Bombay Samachar Marg
Fort, MUMBAI 400 023

DEUTSCHE BANK

Mumbai Branch
H. Somani Marg
Fort, MUMBAI 400 001.

INVESTOR COLLECTION CENTRE

KARVY INVESTOR SERVICE CENTRE

6 -1- 68 / 2, Opp."D.G.P Office
Saifabad, Hyderabad - 500 004.

BROKERS TO THE ISSUE

All the Brokers of recognized Stock Exchanges shall be Brokers to the Issue.

AUDITORS REPORT

The Board of Directors
Marico Industries Limited
 "Rang Sharda"
 K. C. Marg
 Bandra (West)
 Bombay - 400 050

Dear Sirs,

We have examined the books of account of Marico Industries Limited for the five financial years ended 31st March, 1995 being the last date to which the accounts of the Company have been made up /audited by us and adopted by the members. We have also examined and found correct the accounts of the Company for the period commencing 1st April, 1995 to 30th September, 1995 prepared by the Company and approved by the Board of Directors of the Company.

In accordance with the requirements of Clause B (1) of Part II of Schedule II to the Companies Act 1956, we report that the profits are as set out below. These profits have been arrived at after charging all manufacturing, working and management expenses and after making such adjustments and regroupings, as are, in our opinion, appropriate and are subject to the notes appearing hereunder :

I. PROFITS.

(Rs. Lacs)

	For the six months ended 30th Sept.95	FOR THE FINANCIAL YEARS ENDED 31ST MARCH				
		1995	1994	1993	1992	1991
INCOME :						
Sales	15,887.98	28,334.24	23,643.85	21,032.13	15,943.96	10,583.32
Other income	86.06	104.83	84.22	33.49	21.92	14.13
TOTAL	15,974.04	28,439.07	23,728.07	21,065.62	15,965.88	10,597.45
EXPENDITURE :						
Cost of materials	8,358.08	16,075.65	13,266.39	13,047.79	10,727.14	6,741.89
Manufacturing and other expenses	5,617.44	9,522.23	8,217.94	5,821.66	4,126.08	3,145.69
Finance charges	469.11	610.74	582.89	551.59	468.35	242.62
Depreciation for the period	125.60	323.80	170.03	165.55	27.32	11.79
Excess depreciation written back Refer note(iii) below	(286.49)	-	-	-	-	-
	(160.89)	323.80	170.03	165.55	27.32	11.79
Preliminary expenses	-	-	-	-	-	1.43
TOTAL	14,283.74	26,532.42	22,237.25	19,586.59	15,348.89	10,143.42
PROFIT BEFORE TAX	1,690.30	1,906.65	1,490.82	1,479.03	616.99	454.03
Provision for tax	480.00	725.00	855.00	860.00	332.00	210.10
PROFIT AFTER TAX	1,210.30	1,181.65	635.82	619.03	284.99	243.93

II. ASSETS AND LIABILITIES

The assets and liabilities of the Company as at 30.9.95 and 31.3.95 as set out below have been arrived at after making such adjustments as are in our opinion appropriate and subject to the notes appearing hereunder :

ASSETS	As at 30th Sep,1995 (Rs. lacs)	As at 31st March,1995 (Rs. lacs)
FIXED ASSETS		
Gross block	3,421.87	2,856.16
Less : depreciation	513.34	674.81
Net block	2,908.53	2,181.35
Capital work-in-progress	501.80	522.06
	3,410.33	2,703.41
INVESTMENTS	263.77	71.33
NET CURRENT ASSETS		
Current assets, loans and advances		
Inventories	5,024.36	2,275.03
Sundry debtors	1,286.10	1,172.16
Cash and bank balances	228.88	159.74
Loans and advances	1,974.47	1,766.71
	8,513.81	5,373.64
Less Current liabilities and provisions		
Liabilities	4,093.25	2,861.66
Provisions	95.92	67.50
	4,189.17	2,929.16
	4,324.64	2,444.48
	7,998.74	5,219.22
FUNDED BY		
Owned funds		
Share capital	1,350.00	450.00
Reserves and surplus	2,827.01	2,516.71
	4,177.01	2,966.71
Borrowed funds		
Secured loans	2,912.73	1,752.51
Unsecured loans	909.00	500.00
	3,821.73	2,252.51
	7,998.74	5,219.22

III. NOTES ON ACCOUNTS

	For the six months ended 30th Sept.95	FOR THE FINANCIAL YEARS ENDED 31ST MARCH				
		1995	1994	1993	1992	1991
1 Other income includes :						
a) Lease income	53.04	41.52	35.00	7.58	-	-
b) Profit on sale of assets / investments	4.57	1.74	-	0.32	-	0.04
2 Manufacturing and other expenses include :						
a) Donations	3.06	10.72	10.68	12.12	0.18	0.11
b) Provision for diminution in value of investments	12.48	-	-	-	-	-
c) Loss on sale of assets / investments	-	3.84	2.34	9.77	0.34	-
d) Director's remuneration	19.83	16.33	4.23	4.33	2.72	-

3 The Company has during the period made the following changes in its accounting policies on depreciation and investments to fall in line with the accounting standards prescribed by the Institute of Chartered Accountants of India which has become mandatory with effect from 1.4.95 :

a) Depreciation :

- On assets given on lease - Over the period of lease as against rates under Income tax Act.
- On assets used for research and development - As per Schedule XIV rate as against 100%.

Depreciation on the abovementioned assets have been recomputed on the revised basis from the month in which the assets have been put to use and consequently :

- i) Excess depreciation charged in earlier years of Rs.286.50 lacs is written back, and
- ii) Depreciation charge for the period is lower and profits higher by Rs. 64.45 lacs.
- iii) The profits before tax for the previous years stands restated as under:-

Restated Profit before tax	2075.58	1539.60	1547.82	616.99*	454.03*
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* No change, as the depreciation was charged on same basis as in the current period.

b) Investments :

Permanent or long term investments	- Valued at cost except that permanent decline in value, if any, is recognised.
Current or short term investments	- Valued at lower of cost or market value (computed categorywise) as against earlier practice of valuing at cost.

The diminution in the value of current investment as at 30th September, 1995 amounting to Rs.12.48 lacs has been provided for in the accounts. The profit for the period is therefore lower to this extent.

	As at 30th Sept., 1995 (Rs. lacs)	As at 31st March, 1995 (Rs. lacs)
4 Contingent liabilities not provided for :		
a) Letters of credit opened and outstanding	94.87	44.71
b) Disputed sales tax demands not acknowledged as debts.	2.62	2.62
c) Income tax and interest demand disputed before appellate authorities		
1) By the Company	6.11	6.11
2) By the Income tax department	11.92	11.92
d) Claims against the Company not acknowledged as debt	2.21	Nil
5 Estimated amount of contracts (net of advances) remaining to be executed on capital account not provided for :	323.96	473.82
6 Breakup of fixed assets (net block)		
a) Leasehold land	30.85	31.03
b) Freehold land and buildings	928.14	511.17
c) Trade mark / copyright	300.00	300.00
d) Plant and machinery, furniture and fittings etc.	1,649.54	1,339.15
7 Fixed assets include :		
- Plant and machinery and computers given on lease Rs.525.95 lacs (Rs.511.17 lacs)		
- Office buildings costing Rs.631.84 lacs (Rs.206.84 lacs) for which conveyance has not been completed.		
8 Investments :		
a) Long term investments		
- Quoted	-	-
- Unquoted - Trade	148.03	1.03
b) Current investments		
- Quoted	67.74	70.30
- Unquoted	50.00	-
9 Breakup of inventories :		
a) Raw and packing materials	3,119.49	863.45
b) Finished products	1,729.91	1,329.44
c) Others	174.96	82.14
10 Debts outstanding for over six months included in sundry debtors (unsecured - considered good)	84.71	138.13
11 Sundry creditors includes acceptances	183.60	18.30
12.1 The authorised capital of the Company is Rs.1500 lacs (Rs.1500.00 lacs) divided into 1,49,00,000 equity shares of Rs.10 each and 10,000 -14% cumulative redeemable preference shares of Rs.100 each		
12.2 The paid up share capital of the Company includes 1,20,00,000 (30,00,000) equity shares allotted as fully paid bonus shares by capitalisation of general reserve. Bonus shares issued during the period Rs. 900 lacs.		
13 Secured loans include :		
a) Non convertible debentures of Rs. 300.00 lacs (Rs.300.00 lacs) issued to GIC Mutual Fund secured by first legal mortgage on all the Company's properties at Jalgaon, including plant and machinery (excluding the assets on which exclusive charge has been created) and a floating charge on all other movable assets of the Company subject to prior charges created in favour of the Company's bankers. The debentures are redeemable at par in June 1996.		
b) Working capital borrowings of Rs.840.16 lacs from banks (Rs.612.48 lacs) secured by hypothecation of stock-in-trade and other tangible movable assets of the Company, wherever situated, and guaranteed by the directors of the Company.		
c) Short term loan from a bank Rs. 375.00 lacs (Rs. Nil), secured by first charge by way of hypothecation of a specific asset.		

- d) Deferred payment credit of Rs. 36.83 lacs (Rs. 49.10 lacs) from financial institutions, co-accepted by the Company's bankers against hypothecation of all tangible movable properties including stock in trade and machinery situated at Jalgaon factory; and also guaranteed by the Directors of the Company and a former Director. Repayable within a year Rs.24.55 lacs (Rs.24.55 lacs)
- e) Term loan of Rs.360.65 lacs (Rs. 290.92 lacs), from a financial institution secured by an exclusive charge by way of hypothecation of specific equipments. Repayable within a year Rs. 88.89 lacs (Rs.67.63 lacs)
- f) Term loan of Rs.1000.00 lacs (Rs.500.00 lacs) from a financial institution, guaranteed by the Managing Director, secured by a mortgage of immovable properties at the Kanjikode factory and a negative lien on other properties at Bombay. Charge in respect of Rs.200.00 lacs (Rs. NIL) is pending creation.
- 14 Unsecured loans comprises of intercorporate deposits taken from companies / institution.
- 15 The Company has an investment of Rs.145.00 lacs (Rs. NIL) in the equity capital of Kanmoor Foods Ltd. (K F L) and has also advanced Rs.627.10 lacs (Rs.342.96 lacs) against supplies to be made. K F L manufactures and supplies the 'SIL' range of products to the Company and currently has a negative net worth. We are explained that the acceptance of the products has been steadily increasing and consequently the equity of the brand owned by the Company, has greatly enhanced. The management considers the investment in K F L as strategic in nature and expects improvement in the performance of K F L due to the anticipated growth in business. Hence, no provision is considered necessary for diminution in the accounts.
- 16 Confirmations have not been called for debtors, creditors and advances. However, on review by management the balances are considered receivable or payable as the case may be.
- 17 Figures in brackets pertain to the previous year and have been regrouped wherever necessary and are not strictly comparable with those of the current period as the figures for the current period are for a period of six months.

IV. SIGNIFICANT ACCOUNTING POLICIES

1. FIXED ASSETS

Fixed assets are valued at cost of acquisition and subsequent improvement thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation. Interest during construction period on borrowings to finance fixed assets are capitalised. Pre-operative expenses for major projects are also capitalised, where appropriate.

2. DEPRECIATION

- 2.1 Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956, except as stated in paras 2.2 to 2.5 below. Depreciation on additions / deletions during the year has been provided on pro rata basis with reference to the month of additions / deletions. Extra shift depreciation has been provided on " Plant" basis.
- 2.2 Assets given on lease are depreciated over the lease period.
- 2.3 Plant and machinery costing less than Rs.5,000 each are depreciated at 100%. Other fixed assets costing less than Rs.5,000 each acquired after 31.3.1993 are depreciated at 100%.
- 2.4 Leasehold land is amortised over the balance period of lease.
- 2.5 No depreciation is provided on trade mark / copyright.

3 INVESTMENTS

- 3.1. Long term investments are valued at cost. Provision for diminution, if any, in the value of investments is made to recognise a decline, other than temporary.
- 3.2. Current investments are valued at lower of cost or market value, computed categorywise.

4. INVENTORY

4.1. Inventories are valued as follows :

- | | |
|---|--|
| a) Raw materials | - at cost |
| b) Packing materials, chemicals and consumables | - at cost |
| c) Work-in-process | - at cost |
| d) Finished products | - at lower of cost or net realisable value |
| e) Stores and spares | - at cost |
| f) By-products | - at net realisable value |
| g) Unservicable/damaged finished products | - at estimated realisable value. |

- 4.2 Cost in relation to finished goods and work in process is determined on 'direct costing' basis.
- 4.3. Stores, spares costing less than Rs.1,500 are treated as consumed in the year of purchase.

5. RESEARCH AND DEVELOPMENT

Capital expenditure on research and development is allocated to fixed assets. The revenue expenditure on research and development is charged as expenses in the year in which it is incurred.

6. SALES

Sales are :

- 1) net of trade discount
- 2) exclusive of sales tax and
- 3) recognised on despatch of goods.

7. RETIREMENT BENEFITS

Liability towards retirement gratuity has been provided on the basis of actuarial valuation. Contribution to provident fund and pension fund is made at predetermined rates to the respective trusts and accounted on accrual basis.

8. FOREIGN CURRENCY TRANSACTIONS

- 8.1. Foreign currency liabilities/assets covered by forward contracts are stated at the forward contract rates.
- 8.2. Foreign currency assets/liabilities not covered by forward contracts are restated at rates ruling at the close of financial year.
- 8.3. Exchange rate differences relating to fixed assets are adjusted in the cost of the asset. Other exchange differences are recognised in the profit and loss account.

V. DIVIDENDS

Dividends declared by the Company for the five financial years ended 31st March, 1995 are as follows :

YEAR ENDED MARCH 31ST	EQUITY SHARES OF RS. 10 EACH FULLY PAID UP	RATE OF DIVIDEND	AMOUNT (RS.LACS)
1991	9,00,000		
1992	9,00,000		
1993	45,00,000	20 % *	22.88
1994	45,00,000	12 %	54.00
1995	45,00,000	15 %	67.50

* on a pro-rata basis

Yours faithfully
FOR DALAL DEBAI & KUMANA
Chartered Accountants

Dated : November 24, 1995
Place : Bombay

SHAUNAK R. DALAL
Partner

PRINCIPAL TERMS OF LOAN AND ASSETS CHARGED AS SECURITY

Non-Convertible Debentures aggregating to Rs.300 lacs have been privately placed on the following terms and conditions :

Name of the Financial Institutions/ Banks	Amount (Rs. in Lacs)	Rate of Interest	Repayment	Security
GIC Mutual Fund	300	18.75%	At par in June 1996	Legal Mortgage on all properties at Jalgaon including plant and including machinery (excluding those on which exclusive charge has been created) and floating charge on moveable assets subject to prior charge in favour of the Company's bankers.

The Financial Institutions viz. ICICI and SCICI and Citibank N.A. have sanctioned credit facilities on the following terms and conditions:

Name of the Financial Institution / Banks	Facility	Amount (Rs. in Lacs) as on 30.9.95	Rate of Interest Per annum	Front End Fee	Repayment	Security
ICICI	Asset Credit	Limit 500 Bal. 361	20 % + 1 % surcharge	1%	19 quarterly instalments from 15.4.93.	First charge on specific machinery / equipments situated at Kanjikode, Kerala.
SCICI	Corporate Loan	1000	13% Min. 17.5% Max.	—	4 equal instalments commencing Feb. 97 with quarterly rests	Equitable mortgage on leasehold land and buildings at Kanjikode, Kerala and negative lien on Company's Office premises at Rang Sharda, Bandra, Mumbai.
ICICI	Deferred Payment Guarantee	Limit 199 Bal. 37	18.5%	—	5 years with half yearly rests from 27/09/92	Hypothecation of specific tangible moveable properties at Jalgaon factory.
Citibank N.A.	Corporate Loan	375	1% above prime lending rate of the bank	—	Repayable on 29th August 1996.	Specific charge on specified fixed assets.
U.T.I	Unsecured Transferable Notes	200	18.5%	—	Repayable on 27th October, 1996.	Unsecured.

WORKING CAPITAL

The working capital requirements of the Company are as follows:

Particulars	Reqd. Months (Average)	Basis	Rs. in lacs
Raw Materials	0.80	Consumption	1600.00
Stock in process	Negligible	Cost of Production	50.00
Finished goods	0.85	Cost of sale	1815.00
Debtors	0.57	Sales	1610.00
Advances			600.00
Other current assets			1744.00
Total current assets			7419.00
Total current liabilities			2500.00
Working capital gap			4919.00

Working capital requirements of the Company are provided by a consortium of Banks comprising of State Bank of Saurashtra, Allahabad Bank, Indian Bank, Bank of Baroda and Citibank N.A. The Company has sought enhancement of facilities from its Bankers which is under review :

Rs. lacs

	PEAK	NON-PEAK	AD-HOC
FUND BASED LIMITS			
Cash Credit	1920.00	1585.00	373.75
NON-FUND BASED LIMITS			
Letter of Credit	305.00		
Guarantee	505.00		
Deferred Payment Guarantee	150.00		

C. STATUTORY AND OTHER INFORMATION

MINIMUM SUBSCRIPTION

The minimum subscription which in the opinion of the Board must be raised by the Offer cum Public Issue (Issue) of Equity shares is Rs. 5709.38 lacs, being 90% of the nominal value of the Issue amount of Rs. 6343.75 lacs offered in terms of this Prospectus. The Board will proceed to allot the Equity shares on receipt of the application money payable thereon.

If the Company does not receive the minimum subscription of 90% of the Issued amount (including offer for sale) on the date of the closure of the Issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days from the date of closure of the Issue, if any, in refund of such subscription, the Company shall pay interest as per Section 73 of the Act.

EXPENSES OF THE ISSUE

The expenses of this Issue, including underwriting commission, brokerage, fees to Lead Managers, Co-Managers, Advisors and Registrars to the Issue, registration fee, stamp duty, Auditors fees, printing and distribution expenses, advertisement expenses, listing fees, legal and other charges estimated at Rs.450 lacs will be met by the Promoters and the Company on proportionate basis out of the proceeds of the Issue.

FEES PAYABLE TO THE LEAD MANAGERS

The fees payable to the Lead Managers to the Issue shall be 0.5% of the issue amount and shall be shared amongst them as under:

	Lead Managers	Ratio
1.	Citibank N. A.	40
2.	Kotak Mahindra Capital Company	30
3.	Enam Financial Consultants Pvt. Ltd.	30

No fees are payable to the Co-Managers to the Issue.

The letters from the Lead Managers are available for inspection at the Registered Office of the Company.

FEES PAYABLE TO THE ADVISORS TO THE ISSUE

No fees are payable to the Advisors to the Issue.

FEES PAYABLE TO THE REGISTRARS TO THE ISSUE

The fees payable to the Registrars to the Issue are as set out in the Memorandum of Understanding which is available for inspection at the Registered Office of the Company.

BROKERAGE

Brokerage will be paid by the Company at the rate of 1.5% on the issue price of the Equity shares on the basis of allotments made against applications bearing the stamp of a member of any recognised Stock Exchange in India in the Brokers column in the Application Form. Brokerage at the same rate will be payable to the Bankers to the Issue in respect of allotments made against applications procured by them provided the relative application forms bear their respective stamps in the Broker's column.

PREVIOUS ISSUES FOR CASH DURING THE LAST THREE YEARS

The Company or any of its group Companies has not made any public issue for cash till date. However during the period January 1993 to December 1995 the Company has issued/allotted equity shares as under :

Date of Allotment	No. of shares	Face Value (Rs./share)	Aggregate Face Value (Rs.)	Issue Price (Rs.)	Allottees
26-03-1993	3000000	10	3,00,00,000	—	Bonus shares in the ratio of 2 : 1
17-08-1995	9000000	10	9,00,00,000	—	Bonus shares in the ratio of 2 : 1

PREVIOUS ISSUES AT PREMIUM OR DISCOUNT

The Company has not issued any shares or debentures at a premium or at a discount in the last five years.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

No sums have been paid or are payable as commission or brokerage to any person for subscribing or agreeing to subscribe or procuring subscription for any shares in the Company.

ISSUE OF SHARES OTHERWISE THAN FOR CASH

Save Bonus shares capitalised from reserves the Company has not issued since incorporation any shares otherwise than for cash.

CAPITALISATION OF RESERVES AND PROFITS

In March 1993, the Company issued 30 lacs Equity shares of Rs. 10/- each as fully paid up bonus shares by capitalisation of reserves. In August, 1995 the Company has further issued 90 lacs Equity shares of Rs. 10/- each as fully paid up bonus shares by capitalisation of reserves.

CLASSES OF SHARES

The Authorised Share Capital of the Company of Rs. 15 crores consists of 10,000 14% Cumulative Redeemable Preference shares of Rs. 100/- each and 1,49,00,000 Equity shares of Rs. 10/- each.

DEBENTURES, REDEEMABLE PREFERENCE SHARES, AND OTHER INSTRUMENTS

The Company has privately placed 300000 18.75% secured Redeemable Non-Convertible Debentures of Rs.100/- each of the aggregate value of Rs. 300 lacs with GIC Mutual Fund. The Debentures are due for redemption in June, 1996.

The Company has placed Unsecured Transferable Notes for an aggregate value of Rs. 200 Lacs bearing interest at the rate of 18% per annum with Unit Trust of India and which are repayable on October 27, 1996.

OPTION TO SUBSCRIBE

Save as otherwise stated in this Prospectus, the Company has not entered into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any shares or debentures of the Company.

PURCHASE OF PROPERTY

Save in respect of the property purchased or acquired/to be purchased or acquired referred to hereinbelow under the heading "Material Contracts" there is no property which the Company has purchased or acquired, or proposes to purchase or acquire, which is to be paid for wholly or partly out of the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of Issue of this Prospectus other than the property :

- the contracts for the purchase or acquisition whereof were entered into in the ordinary course of business of the Company, such contracts not being made in contemplation of this issue, nor this Issue in consequence of such contracts.
- in respect of which the amount of the purchase consideration is not material.

Save as under, the Company has not purchased any property in which any of its Promoters or Directors has or have any direct or indirect interest in respect of any payment thereof.

- The Company has purchased premises No. 5A in the building Rang Sharda, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai 400 050 for its office use from M/s. Kanji Moorarji, a partnership firm in which the Directors were Partners for an aggregate consideration of Rs. 4.25 crores which in the opinion of the Company represents the true market value of the property and approval under I.T. Act is obtained for the same.
- The Company proposes to purchase premises No. 5B in the building Rang Sharda, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai 400 050 for its office use from The Bombay Oil Industries Limited, a Company in which the promoters are Directors for an aggregate consideration of Rs. 4.00 crores which in the opinion of the Company represents the present true market value of the property. An application for approval under Section 269 of the Income Tax Act has been made. On receipt of the approval, the conveyance for the property shall be executed against payment of consideration. The proceeds of the issue is not intended to be utilised for the purpose of the above acquisition.

PAYMENTS OR BENEFITS TO THE PROMOTERS AND OFFICERS OF THE COMPANY

The Company has taken on licence 4 flats owned by Promoters at Brindaban Society, Thane for a monthly rent of Rs. 10,000 (1 flat) and Rs. 8000 (3 flats) for the residence of its employees. It has also hired a godown of 2479 Sq. mts. at Tarapur on hire charges of Rs. 8760/- p.m. for storage. The above rates are commensurate with prevailing market rates.

Save as stated elsewhere in this Prospectus, the Company has neither paid any money nor given any benefit, nor does it intend to pay any money or give any benefit to any promoter or officer of the Company except their normal remuneration, fees and other expenses, etc. to which they are entitled or may become entitled under the Articles of the Company or otherwise in accordance with law.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

MODIFICATION OF RIGHTS

(Article 3[iv])

Whenever the capital, by reason of the issue of Preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may subject to the provisions of Sections 106 and 107 of the Act be modified, commuted, affected or abrogated or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a Separate General Meeting of the holders of shares of that class.

CALLS

(Article 18)

The Directors may, from time to time, subject to the terms on which any shares may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively or by the conditions of allotment thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors. A call may be made payable by instalments. A call may be revoked or postponed at the discretion of the Board.

(Article 19)

A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. Not less than fourteen days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

(Article 20)

The Board may, from time to time at its discretion extend the time fixed for the payment of any call and may extend such time as to call of any of the members whom from residence at distance or other cause, the Board may deem fairly entitled to such extension; but no member shall be entitled to such extension save as a matter of grace and favour.

(Article 21)

If any member fails to pay call due from him within the time prescribed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member and the Board shall be at liberty to waive payment of such interest either wholly or in part.

(Article 22)

If by the term of issue of any shares or otherwise any amount is made payable on allotment or at any fixed rate or instalments at fixed times, whether on account of the amount of the share or by way of premium, every such amount or instalment shall be payable as if it were a call duly made by the Directors and on which due notice had been given and all provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

(Article 23)

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be

due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is or was when the claim arose on the Register of shareholders of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matter whatsoever but the proof of matters aforesaid shall be conclusive evidence of the debt.

(Article 24)

The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called up and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the members paying such sum in advance and the Directors agree upon. Moneys so paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Directors may at any time repay the amount so advanced upon giving to such members three months' notice in writing.

FORFEITURE AND LIEN

(Article 26)

If any member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Directors may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

(Article 27)

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state the expenses as aforesaid are to be paid. The notice shall further state that in the event of non-payment of the amount due at or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.

(Article 28)

Should the requisition of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses, due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

(Article 29)

When any share shall have been so forfeited, notice of the Resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

(Article 30)

Any share so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

(Article 31)

The Directors may, at any time before any shares so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof on such conditions as they think fit.

(Article 32)

Any member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay, and forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such share at the time of the forfeiture together with interest thereon, from the time of forfeiture until payment at the rate of 18 per cent per annum and the Directors may enforce the payment thereof, without any deduction or allowance for the value of the share at the time of forfeiture but shall not be under any obligation to do so.

(Article 33)

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

(Article 34)

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt by the Company of the consideration, if any given for the shares on the sale or disposal thereof shall constitute a good title to such shares and the person to whom such shares are sold shall be registered as the holder of such shares and shall not be bound to see to the application of the purchase money nor shall his title to such shares be affected by any irregularity or invalidity in the proceedings in reference to such forfeitures, sale or disposal.

(Article 35)

The Company shall have first and paramount lien upon all the shares (not being fully paid up) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for moneys called or payable at a fixed time in respect of such shares solely or jointly with any other person to the Company whether the period for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 11 hereof is to have full effect and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.

(Article 36)

For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executors or administrators or his committee, curator bonis or other legal curator and default shall have been made by him or them in the payment of moneys called in respect of such shares for seven days after such notice.

(Article 37)

The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the share before the sale) be paid to the person entitled to the shares at the date of the sale.

(Article 39)

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative share shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto distinguishing it or them in such manner as they may think fit from the old certificate or certificates.

TRANSFER AND TRANSMISSION OF SHARES

(Article 40-a)

The Company shall keep a book to be called "the Register of Transfer" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

(Article 40-b)

The instrument of transfer of any share shall be in writing in the usual common form and shall be duly stamped and delivered to the Company within the prescribed period.

(Article 44)

Subject to the provisions of the preceding two Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which he purports to act under these Articles or of his title as the Board think sufficient either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board

registered as such holder provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by execution in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares.

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

(Article 45)

The person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares, except that he shall not, before being registered as a member in respect of the shares, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company, provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer shares and if notice is not complied with within sixty days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of the share until the requirements of the notice have been complied with.

The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee, as if he were the transferee named in the ordinary transfer presented for registration.

The Directors shall in case of such refusal comply with the provisions of Section 111 of the Act.

Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration with the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

VOTES OF MEMBERS

(Article 75)

No member shall be entitled to vote either personally or by proxy for another member at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll in respect of any shares registered in this name on which any class or other sums presently payable by him have not been paid or in regard to which the Company has any right of lien and has exercised the same.

(Article 76)

- (a) On a show of hands, every holder of equity shares entitled to vote and present in person shall have one vote and on a poll the voting right of every holder of equity share whether present in person or by proxy, shall be in proportion to his shares in the paid up equity capital of the Company. A member present by proxy shall be entitled to vote only on a poll.
- (b) The voting rights of the holders of redeemable cumulative preference shares shall be in accordance with Section 87 of the Companies Act, 1956.

(Article 77)

On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

(Article 78)

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian and any such committee or guardian may on a poll, vote by proxy; if any member be a minor the vote in respect of his share shall be cast by his guardian or any one of his guardians.

(Article 79)

- (1) Subject to the provisions of these Articles votes may be given either personally or by proxy. A corporation being a member may vote by representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to speak, demand a poll, vote, appoint a proxy and in all other respect exercise the rights of a member and shall be reckoned as a member for all purposes.
- (2) Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a

corporation under the common seal of such corporation, or the hand of its office or an attorney, duly authorised by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.

- (3) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, shall be deposited at the Office not less than 48 hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing proxy shall be valid after the expiration of twelve months from the date of its execution.
- (4) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in either of the forms set out in Schedule IX of the Act.

(Article 80)

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the Office before the Meeting.

The Chairman of the meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking the poll shall be the sole judge of the validity of every vote tendered at such poll.

(Article 81)

Subject to the provisions of Section 193 of the Act, the Company shall cause to be kept minutes of all proceedings of general meetings which contain a fair and correct summary of the proceedings thereat in a book and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors may determine for the inspection of any member without charge. The minutes aforesaid shall be kept by making within thirty days of the conclusion of every such meeting concerned entries thereof in the said book which shall have its pages consecutively numbered. Each page of the book shall be initialed or signed and the last page of the record of the proceedings of each meeting in book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of the Chairman to sign as aforesaid within that period, by a Director duly authorised by the Board for that purpose. In no case shall the minutes be attached to any such book by pasting or otherwise.

NUMBER OF DIRECTORS

(Article 82)

Until otherwise determined by a General Meeting and subject to Sections 252 and 259 of the Act, the number of Directors shall not be less than three or more than twelve.

ALTERNATE DIRECTORS

(Article 84)

The Board of Directors of the Company may appoint an alternate Director to act for a Director (hereinafter in this Article called "the original Director") during the absence for a period of not less than three months from the State in which the meeting of the Board are ordinarily held. An alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State of Maharashtra.

ADDITIONAL DIRECTORS

(Article 86)

The Directors shall also have power at any time and from time to time to appoint any other qualified person to be a Director as an addition to the Board but so that the total number of Directors shall not at any time exceed maximum above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting, but shall be eligible for re-election at such meeting.

(Article 87)

The Company may agree with any financial institution, Company or any other authority, person, state or institution that in consideration of any loan or financial assistance of any kind whatsoever which may be rendered by it, it shall have power to nominate such number of Directors on the Board of Directors of the Company as may be agreed and from time to time remove and re-appoint them

and to fill in vacancy caused by such Directors otherwise ceasing to hold office. Such nominated Directors shall not be required to hold any qualification shares and shall not be liable to retire by rotation. The Director appointed under this Article is hereinafter referred to as "Institutional Director" in these presents.

(Article 88)

Any Trust Deed for securing debentures or debenture-stock may if so arranged provide for the appointment from time to time by the trustees thereof or by the holders of the debenture or debenture-stock of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture-stock from time to time to remove any Director so appointed. A Director appointed under this Article is herein referred to as a "Debenture Director" and the term "Debenture Director" means a Director for the time being in office under this Article. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

QUALIFICATION OF DIRECTORS

(Article 89)

No share qualifications will be necessary for being appointed as or holding the office of Director of the Company.

(Article 101)

At the First Annual General Meeting of the Company all the Directors (except those who are not liable to retire by rotation) and at the annual general meeting of the Company in every subsequent year one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from office.

Not less than two-thirds of the total number of Directors shall be persons whose period of office is liable to be determined by retirement by rotation and save as expressly provided in the Act be appointed by the Company in General Meeting.

So long as the Mariwala Group shall own not less than twenty-five percent (25%) of the total issued Equity shares of the Company, the Mariwala Group shall have the right to appoint such number of person or persons as shall not exceed one third of the total number of the Directors for the time being of the Company, as the Directors of the Company and to remove such persons from office, and on a vacancy being caused in such office from any cause, whether by resignation, death, removal or otherwise of any such persons so appointed, to appoint others in the vacant places. The Directors appointed under this Article are hereinafter referred to as "Non-retiring Directors" and the term "Non-retiring Directors" means the Director for the time being in office under this Article. The Non-retiring Directors shall not be liable to retire.

Any appointment, removal and resignation of a Non-retiring Director under this Article, shall be by a notice in writing addressed to the Company by Mariwala Group and shall take effect forthwith upon such notice being delivered to the Company.

All Directors other than Non-retiring Directors shall be elected by the shareholders of the Company in general meeting and shall be liable to retire by rotation as herein provided.

MANAGING DIRECTOR/WHOLETIME DIRECTOR (Article 123)

Subject to the provisions to Sections 255, 267, 269, 309, 310, 311, 316 and 317 and other applicable provisions of the Act and Article 101, Mariwala Group shall have the right by a notice in writing to the Company to designate one or more of the members of the Board as the Managing Director or Managing Directors of the Company. Mariwala group shall have the right by a similar notice to require the Board to remove any Managing Director or Managing Directors or the Company and the Board shall within one week of the date of receipt of such letter take steps to remove such Managing Director/s. On a vacancy being caused in the office of the Managing Director/s from any cause, whether by resignation, removal or otherwise, Mariwala Group shall have the right to designate another or other persons for such appointment and the Board shall proceed to appoint such designate or designates in the same manner as prescribed above. The terms of appointment of the Managing Director/s shall be such as are specified (with the power to vary such terms), by Mariwala Group from time to time and these shall be the terms on which the Managing Director/s shall be appointed by the Board.

Subject to the provisions of the Act and of these Articles, the Board of Directors may from time to time appoint an individual or individuals to be the Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Directors or Manager of the Company for such term not exceeding five years at a time as they may think fit, and upon

such terms and conditions as the Board may think fit and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

REMUNERATION OF MANAGING OR WHOLETIME DIRECTORS(Article 124)

Subject to the provisions of the Act and the approval of the Company in General Meeting, if required by the Act, the remuneration of a Managing Director or Whole-time Director or Manager shall from time to time be fixed by the Board of Directors and may be paid by way of fixed salary, perquisites, benefits or commission on profits of the Company or by participation in any such profits or by any or all of these modes or any of other mode not expressly prohibited by the Act.

MANAGING DIRECTOR

Mr. Harsh C. Mariwala was appointed as Managing Director for a period of 5 years with effect from July 01, 1991. His term of office has been renewed for a further period of 5 years with effect from July 01, 1996 by the members of the Company at the Extra-ordinary General Meeting held on September 28, 1995. The present remuneration and the remuneration payable on renewal of his term to the Managing Director are as under :

- a) Salary : Rs. 50,000/- per month.
- b) Commission : 1% of the Net Profits of the Company.
- c) Perquisites : In addition to Salary and Commission, the Managing Director will be entitled to the following perquisites.

i) Housing:

Fully furnished rent free residential accommodation or house rent allowance of 60% of salary in lieu thereof.

In case the accommodation is owned by the Company, ten percent of the salary of the Managing Director shall be deducted by the Company. The Company shall bear reasonable maintenance and repair expenses incurred on the Managing Director's accommodation to maintain his status.

ii) Gas, Electricity and Water:

The expenditure if any incurred by the Company on gas, electricity and water shall be valued as per the Income-tax Rules, 1962.

iii) Medical Reimbursement:

Reimbursement of medical expenses incurred by the Managing Director for himself and his family.

iv) Leave and Leave Travel Concession:

Leave as per Rules of the Company. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.

v) Club Fees:

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

vi) Personal Accident Insurance:

Personal Accident Insurance of an amount the annual premium of which does not exceed Rs. 4,000/-.

Perquisites mentioned in (i) to (vi) above shall be evaluated as per Income-Tax Rules wherever applicable, otherwise at actuals.

vii) Contribution to Provident Fund and towards Superannuation Fund :

Contribution towards Provident Fund will be subject to a ceiling of 10% of the salary. Contribution to pension /superannuation fund together with Provident Fund shall not exceed 25% of the salary laid down in the Income-tax Rules, 1962. Contribution to Provident Fund, Superannuation Fund and Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.

viii) Gratuity :

Gratuity payable shall not exceed one half month's salary for each completed year of service.

(ix) Conveyance:

Free use of Company's car for Company's work alongwith driver, petrol, cost of repairs, overhauling, maintenance and garage rent all at Company's cost. Use of car for private purpose shall be billed by the Company.

(x) Telephone

Telephones at residence at Company's cost. Personal long distance calls shall be billed by the Company.

(xi) Entertainment & Travelling Expenses

Reimbursement of entertainment and travelling expenses actually and properly incurred for the business of the Company.

(xii) Other Benefits

The Managing Director shall also be entitled to the other benefits, schemes, privileges and amenities such as hospitalisation etc. as are granted to the Top Management of The Company, in accordance with the Company's practice, rules and regulations in force from time to time.

d) Minimum and Maximum Remuneration:

Notwithstanding anything in this part where in any financial year during the currency of the term of Office of the Managing Director the Company has no profits or its profits are inadequate the remuneration aforesaid (including expressly the benefits and amenities) shall be paid to the Managing Director as minimum remuneration in the manner set out in Section II Part II of Schedule XIII to the Companies Act, 1956. Provided further the maximum remuneration shall not exceed the limits specified under the provisions of Section 309 of The Companies Act, 1956.

POWER OF MANAGING AND/OR WHOLETIME DIRECTOR(S)(Article 125)

Subject to the superintendence control and direction of the Board of Directors the day to day Management of the Company may be entrusted to the Director or Directors or Manager appointed under Article 123 with power to the Board to Distribute such day to day functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Board of Directors may from time to time entrust to and confer upon a Managing Director or Whole-time Director or Manager for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such object and purpose and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer upon such powers, either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

(Article 126)

Subject to the provisions of the Act and of these Articles, a Managing Director or Whole-time Director shall while he continues to hold that office, be subject to retirement by rotation under the Act or these Articles and he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors, for the time being, then such Managing Director, Managing Directors or Whole-time Director or Whole-time Directors, as the Directors may from time to time select, shall be liable to retirement by rotation in accordance with these Articles to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. Provided further that the appointment of a Managing or Whole-time Director shall not ipso facto determine if immediately upon ceasing to be the Director he is appointed or re-appointed Director of the Company and the original term for which he was appointed as the Managing Director or Whole-time Director shall be deemed to be uninterrupted.

DIVIDENDS

(Article 129 to 140)

Subject to the rights of members entitled to shares (if any) with preferential or special rights attached thereto the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company but so that a partly paid-up share shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid-up in advance of calls upon the footing that the same shall carry interest, such capital shall not whilst carrying interest, confer a right to participate in profits.

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

No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend.

No dividend shall be payable except out of the profits of the Company for the year or any other undistributed profits and no dividend shall carry interest as against the Company.

Where any assets, business or property is bought by the Company as from a past date upon the terms that the Company shall as from date take the profits and bear the losses thereof such profits and losses as the case may be shall, at the discretion of the Directors, be so credited or debited wholly or in part to the profit and loss account and in that case the amounts so credited or debited shall for the purpose of ascertaining the fund available for dividends be treated as a profit or loss arising from the business of the Company and available for dividend accordingly. If any shares or securities are purchased with dividend or interest such dividend or interest when paid may at the discretion of the Directors be treated as revenue and it shall not be obligatory to capitalise the same or any part thereof.

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

The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.

The Directors may retain dividend on which the Company has a lien and may apply the same in or towards satisfaction of the debts liabilities or engagements in respect of which the lien exists.

Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the call.

No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

Where any instrument of transfer of shares has been delivered to the Company for registration and the transfer of such shares has not been registered, the Company shall notwithstanding anything contained in any other provision of the Act, transfer the dividend in relation to such shares in the special account referred to in Section 205A of the Act, unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer; and keep in obedience in relation to such shares any offer of rights shares under clause (a) sub-section (1) of Section 81 of the Act and any issue of fully paid-up bonus shares in pursuance of sub-section (3) of Section 205 of the Act.

Unless otherwise provided any dividend may be paid by cheque or warrant or by a pay slip or receipt having the force of a cheque or warrant, sent through the post to the registered address of the member or to a person entitled or in case of joint holders to that one of them first named in the Register of members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the members or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If several persons are registered as joint-holders of any shares, any one of them can give effective receipts for any dividends or other moneys payable in respect thereof. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law. The Directors may annul such forfeiture and pay any such dividend.

BORROWING POWERS

Article 49

Subject to the provisions of Section 292 and 293 of the Act and of these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board accept deposits from members, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company.

CAPITALISATION OF RESERVES

Article 141

Any General Meeting may resolve that any moneys, investments or other assets, forming part of the undivided profits of the Company standing to the credit of any reserve or reserves or any capital redemption reserve fund or in the hands of the Company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the share premium account be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full any unissued share, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payments of the uncalled liability on any issued shares and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum provided that any sum standing to the credit of a share premium account or capital redemption reserve fund may for the purpose of this Article only be applied in paying up unissued shares to be issued to members of the Company as fully paid bonus shares.

FULL PARTICULARS AND NATURE OF INTEREST, IF ANY, OF EVERY DIRECTOR OR PROMOTER

A. IN THE PROMOTION OF THE COMPANY

All the Directors may be deemed to be interested to the extent of their remuneration, the fees payable to them for attending meetings of the Board or Committees thereof and reimbursement of travelling and other incidental expenses, if any, for such attendance as per the Articles.

All the Directors/Promoters of the Company may be deemed to be interested to the extent of the shares held by them and/or which may be allotted to them or their relatives and to companies or firms in which they or their relatives are directors or members or partners and the payments, if any, to be made to companies or firms in which they are interested as shareholders, partners or directors.

B. ANY PROPERTY ACQUIRED BY THE COMPANY WITHIN TWO YEARS FROM THE DATE OF THE PROSPECTUS OR PROPOSED TO BE ACQUIRED BY IT

Save as under, the Company has not purchased any property in which any of its Promoters or Directors has or have any direct or indirect interest in respect of any payment thereof :

1. The Company has purchased premises No. 5A in the building Rang Sharda, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai 400 050 for its corporate office from M/s. Kanji Moorarji, a partnership firm in which the Directors were Partners for an aggregate consideration of Rs. 4.25 crores which in the opinion of the Company represents the true market value of the property.
2. The Company proposes to purchase premises No. 5B in the building Rang Sharda, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai 400 050 for its corporate office from The Bombay Oil Industries Limited, a Company in which the promoters are Directors for an aggregate consideration of Rs. 4.00 crores which in the opinion of the Company represents the present true market value of the property. An application for approval under Section 269 of the Income Tax Act has been made. On receipt of the approval, conveyance for the property shall be executed against payment of consideration.
3. The Company has taken on licence from The Bombay Oil Industries Ltd., a Company in which Promoters are Directors, office premises Nos. 4A, 4B and 5B, Rang Sharda, K.C. Marg, Bandra Reclamation, Bandra, West, Mumbai 400 050 for use as its Corporate office. In addition to monthly licence fee of Rs.1,80,000/-, an interest-free deposit of Rs.6.21 crores has been placed with the Licensors. The licence is valid upto 31st March 2002. On execution of the conveyance as referred hereinabove pertaining to office premises No 5B the licence fee shall stand reduced to Rs 1,20,000/- and the interest free deposit to Rs 4.25 crores.

Save in respect of the property purchased or acquired/to be purchased or acquired referred to hereinabove, 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 the property :

- a. the contracts for the purchase or acquisition whereof were entered into in the ordinary course of business of the Company, such contracts not being

made in contemplation of this issue, nor this Issue in consequence of such contracts.

- b. in respect of which the amount of the purchase consideration is not material.

REVALUATION OF ASSETS

There has not been any revaluation of assets since the incorporation of the Company.

MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The Contracts referred to 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 2 years from the date of Prospectus) which are or may be deemed to be material, have been entered into by the Company. Copies of these contracts together with the copies of documents referred to in Paragraph "B" below have been attached to the copy of this Prospectus, which has been delivered to the Registrar of Companies, Maharashtra, at Mumbai for registration, may be inspected at the Registered Office of the Company between 10 a.m. and 1 p.m. on any working day except Saturday and Sunday from the date of the Prospectus until the date of closing of the subscription list.

A. MATERIAL CONTRACTS

1. Memorandum of Understanding (MOU) between the Company and CITIBANK N.A. dated 28th December 1995, KOTAK MAHINDRA FINANCE LTD. dated 28th December 1995 read with KOTAK MAHINDRA CAPITAL COMPANY dated February 11, 1996 and ENAM FINANCIAL CONSULTANTS PVT. LTD. dated 27th December 1995 agreeing to act as Lead Managers to the Issue.
2. Agreement dated December 26, 1995 between the offerers and the Company
3. Powers of Attorney dated January 2, 1996 executed by the Offerers in favour of the Company.
4. Memorandum of Understanding dated January 2, 1996 between the Company and Kavy Consultants Ltd. agreeing to act as Registrars to the Issue.
5. Copy of General Meeting Resolutions dated 30th September 1991 and 28th September 1995 relating to appointment and remuneration of Mr. Harsh C. Mariwala as Managing Director of the Company.
6. Agreement dated 30.11.95 between the Company and Mr. H.C. Mariwala appointing him as Managing Director
7. Agreements dated 21/02/94 and 16/11/95 between the Company and The Bombay Oil Industries Ltd. for using the Trademark "Parachute" and "Saffola".
8. Agreements dated 29/03/95 between the Company and Kanmoor Foods Ltd. for assignment of the trademark and copyright respectively in the brand 'SIL'.
9. Agreement dated 29/09/95 between the Company and Kanmoor Foods Ltd. for licence to use the mark 'SIL' for exports and institutional sales.
10. Agreement dated 30/11/95 between the Company and The Bombay Oil Industries Ltd. for licence of the office premises at Rang Sharda, K.C. Marg., Bandra (West), Mumbai 400 050.
11. Agreement for Sale dated 28/12/95 between the Company and The Bombay Oil Industries Ltd. for purchase of property No. 5B, Rang Sharda, K.C. Marg, Bandra (West), Mumbai - 400 050.
12. Agreements dated 11/11/92 and 30/11/95 between the Company and The Bombay Oil Industries Ltd. for licence of the factory premises at 'P' Plot, Sewree, Mumbai.
13. Agreement dated 06/10/93 between the Company and Maharashtra Industrial Development Corporation for lease of factory premises at Jalgaon.
14. Provisional Hire Purchase Agreement dated 24/07/92 between the Government of Kerala and the Company and Patta dated 19/11/94 issued by the Tahsildar, Palakkad.
15. Agreement for Sale dated 30/06/95 between the Company and Kanji Morarji in respect of the premises No. 5A, Rang Sharda, K.C. Marg, Bandra (West), Mumbai - 400 050.

B. DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of the Company including the certificate of Incorporation dated October 13, 1988 and certificate dated 31/10/89 consequent upon change of name.
2. Copy of Special Resolution passed at the Extraordinary General Meeting of shareholders held on December 26, 1995 under Section 81(1A) of the Act authorising issue of EQUITY SHARES to those other than the shareholders of the Company.
3. Consents from the Directors, Company Secretary, Registrars, Lead Managers, Co-Managers, Advisors to the Issue, Bankers to the Company, Bankers to the Issue, Auditors and Legal Advisors to the Issue referred to in this Prospectus to act in their respective capacities.
4. Copy of initial listing application dated January 3, 1996 filed with the Bombay Stock Exchange and National Stock Exchange.
5. Report dated November 24, 1995 from the Auditors of the Company referred to in this Prospectus.
6. Letter dated December 01, 1995 from Dalal Desai & Kumana, Chartered Accountants confirming tax benefits as mentioned in the Prospectus.
7. Auditors Consent dated December 21, 1995 for inclusion of their report and certificate in the manner mentioned in the Prospectus.
8. Copy of resolution passed at the Annual General Meeting held on July 28, 1995 for issue of Bonus shares.
9. Powers of Attorney dated February 2, 1996 executed by the Directors of the Company authorising Shri P. Sanker or failing him Shri P.K. Datta to sign on their behalf and make the necessary corrections in the Prospectus.
10. Powers of Attorney dated January 2, 1996 executed by the Offerers in favour of the Company.
11. Copies of Audited Balance Sheets together with Profit & Loss Accounts of the Company for the years 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95.
12. Copies of Annual Reports of The Bombay Oil Industries Ltd. and its subsidiaries, namely Hindustan Polyamides & Fibres Ltd., Epro Biotechnologies Ltd. and Kanmoor Foods Ltd. for the years 1992-93, 1993-94 and 1994-95.
13. Copy of SEBI acknowledgment card No. IMID/BKG/2559/2454/96 dated February 13, 1996.
14. Board Resolution dated February 2, 1996 authorising the Registrars to sign the Stockinvest instruments on behalf of the Company.

DECLARATION

The Directors hereby declare that all the relevant provisions of the Act and the guidelines issued by SEBI have been complied with and no statement made in this Prospectus is contrary to the provisions of the Act and rules made thereunder.

SIGNED BY THE DIRECTORS

CHARANDAS V. MARIWALA - DIRECTOR

KISHORE V. MARIWALA - DIRECTOR

HARSH C. MARIWALA - MANAGING DIRECTOR

Place : Mumbai

Date : February 22, 1996

CO-MANAGERS TO THE ISSUE



State Bank of Saurashtra

Merchant Banking Bureau, H.O. Nilambaug
Chowk, Bhavanagar 364 001.

Phone : (0278) 20370-89

Fax : (0278) 22032



Escorts Finance Ltd.

Shah House, Shivsagar Estate,
Worli, Mumbai 400 018.

Phone : (022) 496 44 61

Fax : (022) 495 09 24



Allbank Finance Ltd.

Allahabad Bank Building, 18,
Dr. Gopalrao Deshmukh Marg,
Mumbai 400 026.

Phone : (022) 386 53 45

Fax : (022) 386 53 45



ADVISORS TO THE ISSUE

Birla Global Finance Ltd.

Apeejay House, 2nd Floor, Dr. V.B.
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Phone : (022) 288 06 60

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LEGAL ADVISORS TO THE ISSUE

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Suresh A. Shroff & Co.

Advocate & Solicitors,

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Dalal Street, Mumbai 400 023.