

PROSPECTUS

VICTORY PROJECTS

PUBLIC ISSUE OF 33,81,900 EQUITY SHARES OF RS.10/- EACH FOR CASH AT A PREMIUM OF RS.5/- PER SHARE AGGREGATING TO RS 507,285 LAKHS.

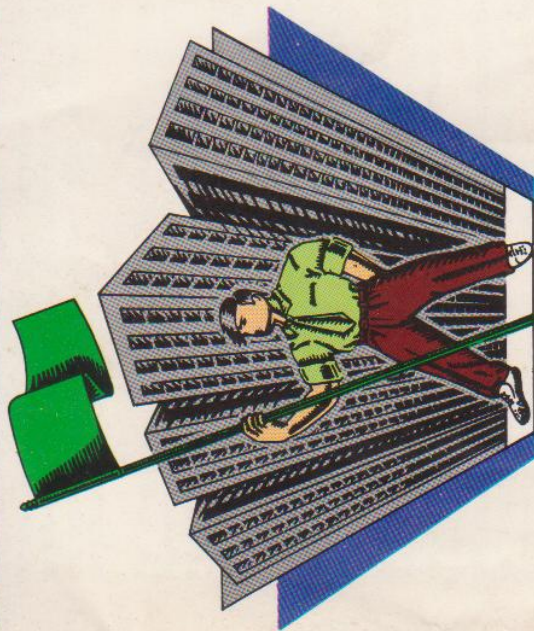
(Including Firm Allotments to Indian Mutual Funds, NRIs/OCB's and employees aggregating to Rs. 182.52 lakhs).

Firm Allotments To	Rs. in Lakhs
1. Taurus Mutual Fund	50.00
2. Apple Mutual Fund	50.00
3. NRI's/OCB's	121.74
4. Employees	0.78
TOTAL	182.52

HIGHLIGHTS : 1. Existing, profit-making, dividend-paying, housing construction company, expanding operations and diversifying into high growth Aquaculture as an 100% EOU. 2. Board comprises persons with vast experience in aquaculture and construction projects in USA and Kenya. 3. Technology tie-up with Bio-Feed Industries (Singapore) Pte Ltd. for aquaculture. 4. Project appraised by APITCO - Andhra Pradesh Industrial & Technical Consultancy Organisation Limited (a joint venture of IDBI, IFCI, ICICI, APIDC, APSFC, APSSIDC and Banks) 5. Listing on Hyderabad and Bombay Stock Exchanges. 6. Tax Benefits under Section 10B/80HHC to Company and Section 80L and 80M to Investors under Income Tax Act and also Wealth Tax exemption of shares held by investors. **Investors are advised to refer to the para on "Justification of premium" before making an investment decision.**

RISK FACTORS : **EXTERNAL :** 1. Construction project time schedules are prone to fluctuation caused by delays in statutory sanctions/approvals/clearances with resultant impact on direct and indirect costs of the projects. 2. The activities related to aquaculture farm operations may be adversely affected by (i) natural calamities like cyclone etc., resulting in lower productivity and longer harvest periods, and (ii) any bacterial disease that may occur in aquaculture shrimp units located in coastal Andhra Pradesh due to improper farm maintenance. 3. Any fluctuation in foreign exchange rates will have an impact on the profitability projections. **INTERNAL :** 4. 37 acres of owned land for aquaculture in the process of being registered. 5. The working capital requirements of the aquaculture project are yet to be tied up. 6. APITCO the appraising agency is not participating in the means of financing. Further, in the absence of stake of any financial institution/bank, there shall be no monitoring of deployment of funds raised through this issue. 7. The Company is yet to obtain approval for additional power requirement. 8. The Company's applications for enhancement of the Aquaculture EOU capacity to 719 MT and Foreign Collaboration Agreement are still pending Government approval from SIA which, if not received will entail increase in project cost to the extent of Rs. 17.57 lakhs on account of duties on capital goods imported for the project. 9. In the event of the Company not fulfilling export obligations, certain tax benefits will not be available and the same will have an adverse impact on the profitability of the Company.

PERCEPTIONS OF THE MANAGEMENT : 1. Risk factor 1: Adequate contingency provisions are made at the time of assessing the total cost of execution of projects to meet escalation of costs of construction materials. 2. Risk Factor 2: Bacterial diseases are caused by improper maintenance of the ponds, quality of water and soil. Adequate precautions have been taken in the design on the ponds, and scientific farm management practices will be adopted to ensure quality of water and soil to avoid such diseases. 3. Risk factor 4: The registration of the land will be completed by the end of March 1995. 4. Risk factor 5: Application for working capital for aquaculture has been submitted to Oriental Bank of Commerce and the Company is confident of getting the requisite limits sanctioned. 5. Risk factor 7: The Company has already been sanctioned 180KVA HT supply for the shrimp farm. For the additional power, the company has made an application and does not envisage any difficulty in obtaining approval from APSEB. 6. Risk Factor 8: The Company has since received the Government approval for Industrial Approvals, Government of India vide their Letter No. 302(94) dated 28.2.95 for enhancement of the aquaculture EOU capacity to 719MT. The Company is confident of obtaining the automatic accord of the foreign collaboration agreement.



**ISSUE OPENS
ON 20TH APRIL '95.**

**Rs. 5/- on
Application.
Minimum
400 Shares**



VICTORY PROJECTS LIMITED

Regd. Office : G1 Parameshwara Apartments,
6-3-626, Anand Nagar, Khairatabad,
Hyderabad - 500 004. Tel : 91-40-317212, 317380,
Fax : 91-40-393890.

Lead Managers to the Issue

Prudential Capital Markets Ltd.,

6-3-1110, 26 & 27, Annamtha mall,
Hyderabad - 500 016,
Somajiguda,
Phoness : 3188411 - 14,
Fax : 313515



Weizmann Limited

26, Golbind Malhad, N S Road
86 B, Marine Drive,
Bombay - 400 029,
Phone : 2057353/2057394
Fax : 2063272

Advisors to the Issue

Pravira Financial Services Private Ltd

5-5-87/1/4 Hyderabad
Hyderabad - 500 001
Telephoness : 231561 - 62,
Fax : 598100



Registrars to the Issue

Karvy Consultants Pvt. Ltd.,

6-1-68/2, Saifabad,
Hyderabad - 500 001,
Phoness : 242208 - 09
Fax : 230912/236602

VICTORY PROJECTS LIMITED

(Incorporated on 22nd July, 1991 under the Companies Act, 1956 as a private limited company and converted into a public limited company on 12th September, 1994 and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh, on 27th October, 1994 u/s 31(1)/44 of the Companies Act, 1956.)

Regd. Office: Parameshwara Apartments, G1, 6-3-626, Anand Nagar, Khairatabad, Hyderabad - 500 004. Tel: 91-40-317212, 317380 Fax: 91-40-393890

PART - I

I. GENERAL INFORMATION

GOVERNMENT APPROVALS

AUTHORITY FOR PRESENT ISSUE

Members of Victory Projects Ltd. (hereinafter referred to as "the company" or "VPL") have approved this issue of equity shares under Section 81(1A) of the Companies Act, 1956 (hereinafter referred to as "the Act") by a special resolution passed at the Extra Ordinary General Meeting held on 25.10.94.

For its construction business the Company does not require any registration or industrial licence or any acknowledgement from the Secretariat for industrial approvals, Ministry of Industry, Government of India. The Company has obtained permission for the 100% Export Oriented Unit for the Integrated Aquaculture Unit from the Secretariat for Industrial Approvals, Department of Industrial Development, Ministry of Industry, Government of India vide their letter no. PER:350(1994)/EOB/302/94, dated 30.9.94 for an annual capacity of 200 MT. The Company has made an application dated 7.10.94 to modify the permission for an annual capacity of 719 MT processed shrimps and for import of capital goods for the project and obtained formal sanction vide letter no.(302)/94 dated 28.02.95.

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

This prospectus is issued as per "Guidelines for Disclosure and Investor Protection" issued by Securities and Exchange Board of India (hereinafter referred to as "SEBI") under reference GL/IP/NO.1/SEBI/PMT/92-93 dated June 11th, 1992. SEBI has vetted this prospectus in the draft stage and has issued Acknowledgement Card No. 1(26)/152/95/075 dated 6.01.95 and their letter dated 28.2.95.

DISCLAIMER CLAUSE

It is to be distinctly understood that the vetting of the offer document 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 offer document. SEBI has vetted the offer document filed with it for a limited purpose of overseeing, whether the disclosures contained therein are generally adequate and are in conformity with SEBI Guidelines for 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 offer document, the Lead Manager is expected to

exercise due diligence to ensure that the company discharges its responsibility adequately in this behalf and towards this purpose, Prudential Capital Markets Ltd., the Lead Manager, has furnished to SEBI a Due Diligence Certificate dated 16/11/94 which reads as follows:

- (1) 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 draft prospectus pertaining to the said issue;
- (2) 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 the objects of the issue, projected profitability, price justification and the contents of the documents mentioned in the Annexure and other papers furnished by the company.

WE CONFIRM THAT :

- (a) the draft prospectus forwarded to SEBI is in conformity with the documents, materials and papers relevant to the issue;
 - (b) all the legal requirements connected with the said issue as also the guidelines, instructions, etc. issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with; and
 - (c) the disclosures made in the 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.
- (3) We confirm that besides ourselves, all the intermediaries named in the prospectus are registered with SEBI and that till date such registration is valid.
- (4) We have satisfied ourselves about the worth of the underwriters to fulfil the underwriting commitments.

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

FILING

A copy of this prospectus having attached thereto documents as required to be filed under Section 60 of the Companies Act, 1956 (herein after referred to as "The Act") has been delivered for registration to the Registrar of Companies, Andhra Pradesh (hereinafter referred to as "the ROC").

LISTING

Applications have been made to the Stock Exchanges at Hyderabad (Regional Stock Exchange), and Bombay for permission to deal in and for an official quotation of the Equity Shares of the Company.

CAUTION

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

ISSUE PROGRAMME

THE SUBSCRIPTION LIST WILL OPEN AT THE COMMENCEMENT OF BANKING HOURS AND WILL CLOSE AT THE CLOSE OF BANKING HOURS AS MENTIONED BELOW OR EARLIER AT THE DISCRETION OF THE BOARD OF DIRECTORS OF THE COMPANY (HEREINAFTER REFERRED TO AS "THE BOARD") BUT NOT BEFORE THE CLOSE OF BANKING HOURS ON THE DAY MENTIONED UNDER THE CAPTION "EARLIEST CLOSING".

FOR ALL CATEGORIES OF APPLICANTS

ISSUE OPENS ON	: THURSDAY, THE 20TH APRIL, 1995
CLOSING NOT LATER THAN	: TUESDAY, THE 2ND MAY, 1995
EARLIEST CLOSING	: MONDAY, THE 24TH APRIL, 1995

LEAD MANAGERS TO THE ISSUE

Prudential Capital Markets Ltd.,
6-3-1110, 26 & 27, Amrutha Mall,
Somajiguda,
Hyderabad - 500 016.
Phones : 318811 - 14,
Fax : 313515

Weizmann Limited
26, Gobind Mahal,
86 B, Marine Drive,
Bombay - 400 002.
Tel:2037333/2037394
Fax:2063272

ADVISORS TO THE ISSUE

Pravira Financial Services Private Ltd
3-5-874/4, Hyderguda
Hyderabad - 500 029.
Telephones : 231561 - 62 Fax : 598160 Secunderabad - 500 003, Phone: 804498.

Advocates
7-2-559, Booruguchetty Bazar,
Secunderabad - 500 003, Phone: 804498.

LEGAL ADVISORS

CO-MANAGERS TO THE ISSUE

Andhra Bank
Merchant Banking Division
Central Office,
5-9-11, Secretariat Road,
Saifabad,
Hyderabad - 500 004.

Vijay Growth Financial Services Limited,
906, "A" Block,
Babukhan Estate,
Basheerbagh,
Hyderabad 500 001.

REGISTRARS TO THE ISSUE

Karvy Consultants Ltd.,
6-1-68/2, Saifabad,
Hyderabad - 500 004.
Phones : 242208 - 09
Fax : 230912 / 236602.

AUDITORS
V. Syam Sunder
Chartered Accountant
10-31, Temple Alwal,
Secunderabad-500 010.
Phone : 247178

DEBENTURE TRUSTEES

This being an issue of Equity Shares, appointment of Debenture Trustees is not required.

CREDIT RATING

This being an issue of Equity Shares, no credit rating is required.

"Any person who -

- makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or
- 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 minimum subscription amount of 90% of the issue, including devolvement of underwriters, within 60 days from the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. For delay beyond 78 days, if any, in refund of such subscription, the Company shall pay interest as per Section 73 of the Act.

LETTERS OF ALLOTMENT/SHARE CERTIFICATES/REFUND ORDERS

Allotment letters/Share Certificates and/or Refund Orders will be despatched in accordance with the current postal rules, within 10 weeks from the date of closure of the subscription list to the first/sole applicant at the applicant's risk to his/her registered address. The Company shall ensure despatch of refund orders of value over Rs. 1,500/- and Share Certificates by Registered Post only and adequate funds for the purpose will be made available to the Registrars to the issue (hereinafter referred to as "the Registrars"). However the Company is liable in the case of delayed refunds after 78 days to pay interest at the prescribed rates under Section 73 of the Act.

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

Refunds will be made by cheques/pay orders drawn on the Bank(s) duly appointed by the Company and bank charges, if any, for encashing such cheques/pay orders will be payable by the applicant. Such cheques/pay orders will, however, be payable at par at the places where the applications are accepted. In case of stockinvest please see the procedures set out elsewhere in this prospectus.

Investors may note that in case of over-subscription, the allotment shall be on a proportionate basis. A SEBI nominated public representative shall be associated in the process of finalisation of basis of allotment if the issue is oversubscribed by more than 2 times.

UNDERWRITERS TO THE ISSUE

The issue of 21,65,100 Equity Shares of Rs 10 each for cash at a premium of Rs.5 per share aggregating to Rs.3,24,76,500 now offered in terms of this Prospectus, (excluding Rs.1,82,52,000 being the issue price of 8,11,600 Equity Shares reserved for firm allotment to NRIs/OCBs, 4,00,000 Equity Shares reserved for firm allotment to Mutual Funds and 5200 Equity Shares reserved for firm allotment to employees) has been underwritten as per details furnished below:

A. MERCHANT BANKERS/BANKS

Name & Address of the Underwriters	Date	Amount (Rs. in Lacs)
Prudential Capital Market Ltd. 6-3-1110, 26 & 27 Amrutha Mall Somajiguda, Hyderabad - 500 016.	2.3.95	46.965
Weizmann Limited, 26, Gobind Mahal, 86 B, Netaji Subhash Road, Bombay - 400 002.	2.3.95	24.90
Mega Resources Limited, 10-2-289/26A, Shanti Nagar, Hyderabad - 500 028.	2.3.95	15.00
Allbank Finance Allahabad Bank Building 18, Dr. Gopairao Deshmukh Marg, Bombay - 400 026.	16.1.95	9.90
State Bank of Hyderabad Head Office Gunfoundry, Hyderabad - 500 177.	29.12.94	9.90
The United Western Bank Ltd., Mittal Court, 'C' Wing, 16th floor, Nariman Point, Bombay - 400 021.	2.3.95	9.90
Taminad Mercantile Bank Ltd., 57, VE Road, Tuticorin - 628 002.	2.3.95	9.00
Andhra Bank Central Office 5-9-11, Secretariat Road, Saifabad, Hyderabad - 500 004.	2.3.95	4.50
Bank of Madura Ltd., K.J. Market, Koti, Hyderabad - 500 195.	2.3.95	4.50
The Vysya Bank Limited 4-1-317 to 319, 1st Floor, Abid Road, Hyderabad - 500 001.	2.3.95	4.50
PNB Capital Services Limited Sudarshan Building, 3rd floor, 14, Whites Road, Madras - 600 014.	31.01.95	9.90
Asia Pacific Financial Services Limited, 26, Nagarjuna Hills, Punjagutta, Hyderabad - 500 482.	2.3.95	4.50
Enam Financial Consultants Pvt. Limited, Merchant Banking Division, 24 BD Rajabhadur Compound, Ambalal Doshi Marg, Bombay - 400 001.	2.03.95	9.90
Bhagwandas Gordhandas Financial Private Limited, Cama Building, 4th floor, Dalal Street, Bombay 400 023.	2.3.95	7.50
Real Growth Financial Services Ltd. Sagar Estate 2, Clive Ghat Street, Unit No 16 Calcutta- 700 001	2.3.95	1.50
Margadarsi Financial Services P Ltd Enadu Complex, 6-3-570, Somajiguda, Hyderabad - 500 482.	2.3.95	4.50
Subhash Dalal Financial Consultants Limited, 305, Lingapur House, Himayat Nager, Hyderabad 500 029.	2.3.95	4.50
Pennar Paterson Securities Limited, Chikoti Gardens, S.P. Road, Begumpet, Hyderabad - 500 016.	2.3.95	3.00

Foresight Financial Services Limited 207, Happy Trade Centre Sarojini Devi Road, Hyderabad - 500 003.	2.3.95	3.00	Marg Securities Ltd. Unit No.2, 11rd Floor Topaz Building , Amrutha Hills, Panjagutta, Hyderabad 500 482.	2.3.95	0.90	Atul M Chokshi Share & Stock Brokers, 225/2, Maturat Pole, Maneckchowk, Ahmedabad - 380 001.	0.75
Merban India Limited 204, Ganga Estates, 6-3-350, Nagarjuna Circle, Hyderabad - 500 034.	2.3.95	4.50	Rockland Leasing Ltd A-81, Himalaya House, 8th Floor, 23, Kasturba Gandhi Marg, New Delhi 110 001.	2.3.95	0.90	Gautam N.Jhaveri Jhaveri Building, Opp.Bank of India, Manek Chowk, Ahmedabad - 380 001.	1.50
DCL Finance Limited Merchant Banking Division Deccan Chambers, 1st floor, 6-3-666/B, Somajiguda, Hyderabad - 500 482.	2.3.95	4.50	TOTAL "A"		213.165	Shailesh S. Jhaveri Jhaveri Building, Opp.Bank of India, Manek Chowk, Ahmedabad - 380 001.	1.50
Saaketa Consultants Private Limited 1-1-293/4, Ground Floor, Mehta Towers, Ashok Nagar, Hyderabad - 500 020.	2.3.95	3.00				BANGALORE Agrahar & Co. Manish Towers J C Road Bangalore 560 002	1.50
Vijay Growth Financial Services Limited 906, 'A' Block, Babukhan Estate, Besheerbagh, Hyderabad - 500 001.	2.3.95	4.50	AHMEDABAD Ashok Manilal Thakkar 2256, Mahurat Pole Manek Chowk Ahmedabad 380 001		1.50	LKS Murthy & Co Stock & Share Brokers & Dealers, Devatha Plaza, 406, 4th floor, Residency Road, Bangalore - 560 025.	0.75
Suraj Securities & Finance Limited 111, Kushal Towers, 1st Floor, Khairatabad, Hyderabad - 500 004.	2.3.95	1.50	Chhaganlal K Kothari 2nd Floor, Virchand Dipchand Haveli Nr. Central Bank, Manekchowk Ahmedabad 380 001		0.45	BOMBAY Anil Mithalal & Co. 2nd Floor, Mehta Building Hamam St. Fort Bombay 400 023	0.75
Brilliant Investments Ltd 309,Liberty Plaza, 3-6-365, Basheerbagh, Hyderabad - 500 029.	2.3.95	1.50	Hina Vora 2096, Nagji Bhudami Pole Ubho Khancho, 1st Floor Mandvini Pole , Ahmedabad 380 001		0.45	Bhagwandas Gordhandas Cama Building, 4th Floor Dalal Street, Bombay 400 023	3.00
MA Capital Market Services Limited Habib Complex, III floor, 3 Durgabai Deshmukh Road, R.A.Puram, Madras - 600 028.	2.3.95	1.50	Interface Capital Markets (P) Ltd 603, Samruddhi Opp. Gujarat High Court Ahmedabad 380 014		3.00	Dalal & Broacha 507, Maker Chamber V 221, Nariman Point, Bombay 400 021	1.50
Premium Finance & Leasing Ltd 'M' Floor, Devika Tower, Nehru Place, New Delhi - 110 019.	2.3.95	3.00	Jyotish Bhogilal Shah 707, "Sakar" 7th Floor Opp. Gandhigram Rly Station Ashram Road Ahmedabad 380 009		1.50	Enam Securities Pvt. Ltd New Issue Division 113 & 202, Stock Exchange Towers 1st Floor, Dalal Street Bombay 400 001	4.50
			P N Shah & Sons 1211/1, Rupasurchandni Pole Madan Gopal Haveli Road Manekchowk, Ahmedabad 380 001		0.75	V Jethalal Ramji 1019, Stock Exchange Tower Dalal Street, Fort Bombay 400 023	0.75

JSB Securities Ltd Kamanwala Chambers Ground Floor Sir P M Road, Fort Bombay 400 001	0.75	Subhash V.Shah 32B, Khatau Bldg., Alkesh Dinesh Modi Marg, Fort Bombay - 400 023.	0.75	M B Nahar 12, India Exchange Place 3rd Floor Calcutta 700 001	0.45
KG Vora 40, Khatau Building, 2nd Floor 8/10, Marine Street Fort, Bombay 400 023	0.75	Ashvin Chinubhai & Sons Bhupen Chambers 2nd Floor, Dalal Street, Fort, Bombay - 400 023.	0.75	Tarun Sethia 9, India Exchange Place 3rd Floor, Room No.5 Calcutta 700 001	1.50
L K Panday Maharashtra Bank Building 4th Floor, B S Marg Bombay 400 023	0.75	Ajit Surana Mustafa Building, 7A, Sir P.M.Road, Bombay - 400 001.	0.45	VCK Share & Stock Broking Services Pvt. Ltd 16, India Exchange Place Calcutta 700 001	0.75
Milan R Parekh Sonawala Building, Ground Floor Green Street, Opp. Old Custom House Fort, Bombay 400 023	0.75	Paresh Bhagwandas Shah Cama Building 4th floor, Dalal Street, Bombay - 400 023.	0.75	Vinod Bald & Co 1, India Exchange Place Calcutta 700 001	0.45
MP Vora 1122, Stock Exchange, Dalal Street Fort, Bombay 400 023	0.75	Jayantilal Khandwala & Sons 201, Stock Exchange Tower, Dalal Street, Bombay - 400 023.	0.75	DP Poodar & Co 106 Todi Chambers, 1st floor, 2, Lal Bazar Street, Calcutta - 700 001.	0.45
Pankaj Karani 21-B, Khatau Bldg., 1st Floor Alkesh Dinesh Moody Marg Fort, Bombay 400 001	0.75	BHUBANESWAR Shree Laxmi Investments 83-A, Kalpana Area Near BJB E M School Bhubaneswar 751 014	0.45	Bubna & Co 63, Radha Bazar Street, Room No.41, Calcutta - 700 001.	0.45
Prabhudas Lilladher Pvt. Ltd 157 Bazar Gate Street Second Floor Fort, Bombay 400 001	0.75	Kamal Sethia 5, Satya Nagar, Bhubaneswar - 751007 Orissa.	0.60	Om Prakesh Khaitan New Issue Department, Near Broady Hotel, Mission Row Extn., 2, Khetra Das Lane, Calcutta - 700 012.	0.30
P R Subramanyam & Sons 31, Temrind Lane Fort, Bombay 400 023	0.75	CALCUTTA		K.N.Fatehpuria & Co., Martin Burn House, 1st floor, 1,R.N.Mukerjee Road, Calcutta - 700 001.	0.30
Vallabh Bhanshali 113 & 202 Stock Exchange Towers Dalal Street , Bombay - 400 001	0.75	Bimal Kumar Ghosh Stock Exchange Building 7, Lyons Range, 1st Floor Calcutta 700 001	0.45	Ajoy Agarwal & Co., Allahabad Bank Building 14, India Exchange Place,(2nd floor) Calcutta - 700 001.	0.30
Vinay M Shah 59, Bazargate St., 1st Floor Fort, Bombay 400 001	1.50	C Mackertlich 7, Lyons Range Calcutta 700 001	0.45	Vikash Somani 23A, Netaji Subhas Road, Room No. 21, 5th Floor, Calcutta 700 001.	0.30
D.A.Shah & Sons 24/B Ground Floor, Raja Bahadur Compound, Hamam Street, Fort, Bombay - 400 023.	0.75	Keshav Kumar Saraf & Co. 63, Radha Bazar Street 3rd Floor, Room No.34 Calcutta 700 001	1.50		

Om Prakash Modi 2, Clive Ghat Street, "Sagar Estate", Basement Unit No.8, Calcutta - 700 001.	0.30	Reliable Investments 746/E Avانشahi Road, TSJ Complex (1st floor) Coimbatore - 641 018.	0.45	Shashank Vaidya 3-4-253, Kachiguda Hyderabad 500 027	0.45
Sajjan Kumar Saraf 9, Ezra Street, 2nd floor, Calcutta - 700 001.	0.30	GUWAHATI Anil Betala & Co. Sreemantha Market A T Road Gauhati	0.45	P. Bose Babu R.No.5 III Floor Unity House Abids, Hyderabad - 500 001.	0.75
COCHIN Babu Eapen & Co. 329, C S E Brokers Complex Kacheripady, Cochin 682 018	0.45	Pukhraj Lunkar 1st Floor, Betala Niwas Tokabari Road Guwahati 781 001	0.45	Excel Associates 214, Stock exchange tower, 3-6-275, Himayathnagar, Hyderabad - 500 029.	0.45
Jones & Co. 2nd Floor, Old Telegraph Office Bldg. Ernakulam, Cochin 682 031	0.45	S K Nahata & Co. Bothra Building 2nd Floor, M S Road Guwahati 781 001	0.45	Sunil A Hinduja Plot No. 6 Ground Floor, Rock Dale Compound, Lane Opp. ATA Office Somajiguda, Hyderabad - 500 482.	0.75
P C Chacko & Co. Chakos Towers Jews Street East End Cochin 682 035	0.45	Mukesh Kumar Jain C/o Laxmi Electric & Furnishings A. T. Road Paltan Bazar, Guwahati - 781 008.	0.45	INDORE D S Sancheti Securities & Fin. Services Limited Sancheti Building 20/11, Yeshwant Niwas Road Indore 452 003	0.45
Ashish & Co C/o Madras Auto Agencies Opp. Sangeeta Talkies No 36/11, Banerji Road, Ernakulam - 682 018.	0.75	HYDERABAD Gala Associates 3-6-691, Himayathnagar Hyderabad 500 029	0.45	J V Modi 156, M T Cloth Market 3rd Floor, Indore 452 002	0.75
Infinite Investments First Floor, C.L.S.Building, M.G.Road, Cochin - 620 011.	0.45	K Ravindra Babu 101, Vijayashree Apartments Nagarjuna Nagar Colony Hyderabad 500 873	1.50	Maheshwari Investment & Finance Services (Indore) Pvt. Ltd 14/7, North Rajmohalla, Indore 452 002	0.45
COIMBATORE Akshaya Securities 129, D B Road R S Puram Coimbatore 641 002	0.75	M S Ramakrishna 6-1-68/3A, Saifabad Hyderabad 500 004	7.50	Nirmal & Co. 20/11, Yeshwant Niwas Road Behind-Central Bank Indore 452 003	0.30
P Balasubramanian Gajapriya Stocks 827, Sullivan Street Coimbatore 641 001	0.45	Ramakanth Inani G.F. 15, Raghava Ratna Towers Chirag Ali Lane, Hyderabad - 1	0.45	Priti Jain 16, Bima Nagar, Indore	0.45
Sabari & Co. 80, Eighth Street, Tatabad Coimbatore 641 012	0.45	Rao Brothers 3-6-478/E, Himayathnagar Hyderabad 500 029	0.45	Santosh & Co. 29, Dhenu Market, 1st Floor S G S I T S Road Indore 452 003	0.75
		Rathi Bros 4-5-174 & 175, Hasmat Gunj Sultan Bazar Hyderabad 500 195	0.75	Kailash Mehta C/o M/s Hamarayan Motilal 2/4, Jawahar Marg, Rathore Chambers, Siyaganj, Indore - 452 007.	0.75

Dwarakadas H Maheswari 14/7, North Rajmohalla, Indore - 452 002.	0.45	LUDHIANA	B D Agarwal & Co. G-12, Ground Floor "Arunachal" 19, Barakhamba Road New Delhi 110 001	0.90
JAIPUR			Bharat Bhushan & Co. 304, Rohit House 3, Tolstoy Marg, New Delhi 110 001	3.00
H C Jain & Co. 204, Jaipur Tower Opp: A I R: M I Road Jaipur	1.50	MADRAS	Jalan & Co. Delhi Stock Exchange Buidg. Asaf Ali Road, New Delhi 110 002	0.75
Prem Somani & Associates 17, Purohit Ji Ka Bag M I Road, Jaipur 302 001	1.50	Akshaya & Co. Ground Floor - 3 "Swathi Court" 22, Vijaya Raghava Road T Nagar, Madras 600 017	NDA Share Brokers Ltd UB-12A, Indra Prakesh Building 21, Barakhamba Road New Delhi 110 001	0.90
R K Singh & Co. 12, Vidyut Abhiyanta Colony C-Block, Malviya Nagar Jaipur 302 017	0.45	Auro Mira 1st Floor, Habib Complex 3, Durgabai Deshmukh Road Madras 600 028	Prasad & Co. UB-25, Indra Prakesh, Dharakhamba Road New Delhi 110 001.	1.50
Sunita Gupta & Co. C/o Anil Jain Trident Express Opp. Indian Coffee House M I Road, Jaipur 302 001	3.00	Madan & Co. Ltd Share House No.61, Moore Street Madras 600 001	Shakti & Co. 183, Cariappa Marg, Sainik Farm, New Delhi 110 062	0.45
Upendra A Gandhi & Co. D-51, Piyush Path, Bapu Nagar Jaipur 302 015	0.75	R G Nagesan & Co. 102, Angappa Naicken St. (3rd Floor) Madras 600 001	Padam Jain & Co., 4/9,Asaf Ali Road (Near Bank Of India) New Delhi - 2.	0.45
RK Daga & Co., 29, Mahalaxmi Market, Nehru Bazar, Jaipur - 302 003.	0.45	Venkataraman & Co. P B No:2936 52, Dr. Rangachari Road Mylapore, Madras 600 004	Vinod Kumar & Co Stock & Share Brokers, A-6, Connaught Place, New Delhi - 110 001.	0.45
KANPUR			VJ Mehta & Co., 12/3 Asaf Ali Road, New Delhi - 110 002.	0.45
Chuknoo & Co. 78/53, Latouche Road Kanpur 208 001	0.45	Arihant & Co., 138, Dr.Radha Krishnan Salai, Mylapore, Madras - 600 004.	Subhash Chugh & Co Stock & Share Brokers 1110, Prakash Deep, 7, Tolstoy Marg, New Delhi 110 001.	0.75
R N Mittal & Co. 417, Padam Tower Il 14/113 Civil Lines, Kanpur 208 001	0.75	MANGALORE	Shorewala & Co., UG -8 Essel House, 10, Asaf Ali Road, New Delhi - 110 002.	0.75
Uday Merchant "Padam Towers" 14/113, Civil Lines Kanpur 208 001	3.00	Jagdish N Master C/o Sylvester Lobo Kaprigudda, Near Fahir Post Office Mangalore 575 001		
Rajesh Mittal & Co., 14/113 Padam Tower Civil Line, Kanpur - 208 001.	0.45	Naveen Fernandes I Floor, Kairanna Building Jyothi Mangalore 575 001		
		NEW DELHI		
		Amrit Lal Bajaj & Co. 606, Kailash Building 26, Kasturba Gandhi Marg. New Delhi 110 001		

PATNA			
Singhal & Co.	0.45		
607, Ashiana Plaza Budha Marg, Patna - 800 001.			
Manoj Kumar Saraf	0.30		
601 B, Ashiana Plaza, Buddha Marg, Patna - 800 001.			
Vipin Madan	0.45		
Ashiana Plaza, 9th Floor, Budh Marg, Patna 800 001.			
PUNE			
Sanjay M Munot	0.45		
"Ashirwad" 832, Sadashiv Peth Chittrashala Chowk Pune 411 030			
Janak Merchant	0.45		
Basement 22 Wonderland, No.7, M.G. Road, Pune - 411 001.			
Uday A Patankar	0.45		
Member - Pune Stock Exchange Ltd., Laxman Villa Apartments, 46/3/1, Paud Road, Near Jog Hospital, Pune - 411 038.			
Rajesh A Parikh	0.45		
Member - Pune Stock Exchange Ltd., 591 -A, Rastapeith, M-1, Suyog House, Pune - 411 011.			
RAJKOT			
Anil Dhulia	0.75		
241, II Floor Shree Jay Khodiyar Comm. Centre Rajpur Para Main Road Rajkot 360 001			
Unique Securities	0.75		
"Chumliat Mansion" 2, Panchmath Plot Rajkot 360 001			
Harkishan B Marwadi	0.45		
62-63, Star Shopping Centre, 20, New Jagmath, Dr. Yagnik Raod, Rajkot - 360 001.			
JR Jobanputra & Co	0.45		
Adinith Towers, F' Ground Floor, Opp Akashwani, Rajkot - 360 001.			
Janak Thakkar	0.45		
"Kushi" Thakkar Niwas, Jagnath 23/39, Corner, Rajkot - 360 001.			
Kamal D Thakkar	0.45		
Geeta Apartments, Shop No.7, 25, New Jagnath, Rajkot - 360 001.			
VADODARA			
Ketki P Karani	0.75		
110, Paradise Complex Sayajigunj Vadodara 390 005			
Manoj B Ghiya	1.50		
22, 226/227, Paradise Complex Tilak Road, Sayaji Ganj Baroda 390 005			
Dr. N M Shah	0.45		
103, Payal Co-op. Hsg. Society Opp; Vakal Sewa Kendra Sayajigunj Vadodara 390 005			
Urjita J Master	0.45		
110, Paradise Complex Sayajigunj Vadodara 390 005			
Hitesh K Shah	0.45		
232, Paradise Complex, Opp Commerce College, Sayajigunj, Vadodara - 390 005.			

OTCEI MEMBER

JM Share & Stock Brokers Ltd.
2,3&4 Kamanwala Chambers,
Sir P.M.Road,
Fort, Bombay - 400 001.

Total " B " 111.60

TOTAL A + B 324.765

In the opinion of the Board of Directors and the Lead Managers, the resources of all above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the letters of underwriting referred to above have been accepted by the Board of Directors of the Company in the Board Meeting held on 08.03.95.

All the above mentioned underwriters/brokers have been registered with SEBI under Section 12(1) of SEBI Act, 1992.

II. CAPITAL STRUCTURE OF THE COMPANY

SHARE CAPITAL	NOMINAL VALUE (Rupees)	PREMIUM (Rupees)
A. AUTHORISED		
60,00,000 Equity Shares of Rs 10/- each	6,00,00,000	
B. ISSUED, SUBSCRIBED & PAID-UP		
6,51,514 Equity Shares of Rs 10/- each	65,15,140	—
C. PRESENT ISSUE		
47,25,900 Equity Shares of Rs 10 each for cash at a premium of Rs.5 per share	4,72,59,000	2,36,29,500
D. OUT OF PRESENT ISSUE		
13,44,000 Equity Shares of Rs 10 each for cash at a premium of Rs.5 per share have been reserved for allotment to promoters, directors, their friends, relatives and associates.	1,34,40,000	67,20,000
E. NOW OFFERED TO PUBLIC FOR SUBSCRIPTION IN TERMS OF THIS PROSPECTUS		
33,81,900 Equity Shares of Rs 10 each for cash at a premium of Rs.5 each.	3,38,19,000	1,69,09,500
1. OUT OF WHICH		
(i) 8,11,600 Equity Shares of Rs 10 each at a premium of Rs.5 per share On firm allotment basis to Non-Resident Indians/ Persons of Indian Origin residing abroad (NRIs), Overseas Corporate Bodies (OCBs), on Repatriation Basis.	<u>81,16,000</u>	40,58,000
(ii) 5,200 Equity shares of Rs. 10 each at a premium of Rs. 5 per share on firm allotment basis to Employees (Including Indian working Directors)	52,000	26,000
(iii) 2,00,000 Equity shares of Rs. 10 each at a premium of Rs. 5 per share on firm allotment basis to Taurus Mutual Fund.	20,00,000	10,00,000
(iv) 2,00,000 Equity shares of Rs. 10 each at a premium of Rs. 5 per share on firm allotment basis to Apple Mutual Fund.	20,00,000	10,00,000
(v) 2,76,300 Equity Shares of Rs 10 each at a premium of Rs.5 per share are reserved for allotment to Indian Mutual Funds on competitive basis.	27,63,000	13,81,500
(vi) 5,43,800 Equity Shares of Rs 10 each at a premium of Rs.5 per share are reserved for allotment to Indian Financial Institutions and Multilateral Development Financial Institutions/Banks on competitive basis.	54,38,000	27,19,000
2. NET OFFER TO THE INDIAN PUBLIC		
13,45,000 Equity Shares of Rs 10 each at a premium of Rs.5 per share.	1,34,50,000	67,25,000
F. PAID-UP CAPITAL AFTER THE PRESENT ISSUE		
53,77,414 Equity Shares of Rs 10/- each.	5,37,74,140	
G. BALANCE IN THE SHARE PREMIUM ACCOUNT AFTER THE PRESENT ISSUE		
		2,36,29,500

In view of the new basis of allotment procedure prescribed in SEBI Clarification VIII, in the event of oversubscription, the issue size may increase by a maximum of 10% of the public issue, on the same terms and conditions to enable the allotment to each allottee to be rounded off to the nearest multiple of 100.

NOTES :

1. The issued subscribed and paid-up capital as shown under 'B' above is as on 30.9.94 and the total number of shareholders is 55.

2. Promoters' Contribution after the present issue and lock-in period shall be as under:

Date of Allotment	No. of Shares	Consideration	% to Share Capital after Present Issue	Lock-in period*
22.07.91	30	Cash	-	-
07.06.93	83,302	Cash	1.55	-
27.09.93	1,04,165	Bonus Issue	1.94	-
28.09.93	3,12,500	Cash	5.81	-
30.09.94	1,51,117	Bonus Issue	2.82	-
30.09.94	400	Bonus Issue	0.01	5 years
Sub total (As per B above)	6,51,514		12.13	
Out of the Present Issue (As per 'D' above)	13,44,000	Cash	24.99	5 years
TOTAL	19,95,514		37.12	

Lock-in period is reckoned from the date of allotment or date of commencement of commercial production (as per the prospectus), whichever is later. During the lock-in period these shares shall not be sold/transferred/hypothecated. However, transfer of these shares amongst the promoters is permissible but the lock-in period on such shares shall continue to apply to the extent initially prescribed.

3. The promoters holding after the Public Issue will be 37.12 %.

4. Bonus shares issued on 27.9.93 and 30.9.94 were out of capitalisation of free reserves and profits.

5. With regard to the equity shares to be allotted under category 'D' above, the amounts shall be brought in at least one day before the issue opens. The minimum amount for each application under this category shall be of Rs.1 lakh for corporate bodies and Rs.25000 for individuals.

6. With regard to reservations made for firm allotment of shares under category E.1.(i), E.1(ii) E.1(iii) and E.1(iv) the Company has received legally enforceable, irrevocable commitments from the proposed allottees to take up the shares on allotment. No lock-in period shall be applicable in respect of the shares allotted under these categories. The entire amount in respect of the firm allotments shall be brought in before the public issue opens. If any person to whom firm allotment is proposed to be made withdraws partially or fully the offer made to him, after the filing of this prospectus with the Registrar of Companies, the extent of shortfall in this category would be taken up by the promoters, and the shares so taken up shall be locked-in for a period of 3 years from the date of allotment.

7. The number of permanent employees (including Indian working Directors is 26. The allotment of shares to the Employees of the Company shall not exceed 200 Equity Shares per employee.

8. The Company has received the sanction from Reserve Bank of India vide Ref No. HY. EC. REM/SNR.593/5181/94-95 dated 28-12-94 for issuing shares to NRI's/OCB on on Repatriation Basis.

9. The unsubscribed portion out of E.1.(v) and E.1.(vi) will be added back to the net public offer under E.2.

III. TERMS OF THE PRESENT ISSUE

The Equity Shares now being issued are subject to the terms and conditions set out in the prospectus, the application form, the Memorandum and Articles of Association (hereinafter referred to as "the Memorandum" and "the Articles" respectively) of the Company, the guidelines for allotment and listing of securities issued from time to time by the Government of India, SEBI and the provisions of the Act.

1. TERMS OF PAYMENT

Applications must be made for a minimum of 400 shares and in multiples of 100 shares thereafter. Applications from Resident Indian Public (under category 'E.2' of the Capital Structure) are subject to a maximum of 1,35,000 equity shares in a single application. The amount payable per share on application and on allotment by various categories of persons and the appropriation thereof will be as mentioned below:

Category	On Application Equity	Premium	Total	On Allotment Equity	Premium	Total
Resident Indian Public	2.50	2.50	5.00	7.50	2.50	10.00
All other Reserved Categories	10.00	5.00	15.00			

2. UTILISATION OF FUNDS

The sums received in respect of the Public Issue will be kept in separate bank accounts and the Company will not appropriate the funds unless approval of the concerned Regional Stock Exchange is obtained for allotment and where listing has been proposed on more than one Stock Exchange, no allotment or utilisation shall be allowed till listing approval is available from each of the Exchanges concerned.

3. ALLOTMENT MONEY

Failure to pay the amount due on allotment on or before the appointed date for the payment thereof will render the allottee(s) liable to pay interest thereon at the rate of 15% p.a. from the date so appointed to the date of actual payment and will also render such Equity Shares (including the amount already paid thereon) liable for forfeiture in accordance with the Articles of Association of the Company.

Where an applicant is allotted lesser number of Equity Shares than applied for, the excess application money paid, will be first adjusted towards the allotment money,

payable on the Equity Shares allotted and the balance amount, if any, will be refunded to the applicants in the manner stated elsewhere in the prospectus as per existing postal rules.

4. RIGHTS OF EQUITY SHAREHOLDERS

The Equity Shares now being issued, shall rank pari passu in all respects with the existing shares except that in respect of financial year in which they are allotted, the holders of the Equity Shares shall be entitled to dividends, if any, declared, pro-rata to the amount paid up on the Equity Shares and pro-rata for the period during which such capital is paid up thereon.

The shareholders are entitled to receive dividends as and when declared bonus and rights shares as and when issued. The rights of the above and other holders of the shares are subject to the provisions of the Act and other laws applicable from time to time, the Memorandum and Articles of Association of the Company and the terms of this prospectus.

For the aforesaid purpose, allotment money paid will be deemed to have been paid on the last date on which the allotment money is payable or the date of actual payment, whichever is later. Where the excess application money has been adjusted towards the balance due on allotment of the equity shares, the dividend, if any, on such equity shares shall accrue from the date of allotment of the equity shares.

5. AVAILABILITY OF MEMORANDUM-CUM-APPLICATION FORMS & PROSPECTUS

Application Forms with Memorandum containing salient features of the prospectus and the copies of the prospectus may be obtained from the Lead Managers to the Issue, Brokers and Bankers to the Issue named herein or from the branches of the Bankers to the Issue mentioned in the application forms and from the Company at its Registered Office.

6. PROCEDURE FOR APPLICATION AND ALLOTMENT

6.1. APPLICATION BY RESIDENT INDIAN PUBLIC

- (i) Application must be made only:
On the prescribed application form (WHITE in colour) accompanying this prospectus/abridged prospectus and completed in full in BLOCK LETTERS in English except signatures in accordance with the instructions contained herein and in the Application Form and is liable to be rejected if not so made.
- (ii) for a minimum of 400 shares and in multiples of hundred Equity Shares thereafter subject to a maximum of 1,35,000 shares in a single application. The attention of investors is drawn to the fact that in case the company does not receive the minimum subscription as mentioned elsewhere in the prospectus, this limit of maximum number of shares may not be applicable. This cap on application is intended to broaden the shareholding of the company.
- (iii) in a single name or in joint names (not more than three)
- (iv) in the names of individuals, limited companies, statutory corporations or institutions and NOT in the names of Foreign Nationals, Non-Residents and Trusts (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust Laws and is authorised under its constitution to hold shares in a company), minors, Hindu Undivided Families, partnership firms or the nominees of any of them.
- (v) All application forms duly completed together with cash/cheques/stockinvests/bank

drafts for the amount payable on application at the rate prescribed earlier in the prospectus must be delivered before the close of the subscription list to any of the Bankers to the Issue named herein or to any of their nominated branches mentioned on the reverse of the Application Form and NOT to the Company, or to the Lead Managers or to the Registrars to the Issue.

Notwithstanding the above, Applications from places other than where collection centres are located may send their application along with Bank Draft made in favour of VPLEQUITY ISSUE - PUBLIC payable at Hyderabad net of demand draft and postal charges to the Registrar to the Issue at the address given below or at Karvy Investor Service Centres so as to reach them before the close of the subscription list.

KARVY CONSULTANTS LIMITED

6-1-68/2, Saifabad,
Hyderabad - 500 004.

Applicants residing at Hyderabad may also lodge their applications with cheque/demand draft / stockinvest drawn on any banker to the issue at:

PRUDENTIAL CAPITAL MARKETS LIMITED

Primary Market Division
6-3-1186/4/1, (Behind Blue Moon Hotel),
Begumpet, Hyderabad 500 016.

(vi) Payment should be made in cash, or by cheques or stockinvests or bank drafts drawn on any bank, (including a co-operative bank which is situated at and is a member or a sub-member of the Bankers Clearing House) located at the place where the application form is submitted. Money orders/postal orders will not be accepted. Outstation cheques or bank drafts will not be accepted and applications accompanied by such cheques or bank drafts will be rejected.

(vii) Applicant may submit the stockinvest alongwith application form for public issue to the collecting bankers as in the normal case. Stockinvest is an additional facility over and above the normal modes of payment through cash/cheque/draft.

(viii) All cheques/bank drafts/stockinvests must be:

- (a) made favouring "VPLEQUITY ISSUE- PUBLIC"
- (b) crossed "A/c Payee Only"
- (c) a separate cheque or bank draft or stockinvest must accompany each Application Form.

(ix) No receipt will be issued for the application. However, the Banker to the issue receiving the Application Form will acknowledge the receipt by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

(x) The applicant must mention the application form number on the reverse of the instrument used for payment. This is to avoid misuse of the instrument submitted along with the application.

(xi) The applicant may fill in the relevant column in the application form giving particulars of saving bank/current bank account number and the name of the bank with whom such account is held to enable the registrar to print the said details in refund orders, after the names of the payees. This is for the benefit of the investors, so that refunds can be encashed only by them and not by others fraudulently.

(xii) Where the application is for a value of Rs.50000/- the applicant or in case of application in joint names, each applicant should mention his or her permanent account number (PAN) allotted under the Income Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income Tax circle/ward/District should be mentioned. In case neither the PAN or the GIR has not been allotted, mention of the words "Not Allotted" must be made in the space provided in the application form. Applications without this information will be considered incomplete and are liable to be rejected.

For further instructions, please read the Application Form carefully.

6.2. APPLICATION BY INDIAN MUTUAL FUNDS

Application by Mutual Funds must be made only:

- (i) On the prescribed application form (BLUE colour) and completed in full in BLOCK LETTERS in English [except signature(s)] in accordance with the instructions contained herein and in the application form and is liable to be rejected if not so made.
- (ii) For a minimum of 400 equity shares and in multiples of 100 thereafter.
- (iii) All cheques/drafts accompanying the application must be drawn in favour of "VPL EQUITY ISSUE - MUTUAL FUNDS" and should be crossed "A/c Payee Only". A separate cheque/bank draft should accompany each application form.
- (iv) Applications in respect of different schemes by a SEBI registered Indian Mutual Fund will not be treated as multiple application provided that the applications made by the AMCs/Trustees/the custodians clearly indicate their intention as to each scheme concerned for which applications have been made.

6.3. APPLICATION BY INDIAN FINANCIAL INSTITUTION/BANKS

Application by Indian Financial Institutions/Banks must be made only:

- (i) On the prescribed application form (BLUE colour) and completed in full in BLOCK LETTERS in English [except signature(s)] in accordance with the instructions contained herein and in the application form and is liable to be rejected if not so made.
- (ii) For a minimum of 400 Equity Shares and in multiples of 100 thereafter.
- (iii) All cheques/drafts accompanying the application must be drawn in favour of "VPL EQUITY ISSUE - FI's/Banks" and should be crossed "A/c Payee Only". A separate cheque/bank draft should accompany each application form.

6.4. STOCKINVEST

Stockinvest can be used in lieu of Cash/Cheques and Bank Drafts for making applications. Some salient details of the Stockinvest scheme are given below:

1. The Stockinvest Scheme is restricted to individual investors and Mutual Funds only. Stock-brokers, corporate bodies, banks and financial institutions, would not be allowed this facility.
2. Any individual or mutual fund ("the investor") may approach the issuing bank with whom the investor maintains an account, for issue of Stockinvest of required denominations

for payment of application money. Stockinvest will be issued only against term deposits and credit balances available in savings bank or current accounts.

3. The investor shall give irrevocable authority to the issuer bank to mark a lien to the extent of the face value of Stockinvest on his deposit account with the issuer bank.

4. The Stockinvest instrument would not be issued in blank. The issuing bank will fill in the name of the company as being the payee before the stockinvests are delivered to the applicants.

5. The investor shall provide necessary details, such as amount, number of shares applied for, Application Number etc. in the left hand portion of the Stockinvest and his name and address in a box on the reverse of the Stockinvest before depositing it with the Banker to the issue alongwith the application form.

In case a box is not provided on the reverse of the Stockinvest for writing the name and address of the investor, an allonge may be obtained for the purpose and attached with the stockinvest. The allonge should be used to write the investor(s) name and full address to enable the Registrars to return the cancelled Stockinvest directly to the investors.

6. The investors should use only one Stockinvest along with each application for subscription to an issue.

7. The investor should not hand over Stockinvest taken against their own account to any third party. The Stockinvest is intended to be utilised only by the account holder applicants. The Stockinvest should be issued from the account of the person whose name appears as the first/sole applicant.

8. In case of partial/full allotment, the right hand portion of the Stockinvest shall be filled in for the amount payable on the Equity shares allotted and the Stockinvest shall be discharged on behalf of the issuer company for collection of proceeds. The Stockinvest will be sent to the issuing branch through the controlling branch of the Stockinvest issuing bank after collection.

9. In case of non-allottees, the cancelled Stockinvests shall be returned to the applicants alongwith the relative advice.

10. Investors 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 applicant to the issuing bank branch of the Stockinvest duly cancelled by the Registrar. In case the cancelled Stockinvest is not received by an investor from the Registrar, lien will be lifted by the issuing branch on expiry of four months from the date of issue of Stockinvest against an indemnity bond from the investor.

(b) In case of partial allotment (for the unutilised amount), on receipt of advice from the controlling branch of the issuing bank as to the amount collected by the investor directly from the Registrar.

11. Multiple applications under a single Stockinvest will be rejected as each application is required to be accompanied by a separate instrument.

APPLICATIONS UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES

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

SECTION 269 SS of Income Tax Act 1961

In respect of all the above categories, having regard to the provisions of Section 269 SS of the Income Tax Act, 1961 the subscription against the Shares should not be effected in cash and must be effected only by account payee cheque or on by account payee Bank Draft if the amount payable is Rs. 20,000/- or more. In case payment is effected in contravention of this provision, the Application will be refunded and no interest will be paid.

TAX BENEFITS

The Directors of the Company are advised by the Auditor M/s. V.Syam Sunder, Chartered Accountant, vide their letter dated 10.11.94 that the following tax benefits are available:

A) To the Company

- 1) Income from Aquaculture undertaking proposed to be set up by the Company at Mairipalem Village, Yelamanchili, Visakhapatnam District, being a 100% Export Oriented Unit will be exempted from income tax under Section 10B of the Income Tax Act, 1961 for a consecutive 5 year period, at the option of the company, but falling within a period of 8 years beginning with the assessment year relevant to the previous year in which the company begins to manufacture.
2. In the alternative, if the Company opts not to be governed by the provisions of Section 10B of the Income tax Act, the following benefits are available with regard to income from Aquaculture undertaking:
 - a) In accordance with and subject to the terms and conditions specified in Section 80 HHC of the Income-tax Act, the Company will be entitled to a deduction from its gross total income the amount of profit derived by the Company from export of its product or other merchandise.
 - b) Under the provisions of Section 80-IA of the Income Tax Act, the company will be entitled to a deduction to the extent of 30% of the profits and gains derived from the new industrial undertaking if commissioned before 31.03.95 or such further period as the Central Government may, by notification, specify, subject to the conditions specified in that section, for ten assessment years commencing with the assessment year relevant to the financial year in which such undertaking commences production.
- 3) The expenditure incurred by the Company, being in the nature of Preliminary Expenses and Share Issue Expenses as specified under Section 35D of the Income-Tax Act,

12. In the interest of the investors, to avoid rejection of applications on technical grounds, it is suggested that the applicant should ensure that :

- (a) the date of issue of the Stockinvest by the issuing bank is clearly mentioned on the instrument and such date is not more than 10 days prior to the date of the opening of the issue.
- (b) the stockinvest is drawn in favour of "VPL EQUITY ISSUE - PUBLIC" or "VPL EQUITY ISSUE - MUTUAL FUNDS" as the case may be,
- (c) the Stockinvest is duly signed by the authorised officer of the Bank giving the code number.
- (d) any correction/alteration in the date of issue, amount, drawee's name, etc. should be attested by an authorised officer of the issuing bank, and
- (e) the amount is written clearly and duly signed by the applicant. The signature on the instrument should tally with the specimen signature as appearing on the application form.

13. The Registrars to the issue have been authorised by the Company (through a Resolution of the Board of Directors passed on 31/10/94) to sign on behalf of the Company to realise the proceeds of the Stockinvest from the issuing Bank or to affix non-allocation advice on the instrument, or cancel the Stockinvest of the non-alottee. Such cancelled Stockinvests shall be sent back by the Registrars directly to the investors.

14. Enquiries relating to Stockinvest must be addressed only to the Registrars and not to the issuing bank.

THE ABOVE INFORMATION IS GIVEN FOR THE BENEFIT OF THE INVESTORS AND THE COMPANY IS NOT LIABLE FOR ANY MODIFICATION OF THE TERMS OF STOCKINVEST OR PROCEDURE THEREOF BY ISSUING BANKS.

JOINT APPLICATIONS

An application may be made in single or joint names (not more than three). In the case of a joint application, refund pay orders (if any), dividend/interest warrants etc. will be made out in favour of, and all communication 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 (and not more than one) for the total number of Equity Shares required. Two or more applications in single and/or in 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 without assigning any reason.

Applications in respect of different schemes by a SEBI registered Indian Mutual Fund will not be treated as multiple application provided that the applications made by the AMCs/Trustees/the custodians clearly indicate their intention as to each scheme concerned for which applications have been made.

can be amortised over a period of 10 years. However, the aggregate amount deductible as aforesaid shall be limited to either two and a half percent of the project cost or at the option of the Company of the capital employed in the business of the Company.

- 4) Under Section 80M of the Income-tax Act the company will be entitled to deduction of an amount equal to so much of the income by way of dividends received from other domestic companies as does not exceed the amount of dividend distributed by the Company on or before the due date of filing of its return of the income.

B) To Indian Resident Members

- 1) Members, being individuals resident in India, will be entitled to receive dividends without deduction of Income-tax at source provided that,

- i) pursuant to Section 194 of the Income-tax Act, the amount of such dividend paid during any financial year by the Company to the member does not exceed Rs.2500, or
- ii) pursuant to Section 197A of the Income-tax Act, the member furnishes to the Company a declaration in writing in duplicate in the prescribed form (Form 15G) and verified in the prescribed manner, to the effect that the tax on the member's estimated total income of the previous year, in which the dividend is to be included, will be nil.

- 2) On the long term capital gains arising on the sale of shares of the Company held by the members for a period of 12 months or more, arrived in the manner provided under section 48 of the Income-tax Act, 1961, the members will be entitled to a concessional rate of Income-tax as provided for in section 112 of the said Act as follows :

- i) In the case of those members who are individuals & HUF @ 20% of such capital gains plus the applicable surcharge.
- ii) In the case of other members - 30% of such capital gains plus the applicable surcharge.
- iii) In the case of members who are companies, 40% of such capital gains (20% in case of venture capital companies) plus the applicable surcharge.

- 3) In accordance with and subject to the provisions of Section 80L of the Income-tax Act, 1961, dividends received from the Company included in the gross total income of members, being individuals or Hindu Undivided Families, will qualify with other specified items of income for deduction under that Section upto a limit of Rs. 10000 in the aggregate each year.

- 4) Members of the Company who are domestic companies will be entitled to deduction under section 80M of the Income-tax Act, 1961 in the manner provided below :

- i) In the case of a scheduled bank or a public financial institution or a State Financial Corporation or a State Industrial Investment Corporation or a company registered under section 25 of the Companies Act, 1956, @ 60% of the income by way of dividends received by them from the company and included in their gross total income.
- ii) In the case of domestic companies, other than those referred to in (i) above, an

amount equal to so much of the income by way of dividends received from the company as does not exceed the amount of dividend distributed by such domestic company on or before the due date of filing of its return of income.

- 5) Income of members being notified Mutual Funds is exempt from Income tax under Section 10(23D) of the Income tax Act.

- 6) On and from the Assessment year 1993-94 onwards, shares are not included in the definition of assets as per Wealth-tax Act, 1957, hence the value of shares held by members will be exempt from wealth-tax.

C) To Non-Resident Indian Members

- 1) A member, being an individual and an Indian citizen or a person of Indian origin who is not a resident and investing monies in the company out of convertible foreign exchange has an option to be governed by the provisions of Chapter XII-A of the Income-tax Act, according to which the member will be entitled to the following benefits :

- i) Under Section 115E of the Income-tax Act, the investment income and long-term capital gains shall be charged to Income-tax at the rate of 20% subject to other provisions of the Act.

- ii) The long-term capital gains as referred to above will be exempt from Income-tax entirely/proportionately, if the member invests all or a portion of the net consideration in specified assets within six months of the date of transfer in accordance with Section 115F of the Income tax Act. The amount so exempted shall be chargeable to tax if the new assets are transferred or converted into money within three years from the date of the acquisition of the said new assets.

- iii) Under Section 115G of the Income tax Act, the member is not obliged to file a return of income under Section 139(1) where his total income consists only of investment income and/or long term capital gains, and tax deductible at source is deducted therefrom.

- 2) Such member may opt to be entitled to tax benefits available to resident Indians, if they elect to file a return of income.

To Non-Resident Members

Under Section 112 and 115A of the Income Tax Act, a member being a non-resident (other than a company) or a foreign company will be entitled to a concessional rate of income-tax @ 20%

- i) On the amount of dividends received from the Company, and or,
- ii) On the amount of long term capital gains arising from the sale of shares of the Company held by the member for a period of 12 months or more subject to other provisions of the Income Tax Act, 1961.

To Foreign Institutional Investors

A member being a foreign institutional investor will be entitled to concessional rates of Income tax u/s 115AD of the Income tax Act in the following manner.

- i) On the amount of dividends received from the company @ 20%
- ii) On the amount of short term capital gains arising from the sale of shares of the company, 30%
- iii) On the amount of long term capital gains arising from the sale of shares of the company held by the member for a period of 12 months or more, @ 10% subject to other provisions of the Income Tax Act, 1961.

IV. PARTICULARS OF THE ISSUE

1. OBJECTS OF THE PRESENT ISSUE

- a) To part finance the expansion of construction business of the Company
- b) To part finance the Company's 100% EOU integrated aquaculture project
- c) To meet a part of the working capital requirements of the Company
- d) To meet the expenses of the issue
- e) To list the equity shares of the Company on the Stock Exchanges of Hyderabad and Bombay.

2. COST OF PROJECT AND MEANS OF FINANCE

Andhra Pradesh Industrial & Technical Consultancy Organisation Ltd (APITCO), a joint venture of IDBI, IFCI, ICICI, APSCFC, APSSIDC and banks has appraised the Aquaculture & Construction Project with the scope of establishing the techno-economic viability/feasibility of the Company's Expansion & Aquaculture Diversification Project for the purpose of this public issue of equity shares.

The Cost of the Project and Means of Finance as appraised by APITCO vide their report of October 1994 is as follows:

2.1. COST OF PROJECT

	Farm	Process	Constn	Total
Land & Site Development	103.63	3.00		106.63
Earth Work	66.08	2.50		68.58
Other Construction Equipment			21.50	21.50
Buildings	26.24	19.00		45.24
Plant & Machinery	66.81	162.93	27.07	256.81
Commissioning & Erection	2.50	2.00		4.50
Electrification	55.00	8.55		63.55
Technical Consultancy	17.35	3.20		20.55
Other Assets	33.62	7.00		40.62
Internal Water Distribution	29.75	1.00		30.75
Contingencies	6.68	16.29		22.97
Margin for Working Capital		70.00	45.00	115.00
Preliminary/Pre-operative Exp	25.69			25.69
Public Issue Expenses		65.00		65.00
	433.35	360.47	93.57	887.39

2.2. MEANS OF FINANCE

Share Capital:	Par Value	Share Premium	(Rs. in lakhs)
Promoters - Already brought in	31.25	-	
- Present Issue	134.40	67.20	
Public Issue	338.19	169.09	
	503.84	236.29	740.13
Lease Finance			40.00
Foreign Supplier's Credit (US\$ of 240,240)			75.68
Internal Accruals			31.58
Total			887.39

NOTES:

- 1) Lease Finance of Rs.40 lakhs has been tied up with Pravira Financial Services P. Limited vide letter no. LO3/94-95, dated 14th November, 1994..
- 2) Foreign Supplier's credit has been extended by York International vide letter dated, 8th November, 1994 for US\$ 240,240 deferred over three years by semi-annual instalments with interest of LIBOR + 2%.
- 3) Promoters have already brought in Rs. 73.15 lakhs towards the project implementation as on 15th October, 1994.
The Half-yearly funds flow statement for the next three financial years, (April-March) is as follows:

HALF-YEARLY FUNDS FLOW STATEMENT	—1995-96—		—1996-97—		—1997-98—	
	I Half	II Half	I Half	II Half	I Half	II Half
SOURCES:						
Public Issue	338.19					
Share Premium	169.09					
Inc in Wkg Cap. from Banks	167.16		21.03		12.52	0.00
Cash from Operations	204.01	212.74	263.26	274.58	282.49	293.27
Total Sources	878.45	212.74	284.29	274.58	295.01	293.27
APPLICATION:						
Project & Issue Expenses	308.27					
Inc/(Dec) in NCAAssets	87.96		50.71		(35.92)	19.29
Term Loan Repayment	103.88	19.28	25.94	12.62	19.27	107.52
Dividend		107.52		107.52		
Total Application	500.11	126.80	76.65	120.14	(16.65)	126.81

SURPLUS/(DEFICIT)	378.34	85.94	207.64	154.44	311.66	166.46
OPG BALANCE	42.01	420.35	506.29	713.93	868.37	1,190.03
CLG BALANCE	420.35	506.29	713.93	868.37	1,180.03	1,346.49

2.3. WORKING CAPITAL

The total working capital requirement of the Company for 1995-96 has been appraised by APITCO.

CONSTRUCTION

The long term working capital requirement for construction business has been estimated at Rs 45 lakhs to meet advance payments for purchase of land and cost of materials for completion of residential /commercial upto a stage where advances can be collected from customers.

AQUACULTURE

The working capital requirements for the next three years are:

	I YEAR	II YEAR	III YEAR
Bank Finance			(Rs in Lakhs)
- Raw Materials	36.13	41.06	43.99
- Chemicals	12.89	12.89	12.89
- Bills	118.14	134.25	143.83
	<u>167.16</u>	<u>188.20</u>	<u>200.71</u>
Margin			
- Raw Materials	15.48	17.60	18.85
- Chemicals	5.52	5.52	5.52
- Bills	50.63	57.54	61.44
	<u>71.63</u>	<u>80.66</u>	<u>85.81</u>
Say	70.00	80.00	86.00
Total	<u>238.79</u>	<u>268.86</u>	<u>286.52</u>

The Company has made an application to Oriental Bank of Commerce on 26.10.1994 for working capital limits of Rs. 167.16 lakhs, for the aquaculture project, and has received a reply from the bank that the Company's application is under active consideration.

V. COMPANY, MANAGEMENT AND PROJECT

1. BRIEF HISTORY OF THE COMPANY

1.1. INCORPORATION

VPL was a private limited company incorporated under the Companies Act, 1956 on July 22, 1991, with its registered office in Hyderabad. On September 12, 1994, the Company was converted into a public limited company and a fresh certificate of incorporation was

issued by the Registrar of Companies, Andhra Pradesh, on 27th October, 1994 u/s 31(1) of the Companies Act, 1956.

In accordance with one of the objects of the Company, the business of M/S. Victory Projects, a partnership firm was taken over as on 22/07/1991 as a going concern for a purchase consideration of Rs. 2,66,204, the details of which are given below: (in Rs.)

Assets	
Fixed Assets	1,09,325
Less: Depreciation	20,506
Current assets	88,819
TOTAL (A)	<u>5,78,184</u>
Liabilities	
Secured Loans	46,468
Unsecured Loans	78,125
Other Liabilities	1,87,387
TOTAL (B)	<u>3,11,980</u>

Purchase Consideration (A-B) 2,66,204

The above assets and liabilities were taken over at the book values, not involving any revaluation, and as such there was no valuation exercise carried out for this purpose.

The purchase consideration was settled by payment and not by allotment of shares.

1.2. MAIN OBJECTS OF THE COMPANY

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

- To acquire the undertaking and assets of the partnership firm of M/S VICTORY PROJECTS, engaged in the business of either in whole or in part and for this purpose to enter into and carry into effect with such modifications or alterations as may be agreed upon an agreement with the said partnership firm of M/S Victory Projects and to do all such other things as are incidental or conducive to the attainment of this object.
- To acquire, buy, sell for purposes of investment or resale and to traffic and speculate in land and house or other properties of any kind, tenure and any interest therein and to acquire, sell, speculate and deal in freeholds and leaseholds and to make advances upon the hypothecation, mortgage or security of land or house or other property of any description or any interest therein and generally to deal in traffic and speculate by way of sale, lease, exchange or otherwise with land and house property and any other property of any description whether real or personal, moveable or immovable, and to carry on the business of builders and contractors.

Provision has not been made for Tax for the six months ended 30.9.94 since the same will be considered for the financial year ended 31.3.95.

@

PROPOSED PROJECT

The Company proposes to expand construction business by constructing residential Apartments and commercial complexes in Visakhapatnam. Land has already been tied up for the construction projects to be taken up in 1994-95 and 1995-96.

The details of Apartment Projects taken up at Vishakhapatnam are:

1. EAST END VICTORIA

VPL is planning a large Neo-Commercial Complex in the fashion of a Shopping Mall cum Office complexes in the growing city of Vishakhapatnam with an area of 96.450 Sft with a central atrium & Escalator & two capsule lifts in order to cater to the quality conscious multinational companies at Vizag.

2. VICTORIA VILLA

VPL has plans to construct a large housing complex at Murali Nagar in Vishakhapatnam which will have all the facilities like an independent town-ship in itself. The constructed area in this complex will be about 1,52,600 Sft.

The Company is also setting a 100% EOU Integrated Shrimp Culture Project for farming, processing and export of shrimps for which the Company has already received Government approval from Secretariat for Industrial Approvals, Department of Industrial Development, Ministry of Industry, Government of India vide their letter no. PER:350(1994)/EOB/302/94, dated 30.9.94 for an annual capacity of 200 MT. The Company has made an application dated 7.10.1994 to modify the permission for an annual capacity of 719MTs processed shrimps and for import of capital goods for the project.

The Company aims to produce export quality shrimps through semi-intensive culture in a waterspread area of 71 hectares.

The built-in capacity of the proposed aqua project is :

Aqua Farm : 930 TPA of Shrimps
Processing Plant : 1500 TPA of shrimps

2.1. PROMOTERS AND THEIR BACKGROUND

The promoters of Victory Projects Limited are Mr. Maruti Ram Praturi and his associates.

Mr. Maruthi Ram Praturi Aged 35 years, is a Graduate in Mechanical Engineering from Regional Engineering College, Warangal. After completing his graduation, he has completed the Post Graduate Diploma in Business Management from the Indian Institute of Management (IIM), Bangalore with finance as specialisation. After

3. To purchase, acquire, take on lease or in exchange or in any other lawful manner, any area, sites, lands either agriculture or non-agriculture, buildings, structures and to develop the same and dispose of or maintain the same and to build townships, markets, ownership apartments or other constructions or facilities thereon and to equip the same or any part thereof with all or any amenities or conveniences, drainage facility, electric, telephonic, telegraphic, television installations.

4. To carry on the business of town-planners, surveyors, valuers, appraisers, decorators, furnishers, furniture makers, merchants, dealers in cement, steel, iron, fuel, coke, wood, coal timber and other building requisites, job contractors, carriers, licensed victuallers, house agents, exporters and importers.

5. To engage in business of prawn hatcheries, aquaculture and acquire lands, set up processing plants and trade and export in these products.

1.3. SUBSIDIARIES

The Company does not have any subsidiary company.

1.4. PRESENT BUSINESS & FINANCIAL PERFORMANCE

The Company has been in construction business and making profits since first year of operation and has established its name as a builder of residential apartments in the twin cities of Hyderabad and Secunderabad. The Company, has till date completed construction of 5 residential apartment blocks (measuring approx. 1,10,000 sq ft) in the twin cities. Of these, the following three projects were executed by the Company after its incorporation.

Project	Year of Completion	Location
1. Suguna Apartments	1991	Hyderabad
2. Victoria Apartments	1992-93	Secunderabad
3. Parameshwara Apartments	1994	Hyderabad

The Company has carried out aqua co-processing at its manufacturing facility set up in hired premises in Yelamanchili, for small quantities of shrimps since 1993-94.

The Company's financial highlights since incorporation are as follows:

	Period ended	Year ended		Half Year ended	Rs.lakhs
		31.3.92	31.3.93		
Total Income	6.40	42.23	94.22	94.22	54.90
Profit Before Tax	0.50	10.80	24.64	24.64	37.18
Profit After Tax	0.46	10.32	18.11	18.11	* 37.18
Share Capital	0.01	0.01	50.00	50.00	65.15
Share Application Money	1.56	8.33	6.78	6.78	31.40
Reserves	0.46	10.79	15.69	15.69	37.72
Net Worth	0.47	10.80	65.64	65.64	102.82
Dividend (%)	@	10%	10%	10%	-
EPS (in Rs.)	@	@	3.62	3.62	5.71
Book Value (in Rs.)	@	@	14.48	14.48	15.79

completing his studies, he has worked with Mukund Iron & Steel Ltd as Management Accountant, 20th Century Finance Corporation Ltd as Consultant, and as Managing Partner of Pacesetters Financial Consultants at Bombay dealing with merchant banking assignments. Later, he started Victory Projects as a partnership firm for dealing in the business of real estate development and construction in Hyderabad.

There are no other ventures/companies/firms promoted by the promoter.

There are no pending litigation, disputes, defaults in repayment/payment to financial institutions/banks, statutory dues etc. against the promoter/directors, other firms promoted by the promoters/directors and no proceedings were launched or initiated or pending against the promoter/directors of the Company for any economic offenses.

MANAGEMENT

The operations of the Company are carried out under the supervision and guidance of the Board of Directors.

The Other Directors on the Board of the Company are :

Mr. V.C. Ganti, a person of Indian origin and citizen of Kenya, is the Chairman of the company. Mr. Ganti has extensive multi-million dollar business interests in Kenya and Uganda. Presently he is based in Nairobi in Kenya and is on the Board of the Companies briefly described below:

Enterprise	Position held	Business Activity	Size of Business US\$ Millions
1) Afro Building & Electrical Contractors Ltd., Kenya	Managing Director	Building Construction	Turnover Orders on Hand 3.00 2.50
2) Capital Construction Co. Ltd. Kenya in East Africa	Director Finance & Admn.	Construction activities of all types	Turnover Contracts on hand 7.00 15.00
3) Speedbird Travel & Safaris Ltd. Kenya	Marketing Director	Air travel bookings, local & international tours	Turnover 1.50
4) Uganda Pharma Ltd., Uganda	Managing Director	Tradings in Pharmaceuticals	Turnover 2.00
5) Afro Hardware & Contractors Ltd. Uganda	Chairman & Managing Director	Dealing in Hardware items	Turnover 0.50
6) Capital Construction Co. (U) Ltd., Uganda		Recently established for World Bank Projects	

Dr. Kondala Rao Saripalli, aged about 47 years with M.Tech(Mech.) from IIT, Kanpur and Doctorate in Mechanical Engineering from Southern Methodist University, USA. For the last 15 years, he has been working with Mc Donnell Douglas Corporation, St. Louis, Missouri, the world's No. 1 military fighter, aircraft manufacturer and one of the leading manufacturers of passenger aircraft, with annual turnover of US\$ 9 billion employing 1.00 lakh people. He is a member of the American Institute of Aeronautics and Astronautics and the American Helicopter Society. He has about 35 technical papers to his credit.

He also has extensive experience in real estate investment, development and construction. As a Managing Partner of Balaji Construction Company and as the President of Seven Hills Development Corporation in the USA, he was responsible for the development of a 24 acres tract of land. Development included grading, laying streets, bringing electricity, water and sewer lines. The total outlay on the development was about USD 2 millions excluding the land cost. A total of 110 town-homes were built on the developed land and sold with a total turnover of USD 10 million. He is a Director of the Company.

Mr. Joga Rao Kandala, is a retired Chief Engineer of APSEB and presently working as freelance Consultant in electrical engineering. He is a Director of the Company.

Mr. P. K. Eapen, aged 68 years, is a veteran in the field of fisheries. He had his bachelor's and Master's Degree in Science specialising in Fisheries from Tokyo, Japan. He also completed the Ph.D. in Fisheries from Tokyo University. His career in fisheries spanning 33 years is briefly described below :

- Assistant Director/Deputy Director, Deep Sea Fishing Station, Bombay for eleven years.
- Manager, Fisheries Division, Tata Oil Mills Limited, Cochin for 6 years.
- Chairman & Managing Director, Kerala State Fisheries Corporation, Cochin for 2 years.
- Senior Fisheries Adviser, Food & Agriculture Organisation (FAO) of the United Nations posted in Saudi Arabia and in South Yemen for 6 years.
- Private Consultancy in Fisheries for one year.
- Adviser, Marine Products, Voltas International Ltd., Bombay for one year.
- From the last six years, he is the consultant in the Baby Marine Group, Cochin.

He is the Whole-Time Director (Operations) of the Company in charge of processing operations of the proposed aqua culture division.

Mr. Rama Rao Yellai, aged 62 years, completed his M.Sc., with Fishery Biology from India and Ph.D in Zoology from the University of Arkansas, USA. He has held various important positions in fisheries departments and retired as Director of Central Inland Capture Fisheries Research Institute, Calcutta in India in 1992. He is a Director of the Company.

Mr. Raja V A Praturi, aged 38 years is a practising Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of India and is a professional Director on the Board of the Company.

2.2. BOARD OF DIRECTORS

The names, description, addresses, and occupation of the Directors of the company are detailed hereunder :

BOARD OF DIRECTORS

Name, Description, Address & Occupation : Other Directorships :
None

Mr Maruti Ram Prathuri

S/o Mr P G K Murthy
Parameswara Apartments,
Khairatabad, Hyderabad- 500 004.
B.Tech, PGDBM, (IIM B)
Managing Director.

Mr. V.C.Ganti

S/o Late G.M. Suryanarayana
P Box 18261
Nairobi
Kenya.
Chairman

MANAGING DIRECTOR

- Afro Building & Electrical Contractors Ltd, Kenya.
 - Afro Hardware & Contractors Ltd, Uganda.
 - Uganda Pharma Ltd., Uganda
- DIRECTOR
- Capital Construction Co. Ltd, Kenya.
 - Speedbird Travel & Safaris Ltd, Kenya.
 - Capital Construction Co (U) Ltd, Uganda.

Mr. P.K.Eapen

S/o Mr. P. K. Kurian
"Vaipany", St. Thomas Lane,
Perumanoor P O, Cochin - 682 015.
Phd (Marine Biology)
Wholesale Director

Dr. Kondala Rao Saripalli

S/o Late Mr. Somayajulu,
12596 Durbini Dr.,
St. Louis, Missouri 63141, USA.
Service

Dr. Rama Rao Yellai

S/o Late Y Sambasiva Sastry,
5, Briar Hill Road,
582, Holmdel, New Jersey,
NJ 0773 - 1803.
Consultant.

Mr. Joga Rao Kandala

S/o Late Mr.K.B.Kameshwar Rao,
9-28-11,
Balaji Nagar, Vishakapatnam.
Consultant.

None

Mr Raja V A Praturi

S/O P G K Murthy,
3-5-874/4, Hyderguda,
Hyderabad-500 029.
Chartered Accountant

DIRECTOR

Ventra Locomotives Ltd
Pravira Financial Services
Private Limited

None of the above Directors have any litigation, defaults, tax liabilities or criminal/civil prosecutions launched against them or the companies promoted by them for any offence.

3. KEY MANAGEMENT PERSONNEL

Name	Qualification	Designation	Position held, period of service and areas of operation
Kameswar Kandala	B.Com.,MBA	Chief Executive & Financial Controller	Has worked for 12 years in the management cadre of Dena Bank in areas of Export Credit, etc.
A Gopalakrishna	Class'A' Contractor	General Manager (Construction)	23 yrs experience in construction and has executed works of Western Coalfields, amongst others.
Ramchandra Rao Margani	M.Com.	General Manager- Aquaculture	Has over 10 years experience in senior positions commercial & administration functions in Samyukta Enterprises P Ltd, Hyderabad FootwearP Ltd, and Premier Explosives Ltd
Rajsekhar Padala	LCE	Manager (Construction)	Has over 6 years experience in civil design & execution in the following: M/s Siri Consultants M/s Victory Projects
Vijayalakshmi.P	MA	General Mnaeger- Administration	Has 3 years experience in areas of Banking & administration in M/s Indian Airlines M/s Bank Of India, New York M/s Victory Projects
T V R K Appa Rao	BE(Civil)	Civil Engineer	Has 6 months experience in construction activities in M/s Ramana Associates

The above mentioned senior managers are assisted by a team of professionals including Marine Biologists, Chartered Accountants, Marketing Professionals and Management Graduates.

Mr.P.K.Eapen, Mr. Kandala Kameshwar Rao and Mr. Margani Ramachandra Rao have joined the team of key management personnel in the last one year. There has been no change in the key management personnel of the Company in the last one year.

3.1. LOCATION OF THE PROJECT

The aquaculture project is located at Mairipalem village, Yellamanchilli in Visakhapatnam district, which is in the coastal belt of Andhra Pradesh and is close to the coastline, i.e., 3 kms, to the sea water which is pollution free. The location is suitable for prawn culture because of the availability of brackish waters. The other infrastructure facilities like power, skilled personnel, etc. are available at the proposed location. The location selected by the promoters is 40 kms. from Visakhapatnam town, which is well connected by National Highway No.5 and connecting Madras-Calcutta by rail route. The port of Vizag is only 50 kms. from Mairipalem village.

3.2. LAND

(a) For Construction Business:

Land has been tied up for the construction projects on hand. Land acquisitions for the construction business is in the nature of current assets and are funded out of the working capital of the Company.

(b) For Aquaculture Project:

For aquaculture, the promoters have already acquired 217 acres of land of which 85 acres were purchased and 132 acres was procured on lease basis for a period of 12 years @ Rs.3900 per acre per annum with an option to purchase the land at the end of the primary period. Out of 85 acres purchased, 48 acres have already been registered in the name of the Company and agreements of sale have been executed for the remaining 37 acres. The cost of the land, registration and development is Rs.106.63 lakhs at Mairipalem village, Yellamanchilli in Visakhapatnam District. The land is situated at a distance of 3 kms from the sea and is suitable for prawn culture. The estimated cost includes provision made for clearance and development of the land, laying of roads, and fencing around the farm. In addition, Rs.68.58 lakhs has been provided towards earth work in excavation including lead, lift and consolidation for farm and processing plant.

The Details of Land acquired are as follows:

Date of Acquisition	Name of Party	Extent Land/Acres	Terms	Consideration Rs/acre
28. 6.94	Baghavatula Charitable Trust	3	Owned - Land	45000
28. 6.94	-DO- DNagartnam & D.Rama Rao & D.Lakshmana rao	2.64	Owned - Land	45000
10.6.94		0.5	Owned - Land	70000

10.6.94	-DO-	1	Owned - Land	70000
10.6.94	-DO-	2.4	Owned - Land	70000
10.6.94	-DO-	2.4	Owned - Land	70000
10.6.94	-DO-	1	Owned - Land	70000
10.6.94	-DO-	2.7	Owned - Land	70000
18.6.94	M.Ramana	1.84	Owned - Land	70000
18.6.94	M.K.Rao	1.4	Owned - Land	70000
18.6.94	A.Jalla	0.33	Owned - Land	70000
3.7.94	J.Erakiah	0.97	Owned - Land	70000
3.7.94	M.Sita	0.75	Owned - Land	70000
3.7.94	M.Raju	2.5	Owned - Land	70000
3.7.94	M.Ammaji	1.5	Owned - Land	70000
3.7.94	M.Sita	0.25	Owned - Land	70000
3.7.94	M.Raju	0.35	Owned - Land	70000
3.7.94	M.Raju	0.45	Owned - Land	70000
3.7.94	J.Erakiah	1.38	Owned - Land	70000
3.7.94	M.N.Murthy	2.08	Owned - Land	70000
3.7.94	A.Jalla	1.4	Owned - Land	70000
11.7.94	M.Chakramma	1.8	Owned - Land	70000
11.7.94	J.Appanna	2.1	Owned - Land	70000
11.7.94	M.N.Rao	1.8	Owned - Land	70000
11.7.94	A.Jalla	2.17	Owned - Land	70000
15.9.94	A.V.Ramana	9.85	Owned - Land	98000
15.9.94	T.A.Sastry	2.5	Owned - Land	98000
13.10.94	M.Jogulu	0.34	Lease Rent/yr	5000
13.10.94	Appanna	1.36	Lease Rent/yr	5000
13.10.94	Somaiah	6.44	Lease Rent/yr	5000
13.10.94	Demmulu	7.35	Lease Rent/yr	5000
13.10.94	Erakiah	18.8	Lease Rent/yr	3500
13.10.94	Somaiah	2.82	Lease Rent/yr	3500
13.10.94	M.Erakiah	3.92	Lease Rent/yr	3500
13.10.94	K.S.Naryana	4.49	Lease Rent/yr	3500
13.10.94	S.Erakiah	25	Lease Rent/yr	3500
13.10.94	Appanna	4.08	Lease Rent/yr	5000
13.10.94	A.Jaggiiah	6.44	Lease Rent/yr	3500
26.10.94	Sammetha	2.53	Lease Rent/yr	3500
26.10.94	Jogulu	5.99	Owned - Land	98000
26.10.94	D.G.Parvathi	10	Owned - Land	98000
26.10.94	Somaiah	2.4	Lease Rent/yr	5000
26.10.94	Ramana	5	Owned - Land	98000
26.10.94	Demmulu	38	Lease Rent/yr	5000
26.10.94	Jogulu	3.15	Lease Rent/yr	3500
26.10.94	Appanna	4.55	Lease Rent/yr	3500
26.10.94	Sashmma	0.24	Lease Rent/yr	5000
26.10.94	Sametha	13	Owned - Land	112000

216.90

There are no disputes pending against the Company with respect to acquisition of land.

3.3. BUILDINGS

- (a) For Construction Business: Buildings put up in the construction business are in the nature of stock-in-trade (and not fixed assets) and are funded out of the working capital of the Company.
- (b) For Aquaculture Project: The proposed buildings consist of brick-in cement mortar structures with either ACC Sheet roofing or RCC slabs, of a built in areas of 10516 Sq. ft. and they include processing Plant, office and laboratory, feed storages, generator shed, work shop cum maintenance, pump house, canteen, workers hostel and staff quarters. The cost of the building is estimated at Rs 45.24 lakhs. Another Rs 68.58 lakhs has been provided for laying of drain canals, formation of bunds, and other earth work activities.
- VPL has appointed M/s Avenue Dale Architects, Hyderabad, for the civil works.

3.4. PLANT & MACHINERY

- (a) For Construction Business: A provision of Rs.27.07 lakhs has been made for purchase of 1 no. BEML Bulldozer D-50 A-15, powered by Kirloskar Cummins N-495C Engine.
- Further, provision of Rs.21.50 lakhs has been made for purchase of other construction equipment like Centering Plates & Scaffolding Materials, viz., scaffolding MS pipes, structural pipes, vibrators, pin and slab, MS scaffolding materials, scaffolding column boxes, wall plates, and miscellaneous construction equipment.
- (b) For Aquaculture Project: The cost of Plant and Machinery for both imported and indigenous is estimated at Rs 229.74 lakhs.

	Imported	Indigenous	Total
Farm	33.55	33.26	66.81
Processing	83.58	79.35	162.93
Total	117.13	112.61	229.74

The items of plant and machinery proposed for the farm comprises aerators to be imported from Aeration Industries International Inc, USA, and laboratory and testing equipments, electric harvest nets, farm implements, pumps and motors to be purchased indigenously.

- The major items of plant and machinery proposed for the processing plant comprise-
- (i) Imports: Spiral In-line Freezer from York, USA (through their representative office in Dubai for which supplier's credit is being extended to the Company) Cascade Glazer, Conveyor System and Compressors, and

- (ii) Indigenous: Equipments required in the receiving, deheading/hand sorting, wash tank, grading, peeling, packing areas, Plate Freezer, Ice Plant, Ice Storage-Chilled Room and Cold Storage facilities, and support equipment for the imported IQF equipment.

3.5. ELECTRIFICATION

The provision of Rs.63.55 lakhs has been made for the aquaculture project. The major items of expenditure under this head relate to line drawing charges, electrical wiring and fittings, and diesel generator sets to provide 100% back-up for the power requirements of the project.

3.6. INTERNAL WATER DISTRIBUTION SYSTEM

The estimated outlay of Rs.30.75 lakhs is primarily intended for provision of water supply canals, i.e., primary feeder canal and secondary feeder canals with 'cuddapah' stone lining.

3.7. OTHER FIXED ASSETS

The estimated outlay of Rs.40.62 lakhs is for purchase of tractor, jeeps, trailers, insulated truck, motorcycles, boats, furniture, fixtures, computers, communication equipments, etc.

3.8. ORDERS PLACED

Orders have been placed for the acquisition of the following plant & machinery:

Ref	Item Description	Supplier Name	Qty	Unit price	Value Rs.Lakhs
VPL/PPM/213/94	York Spiral Freezer	York Airconditioning & Refrigeration Inc. Jabel Ali, UAE	1	USD 1,98,000	62.37
VPL/PPM/240/94	York/Frick screw Compressor unit Model RFX30E Plate Freezer	-DO- Sri Murugan Indl. Engineers	2	USD 21,020	13.24
VPL/PPM/241/94	Chilled Ice Storage	-DO-	1		10.71
VPL/PPM/242/94	Cold Storage	-DO-	1		2.26
VPL/PPM/246/94	Ice Plant	-DO-	2		15.51
VPL/AF/123/94	DG Sets	Battibol & Co Ltd	3		9.12
VPL/PMR/129/94	Aerators	Aeration Ind.Intl.Inc. Minneapolis, USA	213	USD 71,355 LS	39.71
					22.47
			TOTAL		175.39

4. PRODUCTS & PROCESS

4.1. Construction Business

The products of the Company may be broadly classified in the following categories:

- (i) Residential: Multi-storeyed residential apartments
 - (ii) Commercial: Multi-storeyed office complexes and shopping centres
- The Company employs the conventional technology in planning, developing, constructing and selling of the residential and commercial complexes.

4.2. Aquaculture Business

4.2.1. Products

(a) Species

The project envisages semi-intensive culture of Shrimps using Sea water. The species of culture would be *Paeneus monodon*, (Black Tiger Prawns) and *Paeneus indicus* (White Prawns).

(b) Product Forms

Shrimp would be presented in the International market as frozen products in more than 15 forms depending on customer preference. But the most common forms are:

- 1) Whole (Head and Shell on)
- 2) Headless
- 3) Peeled
- 4) Peeled and deveined
- 5) Fan tail or split
- 6) Peeled and undeveined
- 7) Pieces of shrimp meat.

Classified by the above mentioned process and product forms, shrimps are sold in the market according to the Size. Categories of product sizes are count per pound and the price offered is per Kg.

4.2.2. Process

Being an integrated aquaculture project, the production process can be classified into two distinct categories, viz., farming and processing. The steps involved are briefly described below:

(a) Farming

The Company proposes to adopt semi-intensive culture system. Farming would be done in about 217 acres. The Water Spread Area would be about 71 Hectares.

Semi-intensive farming involves a nursery phase, carefully laid out ponds, feed and water management. The bags containing the seed are floated in the ponds to enable the prawn seed to adjust and acclimatise to the pond water conditions before stocking. Stocking density will vary depending upon the variety of seed, natural fertility of the pond, quality of water, quality of the supplementary feed. Stocking should be evenly distributed over the pond area.

Periodical observation of the water quality, soil condition and of shrimp are to be made to decide on supplementary feeding and maintenance of proper salinity. Water exchange is usually carried out during tides based on the tidal chart. To maintain and increase the production of natural food organism (plankton), judicious application of fertilizers is necessary. Periodical sampling of the shrimp is done to check the growth rate of the shrimps.

Harvesting can be done when the shrimp reach marketable size after 3 to 5 months of rearing, preferably during the fourth and eighth day after full and new moon phases. Harvesting is done by using electric harvest nets which create a mild electric stimuli by which the prawns become restless when they will be netted.

(b) Processing

A Processing Plant with a total processing capacity of 1500 MT is being established with the following types of processing facilities.

1. Individual Quick Frozen (IQF)
2. Block Frozen

The Company is importing State-of-the-art processing equipments, for producing value added Shrimp products, from YORK INTERNATIONAL, USA, one of the world leaders in refrigeration technology. They are in the business of manufacturing food processing equipments since the 1870's.

Harvested material from the farm are washed well in water and mixed with flake ice and transported to the processing facility. If the material is to be frozen Head-on then appropriate treatment is given immediately after the shrimps are removed from water. This would prevent enzymatic oxidation leading to formation of black spots which then becomes a rejected material.

Material received at the processing hall are then washed well in chilled water, peeled and graded as per their size. Product required to be block frozen are directly placed in Aluminium trays weighed and placed inside the freezer. The frozen blocks are removed from the trays wrapped in polyethylene sheet and placed in a waxed carton. These individual blocks are placed in a master carton, strapped and stored in the cold storage room.

Shrimp may either be frozen as block or as individual pieces i.e. individually quick frozen (IQF). Frozen shrimps are then stored at controlled temperature within -18 degree centigrade. Packing of frozen material, depending on the type of process they can be packed in shatter packs or waxed individual boxes, vacuum packed in attractive consumer packs either in polybags or individual boxes or as per the specifications of the market requirement.

5. TECHNICAL KNOW-HOW

(a) Construction Business

The Company employs conventional construction technology. Further, the promoters and employees are qualified/experienced in this line of business, and as such, the technical know-how is available to the Company in-house.

(b) Aquaculture Business

On 14th October, 1994, the Company has entered into an agreement for technical know-how and farm management inputs with M/s. Bio-Feed Industries (Singapore) Pte. Ltd., (BFI), No. 10, Benoi Place, Singapore 2262.

The Company has made an application to the Secretariat for Industrial Approvals, Govt., of India, vide their letter dated 4.2.1995 for the approval of Foreign Collaboration Agreement and the same is awaited.

BFI is engaged in the business of manufacturing crustacea feed (prawn feed) and has developed substantial expertise in the development, operation and management of prawn/shrimp farms and hatcheries. BFI has hands-on experience in this line since 1980 and has managed several large shrimp farms in Malaysia.

The key financial data is as follows for the year ending 31st December

	Singapore \$	
	1994	1993
Turnover	2876753	2042688
Gross Profit	717212	325528
Net Profit	420825	113625
Equity (paid up value)	900000	900000

After meeting several technology suppliers abroad, Bio-Feed has been selected for technology on the basis of

- their success in developing, operating and managing aquaculture farms in Malaysia
- the scope of services offered by them to the Company is comprehensive and covers from the stage of designing the ponds, development and implementation of the project and assurance of minimum yield.
- A representative from BFI will be at site throughout the period of the technology agreement.
- The feed manufactured by BFI is known to be quality feed and the continuous supply of the same is assured.

Hence the company has entered into an agreement with the above party.

SCOPE OF WORK

The salient features of the agreement, which is valid for a period of two years are enumerated below:

- BFI shall provide expertise for the development, operation and management of the grow-out farms.
- BFI shall transfer appropriate technology and management systems.
- BFI shall provide a project manager to supervise the farm for a period of atleast two years.
- VPL is obliged to buy BFI's bio-feed.

CONSIDERATION AND PAYMENT TERMS

In consideration of the above, the Company will pay Singapore \$ 120,000, payable in 8 quarterly instalments of S \$ 15,000 each. A lumpsum fee of S \$ 75,000 is payable for Designing of pond and engineering details. In addition, the Company is obliged to pay 1.5% of gross sales value as Royalty subject to a minimum of 6.60mt per hectare per annum. (1 Singapore \$ = Rs. 21.00)

VPL will reimburse all out of pocket expenses incurred during the project manager's stay in India which has been built in the know-how cost. In addition, a provision of Rs. 2.70 lakhs has been made towards technical fee for erection and commissioning of the processing plant and Rs.0.50 lakhs to M/s Navega Engineers (P) Ltd., towards consultancy.

6. RAW MATERIALS

(a) Construction Business

Major inputs for construction activities are cement, steel, bricks, tiles, stone aggregate, sand, wood, electricals, plumbing, sanitary and hardware fittings, etc. These materials are abundantly available indigenously and, therefore, do not pose any difficulty to the Company.

(b) Aquaculture Business

The main raw materials are Prawn seed, Prawn feed, sea water and small quantities of fertilizers and chemicals.

NCC Bluewater Products Ltd. vide their letter no.NCC/BPL/MAK/17/94-95 dated 12.8.1994 have stated that they have adequate capacity to supply the quantity of seed required by the company. Hence the company does not envisage any difficulty in procuring the seed.

Assured supply of prawn feed from Bio-feed Industries (Singapore) Pte Ltd as per the agreement dated 14/10/1994.

The chemicals and fertilizers are available locally. Sea water is available in plenty from the creek adjoining the farm.

7. UTILITIES

7.1. POWER

(a) Construction Business

Normally, power is available at the site through normal electrical distribution systems. Where power is not readily available, the Company can hire diesel generating sets without any difficulty.

(b) Aquaculture Business

The total power required for the project is estimated at 958 KVA. The Company has already been sanctioned 180 KVA HT Supply for the shrimp farm vide APSEB letter

no. Com/HT/SP/D No. 5206/94 dated 28.10.94. The Company has already applied for enhancing the sanction to 1000 KVA HT supply vide letter dated 11/11/94. Pending sanction of this additional load, the Company will supplement the grid power through own generation through generators of various capacities ranging from 25 KVA to 250 KVA which in aggregate can cater to 900 KVA.

7.2. FUEL

Diesel, required for running the generators in the aquaculture project, is available in the open market and hence no problem is envisaged in the procurement of the same.

7.3. WATER

(a) Construction Business

The water requirements of the construction projects are usually met by digging borewells at site.

(b) Aquaculture Business

Water is the major input for this business. The project requires mainly saline water (brackish water) and fresh water. Brackish water is required at the farm. Fresh water is required for processing the shrimps. The recommended salinity for the shrimp farm is 28 - 35 ppt (parts per thousand). Water source for the proposed shrimp farm is from a creek adjoining the farm. Fresh water at the processing plant is available from borewells.

Water in-take system is designed for uninterrupted water supply in such a way that the total capacity of the water that could be pumped into the farm will be a minimum of 40% excess of the total requirement of the water. Uninterrupted water supply in the farm is ensured by introducing minimum standby pumping system.

7.4. QUALITY CONTROL

The Company's processed shrimps will be sold in USA through the marketing tie-up with Ocean Garden Products described elsewhere in the prospectus. Therefore, the products have to meet international standards, specifically the US FDA standards, with respect to microbial and Organoleptic aspects. To ensure the quality standards, with amount of Rs 7 lakhs has been provided with other Fixed Assets for laboratory and testing equipments. The FDA applies their tests compulsorily on all consignments on their arrival in USA. If five consecutive consignments of shrimps from the Company pass the FDA tests, the Company will be under the FDA's 'A' list and therefore the Company's products will be subject only to random inspections. The Company is committed to export quality product and thereby get into the FDA's 'A' list.

9. ENVIRONMENTAL ASPECTS

(a) Construction Business

Construction activities do not generate any effluents.

(b) Aquaculture Business

The project has the prescribed method of sedimentation tanks which enable effluent treatment and physical disposal before discharge of residual water into the drain.

The Company is taking effective steps to implement effluent treatment system for processing plant and has employed the services of M/s Navega Engineers Pvt Ltd for material analysis to study the environmental aspects of the shrimp project and the waste disposal aspects of the processing facilities.

The Company has received the 'No Objection Certificate' from the Andhra Pradesh Pollution Control Board vide their letter no.1506/PCB/NOC/AEE-N-95/90 dated 16.01.1995.

10. MANPOWER

The existing manpower is 26 in number and the total number of personnel required for the proposed expansion cum diversification project is 351. The break-up is as follows:

	Existing	Proposed	Total
Managerial	9	27	36
Administration	6	73	79
Supervisory	6	12	18
Clerical	3	55	58
Skilled	2	10	12
Unskilled		154	154
Contract Labour		20	20
TOTAL	26	351	377

11. SCHEDULE OF IMPLEMENTATION

The schedule of implementation as per the appraisal report of APITCO is as follows:

SCHEDULE OF IMPLEMENTATION - AQUACULTURE

	Commencement	Completion
Procurement of Land		Completed
Farm Development	Aug. 94	Jan. 95*
Construction of Buildings:		
- Farm	Dec. 94	Mar. 95
- Processing Plant	Dec. 94	May. 95
Water Intake System	Jan. 95	Mar. 95
Plant and Machinery:		
- Farm	Nov. 94	Mar. 95
- Processing Plant	Oct. 94	Mar. 95
Electrification	Nov. 94	Mar. 95
Procurement of Vehicles	Jan. 95	Mar. 95
Misc. Assets	Feb. 95	Mar. 95
Appointment of Personnel	Nov. 94	Mar. 95
Trial Production Farm		May. 95
Processing Plant		May. 95

13. MARKETING

(a) Construction Business
The flats offered by the Company have invariably been booked in advance. The Company, therefore, does not envisage any problem in marketing its residential and commercial complexes in future as there is substantial gap between demand and supply as explained under the heading Future Prospects.

(b) Aquaculture
The Company will market processed shrimps under the brand name 'OCEAN VICTOR' and 'OCEAN VICTORY' for which permission has already been received from MPEDA vide their letter no. 1/77/Regn/VRO/94/950 dated 24.04.94.

The Company has a tie-up for selling the frozen shrimp produced from the project to Ocean Garden Products Inc, San Diego, California, USA (hereafter referred to as OGP), vide MOU dated 9.11.94.

OGP has been in existence for 38 years in the business, and is the largest seafood importer/marketing company of the USA. The magnitude of OGP's international operations are vast, with imports reaching tens of millions of pounds of seafood annually. OGP sources over 75% of its products from Mexico. To complement their line of Mexican products, OGP works with over 45 different suppliers in 15 countries to source approximately 25% of its products.

The terms and conditions of the MOU between OGP and VPL are as follows:

PERIOD :

The MOU is for a period of 5 years and can be renewed by mutual consent.

Quality:

VPL is expected to produce P Monodon of quality that meets the international standards and more specifically to the US FDA standards in relation to Microbial or Organoleptic aspects.

Quantity:

Tonnage of 500 tons/annum.

Shipping:

Shipping of the commodity will be either full or partial 20' or 40' feet container based on convenience.

Packing:

Master cartons of 10-8 kgs divided into blocks of 1.8 kgs each or as mutually agreed by the both parties.

Payment:

Irrevocable letters of credit at sight.

Price:

As per the prevailing international price at the time of purchase.

Commencement of Production:
- Farm
- Processing Plant

SCHEDULE OF IMPLEMENTATION - CONSTRUCTION

Acquisition of Land	Jun. 95 Jul. 95
Phase - I Commercial	Nov. 94*
Phase - II Residential	Jan. 95*
Obtaining Clearances	Nov. 94*
Phase - I Commercial	Jan. 95*
Phase - II Residential	Jan. 95*
Completion of 50% RCC Frame Work	Mar. 95
Phase - I Commercial	June. 95
Phase - II Residential	June. 95
Completion and Handing over	Dec. 95
Phase - I Commercial	Feb. 96
Phase - II Residential	Feb. 96

Due to deferment in the public issue time table, there has been a delay of two months in farm development, acquisition of land and obtaining clearances for residential construction. However, the over all schedule for completion of the project as detailed above remains unaffected.

12. PRESENT STATUS OF THE PROJECT

(Rs. in lakhs)

Amounts spent on the project till 15th October, 1994 are :

Construction Project	0.50
Contribution to long term sources	
Aqua Culture Project	59.01
Land (Own)	1.56
Lease Land	3.82
Land Clearance	64.39
	2.55
Roads	
Pre-op. Expenses	7.77
Travelling & Conveyance	2.10
Project Consultancy	3.40
Salaries & Wages	13.27
	17.74
Plant and Machinery	11.26
Earth Work	
Total :	109.71

(Rs. in lakhs)

Sources of Funds	
- Share Capital	31.25
- Share Application	41.90
- Cash from operations	36.56
TOTAL	109.71

14. FUTURE PROSPECTS

14.1. CONSTRUCTION BUSINESS

The outlay on housing in the Eighth Plan is expected to be around Rs.97500 crores to achieve a physical target of 22 million housing units in the plan period. This would account for 12% of the total plan outlay.

(Source : Financial Express dated 19th June, 1992)

The estimated housing shortage by the turn of the century is likely to be around 41 million units (source : The Handbook of Housing Statistics Part-I 1990 - National Buildings Organisation).

According to another set of published data, the demand-supply gap in the urban sector for housing during the period 1993-2000 is estimated as shown below :

Year	Estimated Population	No. of houses required	Houses to be constructed	Houses Stock by end of year	Gap between reqmt & stock
1993	257.50	51.50	2.80	44.29	7.21
1994	268.18	53.64	3.14	47.20	6.44
1995	279.21	55.84	3.29	50.26	5.58
1996	290.54	58.11	3.59	53.46	4.65
1997	302.26	60.45	3.82	56.83	3.62
1998	314.31	62.86	4.16	60.35	2.51
1999	326.71	65.34	4.47	64.03	1.31
2000	340.53	68.11	4.98	68.11	0.00

The new National Housing Policy envisages the creation of an enabling environment for housing activity of various sections by eliminating the existing constraints. In the process, there is a shift in the role of the Government from that of a direct agent of construction to that of a facilitator. The Policy consciously looks for greater involvement of the private sector. (Ref: Draft Housing Policy, Government of India, Ministry of Urban Development, May 1990).

The urban areas are already witnessing tremendous increase in construction activity in the form of multi-storied buildings as well as in the form of development of new suburban townships. Given the substantial gap between demand and supply the prospects for construction business is bright.

Victory Projects Ltd., an existing company with a 3 year track record in the Apartment construction line has a satisfied customer backing as one of the leading good builders in twin cities. They have already completed over 110,000 sq. ft. in this line.

15.2. AQUACULTURE BUSINESS

Given below is an overview of the Shrimp Industry in the global and Indian context.

(a) Global Aquaculture Production of Shrimp

In 1993, the world's aquaculture production of shrimp was estimated at 609,000 metric tons from a total area of 9,62,000 hectares. Asian countries continued to be the global leaders in shrimp production contributing about 78% of the total farmed shrimps.

THE TOP FIVE SHRIMP PRODUCING COUNTRIES DURING 1993.

Country	Heads on Production (M.Tons)	Ha in Production	Kgs per Ha	No. of Hatcheries	No. of Farms
1. Thailand	155000	60000	2583	1200	14000
2. Ecuador	90000	90000	1000	200	1250
3. Indonesia	80000	200000	400	200	15000
4. India	60000	80000	750	30	4000
5. China	50000	140000	357	800	3500
6. Others	173000	392600	440	582	12066
TOTAL	609000	962600	633	3012	49816

(Source: World Shrimp Farming 1993, Aquaculture Digest: December 1993)

The top five shrimp producing nations account for nearly 72% of the world production of which four are from the Asian region accounting for 57%, the only western nation in the top five being Ecuador. India holds a significant fourth place (ahead of China) contributing 9.8% of the world production.

(b) World Shrimp Markets

In recent years, Asian Countries have emerged as important suppliers of shrimps.

The major markets for shrimps are Japan, United States and Europe. Out of the total 8.55 lakh tons imported by various countries in 1989, Japan had a share of 30%, USA 25% and Europe 25%. India's share of export to Japan amounts to 11.95% of the total import by Japan.

The US market for shrimps is increasing at a rapid pace. The major exporters to the US are Mexico and Ecuador. Though the American market is more price conscious unlike the Japanese market, the overall potential of the US market remains vast. The market has grown by an impressive 30% in the last five years. More than 50% of import to EEC market consists of cold water shrimp. As cold water shrimps are predicted to be more limited in the future, the future for tropical shrimp is promising.

According to MPEDA, global demand for marine products by 2000 AD would be 110 million tonnes while supply would be around 97 million tonnes. The FAO, Rome estimates the gap as 20 million tonnes by 2000 A.D.

4.2.3. Marine Exports from India

In the period 1988-92 there has been a tremendous growth in quantities (15.3% annual compounded) and values (26.9% annual compounded).

Year	Total Marine Product Exports from India		Indian Export of Frozen Shrimps	
	Quantity MTs	Value Rs.Crores	Quantity MTs	Value Rs.Crores
1987-88	97179	531.20	55736	425.78
1988-89	99777	597.85	56835	470.33
1989-90	110843	634.99	57839	463.36
1990-91	139419	893.37	62395	663.33
1991-92	171820	1375.89	76151	979.12

Export of frozen shrimps continues to contribute a significant 71% share of the total marine product exports of India. Nearly 80% of the shrimps exports from India are directed to Japan (57%) and USA (23%).

(Source: Handbook of Shrimp Farming, The Marine Products Export Development Authority, India.)

(c) Shrimp Farming in India

The top five shrimp producing states in India are given below:

State	Est. Brack. Water Area '000 Ha	Area under Culture (Ha)		Est Production (MTs)			
		1990-91	1992-93	1990-91	1992-93		
W.Bengal	405.0	33815	33918	34050	12500	13800	16300
Orissa	31.6	7075	7417	7760	4100	3800	4300
A.P.	150.0	6000	8100	9500	7350	9700	12800
Kerala	65.0	13000	13145	13400	8925	9500	9750
Others	539.3	5210	5647	5990	2625	3200	3850
Total	1190.9	65100	68227	70700	35500	40000	47000

(Source: Handbook of Shrimp Farming, The Marine Products Export Development Authority, India.)

The present (1993) annual production of cultured shrimps is estimated at 60000 MTs. The above statistics reveal one very significant point - Andhra Pradesh, having the third largest brackishwater area (150000 Ha), has shown significant growth in area under culture (25.8% annual compounded) and in production quantities (32% annual compounded).

The last 3 years have witnessed the private sector entering the shrimp culture setting up farms, employing scientific methods of farming and processing. India has all the essential ingredients such as long coastline of 7500 kms, vast brackish water area of 1.2 million hectares, well suited climate conditions, relatively unpolluted water sources and abundant tropical shrimp species. India will emerge as a global leader in exports of shrimp within a few years. Appropriately, shrimp farming has been given 'extreme focus' status by the Government of India to boost export production and foreign exchange earnings.

By setting up integrated aqua projects, adopting high technology processing techniques, better hygienic packaging and strategic marketing, India can offer value added products at highly competitive prices.

15. PROFITABILITY PROJECTIONS

The profitability projections for the Company as appraised by APITCO are as follows:

	1994-95	1995-96	1996-97	1997-98
Farm Capacity (MT)	931.88	931.88	931.88	931.88
Farm Production (MT)	612.34	695.83	695.83	745.50
Processed Output (MT)	428.60	487.10	487.10	521.90
Operating Capacity (%)	66	75	75	80
Income				
-Construction	281.32	604.15	946.77	942.40
-Aquaculture	6.00	1350.20	1534.31	1643.83
PBDIT	49.57	488.75	625.75	660.99
PBT	42.89	369.30	529.22	567.36
PAT	32.77	340.63	483.15	521.07
Equity Capital	65.15	537.74	537.74	537.74
Dividend (%)	15	20	20	20
EPS (in Rs)	5.04	6.33	8.98	9.69
Book Value (in Rs)	14.26	18.28	25.39	33.20
BEP (%)	42.43	34.71	33.56	33.56
CBEP (%)	31.75	28.84	27.98	27.98

ASSUMPTIONS

The significant assumptions underlying the above profitability projections are as given below:

CONSTRUCTION

1. Total cost of land, materials, labour and other direct expenses have been assumed at Rs.370 per sft (equivalent to 84% of gross sales value)
2. The gross sales value has been assumed at Rs.440 per sft.
3. Sales price and direct costs have been taken at constant levels as any escalation in the costs will be off-set by appropriate revision in the sales prices. For sales already booked, the contingency provision built into the cost estimates is generally adequate to cover short term escalations.

AQUACULTURE

1. Operating Parameters:

	1995-96	1996-97	1997-98
Water Spread area (Ha) :	71		
Stocking Density (Lakhs)	2.2	2.5	2.5
Survival Rate (%)	70.0	70.0	75.0
Average Body Weight (gms)	28.0	28.0	28.0
Yield /Hectare (MT)	4.3	4.9	5.3
Field Conversion Ratio	1: 1.5	1: 1.5	1: 1.5
NO. Of Crops Per Annum	2.0	2.0	2.0
Processing Loss (%)	30.0	30.0	30.0
2. Sale price Rs 315 per Kg average for a mix of head-on and head-less processed shrimps.
3. The cost of the seed is taken at Rs.0.50 ps. per seed.
4. The cost of the feed is taken at Rs.34,828/- per tonne.
5. The pond preparation costs are taken at Rs.5,525/- per pond.
6. The lime, fertilisers and chemicals etc. are taken at Rs.55,800/- per hectare
7. The rate of interstion bank borrowings for working capital requirements is taken at 16.5% per annum.
8. The insurance charges are considered for both the crop and on assets as per the prevailing rates.
9. The cost of power and fuel is taken at Rs.6.33 lakhs per month at operating capacity.

10. The preliminary and preoperative expenses to the extent of Rs.25.69 lakhs is capitalised and the balance have been written off over a period of ten years.

11. The depreciation is taken on straight line method for the purpose of calculation of profitability. Construction materials and scaffoldings valued at Rs.21.50 lakhs is written off in first year.

12. The dividends provided at 20% from 1995-96 onwards.

13. The first full year of operations for the aqua division is 1995-96.

Note 1: Income from exports consists of income only from aquaculture.

Note 2: As a matter of abundant caution, the attention of the investors is drawn to the fact that the figures mentioned in the statements above are only indicative and are subject to change.

JUSTIFICATION OF PREMIUM

The issue price has been determined by the Company in consultation with the Lead Managers.

The following factors have been considered in determining the issue price :

1) The profitable track record of the Company as shown in the financial performance figures appearing elsewhere in this prospectus.

2) Future Projections of the Company:

	1994-95	1995-96	1996-97	1997-98
Total Income	287.32	1954.35	2481.08	2586.23
PBT	42.89	369.30	529.22	567.36
PAT	32.77	340.63	483.15	521.07
Equity Capital	65.15	537.74	537.74	537.74
Dividend (%)	15	20	20	20
EPS (in Rs)	5.04	6.33	8.98	9.69
Book Value (in Rs)	14.26	18.28	25.39	33.20

3) The issue price is lower than the fair price calculated according to the erstwhile Controller of Capital Issues (CCI) formula. The fair price as per CCI formula is Rs.17.00.

4) The Industry Composite average Price-Earning (P/E) multiple for Construction - Housing sector is 16.4 and Aquaculture/Marine Products sector is 13.1 [Source: CapitalMarket - Vol IX/16, November 6, 1994]. In comparison, the issue price multiple

on the projected earnings per share (EPS) of Rs. 6.33 in 1995-96 is only 2.4. This leaves ample scope for capital appreciation for the investor.

- 5) The promoters are contributing afresh 25% of the post-issue equity capital at the same issue price as being offered to the public. The post-issue promoters' holding will be 37.11%
- 6) The Company's established reputation as a builder of residential apartments.
- 7) The cumulative experience of the Promoters/Directors in construction, aquaculture and international trade.
- 8) The Company's tie-up for technology with Bio-Feed Industries (Singapore) Pte Ltd and for marketing with Ocean Garden Products Inc, USA, one of the largest importers of shrimps into USA with a standing of 38 years in business.

16. EXPORT OBLIGATION OF THE COMPANY

As per the approval given to the Company's Aquaculture Project as a 100% Export Oriented Unit by the Secretariat of Industrial Approvals, Department of Industrial Development, Ministry of Industry, Government of India vide their letter no. PER:350 (1994)/EOB/302/94 dated 30.9.94, the Company has undertaken the following obligations:

- (i) The entire (100%) production, excluding rejects not exceeding 5%, shall be exported for a period of 10 years to General Currency Countries/Hard Currency Area Countries
 - (ii) The value addition shall be a minimum of 76%
- The Company has, vide its letter dated 7.10.94, sought modification of the above approval from 200 tpa of saleable output from the project to 719 tpa.

17. SWOT ANALYSIS OF THE PROJECT

Strengths

- * Experienced and financially sound promoters with international business interests
- * Proven profitable track record in construction business
- * Virgin creek location free from pollution for aquaculture project
- * Creek-based aquaculture farming offers low gestation period
- * Good tie-up for technical know-how for aquaculture and marketing of processed shrimps
- * Promoters presence abroad ensures Company's proximity to the marketplace

Weaknesses

- * Present size of construction business is not commensurate with promoters' capabilities and business potential
- * Need to establish credibility and performance in the aquaculture business against competition

Opportunities

- * Projected demand-supply gap offers immense potential for housing construction business
- * Aquaculture is a high-profit-high-growth area for exports where India is taking giant strides on the international markets
- * Proximity of the aquaculture site facilitates installation of sea-water intake system when needed

Threats

- * Natural calamities can have an adverse effect on aquaculture productivity
- * Pollution problems which can arise if any slackness is shown in farm management

18. STOCK MARKET DATA

This being the maiden public issue of the Company, the Equity Shares are yet to be listed on any Stock Exchange. Hence, no quotations of the market price of the Company's Equity Shares is available.

19. COMPANIES LISTED UNDER THE SAME MANAGEMENT

There are no listed companies under the same management as defined under Section 370(1B) of the Act. The Company has not made any public issue of capital in the last three years preceding the date of this prospectus.

20. OUTSTANDING LITIGATIONS & DEFAULTS

- (a) The Company does not have any outstanding disputed liability of any nature which may affect the operation and finance of the Company including tax liabilities.
- (b) There are no criminal prosecutions launched against the Company and its directors for any of the offences under the enactments specified in paragraph 1 of part 1 of Schedule XIII of the Companies Act 1956.
- (c) There are no pending litigations, disputes of any nature, defaults in repayments/payment to financial institutions/banks, statutory dues etc. against the promoters or their companies and no proceedings were launched or initiated against the promoters of the company for any economic offences.
- (d) However, a case in C.D. No. 120/94 filed by D. Padmavati and D. Shanker is pending in the District Consumer Forum, Secunderabad alleging that a part of works are not completed at East marredpally, Secunderabad and the said case is being contested by the company.

20. MATERIAL DEVELOPMENTS

Save as elsewhere stated in the prospectus, there are no material developments subsequent to date of Balance Sheet of the Company as at 31st October, 1994 which are likely to affect the performance of the prospects of the Company.

21. MECHANISM TO REDRESS INVESTORS GRIEVANCES

To ensure that investors grievances will be settled expeditiously and satisfactorily, the Company shall set up a committee headed by the Company Secretary to handle all investor grievances. The Agreement between the Company and the Registrars to the Issue provides for retention of issue records with the Registrars for a period of at least 6 months from the last date of despatch of letters of allotment/share certificates/refund orders to enable the investors to approach the Registrars for redressal of their complaints.

RISK FACTORS

EXTERNAL

1. Construction project time schedules are prone to fluctuation caused by delays in statutory sanctions/ approvals/clearances with resultant impact on direct and indirect costs of the projects.
2. The activities related to aquaculture farm operations may be adversely affected by (i) natural calamities like cyclone etc. resulting in lower productivity and longer harvest periods, and (ii) any bacterial disease that may occur in aquaculture shrimp units located in coastal Andhra Pradesh due to improper farm maintenance.
3. Any fluctuation in foreign exchange rates will have an impact on the profitability projections.

INTERNAL

4. 37 acres of owned land for aquaculture in the process of being registered.
5. The working capital requirements of the aquaculture project are yet to be tied up.
6. APITCO the appraising agency is not participating in the means of financing. Further, in the absence of stake of any financial institution/bank, there shall be no monitoring of deployment of funds raised through this issue.

7. The Company is yet to obtain approval for additional power requirement.

8. The Company's applications for enhancement of the Aquaculture EOU capacity to 719 MT and Foreign Collaboration Agreement are still pending Government approval from SIA which, if not received, will entail increase in project cost to the extent of Rs.17.57 lakhs on account of duties on capital goods imported for the project.

9. In the event of the Company not fulfilling export obligations, certain tax benefits will not be available and the same will have an adverse impact on the profitability of the Company.

PERCEPTIONS OF THE MANAGEMENT

1. Risk factor 1: Adequate contingency provisions are made at the time of assessing the total cost of execution of projects to meet escalation of costs of construction materials.
2. Risk Factor 2: Bacterial diseases are caused by improper maintenance of the ponds, quality of water and soil. Adequate precautions have been taken in the design on the ponds, and scientific farm management practices will be adopted to ensure quality of water and soil to avoid such diseases.
3. Risk factor 4: The registration of the land will be completed by the end of March 1995.
4. Risk factor 5: Application for working capital for aquaculture has been submitted to Oriental Bank of Commerce and the Company is confident of getting the requisite limits sanctioned.
6. Risk factor 7: The Company has already been sanctioned 180KVA HT supply for the shrimp farm. For the additional power, the company has made an application and does not envisage any difficulty in obtaining approval from APSEB.
7. Risk Factor 8: The Company has since received the government approval from Secretariat for Industrial Approvals, Government of India vide their letter No. 302(94) dated 28.02.1995 for enhancement of the aquaculture EOU capacity to 719 MT. The company is confident of obtaining the automatic accord of the foreign collaboration agreement.

PART II
A. GENERAL INFORMATION

1. CONSENTS

Consents in writing of the Directors, Auditors, Legal Advisor Lead Managers, Advisors to the Issue, Co-managers to the Issue, Registrars to the Issue, Bankers to the Company, Bankers to the Issue and Brokers/Underwriters to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, Andhra Pradesh, at Hyderabad along with a copy of this Prospectus as required under section 60 of the Act, and none of them have withdrawn their respective consents upto the time of delivery of a copy of this prospectus for registration with the Registrar of Companies, Andhra Pradesh at Hyderabad..

Mr V Syam Sunder, Chartered Accountant, Auditor of the Company, has given his written consent to the inclusion of his report as appearing hereinafter and the Certificate of Tax Benefits, in the form and context in which it appears in this Prospectus, accruing to the Company and to the members of the Company and such consents and report have not been withdrawn up to the time of delivery of the copy of this Prospectus for registration with the Registrar of Companies, Andhra Pradesh at Hyderabad.

2. EXPERT OPINION

The Company has obtained expert opinion from Mr V Syam Sunder, Chartered Accountant, regarding the tax benefits available to the Company and its members.

3. CHANGE IN DIRECTORS/AUDITORS

3.1 The following were the changes made the last three years in the Board of Directors of the Company.

Name	Date of Change	Change
Mrs. P. Vijayalakshmi	25.07.1994	Resigned due to pre-occupation.
Mr. Raja V A Praturi	25.07.1994	Appointed to broadbase the Board.
Mrs. Indrani Selvaraj	24.08.1994	Resigned due to pre-occupation.
Mr. P.K.Eapen	01.09.1994	Appointed to broadbase the Board.
Mr. Joga Rao Kandala	01.09.1994	Appointed to broadbase the Board.
Mr. Rama Rao Yellai	11.11.1994	Appointed to broadbase the Board.
Mr. V.C. Ganti	11.11.1994	Appointed to broadbase the Board.
Mr. Kondala Rao Saripalli	11.11.1994	Appointed to broadbase the Board.

3.2. Change in Auditors :

The first auditors of the Company, M/s Chary and Balaji, Chartered Accountants, Hyderabad, resigned on 23.8.1994 and Mr. V. Syam Sunder, Chartered Accountant, was appointed on 2.9.1994 in their place.

4. AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81(1A) of the Act, the present issue has been authorised by a Special Resolution passed by the shareholders of the Company at the Extra-Ordinary General Meeting held on 25.10.1994.

5. PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT AND ISSUE OF CERTIFICATES

5.1. DISPOSAL OF APPLICATION AND APPLICATION MONEY

The sum received in respect of the issue will be kept in a separate bank account and the Company will not have access to the funds unless approval of the Hyderabad Stock Exchange is obtained for allotment and as listing has been proposed on more than one Exchange, no allotment or utilisation shall be allowed till listing approval is available from each of the exchanges concerned. Where any applicant is allotted lesser number of Shares than applied for, the excess application money will be adjusted against the allotment money to be paid by the Applicant.

The Board reserves full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reasons thereof. In case an application is rejected in full the whole of the application money received will be refunded to the applicant. If an application is accepted in part, then the balance application money will be refunded to the first named applicant within 10 weeks from the date of closure of the subscription list and if such money is not repaid within 8 days from the day the Company becomes liable to pay it, 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 the money with interest in accordance with the provisions of Section 73 of the Companies Act, 1956.

5.2. BASIS OF ALLOTMENT IN CASE OF OVERSUBSCRIPTION

In the event of the issue of Equity Shares being oversubscribed the allotment shall be on a proportionate basis (as explained below) which will be finalised in consultation with the Hyderabad Stock Exchange. Further, in the event of oversubscription of the present issue by more than 2 times, a SEBI nominated public representative shall be associated in the process of finalisation of basis of allotment.

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

- (a) Applicants will be categorised according to the number of 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) 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 works out to less than 100 shares per applicant, the allotment shall be made as follows:

(i) Each successful applicant shall be allotted a minimum of 100 shares; and

(ii) The successful applicants out of the total applicants for that category shall be determined by drawal of lots in such 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, the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted shares arrived at after such rounding off.

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

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

5.3. REFUNDS/ALLOTMENT

Share certificates/allotment letters or letters of regret together with refund orders or pay orders, if any, will be despatched within ten weeks from the closure of the subscription list. The Company shall ensure despatch of refund orders of value over Rs.1500 and share certificates/allotment letters by Registered Post only. Adequate funds for the purpose will be made available by the Company to the Registrars.

5.4. ISSUE OF SHARE CERTIFICATES

Share Certificate(s) will be delivered within three months from the date of allotment or within such further time as may be allowed by the Company Law Board as per the provisions of Section 113 and other relevant provisions of the Act.

6. NAMES & ADDRESSES OF THE ISSUER & ISSUE MANAGEMENT TEAM

VICTORY PROJECTS LIMITED

REGISTERED OFFICE

Parameshwara Apartments,
G1, 6-3-626, Anand Nagar,
Khairatabad,
HYDERABAD - 500 004.
Tel: 317212 / 317380
Fax: 91-40-393890

LOCATION OF THE FARM

Marripalem Village,
Yellamanchli,
Visakha District.

6.1. COMPANY SECRETARY

The Company is in the process of appointing a Company Secretary.

6.2. LEAD MANAGERS TO THE ISSUE

Prudential Capital Markets Ltd.,
6-3-1110, 26 & 27, Amrutha Mall,
Somajiguda,
Hyderabad - 500 016.
Phones : 318811 - 14,
Fax : 313515

Weizmann Limited
26, Gobind Mahal,
86 B, Marine Drive,
Bombay - 400 002.
Tel:2037333/2037394
Fax:2063272

6.3. ADVISORS TO THE ISSUE

Pravira Financial Services Private Ltd
3-5-874/4 Hyderguda
Hyderabad - 500 029.
Telephones : 231561 - 62,
Fax : 598160

6.4. CO-MANAGERS TO THE ISSUE

Andhra Bank
Merchant Banking Division
Central Office
5-9-11 Secretariat Road
Saifabad,
Hyderabad -500 004

Vijay Growth Financial Services Limited,
906, "A" Block,
Babukhan Estate,
Basheerbagh,
Hyderabad 500 001.

6.5. REGISTRARS TO THE ISSUE

Karvy Consultants Ltd.,
6-1-68/2, Saifabad,
Hyderabad - 500 004.
Phones : 242208-09
Fax : 230912/236602.

6.6. AUDITORS OF THE COMPANY

Mr. V Syam Sunder
Chartered Accountant
10-31, Temple Alwal,
Secunderabad - 500 010.
Phone : 247178

6.7. LEGAL ADVISORS

Mr. S. Pandu P. Madhava Rao
Advocates
7-2-559,Booruguchetty Bazar,
Secunderabad 500 003.
Phone : 804498

6.8. BANKERS TO THE COMPANY

1. **ANDHRA BANK**
ABID ROAD BRANCH
HYDERABAD.

2. **ORIENTAL BANK OF COMMERCE**
(Opp. R.T.C COMPLEX)
ASILMETTA JUNCTION
VISAKHAPATNAM 530 016.

3. **STATE BANK OF HYDERABAD**
ANAND NAGAR BRANCH
HYDERABAD

6.9. BANKERS TO THE ISSUE

State Bank Of Hyderabad
Merchant Banking Dept.,
Head Office
II Floor, Old Building,
Gunfoundry, Hyderabad

Andhra Bank
Abid Branch
Hyderabad

The Vysya Bank Ltd.
S.P. Road
Secunderabad

Bank Of Baroda
Khairatabad
Hyderabad

Punjab National Bank
C.M.O, LIC Building,
Bank Street,
Hyderabad.

Bank of Madura Ltd.
K J Market
Koti, Hyderabad

6.10. BROKERS TO THE ISSUE

The list of Brokers, whose names appear as underwriters to the issue elsewhere in this prospectus, are also are brokers to the issue.

B. FINANCIAL INFORMATION**1. REPORT OF THE AUDITORS**

The Board of Director's
Victory Projects Limited
6-3-626,Paramshwara Apartments
Anand Nagar,
HYDERABAD 500 004.

We have examined the accounts of Victory Projects Ltd for the financial year ended 31st March 1994, being the last date upto which the accounts of the Company have been made up and relied on the audited accounts of the Company audited by M/s Chary & Balaji, Chartered Accountants, for two financial years since incorporation of the Company upto 31st March 1993, all of which have been duly adopted by the Members.

We have also examined the accounts of the Company upto 31st October 1994 made for the purpose of this report duly approved by the Board of Directors.

In accordance with the requirements of Para B of Part II of Schedule II to the Companies Act 1956, subject to the notes and the accounting policies appearing below and after making such adjustments which in our opinion are appropriate, we report that the Profits, Assets and Liabilities, and Dividends of the Company are as set out below:

1.1. STATEMENT OF PROFIT & LOSS A/C

PARTICULARS	Year Ending		Year Ending		Period Ending
	31.03.92	31.03.93	31.03.93	31.03.94	
INCOME					
Turnover of Construction Works	622617	4222671	9114593	6266432	6266432
Turnover of Aqua Products			286800	100100	100100
Interest			20289	0	0
Other Income	17411		350	4384	4384
TOTAL INCOME	640028	4222671	9422032	6370916	
EXPENDITURE					
Material Consumed & flat					
Construction Expenses	427356	2557756	5575122	1108961	1108961
Aqua Culture Expenses			282322	52810	52810
Administration Expenses	147377	313644	761700	864891	864891
Depreciation	14902	271406	339071	241327	241327
TOTAL EXPENDITURE	589635	3142806	6958215	2267989	

Profit/(Loss) Before Tax	50393	1079865	2463817	4102927
Provision for Taxation	4000	47512	652710	
PROFIT AFTER TAXATION	46393	1032353	1811107	4102927

NOTES TO PROFIT & LOSS ACCOUNT:

- The Company has carried out aqua co-processing activity at its manufacturing facility setup in a hired premises in Yellamanchli, the installed capacity and licenced capacity in respect of this facility is not quantifiable.
- Provision has not been made for Income Tax for the seven months ended 31.10.94 since the same will be determined at the end of financial year ended 31.03.95

1.2. STATEMENT OF ASSETS & LIABILITIES

SOURCES OF FUNDS	AS AT 31.10.94	AS AT 30.03.94
1. SHAREHOLDERS FUNDS		
A. Share Capital	6515140	4999970
B. Share Application Money	4730305	677628
C. Reserves & Surplus	4156700	1568942
	15402145	7246540
2. SECURED LOANS	229359	298109
TOTAL	15631504	7544649

APPLICATION OF FUNDS

1. FIXED ASSETS	
A. Gross Block	6502168
B. Less Depreciation	858954
	5643214
C. Net Block	5643214
D. Adv for farm land & capital goods	5323192
E. Expenditure during Construction period	770224
2. CURRENT ASSETS LOANS & ADVANCES	
a. Inventories	1879377
b. Sundry Debtors	2843838
c. Cash & Bank Balances	142927
d. Loans & Advances	840968
	5707110
3. Less Current Liabilities & Provisions	1816806
	3890304
	4570
	4920
4. NET CURRENT ASSETS/(-Liabilities)	-614074
5. MISCELLANEOUS EXPENDITURE	
Preliminary Expenses	
TOTAL	15631504

SIGNIFICANT ACCOUNTING POLICIES:

- Method of Accounting:
 - The financial Statements are prepared on a going concern basis with historical costs.
 - The company follows accrual method of accounting except in case Income with significant uncertainties.
- FIXED ASSETS:**
 - The fixed assets are accounted at the acquisition cost.
 - Expenditure direct and indirect during construction period are carried forward for apportionment to fixed assets on commencement of commercial production.
- Depreciation :** The assets are depreciated at the straight line rates prescribed in schedule XIV to the Companies Act, 1956, except in case of Centering equipments which are depreciated over a period of 5 years beginning from the year of acquisition.
- INVENTORIES**
 - Materials at site are valued at cost.
 - Stock in trade is valued at cost on the basis of estimated value equivalent to stage of construction.
- INCOME FROM CONSTRUCTION CONTRACTS:**

Income from the construction of residential flats is recognised in the accounting statements on the following basis:

 - Percentage of contracted value equivalent to stage of construction in respect of each of the flats booked
 - 2% of contracted value in respect of flats booked but on which construction work has not begun.

NOTES TO BALANCE SHEET ITEMS:

- SHARE CAPITAL**

The authorised share capital of the company was increased to Rs.600,00,000/- divided into 60,00,000 equity shares of Rs. 10/- each vide resolution passed on 25.10.94.
- LOANS:**

Secured Loans comprise Loan from Anagram Finance Limited which is secured by hypothecation of vehicles.
- Sundry Debtors, Creditors, and loans and Advances balances are subject to confirmation. The Stock quantities and values are as certified by management.

1.3. DIVIDEND DETAILS

We further report that in respect of three account years ended 31.03.94 the rates of the dividend declared by the company are as under:

Financial Year	Number of Equity shares Rs. 10/ each fully paid partly paid	Rate of Dividend	Amount of Dividend
22.07.91 to 31.03.92	30	-	-
01.04.92 to 31.03.93	30	10	30
01.04.93 to 31.03.94	499997	10	279230

Date: 09th December, 1994
Place: HYDERABAD
Sd/-
V. Syam Sunder
Chartered Accountant

2. PRINCIPAL TERMS OF LOANS & ASSETS CHARGED AS SECURITY

Loan taken from Anagram Finance limited for purchase of car.

LOAN AMT	INTEREST TOTAL	AMOUNT REPAYED	AMOUNT O/S SECURITY
2,70,000	1,12,875	3,82,875	48,540

3,34,335 CAR no.AP9D 6667

FOREIGN SUPPLIERS CREDIT FROM YORK INTERNATIONAL, USA

Date of agreement: 8th November, 1994.
Principal : Rs. 75.68 lakhs (USD 240,240)
Interest : LIBOR + 2%
Repayment: In 6 semi-annual instalments deferred over 3 years.
LC issuing and co-accepting Bank: Oriental Bank of Commerce.

LEASE FINANCE

Lessor: Pravira Financial Services (P) Ltd.
Equipments: DG sets.
Lease Amount: Rs. 40 lakhs.
Lease Period: 3 years.
Lease Rental : Rs. 36 per thousand per month.
Payment: Quarterly in advance.
Lease Management fee: 1%.
Residual value determined as 2% of the original cost.

C. STATUTORY AND OTHER INFORMATION

1. MINIMUM SUBSCRIPTION

The minimum subscription which in the opinion of the Board must be raised by the issue of Equity Shares in order to provide for the sums required in terms of the Act is Rs.292.29 lacs being 90% of the Equity Shares issued in terms of the prospectus. The minimum amount on receipt of which the Directors will proceed to allot the said shares is the amount payable on application as specified by elsewhere in the prospectus.

If the Company does not receive minimum subscription amount of 90% of the issue, including devolvement of underwriters, within 60 days from the date of closure of the issue, the Company shall forthwith refund the entire subscription amount received. For the delay beyond 78 days, if any, in refunding of such subscription the Company shall pay interest as per Section 73 of the Companies Act, 1956.

2. EXPENSES OF THE PRESENT ISSUE

The total expenses of the present issue in terms of this prospectus is estimated at Rs.65 lakhs and includes (i) fees to Lead Managers / Co-Managers / Advisors / Auditors / Bankers / Underwriters / Brokers/Legal Advisors/Registrars to the issue, stock exchanges, Registrar of Companies (ii) printing and distribution of issue stationery, share certificates, refund orders, etc. (iii) advertisement and publicity (iv) other expenses like stamp duty, postage, etc. The issue expenses shall, however, be within the limits prescribed by the Government of India.

2.1. FEES PAYABLE TO MANAGERS TO THE ISSUE

The fees payable to each of the Lead Managers to the issue, Prudential Capital Markets Limited and Weizmann Limited is 0.5% of the issue size. In addition to the above, out of pocket expenses, cost of stationery, postage, conveyance and other incidental expenses will be reimbursed by the company.

2.2. FEES PAYABLE TO REGISTRARS TO THE ISSUE

The fees payable to the Registrar to the issue, Karvy Consultants Pvt Ltd, is Rs.4.00 per allottee, Rs.3.00 per non-allottee, additional Rs.3.00 per application accompanied by stockinvest and additional fee of Rs.2.50 per NRI application. In addition to the above, out of pocket expenses, cost of stationery, conveyance and their incidental expenses are to be reimbursed on actuals.

2.3. FEES PAYABLE TO ADVISORS/CO-MANAGERS

The fees payable to the Advisors to the issue, Pravira Financial Services Pvt Ltd, is Rs. 1.50 lakhs and to the Co-Managers to the issue, Andhra Bank and Vijay Growth Financial Services Limited is Rs.5,000/- and Rs.25000/-respectively.

3. UNDERWRITING COMMISSION AND BROKERAGE

3.1. Underwriting commission @ 2.5% on the amount of Equity Shares offered to the public for subscription for cash at a premium through this prospectus is payable as mentioned in the respective underwriting agreements to the underwriters in respect of the amount underwritten by them in the manner mentioned earlier in this prospectus.

No underwriting commission shall be payable on amounts contingently underwritten on the equity shares reserved for preferential allotment. However, underwriting commission will be payable at the rate mentioned earlier on the equity shares unsubscribed in this category and added back to the public offer.

3.2. 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 of the recognised Stock Exchanges in India.

Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of allotments made against the applications procured by them, provided that the relative Application Forms bear their respective stamps in the Brokers column.

4. PREVIOUS ISSUE FOR CASH

Save as stated in this Prospectus, the Company has not offered any Shares or Debentures for public subscription since the incorporation of the Company.

5. COMMISSION & BROKERAGE ON PREVIOUS ISSUE

Save & except for the commission & brokerage payable in terms of this prospectus, no sums have been paid since the incorporation of the Company or are payable as commission or brokerage for subscribing or agreeing to subscribe to or for procuring or agreeing to procure subscription for any shares.

6. ISSUE OF SHARES OTHERWISE THAN FOR CASH

No shares have been issued or agreed to be issued otherwise than for cash since the incorporation of the Company.

7. CAPITALISATION OF RESERVES OR PROFITS

The Company has capitalised reserves and profits by issue of shares in the following manner:

1. 1,04,165 Equity Shares of Rs 10 each were issued on 27.09.93 as fully paid-up Bonus Shares in the ratio of 5 Bonus shares for every 4 Equity Shares held on 18.09.93.
2. 1,51,517 Equity Shares of Rs.10/- each were issued on 30.09.94 as fully paid-up Bonus Shares in the ratio of 10 Bonus Shares for every 33 Equity Shares held on 10.09.94.

8. REVALUATION OF ASSETS

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

9. DEBENTURES, REDEEMABLE PREFERENCE SHARES & OTHER INSTRUMENTS.

The Company has not issued any Debentures, Debenture Stock or Redeemable Preference Shares since its incorporation.

10. OPTIONS TO SUBSCRIBE

Except as stated elsewhere in this prospectus, the Company has not since its incorporation entered into nor does it intend, at present, to enter into any contract or arrangement giving any option or preferential right of any kind to any person to subscribe for any shares in or debentures of the Company.

11. PURCHASE OF PROPERTY

Save in respect of the property purchased or acquired or to be purchased or acquired as mentioned elsewhere in this Prospectus, 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 the issue of this Prospectus, other than property:

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

Except as stated elsewhere in this Prospectus, the Company has not purchased any property in which any of its Promoters and/or Directors, have any direct or indirect interest or in any payment made thereof.

12. INTEREST OF DIRECTORS AND PROMOTERS

All the Directors of the Company may be deemed to be concerned or interested to the extent of remuneration payable to them as fees for attending the meetings of the board or any committee(s) thereof. They are also deemed to be interested to the extent of reimbursement of travelling, hotels and other expenses, if any, for such attendance under the provisions of the articles. All directors or promoters may be deemed to be interested to the extent of the Equity Shares held by them and/or their relatives and associates or that may be allotted, if any, to the firm, trust, institution and/or Company in which they or their relatives and associates are partners, members or directors and also to the extent of the dividend paid or payable on such Equity Shares, except to the extent of the fees and proposed lease rentals, payable to Pravira Financial Services Pvt Ltd, the Advisors to the Issue, a company in which Mr. Raja V.A. Praturi, Director, is interested within the meaning of the Act.

13. PAYMENT OF BENEFITS TO PROMOTERS/DIRECTORS AND OFFICERS OF THE COMPANY

Save as stated in this prospectus, no amount or benefit has been paid or given to the Company's promoters and officers since incorporation nor is intended to be paid or given to any promoters or officers of the Company except remuneration and/or reimbursement for services as Directors/Officers or employees of the Company.

14. CLASS(ES) OF SHARES

The Company has one class of shares viz., Equity Shares of Nominal Value of Rs.10/- each as on date.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

DIRECTORS

Article 60 provides that

The number of directors shall be not less than three and more than twelve, subject, however, to the power of company to increase or decrease the said numbers in a general meeting.

Articles 61 provides that

The Directors are not required to hold any shares in the Company as qualification shares.

Articles 63 provides that

The board shall have power at any time, and from time to time, to appoint a person as an additional director, or fill up a casual vacancy.

Articles 64 provides that

The Board shall have the power to appoint an alternate director in place of a director during the latter's absence for a period of not less than three months.

Articles 73 provides that

Unless otherwise determined by the company in General meeting, each director shall be entitled to receive out of the funds of the company a fee not exceeding Rs 1000 per meeting of the Board of directors, and in addition to reimbursement of out of pocket expenses incurred as a consequence of their attending the meeting.

REMUNERATION OF BOARD OF DIRECTORS

Articles 76 provides that

The Managing Director and other whole-time directors shall receive such remuneration, perquisites and commission as recommended by the Board within the overall ceilings as stipulated by the Act and various amendments thereto, from time to time, subject to approval of the company in a general meeting.

Articles 77 provides that

The tenure, remuneration, retirement and other terms of appointment of Managing Director and other whole-time directors shall be governed by the provisions

of any contract or agreement or other arrangement between him and the company, however that, he shall cease to be a Managing Director or other whole-time director, if he ceases to hold the office of director for any cause.

POWERS OF DIRECTORS

Article 89 provides that

Subject to the provisions of the Act, the Company shall be vested in the board which shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Act or any other provision of law or by the Memorandum of Association of the Company or by these Articles to be exercised or done by the Company in General Meeting.

MANAGING DIRECTOR

The Managing Director shall not, while he continues to hold that office, be required by rotation nor shall he be required to hold any qualification shares. If he ceases to hold the office of director, he shall ipso facto and immediately ceases to be a managing director.

The management of the day-to-day affairs of the company shall vest with the Managing Director who shall discharge his duties under the general superintendence and control of the Board of Directors.

PRESENT MANAGING DIRECTOR

Mr.P.Maruthi Ram was re-appointed as the Managing Director of the Company for a period of five years from 01.10.94 on remuneration as given below as approved by the members in the Extra Ordinary General Meeting held on 29.09.94. His re-appointment was made in terms of Schedule XIII of the Companies Act, 1956 :

1. Salary of Rs. 15,000 per month.
2. Rent free furnished accommodation subject to a ceiling of 60% of salary or at the option of the appointee or House Rent Allowance of Rs.5000 per month.
3. Expenditure on electricity, water, gas and furnishings will be borne by the company subject to a ceiling of 20% of salary.
4. Reimbursement of club fees, subject to a maximum of two clubs.
5. Personal accident insurance on an annual premia not exceeding Rs. 2500/-.
6. Leave travel concession for the appointees and their families once a year equivalent to 1 month's salary.
7. Expenditure for provision of household servants at the residence of the appointees subject to a ceiling of 20% of the salary.

8. Expenditure incurred on medical reimbursement for domiciliary treatment, hospitalisation whether in India or abroad, including travelling expenses of attendants and premia paid to keep in force any insurance on the health, for the appointee and his family.
9. Provision of car with chauffeur for use on company's business and telephone at residence subject to recovery for private use of long distance calls.
10. Contribution to Provident Fund, Superannuation Fund, or annuity fund in accordance with the scheme to be framed by the company and subject to the ceiling as laid down under the Income Tax Act, 1961.
11. Gratuity is payable at a rate not exceeding one-half month's salary for every completed year of service with the company.
12. Encashment of leave at the end of tenure with the company.
13. Commission at the rate of 1% of the net profits of the company computed as per the provisions of the Companies Act, 1956."

WHOLETIME DIRECTOR

Mr. P. K. Eapen was appointed as the a Wholetime Director of the Company for a period of five years from 01.11.94 on remuneration as given below as approved by the members in the Extra Ordinary General Meeting held on 25.10.94. His appointment was made in terms of Schedule XIII of the Companies Act, 1956 :

1. Salary of Rs. 12,000 per month.
2. Rent free furnished accommodation subject to a ceiling of 60% of salary or at the option of the appointee or House Rent Allowance of Rs.4000 per month.
3. Expenditure on electricity, water, gas and furnishings will be borne by the company subject to a ceiling of 10% of salary.
4. Expenditure for provision of household servants at the residence of the appointees subject to a ceiling of 10% of the salary.
5. Reimbursement of club fees, for one club, with a ceiling of 10% of salary.
6. Leave travel concession for the appointees and their families once a year equivalent to 1 month's salary.
7. Personal accident insurance on an annual premia not exceeding Rs. 2500/-.
8. Expenditure incurred on medical reimbursement for domiciliary treatment, hospitalisation whether in India or abroad, including travelling expenses of attendants and premia paid to keep in force any insurance on the health, for the appointee and his family.
9. Provision of car with chauffeur for use on company's business and telephone at residence subject to recovery for private use of long distance calls.

10. Contribution to Provident Fund, Superannuation Fund, or annuity fund in accordance with the scheme to be framed by the company and subject to the ceiling as laid down under the Income Tax Act, 1961.

11. Gratuity is payable at a rate not exceeding one-half month's salary for every completed year of service with the company.

12. Encashment of leave at the end of tenure with the company.

DISCLOSURE OF INTEREST

Every Director shall comply with the provisions of Section 299 of the Act with regard to disclosure of his concern or interest in any contract or arrangement entered into or to be entered into by the Company.

BORROWING POWERS

35.A) Subject to the express provisions of the Act, the Company shall have power to borrow from any persons and secure the payment of any sum or sums of money for the purpose of the company and the Directors may, from time to time, at their discretion exercise this power, and may themselves lend to the Company on security or otherwise.

Provided further that no debt incurred or security given in excess of limit imposed by the Act shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given, that limit imposed had been or was hereby exceeded.

- B) The Directors may raise, or secure the repayment of, any sum or sums in such manner and upon such terms and conditions in all respects as they may think fit and in particular by creation of any mortgage or charge on the whole or any part of the property, present or future, or uncalled capital of the company or by the issue of bonds, perpetual, convertible, or redeemable debentures or debenture stock of the company charged upon all or any part of the property of the Company, both present and future, including its uncalled capital for the time being.

- C) Subject to the provisions of the Act and the rules made thereunder the Directors may receive deposits for such terms and bearing interest at such rates as the directors may decide from time to time. The deposits may be received from any person or persons including the Directors and the shareholders of the Company.

VOTES OF MEMBERS

- 50) Subject to any rights or restrictions for the time being attached to any class or classes of shares,
 - i) on a show of hands, every member present in shall have one vote; and
 - ii) on a poll, the voting rights of members shall be as laid down in Section 87.
- 51) In the case of joint holders, the vote of the senior who tenders a vote, shall be accepted to the exclusion of the votes of the other joint holders.

DIVIDENDS AND RESERVE

- For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 2.A) A body corporate (whether a Company within the meaning of this Act or not) may, if it is a member of the Company by resolution of its board of directors or other governing body, authorise any individual, as it thinks fit, to act as its representative at any meeting of members of the Company.
- B) The person authorised by the resolution as aforesaid, shall be entitled to exercise the same right to vote by proxy, on behalf of the body corporate which he represents, as that person could exercise if he were a member.
- 53.A) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person whether a member or not, as his proxy to attend instead of himself and the proxy so appointed shall have no right to speak at the meeting.
- B) The instrument appointing proxy and the power of attorney or authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company not less than 48 hours before the time of holding the meeting or adjourned meeting, or in the case of a poll, not less than 24 hours before the appointed time for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
- 54) An instrument appointing a proxy shall not be questioned, if it is in any of the forms set out in Schedule IX of the Act.
- 55) 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 the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the shares in respect of which the proxy is given.
- 56) Every member entitled to vote at meeting of the Company on any resolution to be moved there at shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days notice in writing of the intention so to inspect is given to the Company.
- 57) Several executors or administrators of a deceased member in whose name any share is registered shall for the purposes of these articles be deemed to be members registered jointly in respect thereof.
- 58) On a poll, votes may be given either personally or by proxy, and a person entitled to more than one vote need not use all his votes, or cast all the votes he uses in the same way.
- 59) Any objection as to the admission or rejection of a vote, either on a show of hands, or on a poll made in due time, shall be referred to the chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive.
- 97) The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the board.
- 98) The board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.
- 99.A) The board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends, and pending such application, may at the like discretion, either be employed in the business of the company or be invested in such investments as the board may, from time to time, think fit.
- B) The board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
- 100.A) Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- B) No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this regulations as paid on the shares.
- C) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
101. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the company.
- 102.A) Any General Meeting declaring a dividend or bonus may direct payment of such dividend or bonus wholly or partly by the distribution of specific assets and the board shall give effect to the resolution of the meeting.
- B) Where any difficulty arises in regard to such distribution, the Board may settle the same as it think expedient, and in particular may issue fractional certificates, and fix the value for distribution of such specific assets or any part thereof and may determine that cash payment shall be made to any member upon the footing of the values so fixed in order to adjust the rights of all parties, and may vest such specific assets in trustees as may seem expedient to the board.
- 103.A) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheques or warrants through the post directed to the registered address

of the holder or in case of joint holders to the registered address of that one of the joint holders who is first named on the register of members or to such person and to such address as the holder or joint holders may in writing direct.

B) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

104) Any one of the two or more joint holders of a share may give effectual receipts for any dividends, bonuses or other monies payable in respect of such share.

105) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein, in the manner mentioned in the Act.

106) No dividend shall bear interest against the Company.

107) Any Annual 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 if so arranged between the company and the member set off against the call. The making of a call under this clause shall be deemed ordinary business of an ordinary general meeting which declares a dividend.

108) All dividends on any share not having a legal registered owner entitled to require payment of and competent to give a valid receipt shall remain in suspense until some competent person be registered as the holder of the share.

109) If shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plants which cannot be made profitable for a long period, the board may, on behalf of the company pay interest on so much of that share capital as is for the time being paid up, for the period and subject to the conditions and restrictions mentioned in the Act,

ii) charge the sum so paid by way of interest on capital as part of the cost of construction of the work or building or the provisions of the plant.

110) No dividend shall be payable except in cash, provided that nothing in the foregoing shall prohibit the capitalisation of profits or reserves of the company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the company.

LIEN

16.A) The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and condition that Article 5 thereof will have full effect and such lien shall extend to all dividends, rights and bonuses from time to time declared in respect of such shares.

B) Unless otherwise agreed the registration of a transfer of shares shall not operate as a waiver of the Company's lien, if any on such shares.

C) The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

17. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made -

i) Unless a sum is respect of which the lien exists is presently payable, or

ii) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for time being of the share or the person entitled thereto by reason of his death or insolvency.

18.A) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

B) The purchaser shall be registered as the shareholder of the shares comprised in any such transfer.

C) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

D) The proceeds of the sale shall be received by the and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

E) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of sale.

19) No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised any right of lien.

FORFEITURE OF SHARES

20.A) If a member fails to pay any call or instalment of a call, on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

B) The notice aforesaid shall -

i) name a further day (not being earlier than the expiry of fourteen days from the date of service of notice) on or before which the payment required by the notice is to be made; and

ii) state that, in the event of non payment on or before the day so named, the shares in respect of which the call was made will be liable to be forfeited.

- to remain a holder of the share until the name of transferee is entered in the Register of members in respect thereof.
- B) Shares in the Company shall be transferred in the form prescribed by the Companies (Central Government) General Rules and Forms 1956. The Company shall not charge any fees for registration of transfer. The provisions of the Act for the time being in force, shall be complied with in respect of all transfer of shares and registration thereof.
- 27) Subject to the provisions of the Act, and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may in their absolute and unqualified discretion decline to register any transfer of shares without assigning any reason thereof. The Directors may also decline to recognise any instrument of transfer unless it is accompanied by the certificate(s) of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. If the Directors refuse to register the transfer of any shares, they shall, within two months after the date on which the transfer was lodged with the company send to the transferee and the transferor notice of the refusal provided that registration of the transfer shall not be refused merely on the ground of the transferor, being either alone or jointly with any other person, indebted to the company on any account whatsoever except a lien on the share.
- 28) The Board may also refuse to register a transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Board from transferring the shares out of the name of the transferor or when a transferor objects to the transfer, provided he serves on the company within a reasonable time a prohibitory order of a Court of competent jurisdiction.
- 29) Every instrument of transfer shall be left at the premises designated by the Board for this purpose for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share.
- 30) The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.
Provided that such registration shall not be suspended for more than forty five days in any year and provisions of the Act shall be complied with.
- 31.A) On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- B) Nothing in clause (A) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 32.A) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -

- C) If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 21.A) A forfeited share may be sold or otherwise disposed of in such manner as the Board thinks fit.
- B) At any time before a sale or disposal as aforesaid, the Board, may cancel the forfeiture on such terms as it thinks fit.
- 22.A) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- B) The liability of such person shall cease, if and when the company shall have received the payment in full of all such monies in respect of the shares.
- 23.A) A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- B) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
- C) The transferee shall thereupon be registered as the holder of the share.
- D) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
- 24.A) The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
- B) The forfeiture of share shall involve the extinction of all interest in and also of all claims and demands against the company in respect of the share, and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
- 25) The provisions of the above clauses shall, to the extent applicable, cover forfeiture of debentures.

TRANSFER AND TRANSMISSION OF SHARES

- 26.A) The instrument of transfer on any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed

- i) to be registered himself as holder of the share; or
- ii) to make such transfer of the share as the deceased or insolvent member could have made.
- B) The Board shall, in either case have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member has transferred the shares before his death or insolvency.
- 33.A) If the person so becoming entitled shall elect, to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- B) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- C) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 34) A person becoming entitled to a share by reason of the death of insolventy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

WINDING UP

- 117) If the company shall be wound up, and the assets, available for distribution among the members as such, shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members, in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up on the shares held by them respectively. But this clause is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

- 118.A) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

- B) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- C) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributors as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

- 119.A) Every director of the Company, secretary and other officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the director to pay out of the funds of the company; costs, losses and expenses (including travelling expenses) which any such director, officer or employee may incur or become liable to, by reason of any contract entered into or act or deed done by him as such director, officer or servant of the company in any way in the discharge of his duties.
- B) Every director, secretary or other officer of the Company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under the provisions of this Act in which relief is given to him by the court.

- 120) No Director, Auditor or other Officer of the Company shall be liable for the acts, receipts or defaults of any other director or officer, for joining in any receipts or other act for conformity, or for any loss or expenses happening to the company through the insufficiency or deficiency of title to any property acquired by order of the directors for and on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any monies of the company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person with whom any monies, securities or effects shall be deposited, or for any loss, damage or misfortune occasioned by any error or judgement, commission, default or oversight on his part whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in Para A (not being contracts entered in the normal course of business carried on by the Company or entered into by the Company more than two years before the date of this Prospectus) which are or may be deemed to be material have been entered into by the Company. Copies of these Contracts together with the copies of documents referred to in Para 'B' below all of which have been delivered to the Registrar of Companies, Andhra Pradesh for registration may be inspected by anybody at the Registered Office of Company between 10 A.M. and 1 P.M. on any working day from the date of Prospectus until the closing of the subscription list.

A. MATERIAL CONTRACTS

1. Copies of underwriting agreements as stated under the head "Underwriters" and the Company's letter thereof.
2. Letter of Prudential Capital Markets Ltd., and Weizmann Limited offering their services to act as Lead Managers to the Issue and the Company's acceptance thereof and MOU's dated 15.11.94 and 30.01.95.
- 3(a) Letter of Karvy Consultants Pvt Ltd. offering their services to act as Registrars to the issue and the Company's acceptance thereof and MOU dated 20.02.95.
- (b) Letter of Pravira Financial Services Pvt.Ltd., dated 30.09.94 offering their services to act as Advisors to the Issue and Company's acceptance thereof.
- (c) Letter of Andhra Bank dated 20.02.95 and Vijay Growth Financial Services Limited dated 17.11.94 to act as Co-managers to the Issue and the Company's acceptance thereof.
4. Details of Orders placed for major machinery and other items.

Ref	Item Description	Supplier Name	Qty	Unit price	Value Rs.Lakhs
VPL/PPM/213/94 Dt. 5.10.94	York Spiral Freezer	York Airconditioning & Refrigeration Inc. Jabel Ali, UAE	1	US \$ 198,000	62.37
VPI/PPM/213/94 Dt. 5.10.94	York/Frick Rotary screw Compressor unit Model RFX30E -DO-		2	21,020	13.24
VPL/PPM/240/94 Dt. 18.10.94	Plate Freezer Engineers	Sri Murugan Indl.	1		10.71
VPL/PPM/241/94 Dt. 18.10.94	Chilled Ice Storage	-DO-	1		2.26
VPL/PPM/242/94 Dt. 18.10.94	Cold Storage	-DO-	2		15.51
VPL/PPM/246/94 Dt. 28.10.94	Ice Plant	-DO-	1		9.12
VPL/AF/123/94 Dt. 17.10.94	DG Sets	Battiboi & Co Ltd	3		39.71
VPL/PMR/129/94	Aerators	Aeration Ind.Intl.Inc, Minneapolis, USA	213	713.55(LS)	213 22.47
TOTAL					175.92

5. Sale deeds and agreements in respect of 85 acres of land.
 6. Copy of the technical know-how agreement entered with M/s Bio-feeds Industries (Singapore) Pte Ltd., for the farming unit dated 14th October, 1994.
 7. Copy of the Marketing arrangement entered with M/s Ocean Garden Products Ltd., Florida Dated 9th November 1994.
 8. Land lease agreements for 132 acres of land.
 9. Legally enforceable irrevocable commitment letters from all parties to whom firm allotment of shares are being made.
- B. MATERIAL DOCUMENTS FOR INSPECTION**
1. Memorandum and Articles of Association of the Company.
 2. Certificate of Incorporation dated 22.07.91 and fresh certificate dated 27.10.94 subsequent to conversion into a public limited company.
 3. Consents from Directors, Auditors, Registrars, Bankers to the Issue, Bankers to the Company, Advisors to the Issue, Co-Managers to the Issue Legal Advisor, Lead Manager, Underwriters and Brokers to the Issue referred to in this prospectus to act in their respective capacities.
 4. Report of the Auditors of the Company dated 9.12.94 referred to in this prospectus and copies of the Balance Sheets for the periods referred to in the said report.
 5. Tax Benefit Certificate dated 10.11.94 from M/s V.Syam Sunder, Chartered Accountant.
 6. Copy of the resolutions passed pursuant to sections 81(1A), 293 (1A) and 293 (1D), 198,309 read with schedule xiii of the companies Act, 1956, for the appointment of Mr.Maruti Ram Praturi as Managing Director and Wholetime Director at the Annual General meeting held on 29.09.94 and EGM Dt.25.10.94.
 7. Appraisal report of APITCO of October 1994.
 8. Lease Finance letter dated 14th November, 1994 from Pravira Financial Services (P) Ltd., Hyderabad, for Rs. 40 lakhs.
 9. In-principle sanction from York International for suppliers credit of US\$ 240240 vide letter dated 20.10.94
 10. Copy of the application dated 26.10.94 made to Oriental Bank of Commerce for Working Capital limits.
 11. Copy of letter from the Secretariat of Industrial approvals, Ministry of Industry, Government of India, vide No.PER:350(1994)/EOB/302/94 dated 30/09/1994 registering the company's aquaculture unit under the 100% Export Oriented scheme for 200 MT (pa) and company application of 07.10.94 seeking enhancement to 719 MT (pa) and their approval letter No.302(94) dt.28.02.95.

PART III

DECLARATION

All the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in the prospectus is contrary to the provisions of the Companies Act, 1956 and rules framed thereunder.

SIGNED BY DIRECTORS

* Mr V C Ganti

Mr Maruthi Ram Prathuri

* Mr P K Eapen

* Dr K R Saripalli

Dr Rama Rao Yellai

* Mr Joga Rao Kandala

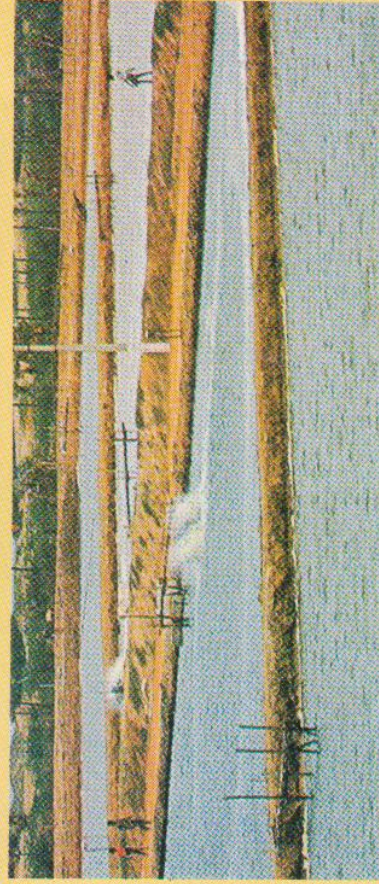
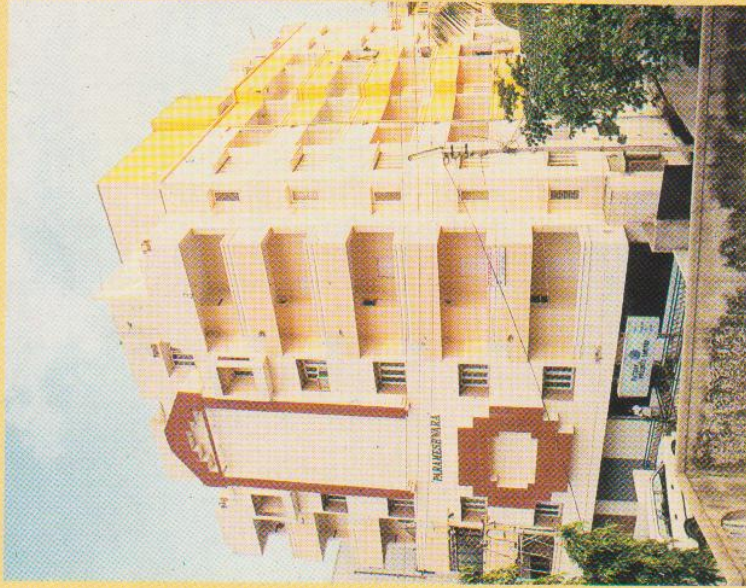
Mr Raja V A Praturi

(* By his constituted Attorney Mr. Kameswar K Kandala)

Date: 8th March 1995

Place: HYDERABAD

12. Copy of the letter dated 29.11.94 seeking permission from the Reserve Bank of India for issuing shares to NRI's and FII's registered with SEBI on repatriation basis.
13. Sanction letter No. Com1/HTVSP/D No. 5206/94 dated 28/10/1994 of APSEB for 180 KVA and company application of 11/11/1994 seeking enhancement to 1000 KVA.
14. Copy of the 'No Objection Certificate' received from Andhra Pradesh Pollution Control Board vide their letter no.1506/PCB/NO/AAE-N-95/90 dated 16.01.1995.
15. Initial Listing applications filed with stock Exchanges at Hyderabad and Bombay.
16. Permission from MPEDA for marketing of processed shrimps under the brand names 'Ocean Victor' and 'Ocean Victory' vide letter no. 1/77/Regn/VRO/94/950 dated 24.10.94
17. Copy of letter no. NCC/BPL/MAK/17/94-95 dated 12.08.94 from NCC Bluewaters Limited for supply of seeds.
18. RBI approval Vide Ref. No. HY.EC.REM/SNR.593/5181/94-95 dated 28-12-94 for offering shares to NRI's/OCB's on repatriation basis.
19. Copy of the Acknowledgement Card from SEBI dated 6.01.1995 and their letter dated 28.2.95
20. Copy of the application dated 4th February 1995, made to SIA, Govt., of India for approval of the Foreign Collaboration agreement.
21. Copy of commitment letters received from Apple Mutual Fund and Taurus Mutual Fund agreeing to subscribe for shares on firm allotment basis.
22. Power of Attorney executed by Directors in favour of Mr. Kameswar K Kandala for signing Prospectus.
23. Avenue Dale letter dated 20.09.94 confirming appointment as Architects and Structural Engineers.
24. Letter dated 20.10.94 appointing M/s Navega Engineers Pvt.Ltd., as Environmental Consultants.



Co-managers to the Issue

Andhra Bank

Merchant Banking Division
Central Office,
5-9-11, Secretariat Road,
Safabad, Hyderabad-500 004.



**Vijay Growth Financial
Services Limited,**

906, 'A' Block,
Babukhan Estate,
Basheerbagh,
Hyderabad-500 001.