FINEOTEX CHEMICAL LIMITED

Our Company was incorporated as 'Fineotex Chemical Private Limited' under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated January 30, 2004. Our Company was subsequently converted to Public Limited Company and our Company name was changed to Fineotex Chemical Limited vide new Certificate of Incorporation dated October 19, 2007. For details on change in name please refer to section titled 'Our History and Other Corporate Matters' beginning on page [●] of this Draft Prospectus.

Registered Office: 42 & 43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai–400050
Tel No: +91-22-26559174 / 75; **Fax No**: +91- 22-26559178;
E-mail: ipo@fineotex.com; **Website**: www.fineotex.com
Contact Person: Mr. Abhay V. Nerurkar; Compliance Officer & Company Secretary

PUBLIC ISSUE OF 42,11,160 EQUITY SHARES OF RS. 10/- EACH OF FINEOTEX CHEMICAL LIMITED (HEREINAFTER REFERRED TO AS THE "COMPANY" OR "ISSUER") AT A PRICE OF RS. [●]/- PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF RS. [●] PER SHARE) AGGREGATING RS. [●] LACS (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE WILL CONSTITUTE 37.50% OF THE POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

Price Band: Rs. 35 to Rs. 42 per Equity Share of Face Value of Rs. 10 Each

The Issue Price is [●] times of the Face Value of the Share

Issue is being made in terms of Clause 2.2.2 (a) (ii) and (b) (i) of SEBI Guidelines, 2000 as amended from time to time, wherein the "Project" has at least 15% participation by financial institutions / scheduled commercial banks, of which at least 10% comes from the appraiser (s). In addition to this, at least 10% of the Issue size shall be allotted to QIBs, failing which the full subscription money shall be refunded. In case of delay, if any, in refund, we shall pay interest on the application money @ 15% p.a. for the period of delay. Further, the minimum post-issue face value capital of the company shall be Rs. 10 Crores.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of the Company, there has been no formal market for the Equity Shares of the Company. **The face value of shares is Rs.10/- and the Issue Price** is [●] **times of the face value of the share.** The Issue Price (as determined and justified by the Lead Manager and our Company as stated in chapter titled 'Basis for Issue Price' beginning on page [●] of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does the SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the statement of Risk Factors beginning on Page [●] of this Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Fineotex Chemical Limited, having made all reasonable enquiries, accepts responsibility for, and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO Grading

This Issue has been graded by [●] as [●] (pronounced [●]), indicating [●]. For more information on IPO Grading, please refer to Section 'General Information' beginning on page [●].

LISTING ARRANGEMENT

The Equity Shares issued through this Draft Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and on the National Stock Exchange of India Limited (NSE). In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares vide their letters dated [●] and [●] respectively. For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

LEAD MANAGER	REGISTRAR TO THE ISSUE
First Overseas Capital Limited 1-2, Bhupen Chambers Ground Floor, Dalal Street, Mumbai – 400 001 Sebi Reg. No: MB/INM000003671 Tel No: +91- 22 40509999 Fax No: +91- 22 40509900 Website: www.focl.in Email: fclipo@focl.in Contact Person: Mr. Rushabh Shroff	**Bigshare Services Private Limited** E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East) Mumbai – 400 072 Sebi Reg. No: INR000001385 Tel No: +91-22-40430200 Fax No: +91-22-28475207 Website: www.bigshareonline.com Email: fclipo@bigshareonline.com Contact Person: Mr. Ashok Shetty

ISSUE PROGRAMME

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

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SECTION I - DEFINITIONS AND ABBREVIATIONS

Term	Description
"The Issuer" or "The Company" or "Fineotex Chemical Limited" or "Fineotex" or "FCL" "We" or "us" or "our"	Unless otherwise specified, these references mean 'Fineotex Chemical Limited', a Public Limited Company incorporated under the Companies Act, 1956.
Group Companies	The following are the Group Companies/Concerns of our Company: M/s. Shree Vinayak Industries M/s. Shree Ganesh Enterprises M/s. Sanjay Exports M/s. Fineotex Chemical Industries

COMPANY RELATED TERMS

Term	Description
Articles/ Articles of Association	The Articles of Association of Fineotex Chemical Limited.
Auditors	The Statutory Auditors of our Company namely, M/s. A.D. Mehta & Co., Chartered Accountants.
Board / Board of Directors	Board of Directors of Fineotex Chemical Limited unless otherwise specified.
Memorandum/ Memorandum of Association	The Memorandum of Association of Fineotex Chemical Limited.
Project	1) Setting up of a Manufacturing Plant for Specialty Chemicals 2) Setting up of a Sales Office in Mumbai
Registered Office of our Company	42 & 43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai – 400 050.
RoC	Registrar of Companies, Maharashtra, Mumbai unless otherwise specified.

ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue.
Applicant	Any prospective investor who makes an application for shares in terms of the Prospectus.
Application Amount	The amount at which the applicant makes an application.
Application Form	The Form in terms of which the investors shall apply for our Equity Shares.
Appraiser	In this case being Indian Bank.
Banker(s) to the Issue	[●]
Brokers to this Issue	Brokers registered with any recognized Stock Exchange.
Lead Manager	Lead Manager to this Issue, in this case being First Overseas Capital Limited.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Stock Exchange	Bombay Stock Exchange Limited (BSE)

Term	Description
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof
First Applicant	The Applicant whose name appears first in the Application Form
Issue	The issue of 42,11,160 Equity Shares of Rs. 10/- each fully paid up at the Issue Price determined by our Company in consultation with the Lead Manager in terms of this Draft Prospectus.
Issue Management Team	The team managing this Issue as set out in the section titled 'General Information' in this Draft Prospectus
Issue Price	The final price at which Equity Shares will be issued and allotted in term of this Draft Prospectus. The Issue Price will be decided by our Company in consultation with the Lead Manager on the Pricing Date
Issue Period	The Issue period shall be [●] being the Issue Opening Date, to [●], being the Issue Closing Date
Net Issue or Net Issue to Public	37,90,044 Equity Shares of Rs. 10/- each, aggregating Rs. [●] Lacs.
Non Institutional Investors	All Investors that are not Qualified Institutional Buyers or Retail Individual Investors and who have applied for Equity Shares for an amount more than Rs.1,00,000
Promoter(s)	1. Mr. Surendra Kumar Tibrewala 2. Mr. Sanjay S. Tibrewala 3. Mrs. Kanaklata S. Tibrewala 4. Ms. Ritu S. Tibrewala 5. Proton Biochem Private Limited 6. Kamal Chemicals Private Limited 7. Surendra Kumar Tibrewala (HUF)
Qualified Institutional Buyers or QIBs	Public financial institution as defined in Section 4A of the Companies Act, 1956; Scheduled Commercial Banks; Mutual Funds; Foreign Institutional Investor registered with SEBI; Multilateral and Bilateral Development Financial Institutions; Venture Capital Funds registered with SEBI; Foreign Venture Capital Investors registered with SEBI; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA); Provident Funds with minimum corpus of Rs. 2500 Lacs and Pension Funds with minimum corpus of Rs. 2500 Lacs.
QIB Portion	The portion of this Issue being at least 10% of the Issue Size, i.e. 4, 21,116 Equity Shares of Rs 10 each available for allocation on proportionate basis to QIBs, failing which the entire subscription money received through the Issue shall be refunded.
Retail Individual Investors	Individual Investors (including HUFs and NRIs) who have not applied for an amount more than Rs. 1,00,000/- in this Issue.
Retail Portion	A minimum of 50% Net Issue to the Public i.e. 18, 95,022 Equity Shares of Rs. 10 each available for allocation to Retail Individual Investors.
Registrar to the Issue or Registrar	In this case being, Bigshare Services Private Limited

INDUSTRY RELATED TERMS

Term	Description
Agrochemicals	Chemicals normally used in agriculture, including fertilizers, pesticides, herbicides, fungicides and growth regulants
D.G	Diesel Generator
DM	De-Mineralized
FIFO	First in First Out
GOI	Government of India
HDPE	High Density Polyethylene

Term	Description
HP	Horse Power
JNPT	Jawaharlal Nehru Port Trust
Kcal	Kilo Calories
Kg	Kilograms
KL	Kilo Litres
KVA	Kilo Volt Ampere
KWh	Kilo Watt Hour
LDO	Light Diesel Oil
Ltrs	Litres
MW	Mega Watt
MIDC	Maharashtra Industrial Development Corporation
MSEB	Maharashtra State Electricity Board
MTPA	Metric Tonnes Per Annum
OH Groups	Oxygen- Hydrogen Group
pH	Potential of Hydrogen (A measure of the degree of the acidity or the alkalinity of a solution as measured on a scale of 0-14)
R&D	Research & Development
RPM	Rotations Per Minute
QA	Quality Assurance
QC	Quality Control

CONVENTIONAL / GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time
Directors	The Directors of our Company, unless the context otherwise requires
Equity Shares	The Equity Shares of face value of Rs. 10/- each of our Company
Indian GAAP	Generally Accepted Accounting Principles in India
Non Resident	A person who is not an NRI, an FII and is not a person resident in India
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Quarter	A period of three continuous months
RBI Act	The Reserve Bank of India Act, 1934
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI Guidelines	Means the extant Guidelines for Disclosure and Investor Protection issued by Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992 (as amended), called SEBI (DIP) Guidelines, 2000.
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) referred to as collectively

ABBREVIATIONS

Term	Description
A.Y./ AY	Assessment Year
A/c	Account
AGM	Annual General Meeting of our Company
AS	Accounting Standards
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited

CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CLB	Company Law Board
CGEWHO	Central Government Employees Welfare Housing Organisation
DCA	Department of Company Affairs
DP	Depository Participant
DPId	Depository Participant Identification
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESIA	Employee's State Insurance Act, 1948
FCI	Fineotex Chemical Industries
FCNR	Foreign Currency Non Resident
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations framed there under.
FEMR	Foreign Exchange Management Regulations, 2000
FI	Financial Institution
FICCI	Federation of Indian Chambers of Commerce and Industry
FIIs	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI as required under FEMA (Transfer or Issue of Security by a person resident outside India) Regulations, 2000 and under other applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India
FVCI	Foreign Venture Capital Investor registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
F.Y. / FY / Fiscal / Financial Year	Period of Twelve Months ending on March 31 of the respective year
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GIR Number	General Index Register Number
GOI	Government of India
HUF	Hindu Undivided Family
IFSC	Indian Financial System Code
I.T. Act	The Income Tax Act, 1961
IPO	Initial Public Offer
ISO	International Standards Organization
MAT	Minimum Alternate Tax
MF	Mutual Fund
MICR	Magnetic Ink Character Recognition
MNC	Multi National Corporation
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
PAN	Permanent Account Number
PAT	Profit After Tax
PBDIT	Profit Before Depreciation, Interest and Tax
PBIT	Profit Before Interest and Tax
PBT	Profit Before Tax
QIB	Qualified Institutional Buyer

RBI	Reserve Bank of India
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI	The Securities and Exchange Board of India
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TNW	Total Net Worth
USD	United States Dollar
U.S. GAAP	United States Generally Accepted Accounting Principles
VAT	Value Added Tax
WDV	Written Down Value
w.e.f.	With effect from

SECTION II – GENERAL

CERTAIN CONVENTIONS; USE OF MARKET DATA

In this Draft Prospectus, the terms 'we', 'us', 'our', the 'Company', 'our Company', 'Fineotex Chemical Limited', 'Fineotex', 'FCL' unless the context otherwise indicates or implies, refers to Fineotex Chemical Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word 'Lac/Lakh' means 'one hundred thousand', the word 'million (mn)' means 'ten lac/lakh', the word 'Crore' means 'ten million' and the word 'billion (bn)' means 'one hundred crore'. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off. Throughout this Draft Prospectus, all figures have been expressed in lacs.

Unless indicated otherwise, the financial data in this Draft Prospectus is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Draft Prospectus. Unless indicated otherwise, the operational data in this Draft Prospectus is presented on an unconsolidated basis and refers to the operations of our Company. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this Draft Prospectus, see the section Definitions and Abbreviations on page [●] of this Draft Prospectus. In the section entitled 'Main Provisions of Articles of Association', defined terms have the meaning given to such terms in the Articles of Association of our Company.

Market Data

Unless stated otherwise, market data used throughout this Draft Prospectus was obtained from internal Company reports, data, websites and industry publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although, we believe market data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

FORWARD LOOKING STATEMENTS

This Draft Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like 'will', 'aim', 'will likely result', 'believe', 'expect', 'will continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'project', 'should', 'will pursue' and similar expressions or variations of such expressions, that are 'forward looking statements'. Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the specialty chemical industry in India and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, to meet capital expenditure, technological changes, our exposure to market risks, general economic and political conditions in India and our overseas markets which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulance in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, see 'Risk Factors' beginning on page [●] of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the Equity Shares allotted pursuant to the Issue.

SECTION III – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks actually occur, our business, profitability and financial condition could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any risks mentioned herein under.

A) Risks Internal to our Company

1. There has been a negative cash flow from operating activities since inception i.e January 30, 2004.

(Rs. In Lacs)

For the period ended				
31.03. 04	**31.03. 05**	**31.03. 06**	**31.03. 07**	**30.09.07**
(0.24)	(0.03)	(0.07)	(0.12)	(135.64)

There has been a negative cash flow from operating activities since inception which could impact our growth and business.

2. Our Company has incurred Losses in the past mainly due to Administrative Expenses and Statutory Charges when there were no operations in our Company.

(Rs. In Lacs)

Loss for the year ended 31st March 2004	Loss for the year ended 31st March 2005	Loss for the year ended 31st March 2006
(0.02)	(0.03)	(0.04)

3. Our Contingent Liabilities could adversely affect our financial condition

The contingent liabilities of our Company not provided for, as certified by our Statutory Auditors are as under:

(Rs. in Lacs)

Particulars	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Guarantee given by Indian Bank on behalf of our Company on the security of fixed deposit of Rs. 3.85 lacs.	--	--	--	--	3.85
Total	**--**	**--**	**--**	**--**	**3.85**

Note:

Period Ended 30.09.2007

1) Premium Amount to be paid to MIDC (i.e. The Lessor) on account of transfer of Leasehold Land on the name of Company, for which the amount is not ascertainable.

4. Loss making Promoter Company

Proton Biochem Private Limited, one of our promoter company has incurred depreciation losses of Rs. 1.43 Lacs for the Financial Year 2004-2005.

For further details please refer 'Our Promoters & their Background' Chapter on page [●] of this Draft Prospectus.

5. Our Company does not own the premises at which our registered office is located.

Our Company does not currently own the premises at which its registered office and its corporate office are located. Premises No. 43 has been taken on lease from our promoter Mrs. Kanaklata Tibrewala ("Licensor") and we pay rent for the occupation of the premises. In case of breach of any of the covenants/conditions, the Licensor can terminate the Agreement which would affect our ability to conduct our business or increase our operating costs.

Further, Premises No 42 also being our registered and corporate office is not owned by us. It is owned by our Chairman and Managing Director, and it has been granted to us free of rent for office and administrative purpose. In the event that the owner requires us to pay rent, it would increase our operating costs.

Further, please refer to section titled "Our Business" beginning on page [●] of this Draft Prospectus for details of lease documents and rent free agreement pertaining to the registered office and corporate office of our Company.

6. Some of our promoter group companies are in the similar line of business.

Proton Biochem Private Limited and Kamal Chemicals Private Limited our promoter companies are in the line of manufacturing chemicals and are in a similar line of business. Further, we have entered into non-compete agreements with both the above companies. Under the non compete agreements the above mentioned companies have agreed that the operations and the markets of these companies shall not in any way infringe or compete with those of our Company.

For further details please refer our section titled "Our History and Other Corporate Matters" beginning on page [●] of this Draft Prospectus

7. We have made application for registration of trademarks, which are under process of registration

We have made application for registration of trademarks 'FCL', 'FINOCON', 'FINEOCOLL', 'FINOFIX', 'FINOX' and the registration for the said trademarks in our name is important to retain our brand equity. If any of our applications for registration are not accepted or if the oppositions filed against our trademark applications if any, are successful, we may lose the statutory protection available to us under the Trade Marks Act, 1999 for such trademarks. For further details please refer our section titled "Statutory Approvals and Licenses" beginning on page [●] of this Draft Prospectus

8. Our success depends largely upon the services of our Promoters, Executive Directors and other key managerial personnel and our ability to attract and retain them.

Our Chairman and Managing Director, Mr. Surendra Kumar Tibrewala and our whole time Director Mr. Sanjay S. Tibrewala have over the years built relations with suppliers, customers and other persons who are connected with us. Further, most of the key managerial personal of our Company have been known to us for many years. Accordingly, our Company's performance is dependent upon the services of our Directors and other key managerial personnel. Our future performance will depend upon the continued services of these persons. Demand for key managerial personnel in the industry is intense and our inability to attract and retain key managerial personnel may affect the operations of our Company.

9. Our ability to sustain our growth depends, in a large part, on our ability:

- To augment financial resources for additional capacities at competitive terms and conditions;
- To complete capacity expansion / new projects without time and cost overrun;
- To employ and retain key management personnel;
- To design and implement strong internal control systems; and
- To control costs.

Our inability to efficiently handle the abovementioned challenges may affect our business prospects, results of operations and financial condition.

10. Members of our Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

After this Issue, members of our Promoter group will beneficially hold approximately 62.50% of our post-Issue Equity Share Capital. As a result, our Promoter Group will have the ability to exercise significant influence over the matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoter Group will also be in a position to influence the result of any shareholders' action or approval requiring a majority vote, except where they are required by applicable laws to abstain from voting. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

B) Project Related Risks

11. Land Acquisition

We envisage a Land requirement of approximately 3 Acres at the estimated cost of Rs. 88.00 Lacs in and around Khopoli. Our inability to acquire the land at the right time and the above price may delay the project or result in an increase in the cost of acquisition; thereby resulting in an increase in the project cost or time overrun thus affecting our operations and profitability.

For further details refer to the section titled "Objects of the Issue" beginning on page [●] of the Draft Prospectus.

12. On identification and acquisition of the land for the proposed project, our company will require the following approvals. Delay or non receipt of regulatory approvals may delay the production.

Sr. No.	APPROVAL/CONSENT	AUTHORITY
1.	Factory License	Chief Inspector Of Factory, Maharashtra
2.	Consent for Operation of the Plant under Water(Prevention and Control of Pollution) Act, 1974	Maharashtra Pollution Control Board
3.	Consent for Operation of the Plant under Air(Prevention and Control of Pollution) Act, 1981	Maharashtra Pollution Control Board
4.	Permission for DG Sets (Current as well as proposed)	Electrical Inspector

Incase our Company fails to obtain within the prescribed time, any of the aforesaid approvals, our ability to execute our Project for setting up of new manufacturing plant for production of Specialty Chemicals may be materially impacted.

13. Office Space not identified

Our Company plans to run its sales operations from Mumbai but is yet to identify a suitable office space. Our inability to identify a suitable office space may affect our operations.

For further details refer to the section titled "Objects of the Issue" beginning on page [●] of the Draft Prospectus.

14. Orders for Plant & Machinery aggregating Rs. 328 Lacs are yet to be placed.

Our Company has not placed firm orders for the Plant & Machinery to be purchased aggregating Rs. 328 Lacs, which is 100% of the total cost of Plant & Machinery required for the Project. Although our Company has received quotations for these Plant & Machinery, any delay in placing the Orders or delay at the suppliers' end in giving delivery will result in time overrun, which may affect our profitability. The details of quotations received appear on page [●] of 'Objects of the Issue' chapter in this Draft Prospectus.

15. Working Capital requirements

Our Company has been sanctioned a term loan by Indian Bank. However, no working capital facilities/funding for the proposed project has been arranged till date. Our delay/inability to arrange for working capital for the proposed project may result in adverse financial condition.

16. Our new Project is dependent on performance of external agencies.

The timely commissioning of our new Project is dependent on the performance of third parties such as contractors and engineers, who are responsible for construction of buildings, installation and commissioning of plant & machinery and supply & testing of equipments. If the performance of these third parties is not satisfactory and results in a delay or low quality, we may be compelled to replace these third parties, which could result in increased cost and time overruns. This could adversely affect our business operations and profitability.

C) Risks external to our Company

1. Any disruption in supply of power, basic infrastructural facilities, and Telecom lines could affect the business of our company or have an excess cost thereof, which in turn may affect our profitability.

2. We are subject to adverse impact of Economic and Political conditions.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

3. Increasing employee compensation may erode some of our competitive advantage and may reduce our profit margins.

We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, results of operation and financial condition.

4. Our performance is linked to the stability of policies and political situation in India.

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. We cannot assure you that these liberalization policies will continue in the future. Any adverse move could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

5. Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition.

Terrorist attacks and other acts of violence or war, including those involving India and other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

6. Volatility of share prices on listing

After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Perceptions about our future performance or the performance of specialty chemical companies generally;
- Performance of the Company's competitors in the Indian Specialty Chemical Industry and market perception of investments in the Indian Specialty Chemical Industry;
- Adverse media reports on our Company or the Indian Specialty Chemical Industry;
- Changes in the applicable tax incentives;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

7. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of our Equity Shares will be determined by the Fixed Price Issue Process. This price will be based on numerous factors (discussed in the section 'Basis for Issue Price' on page [●]) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

a) Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;

b) Changes in revenue or earnings estimates or publication of research reports by analysts;
c) Speculation in the press or investment community;
d) General market conditions; and
e) Domestic and international economic, legal and regulatory factors unrelated to our performance.

Notes to Risk Factors:

1. Pre-Issue Net worth of our Company as on March 31, 2007 is Rs. 1.42 Lacs and as on September 30, 2007 is Rs. 892.15 Lacs.

2. Size of the Present Issue – Issue of 42,11,160 Equity Shares of Rs. 10/- each issued at a premium of Rs. [●]for cash, aggregating Rs. [●] Lacs. The Face value of the Equity Shares is Rs. 10/- and the issue price is [●] times the Face Value. The Net Issue would constitute 37.50% of the fully diluted post issue paid up capital of our Company.

3. The average cost of acquisition per Equity Share of the promoters is given below:

Sr. No	Name of our Promoters	No. of Shares	Average cost of acquisition /Equity Share (Rs.)
1.	Mr. Surendra Kumar Tibrewala	59,94,500	6.47*
2.	Mr. Sanjay S. Tibrewala	2,06,150	30.37
3.	Mrs. Kanaklata S. Tibrewala	2,92,600	31.58
4.	Ms. Ritu S. Tibrewala	36,100	31.58
5.	Proton Biochem Private Limited	1,07,350	31.58
6.	Kamal Chemicals Private Limited	2,95,450	31.58
7.	Surendra Kumar Tibrewala (HUF)	84,550	31.58

* On April 1, 2007, Mr. Surendra Kumar Tibrewala has been Issued 30,00,000 Equity Shares at Rs. 10 per Equity Share. Out of the said 30,00,000 shares, 4,89,080 Equity Shares are forming part of Minimum Promoter's Contribution on which additional money shall be brought in, being the difference of Issue price of these Equity Shares and the price at which the Equity shares will be offered in the IPO. The money shall be brought in at least one day prior to the Issue Opening Date and hence the Average cost of acquisition per Equity Share shall increase accordingly and shall be updated in the Prospectus.

4. Book value of the Equity Shares of our Company as March 31, 2007 is Rs. 9.47 and as on September 30, 2007 is Rs. 23.86 per share.

5. Our company has issued Bonus Shares by capitalization of reserves in the ratio of 9 Equity Shares for every 10 Equity Shares held on January 3, 2008

6. Investors may please note that in the event of over-subscription, allotment shall be made on a proportionate basis in consultation with BSE the Designated Stock Exchange.

7. Investors are advised to refer to the Para on "Basis for Issue Price" and "Issue Procedure" on page [●] and page [●] of this Draft Prospectus before making any investment in this issue.

8. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Company, Directors, Key Managerial Personnel, Associate Companies or Group Companies.

9. Investors may contact the Lead Manager or the Compliance officer for any compliant/clarification/information pertaining to the issue. For contact details of Lead Manager please refer to the front cover page.

10. Our Company and the Lead Manager shall update this Draft Prospectus in accordance with the Companies Act, 1956. All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

11. Except as mentioned in the Auditor's report, there are no other contingent liabilities as on September 30, 2007.

12. For details of Related Party Transactions, please refer to the Auditors Report on page [●] of this Draft Prospectus.

13. Investors should note that on the Basis of Name of the Applicant, Depository Participant's Name, Depository Participant – Identification Number and Beneficiary Account Number provided by them in the Application form, the Registrar to the Issue will obtain from the Depository demographic details of the Applicant such as address, bank account details for printing on refund orders and occupation. Hence, Applicants should carefully fill in their Depository Account details in the Application Form and also update their demographic details with their respective depository participant.

14. Our Company does not meet the criteria as specified in Clause 2.2.1 of SEBI Guidelines 2000, hence the issue is being made through Clause 2.2.2 a (ii) and b(i) of SEBI (Disclosure and Investor Protection) Guidelines 2000, wherein the "Project" has at least 15% participation by financial institutions / scheduled commercial banks, of which at least 10% comes from the appraiser (s). In addition to this, at least 10% of the Issue size shall be allotted to QIBs, failing which the full subscription money shall be refunded. Further, the minimum post-issue face value capital of our Company shall be Rs. 10 Crore.

15. The name of our Company was changed from Fineotex Chemical Private Limited to Fineotex Chemical Limited vide Certificate of Incorporation dated October 19, 2007.

SECTION IV - INTRODUCTION

SUMMARY

You should read the following summary together with the risk factors and the more detailed information about us and our financial data included in this Draft Prospectus. Unless otherwise indicated, all financial and statistical data relating to the industry in the following discussion is derived from internal Company reports & data, industry publication and estimates. This data has been reclassified in certain respects for purposes of presentation. For more information, see "Forward Looking Statements and Market Data" on page no. [●] in this Draft Prospectus.

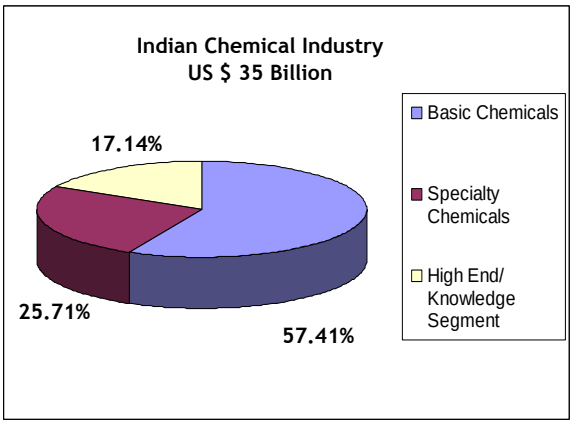
Summary about the Industry

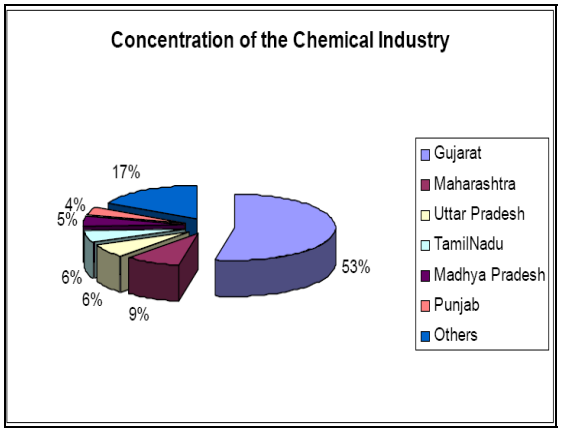
The Global Chemical Industry, estimated at US$ 2.4 trillion, is one of the fastest growing sectors of the manufacturing industry. According to industry reports the pharmaceutical segment contributes approximately 26% of the total industry output and approximately 35-40% is dominated by the petrochemical segment. Commodity chemicals are the largest segment in the chemicals market with an approximately size of $ 750 billion while the Specialty and Fine Chemicals segment accounts for $ 500 billion.

Chemical Industry is one of the oldest industries in India, is an important constituent of the Indian economy. Its size is estimated at around US$ 35 billion which is equivalent to about 3% of India's GDP of 2007. The total investment in Indian Chemical Sector is approx. US$ 60 billion and total employment generated is about 1 million. The Indian Chemical sector accounts for 13-14% of total exports and 8-9% of total imports of the country. In terms of volume, it is 12th largest in the world and 3rd largest in Asia. Currently, per capita consumption of products of chemical industry in India is about 1/10th of the world average.

Source: Planning Commission Report

The Indian Chemical Market Segment wise:





Source: Planning Commission Report

Specialty Chemicals

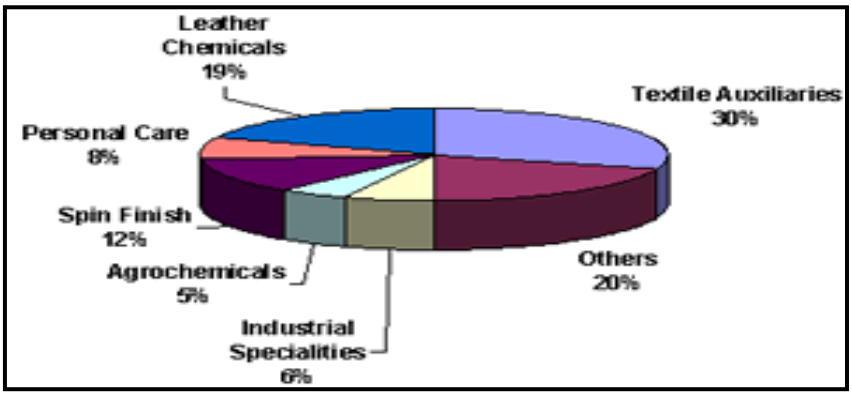
The **Specialty Chemicals segment** in the Indian Chemical Industry is a new emerging sector which brings promises of huge growth. Specialty chemicals are those chemicals which are produced at a low volume; they are high priced and usually targeted at a wide variety of markets. These chemicals are developed under the user's specifications which usually vary from one user to another. The methods of development depend on the application and the function of the chemicals. This industry requires the best technical know how.

Main specialty chemicals are rubber chemicals, water treatment chemicals, polymer additives, lubricating additives, specialty pigments etc. These chemicals are mainly based on organic chemicals.

Major Consumers

The major consumers for specialty chemicals are:

- Textile & Garment Industry
- Leather Industry
- Paper Industry
- Detergent Industry
- Rubber Industry
- Paints Industry
- Agro chemical Industry
- Oil & gas Industry
- Water Treatment Industry
- Construction Industry



Source: Planning Commission Report

Summary about Our Company's Business

Fineotex Chemical Limited is an ISO 9001:2000 certified Company engaged in manufacturing of Specialty Chemicals and Enzymes for various industries. Our Company was incorporated as a Private Limited Company in the year 2004 and was subsequently converted to a public limited Company in 2007. The registered office of our Company is situated at Mumbai.

We produce and provide Specialty Chemicals and Enzymes to Textile & Garment Industry, Construction Industry, Leather Industry, Water Treatment Industry, Agrochemicals, Adhesives and others. FCL manufactures over 100 products for various Industries. We currently have our manufacturing facilities in our factory situated at Mahape in Navi Mumbai.

Our major customers include Clariant India Limited, the BASF Group, Pidilite Industries Limited, Croda Chemicals India (P) Limited (formerly ICI India Limited), Rashtriya Chemicals & Fertilizers Limited, The Bombay Dyeing & Mfg. Co. Limited., Raymond Group, Grasim Industries Limited and others. Through merchant Exporters we have a reach in many countries in the world.

For further details of our on products please refer the heading 'Our Business' on page [●] of this Draft Prospectus.

Our Competitive Strengths

We believe that the following are our primary competitive strengths

1. Over 100 products of Specialty Chemicals
2. Customers from Varied Industries
3. Quality Control and ISO Certification
4. Technical Assistance
5. Customization
6. Research & Development
7. Our Management and Key Management Personnel
8. Proximity to sources of Raw Material

Our Business Strategy

1. Innovation and Product Development
2. Competitive Pricing
3. Indirect Exports
4. Supplying to MNC'S and Corporates
5. Strategic Location of Current and Future manufacturing Facility

For further details on competitive strengths and our business strategy please refer the heading 'Our Business' on page [●] of this Draft Prospectus.

BRIEF DETAILS OF THE ISSUE

Equity Shares offered: Fresh Issue by our Company	42,11,160 Equity Shares
Issue Price	Rs. [●] per Equity Share
Face Value	Rs. 10 per Equity Share
Of which: Qualified Institutional Buyers. At least 10% of the Issue size has to be subscribed and allotted to QIBs failing which all the money will be refunded	4,21,116 Equity Shares (Allocation on a proportionate basis)
Of the balance 37,90,044 Equity Shares	• 50% i.e. 18,95,022 shares shall initially be made available for allotment to Retail Individual Investors. • The balance 18,95,022 shares shall be made available for allotment to: ✓ Individual applicants other than retail individual investors, and; ✓ Other investors including QIBs, Corporate bodies/ institutions irrespective of the number of shares, etc. applied for.
Equity Shares outstanding prior to the Issue	70,18,600 Equity Shares of face value of Rs.10/- each
Equity Shares outstanding after the Issue	1,12,29,760 Equity Shares of face value of Rs.10/- each
Use of Issue proceeds	Please see section titled "Objects of the Issue" on page no. [●] of this Draft Prospectus for additional information.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Guidelines and restated as described in the Auditor's Report of our statutory auditor's, M/s. A. D. Mehta & Co., Chartered Accountants dated February 22, 2008 in the section titled 'Financial Information'. You should read this financial data in conjunction with our financial statements for each of Fiscal 2004, 2005, 2006, 2007 and September 30, 2007 including the Notes thereto and the Reports thereon, which appears under the paragraph on 'Financial Information' in this Draft Prospectus, and 'Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements' on page [●].

Summary statement of Assets & Liabilities, as restated

(Rs. in Lacs)

Particulars		As at				
		31.03.04	31.03.05	31.03. 06	31.03.07	30.09.07
A	**Fixed Assets**					
	Gross Block	0	0	0	0	277.83
	Less: Depreciation	0	0	0	0	4.09
	Net Block	0	0	0	0	273.74
	Total Fixed Assets (A)	**0**	**0**	**0**	**0**	**273.74**
B	**Investments (B)**	**0**	**0**	**0**	**0**	**0**
C	**Current Assets, Loans and Advances**					
	Inventories	0	0	0	0	91.20
	Sundry Debtors	0	0	0	0.66	556.26
	Cash and Bank Balances	0.99	0.73	0.66	1.00	211.23
	Loans and Advances	0	0	0.04	0.03	259.63
	Total (C)	**0.99**	**0.73**	**0.70**	**1.69**	**1118.32**
D	**Liabilities and Provisions**					
	Secured Loans	0	0	0	0	9.25
	Unsecured Loans	0.23	0	0	0	0
	Deferred Tax Liability	0	0	0	0	3.64
	Current Liabilities	0	0	0	0.03	384.32
	Provisions	0.02	0.02	0.03	0.24	102.70
	Total (D)	**0.25**	**0.02**	**0.03**	**0.27**	**499.91**
E	**Net Worth (A+B+C-D)**	**0.74**	**0.71**	**0.67**	**1.42**	**892.15**
F	Represented by:					
1	**Share Capital**					
	Equity Share Capital	1.00	1.00	1.00	1.50	369.40
	Total	1.00	1.00	1.00	1.50	369.40
2	**Reserves and Surplus**	0	0	0	0.11	530.37
3	**Miscellaneous Expenditure/ Preoperative Expenses**	(0.24)	(0.24)	(0.24)	(0.19)	(7.62)
4	**Debit Balance in Profit and Loss Account**	(0.02)	(0.05)	(0.09)	0	0
	Net Worth (1+2+3+4)	**0.74**	**0.71**	**0.67**	**1.42**	**892.15**

Summary statement of Profit & Loss, as restated

(Rs. in Lacs)

Particulars		For the Year/Period Ended				
		31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
A	**Income**					
	Sales –Products Manufactured	0	0	0	0	781.73
	Traded Sales	0	0	0	104.61	652.35
	Less : Excise Duty	0	0	0	0	(85.99)
	Net Sales	0	0	0	104.61	1348.09
	Increase/(Decrease) in Inventory	0	0	0	0	12.98
	Other Income	0	0	0	0.46	3.83
	Total (A)	**0**	**0**	**0**	**105.07**	**1364.90**
B	**Expenditure**					
	Materials Consumed	0	0	0	0	397.52
	Cost of sales of goods traded	0	0	0	104.43	619.06
	Work Expenses	0	0	0	0	40.79
	Staff Cost	0	0	0	0	3.24
	Administrative & Other Expenses	0.02	0.03	0.04	0.23	34.17
	Total (B)	**0.02**	**0.03**	**0.04**	**104.66**	**1094.78**
C	**Profit Before Interest, Depreciation and Tax**	**(0.02)**	**(0.03)**	**(0.04)**	**0.41**	**270.12**
	Depreciation	0	0	0	0	4.09
	Profit Before Interest and Tax	**(0.02)**	**(0.03)**	**(0.04)**	**0.41**	**266.03**
	Financial Charges	0	0	0	0	2.15
D	**Profit after Interest and Before Tax**	**(0.02)**	**(0.03)**	**(0.04)**	**0.41**	**263.88**
	Preliminary Expenses W/o	0	0	0	0.05	0.02
E	**Profit before Taxation**	**(0.02)**	**(0.03)**	**(0.04)**	**0.36**	**263.86**
	Provision for Taxation	0	0	0	0.10	90.55
	Provision for Deferred Tax	0	0	0	0	3.64
	Fringe Benefit Tax	0	0	0	0	0.36
	Add/Less Tax adjustment	0	0	0	0	0
F	**Profit After Tax but Before Extra ordinary Items**	**(0.02)**	**(0.03)**	**(0.04)**	**0.26**	**169.31**
	Extraordinary items	0	0	0	0	10.59
	Profit after Tax	**(0.02)**	**(0.03)**	**(0.04)**	**0.26**	**179.90**
	Surplus profit of earlier year	0	(0.02)	(0.05)	(0.09)	0.11
G	**Net Profit Available for Appropriation**	**(0.02)**	**(0.05)**	**(0.09)**	**0.17**	**180.01**
	Proposed dividend	0	0	0	0.05	0
	Tax on Proposed dividend	0	0	0	0.01	0
	Transfer to General Reserve	0	0	0	0	0
	Balance c/d to Balance Sheet	**(0.02)**	**(0.05)**	**(0.09)**	**0.11**	**180.01**

GENERAL INFORMATION

FINEOTEX CHEMICAL LIMITED

Our Company was incorporated as 'Fineotex Chemical Private Limited' under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated January 30, 2004. Subsequently our Company was converted into public limited Company and our Company name was changed from Fineotex Chemical Private Limited to Fineotex Chemical Limited vide new Certificate of Incorporation dated October 19, 2007.

Registered Office: 42 & 43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai–400 050
Tel No: +91-22-26559174 / 75; **Fax No**: +91- 22-26559178;
E-mail:ipo@fineotex.com; **Website**: www.fineotex.com
Contact Person: Mr. A. Nerurkar, Company Secretary & Compliance Officer
Company Registration No: 144295; **Corporate Identification No**: U24100MH2004PLC144295
Our Company is registered with the Registrar of Companies, Maharashtra, Mumbai,
Situated at: Everest, 100, Marine Road, Mumbai – 400 002.

Our Board of Directors

Name of Director	Designation
Mr. Surendra Kumar Tibrewala	Chairman & Managing Director
Mr. Sanjay S. Tibrewala	Whole-time Director
Mr. Anand H. Agarwal	Non Executive & Independent Director
Mr. Umesh Gala	Non Executive & Independent Director
Mr. Manmohan Mehta	Non Executive & Independent Director

For detailed profile of our Directors, please refer to the section titled 'Our Management' on page [●] of this Draft Prospectus.

COMPLIANCE OFFICER & COMPANY SECRETARY

Mr. Abhay V. Nerurkar
Company Secretary & Compliance Officer
Fineotex Chemical Limited,
42 & 43, Manorama Chambers,
S. V. Road,
Bandra (West)
Mumbai – 400 050
Tel No: +91-22-26559174 / 75
Fax No: +91- 22-26559178;
E-mail: nerurkar@fineotex.com
Website: www.fineotex.com

Investors can contact the compliance officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders, etc.

ISSUE MANAGEMENT TEAM

LEAD MANAGER

First Overseas Capital Limited
1-2, Bhupen Chambers
Ground Floor, Dalal Street,
Mumbai – 400 001
Sebi Reg. No: INM000003671
Tel No: +91- 22 40509999
Fax No: +91- 22 40509900
Website: www.focl.in
Email: fclipo@focl.in
Contact Person: Mr. Rushabh Shroff

LEGAL ADVISOR TO THE ISSUE

Mr. Joby Mathew
302, Apeejay House,
130, Bombay Samachar Marg,
Fort, Mumbai – 400 001
Tel No: +91-22- 22834519
Fax No: +91-22- 22834519
Email: joby.math@gmail.com
Contact Person: Mr. Joby Mathew

LEGAL ADVISOR TO THE COMPANY

Mr. P. H. Bathiya
2, Tardeo A.C. Market,
4th Floor, Tardeo Road,
Mumbai – 400034
Tel No: +91-22-23523811
Fax No: +91-22-23516587
Email: bathiya@vsnl.com
Contact Person: Mr. Pankaj Bathiya

REGISTRAR TO THE ISSUE

Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Saki Vihar Road,
Saki Naka, Andheri (East)
Mumbai – 400 072
Sebi Reg. No: INR000001385
Tel No: +91-22-40430200
Fax No: +91-22-28475207
Website: www.bigshareonline.com
Email: fclipo@bigshareonline.com
Contact Person: Mr. Ashok Shetty

STATUTORY AUDITORS

M/s. A. D. Mehta & Co.
123, Hind Rajasthan Building,

1st Floor, D. S. Phalke Road,
Dadar (East),
Mumbai – 400 014
Tel No: +91- 22-24165476
Email: ajaymehtaca@vsnl.com
Contact Person: Mr. Ajay Mehta

BANKERS TO OUR COMPANY

Indian Bank
288, Shiv Sadan,
S. V. Road, Bandra (West),
Mumbai – 400 050
Tel No: +91- 22-26425658
Fax No: +91- 22-26430255
Email: bandra@indianbank.co.in
Contact Person: Mr. M. Karthikeyan

BANKERS TO THE ISSUE

[●] The Bankers to the Issue shall be finalized before filing the Prospectus with RoC.

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

IPO GRADING AGENCY

[●] has been appointed as our IPO Grading Agency.

TRUSTEES

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

CREDIT RATING

As this is an issue of Equity Shares, Credit Rating is not required.

PROJECT APPRAISAL AND MONITORING AGENCY

The project has been appraised by India Bank Limited. For further details please refer to section entitled "Objects of the Issue" beginning on Page [●] of this Draft Prospectus.

Indian Bank
288, Shiv Sadan,
S. V. Road, Bandra (West),
Mumbai – 400 050
Tel No: +91- 22-26425658
Fax No: +91- 22-26430255
Email: bandra@indianbank.co.in

MONITORING AGENCY

As per clause 8.17.1 of the SEBI DIP Guidelines, monitoring agency is required to be appointed in case the public issue size exceeds Rs. 500 crores. Since our proposed issue size shall not exceed Rs. 500 crore, we do not propose to appoint a Monitoring Agency.

Statement of inter-se responsibilities of the Lead Manager for the Issue

First Overseas Capital Limited has been appointed as the sole lead Manager and all activities pertaining to the issue shall be coordinated by them.

Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue anytime after the Issue Opening Date without assigning any reason thereof.

In the event of withdrawal of the Issue anytime after the Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Draft Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

QIBs are not allowed to withdraw their applications after the Issue Closing Date. Allocation to QIBs shall be on a proportionate basis. Please refer to the section entitled 'Terms of the Issue' on page [●] of this Draft Prospectus for more details.

Steps to be taken by the Applicant for making an application:

1) Check eligibility for making an application (see chapter titled "Issue Procedure" beginning on page [●] of the Draft Prospectus);
2) Ensure that the Applicant has a demat account and the demat account details are correctly mentioned in the Application Form;
3) Ensure that the Application Form is duly completed as per instructions given in the Prospectus and in the Application Form; and
4) Ensure that the Application Form is accompanied by the Permanent Account Number. For details please refer to the chapter titled 'Issue Procedure' beginning on page [●] of this Draft Prospectus. Applicants are specifically requested not to submit their General Index Register number instead of the Permanent Account Number as the Application is liable to be rejected.

Issue Program

Issue Opens on: _____ **Issue Closes on:** _____

The Subscription List will open at the commencement of banking hours and will close at the close of banking hours on the dates as mentioned above.

UNDERWRITING

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

CAPITAL STRUCTURE

The Share Capital of Our Company as on the date of filing of this Draft Prospectus with SEBI is as set forth below:

	Particulars	Nominal Value (Rs.)	Aggregate Value (Rs.)
A.	**AUTHORISED CAPITAL** 1,30,00,000 Equity Shares of Rs. 10/- each	13,00,00,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL** 70,18,600 Equity shares of Rs. 10/- each	7,01,86,000	
C.	**ISSUE IN TERMS OF THIS DRAFT PROSPECTUS** 42,11,160 Equity Shares of Rs. 10/ - each at a premium of Rs. [●]/- per Share	4,21,11,600	[●]
D.	**OF WHICH MINIMUM ALLOTTMENT TO QIB** 4,21,116 Equity Shares of Rs. 10/ - each at a premium of Rs. [●]/- per Share	42,11,160	[●]
E.	**BALANCE ISSUE TO THE PUBLIC** 37,90,044 Equity Shares of Rs. 10/- each at a premium of Rs. [●]/- per share	3,79,00,440	[●]
F.	**PAID UP CAPITAL AFTER THE PRESENT ISSUE** 1,12,29,760 Equity shares of Rs. 10/- each	11,22,97,600	[●]
G.	**SHARE PREMIUM ACCOUNT** Before the Issue After the Issue		7,04,000 [●]

Notes to Capital Structure:

1. Details of Increase in Authorized Equity Share Capital

Sr. No.	Particulars of Increase/ Modification	Number of Shares	Face Value (Rs.)	Date of Meeting,	Type of Meeting
1	Rs. 5,00,000	50,000	10	Incorporation	-
2	Increase from Rs. 5,00,000 to Rs. 5,00,00,000	50,00,000	10	March 28, 2007	EGM
3	Increase from Rs. 5,00,00,000 to Rs. 8,00,00,000	80,00,000	10	April 20, 2007	EGM
4.	Increase from Rs. 8,00,00,000 to Rs. 13,00,00,000	1,30,00,000	10	December 24, 2007	EGM

2. **Equity Share Capital Build-up: Our existing Equity Share Capital has been subscribed and allotted as under:**

Date of Allotment / Fully Paid-up	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consid-eration	Remarks	Cumulative Paid-up Capital (Rs.)	Cumulative Share Premium (Rs.)
January 30, 2004	10,000	10	10	Cash	Subscription to the Memorandum	1,00,000	Nil
April 27, 2006	5,000	10	10	Cash	Further Allotment	1,50,000	Nil
April 1, 2007	30,00,000	10	10	Cash	Pursuant to the acquisition of business, of Fineotex Chemical Industries by Our Company	3,01,50,000	Nil
August 6, 2007	6,79,000	10	60	Cash	Further Allotment	3,69,40,000	3,39,50,000
January 3, 2008	33,24,600	10	NIL	Bonus	Bonus issued in the Ratio 9:10 (9 shares as bonus for every 10 shares held)	7,01,86,000	7,04,000

3. **Shares issued for consideration other than cash**

We have issued 33,24,600 Equity Shares as Bonus Shares in the ratio of 9 Equity Shares for every 10 Equity Shares held as on January 3, 2008.

Name of Person	No. of Shares
Mr. Surendra Kumar Tibrewala	28,39,500
Mr. Sanjay S. Tibrewala	97,650
Proton Biochem Private Limited	50,850
Kamal Chemicals Private Limited	1,39,950
Surendra Kumar Tibrewala (HUF)	40,050
Mrs. Kanaklata Tibrewala	1,38,600
Mr. Ritu Tibrewala	17,100
Mrs. Laxmiben Thakkar*	270
Mr. Mahendra Vorani*	180
Mrs. Pragna Vorani*	450
Total	**33,24,600**

* Jointly held with Mrs. Kanaklata S. Tibrewala

4. **Promoters' Contribution and Lock-in details in respect of Promoters, whose names figure in the Draft Prospectus as Promoters in the paragraph on 'Promoters and their Background' are as under:**

Capital built up of the promoters is detailed below:

Name of Promoters	Date of Allotment / Transfer and made fully paid	Consideration/ Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue Price / Transfer Price	% of Post Issue Paid up Capital	Lock in Period (Years)
Mr.	January 30, 2004	Cash	5,000	10	10	0.04%	3

Surendra Kumar Tibrewala	April 27, 2006	Cash	5,000	10	10	0.04%	3
	April 1, 2007	Cash	25,10,920	10	10	22.36%	1
	April 1, 2007	Cash	4,89,080	10	10	4.36%	3
	August 6, 2007	Cash	33,500	10	60	0.30%	3
	December 31, 2007	Cash (Transfer)	1,11,500	10	60	0.99%	3
	January 3, 2008	Bonus	22,59,828	10	NIL	20.12%	1
	January 3, 2008	Bonus	5,79,672	10	NIL	5.16%	3
	Total (A)		**59,94,500**			**53.38%**	
Mr. Sanjay S. Tibrewala	January 30, 2004	Cash	5,000	10	10	0.04%	3
	August 6, 2007	Cash	1,03,500	10	60	0.92%	3
	January 3, 2008	Bonus	97,650	10	NIL	0.87%	3
	Total (B)		**2,06,150**			**1.84%**	
Mrs. Kanaklata S. Tibrewala	August 6, 2007	Cash	1,54,000	10	60	1.37%	3
	January 3, 2008	Bonus	1,38,600	10	NIL	1.23%	3
	Total (C)		**2,92,600**			**2.61%**	
Ms. Ritu S. Tibrewala	August 6, 2007	Cash	19,000	10	60	0.17%	3
	January 3, 2008	Bonus	17,100	10	NIL	0.15%	3
	Total (D)		**36,100**			**0.32%**	
Proton Biochem Private Limited	August 6, 2007	Cash	56,500	10	60	0.50%	3
	January 3, 2008	Bonus	50,850	10	NIL	0.45%	3
	Total (E)		**1,07,350**			**0.96%**	
Kamal Chemicals Private Limited	August 6, 2007	Cash	1,55,500	10	60	1.38%	3
	January 3, 2008	Bonus	1,39,950	10	NIL	1.25%	3
	Total (F)		**2,95,450**			**2.63%**	
Surendra Kumar Tibrewala (HUF)	August 6, 2007	Cash	44,500	10	60	0.40%	3
	January 3, 2008	Bonus	40,050	10	NIL	0.35%	3
	Total (G)		**84,550**			**0.75%**	
	Grand Total (A+B+C+D+E+F+G)		**70,16,700**			**62.48%**	

5. The details of the shares locked in for three years are given below:

Name of Promoters	Date of Allotment / Transfer and made fully paid	Consideration/ Nature of Allotment (Bonus, Rights etc.)	No. of Shares	Face Value	Issue Price / Transfer Price	% of Post Issue Paid up Capital	Lock in Period (Years)*

Mr. Surendra Kumar Tibrewala **	January 30, 2004	Cash	5,000	10	10	0.04%	3
	April 27, 2006	Cash	5,000	10	10	0.04%	3
	April 1, 2007	Cash	4,89,080			4.36%	3
	August 6, 2007	Cash	33,500	10	60	0.30%	3
	December 31, 2007	Cash (Transfer)	1,11,500	10	60	0.99%	3
	January 3, 2008	Bonus	5,79,672	10	NIL	5.16%	3
	Total (A)		**12,23,752**			**10.89%**	
Mr. Sanjay S. Tibrewala	January 30, 2004	Cash	5,000	10	10	0.04%	3
	August 6, 2007	Cash	1,03,500	10	60	0.92%	3
	January 3, 2008	Bonus	97,650	10	NIL	0.87%	3
	Total (B)		**2,06,150**			**1.84%**	
Mrs. Kanaklata S. Tibrewala	August 6, 2007	Cash	1,54,000	10	60	1.37%	3
	January 3, 2008	Bonus	1,38,600	10	NIL	1.23%	3
	Total (C)		**2,92,600**			**2.61%**	
Ms. Ritu S. Tibrewala	August 6, 2007	Cash	19,000	10	60	0.17%	3
	January 3, 2008	Bonus	17,100	10	NIL	0.15%	3
	Total (D)		**36,100**			**0.32%**	
Proton Biochem Private Limited	August 6, 2007	Cash	56,500	10	60	0.50%	3
	January 3, 2008	Bonus	50,850	10	NIL	0.45%	3
	Total (E)		**1,07,350**			**0.96%**	
Kamal Chemicals Private Limited	August 6, 2007	Cash	1,55,500	10	60	1.38%	3
	January 3, 2008	Bonus	1,39,950	10	NIL	1.25%	3
	Total (F)		**2,95,450**			**2.63%**	
Surendra Kumar Tibrewala (HUF)	August 6, 2007	Cash	44,500	10	60	0.40%	3
	January 3, 2008	Bonus	40,050	10	NIL	0.35%	3
	Total (G)		**84,550**			**0.75%**	
	Grand Total (A+B+C+D+E+F+G)		**22,45,952**			**20.00%**	

* 20% of the Post-Issue Paid-up Equity Share Capital i.e. 22,45,952 Equity Shares, would be locked-in for a period of three years from the date of allotment and the balance Pre-issue Paid up Equity Share Capital 47,72,648 would be locked-in for a period of one year from the date of allotment. The lock-in period shall be reckoned from the date of allotment of Equity Shares in the present issue.

** On April 1, 2007, Mr. Surendra Kumar Tibrewala has been Issued 30,00,000 Equity Shares at Rs. 10 per Equity Share. Out the said 30,00,000 shares, 4,89,080 Equity Shares are forming part

of Minimum Promoter's Contribution on which additional money shall be brought in, being the difference of Issue price of these Equity Shares and the price at which the Equity shares will be offered in the IPO. The money shall be brought in at least one day prior to the Issue Opening Date.

6. Our Company has made the issue of Equity Shares during preceding one year, details of which are mentioned hereunder:

Sr. No.	Date of Issue	Name of the Persons	No. of Shares	Issue Price (in Rs.)	Whether Part of Promoter Group
1.	April 1, 2007	Mr. Surendra Kumar Tibrewala	30,00,000	10	YES
		Total	**30,00,000**		
2.	August 6, 2007	Mr. Surendra Kumar Tibrewala	33,500	60	YES
		Mr. Sanjay S. Tibrewala	1,03,500	60	YES
		Proton Biochem Private Limited	56,500	60	YES
		Kamal Chemicals Private Limited	1,55,500	60	YES
		Surendra Kumar Tibrewala (HUF)	44,500	60	YES
		Mrs. Kanaklata Tibrewala	1,54,000	60	YES
		Mr. Bharat Dhingra	5,000	60	NO
		Mrs. Rekha Arora	10,000	60	NO
		Mrs. Lajrani Dhingra	10,000	60	NO
		Mr. Anil Arora	5,000	60	NO
		Ms. Ritu Tibrewala	69,000	60	YES
		Mrs. Laxmiben Thakkar	7,800	60	YES
		Mr. Mahendra Vorani	12,200	60	NO
		Mrs. Pragna Vorani	12,500	60	YES
		Total	**6,79,000**		
3.	January 3, 2008*	Mr. Surendra Kumar Tibrewala	28,39,500	NIL	YES
		Mr. Sanjay S. Tibrewala	97,650	NIL	YES
		Proton Biochem Private Limited	50,850	NIL	YES
		Kamal Chemicals Private Limited	1,39,950	NIL	YES
		Surendra Kumar Tibrewala (HUF)	40,050	NIL	YES
		Mrs. Kanaklata Tibrewala	1,38,600	NIL	YES
		Ms. Ritu Tibrewala	17,100	NIL	YES
		Mrs. Laxmiben Thakkar#	270	NIL	YES
		Mr. Mahendra Vorani#	180	NIL	NO
		Mrs. Pragna Vorani#	450	NIL	YES
		Total	**33,24,600**		

*The Bonus Share allotted on January 3, 2008 was approved by the shareholders at the EGM held by our Company on December 24, 2007.

Jointly held with Mrs. Kanaklata S. Tibrewala

7. The specific written consent has been obtained from the Promoter for inclusion of such number of their existing shares and further subscription in the Issue, if any, to ensure minimum Promoter's Contribution subject to lock-in to the extent of 20% of Post-Issue Paid-up Equity Share Capital.

8. The Equity Shares forming part of promoter's contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.

9. For the purpose of calculating Promoters' contribution, the same has been bought in the specified minimum lot of Rs. 25,000/- per application from each individual and Rs. 1,00,000/- from companies.

10. The Pre-Issue and Post-Issue shareholding Pattern of our Promoter Group is as under:

Sr. No	Particulars	Pre Issue		Post Issue*	
		No. of Shares	% Holding	No. of Shares	% Holding
a)	**Promoter**	**70,16,700**	**99.97%**	**70,16,700**	**62.48%**
	Mr. Surendra Kumar Tibrewala	59,94,500	85.41%	59,94,500	53.38%
	Mr. Sanjay S. Tibrewala	2,06,150	2.94%	2,06,150	1.84%
	Mrs. Kanaklata S. Tibrewala	2,92,600	4.17%	2,92,600	2.61%
	Ms. Ritu S. Tibrewala	36,100	0.51%	36,100	0.32%
	Proton Biochem Private Limited	1,07,350	1.53%	1,07,350	0.96%
	Kamal Chemicals Private Limited	2,95,450	4.21%	2,95,450	2.63%
	Surendra Kumar Tibrewala (HUF)	84,550	1.20%	84,550	0.75%
b)	Immediate Relatives of the Promoter	**1,520**	**0.02%**	**1,520**	**0.01%**
	Mrs. Laxmiben Thakker	570	0.01%	570	Negligible
	Mrs. Pragna Vorani	950	0.01%	950	Negligible
c)	Companies in which 10% or more of the share capital is held by the promoter/ an immediate relative of the promoter / a firm or HUF in which the promoter or any one of their immediate relatives is a member	--	--	--	--
d)	Companies in which Company mentioned in c. above holds 10% or more of the share capital	--	--	--	--
e)	HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total	--	--	--	--
f)	All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as "Shareholding of the promoter group"	--	--	--	--
	Total	**70,18,220**	**99.99%**	**70,18,220**	**62.49%**

*Post Issue Shareholding Pattern may change if any Persons forming part of Promoter group as mentioned herein above are allotted Equity Shares in the Issue.

11. Shareholding pattern of our Company before and after the Issue is as under:

Category	Pre-Issue		Post-Issue*	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoters	70,16,700	99.97%	70,16,700	62.48%
Promoter Group	1,520	0.02%	1,520	0.01%
Friends & Others	380	0.01%	380	Negligible
Employees	--	--	--	--
Public	--	--	42,11,160	37.50%
Total	**70,18,600**	**100.00%**	**1,12,29,760**	**100.00%**

* The above shareholding pattern is indicative, and is based on the fact that all shareholders in their respective categories will subscribe to 100% of the shares offered in their respective categories.

12. The entire pre-issue Equity Share Capital that is Equity Shares of our Company, other than the minimum promoter's contribution, which is locked-in for a period of three years, shall be locked-in for a period of one year, i.e.;47, 72,648 shares to be locked in for 1 year from the date of allotment in the present Public Issue.

13. The Securities which are subject to lock-in shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall also be provided to the stock exchanges, where the shares are to be listed, before the listing of the securities.

14. The details of transactions in our Equity Shares during the past six months undertaken/financed by directly or indirectly by our promoters, their relatives & associates and our directors are as under:

Sr. No.	Category	Name of Person	Nature of transaction	Date of Transaction	Face Value	No. of Shares	Issue / transfer Price
1	Promoter	Mr. Surendra Kumar Tibrewala	Transfer (Purchase)	December 31, 2007	10	1,11,500	60

15. The Equity Shares held by persons other than Promoter may be transferred to any other person holding shares prior to the Issue, subject to continuation of lock-in with transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

16. The Equity Shares held by the Promoter under lock-in period shall not be sold/hypothecated/transferred during the lock-in period. However, the Equity Shares held by Promoter, which are locked in, may be transferred to and among Promoter Group or to a new promoter(s) or persons in control of our Company, subject to the continuation of lock-in with the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

17. As on the date of filing of this Draft Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares. The shares locked for 3 years by the Promoters are not pledged to any party/Bank/FI. The Promoters may pledge the Equity Shares with banks or Financial Institutions as additional security for loan whenever availed by them from banks/Financial Institutions, provided that pledge of shares is one of the terms of sanction of loan. However, securities which are locked in for 3 years as minimum promoters' contribution the same may be pledged, only if, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue.

18. Our Company, our Promoter, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through this Draft Prospectus.

19. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

20. This Issue is being made in terms of clause 2.2.2 (a)(ii) and (b)(i) of SEBI Guidelines as amended from time to time, wherein the project has at least 15% participation by financial institutions/ scheduled commercial banks, of which at least 10% comes from the appraiser. In addition at least 10% of the Issue size is to be allotted to QIBs, failing which the entire subscription monies shall be refunded. Further, the minimum post-issue face value capital of our Company shall be Rs. 10 Crores.

21. An over-subscription to the extent of 10% of the net offer to public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to 150 Equity Shares, which is the minimum application size in this issue.

Consequently, the actual allotment may go up by a maximum of 10% of the Net Issue to Public, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to lock-in shall be suitably increased; so as to ensure that 20% of the Post Issue paid-up capital is locked in.

22. As on date of filing of this Draft Prospectus with SEBI, the entire Issued Share Capital of our Company is fully paid.

23. Particulars of top ten shareholding is as follows:

a. As on the date of filing this Draft Prospectus

Sr. No.	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Mr. Surendra Kumar Tibrewala	59,94,500	85.41%
2.	Kamal Chemicals Private Limited	2,95,450	4.21%
3.	Mrs. Kanaklata S. Tibrewala	2,92,600	4.17%
4.	Mr. Sanjay S. Tibrewala	2,06,150	2.94%
5.	Proton Biochem Private Limited	1,07,350	1.53%
6.	Surendra Kumar Tibrewala HUF	84,550	1.20%
7.	Ms. Ritu S. Tibrewala	36,100	0.51%
8.	Mrs. Pragna Vorani*	950	0.01%
9.	Mrs. Laxmiben Thakkar*	570	0.01%
10.	Mr. Mahendra Vorani*	380	0.01%
	Total	**70,18,600**	**100%**

* Jointly held with Mrs. Kanaklata S. Tibrewala

b. 10 days prior to the date of filing this Draft Prospectus

Sr. No.	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Mr. Surendra Kumar Tibrewala	59,94,500	85.41%
2.	Kamal Chemicals Private Limited	2,95,450	4.21%
3.	Mrs. Kanaklata S. Tibrewala	2,92,600	4.17%
4.	Mr. Sanjay S. Tibrewala	2,06,150	2.94%
5.	Proton Biochem Private Limited	1,07,350	1.53%
6.	Surendra Kumar Tibrewala HUF	84,550	1.20%
7.	Ms. Ritu S. Tibrewala	36,100	0.51%
8.	Mrs. Pragna Vorani*	950	0.01%
9.	Mrs. Laxmiben Thakkar*	570	0.01%
10.	Mr. Mahendra Vorani*	380	0.01%
	Total	**70,18,600**	**100%**

* Jointly held with Mrs. Kanaklata S. Tibrewala

c. 2 years prior to the date of filing this Draft Prospectus

Sr. No.	Name of Shareholder	No. of Shares	% of the then Issued Capital
1.	Mr. Surendra Kumar Tibrewala	5,000	50.0%
2.	Mr. Sanjay S. Tibrewala	5,000	50.0%
	Total	**10,000**	**100%**

24. Our Company has not raised any bridge loan against the proceeds of this Issue.

25. There would be no further issue of capital whether by way of issue of Bonus Shares, Preferential Allotment, Rights Issue or in any other manner during the period commencing from submission of this Draft Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.

26. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split/ consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise. However, if we go in for acquisitions or joint ventures, we may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.

27. Our Company undertakes that at any given time, there shall be only one denomination for the Equity shares of our Company and our Company shall comply with such disclosure norms as specified by SEBI from time to time.

28. Since the entire money of Rs. [●]/- per share (Rs. 10/- face value + Rs. [●]/- premium) is being called on application, all the successful applicants will be issued fully paid-up shares only.

29. An Investor cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

30. Our Company has not re-valued assets since inception and has not issued any shares out of the revaluation reserves and we confirm that the bonus shares issued, as mentioned above are from the reserves of our Company.

31. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our promoters to the persons who receive allotments, if any, in this issue.

32. We have 10 members as on date of filing of this Draft Prospectus.

SECTION V - OBJECTS OF THE ISSUE

The objects of the Issue are to raise capital for financing the funds required for:

1) Setting up of Manufacturing facility for production of specialty chemicals
2) Setting up of Sales Office in Mumbai
3) Margin Money for Working Capital
4) Meeting Public Issue Expenses
5) General Corporate Purpose

The other objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Appraisal

As per the requirements of clause 2.2.2 (a)(ii) of SEBI (DIP) Guidelines, 2000, as amended from time to time, our project has been appraised by Indian Bank. Indian Bank has sanctioned Rs. 246 Lacs as a Term Loan for the project vide Letter dated December 12, 2007.

Description of the Project

We propose to set up a manufacturing facility for the production of Specialty Chemicals with a capacity of 13,125 MT/annum in and around Khopoli in Maharashtra and to set up a Sales Office at Mumbai.

Setting up this project would be a step towards expansion of current business i.e. manufacturing of Specialty Chemicals for Construction, Textile & Garment, Leather and Water Treatment Industry. This expansion would help us tap the potential of the increasing demand of the specialty chemicals in the above industries.

Cost of Project & Means of Finance

As per the Project Appraisal Report issued by Indian Bank the Cost of Project and Means of Finance are as follows:

Cost of Project

(Rs. in Lacs)

Sr. No.	Particulars	Amount
A.	**Setting up of new manufacturing facility**	
I	Land and Land Development	113
II	Building (Civil Works)	180
III	Plant & Machinery	328
IV	Furniture & Fixtures	8
V	Miscellaneous Fixed Assets	12
VI	Preliminary & Preoperative Expenses	5
VII	Provision for contingencies	68

B.	**Sales Office at Mumbai**	
I	Sales Office	150
II	Furniture & Fixtures	30
C.	**Margin Money for Working Capital**	208
D.	**Public Issue Expenses**	146
E.	**General Corporate Purposes**	[●]
	Total	[●]

Means of Finance

(Rs. in Lacs)

Sr. No.	Particulars	Amount
A.	Term Loans	246
B.	Proceeds from Initial Public Offer	[●]

[●] – The relevant figure will be updated on finalization of the issue price.

Terms and Conditions for the Loan

Facility	Term Loan
Sanctioned Limit	246 Lacs
Margin	25%
Rate of Interest	13%
Validity of Sanction	June 12, 2008
Primary Security	(1) Hypothecation of Machinery proposed to be purchased for Rs. 328 Lacs out of the funds by availing Term Loan Sanctioned.
Collateral Security	(1) Equitable Mortgage of landed property proposed to be acquired by M/s. FCL at Khopoli for setting up a chemical manufacturing plant approximately valued at Rs. 323 Lacs.
Guarantor	Personal Guarantee of: Mr. Surendra Kumar Tibrewala Mr. Sanjay S. Tibrewala
Repayment Schedule	5 years after 6 month Moratorium Period

We confirm that firm arrangements of finance through verifiable means for more than 75% of the stated finance, excluding the amount to be raised through proposed public issue has been tied up.

In case the IPO does not go as planned, our Company will make alternative arrangements like availing of fresh loans from bank(s) and other institutions.

DETAILED BREAK UP OF THE PROJECT

A. <u>Setting up Manufacturing Plant</u>

The proposed production unit (in and around Khopoli) will emphasize on having major production quantity under one roof. Also, being geographically located close to Mumbai, JNPT Seaport & Bhiwandi this unit will have proximity and easy access to match supplies & decrease the time for

transport of Raw Material & finished goods. The necessary amenities like water; infrastructure being available is an added advantage.

1. Acquisition of Land and Development of Land

Our Company proposes to set up the new manufacturing facility in and around Khopoli which is 96 Kms from Mumbai.

We plan to purchase a land measuring approximately 3 Acres in and around Khopoli at an estimated cost of Rs. Rs.88 Lacs. Further, Rs. 10 Lacs is estimated for Stamp Duty and Rs. 15 Lacs for Land Development (filling and leveling of the land).

2. Building & Civil Works

Construction of Buildings and other civil works consists of earthworks, design and construction of civil and structural works of main Plant Structure, Raw Material Storage and Finished Goods Storage, Warehouse, Laboratory, QC, Generator Area, Boiler Room, Effluent Treatments and Compound Wall. Miscellaneous civil works like office building, cabins, billing department & documentation and plumbing etc will also be included in civil work.

The cost of building and other civil works, as certified by Basavaraj Masanagi & Co, Chartered Engineers, is estimated at Rs. 180 Lacs.

Sr. No.	Particulars	Area (In Sq. Mt.)	Rate (In Sq.Mt.)	Value (in Lacs)
1	Main Factory Shed	1000	6000	60
2	Raw Materials Receipt & Storage Section	700	6000	42
3	Packaging Section	400	6250	25
4	Finished goods Storage Section	400	6000	24
5	Lab (Q&C, R&D)	200	6000	12
6	Machine room, Pump room & Boiler Room	100	5000	5
7	Workers room, Rest room, Toilets, Security Rooms, Office etc.	75	4000	3
8	Administrative, Dispatch & Clerical	150	6000	9
	Total	**3025**		**180**

3. Plant and Machinery

Our Company proposes to purchase Plant & Machinery aggregating to Rs. 328 Lacs. All of our Plant & Machinery will be indigenously acquired. None of the machinery has been ordered till date.

The estimated cost of machinery includes price, duties and taxes, insurance, packing-forwarding, erection & commissioning, electrical, utility connections and foundations wherever required.

Further, our Company does not propose to buy any second hand Plant and machinery out of the Issue Proceeds.

Sr. No.	Particulars	Cost Per Unit	Qtty	Total Cost (Rs. Lacs)	Quotations received from	Quotation Date
1	Reactors SS 316				S.S. Engineering	November 15, 2007
	20 MT	35.00	1	35.00		
	10 MT	25.00	2	50.00		
	5 MT	18.00	4	72.00		

2	Boilers (Thermax/Elite)	15.00	2	30.00	Thermax (Manjusha Marketing Engineers)	January 12, 2008
3	Thermi Fluid Heater	20.00	1	20.00	Elite Thermal Engineers Private Limited	January 12, 2008
4	Generator	12.00	1	12.00	Goel Power Engineers	January 11, 2008
5	Flakers	15.00	1	15.00	S.S. Engineering	November 15, 2007
6	Storage Tanker				S.S. Engineering	November 15, 2007
	10 MT	4.50	2	9.00		
	5 MT	3.00	1	3.00		
7	10 MT Storage for EO	15.00	1	15.00	S.S. Engineering	November 15, 2007
8	Cooling Towers	3.50	1	3.50	National Cooling Towers	November 16, 2007
9	Air Compressors	0.60	1	0.60	Hanuman Power Transmission	January 12, 2008
10	DM Water Plant	0.70	1	0.70	Urja Engineers	November 17, 2007
11	Lab Equipments	7.50	-	7.50	M. J. Exports C. Abhaykumar	November 18, 2007
12	Weighing Balance				Tapson's Scientific Instruments Co.	January 14, 2008
	500 Kg	1.33	1	1.33		
	300 Kg	0.70	2	1.40		
	10 Kg	0.19	3	0.57		
13	Stirrers	0.60	4	2.40	S.S. Engineering	November 15, 2007
14	Open Vessels	5.00	1	5.00	S.S. Engineering	November 15, 2007
15	Material Handling		Lot	4.00	Jay Equipment and Systems Pvt. Ltd.	November 16, 2007
16	Pipeline Fittings	15.00	Lot	15.00	S.S. Engineering	November 15, 2007
17	Electrical Fittings	12.00	Lot	12.00	Tarun Electricals	November 16, 2007
18	Racks & Platform	9.00	Lot	9.00	S.S. Engineering	November 15, 2007
19	Fire Extinguishers	4.00	Lot	4.00	Ciba Fire Services	November 15, 2007
	Total			**328.00**		

4. Furniture and Fixtures

Our Company proposes to purchase Furniture and Fixtures of Rs. 8 Lacs which will include Shelves for Raw Material and Finished Goods Storage, Tables, Chairs, Cupboards, Shelves and Drawers for Laboratory, Windows, and Doors etc.

5. Miscellaneous Fixed Assets

Our Company proposes to purchase Miscellaneous Fixed Assets amounting to Rs. 12 Lacs which will include Computers, Fax machine, Telephone, Printers, Refrigerator, Water purifier etc.

6. Preliminary and Preoperative Expenses

Preliminary and Preoperative Expenses are estimated to be Rs. 5 lacs and shall be written off over 5 years. It includes consultants, Liason with Government, Documentation etc.

7. Provision for Contingencies

Our Company has estimated Contingency Amount of Rs. 68 Lacs. Contingencies are provided at 10.5% on Land for Factory, Building, Plant and Machinery, Furniture and Fixtures (Factory), Miscellaneous Fixed Assets, and Preliminary and Pre-operative expenses.

B. Setting up of Sales Office in Mumbai

Our Company proposes to set up a Sales office in Mumbai as it will be closer to all manufacturing units i.e. at Navi Mumbai and Khopoli. Mumbai is the financial capital of the country and its logistics would be ideal as it can be accessed by road, rail, air and water. The cost of setting up will involve:

(a) We envisage an office space requirement of 2000 Square Feet at the estimated rate of Rs. 7500 per Square Feet including all Stamp Duty and other charges. The estimated cost of office space is Rs.150 Lacs which is inclusive of Stamp Duty, Registration, and Brokerage etc.

(b) Our Company proposes to purchase Furniture and Fixtures of Rs. 30 Lacs for the office which will include Tables, Chairs, Cupboards, Drawers Windows, and Doors etc.

C. Margin Money for Working Capital

The Working Capital Requirement of our Company is as under:
Margin Money for Working Capital of Total Working Capital Requirement

Year 1 = April 2009 - March 2010			
Particulars	**Yearly (Rs.) in Lacs**	**Period**	**Monthly (Rs.) in Lacs**
Raw Material	1706	1 month	**142.20**
Packing	210	1 month	**17.50**
Debtors	2625	3 months	**656.30**
Total Current Assets			**816.00**
Other Current Liabilities			
Salary	55.7	1 month	
Power	8	1 month	
Water	4.5	1 month	
Selling Expenses	121	1 month	
Total Current Liabilities	**189.2**		**15.80**
Working Capital Requirement			**800.20**
Margin Money to be raised from IPO as per appraisal report			**208.00**

D. Public Issue Expenses

The expenses of this Issue include, among others, Issue Management Fees, Brokerage, printing and Distribution Expenses, Legal Fees, Advertising Expenses, Consultancy Fees, RoC Charges and Listing Fees and Deposit. The Total estimated Issue expenses as per the Appraisal Report are:

Activity	**Expenses (Rs. In Lacs)**	**% of Issue Size***	**% of Issue expenses**
Lead Management Fees & Brokerage	42.50	2.88	29.10
Advertisement and Marketing Expenses	30.00	2.04	20.55
Printing and Stationery	50.00	3.39	34.25

(including expenses on transportation of the material)			
Others (Registrar's Fees, Legal Fees, Listing Fees, RoC Charges, Deposit, Consultancy Fees etc.)	23.50	1.59	16.10
Total	**146.00**	**9.90%**	**100.00%**

* *At the lower end of the Issue price band*

E. General Corporate Purposes

Our Company intends to deploy the excess Issue proceeds, if any; Rs. [●] Lacs, towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, partnerships, joint ventures and acquisitions, meeting exigencies & contingencies including on public issue expenses, mentioned above which our Company in the Ordinary course of business may not foresee, repayment of debts or any other purposes approved by the Board of Directors.

Schedule of Implementation

Net Issue proceeds after meeting public issue expenses will be utilized for:

(A) Setting up of New Unit

Particulars	Month of Commencement	Month of Completion
Acquisition of Land	--	July 2008
Inquiries, negotiations with suppliers of Plant and Machinery and placing orders	July 2008	August 2008
Technical Support /Consultant appointments	--	July 2008
Execution of Civil Works and Building erection work	August 2008	October 2008
Installations of Plant & Machinery	October 2008	December 2008
Any specific raw materials to be ordered or contracted with the supplier/overseas	December 2008	January 2009
Trial Production	February 2009	March 2009
Commencement of Production and Sales	April 2009	--

(B) Setting up Sales Office

Particulars	Month of Commencement	Month of Completion
Identification and Acquisition of Property	May 2008	June 2008
Setting up of Furniture & Fixtures	July 2008	October 2008
Commence Operations	October 2008	

Deployment of Funds in the project:

We have incurred the following expenditure on the projects till February 18, 2008. The same has been certified by our company's statutory auditors A. D. Mehta & Co. Chartered Accountant vide their Certificate Dated February 25, 2008.

Particulars	Amount (in Rs. Lacs)
Public Issue Expenses	17.95
Total	**17.95**

The above deployment was financed out of internal accruals.

The overall cost of the proposed project and the proposed quarter wise break-up of Deployment of Funds are as under: (Rs. In Lacs)

PARTICULARS	2007- 2008 Expense incurred	2008- 2009 1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	TOTAL
A. MANUFACTURING PLANT						
Land & Land Development	-	-	113	-	-	**113**
Building (Civil Works)	-	-	130	50	-	**180**
Plant & Machinery	-	-	164	164	-	**328**
Furniture & Fixtures	-	-	8	-	-	**8**
Miscellaneous Fixed Assets	-	-	6	6	-	**12**
Preliminary & Preoperative Expenses	-	5	-	-	-	**5**
Provision for Contingencies	-	-	-	34	34	**68**
B. SALES OFFICE						
Sales Office	-	100	50	-	-	**150**
Furniture & Fixtures	-	-	-	30	-	**30**
C. MARGIN MONEY FOR WORKING CAPITAL	-	-	-	100	108	**208**
D. PUBLIC ISSUE EXPENSES	17.95	128.05	-	-	-	**146**
E. GENERAL CORPORATE PURPOSE	-	[•]	-	-	-	[•]
TOTAL	**17.95**	**[•]**	**471**	**384**	**142**	**[•]**

Interim Use of Funds

Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration or for reducing overdraft.

In case the Issue does not go as planned or there is any shortfall in the issue proceeds, we will make arrangements like availing fresh loans and/or internal accruals to meet the shortfall, if any.

Monitoring of Issue proceeds

Our Audit Committee will monitor the issue proceeds. We will disclose the utilization of the Issue proceeds under separate head in our balance sheet for the Fiscal 2008 and 2009 provide all the details, if any in relation to all proceeds of the Issue that have not been utilized thereby, also indicating investments, if any of such unutilized proceeds of the issue.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group companies/companies promoted by our promoters.

BASIC TERMS OF THE ISSUE

Terms of the Issue

The Equity Shares being offered are subject to the provisions of the Companies Act 1956, our Memorandum and Articles of Association, the terms of this Draft Prospectus, Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Terms of Payment

Applications should be for a minimum of 150 equity shares and in multiples of 150 equity shares thereafter. The entire price of the equity shares of Rs. [●]/- per share (Rs. 10/- face value + Rs. [●]/- premium) is payable on application.

In case of allotment of lesser number of equity shares than the number applied, the excess amount paid on application shall be refunded by us to the applicants.

Authority for the Issue

The Issue has been authorized by a resolution of our Board dated November 21, 2007 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an Extraordinary general meeting of the shareholders of our Company held on December 24, 2007.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Prospectus at a price of Rs. [●]/- per Equity Share. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of the Equity Shares will be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of 1 Equity Share subject to a minimum allotment of 150 Equity Shares to the successful applicants.

Minimum Subscription

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

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received.

At least 10% of the Issue size shall be allotted to QIBs, failing which the full subscription money shall be refunded.

BASIS FOR ISSUE PRICE

The issue price will be determined by our Company in consultation with the Lead Manager.

Investors should read the following summary with the Risk Factors included starting from page number [●] *and the details about our Company and its financial statements included in the Draft Prospectus on page* [●]*. The trading price of the equity shares of our Company could decline due to these risks and you may lose all or part of your investments.*

Qualitative Factors:

Over 100 Products of Specialty Chemicals
The Indian chemical industry is one of the fastest growing sectors of Indian economy. The Indian chemical Industry is heterogeneous and consists primarily of petrochemicals, agrochemicals, fine and specialty chemicals, bulk drugs, inorganic and organic chemicals. We are well diversified and cater to most of the industries using specialty chemicals such as Textile & Garment Industry, Leather Industry, Water Treatment, Agrochemicals, Construction Industry, Adhesives, Paper, etc. Fineotex Chemical Limited manufactures over 100 products encompassing all the above industries and at most stages of the manufacturing process of the above industries.

Contract Manufacturing for Multinational Corporations and Indian Corporate
Our Company has been manufacturing on a contract basis various specialty chemicals and adhesives for Multinational Companies and Indian Corporate like Croda Chemicals India (P) Limited (Formerly ICI India Limited), Pidilite Industries Limited, Clariant India Limited and The BASF Group etc. we get bulk orders from them according to stringent specifications of international standards. This enhances our quality standards and systems.

Quality Standards
Our Company gives top priority to quality of the products and thus we are able to supply to some of the big companies using specialty chemicals. Our existing manufacturing units at Mahape, Navi Mumbai is ISO 9001:2000 certified from JAS-ANZ. We focus on Quality right from raw material procurement to processing and packaging.

Experienced Management Team
Our promoter Mr. Surendra Kumar Tibrewala has about 3 decades of experience in specialty chemicals. Mr. Sanjay S. Tibrewala our Whole Time Director has specialized in Textile Chemicals and has exposure in different aspects of chemical industry including Production, Quality Control, Research & Development, etc. Our company is backed by specialized and experienced personnel.

Quantitative Factors

1. **Adjusted Earnings Per Share**

Particulars	EPS (Rs)	Weights
2004-2005	(0.30)	1
2005-2006	(0.40)	2
2006-2007	1.77	3
Weighted Average EPS	**0.70**	

2. **Price/Earning Ratio (P/E) in relation to Issue Price of Rs. [●]/- per share**

▪ Based on 2006-07 EPS of Rs.1.77	[●]

▪ Based on weighted average EPS of Re. 0.70	[●]

Industry P/E: Chemicals		
i.	Highest – Godrej Industries Limited	268.4
ii.	Lowest – Indo Borax Limited	4.6
iii.	Average (industry composite)	19.1

Source: Capital Market, VolumeXXII/26, February 25 – March 9 2008

3. **Return on Net Worth**

Particulars	**RONW (%)**	**Weights**
2004-2005	(4.23)	1
2005-2006	(5.97)	2
2006-2007	18.31	3
Weighted Average RONW	**6.46**	

4. Minimum Return on Net Worth needed after the Issue to maintain pre-Issue EPS of Rs.1.77 is [●]%

5. Net Asset Value (Rs.)

a)	As on September 30, 2007	23.86
b)	After Issue	[●]
c)	Issue Price	[●]

6. **Comparison of Accounting Ratios with Peer Group Companies**

Particulars	**Face Value (Rs.)**	**Turnover (in Lacs)**	**PAT (in Lacs)**	**EPS (Rs.)**	**P/E Ratio**	**RONW (%)**	**NAV (Rs.)**
BASF Limited	10	76950	5270	17.5	11.0	17.3	107.6
Clariant India Limited	10	68530	3240	12.8	12.8	14.0	116.4
Pidilite Industries Limited	1	115310	11630	4.4	23.7	26.6	19.3
Fineotex Chemical Limited (2006-2007)	10	105.07	0.26	1.77	--	20.16	24.15

Source: Capital Market, Volume XXI/26, Feb 25 - March 09, 2008

The peer group identified is mainly based on the product lines that we are into, but their scale of operations is not comparable to us.

7. **The face value of our shares is Rs.10/- per share and the Issue Price of Rs. [●]/- is [●] times of the face value of our Equity Shares.**

The Lead Manager believes that the Issue Price of Rs. [●]/- per share is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the risk factors and our financials as set out in the Auditors Report in the Draft Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Fineotex Chemical Limited
42 & 43, Manorama Chambers,
S.V. Road, Bandra (West),
Mumbai – 400 050

Dear Sirs,

We hereby confirm that the enclosed statement (containing page from 1 to 10), prepared by the Company, states the possible tax benefits available to FINEOTEX CHEMICAL LIMITED ('the Company') and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.
We do not express any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits, where applicable have been/ would be met.

For A. D. Mehta & Co.
Chartered Accountants

Mr. Ajay D. Mehta
Proprietor
Membership No. 102720

Place: Mumbai
Date: January 10, 2008

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO FINEOTEX CHEMICAL LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

I. SPECIAL TAX BENEFIT AVAILABLE TO THE FINEOTEX CHEMICAL LIMITED AND ITS SHAREHOLDERS:

No special tax benefits are available to Fineotex Chemical Limited and its Shareholders.

II. GENERAL TAX BENEFITS AVAILABLE TO FINEOTEX CHEMICAL LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

1. Benefits to the Company under the Income Tax Act, 1961 ("The Act"):
The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1.1 Dividends exempt under Section 10(34)
Under Section 10(34) of the Act, the Company will be eligible for exemption of income by way of dividend from domestic Company referred to in Section 115-O of the Act.

1.2 Income from units of Mutual Funds exempt under Section 10(35)
The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified Company in accordance with and subject to the provisions of Section 10(35) of the Act.

1.3 Computation of Capital Gains

1.3.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) or a Zero Coupon Bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

1.3.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

1.3.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(36) or 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

1.3.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

1.3.5 *Exemption of capital gain from income tax*

• Under Section 10(36) of the Act, long term capital gains arising on eligible equity share in a Company (acquired on or after the 1st day of March 2003 and before the 1st day of March 2004) sold through a recognized stock exchange in India will be exempt from tax.

• Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.
However, such income shall be taken into account in computing the book profit tax payable under Section 115JB.

• According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

1.4 Other Specified Deductions

Subject to fulfillment of conditions, the Company will be eligible, *inter alia,* for the following specified deductions in computing its business income:-

1.4.1 Section 35(1)(i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

1.4.2 Section 35(1)(ii) and (iii) of the Act, in respect of any sum paid to a Scientific Research Association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research or for research in social sciences or Statistical Research to the extent of a sum equal to one and one fourth times the sum so paid.

1.4.3 Subject to compliance with certain conditions laid down in Section 32 of the Act, the Company will be entitled to deduction for depreciation:

• In respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income-tax Rules, 1962;

• In respect of any new machinery or plant which has been acquired and installed after 31st March 2005 by an assessee engaged in the business of manufacture or production of any article or thing, a further sum of 20% of the actual cost of such machinery or plant;

1.4.4 Under Section 115 JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115 JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 7 years succeeding the year in which the MAT becomes allowable.

2. Benefits available to resident shareholders

2.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic Company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2.2 Computation of capital gains

2.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains".

Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

2.2.2 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition /improvement by a cost inflation index as prescribed from time to time.

2.2.3 As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

2.2.4 As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

2.2.5 *Exemption of capital gain from income tax*

• Under Section 10(38) of the Act, Long Term Capital Gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

• According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

• According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer

of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately.

For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

2.3 Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

3. Benefits available to Non-Resident Indian shareholders (Other than FIIs and Foreign venture capital investors)

3.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic Company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

3.2 Computation of capital gains

3.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a Zero Coupon Bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains".

Capital gains arising on sale of these assets held for 12 months or less are considered as "short term capital gains".

3.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian Company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

3.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost.

According to the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or Zero Coupon Bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are

chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

3.2.4 As per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

3.2.5 *Options available under the Act*
Where shares have been subscribed to in convertible foreign exchange –

Option of Taxation under Chapter XII-A of the Act:

Non-Resident Indians [as defined in Section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which *inter alia* entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

• According to the provisions of Section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under Section 10(38), will be subject to tax at the rate of 10 percent (plus applicable surcharge and education cess), without indexation benefit.

• According to the provisions of Section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian Company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset. If part of such net consideration is invested within the prescribed period of six months in any specified asset the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

• As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in Section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

• Under Section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) & (v) of Section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

• As per the provisions of Section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

3.2.6 *Exemption of capital gain from income tax*

• Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

• According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under Section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long term specified asset will not qualify for deduction under Section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

• According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

3.3 Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head “Profits and gains of business or profession” arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

4. Benefits available to other Non-resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

4.1 Dividends exempt under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic Company referred to in Section 115-O of the Act is exempt from Income Tax in the hands of the shareholders.

4.2 Computation of Capital Gains

4.2.1 Capital assets may be categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of Mutual Fund specified under Section 10(23D) of the Act or a Zero Coupon Bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of these assets held for 12 months or less are considered as “short term capital gains”.

4.2.2 Section 48 of the Act contains special provisions in relation to computation of capital gains on transfer of shares of an Indian Company by non-residents. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/ improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess).

4.2.3 In case investment is made in Indian rupees, the long-term capital gain is to be computed after indexing the cost.
As per the provisions of Section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

4.2.4 As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

4.2.5 ***Exemption of capital gain from income tax***

• Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

• According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately.

In such a case, the cost of such long term specified asset will not qualify for deduction under Section 80C of the Act. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

• According to the provisions of Section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

4.3 Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

5. Benefits available to Foreign Institutional Investors ('FIIs')

5.1 Dividends exempt under section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic Company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

5.2 Taxability of capital gains

5.2.1 Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

5.2.2 The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares of the Company would be taxed at the following rates as per section 115 AD of the Act-

• Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
• Short term capital gains, referred to under section 111A of the Act shall be taxed @ 10% (plus applicable surcharge and education cess)
• Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)
It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

5.2.3 According to the provisions of Section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under Section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

5.4 Rebate under section 88E

Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.

6. Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual

Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

7. Venture Capital Companies / Funds

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

8. Tax Treaty benefits

An investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

9. Benefits available under the Wealth-tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2007.
2. The stated benefits will be available only to the sole / first named holder in case the shares are held by joint holders.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

SECTION VI – ABOUT US

INDUSTRY OVERVIEW

Disclaimer: pursuant to the requirements of the SEBI Guidelines, the discussion on the business of Our Company in this Draft Prospectus consists of disclosures pertaining to industry grouping and classification. The industry grouping and classification is based on our Company's own understanding and perception and such understanding and perception could be substantially different or at variance from the views and understanding of third parties. Our Company acknowledges that certain products described in the Draft Prospectus could be trademarks, brand names and/ or generic names of products owned by third parties and the reference to such trademarks, brand names and/or generic names in the Draft Prospectus is only for the purpose of describing the products. The industry data has been collated from various industry and/or research publications and from information available from the World Wide Web.

CHEMICAL INDUSTRY

GLOBAL CHEMICAL INDUSTRY

The Global Chemical Industry, estimated at US$ 2.4 trillion, is one of the fastest growing sectors of the manufacturing industry. Despite the challenges of escalating crude oil prices and demanding international environmental protection standards now adopted globally, the chemicals industry has grown at a rate higher than the overall-manufacturing segment.
According to industry reports the pharmaceutical segment contributes approximately 26% of the total industry output and approximately 35-40% is dominated by the petrochemical segment.
Commodity chemicals are the largest segment in the chemicals market with an approximately size of $ 750 billion while the Specialty and Fine Chemicals segment accounts for $ 500 billion.

Some of the major markets for chemicals are North America, Western Europe, Japan and emerging economies in Asia and Latin America. The US consumes approximately one-fifth of the global chemical consumption whereas Europe is the largest consumer with half the consumption. The US is the largest consumer of commodity chemicals whereas Asia Pacific is the largest consumer of agrochemicals and fertilizers.
Source: Planning Commission Report

Market Trends

- The global chemicals industry is estimated to have grown by about 5% from 2005.
- The US continues to be largest consumer of chemicals globally.
- Increasing demand from emerging economies in Asia and Brazil
- Commodity chemicals continues to be the largest segment followed by specialty and fine chemicals and agrochemicals
- Major trends observed in the industry are consolidation and outsourcing.

Globalization has resulted in the location of manufacturing bases close to raw materials, cheaper energy sources and lower tax regimes. Consolidation has necessarily emerged to seek economies of scale in manufacturing, logistics and R&D. The impact of consolidation has often been improvement in geographical reach and entry into new markets. The two main components in cost reduction have been aggressive identification of improved operating norms and financial restructuring to cut interest costs. In R&D, there has been focus in knowledge areas designed to secure future revenues. There has been increased emphasis on application development especially in specialty chemicals along-with greater customer interaction.

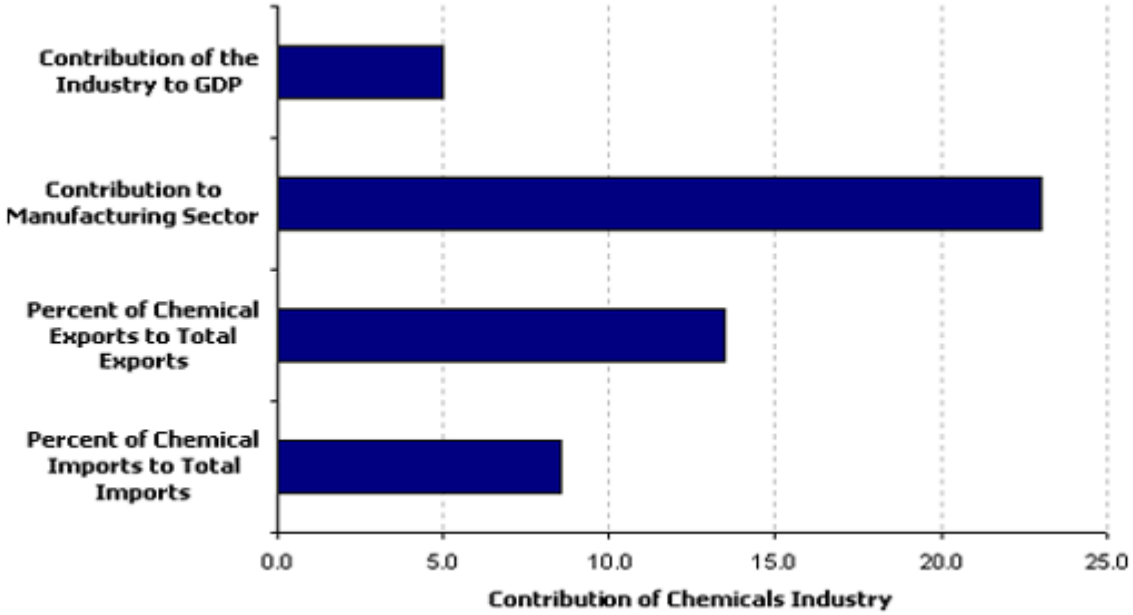
Globally the Chemical industry is moving towards globalization, consolidation, cost reduction, increased use of information technology (IT), focusing on research and development and increased environment consciousness.

INDIAN CHEMICAL INDUSTRY

Chemical Industry is one of the oldest industries in India, which contributes significantly towards industrial and economic growth of the nation. It is highly science based and provides valuable chemicals for various end products such as textiles, paper, paints and varnishes, leather etc., which are required in almost all walks of life. The Indian Chemical Industry forms the backbone of the industrial and agricultural development of India and provides building blocks for downstream industries.

Chemical Industry is an important constituent of the Indian economy. Its size is estimated at around US$ 35 billion which is equivalent to about 3% of India's GDP of 2007. The total investment in Indian Chemical Sector is approx. US$ 60 billion and total employment generated is about 1 million. The Indian Chemical sector accounts for 13-14% of total exports and 8-9% of total imports of the country. In terms of volume, it is 12th largest in the world and 3rd largest in Asia. Currently, per capita consumption of products of chemical industry in India is about 1/10th of the world average. Over the last decade, the Indian Chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty chemicals, fine chemicals and pharmaceuticals.

Indian Chemicals and materials industry in 2005



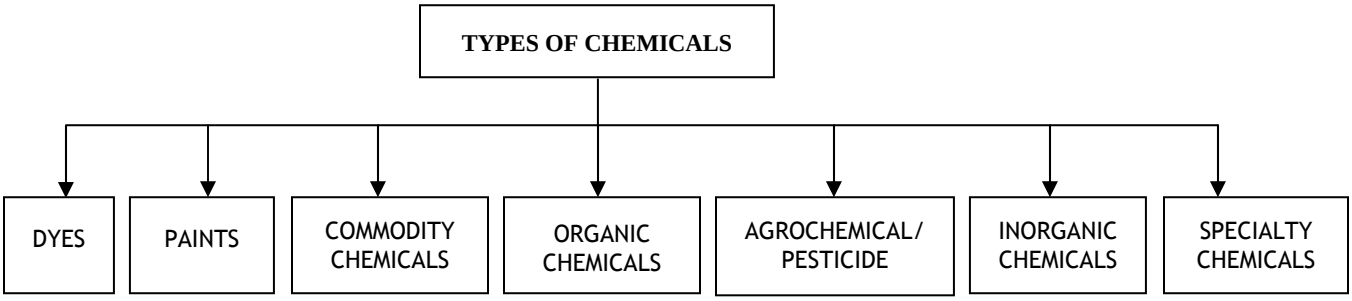
Source: Business World (www.businessworldindia.com)

The chemicals and materials industry is highly fragmented and widely spread with over 6,000 chemical manufacturers offering more than 70,000 products. The industry is currently in the midst of restructuring and consolidation. Large participants characterise the bulk chemicals sector while large as well as small participants are present in the fine and specialty chemicals sector.

The Indian chemicals industry comprises both small and large-scale units. While the fiscal concessions granted to the small sector in mid-eighties led to the establishment of a large

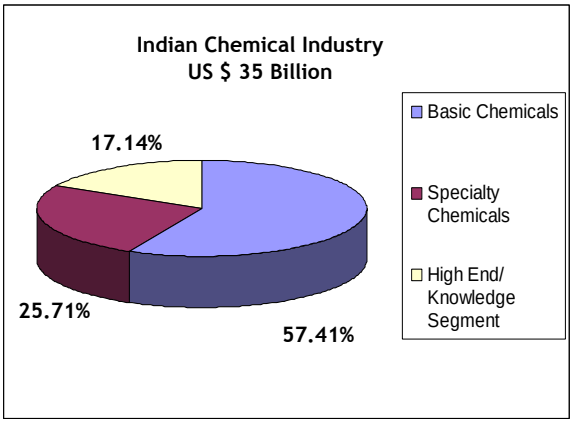
number of units in the Small Scale Industries (SSI) sector, the industry is currently in the midst of major restructuring and consolidation. With the shift in emphasis on product innovation, branch building and environmental friendliness, this industry is increasingly moving towards greater customer orientation.

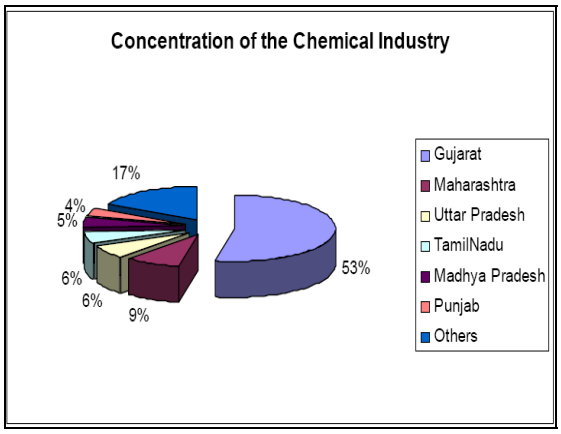
The Indian Chemical Industry is highly heterogeneous and consists of the following major sectors:



Source: www.indianmarkets.com

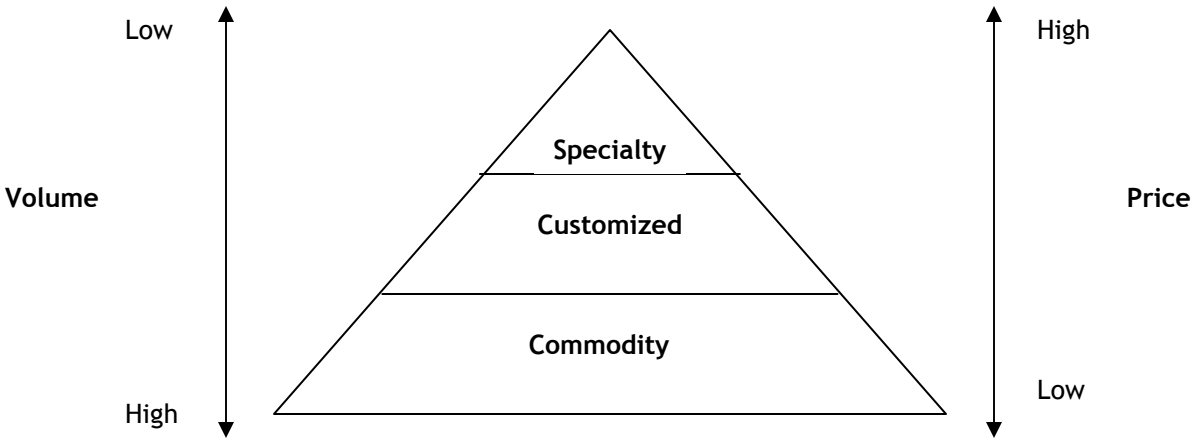
The Indian Chemical Market Segment wise:





Source: Planning Commission Report

Market Structure for Industrial Chemicals:



Industrial Chemicals can be classified into: Commodity, Customized and Specialty. With competitive pressures and constant changes in the market place there is a continuous trend towards commoditization. Innovation by manufacturers is constantly required to re-generate the customized and specialty segments of the market.

India is shifting from a net importer to a net exporter of chemicals

The chemicals sector has been posting strong growth both in production as well as consumption. Production of basic chemicals grew by 6.67 per cent per year from 1999-00 to 2003-04, while consumption grew by 7.22 per cent over the same period. Till the end of the nineties, the trade balance in chemicals was negative. However, from 2001, there has been a positive trade balance.

During the year 2003-04, the export of chemicals was worth US$ 7.4 billion as against imports of US$ 7.2 million. In 1998-99, exports were US$ 2.9 billion against imports of US$ 4.5 billion.The share of chemicals in total exports from India has gone up from 11.2 per cent in 1998-99 to about 14 per cent in 2003-04. On the other hand, its share in total imports has declined from 11.0 per cent in 1998-99 to 9.5 per cent in 2003-04.
Source: IBEF (www.ibef.org)

India has key strengths to assist chemicals sector growth

India's unique strengths that can be leveraged for growth of the chemicals industry are:

1) Low cost, technically trained manpower.
2) Large domestic market, with good potential for growth.
3) Presence of supporting industries.
4) Supportive Government policies.

Specialty Chemicals

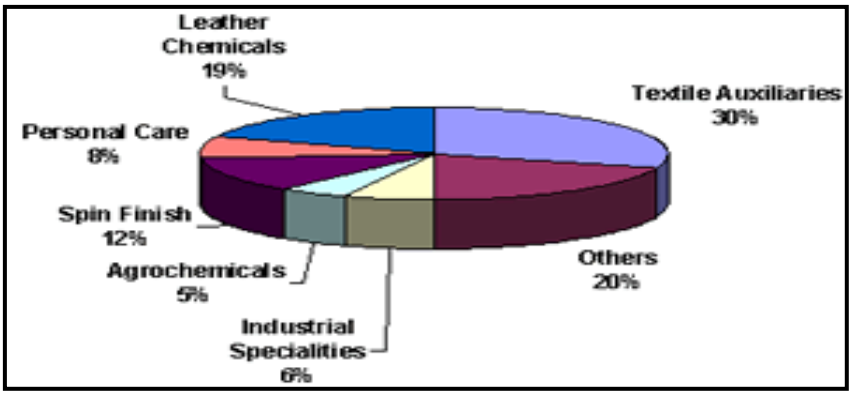
The **Specialty Chemicals segment** in the Indian Chemical Industry is a new emerging sector which brings promises of huge growth. Specialty chemicals are those chemicals which are produced at a low volume; they are high priced and usually targeted at a wide variety of markets. These chemicals are developed under the user's specifications which usually vary from one user to another. The methods of development depend on the application and the function of the chemicals. This industry requires the best technical know how.

Main specialty chemicals are rubber chemicals, water treatment chemicals, polymer additives, lubricating additives, specialty pigments etc. These chemicals are mainly based on organic chemicals.

Globally the contribution of specialty chemicals is upto 25% of the chemical sector i.e. it is approximately worth US$ 453 billion. The average annual growth is expected to be 7.5%. In India, the capacity of specialty chemical is 5272 thousand MTs and production is approx. 3690 thousand MTs.
(Source: Planning Commission Report)

Like information technology, specialty chemicals are also a knowledge based industry and India has the capability to become a leading player in the world because of its low cost structure, scientific competence and skilled manpower. Specialty Chemicals have high rates of growth, superior margins; are specific need oriented, non-cyclic and relatively immune to industry cycles.
(Source: Ficci)

Excluding soaps and detergents the specialty and customized chemicals market can be estimated at Rs. 2000 Crores (300 Mn GBP) growing at 6-8%. Individual segments have different growth rates ranging from personal care growing at 18%-20% and textiles at 1-2%. A Pie Chart showing the major segments and their perspective shares is shown below:



Source: Planning Commission Report

Types of Specialty Chemicals

The various Specialty Chemicals are:

- Diagnostic Aids
- Adhesives
- Paper Additives
- Flavors & Fragrances
- Elastomers
- Foundry Chemicals
- Industrial Enzymes
- Cosmetic Additives
- Dyes
- Food Additives
- Metal Plating & Finishing Chemicals
- Lube Additives
- Category Specialty Chemicals
- Industrial Cleaning Agents
- Fuel Additives
- Polymer Additives
- Oilfield chemical
- Mining Chemicals
- Photographic Chemicals
- Paint Additives
- Construction Chemicals
- Rubber Chemicals
- Water Management Chemicals
- Surfactants
- Textile Auxiliaries
- Electronic Chemicals

Dyestuffs, basic textile intermediaries and leather chemicals continue to be the main areas for most companies in the domestic specialty chemicals sector.

The industry can be divided into two categories — traditional specialty chemicals in the textiles and leather treatment segments and the emerging specialty chemicals in paper treatment, polymer intermediates, master batches, water treatment chemicals and electronic chemicals segments. The largest section of the industry continues to be in the textile dyes and chemicals segment.

The second in line, in terms of numbers, is leather chemicals and pigments. `The dyestuffs segment has traditionally been one of the largest in the industry and continues to be crucial because of its forward and backward linkages with a number of other industries. Dyes find application in industries and product segments such as textiles, leather, paper, printing inks and food processing.

Of this, the textiles and leather processing industries consume over 85 per cent of all dyes manufactured. However, the dyestuffs segment has been gradually shrinking over the past three to four years and the future growth potential of this segment at about 1.5-2 per cent is uninspiring.

Specialty Chemical Business

Specialty Chemicals are different than Bulk and Commodity Chemicals on various parameters. The key differences are tabulated below:

Parameters	Bulk/Commodity Chemicals	Specialty Chemicals
Product Life Cycle	Long	Short
Product range	Narrow	Broad
Product Volume	Large	Variable
Product type	Homogenous	Differentiated / Application Oriented
Product prices	Low	High
Unit Margins	Low	High
Production	Mostly Continuous	Batch Process
Value Addition	Low	High
Consumer Service levels	Low	High
Capital Intensity	High	Low
Turnover to assets ratio	High	Low
Focus	Capacity utilization, feedstock, cost reduction, technology	Product innovation, Market orientation
Market	Global	Mostly Local
R&D Focus	Process Improvement	Product Development, applied research
Success factors	Feedstock access, economies of scale, process optimization, cost reduction	Innovation, good R&D, technical application expertise, global network, customer based solutions, niche markets

Managing Surfactants (Specialty Chemical) business closely resembles managing an R&D programme. Manufacturers have to constantly interact with the customer to understand customer needs and expectation. Innovation is the key to success.

Shorter Products Life Cycles

Life cycles have shortened because the needs of consumers are changing very quickly a classic example is the near disappearance of the fountain pen and therefore a need for overhaul of ink technology, this is also influenced by the shift from carbon paper to photocopiers to multiple-copy document printing from a computer. Similar changes are affecting the specialty chemical user

industries and specialty chemical manufacturers will have to keep pace to maintain their commercial viability. This can only be achieved through constant innovation both in product as well as service.

Differentiation through Products and Services

In this era of increased competition and margin compression providing new products, technical's service, application expertise and solving problems for the customer will be the key platforms for growth. Companies will have to invest in R&T to ensure the future.

Scope of Improvement in Specialty Chemicals Industry

- Consolidation to leverage on reducing the overall cost of production.
- Focus on Research & Development to enable development of world class technological capabilities in product and processes to become cost competitive globally.
- Manufacturing units to improve their operational efficiencies. - There must be a focus on training human resources to enhance their skills.
- Also the industry needs to attract outsourcing partners through:
  (a) Follow good manufacturing practices for attracting outsourcing
  (b) Benchmark global Quality systems (Assurance & Control)

Major Consumers

The major consumers for Specialty Chemicals are:

- Textile & Garment Industry
- Leather Industry
- Paper Industry
- Detergent Industry
- Rubber Industry
- Paints Industry
- Agro Chemical Industry
- Oil & Gas Industry
- Water Treatment Industry
- Construction Industry

Our Company is engaged in manufacturing of specialty chemicals for the following sectors:

1) Textile Industry

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 16.63 percent to the country's export earnings. It provides direct employment to over 35 million people, which includes a substantial number of scheduled castes, scheduled tribes, and women. The textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry has a direct bearing on the improvement of the economy of the nation.

Textiles exports contribute 16.63% to the country's total exports earnings, and India's share in the global textiles and apparel market is 3.9% and 3%, respectively. The textiles exports basket consists of readymade garments, cotton textiles, textiles made from man-made fibre, wool and woolen goods, silk, handicrafts, coir, and jute.

[Source: Annual Report 2006-07 of Ministry of Textiles, GoI]

Several initiatives have already been taken by the government to boost the Indian Textile Industry at the Global level such as:

- Rationalization of fiscal duties
- Launch of Scheme for Integrated Textile Parks (SITP)
- Technology up gradation through the TUFS
- Setting up of Apparel Parks for export scheme
- Textile Centre's Infrastructure Development Scheme (TCIDS)
- Liberalization of restrictive regulatory practices, etc

The size of Indian Textiles is expected to touch US$110 billion by 2012

(Source: Confederation of Indian Textile Industry News).

2) Agrochemical Industry:

The Agrochemical Industry is a seasonal industry and being related to agricultural production, is a core industry in India. For agriculture to be commercially viable, it requires certain key inputs like seeds, fertilizers and pesticides. The agro-climatic factor mostly regulates the performance of the industry. The leading crop, cotton, accounts for around 45 percent of the domestic agrochemical market. The critical success factor for the Indian agrochemical industry is low cost of production. The pesticide sector like drug is set for major change. Institute of Pesticide Formulation technology (IPFT), set up by the GOI with the assistance of UNDP/UNIDO in May, 1991, is actively engaged in the areas of development of new, safer and environment-friendly pesticides and formulations. It would be desirable that the Institute gains confidence of the industry by developing commercially viable new generation pesticide/ formulations and process technology.

[Source: Planning Commission 10th Five Year Plan]

3) Construction Industry :

The size of the construction industry in India is over $25 billion and it accounts for more than 6% of the GDP. It is also the largest employer in the country after the agriculture sector, employing almost 18 million people. This sector is witnessing sharp growth as a result of the large investments being made in roads, power and other infrastructure areas. Indian firms are taking up more and more projects outside India.
In short, construction industry is beginning to play an important role in India's development. If the government's focus on improving infrastructure stays, then this industry's importance is likely to only increase in future
[Source: ETIG]

Construction Chemicals is a generic name assigned to describe a wide range of chemicals that are used in pre and post – construction stages. Construction Chemicals are used in several purposes and are performance chemicals used as an additive to concrete/mortar or as an application on masonry surfaces. These chemical modify and enhance the properties of concrete in fresh and hardened state. A large variety of formulations and chemistries are used for diverse applications during both pre and post – construction stages in order to impart special properties to concrete structures. For the sake of convenience, construction chemical market can be segregated into, Admixtures, Flooring, Compounds, Repair & Rehab and other products Rehab and other products. (Examples are Grouts, Adhesive, and Substrate support, Water Proofing Compounds etc.)

4) Leather Industry:

The leather industry occupies a place of prominence in the Indian economy in view of its massive potential for employment, growth and exports. There has been an increasing emphasis on its planned development, aimed at optimum utilization of available raw materials for maximizing the returns, particularly from exports. The exports of leather and leather products gained momentum during the past two decades. There has been a phenomenal growth in exports and annual export value poised to touch about $2 billion.

Indian leather industry today has attained well merited recognition in international markets besides occupying a prominent place among the top seven foreign exchange earners of the country.

Apart from a significant foreign exchange earner, leather industry has tremendous potential for employment generation. Direct and indirect employment of the industry is around 2.5 million.

(Source: Council for Leather Exports)

5) Enzymes :

Enzymes are proteins with highly specialized catalytic functions, produced by all living organisms. Enzymes are responsible for many essential biochemical reactions in microorganisms, plants, animals, and human beings. Enzymes are essential for all metabolic processes, but are not alive. Although like all other proteins, enzymes are composed of amino acids, they differ in function in that they have the unique ability to facilitate biochemical reactions without undergoing change themselves. This catalytic capability is what makes enzymes unique. Enzymes are natural protein molecules that act as highly efficient catalysts in biochemical reactions, that is, they help a chemical reaction take place quickly and efficiently. Enzymes not only work efficiently and rapidly, they are also biodegradable. Enzymes are highly efficient in increasing the reaction rate of biochemical processes that otherwise proceed very slowly, or in some cases, not at all.

Enzymes can often replace chemicals or processes that present safety or environmental issues. For example, enzymes can:

- Replace acids in the starch processing industry and alkalis or oxidizing agents in fabric desizing;
- Reduce the use of sulfide in tanneries;
- Replace pumice stones for stonewashing jeans;
- Allow for more complete digestion of animal feed leading to less animal waste; and
- Remove stains from fabrics. Clothes can be washed at lower temperatures, thus saving energy.

Enzymes can be used instead of chlorine bleach for removing stains on cloth. The use of enzymes also allows the level of surfactants to be reduced and permits the cleaning of clothes in the absence of phosphates. Enzymes also contribute to safer working conditions through elimination of chemical treatments during production processes. For example, in starch, paper and textile processing, less hazardous chemicals are required when enzymes are used.
(Source: www.fibre2fasion.com)

6) Water Treatment :

Water treatment has changed considerably in the last 50 years, and new advances and developments continue to shape the market. As the human population continues to grow exponentially, the need for clean water will grow with it. And as the population grows, providing clean water will become an increasingly difficult problem. So, although the water treatment chemicals industry is considered to be a mature market, it is also one that needs to adapt and

expand and it will increase in importance as the availability of water decreases. When one considers the rapidly expanding populations in Africa, South America, and Asia, as well as the pollutants plaguing the former Eastern block in Europe, knowledge of potential remedies for contaminated water sources becomes increasingly important.

The water treatment industry in India, growing at more than 20%, has started making more use of membrane-based solutions.

The country's water treatment industry, pegged at around Rs 500 crore, mainly uses the traditional chemical treatment and de-mineralizing procedures. "Being simpler, efficient and low on operational cost, membrane technology is catching up fast,".
Big projects like large power plants might stick to the traditional de-mineralizing technology for the sake of certain process-related requirements. Otherwise, the industry is lapping up the membrane technology.

Industrial use accounts for 5-8% of total water consumption in India, domestic use 12%. Residential projects have also started using membrane-based technology instead of the traditional resin-based ones. Water treatment and the facility at residential projects increase the project cost by a mere 1%. It recycles almost 80% of the water.
Power plants are the largest consumers of water in the industrial sector followed by steel plants, pulp & paper and distilleries. The industrial sector's share, about 5-8% of the annual water consumption of India, is growing at 0.5-1% every two years.
Moreover, Indian cities generate almost 2 crore cubic meter of sewage a day. The market appears highly untapped with the majority of industries unaware or least inclined to treat water they use or dispose.
[Source: Financial Express: Kolkata 24th October]

The increasing demand for water treatment chemicals are:

- growth of the processed food market
- changes in paper processing technology
- Worldwide trends toward water reuse
- waste minimization
- stricter discharge regulations
- equipment life extension
- productivity improvement

Challenges for the future

There are clearly many challenges which have to be faced by the industry if we are to stay competitive. The two major challenges are:

- Responsible Care
- Innovation

(1) Responsible Care

The Indian Chemical industry is the third largest in Asia and the 13th largest in the world and clearly growth prospects can take the Indian chemical industry to a world leadership position. The doubt for a flair for entrepreneurship and innovation and the capability and willingness to try to achieve excellence in handling chemicals at every stage right from procurement, to usage to final disposal will enhance margins and quality.
Care is required in the following stages:

- Transportation Handling, storage of hazardous chemicals
- Effluent treatment
- Waste Handling
- Shift to Biodegradable products

- Shift to Natural from Synthetic products

(2) Innovation

The innovation process will be primarily focused at new products/ applications, cost reductions, value additions, multiple uses and manufacturing processes, packaging etc. Sources of ideas would come from customers, suppliers and the ultimate consumers. Deeper scientific understanding of the cause and effect relationship for products/ applications will lead to differentiated innovation. The winners in the market place will be those who innovate with speed and accuracy.

OUR BUSINESS

We are an ISO 9001:2000 certified Company engaged in manufacturing of Specialty Chemicals and Enzymes for various industries. Our Company was incorporated as a Private Limited Company in the year 2004 and was subsequently converted to a public limited Company in 2007. The registered office of our Company is situated at Mumbai.

We manufacture and trade in Specialty Chemicals and Enzymes for Textile & Garment Industry, Construction Industry, Leather Industry, Water Treatment Industry, Paint Industry Agrochemicals, Adhesives and others. We currently have our manufacturing facilities situated at Mahape in Navi Mumbai.

Location:
Currently, we are operating from the following two units:

Unit	Location	Activity
Unit I	A - 699, TTC Industrial Area, Mahape, Navi Mumbai - 400 701, District Thane.	Manufacturing Plant – Specialty Chemicals for all industries mentioned above
Unit II	A – 700, TTC Industrial Area, Mahape, Navi Mumbai – 400 701, District Thane.	Manufacturing Plant – Specialty Chemicals for all industries mentioned above

Further we are proposing to set up the following new unit:

Unit III	Khopoli (Proposed)	Manufacturing Plant – Specialty Chemicals for all industries mentioned above

Brief Details about the Project

For more details about the proposed Project, please refer section titled “Objects of the Issue” beginning from page [●] of this Draft Prospectus.

Our Competitive Strengths

We believe that the following are our primary competitive strengths:

1. Over 100 Products of Specialty Chemicals

Our Company offers a wide range of specialty chemicals and enzymes used in many industries. Our Company has large number of products and offers an entire range of specialty chemicals used in Textiles & Garments Processing namely the Pre-treatment, Printing, Dyeing and Finishing Process. We also offer specialty performance chemicals to the Leather, Agrochemicals, Construction, Water Treatment, Wood, Sticker and Adhesive Industries etc.

2. Customers from Varied Industries

Our Company manufactures specialty chemicals to Textile & Garment Industry, Leather Industry, Water Treatment Industry, Construction, Paper, Paint, Adhesives, etc. We have a strong and varied customer base from Multi National Companies to Big Corporate houses in each sector. Our business therefore is not cyclical in nature and a decline in a sector will not have an impact on our business as we supply to varied sectors. Certain products that are being used for water treatment are being used in all industries where water is being used as a raw material. Thus indirectly our products are being used by majority of the industries. Our

Company and Promoters have relations with Pidilite Industries Limited, Clariant Industries Limited and Croda Chemicals India (P) Limited etc. for over 5 years.

3. Quality Control and ISO Certification

Our existing manufacturing units at Mahape, Navi Mumbai are ISO 9001:2000 certified from JAS-ANZ. We are in the business of specialty chemicals in which quality and innovation are very important while understanding customer needs. We focus on Quality not only of the final product but at every stage of production, right from sourcing the raw materials. Quality is of prime importance in a business like ours. Our customer list includes companies like Pidilite Industries Limited, Clariant India Limited, National Starch and Chemical Company, Croda Chemicals India (P) Limited (ICI India Limited) etc. which adheres to stringent international quality specifications.

4. Technical Assistance

We have an experienced and technically qualified personnel lead by Mr. Suresh Desai, our Technical Head and our promoter Mr. Surendra Kumar Tibrewala, who have an experience of more than 25 years. All products are accompanied with the product Literature which exhibits all details regarding, uses, dosages etc. Also, if our customers need any other on site assistance our company deputes a person from the technical team. The team delivers prompt technical service and attends to customer queries. We also have online web assistance and after sales service which ensures prompt solutions to customers.

5. Customization

Customization forms the essence of our Company. We tailor-make products to meet the customers needs & requirements, not deviating from the quality, packaging and pricing. Modifying our products on various parameters like Viscosity, Appearance, Moisture Content, Solubility, pH as per customer requirements, helps us to deliver value to our customers.

6. Research & Development

We have the latest technology required in this industry and are continually updated with in - house R&D at our Mahape unit which comprises 2 laboratories. Also, our experienced and technically qualified personnel strive to develop and improve upon the product features by incorporating the latest technology, customer feedback, suggestions from staff and developing new specialty and cost-effective products.

7. Our Management and Key Management Personnel

The Managing Director of our Company Mr. Surendra Kumar Tibrewala has been in the business of Manufacturing Specialty Chemicals for almost 3 decades. His knowledge and experience in the field of Specialty Chemicals and enzymes has helped us to have long term relations with our customers and has also facilitated us to enter new segments of enzymes and Construction chemicals etc.

8. Proximity to sources of Raw Material

Our Company consumes approximately 100 raw materials. We either procure them from domestic importers or source them from indigenous manufacturers in India like Godrej Industries Limited, Andhra Petroleum Limited, Travancore Titanium Product Limited, etc. who have their warehouses located in close proximity to our manufacturing units. A continuous supply of raw material does not hinder our manufacturing process and ensures effective logistics control.

Our Business Strategy

1. Innovation and Product Development

We believe that key factor to sustain, strengthen and succeed in our business, lies in our ability to innovate new products and improvise our existing products. FCL started manufacturing concentrated chemicals which reduces storage for the end user and customers can dilute it as per their requirements. This will meet or create new customer demands that are not presently being satisfied by available products.

2. Competitive Pricing

To remain aggressive and capitalize a good market share, we believe in offering competitive prices to our customers. This helps us to sustain the cut-throat competition and withhold a strong position in the market.

3. Indirect Exports

We offer our products to merchant exporters who export them to countries without any modifications. Some of the countries are Brazil, Bangladesh, Indonesia, Thailand, Bulgaria, Pakistan, Colombia, Singapore, Sri Lanka, Tanzania, to name a few. By entering into international markets indirectly FCL can reduce its Marketing Cost, and at the same time create a brand for Fineotex globally, it also facilitates in exploring new markets and at the same time mitigate foreign exchange fluctuation risks.

4. Supplying to MNC'S and Corporates

We supply to a host of multinationals like Croda Chemicals India Pvt. Ltd. (formerly ICI India Limited), Clariant India Limited, Pidilite Industries Limited, BASF Limited, The Bombay Dyeing Mfg. Co. Ltd., the Raymond Group, Chenab Textile Mills, Rashtriya Chemicals & Fertilizers Limited (RCF) to name a few. We are also contract manufacturing many of the products like adhesives etc. MNC's and Corporates provide high volumes and have great potential. The company gets a global feed back and quality is maintained as per international standards this helps in building goodwill.

5. Strategic Location of Current and Future manufacturing Facility

Location of Manufacturing Facility is of importance as it helps in designing the cost structure and lead time for delivery. We procurement raw materials from indigenous manufacturers in India like Godrej Industries Limited, Andhra Petroleum Limited, Travancore Titanium Product Limited, etc. who have their warehouses located in close proximity to our manufacturing units. The finished products markets are in Mumbai, Surat, Ahemedabad, Rajasthan, Bangalore, Tirpur, etc. Our factory site is well connected with a network of transport facilities like rail and road operating all over India. This helps our logistics department to ensure timely and cost efficient delivery.

Our Products

Our Company manufactures over 100 products catering to various industries.

Industry	Product Name	Function
Textile & Garment Industry	**Pre-treatment Chemicals**	
	De-sizing Agent	To remove the different types of sizes

	(Starch, waxes etc.) from the fabric/yarn
Wetting and Penetrating Agent	To reduce the surface tension of water and thus increase the absorbency of the water to the fabric
Sequestering Agent & Protective Colloid	To reduce the hardness of water and thus make ideal conditions for washing
Scouring Agent	To remove the oil , fats etc from the fabric
Silicone & Non Silicone Defoamers	To reduce the foam created during the process of treatment of fabric
Non-Silicate Peroxide stabilizer	To stabilize the peroxide of hydrogen peroxide in the pretreatment process
Peroxide Killer	To clear the residual peroxide from the fabric
Polyester Weight Reducing Catalyst	To reduce the weight of the polyester fabric during the caustic addition process
Anti-back Staining Agent	To prevent the staining of the pockets during the denim fabric treatment
Dyeing Chemicals	
Sequestering Agent	To reduce the hardness of water and thus make ideal condition for processing
Silicone & Non Silicone Defoamers	To reduce the foam created during the process
Buffering Agent	To maintain the pH of dye bath throughout the dyeing process
Polyester Dyeing Carriers	To facilitate easy absorption and penetration of dyes by the polyester fabric
Dispersing Agent & Oligomer Removing Agent	To maintain the dispersion of dyes in the dyeing process and help to remove oligomers
Levelling Agent	To get even dyeing and even colour depth effect
Lubricants	To reduce the friction between fabric to fabric and fabric to machine and to reduce the creation of creases in the fabric
Washing off Agent	To remove the unfixed dyes from the

	fabric
Dye-fixing Agent	To fix the dyes on to the fabric
Soda Ash Substitute	To substitute soda ash in the dyeing process of cotton
Cationising Agent for Pigment Dyeing	To provide required cationic charge to the fabric in the pigment dyeing process
Printing Chemicals: Dispersing, Penetrating, Swelling, Levelling & Defoaming Agent	To provide depth and even level printing effect, being added in the printing paste
Fixation Accelerators	To provide depth and fixation of dyes to the polyester printing fabric in loopager machine during the disperse printing process
Binders Acrylic, Self Thickening for Gold & Flock	To bind the pigment or dyes onto the fabric
Fixers in Pigment Printing	To provide fastness to the print
Thickeners	To provide viscosity to the printing paste to facilitate required printing effect
White Inks	To provide printing effect onto the fabric
Washing Off Agent	To remove the unfixed dye from the printed fabric
Finishing Chemicals: Stiffeners	To provide stiff finish effect to the fabric
Softeners	To provide soft finish effect to the fabric
Silicone Emulsion	To provide silky and soft finish effect to the fabric
Wax Finishing Agent	To provide waxy finish to the fabric
Anti Static Agent	To reduce the static power of the fabric
Water Repellant & Soil Resisting Agent	To provide water repellency and dust repellency to the fabric
Polyurethane Finishing Agent	To provide bouncy feel to the fabric
Crease Recovery Agent	To reduce the crease and provide wrinkle free effect to the fabric
Delustering Agent	To remove the luster from the viscose fabric

	Anti-pilling & Anti-Slip Agents	To remove the hairing and pilling problems from the fabric and also provide anti-slip effect
	Enzymatic Bio-polishing Agent	To remove the surface protrudene fibers from the knit substrates and denim and thus improvise the surface feel
Construction Industry	Admixture	To reduce 'water-cement ratio'
	Water Proofing	To provide Water Proofing
	Binders	To Increase Strength of Concrete/Mortar
	Polymers	To give hardness, toughness & durability to cement, to protect mild steel or steel surfaces from corrosion
	High Performance retarding super plasticizer	To provide the flow ability of the concrete
Water Treatment Industry	Cooling tower Chemicals	To reduce the hardness of the water
	Boiler Chemicals	To reduce the hardness of the water
	Chemicals for RO Antiscalants	To reduce the hardness of the water and avoid scaling effect in the Reverse Osmosis (RO)
	Sea Water Desalination Chemicals	To reduce hardness of the water and avoid scaling by salts in the membranes of the water treatment plants
Leather Industry	**Cleaning & Processing Chemicals For:** Coating	To provide coating on the surface of the leather
	Softening	To provide softening effect on the surface of the leather
	Dyeing	To fix the dyes in the dyeing process
	Finishing Chemicals For: Shine & Texture	To provide shining effect to the leather
	Water Proofing	To provide water repellency to the leather
	Finishing Agents	To provide the soft feel to the final leather
Wood Working & Handicraft	Adhesives	Different kinds of adhesives for these Industries for sticking purpose

Industry, Cigarette Industry, Sticker and Bindi Industry		
Agrochemical Industry	Defoamers for fertilizers	To reduce the foam in the fertilizer production process
	Anticaking Agent	To avoid the caking of the powder fertilizer and thus keep it free flowing powder
Paper & Paint Industry	Defoamers	To reduce the foam in the paper making process
	Emulsions	To provide binding of the pigments
	Paper Softeners	To provide softness to the paper
	Antisetting Agents	Helps to avoid the settling of pigments in the paints

Further, by proposed expansion, our Company intends to increase the manufacturing quantities of its existing products and expand the product line as well.

Major Customers

Industry	Company
Textile & Garment Industry	• The Bombay Dyeing & Manufacturing Co. Ltd. • The Raymond Group • Malwa Group (through authorised dealer) • Grasim Industries Limited- Aditya Birla Group • Chenab Textile Mills • Clariant India Limited
Construction Industry	• United Alacrity Pte. Ltd. –Singapore (through merchant exporter)
Water Treatment Industry	• Croda Chemicals India Private Limited (ICI India Limited) • BASF Group • Clariant India Limited
Leather Industry	• BASF Limited
Agrochemical Industry	• Rashtriya Chemicals & Fertilizers Limited (RCF)
Paper Industry	• Clariant India Limited
Adhesives	• National Starch and Chemical Company • Pidilite Industries Limited

Plant & Machinery

Our Plant and Equipment resources consist of the following:

Sr. No.	Name of the Equipment	Units	Kind & Make/Suppliers	Capacity	Function
1.	SS 316 L REACTORS (With column condensor, receiver with Flame proof Motor, Gear Box)	1 2 2	S.S. ENGINEERING	5000 Ltrs 3000 Ltrs 2000 Ltrs	Polymerization/ Esterification/ Sulphonation
2.	SS 316 HIGH SPEED STIRRERS	2 2 2 2	S.S. ENGINEERING	10 HP 7.5 HP 5.0 HP 3.0 HP	Mixing and Blending
3.	SS 316 SPARKEL FILTER	1	S.S. ENGINEERING	_	Filtration
4.	LIFT	1	JAY EQUIPMENTS	1000 Kgs	Material Handling
5.	BOILER	1	VAPOUR ENGINEERING	300 K. Cal	Steam Boiler
6.	COOLING TOWER	1 1	NATIONAL COOLING TOWERS	2.5 Ton 5.0 Ton	Utilities
7.	COMPRESSOR	1	HANUMAN TRADERS	-	Utilities
8.	THERMO PAC HEATING BOILER	1	THERMAX HEATERS	2,00,000 K.Cal	
9.	D.M. PLANT	1	ION EXCHANGE INDIA LIMITED	-	
10.	45 KVA KIRLOSKAR D.G. SET	1	KIRLOSKAR	-	
11.	SINTEX STORAGE TANK	1 1 3	SINTEX	20,000 Ltrs 10,000 Ltrs 5000 Ltrs	Water Formaldehyde Octonol/ Solvent and Other Emulsifiers
12.	AERATED DETRITUS CHAMBERS WITH AIR COMPRESSORS	1	GEETANJALI CONSTRUCTION CO.	-	Water Pollution Control
13.	SCRUBBER VENTURI SYSTEMS	1	GEETANJALI CONSTRUCTION CO.	-	Air Pollution Control
14.	CHEMICAL FEED SYSTEM & FLASH MIXING SYSTEM	1	GEETANJALI CONSTRUCTION CO.	-	Water Pollution Control
15.	HYDRAULIC DRUM LIFTER	1	JAY EQUIPMENTS	-	
16.	PUMP with FLAMEPROOF MOTOR	6	CROMPTON GREAVES LIMITED	-	

17.	WATER JET CLEANER	1	KHODE ENGINEERING	-
18.	CITIZEN WEIGHING BALANCE MACHINES	5	TAPSON, CITIZEN	-
19.	VACUUM PUMPS	2	JEBISAWANT	-

Technology

Our Company is equipped with state-of-the-art technology. The Company has 2 laboratories at Mahape and keeps updating itself through its in-house Research & Development team.

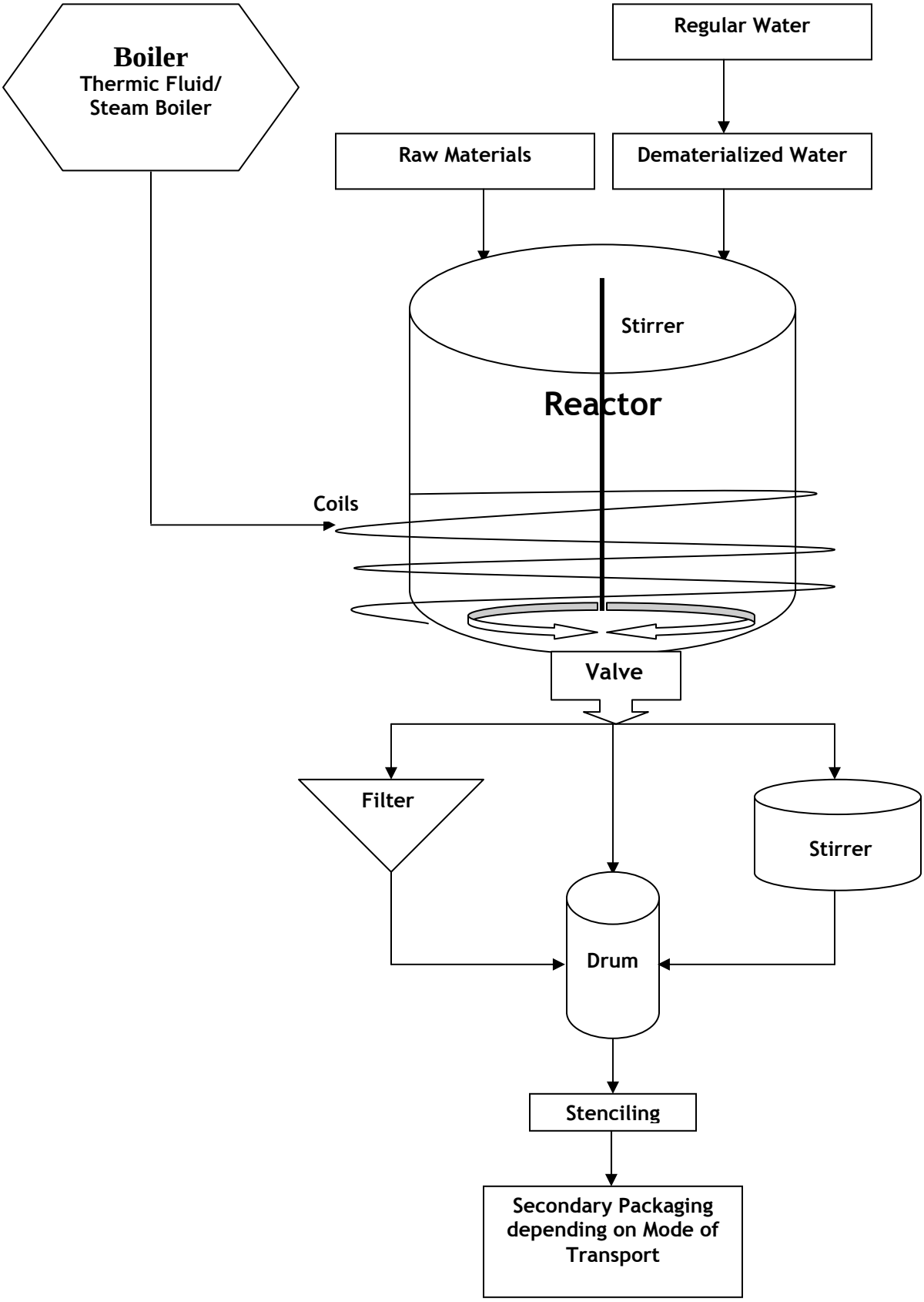
The R&D team has proven expertise in specialty chemicals. The team also focuses on technological upgradation of existing products and processes as a continuous exercise to improve our quality of our products, increase efficiencies and reduce cost. The process development for an identified product is done in step by step manner after a thorough literature survey, followed by the laboratory trials, pilot plant trials and then finally scaling it up to the plant size.

Our laboratories are equipped with equipments like Brookfields' Viscometers, Refractometers and other equipment like pilot vessels to take trial R & D batches. We have testing facilities and application equipment to perform pre-treatment, dyeing, printing and finishing trial to evaluate the product's performance.

We have not entered into any technology agreement. Our Company uses proven technology for manufacturing our products, which we intend to continue for the new Project also.

Collaborations
We have not entered into any technical or other collaboration.

Process
Specialty Chemicals and Adhesives



STEPS FOR SPECIALTY CHEMICALS

1. Water supplied by MIDC is filtered and all the impurities are removed. Sometimes, if needed, it is de-mineralized by Ion Exchange Unit.

2. This Water is charged (filled) into the Reactors. As all the products manufactured are Water Based; water plays a vital role in the manufacturing of our products.

3. The reactor is heated either by Steam Boiler or by Thermic Fluid circulating heater. The Steam or oil runs through the coils that surround the Reactor externally. The reactor is now heated to the required temperature.

4. The required Raw Materials are tested and weighed.

5. After the water is heated to the required temperature, Raw Materials (A) is charged into the Reactor through inlet pipes/funnels on the top of the Reactor. After necessary stirring and reaching desirable temperature, a sample is drawn to check for the following parameters in the laboratory:

    - pH
    - Viscosity & Solubility
    - Solid Content (Non Volatile Content)
    - Specific Customer Requirement

6. The same procedure is repeated for addition of each Raw Material (B, C, D…)

7. After the final product is made, the parameter check is repeated. Each batch of chemical production is closely monitored on quality parameters.

8. After the Finished Product is ready as per the Customer Specifications, the product is discharged through bottom valve and is filtered and directly poured into the HDPE (High Density Poly Ethylene) Drums.

9. As per certain specific requirements where a product needs to be diluted in different percentages for different customers, the product is poured into a Stirring Vessel where water or other raw materials are added and stirred till the product is blended and formulated perfectly.

10. FCL also does Toll Conversion for its customers and sends it as a final product to be marketed under the Customers name. This is usually dependant on the contracting terms.

11. Samples of the Final Products are Stored with our Company for 6 Months after Dispatch so that we can check the product even after it reaches the customer to answer customer queries. We provide product assurance for 6 months.

12. The Drums are stenciled either with Fineotex or Customer Details as per the Specifications. Other details such as Batch Number, Date of Manufacturing, Weight, Product Name, etc are also stenciled.

The process for all products is the similar only with a variation in Raw Materials, Temperature and Time duration.

The following technical processes are carried out by FCL:

Polymerization

Polymerization is a chemical reaction, usually carried out with a catalyst, heat or light, and often under pressure, in which a large number of relatively simple molecules combine to form a chain like macromolecule

Esterification

Esterification is the method to derive products from acids by the exchange of the replaceable hydrogen of the latter of an organic radical. The usual reaction is that of an acid (organic or inorganic) with an alcohol or other organic compound rich in OH groups

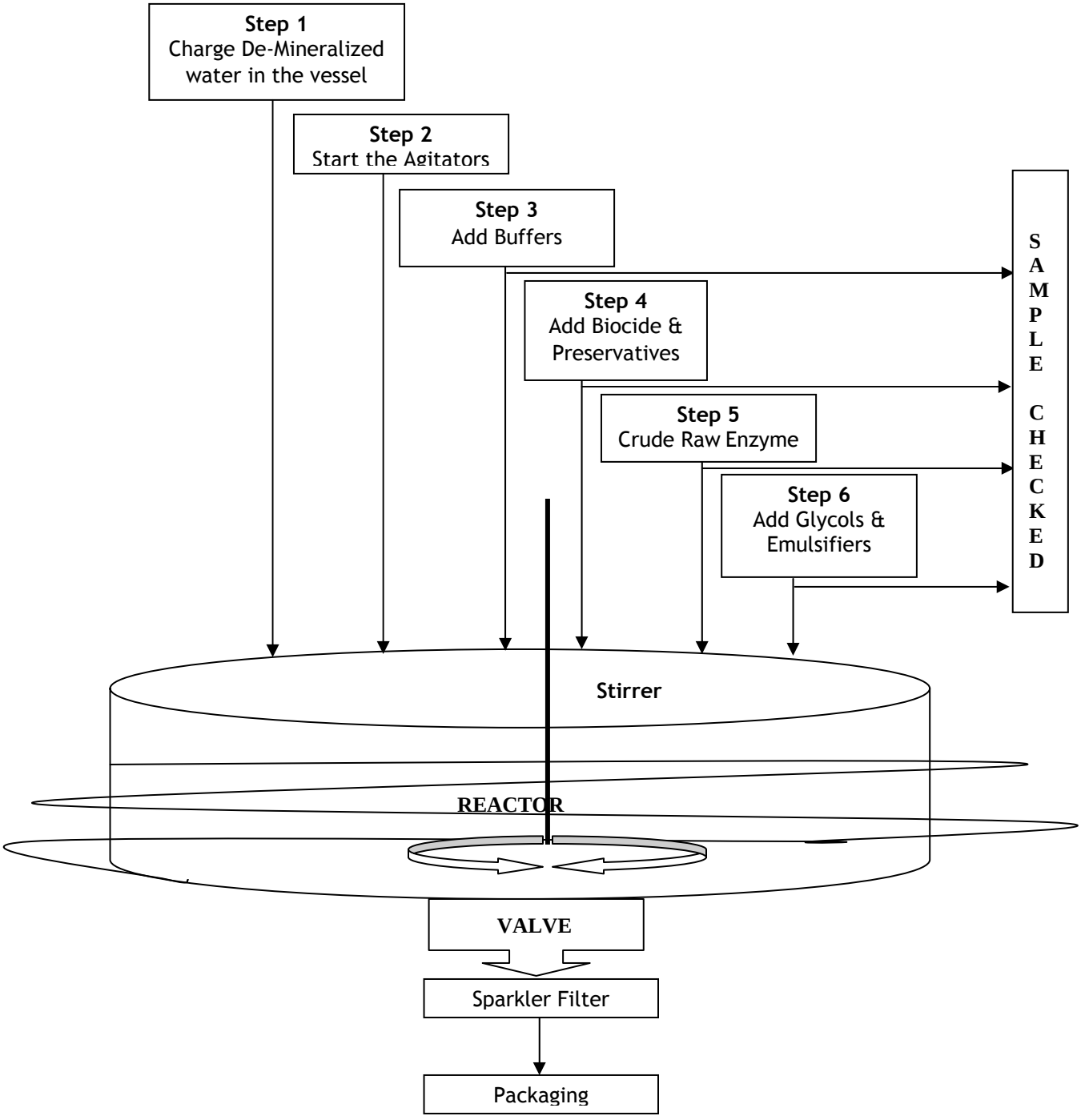
Sulphonation

Sulphation and Sulphonation are the most widely used processes for the production of synthetic anionic surface active agents derived from a wide range of synthetic and natural feed stocks.

Blending & Formulation

Blending & Formulation is uniform dispersion of liquid, semi solid or solid ingredient of a mixture by means of mechanical agitator. This may be carried out at required temperature, time duration and stirring

PROCESS FOR ENZYMES



STEPS FOR ENZYMES

1. **Charge De-Mineralized (DM) Water in the Vessel**
   FCL uses water provided by MIDC. The water is de-mineralized and charged (filled) in the vessel (reactors) for chemical formulations as per the product requirement.

2. **Start Agitator**
   The agitator is started at required RPM (Rotations Per Minute).

3. **Add Buffer**
   After the water is charged into the vessel and the agitators are started, raw materials are charged into the vessel one by one as per the product requirement.

4. **Add Biocide/ Preservative**
   Biocide and/or preservatives are added for further formulations as per the product specifications.

5. **Add Crude Raw Enzyme**
   Once the biocide and preservatives are added to the raw materials, acid cellulose is also added to the process.

6. **Add Glycols & Emulsifiers**
   Glycols and Emulsifiers are further added to the mixture.

7. **Check & Analyze Sample**
   After every stage of processing i.e. adding the buffer, biocide & preservatives, crude raw enzyme, glycols & emulsifiers, the sample of the product is checked for different parameters:
   - pH
   - Viscosity & Solubility
   - Solid Content
   - Specific Customer Requirement like Stability

   If it conforms to the production recipe, it is discharged for filteration

8. **Sparkler Filter**
   Enzymes are filtered through Sparkler Filters and transferred to packaging containers.

9. **Packing**
   The Packing is done into containers similar as for Specialty chemicals and the secondary packaging is done as per the geographical needs and Mode of Transport being used.



MACHINERY- REACTORS



CHARGING RAW MATERIALS INTO REACTORS



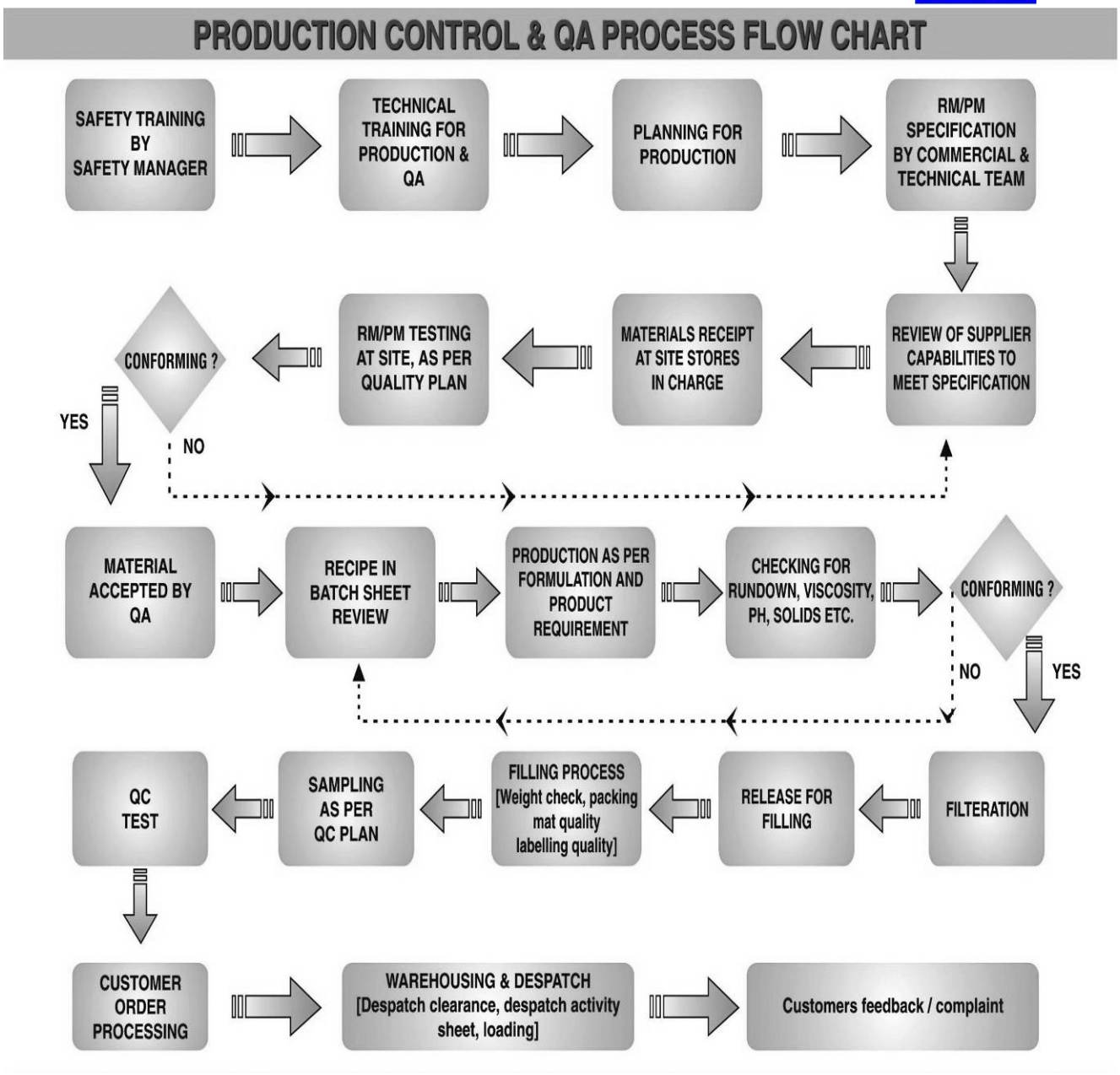
BLENDING & FORMULATION



LABORATORY



STORAGE



1. Safety Training

The workers of FCL are provided safety training at the respective plants. They are provided with the safety glasses, gloves, helmets, masks and lab coats for performing their work.

2. Technical Training for Production and QA

The working staff is trained for the chemical formulations and the use of equipment such as reactors, stirrers, boilers, etc. They are also trained to understand the ideal batch size and time required and other specifications required by each product.

3. Planning for Production

Logistics plays a very crucial role in any kind of production. Production is planned as per the priority of the existing orders, expected orders and advance order schedules given to us by customers. Accordingly, raw materials are procured, and we adjust the batches in such a way that we can ensure timely delivery of goods. Thus proper planning during this time requires utmost attention like deciding upon Batch size, Raw Material Requirements, Time for Manufacturing, Delivery Schedule etc.

4. Raw Material /Process Material specification by Commercial & Technical Team

The commercial and technical team decides raw material specifications, quantity, packaging material etc as per the finished product and customer requirement.

5. Review of the Supplier Capabilities

Suppliers are reviewed in terms of the quality of raw material provided by them, cost, proximity to the factory, Lead Time etc. Quotations and samples are called for from various suppliers. Suppliers who meet the specifications provided are selected for providing the raw materials.

6. Materials Receipt

Once the suppliers are finalized and the raw materials are ordered, arrangements are made for the receipt and storage at the site.

7. Raw Material /Process Material Testing

Raw materials are again tested on receipt as per quality plan. At FCL quality is given the top most priority. If the raw materials meet the quality specification as per the requirement they are accepted by QA. If not then there is review of the supplier capabilities and accordingly the suppliers are selected.

8. Recipe in the Batch Sheet

Once the raw materials meet the specifications and are accepted by the QA the recipe of producing the chemicals is reviewed and the production as per formulation and product requirement is carried out.

9. Checking for Rundown, Viscosity, pH, Solids etc.

At every stage of production samples of chemicals being produced are checked for rundown, viscosity, pH content, moisture content, etc. When the samples of chemicals being produced conform to the product requirements they are finally filtered and processed further if required or released directly for filling. If the samples do not conform to the product requirements then the recipe of the batch sheet i.e. product requirement is reviewed and production is carried out accordingly. This process is continued till the final product is made.

10. Filling Process

Once the chemical production process is over the product is released for filling to packaging containers. Sometimes the product is filtered through cloth or through sparkler filters. After filling into the containers the containers are passed through weight checks. Packed containers are then accordingly stenciled/ labelled as per the customer requirements, i.e. product name, batch no, manufacturing date, weight, etc.

11. Sampling as per QC Plan

After the production process is over samples of the final product are kept for a period of 6 months. This is done for quality control as a proactive step for any queries which might arise in future.

12. Customer Order Processing

After the samples are approved as per the desired specification, packaging is done as per customers order.

13. Warehousing and Dispatch

Once the packaging is done, logistics again comes into the picture as they have to draw out the dispatching schedule and load the finished products. Products to be dispatched at later date are stored in warehouses.

14. Customer's Feedback

FCL has an after sales service system. In case of any customer complaint, we recheck the samples stored and give prompt solutions to the customers.

Infrastructure Facilities

Raw Materials

Our Company uses approximately 100 raw materials for manufacturing their products. The main raw materials are as follows:

Industry	Name of Raw Material
Textiles & Garments	DICYANDIAMIDE, DIMETHYLAMINE 40%, 2 ETHYL HEXANOL, MALEIC ANHYDRIDE, ACRYLAMIDE, ORGANIC SURFACTANTS, PARA FORMALDEHYDE, ETC
Water Treatment	MALEIC ANHYDRIDE, ACRYLIC ACID
Construction	BUTYL ACRYLATE MONOMER, STYRENE MONOMER, VINYL ACETATE MONOMER, DI-BUTYL PHTHALATE, POLYVINYL ALCOHOL, NAPTHALENE SULPHONATE
Leather	DICYANDIAMIDE , PARAFORMALDEHYDE, MELAMINE, STEARIC ACID, DI ETHYLENE TRI AMINE, SILICON OIL
Fertilizer	2 ETHYL HEXANOL, MALEIC ANHYDRIDE
Enzymes	CRUDE RAW ENZYMES, GLYCOLS, EMULSIFIERS, BUFFERS, BIOCIDES/PRESERVATIVES

Indigenous sourcing is done directly from manufacturers like Godrej Industries Limited, Andhra Petroleum Limited, Travancore Titanium Products Limited, Hindustan Organic Chemical Limited etc.

The quality of the raw materials is checked in our laboratory before they are put to use.

The raw materials are stored under conducive conditions, depending upon the nature of the product. To reduce material handling damage and for easy accessibility raw material are stored and consumed in FIFO system.

The Company does not directly import any raw materials. It uses imported raw material which is availed from the domestic market.

Utilities
Our Company mainly requires the following utilities:

Power

Mahape (Unit I and Unit II)

Our Company receives power supply from Maharashtra State Electricity Board (MSEB), which is adequate to carry our manufacturing activities. We consume approximately 60.64 KVA. To ensure uninterrupted power supply we have installed a 45 Kilo Volt Ampere (KVA) DG – SET Generator. The Generator would use Light Diesel Oil (LDO) as fuel.

Proposed (Unit III)

We would receive our power supply from Maharashtra State Electricity Board (MSEB) which would be adequate to carry our manufacturing activities. We would consume approximately 93.3 KVA. To ensure uninterrupted power supply we would install a Generator (Kirloskar). The Generator would use Light Diesel Oil (LDO) as fuel.

Water

Mahape (Unit I and Unit II)

We have a continuous water supply from Maharashtra Industrial Development Corporation (MIDC). Our current requirement of water consumption is about 5361 KL/year.

Proposed (Unit III)

We would have continuous Soft water supply from Local Water Authorities. Our proposed requirement of water consumption would be around 9500 KL/year which will be sufficient for our requirements.

Fuel

Mahape (Unit I and Unit II)

Our Company does not require fuel in the manufacturing process except for running the D.G Sets. The DG Set uses Light Diesel Oil (LDO) as fuel. The requirement for diesel is met from local suppliers.

Proposed (Unit III)

The DG Sets would require fuel which will be met from local suppliers.

Manpower

Existing

Production	Finance & Accounts	Administration	Quality & Control	Marketing & Sales	Total
14	3	5	3	3	**28**

Proposed (Unit III)

Production	Finance & Accounts	Administration	Quality & Control	Marketing & Sales	Total
45	4	12	6	22	**89**

Our Proposed Manpower Requirement for our expansion plan will be met through advertisements and personal contacts.

Past Production Figures Industry wise

We manufacture over 100 products catering to various industries. The product line being highly fragmented, industry wise past production figures for the same are not available.

COMPETITION

Like any other company, our Company also faces competition from both multinationals, having a big image in the industry and organized foreign brands as well. Some of our competitor companies are FosRoc Chemicals India Limited; the BASF Group, Pidilite Industries Limited, Clariant India Limited, Huntsman International (formerly Ciba Specialty Chemicals Limited) etc. These big firms have large capital & investments which may give them an edge over our Company.

Approach to Marketing and Marketing Set-up

Our Company conducts its marketing arrangement through a strong and dedicated sales & marketing team. Mr. Surendra Kumar Tibrewala our Promoter and Managing Director has almost 3 decades of experience in this field. He has developed strong relationships with customers over the years right from Multinational Companies to big Indian Companies where Quality and timely delivery is of utmost importance.

We build long term relationships with our Customers. Our approach is 'Customer is King'. We grow with our Customers and help them to help us. Special measures are taken to ensure customer acquisition.

Some of our Marketing Strategies are:

- **Free Samples**: We provide free small samples to our customers for their testing and evaluation. This helps to build customers' confidence in our product.

- **Direct Marketing**: Through direct marketing we target few large end-user and thus increase our profit margins as the dealer/distributors chain is not present.

- **Dealer Network, Integrated wide-spread distribution network**: Good dealer network helps to provide better services and timely deliveries to end-customers meeting specific quantity requirements.

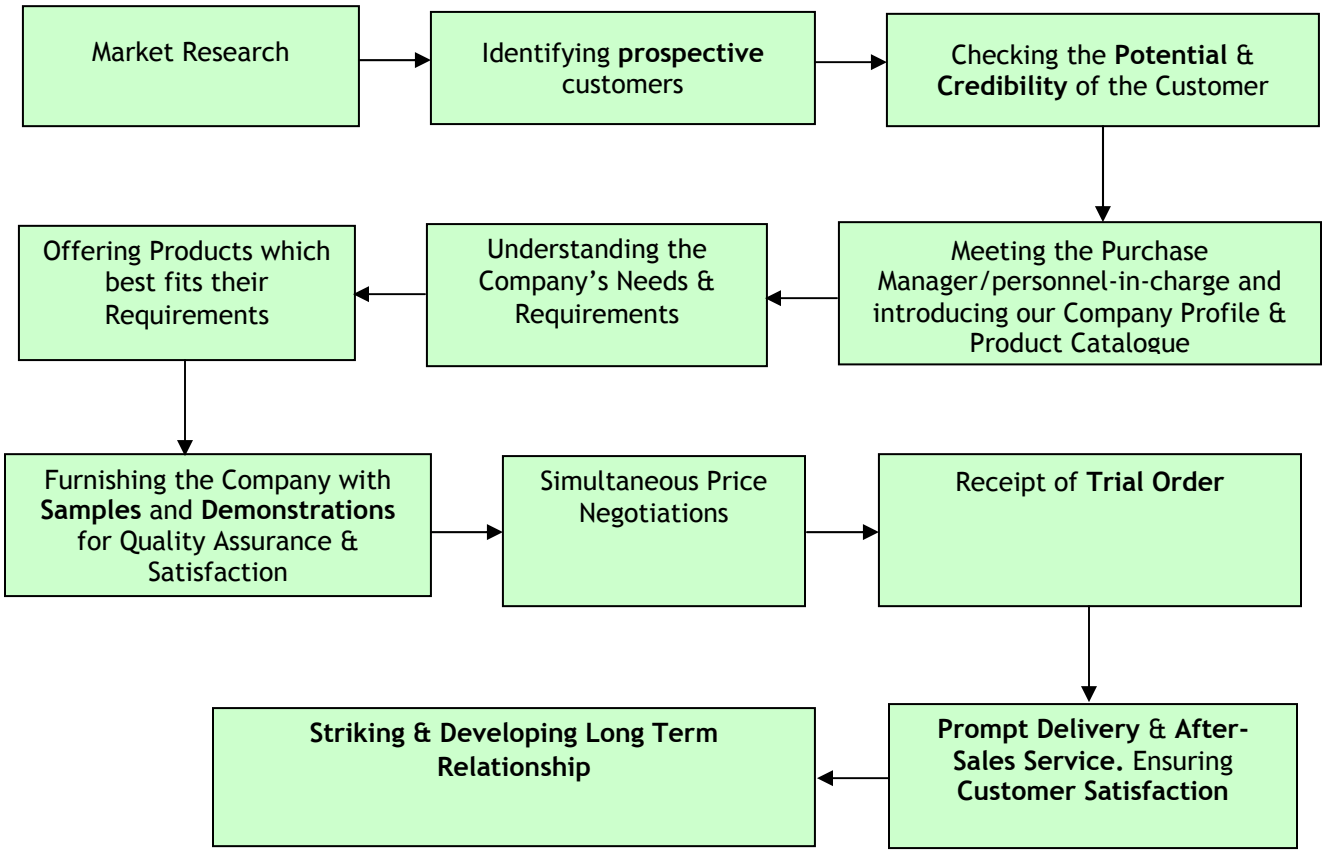
- **Demonstrations**: provide our customers with product demonstrations & comparative study of competition products. This enables them to judge our products' quality and performance to place orders with us.

- **On-site Technical Services & Troubleshooting**: We provide onsite technical services to solve our customers processing problems. We also furnish them with product specifications and technical literatures.

- **New launches- value added products & economical packages**: We offer new products to the customers which helps them to simplify processes, reduce time duration etc., which reduces the customers costing.

- **Timely Deliveries**: We follow the dispatch schedules required by the customers by keeping adequate stocks, foreseeing the monthly requirements and planning the production schedule accordingly. Moreover, our distributors maintain stocks such that the end-user requirements and urgent needs are well met with.

Customer Acquisition Process



Future Prospects

The chemical industry moves hand in hand with all other industries. It is inevitable to survive without chemicals for manufacturing different products. Today the chemical industry is a necessity for other industries to operate. Hence the scope and future Prospects of the industry is wide and long term.

Fineotex Chemical Limited produces and proposes to produce specialty chemicals for the following industries, of which the scope is given below;

Construction Industry:

The size of the construction industry in India is over $25 billion and it accounts for more than 6% of the GDP. It is also the largest employer in the country after the agriculture sector, employing almost 18 million people.

Construction Chemicals is a generic name assigned to describe a wide range of chemicals that are used in pre and post – construction stages. Construction Chemicals are used in several purposes and are performance chemicals used as an additive to concrete/mortar or as an application on masonry surfaces. These chemical modify and enhance the properties of concrete in fresh and hardened state. A large variety of formulations and chemistries are used for diverse applications during both pre and post – construction stages in order to impart special properties to concrete structures. For the sake of convenience, construction chemical market can be

segregated into, Admixtures, Flooring, Compounds, Repair & Rehab and other products Rehab and other products.

Water Treatment Industry

The water treatment industry in India, growing at more than 20%, has started making more use of membrane-based solutions.

The country's water treatment industry, pegged at around Rs 500 crore, mainly uses the traditional chemical treatment and de-mineralizing procedures. Water treatment industry is growing because of:

- Growth of the processed food market
- Changes in paper processing technology
- Worldwide trends toward water reuse
- Waste minimization
- Stricter discharge regulations
- Equipment life extension
- Productivity improvement

Textile & Garment Industry

The chemicals consumption is totaling to 8-10% on the weight of fabric/garment. This helps us to infer that the scope and demand of processing chemicals is enormous in the textile industry. With the abolition of the quota regime and opening of the Textile Industry, India has great scope in the World Textile Market as it has good quality and cost competitiveness.

Leather Industry

Indian leather industry today has attained well merited recognition in international markets besides occupying a prominent place among the top seven foreign exchange earners of the country.

Chemicals are used in leather processing from cleaning, dyeing and finishing of leather i.e.; coating, softening, improve the strength, shine, texture ,water proofing, appearance and giving the final finish for comfort wear and use.

Adhesive Industry

The adhesive industry growth is related to Wood Working, Packaging, Furniture, Paper, Sticker Industry which is on a continuous rise. There is a sudden increase in property thus increasing the need for furniture and allied industries, which in turn would lead to an increase in demand of adhesives.

Agrochemical Industry

India is the fifth leading fertilizer producer in the world after Canada, China and France. India is the fourth largest consumer of fertilizer in the world. The agro chemical industry is growing at an increasing pace, because of special support given by the government to the agricultural sector. For producing wide range of complex fertilizers, we need many chemicals and additives like Defoamers and Anticaking agents for which there is an increasing demand.

Capacity and Capacity Utilization

Products	Capacity MTPA					
	Actual			Projected		
	2004 – 05	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
Installed Capacity (MTPA)	Nil	Nil	Nil	5,000	5,000	18,250
Capacity Utilisation %	Nil	Nil	Nil	86%	96%	56.55%
Commercial Production (MTPA)	Nil	Nil	Nil	4300	4800	10250

Export Possibilities & Export Obligation

Our Company is currently indirectly exporting to various countries like Brazil, Bangladesh, Indonesia, Thailand, Bulgaria, Pakistan, Colombia, Singapore, Sri Lanka, Tanzania, etc. through Merchant Exporters and Export Houses. Our products are also being sold under our brand name in different countries. We are constantly tapping new markets to have tie ups with reputed distributors in view of long term relationship. The Company's drive is to expand its business and provide the best to many other countries of the world.

Currently, the Company does not have any export obligations.

Insurance

We maintain insurance for standard fire and special perils policy, which provides insurance cover against loss or damage by fire, explosion, burglary, theft and robbery, which we believe is in accordance with customary industry practices.

The details of our material insurance policies are as stated below:

Sr. No.	Policy Details	Name of the Company	Period Covered		Total Amount	Property Details
			From	To		
1.	Workmen's Compensation policy. Policy No. 130200/36/07/01/00000014 Dated April 20, 2007	The New India Assurance Company Limited	April 21, 2007	April 20, 2008	Sum Insured Rs. 10,00,000/- Premium Amount Rs. 20,764/-	Workers engaged in manufacturing adhesives, other chemicals, skilled, unskilled and casual workers of our factory A-699 situated at T.T.C, Industrial Area, Mahape, New Mumbai, Thane Belapur Road, Thane District, Maharashtra- 400601
2.	Workmen's Compensation policy. Policy No. 130200/36/07/01/00000094 Dated January 22, 2008	The New India Assurance Company Limited	January 22, 2008	January 21, 2009	Sum Insured Rs. 2,88,000/- Premium Amount Rs. 4789/-	Workers of our factory A- 700 situated at T.T.C, Industrial Area, Mahape, New Mumbai, Thane Belapur Road, Thane District, Maharashtra- 400601

3.	Money Insurance Policy Policy No. 130200/48/07/07/00000012 Dated April 9, 2007	The New India Assurance Company Limited	April 19, 2007	April 18, 2008	Sum Insured Rs. 20,00,000/- Premium Amount Rs. 2020/-	Money Insured : For the payment of wages, salaries and other earning or for petty cash, in personal custody of the Insured, Cash whilst on the premises during business hours or whilst secured in locked safe or locked strong room on the insured's premises out of business hours against the risk of burglary, housebreaking and hold up
4.	Burglary I.R. Policy Policy No. 130200/46/07/04/00000003 Dated April 2, 2007	The New India Assurance Company Limited	April 18, 2007	April 17, 2008	Sum Insured Rs. 50,000/- Premium Amount Rs. 842/-	Cash in Till/Counter Lock/Drawer/Cupboard of our premises A-699 and A-700 situated at T.T.C, Industrial Area, Mahape, New Mumbai, Thane Belapur Road, Thane District, Maharashtra- 400601
5.	Standard Fire and Special Perils Policy Policy No. 130200/11/07/11/00000416 Dated January 22, 2008	The New India Assurance Company Limited	January 23, 2008	January 22, 2009	Sum Insured Rs. 2,28,000/- Premium Amount Rs. 116/-.	Office Premises, 42/43, Manorama Chambers, S.V.Road, Bandra (w), Mumbai – 400050
6.	Standard Fire and Special Perils Policy Policy No. 130200/11/07/11/00000419 Dated January 22, 2008	The New India Assurance Company Limited	January 23, 2008	January 22, 2009	Sum Insured Rs. 16,05,000/- Premium Amount Rs. 811/-.	Office Premises, furniture, fixtures, and fittings, equipments and other contents Insured premises at 43, Manorama Chambers, S.V.Road, Bandra (w), Mumbai – 400050
7.	Standard Fire and Special Perils Policy Policy No. 130200/11/07/11/00000418 Dated January 22, 2008	The New India Assurance Company Limited	January 23, 2008	January 22, 2009	Sum Insured Rs. 13,95,000/- Premium Amount Rs. 706/-.	Office Premises, furniture, fixtures, and fittings, equipments and other contents Insured premises at 42, Manorama Chambers, S.V.Road, Bandra (w), Mumbai – 400050
8.	Standard Fire and Special Perils Policy Policy No. 130200/11/07/11/00000398 Dated January 1, 2008	The New India Assurance Company Limited	January 6, 2008	January 5, 2009	Sum Insured Rs. 1,91,00,000/- Premium Amount Rs. 45, 598.	Factory Building, Machinery/Electrical Installations, Stock. Insured Premises at A-699 and A-700 ,T.T.C, Industrial Area, Mahape, New Mumbai, Thane Belapur Road,

						Thane District, Maharashtra- 400601
9.	Standard Fire and Special Perils Policy Policy No. 130200/11/07/11/00000397 Dated January 1, 2008	The New India Assurance Company Limited	January 6, 2008	January 5, 2009	Sum Insured Rs. 8,00,000/- Premium Amount Rs. 2562/-	Factory Building including Plinth and Foundation Insured Premises at A-700 ,T.T.C, Industrial Area, Mahape, New Mumbai, Thane Belapur Road, Thane District, Maharashtra- 400601
OTHERS						
10.	Private Car Insurance Package Policy No. 0150022404 02 Dated October 22, 2007	Tata AIG General Insurance Company	October 27, 2007	October 26, 2008	Sum Insured Rs. 17,19,680 Premium Amount Rs. 21,317	Vehicle and non electrical accessories Vehicle Insured: Mercedes Benz

Intellectual Property

Our Company relies on trademarks and copyrights, to help establish and preserve limited proprietary protection for our products. Our Company has one registered trademark and five trademark applications in process. These trademarks are used to establish brand recognition and distinction in our markets.

Our Company currently has the following intellectual property rights for our business**:**

Trademarks

1. Certificate of Registration of Trade Mark dated March 22, 2006 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark “Fineotex” in Class 01, applied on March 10, 2003 and bearing no. 1181971.

We have filed the application for the following trademarks:

1. Application bearing no. 1608590 dated October 5, 2007 to the Trade Marks Registry, for registration of our logo “FCL” under Class 01 of The Trade Marks Act, 1999.

2. Application bearing no. 1444501 dated June 22, 2006 to the Trade Marks Registry, for registration of our mark “Finocon” under Class 01 of The Trade Marks Act, 1999.

3. Application bearing no. 1444498 dated June 12, 2006 to the Trade Marks Registry, for registration of our mark “Fineocoll” under Class 01 of The Trade Marks Act, 1999.

4. Application bearing no. 1444499 dated June 9, 2006 to the Trade Marks Registry, for registration of our mark “Finox” under Class 01 of The Trade Marks Act, 1999.

5. Application bearing no. 1444500 dated June 9, 2006 to the Trade Marks Registry, for registration of our mark “Finofix” under Class 01 of The Trade Marks Act, 1999.

We conduct our business under the trademark "Fineotex". We have acquired rights for using the trademark "Fineotex”, amongst other trademarks, in respect of the activities carried on by our Company, through a Deed of Assignment of Trademark with related goodwill dated June 19, 2007 at a value of Rupee 1/-, from the proprietorship concern M/s Fineotex Chemical Industries of Mr. Surendra Kumar Tibrewala.

The details of the trademarks assigned to our Company, with the related goodwill, through the Deed of Assignment dated June 19, 2007, are as follows:

	Trade Mark	Application Number	Date of Application	Authority/Governing Act	Class
1.	Fineotex ®	1181971	March 10, 2003	Trade Mark Act, 1999	01
2.	Finocon	1444501	June 22, 2006	Trade Mark Act, 1999	01
3.	Fineocoll	1444498	June 12, 2006	Trade Mark Act, 1999	01
4.	Finofix	1444500	June 9, 2006	Trade Mark Act, 1999	01
5.	Finox	1444499	June 9, 2006	Trade Mark Act, 1999	01

Property

Details of immovable property occupied by Our Company

Leasehold Property:

Sr. No.	Details of Agreement	Address	Consideration (In Rs.)	Type of Property/Purpose	Registration and Stamp Duty	Tenure
1.	Agreement dated April 23, 1999 between Maharashtra Industrial Development Corporation (MIDC), (Owner/Builder) and Mr. Surendra Kumar Tibrewala proprietor of M/s Fineotex Chemical Industries ("Purchaser") (Pursuant to Business takeover, Fineotex Chemical Industries is now Fineotex Chemical Limited)	Area of 600 square meters, Plot A-699, TTC Industrial Area, Mahape, New Mumbai, Thane Belapur Road, Thane District, Maharashtra – 400601	Rs.2,70,000/- originally	Leased Property/Existing Factory	Registered with Regional Officer, MIDC, Mahape Region Rs. 32,400/- stamped	95 years with effect from September 1, 1992
2.	Agreement dated May 28,	Area 970 Square Feet at	Monthly rent of Rs. 40,000/-	Leased property/	Registered with the Sub-	2 years from

	2007 between Mrs. Kanaklata Tibrewala ("Licensor") and Fineotex Chemical Private Limited ("Licensee")	43, Manorama Chambers, 4th Floor, S.V.Road, Bandra(W), Mumbai – 400050	Advance rent for three months of Rs. 1,20,000/- Interest free refundable security deposit of Rs.1,20,00,000	Registered Office	Registrar, Andheri no.3, Mumbai Suburban District (Bandra) Rs. 20,000/- stamped	June1, 2007 to May 31, 2009.
3.	Agreement dated June 29, 2007 between Mrs. Kanaklata Tibrewala ("Licensor") and Fineotex Chemical Private Limited ("Licensee")	Area 3000 square feet at A-700, TTC Industrial Area, Mahape, New Mumbai, Thane Belapur Road, Thane District, Maharashtra – 400601	Monthly rent of Rs. 25,000/- Advance rent for three months of Rs. 75,000/- Interest free refundable security deposit of Rs. 75,00,000/-	Leased property/Existing factory	Rs. 4,000/- stamped.	1 year from June 1, 2007 to May 31, 2008

Rent Free Property:

Sr. No.	Details	Address	Consideration	Type of Property/Purpose
1.	Undertaking dated January 22, 2004 between Mr. Surendra Kumar Tibrewala and M/s Fineotex Chemical Private Limited	Area 781 square feet at 42, Manorama Chambers, 4th Floor, S.V.Road, Bandra(W), Mumbai – 400050.	Rent free	Rent free property/Registered office

KEY INDUSTRY REGULATIONS AND POLICIES

There are no specific laws in India governing the chemical manufacturing industry in India. The significant legislations and regulations that generally govern this industry in India are acts such as the Income Tax Act, 1961, Factories Act, 1948, Employees State Insurance Act, 1948, Bombay Shops and Establishment Act, 1948, Employees Provident Fund and Miscellaneous Act 1952, Environment Protection Act, 1986, Air (Prevention and Control of Pollution) Act 1981, Water (Prevention and Control of Pollution) Act 1974, Hazardous Waste (Management and Handling) Rules, 1989, Contract Labour (Regulation and Abolition Act), 1970, Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 and such other acts as applicable.

OUR HISTORY AND CERTAIN CORPORATE MATTERS

Fineotex Chemical Limited (FCL) was incorporated as a private limited Company under The Companies Act 1956, on January 30, 2004 in the State of Maharashtra and its constitution was changed to a public limited Company vide a new Certificate of Incorporation dated October 19, 2007. Promoted by the members of the Tibrewala family, our Company is in the business of Manufacturing Specialty chemicals and enzymes. The Registered office of our Company is 42 & 43 Manorama Chambers, S.V. Road, Bandra West Mumbai 400 050.

We manufacture Specialty chemicals consumed by Textile and Garment industry, Leather, Construction, Adhesives Paper, Water Treatment, Agrochemicals, Paint and other industries. Our Company's existing plant is located at A - 699 and A - 700, TTC Industrial Area, Mahape, Navi Mumbai, District Thane.

Fineotex Chemical Industries, a proprietorship concern of Mr. Surendra Kumar Tibrewala was set up in the year 1995 at Mahape, MIDC in Navi Mumbai. Fineotex Chemical Industries was engaged in the manufacturing of specialty chemicals for Textile & Garment Industry (right from Pre-treatment Chemicals to finishing products), Leather Industry, Agrochemical Industry, Paper Industry, Paint Industry, Construction chemicals, Wood and Sticker Industry etc. It also manufactured various value added specialty chemicals and enzymes.

Our Company acquired the business of Fineotex Chemical Industries by executing the Deed of Assignment dated April 1, 2007 for a lump sum consideration of Rs. 3.00 Crore only and acquired all Assets and Liabilities related to the business. The Proprietor of Fineotex Chemical Industries received 30, 00,000 Equity shares of Rs. 10 each of Fineotex Chemical Limited.

Our products have an established international market in countries like Bangladesh, Indonesia, Bulgaria, Pakistan, Colombia, Singapore, etc. Also, our products are sold in Indian cities like Mumbai, Ahmedabad, Bhilwara, Delhi, Ludhiana, Tirpur, Karur, Bangalore, etc.

We propose to set up a manufacturing facility for the production of Specialty Chemicals and Enzymes with a capacity of 13,125 MT/annum in and around Khopoli in Maharashtra and to set up a Sales Office at Mumbai.

Setting up this project would be a step towards expansion of current business i.e. manufacturing of Specialty Chemicals and Enzymes for Construction, Textile & Garments, Leather and Water Treatment Industry. This expansion would help us tap the potential of the increasing demand of the specialty chemicals in the above industries.

Our Milestones

Sr. No.	Major Events	Year
1.	Incorporation of Fineotex Chemical Industries (FCI)	1995
2.	FCI received ISO 9001:2000 from JAS-ANZ Certification*	2003
3.	Registered Trademark for 'FINEOTEX'	2003
4.	Incorporation of Fineotex Chemical Private Limited	2004
5.	Acquisition of business of Fineotex Chemical Industries by Fineotex Chemical Limited	2007
6.	Converted to Public Company	2007
7.	Sanction of Term Loan from Indian Bank	2007

* Fineotex Chemical Industries

Changes in the Registered Office of our Company

There has been no change in the Registered Office of our Company since inception.

Changes in the Memorandum of Association of our Company

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company, after approval of the Members:

Increase in the Authorised Equity Share Capital

Sr. No.	Particulars of Increase/ Modification	Number of Shares	Face Value (Rs.)	Date of Meeting,	Type of Meeting
1	On Incorporation	50,000	10	Incorporation	-
2	Increase from Rs. 5,00,000 to Rs. 5,00,00,000	50,00,000	10	March 28, 2007	EGM
3	Increase from Rs. 5,00,00,000 to Rs. 8,00,00,000	80,00,000	10	April 20, 2007	EGM
4.	Increase from Rs. 8,00,00,000 to Rs. 13,00,00,000	1,30,00,000	10	December 24, 2007	EGM

Change in the Name of our Company

Our Company was incorporated as 'Fineotex Chemical Private Limited' under the provisions of the Companies Act, 1956 pursuant to a Certificate of Incorporation dated January 30, 2004. Subsequently our Company was converted into public limited Company and our Company name was changed from Fineotex Chemical Private Limited to Fineotex Chemical Limited vide the new Certificate of Incorporation dated October 19, 2007.

Our Main Objects:

The main objects of our Company as stated in the Memorandum of Association are:

1) To carry on the business of manufacturers, exporters, importers, traders, stockiest, suppliers, commission agents, indenters, manufacturer's representatives or in any other capacity in India and abroad, of and dealers in chemicals, chemical compounds (organic and inorganic) in all forms, and chemical products of any nature and kind whatsoever, and all by-products and joint products thereof, such as acids, alkalies, petro-chemicals, chemical compounds, and chemicals of all kinds (solid, liquid and gaseous), drugs, pharmaceuticals, antibiotics, tannins, tannin extracts, essences, solvents, dyestuffs, intermediates, textile auxiliaries, cellophances, colours, dyes, paints, varnishes, vat and other organic dyestuffs, chemical auxiliaries, disinfectants, insecticides, fungicides, deodorants, biochemical and pharmaceutical, medicinal, sizing, bleaching, photographical and other preparations and articles.

2) To carry on business as chemical engineers & analytical chemists & to manufacture, sale, trade, import, export, deal in all types of machineries required for textile printings, finishing's, dyeing & all types of chemical & lab equipments.

Subsidiaries of Our Company
Our Company does not have any subsidiary Company.

Shareholders' Agreement

Our Company does not have any Shareholders Agreements.

Other Agreements
We have entered into the following non-compete agreements with promoter companies, details of which are as follows:

1. Non-compete agreement between our Company and Proton Biochem Private Limited ("PBPL")
Our company has entered into a Non-Compete Agreement ("the said Agreement") dated February 4, 2008 with Proton Biochem Private Limited(our Company and PBPL collectively referred to as the **"parties"**), whereby it has been agreed between the parties that with effect from the date of Agreement, PBPL shall not within the Territory whether directly or indirectly through its Affiliate(s), either on its own behalf or on behalf of any person firm or corporation competing or endeavoring to compete with FCL directly or indirectly, solicit or endeavor to solicit or obtain the customer of any person, firm or corporation that is a customer of FCL. However, PBPL will continue to carry on the activities which it was engaged into, till the date of this agreement. PBPL undertakes that, henceforth it will not carry on any job work for any party other than FCL without its prior written approval.

2. Non-compete agreement between our Company and Kamal Chemicals Private Limited ("KCPL")
Our company has entered into a Non-Compete Agreement ("the said Agreement") dated February 4, 2008 with Kamal Chemicals Private Limited (our Company and KCPL collectively referred to as the **"parties"**), whereby it has been agreed between the parties that with effect from the date of Agreement, KCPL shall not within the Territory whether directly or indirectly through its Affiliate(s), either on its own behalf or on behalf of any person firm or corporation competing or endeavoring to compete with FCL directly or indirectly, solicit or endeavor to solicit or obtain the customer of any person, firm or corporation that is a customer of FCL. However, KCPL will continue to carry on the activities which it was engaged into, till the date of this agreement. KCPL undertakes that, henceforth it will not carry on any job work for any party other than FCL without its prior written approval.

Strategic Partners
Our Company does not have any Strategic Partners.

Financial Partners
Our Company does not have any Financial Partners.

OUR MANAGEMENT

Board of Directors

Board of Directors comprising five directors currently manages our Company. Mr. Surendra Kumar Tibrewala is our Chairman & Managing Director and is in-charge of the overall management of our Company subject to the supervision and control of the Board. He is ably supported by professional and technically qualified team of executives.

The following table sets forth the details regarding our Board of Directors as on the date of filing of this Draft Prospectus with SEBI:

Sr. No.	Name, Age, Fathers Name, Designation, Status, DIN, Address & Occupation of Director	Nationality	Other Directorships	Date of Appointment & Term of Directorship
1)	Mr. Surendra Kumar Tibrewala (51years) S/o Mr. Deviprasad R. Tibrewala Chairman & Managing Director Executive & Non Independent DIN: 00218394 42/43, Valencia, 11, Juhu Tara Road, Juhu, Mumbai - 400 049 Maharashtra Business	Indian	▪ Kamal Chemicals Private Limited	Appointed as Director on January 16, 2004 and Managing Director since June 25, 2007 for a period of five years.
2)	Mr. Sanjay S. Tibrewala (26 years) S/o Mr. Surendra Kumar Tibrewala Whole-time Director Executive & Non Independent DIN: 00218525 42/43, Valencia, 11, Juhu Tara Road, Juhu, Mumbai - 400 049 Maharashtra Business	Indian	▪ Proton Biochem Private Limited	Appointed as Director on January 16, 2004 and Whole-time Director since June 25, 2007 for a period of five years.
3)	Mr. Anand Agarwal (46 years) S/o Mr. Hariprasad Agarwal Non Executive & Independent DIN: 00605748 206 Rajshila, 597 J.S.S. Road, Chirabazar, Mumbai – 400 002 Maharashtra Professional	Indian	▪ Gremach Infrastructure Equipments & Projects Limited ▪ Comfort Intech Limited ▪ Shubham Commerce Private Limited ▪ Nana Fintrade Services Private Limited	Appointed on July 30, 2007. To retire by rotation.
4)	Mr. Umesh Gala (43 years)	Indian	▪ Multi Arc India	Appointed on

Sr. No.	Name, Age, Fathers Name, Designation, Status, DIN, Address & Occupation of Director	Nationality	Other Directorships	Date of Appointment & Term of Directorship
	S/o Mr. Khimji Gala Non Executive & Independent DIN: 00016119 801, Satya Sadan, 295, Bhimani Street, Matunga C.R. Mumbai - 400 019 Professional		Limited ▪ Paradigm ESOP Consultants Private Limited ▪ Paradigm Business Solutions Private Limited ▪ Ajmani Network Marketing Private Limited	November 21, 2007. To retire by rotation.
5)	Mr. Manmohan Mehta (39 years) S/o Mr. Ranjitsingh Mehta Non Executive & Independent DIN: 00391964 102, A wing, Oberoi Garden Building, Thakur Village, Kandivali (E), Mumbai – 400 101 Business	Indian	▪ Nalin Syntex Private Limited ▪ Mehta Syntex Private Limited ▪ Mars Farmland & Consultancy Private Limited	Appointed on December 31, 2007. To retire by rotation

Brief Profile of Our Board of Directors

Mr. Surendra Kumar Tibrewala, aged 51 years is the Chairman and Managing Director of our Company. He is a Commerce graduate from R. A. Poddar College of Commerce and Economics from Mumbai University and a Law graduate from Government Law College by qualification. He has started his career at the age of 20 in the Specialty Chemical Industry and has almost 3 decades of experience in this segment. In 1994 he started his proprietorship concern Fineotex Chemical Industries (FCI) and has been into manufacturing Specialty Chemicals and Enzymes for various industries namely Textiles & Garments, Construction, Water Treatment, Leather, Paper, Paint, Adhesives etc.

As the Chairman & Managing Director, he is actively involved in the day to day affairs of our Company and in strategic decision making.

Mr. Sanjay S. Tibrewala, aged 26 years is the Whole-time director of our Company. He is a Commerce Graduate from Narsee Monjee College of Commerce and Economics from Mumbai University. He is a Post Graduate, having specialized in Textile Processing and Chemicals from Sasmira University, Mumbai. His experience and dynamic nature has facilitated the Company to venture into indirect exports and segments like Construction Chemicals, Adhesives & Enzymes which are a new branch in specialty chemicals, making the Company more integrated in nature.

Mr. Anand Agarwal, aged 46 years is a Non Executive and Independent Director of our Company. He is a Commerce Graduate and is also a Qualified Chartered Accountant, FCA and AICWA. He has acquired experience in various Industries for over Two Decades has given him insight of various industries and their operations. His Knowledge in the field of finance has helped our Company in making critical financial decisions. Presently, he is the Chairman of the Audit Committee of our Company.

Mr. Umesh Gala, aged 43 years is a Non Executive and Independent Director of our Company. He is a Commerce Graduate and a Chartered Accountant by qualification. He has over two decades of experience in the field of Accountancy, Taxation Laws, Company Law, FEMA, International Taxation, Corporate Finance and designing ESOP Schemes for Companies. His knowledge has helped our company in making strategic decisions.

Mr. Manmohan Mehta, aged 39 years is a Non Executive and Independent Director of our Company. He is a Commerce Graduate by qualification. He has acquired experience in various Industries for over 15 years. His Knowledge in the field of Law and Business will help our Company in making strategic decisions. Presently, he is the Chairman of the Remuneration Committee of our Company.

Borrowing Powers of the Board

The Board of Directors of our Company has power to borrow up to Rs. 25 Crores as per the members' resolution passed in the AGM of our Company held on August 17, 2007. The extract of the resolution of our Company authorizing the Board's borrowing powers is reproduced:

"RESOLVED THAT in super session of all previous resolution(s) and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act , 1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Board of directors of the Company (herein after referred to as the 'Board', which expression shall also include a Committee thereof) be and is here by authorized to borrow from time to time, any sum or sums of money from any person(s) or bodies corporate including its holding Company, on such terms and condition as it may deem fit for the purpose for the companies business not withstanding that the monies so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not, at any time, exceed Rs. 25 Crore (Twenty Five Crore only) outstanding at any time.

COMPENSATION TO MANAGING DIRECTORS/WHOLE-TIME DIRECTORS

We confirm that the borrowing powers of Directors are in compliance with the relevant provisions of Companies Act 1956.

Mr. Surendra Kumar Tibrewala, Chairman and Managing Director

The remuneration of our Chairman and Managing Director, Mr. Surendra Kumar Tibrewala as per resolution passed in the Meeting of the Board of Directors held on June 25, 2007 is detailed hereunder:

Salary:	Salary Rs.1, 25,000 per month.
Consolidated Allowance:	1% of the profit subject to a maximum of the yearly basic salary
Perquisites:	Perquisites are classified into three categories – A, B and C.

CATEGORY A

a) House Rent Allowance not exceeding 60% of the Basic Salary
b) Medical Benefits: Re-imbursement of medical expenses incurred by him, his wife and dependent children subject to a ceiling of one month's basic salary in a year. Medical Insurance under the "Medicare" Scheme under the Rules of the Company.

c) Leave Travel Concession: For self, wife and dependent children subject to a ceiling of Rs. 75000/- per annum.
d) Club Fees: Subscription of one club, which will not include admission and Life Membership Fees.
e) Membership of one Professional Body: Membership fees to be paid annually for one professional body.

CATEGORY B

a) Contribution to Provident Fund/ Superannuation/ Annuity Fund: in accordance with the Rules of the Company in force from time to time.
b) Gratuity: As per rules of the Company in force from time to time but not exceeding the limits as mentioned in the Payment of Gratuity Act.
c) Earned Privilege Leave on full pay and allowance as per rules of the Company. Leave accumulated but not availed of will be allowed to be encashed at the time of his retirement as per rules of the Company.

CATEGORY C

a) Car: Use of Company's car for business purpose.
b) Telephone: Provided by the Company at the residence but all personal long distance calls will be billed by the Company to him.

OTHER BENEFITS

Mr. Surendra Kumar Tibrewala shall also be entitled to reimbursement of expenses actually incurred for the business of the Company. Subject to the applicable provisions of the Companies Act, 1956 he is eligible for Housing Loan in accordance with the Rules of the Company.

Mr. Sanjay S. Tibrewala, Whole-time Director

The remuneration of our Whole-time Director, Mr. Sanjay S. Tibrewala is as per resolution passed in the Meeting of the Board of Directors held on June 25, 2007 is detailed hereunder:

Salary: Salary Rs. 75,000 per month.

Consolidated Allowance: 1% of the profit subject to a maximum of the yearly basic salary

Perquisites: Perquisites are classified into three categories – A, B and C.

CATEGORY A

a) House Rent Allowance not exceeding 60% of the Basic Salary
b) Medical Benefits: Re-imbursement of medical expenses incurred by him, his wife and dependent children subject to a ceiling of one month's basic salary in a year. Medical Insurance under the "Medicare" Scheme under the Rules of the Company.
c) Leave Travel Concession: For self, wife and dependent children subject to a ceiling of Rs. 75000/- per annum.
d) Club Fees: Subscription of one club, which will not include admission and Life Membership Fees.
e) Membership of Professional Body: Membership fees to be paid annually for one professional body.

CATEGORY B

a) Contribution to Provident Fund/ Superannuation/ Annuity Fund: in accordance with the Rules of the Company in force from time to time.
b) Gratuity: As per rules of the Company in force from time to time but not exceeding the limits as mentioned in the Payment of Gratuity Act.
c) Earned Privilege Leave on full pay and allowance as per rules of the Company. Leave accumulated but not availed of will be allowed to be encashed at the time of his retirement as per rules of the Company.

CATEGORY C

c) Car: Use of Company's car for business purpose.
d) Telephone: Provided by the Company at the residence but all personal long distance calls will be billed by the Company to him.

OTHER BENEFITS

Mr. Sanjay S. Tibrewala shall also be entitled to reimbursement of expenses actually incurred for the business of the Company. Subject to the applicable provisions of the Companies Act, 1956 he is eligible for Housing Loan in accordance with the Rules of the Company.

Corporate Governance

The provisions of the Listing Agreement to be entered into with BSE and NSE with respect to Corporate Governance and the SEBI Guidelines in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges.

Our Company has taken necessary steps to implement the provisions of the Corporate Governance. The constitution of our Board of Directors is in compliance with the said provisions and it has the necessary committees in place in compliance with the said provisions:

a) Audit Committee
b) Shareholders/Investor Grievance Committee
c) Remuneration Committee

COMPOSITION OF BOARD OF DIRECTORS

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has Five Directors out of which three are independent directors in accordance with the requirement of clause 49 of the listing agreement of the stock exchanges.

BOARD STRUCTURE

Name & Designation	Nature of Directorship
Mr. Surendra Kumar Tibrewala Chairman & Managing Director	Executive & Non Independent (Promoter Director)
Mr. Sanjay S. Tibrewala Whole Time Director	Executive & Non Independent (Promoter Director)
Mr. Anand Agarwal Director	Non-Executive & Independent
Mr. Umesh Gala Director	Non-Executive & Independent

Mr. Manmohan Mehta Director	Non-Executive & Independent

Note: as per the Corporate Governance requirements of Clause 49 of the Listing Agreement, if the Chairman of the Board is executive Director then, at least half of the Board should be independent. We have total five directors out of which three are independent Directors.

AUDIT COMMITTEE

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act. The constitution of the Audit Committee was approved at the Meeting of the Board of Directors held on November 21, 2007.

The terms of reference of Audit Committee complies with the requirements of Clause 49 of the listing agreement, which will be entered into with the Stock Exchange in due course. The committee consists of two non-executive and independent directors and one Executive and Non-Independent Director.

Sr. No.	Name of the Director	Designation	Nature of Directorship
1)	Mr. Anand Agarwal	Chairman	Non Executive & Independent
2)	Mr. Umesh Gala	Member	Non Executive & Independent
3)	Mr. Sanjay S. Tibrewala	Member	Executive & Non Independent

Our Company Secretary, Mr. Abhay V. Nerurkar is the Secretary of the Committee.

The Terms of reference of the Audit Committee are given below:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
d) Appointment, removal and terms of remuneration of internal auditors.
e) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to the financial statements;
    - Disclosure of any related party transactions;
    - Qualifications in the draft audit report.

f) Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
g) To monitor the proceeds of the proposed initial public offering of the Company
h) Monitoring the use of the proceeds of the proposed initial public offering of the Company.
i) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

j) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
k) Discussions with internal auditors on any significant findings and follow up thereon.
l) Reviewing internal audit reports and adequacy of the internal control systems.
m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
n) Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
o) Discussion with internal auditors any significant findings and follow up there on.
p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
s) To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
t) Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

SHAREHOLDERS/ INVESTOR GRIEVANCE COMMITTEE

Our Company has constituted a Shareholders/Investor Grievance Committee. The constitution of the Shareholders/ Investor Grievance Committee was approved by a Meeting of the Board of Directors held on November 21, 2007. The committee consists of two non-executive and independent directors and one Executive and Non- Independent Director.

Sr. No.	Name of the Director	Designation	Nature of Directorship
1)	Mr. Anand Agarwal	Chairman	Non Executive & Independent
2)	Mr. Umesh Gala	Member	Non Executive & Independent
3)	Mr. Sanjay S. Tibrewala	Member	Executive & Non Independent

Our Company Secretary, Mr. Abhay V. Nerurkar is the Secretary of the Committee.

The terms of reference of the Shareholders/Investors Grievance Committee are as follows:

a) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
b) To look after matters relating to dematerialization and re-materialization of shares.
c) Redressal of shareholder and investor complaints like transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
d) Issue of duplicate / split / consolidated share certificates;
e) Allotment and listing of shares;
f) Review of cases for refusal of transfer / transmission of shares and debentures;
g) Reference to statutory and regulatory authorities regarding investor grievances;
h) And to otherwise ensure proper and timely attendance and redressal of investor queries and grievances.

REMUNERATION COMMITTEE

Our Company has constituted a Remuneration Committee. The constitution of the Remuneration Committee was approved by a Meeting of the Board of Directors held on December 31, 2007. The committee consists of all three Non-executive Independent Directors.

Sr. No.	Name of the Director	Designation	Nature of Directorship
1.	Mr. Manmohan Mehta	Chairman	Non Executive & Independent
2.	Mr. Umesh Gala	Member	Non Executive & Independent
3.	Mr. Anand Agarwal	Member	Non Executive & Independent

Our Company Secretary, Mr. Abhay V. Nerurkar is the Secretary of the Committee.

The terms of reference of the Remuneration Committee are as follows:

i. To recommend to the Board, the remuneration packages of the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
ii. To be authorized at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's Managing/ Joint Managing/ Deputy Managing/ Whole time/ Executive Directors, including pension rights and any compensation payment;
iii. To implement, supervise and administer any share or stock option scheme of the Company.

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchanges. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Mr. Hitesh Bhadra, Vice President (Finance & Accounts) is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

Code of Conduct for Directors & Senior Management Personnel

Our Board of Directors have approved and adopted the Code of Conduct for Directors and Senior Management Personnel in view of the proposed public issue. The code of conduct is available on website of our Company.

Shareholding of Directors including qualification shares, if any

As per the Article of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. The following table details the shareholding of our Directors in their personal capacity and either as sole or first holder, as at the date of this Draft Prospectus.

Name of the Director	No. of Shares	% of Pre-Issue Paid-up Share Capital
Mr. Surendra Kumar Tibrewala*	60,79,050	86.61%
Mr. Sanjay S. Tibrewala	2,06,150	2.94%

Mr. Anand Agarwal	--	--
Mr. Umesh Gala	--	--
Mr. Manmohan Mehta	--	--

*Mr. Surendra Kumar Tibrewala holds 59, 94,500 shares in individual capacity and holds 84,550 shares as Karta of Surendra Kumar Tibrewala (HUF).

Interest of Directors

Except as stated in the 'Related Party Disclosures' beginning on page [●] of this Draft Prospectus, all our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them in accordance with the provisions of the Companies Act and in terms of the Articles.

The Directors may also be regarded as interested in the shares, if any, held by them or that may be subscribed by and allotted/transferred to the companies, firms and trusts and other entities in which they are interested as Directors, members, partners and/or trustees or otherwise as also any benefits, monetary or otherwise derived there from. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Interest as to Property

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

Directors Remuneration for the year ended March 31, 2007

Sr. No	Name of the Director	Sitting Fees per meeting	Salaries / Perquisites	Commission	Total
1.	Mr. Surendra Kumar Tibrewala	--	NIL	--	NIL
2.	Mr. Sanjay S. Tibrewala	--	NIL	--	NIL
3.	Mr. Anand Agarwal*	NIL	--	--	NIL
4.	Mr. Umesh Gala**	NIL	--	--	NIL
5.	Mr. Manmohan Mehta***	NIL	--	--	
	Total	**NIL**	**NIL**	**NIL**	**NIL**

* Appointed as a Director on July 30, 2007
**Appointed as a Director on November 21, 2007
*** Appointed as a Director on December 31, 2007

No sitting fees have been paid to any director. For details of payments or benefits paid to our executive directors, please refer to paragraph 'Compensation to Managing Directors/Whole-time Directors' in the section titled 'Our Management' on page [●] of this Draft Prospectus.

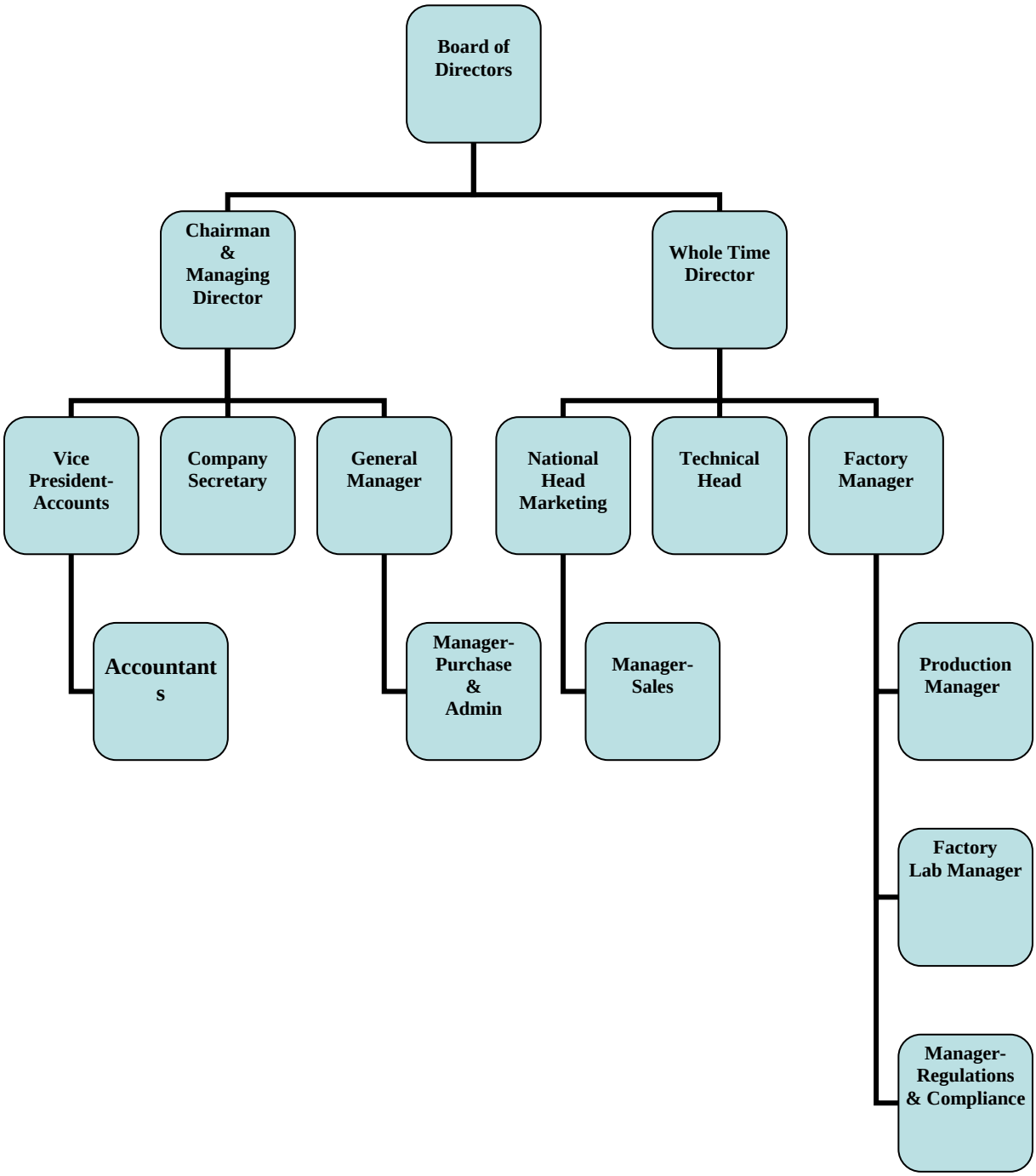
Changes in the Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr. No.	Name of the Director	Date of Change	Reason for Change

1.	Mr. Surendra Kumar Tibrewala	June 25, 2007	Appointed as Managing Director
2.	Mr. Sanjay S. Tibrewala	June 25, 2007	Appointed as Whole time Director
3.	Mr. Anand Agarwal	July 30, 2007	Appointed as Additional Director to broad base the board
4.	Mr. Umesh Gala	November 21, 2007	Appointed as Additional Director to broad base the board
5.	Mr. Manmohan Mehta	December 31, 2007	Appointed as Additional Director to broad base the board

MANAGEMENT ORGANISATION STRUCTURE



Key Managerial Personnel

Sr. No	Name, Age & Designation	Qualifications	Date of joining	Experience in years	Functional Responsibility	Previously employed with	Compensation Paid during last F.Y. (Rs.)
1.	Ms. Ritu S. Tibrewala 23 years, General Manager	M.B.A (Finance)	April 1, 2007	1 Year 10 Months	Overall Management & Administration of the Company	N.A.	Nil
2.	Mr. Suresh Desai 60 years, Technical Head	M.Sc. (Tech)	April 1, 2007	26 Years	Product Development Technical Quotient	▪ The Bombay Dyeing Mfg Co. Limited ▪ ICI India Limited	N.A
3.	Mr. S. R. Iyer 56 years, National Head – Marketing	B.A. (English Literature)	April 1, 2007	36 Years	Overall Marketing Management and Distribution Network	▪ MHD Muscat ▪ Britacel Silicon Limited	N.A
4.	Mr. Hitesh Bhadra 26 years, Vice President – Finance & Accounts	B.Com	April 1, 2007	7 Years	Overall Finance and accounts management	▪ D. R. Bhanushali & Co.	N.A
5.	Mr. Ravichandran 31 years, Manager – Sales	B.Sc. (Zoology)	April 1, 2007	10 Years	Marketing & Sales	▪ M/s. Erode Chemicals (Dealers of Ciba Specialty Chemicals (India) Limited)	N.A
6.	Mr. Pradeep Agarwal 24 years, Marketing Executive	B.Tech. (Fibre & Textile Processing)	August 1, 2007	1 Year	Marketing & Sales Activities	▪ Colorband Dyestuff Private Limited	N.A.
7.	Mr. Ramesh Gupta 34 years, Factory - General Manager	M.Sc. (Mathematics)	April 1, 2007	11 Years	Factory – General Manager	▪ Navbharat Enterprises	N.A
8.	Mr. Abhay V. Nerurkar 53 years, Company Secretary	Company Secretary	June 25, 2007	29 Years	Secretarial & Legal Compliances	▪ Ceat Financial Services Limited ▪ HICO Products	N.A.

Sr. No	Name, Age & Designation	Qualifications	Date of joining	Experience in years	Functional Responsibility	Previously employed with	Compensation Paid during last F.Y. (Rs.)
						Limited ▪ Bombay Tyres Int. Limited ▪ Kohinoor Mills Limited	

* Fineotex Chemical Limited acquired the business of M/s. Fineotex Chemical Industries, a proprietorship firm of Mr. Surendra Kumar Tibrewala on April 1, 2007. As a result of the acquisition, all employees of M/s. Fineotex Chemical Industries are on the payrolls of Fineotex Chemical Limited from April 1, 2007.

** Ms. Ritu S. Tibrewala has been working since April 1, 2006 with our Company and was working as an Honorary Employee from April 1, 2006 till October 31, 2007. She has been on the payrolls of the company from November 1, 2007 onwards.

Brief Profile of our Key Managerial Personnel

1. **Ms. Ritu S. Tibrewala,** aged 23 years, is the General Manger of our Company. She is a Management graduate from the University of Mumbai by Qualification. She has completed M.B.A in Finance (Investment Banking) from S.P. Jain Center of Management; Dubai. She is responsible for the overall Management and Administration of our Company.

2. **Mr. Suresh Desai,** aged 60 years, is the Technical Head of our Company. He is a Science (Tech) graduate from the University of Mumbai, by qualification. He further did his Masters in Technology from the University of Mumbai. He was previously employed with The Bombay Dyeing Mfg. Co. Limited and ICI Limited. With over 26 years of experience in the field of Technology he looks into the Product improvement and new product development aspect as well as the overall technological quotient of our Company. He has joined our Company in April 2007 and therefore no remuneration was payable to him during the last financial year.

3. **Mr. S.R. Iyer,** aged 56 years, is the National Head – Marketing of our Company. He is a Bachelor in Art from the University of Mumbai by qualification. He has also a Diploma in Export-Import Management from the Indo American Society. In his 36 years career he has worked in India as well as abroad. Prior to joining our Company he has worked with M/s. MHD Muscat and Britacel Silicone Limited in the field of marketing. He has joined our Company in April 2007 and therefore no remuneration was payable to him during the last financial year.

4. **Mr. Hitesh Bhadra,** aged 26 years, is the Vice President (Finance & Accounts) of our Company. He is a Bachelor of Commerce from the University of Mumbai by qualification. He has seven years of experience in Finance and accounts. Prior to joining our Company he has worked with D. R. Bhanushali & Co. in the field of Accounts and Tax. He has joined our Company in April 2007 and therefore no remuneration was payable to him during the last financial year.

5. **Mr. Ravichandran,** aged 31 years, is the Manager – Sales of our Company. He is a Science graduate from Bhartiyar University by qualification. He was an employee of Fineotex Chemical Industries and has been with our Company from April 2007. Prior to joining us he has worked with M/s. Erode Chemicals (Dealers of Ciba Specialty Chemicals India Limited. He looks into developing long term relations with new and existing customers and enhances

sales of our Company. He has joined our Company in April 2007 and therefore no remuneration was payable to him during the last financial year.

6. **Mr. Pradeep Agarwal,** aged 24 years, is the Marketing Executive of our Company. He is a Bachelor in Technology (B. Tech) and has specialized in Fibre and Textile Processing from Mumbai University Institute of Chemical Technology (UDCT) by qualification. Due to his specialization in textile processing and specialty chemicals, he brings an edge in new product development and mapping customer needs with various products. He has joined our Company in August 2007 and therefore no remuneration was payable to him during the last financial year.

7. **Mr. Ramesh Gupta**, aged 34 years, is the Factory – General Manager of our Company. He is a Master in Mathematics from Purvanchal University, by qualification. He has an experience of over 11 years and has worked with Navbharat Enterprises prior to joining Fineotex Chemical Industries. He is responsible for the overall management of the factory. He has joined our Company in April 2007 and therefore no remuneration was payable to him during the last financial year.

8. **Mr. Abhay V. Nerurkar,** aged 53 years, is the Company Secretary of our Company. He is a C.S. by qualification. He has an experience of over 29 years and has worked with CEAT Financial Services Ltd. prior to joining Fineotex Chemical Limited. He is responsible for the overall compliance of our Company. He has joined our Company in June 2007 and therefore no remuneration was payable to him during the last financial year.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel of our Company other than Ms. Ritu S. Tibrewala hold any shares of our Company as on the date of filing of this Draft Prospectus.

Name	No. of Shares
Ms. Ritu S. Tibrewala	36,100

Bonus or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus/profit sharing plan for any of the employees, directors, key managerial personnel.

Changes in the Key Managerial Personnel during last 3 years

Sr. No	Name & Designation	Date of appointment	Date of Resignation	Reason
1.	Ms. Ritu S. Tibrewala General Manager	April 1, 2007	--	Appointed
2.	Mr. S. R. Iyer National Head Marketing	April 1, 2007	--	Appointed
3.	Mr. Pradeep Agarwal Marketing Executive	August 1, 2007	--	Appointed
4.	Mr. Abhay V. Nerurkar Company Secretary	June 25, 2007	--	Appointed

Notes:

- All the Key Managerial Personnel mentioned above are on the payrolls of our Company as the permanent employees.

- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.
- Except Ms. Ritu S. Tibrewala, who is the daughter of our CMD, Mr. Surendra Tibrewala, the Key Management Personnel mentioned above are not related parties as per the Accounting Standard 18.
- Except Ms. Ritu S. Tibrewala, General Manager, who is the Promoter of our Company, we confirm that the Promoters/Directors of our Company other than mentioned above do not have any relationship whatsoever with any of our Key Managerial Personnel.

EMPLOYEES

The details about our employees appear under the section titled 'Manpower' on page [●] of this Draft Prospectus.

ESOP/ESPS SCHEME TO EMPLOYEES

Presently, we do not have ESOP/ESPS scheme for employees.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except for the payment of salaries and yearly bonus, we do not provide any other benefit to our employees.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company do not have any interest in our Company, other than to the extent of remuneration of benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Other than the interest mentioned above Ms. Ritu S. Tibrewala is also interested to the extent of her shareholding in the Company consisting of 36,100 Equity shares.

PROMOTERS AND THEIR BACKGROUND

The Promoters of our Company are four Natural Persons and two Companies and one HUF.

The natural persons who are our Promoters are:
- Mr. Surendra Kumar Tibrewala
- Mr. Sanjay S. Tibrewala
- Mrs. Kanaklata S. Tibrewala
- Ms. Ritu S. Tibrewala

Our Corporate and other than natural person Promoters are:
- Proton Biochem Private Limited
- Kamal Chemicals Private Limited
- Surendra Kumar Tibrewala (HUF)



1. MR. SURENDRA KUMAR TIBREWALA

Mr. Surendra Kumar Tibrewala, aged 51 years, son of Mr. Deviprasad R. Tibrewala is the Chairman and Managing Director of our Company.

A Commerce Graduate from R.A. Poddar College of Commerce and Economics from the University of Mumbai and a Law Graduate from Government Law College, He has almost 3 decades of experience in offering fine-tuned chemicals. Mr. Surendra Kumar Tibrewala started Fineotex Chemical Industries in 1994 with capacity of 900 tonnes per annum of specialty chemicals. In 2004 he started Fineotex Chemical Private Limited and within the next few years, he shaped the Company to its current position with specific thrust on specialty chemicals used in different industries; Textiles & Garments, Leather, Water Treatment, Construction, Agrochemicals, Adhesives, Paper and Sticker etc.

As the Chairman and Managing Director, he is actively involved in the day to day operations and developing long term strategies for the Company.

Driving License No: 87/W/2741
Voter Id No: KNF1662071



2. MR. SANJAY S. TIBREWALA

Mr. Sanjay S. Tibrewala, aged 26 years, son of Mr. Surendra Kumar Tibrewala, is the Whole time Director of our sCompany.

A Commerce graduate from Narsee Monjee College of Commerce and Economics from the University of Mumbai and a Post Graduate in Textile Processing and Chemicals from Sasmira University, Mr. Sanjay brings in sharp sense of focus, Dynamism and competitive spirit to the Company. He joined his father in 2001 and has in depth knowledge of products and understanding of market dynamics. His dedication towards the Company has helped it shape into a successful, professionally managed enterprise. He has about 6 years of experience in the Specialty chemicals sector.

He has been associated with our Company since inception as a Promoter and has been actively managing the affairs of our Company specifically

	overlooking at entering new markets, increasing the product line with constant focus on improvement in quality of products offered. **Driving License No: 46481** **Voter Id No: KNF1662022**
	**3. MRS. KANAKLATA TIBREWALA** Mrs. Kanaklata Tibrewala, aged 48 years, wife of Mr. Surendra Kumar Tibrewala is the Promoter of our Company. An Arts graduate from Xavier's College of Arts & Science from the University of Mumbai, she belongs to a business family and has actively been associated with specialty chemicals over two decades. **Driving License No: 82/W/6051** **Voter Id No: KNF1662113**
	**4. MS. RITU TIBREWALA** Ms. Ritu S. Tibrewala, aged 23 years, is the daughter of Mr. Surendra Kumar Tibrewala and is the General Manager and Promoter of our Company. She is a Management Graduate from Narsee Monjee College of Commerce and Economics from the University of Mumbai, and is an MBA in Finance specialized in Investment Banking from S.P. Jain Centre of Management (Dubai). She belongs to a business family and has been looking into the business for almost two years. She is responsible for the overall management of the Company and taking critical financial decisions. **Driving License No: B2649** **Voter Id No: Application Made**

5. PROTON BIOCHEM PRIVATE LIMITED

Proton Biochem Private Limited was incorporated on May 10, 1994 under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai, vide Certificate of Incorporation having Registration No. 11-78288, under the name of Strap-It Packaging Products Private Limited. Subsequently the name was changed to Proton Biochem Private Limited vide a Special Resolution passed on April 24, 2003. The Corporate Identification Number of the Company is U 74950 MH 1994 PTC 078288. The registered office of the Company is situated at 42 & 43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai - 400 050, Maharashtra.

Proton Biochem Private Limited is engaged inter alia in the business of blending of chemicals, including organic, inorganic chemicals, heavy chemicals, fine chemicals, dyes, colours, synthetic chemical polymers and other textile auxiliaries.

Board of Directors

Name of the Director	Designation	DIN
Mr. Sanjay S. Tibrewala	Director	00218525
Ms. Ritu S. Tibrewala	Director	00218561

Shareholding Pattern:

Sr. No.	Name of Shareholder	No. of shares Face Value of Rs. 10 each	% Holding
1.	Mrs. Laxmiben J. Thakkar	1,10,000	44.72
2.	Mrs. Kanaklata S. Tibrewala & Mr. Surendra Kumar Tibrewala	40,000	16.26
3.	Ms. Ritu S. Tibrewala & Mrs. Kanaklata S. Tibrewala	25,000	10.16
4.	Ms. Sanjay S. Tibrewala & Mrs. Kanaklata S. Tibrewala	25,000	10.16
5.	Saomitra Investment & Financial Private Limited	18,000	7.31
6.	Artillegence Bioinnovation Limited	18,000	7.31
7.	Mr. Sanjay S. Tibrewala	5,000	2.04
8.	Ms. Ritu S. Tibrewala	5,000	2.04
	Total	**2,46,000**	**100.00%**

Proton Biochem Private Limited sub-divided the face value of its Equity shares from face value Rs. 100/- to Rs. 10/- (for every One Equity Share of face value Rs.100/- shareholder received 10 Equity Shares of Rs. 10/- each), which was vide resolution passed in the Extra Ordinary General Meeting of Proton Biochem Private Limited held on June 20, 2007.

Brief Financial Performance:

(Rs. in Lacs)

Particulars	For the FY ended 31st March		
	2005	2006	2007
Equity Share Capital	1.00	10.00	10.00
Reserves (excluding Revaluation Reserves)	0.00	0.00	0.20
Less: Misc. Exp to the extent not written off	3.58	2.56	0.47
Net Worth	(2.58)	7.44	9.73
Total Income	0.29	97.76	265.94
PAT	(1.43)	1.02	3.91
EPS (Rs.)	0.00	10.18	39.12
NAV per share (Rs.)	0.00	74.40	97.30
Face Value (Rs.)	100	100	100

Proton Biochem Private Limited is an unlisted Company and has not made any public issue in preceding three years. The Company does not fall under the definition of a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The Company has not been restrained from accessing the capital market for any reasons by SEBI or by any other authority.

6. KAMAL CHEMICALS PRIVATE LIMITED

Kamal Chemicals Private Limited was incorporated on November 21, 1990 with Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number of the Company is U24110 MH 1990 PTC 059067. The registered office of the Company is situated at 2, Violet Villa, West Avenue, Road, Santacruz (West) Mumbai - 400 054. The Company is engaged into the business of manufacturers, exporters, importers, traders, stockists, supplier, commission agents, or in any other capacity in India or elsewhere, and to deal chemicals including organic, inorganic, heavy chemicals, fine chemicals, resins, dyes, adhesives and textile auxiliaries.

Board of Directors

Name of the Director	Designation	DIN
Mrs. Kanaklata S. Tibrewala	Director	00218454
Mr. Surendra Kumar Tibrewala	Director	00218394

Shareholding Pattern:

Sr. No.	Name of Shareholder	No. of shares Face Value of Rs. 10 each	% Holding
1.	Mrs. Kanaklata S. Tibrewala & Mr. Surendra Kumar Tibrewala	2,92,000	73.00
2.	Artillegence Bioinnovation Limited	38,000	9.50
3.	Stocknet International Limited	20,000	5.00
4.	Clifton Securities Limited	20,000	5.00
5.	Bhaskar Fund Management Limited	20,000	5.00
6.	Mr. Surendra Kumar Tibrewala	7,400	1.85
7.	Mrs. Kanaklata S. Tibrewala	2600	0.65
	Total	**4,00,000**	**100.00**

Kamal Chemicals Private Limited sub-divided the face value of the Equity shares from face value Rs. 100 to Rs. 10 (for every One Equity Share of face value Rs.100, shareholder received 10 Equity Shares of face value Rs. 10/-), which was passed vide a resolution in the Extra Ordinary General Meeting of Kamal Chemicals Private Limited held on May 8, 2007.

Brief Financial Performance:

(Rs. in Lacs)

Particulars	For the FY ended 31st March		
	2005	2006	2007
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding Revaluation Reserves)	2.13	2.20	2.21
Less: Misc. Exp to the extent not written off	0.00	0.00	0.00
Net Worth	3.13	3.20	3.21
Total Income	0.20	0.16	0.24
PAT	0.10	0.07	0.11
EPS (Rs.)	9.68	6.92	11.06
NAV per share (Rs.)	313	320	321
Face Value (Rs.)	100	100	100

Kamal Chemicals Private Limited is an unlisted Company and has not made any public issue in preceding three years. The Company does not fall under the definition of a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is it under winding up. The Company has not been restrained from accessing the capital market for any reasons by SEBI or any other authority.

7. SURENDRA KUMAR TIBREWALA (HUF)

Mr. Surendra Kumar Tibrewala is the Karta of Surendra Kumar Tibrewala (HUF) and commenced in the year 1985 and operates from 2, Violet Villa, West Avenue Road, Santacruz (West), Mumbai, Maharastra. The HUF's income has been Interest Income and Investments.

The Permanent Account Number, Bank Account details and Passport Number of our Promoters have been submitted to The Bombay Stock Exchange Limited and The National Stock Exchange

of India Limited (NSE), on which our Company proposes to list its Equity Shares at the time of filing of this Draft Prospectus.

Common Pursuits

Our Promoters do not have any interest in any other venture, which is engaged in the similar line of business as that of our Company resulting in conflict of interest.

Interest of Promoters

Our promoters are interested in the promotion of our Company and are also interested to the extent of their shareholding, for which they are entitled to receive the dividend declared, if any, by our Company. Further, our Promoters Mr. Surendra Kumar Tibrewala and Mr. Sanjay S. Tibrewala who are Executive Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of the Articles.

The Chairman & Managing Director and Whole time Director are interested to the extent of remuneration paid to them for services rendered to us. Further, the Promoters are interested to the extent of equity shares that they are holding and/or allotted to them out of the present Issue, if any, in terms of the Draft Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Promoter Ms. Ritu Tibrewala other than being interested to the extent of equity shares that she is holding and/or allotted to her out of the present Issue, if any, in terms of the Draft Prospectus and also to the extent of any dividend payable to her and other distributions in respect of the said Equity Shares, is also the Key Managerial Personnel of FCL and is interested to the extent of remuneration paid to her for the same.

Except as stated hereinabove and as stated in 'Related Party Transactions' appearing under section titled 'Financial Information' beginning on page [●] of this Draft Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

Payment or Benefit to our Promoters

For details of payments or benefits paid to the promoters, please refer to the paragraph 'Compensation to Managing Directors/Whole time Directors' in the section titled 'Our Management' in this Draft Prospectus.

Sales or Purchase between companies in the Promoter Group

There have been no sales or purchases between companies in the Promoter Group of our Company exceeding in value in the aggregate 10% of the total sales or purchases of the Company.

Related Party Transactions

The details of related party transactions have been disclosed as a part of the Auditors Report. For details, please refer page [●] of this Draft Prospectus.

CURRENCY OF PRESENTATION

In this Draft Prospectus, unless the context otherwise requires, all references to the word “Lakh” or “Lac”, means “One hundred thousand” and the word “million” means “Ten Lacs” and the word “Crore” means “ten million” and the word “billion” means “One thousand million and the word “trillion” means “One thousand billion”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout this Draft Prospectus, all the figures have been expressed in Lacs of Rupees, except when stated otherwise. All references to “Rupees” and “Rs.” in this Draft Prospectus are to the legal currency of India.

DIVIDEND POLICY

Dividends may be declared at the Annual General Meeting of the Shareholders based on a recommendation by the Board of Directors. The Board of Directors may recommend Dividends, at its discretion to be paid to the members. Generally the factors that may be considered by the Board, but not limited to, before making any recommendation for the dividend include future expansion plans and capital requirements, profits earned during the Financial year, cost of raising funds from alternate sources, liquidity, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and money market conditions. We have no stated Dividend Policy.

* Our Company has paid an Interim Dividend of 3% in Financial Year 2007, amounting to Rs. 4,500. Our Company has not paid any dividend between FY 2004 to FY 2006.

* The amount paid as dividend in the past is not indicative of the dividend policy in the future.

SECTION VII - FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditor's Report

The Board of Directors,
FINEOTEX CHEMICAL LIMITED
42 & 43, Manorama Chambers,
S.V. Road,Bandra(W)
Mumbai – 400 050

A. a) We have examined the annexed financial information of **FINEOTEX CHEMICAL LIMITED** ('the Company") for the Financial Year ended 31st March 2007, 31st March 2006, 31st March 2005 and 31st March 2004, for the period ended 30th September, 2007, prepared and approved by the Board of Directors of the Company for the purpose of disclosure in the offer documents being issued by the Company in connection with the issue of equity shares of the Company. Audit for the financial year ended 31st March, 2004 and 31st March, 2005 was conducted by previous auditor M/s. Pravin Shah & Co., Chartered Accountant and accordingly reliance has been placed on the financial information examined by him for the said years.

b) In accordance with the requirements of
(i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
(ii) The Securities and Exchange Board of India (Disclosure and investor Protection) Guidelines, 2000 ('the SEBI Guidelines') issued by Securities and Exchange Board of India ('SEBI') on January, 19, 2000 in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments and
(iii) Our terms of reference with the Company dated 03.01.2008 requesting us to carry out work in connection with the Offer Document as aforesaid.

We report that the restated assets and liabilities of the Company as at 30th September, 2007, 31st March 2007, 31st March 2006, 31st March 2005 and 31st March 2004 are as set out in 'Annexure 1' to this report after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in 'Annexure 3' and Notes to the statements of Assets & Liabilities and Profit & Loss Account appearing in 'Annexure 4' to this report.

We report that the restated profits of the Company for the period ended 30th September, 2007, 31st March 2007 , 31st March 2006, 31st March 2005 and31st March 2004 are as set out in 'Annexure 2' to this report. These profits have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regrouping as in our opinion are appropriate and are subject to the Significant Accounting Policies as appearing in 'Annexure 3' and Notes to the Statements of Assets & Liabilities and Profit & Loss Account appearing in 'Annexure 4' to this report.

B. We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by you and annexed to this report.
i. Notes to Adjustments in Restated Financial Statements 'Annexure 5' to this report
ii. Details of changes in Significant Accounting Policies as given in 'Annexure 6' to this report.
iii. Details of qualifications appearing in the audit report as given in 'Annexure 7' to this report.
iv. Statement of Cash Flow as appearing in 'Annexure 8' to this report;
v. Accounting Ratios as appearing in 'Annexure 9' to this report;

vi. Statement of Dividends as appearing in 'Annexure 10' to this report;
vii. Statement of Unsecured Loans taken including that from related parties enclosed as 'Annexure 11' to this report.
viii. Capitalization Statement as appearing in 'Annexure 12' to this report;
ix. Statement of Tax Shelter as appearing in 'Annexure 13' to this report.
x. Statement of Secured Loans as appearing in 'Annexure 14' to this report.
xi. Statement of Investments as appearing in 'Annexure 15' to this report.
xii. Statement of Debtors including the related party debtors enclosed as 'Annexure 16' to this report.
xiii. Details of loans and advances as given in 'Annexure 17' to this report.
xiv. Statement of Other Income as appearing in 'Annexure 18' to this report.
xv. Details of transactions with the Related Parties as appearing in 'Annexure 19' to this report;
xvi. Details of Contingent Liabilities as appearing in 'Annexure 20' to this report;

C. a) In our opinion the financial information of the Company as stated in Para A and B above read with Significant Accounting Policies enclosed in Annexure 3 to this report, after making adjustments/restatements and regroupings as considered appropriate and subject to certain matters as stated in Notes to the Statements, has been prepared in accordance with Part II of Schedule II of the Act and we have complied with the clause 6.10.2.7 of the SEBI Guidelines.

b) This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For A. D. Mehta & Co.
Chartered Accountants

Ajay D. Mehta
Proprietor

Membership No. 102720

Place: Mumbai.
Date: February 22, 2008

ANNEXURE 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(**Rupees in Lacs**)

Particulars		As at				
		31.03.04	31.03.05	31.03. 06	31.03.07	30.09.07
A	**Fixed Assets**					
	Gross Block	0	0	0	0	277.83
	Less: Depreciation	0	0	0	0	4.09
	Net Block	0	0	0	0	273.74
	Total Fixed Assets (A)	**0**	**0**	**0**	**0**	**273.74**
B	**Investments (B)**	**0**	**0**	**0**	**0**	**0**
C	**Current Assets, Loans and Advances**					
	Inventories	0	0	0	0	91.20
	Sundry Debtors	0	0	0	0.66	556.26 .
	Cash and Bank Balances	0.99	0.73	0.66	1.00	211.23
	Loans and Advances	0	0	0.04	0.03	259.63
	Total (C)	**0.99**	**0.73**	**0.70**	**1.69**	**1118.32**
D	**Liabilities and Provisions**					
	Secured Loans	0	0	0	0	9.25
	Unsecured Loans	0.23	0	0	0	0
	Deferred Tax Liability	0	0	0	0	3.64
	Current Liabilities	0	0	0	0.03	384.32
	Provisions	0.02	0.02	0.03	0.24	102.70
	Total (D)	**0.25**	**0.02**	**0.03**	**0.27**	**499.91**
E	**Net Worth (A+B+C-D)**	**0.74**	**0.71**	**0.67**	**1.42**	**892.15**
F	Represented by:					
1	**Share Capital**					
	Equity Share Capital	1.00	1.00	1.00	1.50	369.40
	Preference Share Capital	0	0	0	0	0
	Less: Calls in Arrears	0	0	0	0	0
	Total	1.00	1.00	1.00	1.50	369.40
2	**Reserves and Surplus**	0	0	0	0.11	530.37
3	**Miscellaneous Expenditure/ Preoperative Expenses**	(0.24)	(0.24)	(0.24)	(0.19)	(7.62)
4	**Debit Balance in Profit and Loss Account**	(0.02)	(0.05)	(0.09)	0	0
	Net Worth (1+2+3+4)	**0.74**	**0.71**	**0.67**	**1.42**	**892.15**

Note :

1) Cash and bank balances comprises of cash in hand, bank balance with current account and fixed deposit account.

2) Financial period ended on 30.09.2007
The Company has acquired the business of Fineotex Chemical Industries, a proprietary concern by executing the agreement of assignment of business dated 01.04.2007 for a lump sum consideration of Rs. Three crore only and Acquired all Assets & Liabilities related to business , in pursuance of consideration due & payable for agreement of assignment of business, the Company has issued & allotted 30,00,000 equity shares of Rs.10 each fully paid up to the proprietor of Fineotex Chemical Industries.

3) Reserve and surplus includes Share Premium account of Rs. 339.50 Lacs and Capital Reserve account of Rs.10.85 Lacs.

ANNEXURE 2

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rupees in Lacs)

Particulars		For the Year/Period Ended				
		31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
A	**Income**					
	Sales –Products Manufactured	0	0	0	0	781.73
	Traded Sales	0	0	0	104.61	652.35
	Less : Excise Duty	0	0	0	0	(85.99)
	Net Sales	0	0	0	104.61	1348.09
	Increase/(Decrease) in Inventory	0	0	0	0	12.98
	Other Income	0	0	0	0.46	3.83
	Total (A)	**0**	**0**	**0**	**105.07**	**1364.90**
B	**Expenditure**					
	Materials Consumed	0	0	0	0	397.52
	Cost of sales of goods traded	0	0	0	104.43	619.06
	Work Expenses	0	0	0	0	40.79
	Staff Cost	0	0	0	0	3.24
	Administrative & Other Expenses	0.02	0.03	0.04	0.23	34.17
	Total (B)	**0.02**	**0.03**	**0.04**	**104.66**	**1094.78**
C	**Profit Before Interest, Depreciation and Tax**	**(0.02)**	**(0.03)**	**(0.04)**	**0.41**	**270.12**
	Depreciation	0	0	0	0	4.09
	Profit Before Interest and Tax	**(0.02)**	**(0.03)**	**(0.04)**	**0.41**	**266.03**
	Financial Charges	0	0	0	0	2.15
D	**Profit after Interest and Before Tax**	**(0.02)**	**(0.03)**	**(0.04)**	**0.41**	**263.88**
	Preliminary Expenses W/o	0	0	0	0.05	0.02
E	**Profit before Taxation**	**(0.02)**	**(0.03)**	**(0.04)**	**0.36**	**263.86**
	Provision for Taxation	0	0	0	0.10	90.55
	Provision for Deferred Tax	0	0	0	0	3.64
	Fringe Benefit Tax	0	0	0	0	0.36
	Add/Less Tax adjustment	0	0	0	0	0
F	**Profit After Tax but Before Extra ordinary Items**	**(0.02)**	**(0.03)**	**(0.04)**	**0.26**	**169.31**
	Extraordinary items	0	0	0	0	10.59
	Profit after Tax	**(0.02)**	**(0.03)**	**(0.04)**	**0.26**	**179.90**
	Surplus profit of earlier year	0	(0.02)	(0.05)	(0.09)	0.11
G	**Net Profit Available for Appropriation**	**(0.02)**	**(0.05)**	**(0.09)**	**0.17**	**180.01**
	Proposed dividend	0	0	0	0.05	0
	Tax on Proposed dividend	0	0	0	0.01	0
	Transfer to General Reserve	0	0	0	0	0
	Balance c/d to Balance Sheet	**(0.02)**	**(0.05)**	**(0.09)**	**0.11**	**180.01**

ANNEXURE 3

SIGNIFICANT ACCOUNTING POLICIES

1.) SIGNIFICANT ACCOUNTING POLICIES

I BASIS OF ACCOUNTING

The Financial statements are prepared under the historical cost convention, on an accrual basis and in accordance with the applicable accounting standards issued by the Institute of Chartered Accountants of India and referred to in Section 211(3C) of the Companies Act, 1956.

ACCOUNTING POLICIES

The same set of accounting policies are followed in the interim financial statements for the period ended on September 30, 2007 as those followed in the preceding financial year except otherwise stated herein this statements.

USE OF ESTIMATES

The preparation of financial statements in conformity with the generally accepted accounting principals requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

II FIXED ASSETS

Fixed Assets are stated at historical cost. (However during the financial ended on 30.09.2007, some fixed assets acquired from business purchased, which are stated at values as determined on the basis of valuer's certificate and/or as per management perception as per fair market value and recorded in books of account) less accumulated Depreciation/ amortization thereon. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and also comprises of borrowing Costs attributable to acquisition and construction of assets up to the date when such assets is ready for its intended use.

III DEPRECIATION

- Depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956.
- Depreciation on the Fixed Assets added/disposed off /discarded during the period has been provided on pro-rata basis with reference to addition/disposal/discarding.

IV BORROWING COST

- Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets is ready for its intended use.
- Other borrowing costs are recognized as an expense in the period in which they are incurred.

V FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Current assets and current liabilities in foreign currency are stated at the period ended closing rates. The resulting exchange gain/loss is recognized in the profit and loss account.

VI INVESTMENTS

Long Term Investments are stated at cost less provision, if any, for permanent diminution in their value.

VII INVENTORIES

- Raw Materials, components, stores and spares are valued at lower of cost and net realizable value. Work in Progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work in progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Cost of inventories is computed on FIFO basis.

VIII REVENUE RECOGNITION

- The Company recognizes revenues on the sale of products when the products are delivered to the dealer/ customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the dealer/ customer. Sales are inclusive of VAT / CST and net of returns and excise duty.
- Other income is accounted for on accrual basis when it is reasonably certain that the ultimate collection will be made.

IX RETIREMENT BENEFITS

- Liability for gratuity and Leave Salary of employees is ascertained and provided for as per Company Rules at the year end. During the interim period provision for gratuity and leave Salary of employees / directors is made on estimated basis and same will be adjusted at the year end on the basis of values ascertained on actuarial valuation basis.

X TAXES ON INCOME

- Provision for taxation comprises of Current Income tax, Fringe Benefit Tax and Deferred Tax. Current tax Provision has been made in accordance with the Income Tax Act, 1961.
- Deferred tax for timing differences between the book and tax profits for the period is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.
- Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.
- Deferred tax assets are recognized on unabsorbed losses only if there is virtual certainty that such deferred tax asset can be realized against future taxable profit.

XI EARNINGS PER SHARE

The Earning considered in ascertaining the Company's earning per Shares (EPS) comprise of the net profit after tax to equity shares holders. The number of shares used for computing the basic EPS is the weighted average number of shares outstanding during the year.

ANNEXURE 4

2) NOTES TO ACCOUNTS

(1) Earning Per Share

Particulars		31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Weighted Average Number of Equity Shares at the end of the Year/Period (face value of Rs. 10)	A	2049	10000	10000	14630	3455885
Net Profit after Tax available for equity shareholders (Rs. in Lacs)	B	(0.02)	(0.03)	(0.04)	0.26	172.91*
Earning per share (In Rs.)	C = B/A	(0.98)	(0.30)	(0.40)	1.77	5.00

Note: 1) Net Profit after tax available to shareholders is considered by excluding non recurring & extra ordinary items (net of tax expense) in each period.

		Rs. In Lacs
* Net Profit after tax		179.90
Less: Extra Ordinary items	10.59	
Less: Tax on above	3.60	6.99
Net Profit after tax excluding extra ordinary Items (net of tax expense)		172.91

2) There are no bonus shares issued by the Company in any of year /period mentioned above.

(2)**Change in the status and Name**

The status of the Company has been changed from Private Limited to Public Limited w.e.f. August 17, 2007 by complying with the provisions of the Section 31 of the Companies Act. Consequent upon the conversion and change of the name, the Registrar of Companies has issued fresh certificate of incorporation on October 19, 2007.

(3) In the opinion of the Board the current assets, Loans and advances are approximately of the value stated and are realizable in the ordinary course of business. The provision for all known liabilities is adequate.

(4) The previous year's figure have been regrouped and rearranged, wherever necessary.

(5) The Company has started writing off the unamortized preliminary expenditure (incurred before 01.04.04) by Rs. 4,784/-(being 20 % of Total Rs.23,920) from Financial year 2006-07 in equal installment for five years. During the interim period Rs. 2,392/- (i.e. half of Rs. 4,784/-) is written off.

(6) Liability for gratuity and leave salary of employees is ascertained and provided for as per Company Rules at the year end, during the interim period provision for gratuity and leave salary of employees / directors is made on estimated basis and same will be adjusted at the year end on the basis of values ascertained on actuarial valuation basis.

(7) In respect of the provision for deferred tax, timing difference due to depreciation adjustment has been considered.

(8) Extra ordinary & Non Recurring Income arises on account of CENVAT credit available to assignor (i.e. Fineotex Chemical Industries from which the business is acquired) as on 31.03.2007 & same is availed & utilized by the Company (i.e. Assignee) during the interim period.

(9) **Contingent Liabilities:**

a) Guarantee given by the bank on our behalf of Rs. 3,85,000/- (against the security of fixed deposit of equal amount).

b) Premium Amount to be paid to MIDC (i.e. The Lessor) on account of transfer of Leasehold Land on the name of Company, for which the amount is not ascertainable.

(10) The Company has acquired the business of Fineotex Chemical Industries, a proprietary concern by executing the agreement of assignment of business dated 01.04.2007 for a lump sum consideration of Rs. Three crore only and acquired all Assets & Liabilities related to business as appearing in the balance sheet as on 31.03.2007 of Fineotex Chemical Industries, in pursuance of consideration due & payable for agreement of assignment of business, the Company has issued & allotted 30,00,000 equity shares of Rs.10 each fully paid up to the proprietor of Fineotex Chemical Industries.

(11) Segment Information

The Company is engaged mainly in the business of Chemical consisting of Manufacturing and trading activity. In the context of accounting standard 17 on segment reporting issued by the institute of chartered Accountants of India, is considered to constitute one single business and geographical segment.

(12) Depreciation on fixed Assets (net of duties & Taxes available for set off) is charged to profit & Loss Account on pro rata basis up to 30.09.2007 and for the purpose of current & differed tax provision, depreciation on fixed Assets is calculated & taken for six months i.e up to 30.09.2007.

(13) Pre-Operative Expenses are to be allocated to fixed assets on the completion of the project.

ANNEXURE 5

NOTES TO ADJUSTMENTS IN RESTATED FINANCIAL STATEMENTS

Financial year ended March 31, 2007

1) Fixed Deposit with bank is regrouped and shown under Cash and Bank balance**.**

ANNEXURE 6

DETAILS OF CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

a) Financial period ended September 30, 2007

Retirement Benefits

- During the year, the company has adopted accounting policy for retirement benefit as follows.

Liability towards gratuity and leave Salary of employees will be ascertained and provided for as per Company Rules at the year end. During the interim period provision for gratuity and

leave salary of employees / directors is made on estimated basis and same will be adjusted at the year end on the basis of values ascertained on actuarial valuation basis.

Whereas in the previous year, it is mentioned that gratuity if any will be accounted on cash basis.

The effect of the change in the above said policy dose not have any financial implication in either of the period ended 30.09.2007 or earlier years as there were no employees employed in the company upto the year ended 31.03.2007.

b) Financial year ended March 31, 2007: Nil

c) Financial year ended March 31, 2006: Nil

d) Financial year ended March 31, 2005: Nil

e) Financial year ended March 31, 2004: Nil

ANNEXURE 7

STATEMENT OF QUALIFICATIONS/OBSERVATIONS IN AUDITOR'S REPORT

a) Financial period ended September 30, 2007: Nil

b) Financial year ended March 31, 2007: Nil

c) Financial year ended March 31, 2006: Nil

d) Financial year ended March 31, 2005: Nil

e) Financial year ended March 31, 2004: Nil

ANNEXURE 8

CASH FLOW STATEMENT, AS RESTATED

(Rupees in Lacs)

Particulars	For the year/period ended				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
A. Cash Flow from Operating Activities					
Profit before tax, as restated	(0.02)	(0.03)	(0.04)	0.36	263.86
Adjustments for					
Depreciation	0	0	0	0	4.09
Miscellaneous expenditure written off	0	0	0	0.05	0.02
Interest on deposit	0	0	0	(0.01)	(3.83)
Finance Expenses (Net)	0	0	0	0	2.15
Income from Investments	0	0	0	0	0
Operating Income before working capital changes	**(0.02)**	**(0.03)**	**(0.04)**	**0.40**	**266.29**
Adjustments for:					
Decrease/(Increase) in Trade & Other Receivables	0	0	(0.04)	(0.66)	(575.62)
Decrease/(Increase) in inventories	0	0	0	0	(63.71)
Increase/(decrease) in Trade Payables	0.02	0	0.01	0.14	226.81
Decrease/(Increase) in miscellaneous expenditure	(0.24)	0	0	0	0
Net Cash Flow from Operating Activities before Extra ordinary items	**(0.24)**	**(0.03)**	**(0.07)**	**(0.12)**	**(146.23)**
Extra Ordinary & Non Recurring Income	0	0	0	0	10.59
Net Cash Flow from Operating Activities	**(0.24)**	**(0.03)**	**(0.07)**	**(0.12)**	**(135.64)**
B. Cash Flow from Investing Activities					
Purchase of Fixed Assets & Advances for Fixed Assets	0	0	0	0	(24.19)
Preoperative Expenses	0	0	0	0	(7.45)
Purchase of Investments	0	0	0	0	0
Interest Received	0	0	0	0.01	3.83
Increase/(decrease) in Creditors for Capital goods	0	0	0	0	16.75
Net Cash used from Investing Activities	0	0	0	**0.01**	**(11.06)**
C. Cash Flow from Financing Activities					
Proceeds from					
- Share Capital Issued	1.00	0	0	0.50	67.90
- Share Premium Account	0	0	0	0	339.50
- Loans	0.23	0	0	0	0
Repayment of					
- Loans	0	(0.23)	0	0	(93.92)
- Interest Paid	0	0	0	0	(2.15)

Dividend & Dividend Tax Paid	0	0	0	(0.05)	0
Net Cash Flow from Financing Activities	**1.23**	**(0.23)**	0	**0.45**	**311.33**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**0.99**	**(0.26)**	**(0.07)**	**(0.34)**	**164.63**
Cash & Cash Equivalents at Beginning of the Year	0	0.99	0.73	0.66	1.00
Cash & Cash Equivalents received from the acquired business	0	0	0	0	45.60
Cash & Cash Equivalents at End of the Year	0.99	0.73	0.66	1.00	211.23

Note:

1) Cash and Cash Equivalents consists of cash in hand, bank balance in Current Account and fixed deposit account.

2) Investing and financing transactions on acquisition of business that do not require the use of cash or cash equivalents is excluded from the above cash flow statement.

ANNEXURE 9

ACCOUNTING RATIOS

(Rupees in Lacs)

Particulars	**As at**				
	31.03.04	**31.03.05**	**31.03. 06**	**31.03.07**	**30.09.07**
Net Profit as restated	(0.02)	(0.03)	(0.04)	0.26	179.90
Net Worth	0.74	0.71	0.67	1.42	881.30
Return on Net Worth (%)	(2.70)	(4.23)	(5.97)	18.31	20.41
Share at the end of year / period (Face Value of Rs. 10/-)	10000	10000	10000	15000	3694000
Weighted No of Equity Shares (face value of Rs. 10)	2049	10000	10000	14630	3455885
Earnings per share (Rs.)	(0.98)	(0.30)	(0.40)	1.77	5.00
Net Asset Value/Book Value per share (Rs.)	7.4	7.1	6.7	9.47	23.86

Notes:

1. There are no bonus shares issued by the Company in any of year /period mentioned above.
2. Earnings per share calculations are done by considering the weighted No. of Equity Shares.
3. For the calculation of earning per share (EPS), Net Profit is considered after Tax by excluding non-recurring and extra items (net of tax expense).
4. For the calculation of Return on Net worth, Net Profit is considered as restated i.e. Net profit after tax after extra ordinary items and Net Worth is considered excluding Capital Reserve of Rs.10.85 Lacs.

5. Net Asset Value / Book Value are determined by considering net worth (excluding Capital Reserve) divided by shares at the end of the year/ period.

ANNEXURE 10

STATEMENT OF DIVIDEND PAID

(Rupees in Lacs)

Particulars	As at				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
On Equity Share Capital					
Paid up Share Capital	1.00	1.00	1.00	1.5	369.40
Less: Calls in Arrears	0	0	0	0	0
Net Share Capital	1.00	1.00	1.00	1.5	369.40
Face Value (Rs.)	10	10	10	10	10
Rate of dividend %	-	-	-	3	-
Amount of dividend	0	0	0	0.05	0
Tax on dividend	0	0	0	0.01	0

ANNEXURE 11

UNSECURED LOANS, AS RESTATED

(Rupees in Lacs)

Particulars	As at				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
From Directors	0.23	0	0	0	0
Inter Corporate Deposits	0	0	0	0	0
Total	**0.23**	**0**	**0**	**0**	**0**
Above amount includes transactions with following related parties:					
Surendra D. Tibrewala (Chairman & Managing Director)	0.23	0	0	0	0
Total	**0.23**	**0**	**0**	**0**	**0**

Note:
(1) The related party information disclosed above is based on the audited financial statements of the Company.
(2) No interest is payable/paid on the Loans mentioned above as related party transaction.

ANNEXURE 12

CAPITALIZATION STATEMENT

(Rupees in Lacs)

Particulars	Pre Issue As At September 30, 2007	Post Issue [Refer Note No.1 below]
Debt		
Short term debt	0	
Long term debt	9.25	
Total Debt	**9.25**	
Shareholders Funds		
Equity Share Capital	369.40	
Preference Share Capital	0	

Reserves and Surplus	530.37	
Less: Miscellaneous Expenditure & Pre-operative expenses	(7.62)	
Total Shareholders Funds	892.15	
Debt Equity Ratio	9.25 / 892.15 = 0.01	

Notes:

1. The Post-issue position cannot be presented as the shares price of the issue is not known as of date.

2. Since, 30th September, 2007 paid up share capital of the company has increased from Rs. 3,69,40,000 to Rs.7,01,86,000 by way of allotment of 33,24,600 Bonus Shares of Rs. 10/- each amounting to Rs. 3,32,46,000. The above said Bonus Shares are issued out of the share premium account.

ANNEXURE 13

STATEMENT OF TAX SHELTERS

(Rupees in Lacs)

Particulars	**As at**				
	31.03.04	**31.03.05**	**31.03.06**	**31.03.07**	**30.09.07**
Profit Before current and deferred taxes, as restated	**(0.02)**	**(0.03)**	**(0.04)**	**0.36**	**274.45**
Tax Rate%					
- Normal (Including surcharge & Education Cess %)	35.88	36.59	33.66	33.66	33.99
- MAT(Including surcharge & Education Cess %)	7.69	7.84	8.415	11.22	11.33
Tax impact at applicable tax rate on restated profits (A)	0	0	0	0.12	93.29
Adjustments					
Deduction under section 80 IB	0	0	0	0	0
Permanent differences					
Dividend from units - exempt from tax	0	0	0	0	0
Others	0	0	0	0.04	2.67
Total (B)	**0**	**0**	**0**	**0.04**	**2.67**
Temporary Differences					
Difference between Tax Depreciation and Book Depreciation	0	0	0	0	(10.70)
Set off of carry forward losses	0	0	0	(0.09)	0
Deferred revenue expenditure	0	0	0	0	0
Other adjustments	0	0	0	0	0
Impact of Qualification	0	0	0	0	0
Total(C)	**0**	**0**	**0**	**(0.09)**	**(10.70)**
Net Adjustments (B+C)	**0**	**0**	**0**	**(0.05)**	**(8.03)**
Tax saving thereon (D)	**0**	**0**	**0**	**0.02**	**2.73**

Interest and other adjustments (E)	0	0	0	0	0
Tax as per Income Tax as returned	0	0	0	0.10	*
Tax as per MAT provisions	**0**	**0**	**0**	**0.04 ****	*****

Notes:

* Tax as per return of income and tax as per mat provisions not shown being disclosure for part of the financial year.
** Tax as per MAT provisions for the year ended 31.03.2007 is not applicable to the Company. This has been shown for disclosure purpose only.

ANNEXURE 14

SECURED LOANS

(Rupees in Lacs)

Particulars	As at				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Term loan from banks (Vehicle-Car loan) (secured by hypothecation of motor car)	0	0	0	0	9.25
Working capital loan from banks	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**9.25**

PRINCIPAL TERM OF SECURED LOANS AND ASSETS CHARGED AS SECURITY

(Rupees in Lacs)

Sr No.	Particulars	Rate of Interest	Repayment Terms	Amount Outstanding as at September 30, 2007	Details of Security
1	Working Capital Facilities	-	-	0	-
2	**Car Loan with ICICI Bank Ltd.**	4.67 %	E M I : 0.75 lacs per month	9.25	Hypothecation of Motor Car
	Grand Total			**9.25**	

ANNEXURE 15

INVESTMENTS, AS RESTATED

No Investments whether Short Term or Long Term has been made by the company since inception.

ANNEXURE 16

SUNDRY DEBTORS, AS RESTATED

(Rupees in Lacs)

Particulars	As at				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Debts outstanding for a period exceeding six months	0	0	0	0	0
Others	0	0	0	0.66	556.26

Total	**0**	**0**	**0**	**0.66**	**556.26**

Note: Related party transaction with respect to Sundry Debtors as on September 30, 2007
(Rupees in Lacs)
Sanjay Exports : Rs. 8.48
Shree Ganesh Enterprises : Rs. 2.09

ANNEXURE 17

LOANS AND ADVANCES, AS RESTATED

(Rupees in Lacs)

Particulars	As at				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Advances to Vendors/Suppliers	0	0	0	0	1.52
Advance Others	0	0	0	0	0.49
MAT Tax Entitlement Account	0	0	0	0	0
Deposits	0	0	0.03	0.03	249.99
Total	**0**	**0**	**0.03**	**0.03**	**252.00**
Above amount includes transactions with following related parties					
Kanaklata S. Tibrewala - Deposit	0	0	0	0	195.00
Proton Bio Chem Pvt. Ltd. – Deposit	0	0	0	0	50.00
Total	0	0	0	0	**245.00**

Note:
1. The related party information disclosed above is based on the audited financial statements of the Company.
2. Advances to vendors include advances given for procurement of material etc.
3. There is no wholly owned subsidiary of the Company.

ANNEXURE 18

OTHER INCOME, AS RESTATED

(Rupees in Lacs)

Particulars	As at				
	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Recurring					
Interest From Banks	0	0	0	0.01	3.27
Interest From Trade Deposits	0	0	0	0	0.56
Commission	0	0	0	0.45	0
Total (A)	**0**	**0**	**0**	**0.46**	**3.83**
Non Recurring					
Income from Investments	0	0	0	0	0
Total (B)	**0**	**0**	**0**	**0**	**0**

Total (A+B)	**0**	**0**	**0**	**0.46**	**3.83**

Notes:

1. Other income considered above is as per the statement of the restated profit and loss.
2. The classification of other income by the management into recurring and non-recurring is based on the current operations and business activities of the Company.

ANNEXURE 19

DETAILS OF RELATED PARTY TRANSACTION

The Company has entered into the following related party transactions as on 30.09.2007 such parties and transactions are identified as per Accounting Standard 18 issued by Institute of Chartered Accountants of India:

Concern / Companies in which directors are substantially interested

Sr. No.	Related Party	Relationship
1.	Shree Ganesh Enterprises	Concern / Firms / Companies in which directors are substantially interested
2.	Shree Vinayak Industries	
3.	Sanjay Exports	
4.	Proton Biochem Pvt. Ltd.	
5.	Kamal Chemicals Pvt. Ltd.	

Key Managerial Personnel

Sr. No.	Related Party	Relationship
1.	Surendra Tibrewala	Chairman & Managing Director
2.	Sanjay S. Tibrewala	Whole Time Director

Relative of Key Managerial Personnel

Sr. No.	Related Party	Relationship
1.	Kanaklata Surendra Tibrewala	Wife of Managing Director
2.	Surendra Tibrewala HUF	Karta
3.	Sarawatidevi Tibrewala	Mother of Managing Director
4.	Ritu Tibrewala	Daughter of Managing Director
5.	Nidhi Tibrewala	Wife of Whole time Director
6.	D.P. Tibrewala	Father of Managing Director
7.	Pragna Vorani	Sister of Kanaklata Surendra Tibrewala
8.	L.J. Thakkar	Mother of Kanaklata Surendra Tibrewala

Details of Transactions with Related Parties

(Rs. in Lacs)

Related Party	Relationship	Nature of Transaction	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
Shree Ganesh Enterprises	Firm in which directors are substantially interested	Sale of goods (inclusive of excise duty)	0	0	0	0	13.30
Shree Vinayak Industries	Firm in which directors are substantially	Advances taken	0	0	0	0	0.16

	interested						
Sanjay Exports	Concern in which directors are substantially interested	Sale of goods (inclusive of excise duty)	0	0	0	0	138.57
Kamal Chemicals Pvt Ltd.	Company in which directors are substantially interested	Equity Share Capital	0	0	0	0	15.55
		Share Premium amount	0	0	0	0	77.75
Proton Biochem Pvt. Ltd.	Company in which directors are substantially interested	Labour Charges	0	0	0	0	19.28
		Deposit given	0	0	0	0	50.00
		Interest recd. on deposit	0	0	0	0	1.22
		Equity Share Capital	0	0	0	0	5.65
		Share Premium amount	0	0	0	0	28.25
Surendra Tibrewala	Chairman & Managing Director	Loan taken/given	0.23	0	0	0	27.91
		Loan repaid	0	0.23	0	0	27.91
		Remuneration	0	0	0	0	5.57
		Equity Share capital issued towards Business acquired for lumpsum consideration	0	0	0	0	300.00
		Equity Share Capital	0.50	0	0	0.50	3.35
		Share Premium amount	0	0	0	0	16.75
		Provision for gratuity & Leave Salary	0	0	0	0	0.94
Sanjay S. Tibrewala	Whole time Director	Remuneration	0	0	0	0	4.07
		Equity Share Capital	0.50	0	0	0	10.35
		Share Premium amount	0	0	0	0	51.75
		Provision for gratuity & Leave Salary	0	0	0	0	0.56
Kanaklata Surendra Tibrewala	Wife of Managing Director	Deposit given	0	0	0	0	195.00
		Rent paid	0	0	0	0	2.60
		Equity Share Capital	0	0	0	0	15.40
		Share Premium Amount	0	0	0	0	77.00
Kanaklata Surendra Tibrewala	Wife of Managing Director	Equity Share Capital with share premium amount(jointly with					

		the first holder of shares)					
		- Mr. Mahendra Vorani	0	0	0	0	7.32
Surendra Tibrewala HUF	Karta	Loan Repaid	0	0	0	0	26.62 *
		Equity Share Capital	0	0	0	0	4.45
		Share Premium amount	0	0	0	0	22.25
Ritu Tibrewala	Daughter of Managing director	Equity Share Capital	0	0	0	0	6.90
		Share Premium amount	0	0	0	0	34.50
Pragna Vorani	Sister of Kanaklata Surendra Tibrewala	Equity Share Capital with share premium amount(jointly held with Second holder Kanaklata Surendra Tibrewala)	0	0	0	0	7.50
		Loan Repaid	0	0	0	0	7.54*
L.J. Thakkar	Mother of Kanaklata Surendra Tibrewala	Equity Share Capital with share premium amount(jointly held with Second holder Kanaklata Surendra Tibrewala)	0	0	0	0	4.68
		Loan Repaid	0	0	0	0	4.69*

***Note : Unsecured loans acquired from business purchased now repaid**

ANNEXURE -20

STATEMENT OF CONTINGENT LIABILITIES

(Rs. in Lacs)

Sr. No.	Particulars	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
1	Guarantees given by bank on behalf of the Company on the security of fixed deposit of Rs. 3.85 lacs.	0	0	0	0	3.85
	Total	**0**	**0**	**0**	**0**	**3.85**

Note:

Period Ended 30.09.2007

1) Premium Amount to be paid to MIDC (i.e. The Lessor) on account of transfer of Leasehold Land on the name of Company, for which the amount is not ascertainable.

FINANCIAL INFORMATION OF GROUP COMPANIES / VENTURES OF THE PROMOTERS

PARTNERSHIP FIRMS

1. M/S. SHREE VINAYAK INDUSTRIES

M/s. Shree Vinayak Industries is a registered Partnership Firm, which is formed vide Partnership Deed dated February 4 1982, having its office at 301, "Matruchhaya", 3rd Floor, 378/80, Narshi Natha Street, Mumbai – 400 009, Maharashtra.

M/s. Shree Vinayak Industries is engaged inter alia in the business of dealing in Industrial raw materials, Dyes, Chemicals, Plastics, and Cloth etc. or such other business or business as may be agreed between the parties hereto time to time.

M/s. Shree Vinayak Industries has two partners and their profit sharing ratios are as under:

Sr. No.	Name of Partners	Percentage (%)
1.	Mr. Deviprasad R. Tibrewala	50.00
2.	Mrs. Kanaklata S. Tibrewala	50.00
	Total	**100.00%**

Financial Performance

(Rs. In Lacs)

Particulars	As on March 31,		
	2005**	2006**	2007**
Partnership Capital*	4.66	13.97	18.4
Total Income	101.21	95.35	58.8
Net Profit after Tax	1.27	1.46	1.24
*including Current Account ** Audited			

2. M/S. SHREE GANESH ENTERPRISES

M/s. Shree Ganesh Enterprises is a registered Partnership Firm, which is formed vide Partnership Deed dated April 1 1991, having its office at 301, "Matruchhaya", 3rd Floor, 378/80, Narshi Natha Street, Mumbai – 400 009, Maharashtra.

M/s. Shree Ganesh Enterprises is engaged inter alia in the business of dealing in Industrial raw materials, Dyes, Chemicals, Plastics, and Cloth etc. or such other business or business as may be agreed between the parties hereto time to time.

M/s. Shree Ganesh Enterprises has two partners and their profit sharing ratios are as under:

Sr. No.	Name of Partners	Percentage (%)
1.	Mr. Surendra Kumar Tibrewala	95.00
2.	M/s. Kamal Chemicals Private Limited	5.00
	Total	**100.00**

Financial Performance

(Rs. In Lacs)

Particulars	As on March 31,

	2005**	2006**	2007**
Partnership Capital*	26.52	5.06	3.71
Total Income	134.69	60.62	39.05
Net Profit after Tax	0.70	0.16	0.31
*including Current Account ** Audited			

PROPRIETORY CONCERNS

3. M/s. SANJAY EXPORTS

M/s. Sanjay Exports is a proprietary concern of Mr. Sanjay S. Tibrewala. M/s. Sanjay Exports has its office at 2, Violet Villa, West Avenue Road, Santacruz (West), Mumbai – 400 054, Maharashtra.

M/s. Sanjay Exports is engaged inter alia in the business of exports of Chemicals and allied items.

Financial Performance

(Rs. In Lacs)

Particulars	As on March 31,		
	2005**	2006**	2007**
Proprietors Capital	10.99	4.65	15.05
Total Income	93.74	155.52	21.75
Net Profit	3.38	7.21	8
** Audited			

4. M/s. FINEOTEX CHEMICAL INDUSTRIES

M/s. Fineotex Chemical Industries is a proprietary concern of Mr. Surendra Kumar Tibrewala. M/s. Fineotex Chemical Industries has its office at 2, Violet Villa, West Avenue Road, Santacruz (West), Mumbai – 400 054, Maharashtra.

M/s. Fineotex Chemical Industries is engaged inter alia in the business of manufacturing and trading of Specialty Chemicals and allied items. On April 1, 2007 the entire business of Fineotex Chemical Industries was taken over by our Company and currently, no business is being carried by this proprietary concern.

Financial Performance

(Rs. In Lacs)

Particulars	As on March 31,		
	2005**	2006**	2007**
Proprietors Capital	81.29	88.90	83.25
Total Income	43.83	663.28	1614.48
Net Profit	7.02	11.55	44.78
** Audited			

Common Pursuits:

Except Proton Biochem Private Limited and Kamal Chemicals Private Limited none of our other Group concerns are in the same line of business as ours. Further, we have entered into non-compete agreements with the following Promoter Companies/promoted by our Promoters:

1. Proton Biochem Private Limited

2. Kamal Chemicals Private Limited

Under the non- compete agreements the above mentioned Promoter Group concerns/ Entities have agreed that the operations and the markets of these companies shall not in any way infringe or compete with those of our Company.

Companies with which the Promoters have disassociated in the last three years

None of our promoters have disassociated themselves from any other Company, during the past three years.

Changes in accounting policies in the last three years:
For changes in accounting policies please refer to Auditor's Report on page [●] of this Draft Prospectus.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Draft Prospectus. You should also read the section titled 'Risk factors' beginning on page [●] of this Draft Prospectus, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a stand alone basis, and, unless otherwise stated is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI guidelines. Our Financial year ends on March 31 of each year.

OVERVIEW

Fineotex Chemical Limited (FCL), is an ISO 9001:2000 Certified Company engaged in the business of manufacturing Specialty Chemicals and Enzymes. We produce and provide Specialty Chemicals and Enzymes for Textile & Garment Industry, Construction Industry, Leather Industry, Water Treatment Industry, Paint Industry, Agrochemicals, Adhesives and others. We currently have our manufacturing facilities situated at Mahape in Navi Mumbai.

Our company is promoted by Mr. Surendra Kumar Tibrewala who has nearly three decades of experience in specialty and fine chemicals. The experience and knowledge gained by him over the years with an increase in the scope of specialty chemicals in various industries, we propose to set up a new manufacturing facility for specialty chemicals with a capacity of 13,125 MT per annum in and around Khopoli situated at 96 Kms from Mumbai in Maharashtra. The project has been appraised by Indian Bank and our company has been sanctioned the Term Loan for the above project by the Appraiser.

Currently we have a well diversified specialty chemicals company and our customers include The BASF Group, The Raymond Group, Clariant India Limited, Croda Chemicals India (P) Limited (Formerly known as ICI India Limited) etc.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

Subsequent to last financial year, the following significant developments have taken place in our Company:

1. Our Company acquired business of Fineotex Chemical Industries through a Deed of Assignment dated April 1, 2007.
2. Our Company was converted to a public limited company vide new certificate of incorporation dated October 19, 2007.
3. Our Company issued 33,24,600 Bonus Shares on January 3, 2008 in the ratio of 9 Equity Shares for every 10 Equity Shares.
4. Our Company received Term Loan Sanction from Indian Bank amounting to Rs. 246 Lacs.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Except as otherwise stated in this Draft Prospectus, the Risk Factors in the Draft Prospectus the following important factors, among others, could cause the actual results to differ materially from the expectations

- General Economic and Business Conditions;
- Our Company's ability to successfully implement its strategy and its growth and plans;
- Increasing competition in the Specialty Chemicals Industry

- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premium;
- Manufacturers' defects or mechanical problems with Company's plant & machineries or incidents caused by human error;
- Amount that our Company is able to realize from the customers;
- Changes in laws and regulations that apply to the Specialty Chemicals Industry;
- Changes in fiscal, economic or political conditions in India;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in interest rates and tax laws in India.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer to the section titled 'Financial Information' beginning on page no [●] of this Draft Prospectus.

RESULTS OF OUR OPERATION

For the half year ended 30th September 2007

Results of Operation as a % of Income

(Rs. In Lacs)

Period (in months)	6 Months	% of Turnover
Products Manufactured	781.73	57.99%
Goods Traded	566.36	42.01%
Turnover	**1348.09**	**100%**
Expenditure excl. Depreciation and Interest	1094.78	81.21%
Depreciation	4.09	0.30%
Interest	2.15	0.16%
Profit before tax	263.86	19.57%
Taxes	94.55	7.02%
Profit after Tax	179.90	13.34%
		(Rs. In Lacs)
Particulars	**Amount**	**% of Income**
Cost of Material consumed	397.52	39.10%
Cost of sales of goods traded	619.06	35.39%
Total	**1016.58**	**74.49%**
Manufacturing Expenses and Selling Expenses	40.79	2.99%
Administrative and Staff Cost	37.41	2.74%
Total	**1094.78**	**80.22%**

We recorded Turnover of Rs. 1348.09 Lacs and Total Expenditure Rs.1094.78 Lacs for the six months period ended September 30, 2007. Cost of Material consumed constituted 29.49 % of the Turnover and the Cost of Sales of Goods Traded constituted 45.92 % of the Total Turnover. The Total Cost of Raw Material consumed and Cost of Sales of Goods Traded constituted 75.41% of the Total Turnover. The Manufacturing and Selling Expenses and Administrative and Staff Cost constituted 3.03 % and 2.78 % respectively of the Turnover for the period ended September 30, 2007.

Turnover
The Gross turnover for the Period ended September 30, 2007 was Rs. 1348.09 Lacs.

Interest and Financial Charges
We incurred interest cost of Rs. 2.15 Lacs for the period ended September 30, 2007.

Depreciation
We incurred Depreciation cost of Rs. 4.09 Lacs.

Taxes
Taxes for the period ended September 30, 2007 are Rs. 94.55 Lacs, which include Current Tax of Rs. 90.55 Lacs, Deferred Tax of Rs. 3.64 Lacs and Fringe Benefit Tax of Rs. 0.36 Lacs.

Net Profit
Our Profit before Taxes were Rs.263.86 Lacs for the period ended September 30, 2007. We recorded Net Profit of Rs. 179.90 Lacs. Our Net Profit Margin stood at 13.18%.

Results of Our Operations for last four years and six months ended in September 30, 2007

Particulars	31.03.05	31.03.06	31.03.07	30.09.07
	12 Months	12 Months	12 Months	6 Months
Turnover	**0**	**0**	**104.61**	**1348.09**
Other Income	**0**	**0**	**0.46**	**3.83**
Increase/Decrease in Stocks/WIP	**0**	**0**	**0**	**12.98**
Total Revenue	**0**	**0**	**105.07**	**1364.9**
Material Purchased and Consumed	**0**	**0**	**0**	**397.52**
% to Turnover	-	-	-	29.49%
Cost of Sales of Goods Traded	**0.00**	**0.00**	**104.43**	**619.06**
% to Turnover	-	-	99.82%	45.92%
Manufacturing Expenses	**0**	**0**	**0**	**40.79**
% to Turnover	-	-	-	3.01%
Administrative, Staff & Other Expenses	**0.03**	**0.04**	**0.23**	**37.41**
% to Turnover	-	-	0.22%	2.53%
Total Expenditure	**0.03**	**0.04**	**104.66**	**1094.78**
% to Turnover	-	-	99.60%	81.21%
PBDIT	**-0.03**	**-0.04**	**0.41**	**270.12**
% to Turnover	-	-	0.39%	20.04%
Depreciation	**0**	**0**	**0**	**4.09**
% to Turnover	-	-	-	0.30%
Profit Before Interest and Tax	**-0.03**	**-0.04**	**0.41**	**266.03**
% to Turnover	-	-	0.39%	19.73%
Interest	**0**	**0**	**0**	**2.15**
% to Turnover	-	-	-	0.16%
Profit Before Tax	**-0.03**	**-0.04**	**0.36**	**263.86**
% to Turnover	-	-	0.34%	19.57%
Provision for Tax	**0**	**0**	**0.1**	**94.55**
% to Turnover	-	-	0.10%	7.01%
Profit after Tax	**-0.03**	**-0.04**	**0.26**	**179.9**
% to Turnover	-	-	0.25%	13.34%
Effective Tax Rate	**0.00%**	**0.00%**	**27.78%**	**35.83%**

Fiscal 2007 Vs 2006

In Fiscal 2007 our company commenced the business of Trading in Specialty Chemicals, there was no manufacturing process being carried out for Fiscal 2007. In the Fiscal 2006 not trading or manufacturing activity was carried out by the company and hence the financials of the two Fiscals cannot be compared.

Income

Total Income for the Fiscal 2007 is Rs. 105.07 Lacs. In the Fiscal 2007 the company commenced the business of Trading of Specialty Chemicals which contributed 99.55% to the Total Income of the Company. For Fiscal 2007 company had not started their manufacturing activities. For the Fiscal 2006 the company did not conduct any business.

Expenditure
Expenditure for the Fiscal 2007 is Rs. 104.66 Lacs. Total Expenditure as percentage to turnover is 99.6%. For the Fiscal 2006 the company incurred administrative and statutory expenses of Rs. 0.23 Lacs.

Material Purchased and Consumed
For Fiscal 2007 Cost of sales of goods traded was Rs. 104.43 Lacs for the year 2007.

Manufacturing and Selling Expenses
There were no manufacturing and selling expenses for the Fiscal 2007.

Administrative and Other Expenses
Administrative Expenses and Other Expenses accounted to Rs. 0.23 Lacs for Fiscal 2007.

EBIDTA
EBIDTA for the Fiscal of 2007 is Rs. 0.41 Lacs.

Depreciation
Since there were no Assets for the Fiscal 2007 and Fiscal 2006, there was no Depreciation for the respective years.

Interest Cost / Financial Charges
The company had not availed of any loans for the Fiscal 2007 and Fiscal 2006 and hence there were no Interest/Financial Charges for the respective years.

Taxes
The Taxes paid for the Fiscal 2007 was Rs. 0.10 Lacs at the rate of nearly 28%. The Total Revenue of our Company was Rs. 105.07 and Profit before Tax was Rs. 0.36 Lacs for Fiscal 2007.

Profit After Tax (PAT)
PAT was Rs. 0.26 Lacs in Fiscal 2007 and PAT Margin was 0.24% for the Fiscal 2007.

2006 VS 2005
Our Company had no operations for the Fiscal 2006 and Fiscal 2005. Our company recorded a Net Loss of Rs. 0.04 Lacs and Rs. 0.03 Lacs respectively. The expenditure shown in Fiscal 2006 and Fiscal 2005 were Administration and Statutory expenses incurred by the company.

Related Party Transactions

For details of related party transactions, please refer to the section titled "Related Party Transactions" beginning on page [●] of this Draft Prospectus.

Financial Market Risks
We are exposed to financial market risks from changes in Interest rates and Inflation.

Interest Rate Risk
Our interest rate risk results from changes in interest rates, which may affect our finance expenses. We bear interest rate risk with respect to the debts, which we have for the half year ended September 30, 2007, since the interest rates could fluctuate in the near future. Any rise in interest rates would result in higher interest bearing debts.

Effect of Inflation
We are affected by inflation as it has an impact on the Raw Material Cost, Wages, Fuel Cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

AN ANALYSIS OF REASONS FOR THE CHANGES IN SIGNIFICANT ITEMS OF INCOME AND EXPENDITURE IS GIVEN BELOW

1) **Unusual or infrequent events or transactions**
   Our Company has acquired the Assets and Liabilities of Fineotex Chemical Industries through a Deed of Assignment dated April 1, 2007. For more details refer to the section titled 'Our History and Other Corporate Matters' beginning on page [●] in this Draft Prospectus.

2) **Significant economic changes that materially affected or are likely to affect income from continuing operations.**
   There have been no significant economic changes in the specialty chemicals industry in the recent pasts, which are likely to affect income from continuing operations.

3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations**
   Apart from the risks as disclosed under heading 'Risk Factors' beginning on page [●] in this Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**
   Our Company's future cost and sale prices will be determined by demand/supply situation, overall economic conditions of the country, government policies and availability of raw material etc. and prices there of.

5) **Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**
   Increases in revenues are by and large linked to increases in volume of business.

6) **Total turnover of each major Industry segment in which our Company operated**
   Please refer to page [●] under the heading 'Industry Overview'

7) **Status of any publicly announced new products or business segment.**
   Our Company has not publicly announced any new products or business segments.

8) **The extent to which the business is seasonal.**
   Our Company's business is not seasonal.

9) **Any significant dependence on a single or few suppliers or customers.**
   We source our major raw material from various suppliers across the region we operate. We are not dependent on few Customers for our sales of products.

10) **Competitive Conditions**
   For details of competitive conditions, please refer to the section titled 'Competition' beginning on page [●] of this Draft Prospectus.

SECTION VIII – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Our Company certifies that except as stated herein, there is no outstanding or pending litigation, suit, economic offence, criminal or civil prosecution, proceeding, proceeding initiated for offence(irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoter or Promoters Group companies and there are no defaults to banks/financial institutions, non payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, the Directors and Promoter Group Companies.

Further, there are no past cases in which penalties have been imposed on our Company, the Promoters, the Directors or the Promoters Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigations, defaults etc. in respect of Companies/firms/Ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Part I - Litigations relating to our Company and Contingent Liabilities of Our Company

A) Litigations by our Company

1. Sales Tax Cases: Nil

2. Income Tax Cases: Nil

3. Excise and Service Tax Cases: Nil

4. Cases under Negotiable Instruments Act: Nil

5. Civil Court Cases: Nil

6. Cases under Securities Laws: Nil

7. Cases under the Workmen's Compensation Act, 1933: Nil

8. Criminal Cases: Nil

9. Cases filed by the Directors: Nil

10. Past cases in which penalties were imposed on our Company and Directors: Nil

B) Litigations against our Company

1. Sales Tax Cases: Nil

2. Income Tax Cases: Nil

3. Excise and Service Tax Cases: Nil

4. Cases under Negotiable Instruments Act: Nil

5. Civil Court Cases: Nil

6. Cases under Securities Laws: Nil

7. Cases under the Workmen's Compensation Act, 1933: Nil

8. Criminal Cases: Nil

9. Past cases in which penalties were imposed on our Company and Directors: Nil

10. Cases against the Directors: Nil

C) Show Cause Notices/Legal Notices issued by/against our Company

No Show Cause Notice or Legal Notices have been issued against our Company

D) Contingent Liabilities of our Company

(Rs. in Lacs)

Sr. No.	Particulars	31.03.04	31.03.05	31.03.06	31.03.07	30.09.07
1	Guarantees given by bank on behalf of our Company on the security of fixed deposit of Rs. 3.85 lacs.	0	0	0	0	3.85
	Total	**0**	**0**	**0**	**0**	**3.85**

Note:
Period Ended 30.09.2007
1) Premium Amount to be paid to MIDC (i.e. The Lessor) on account of transfer of Leasehold Land on the name of Company, for which the amount is not ascertainable.

Part II - Litigations relating to our Promoters

As on the date of filing this Draft Prospectus there are no cases filed by/against our Promoters.

Part III - Litigations relating to our Directors other than Promoters

As on the date of filing of this Draft Prospectus, there are no cases filed by/ against our Directors.

Part IV - Litigations relating to our Group Companies / Ventures of Promoters

As on the date of filing of this Draft Prospectus, there are no cases filed by/ against our Group Companies.

Part V-Past cases in which Penalties have been imposed

There are no cases in the last five years in which penalties have been imposed on our Company.

Part VI- Adverse Events

There have been no adverse events affecting the operations of our Company occurring within one year prior to the date of filing of this Draft Prospectus with SEBI.

Amounts Owed to Small Scale Undertakings and other Creditors

Our Company owes Rs. 254.87 Lacs to creditors including small scale undertakings which is outstanding for more than 30 days as on 30th September, 2007.

Material Developments

Except as stated under the section titled 'Management's Discussion and Analysis of financial condition and Results of Operations' beginning on page [●] of this Draft prospectus and our Financial Statements included here in, no Material Developments have taken place after September 30, 2007, the date of the latest balance sheet, that would materially adversely affect the performance or prospects of our company. In accordance with SEBI requirements, our Company and the Lead manager will ensure that investors are informed of material developments until such time as the grant of Listing and Trading permission by the Stock Exchange.

STATUTORY APPROVALS AND LICENSES

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government/RBI and various Government agencies required for our present business. Further, except for pending approvals as detailed herein, our Company can undertake all our present activities in view of the present approvals and no further material approvals from any statutory body are required by our Company to undertake the present activities. Except as mentioned in this Section, we have not applied for any licenses/ approvals in relation to the Objects of the Issue.

It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

Approvals for the Issue

We have received the following approvals in relation to the Issue:

I. General approvals

Certificate of Incorporation dated January 30, 2004 bearing Corporate Identification Number U24100MH2004PTC144295 issued in the name of Fineotex Chemical Private Limited by the Registrar of Companies, Maharashtra, Mumbai.

Fresh Certificate of Incorporation dated October 19, 2007 consequent upon change of name on conversion to public limited company from Fineotex Chemical Private Limited to Fineotex Chemical Limited w.e.f. August 17, 2007 bearing Corporate Identification Number U24100MH2004PTC144295 issued by the Registrar of Companies, Maharashtra, Mumbai.

II. Approvals for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on November 21, 2007 authorized the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.

The shareholders have, pursuant to a special resolution at its Extraordinary General Meeting dated December 24, 2007 under section 81(1A) of the Companies Act, authorised the issue.

III. Business related approvals

We have received the following major approvals pertaining to our business:

A General approvals

1. Issuance of permanent account number, viz. AAACF8360M under the Income Tax Act, 1961.

2. Certificate of registration bearing number PT/R/1/1/28/15024 dated April 24, 2007 for registration of our Company as an employer under sub-section (1) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975.

3. Certificate of enrolment bearing number PT/E/1/1/28/18/4445 dated March 22, 2007 for the enrollment of our Company under sub-section (2) or sub-section (2A) of section 5 of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975.

4. Letter No. N/Cov./THN/RT-4373-34-3505-61-07 dated August 8, 2007 from the Deputy Director, Sub Regional Office, Employee State Insurance Corporation, Kalwa allotting Code No. 34-3505-61 issued to the Company under the provisions of Section 2(12)/1 (5) of the Employees State Insurance Act, 1948.

5. Registration certificate of establishment issued on December 21, 2005 bearing registration number HW 005701 with respect to our office and marketing activities at 42 & 43, Manorama Chambers, S. V. Road, Bandra (W), Mumbai - 400050 under the Bombay Shops and Establishments Act, 1948 valid till the year 2010.

6. Tax Deduction Account Number (TAN) –MUMF04902C.

7. Certificate of Importer Exporter Code number 0300031688 issued on September 13, 2000 by the Joint Director General of Foreign Trade, Ministry of Commerce, Government of India.

8. Certificate of registration dated March 22, 2007 issued by the sales Tax Officer allotting VAT TIN no. 27590597386V under the Maharashtra Value Added Tax Act, 2002 and allotting CST TIN No. 27590597386C under the Central Sales Tax Act,1956.

9. Certificate of Registration dated December 1, 2007 issued by Regional Provident Fund Commissioner allotting the Employee Provident Fund No. 117854/2855 under the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

10. Allotment of Service Tax Code Number (STC) – AAACF8360MST001 dated October 30, 2007 issued by Superintendent Service Tax assigned to Fineotex Chemical Limited for Transport of goods by road.

B Approvals obtained in respect of our Factory situated at Mahape

1. Registration and Factory License bearing registration no. Thane – 2(m)(i) 24299 dated December 31, 2004 issued by the Chief Inspector of Factories, Maharashtra under the Factories Act, 1948 valid till December 31, 2009 to manufacture at the unit.

2. Certificate of Registration bearing under registration no. AAACF8360MXM002 dated October 25, 2007 issued by Assistant Commissioner of Central Excise, Belapur III Division under Rule 9 of the Central Excise Rules, 2002 to certify that Fineotex Chemical Limited is registered for manufacturing of Excisable Goods at Mahape, Navi Mumbai.

3. Order No: MIDC/RO/MHP/TTC/A-699/2281 dated May 10, 2007 granting consent to transfer an assignment of Leasehold Interest by Mr. Surendra Kumar Tibrewala proprietor of M/s. Fineotex Chemical Industries in favour of Fineotex Chemical Private Limited.

4. Consent No. BO/RO Navi Mumbai/PCI-1 Amend/CC232 dated July 21, 2007 received from Maharashtra Pollution Control Board for operation of the plant under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air ((Prevention and Control of Pollution) Act, 1981 and Authorization/Renewal of Authorization under Rule 5 of the Hazardous Wastes (Management and Handling) Rule 1989, in respect of change of name from Fineotex Chemical Industries to Fineotex Chemical Private Limited in respect of Plot No. A 699 of TTC Industrial Area, MIDC, Mahape

C Approvals related to Environment

1. Consent Order No. AP/L/CO-2401/17406/AC-19255 dated August 31, 1994 received from Maharashtra Pollution Control Board for operation of the plant under Section 21 of Air (Prevention and Control of Pollution) Act, 1981 valid till the date June 30, 2008.

2. Consent No. BO/RONM/Thane/269-03/C/CC-323 dated December 3, 2003 received from Maharashtra Pollution Control Board for operation of the plant under Section 26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21 of the Air ((Prevention and Control of Pollution) Act, 1981 and Authorization/Renewal of Authorization under Rule 5 of the Hazardous Wastes (Management and Handling) Rule 1989, valid till the date October 31, 2008.

D Approvals related to Intellectual Property

1. Certificate of Registration of Trade Mark dated March 22, 2006 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark "FINEOTEX" in Class 1, dated March 10, 2003 and bearing no. 1181971.

We have applied for the following Licenses / Approvals

a) Intellectual Property

1. Application bearing no. 1608590 dated October 5, 2007 to the Trade Marks Registry, for registration of our logo "FCL" under class 1 under Section 18(1), Rule 25(2) of The Trade Marks Act, 1999.

2. Application bearing no. 1444498 dated June 12, 2006 to the Trade Marks Registry, for registration of our mark "FINOCOLL" under class 1.

3. Application bearing no. 1444499 dated June 9, 2006 to the Trade Marks Registry, for registration of our mark "FINOX" under class 1.

4. Application bearing no. 1444500 dated June 9, 2006 to the Trade Marks Registry, for registration of our mark "FINOFIX" under class 1.

5. Application bearing no. 1444501 dated June 22, 2006 to the Trade Marks Registry, for registration of our mark "FINOCON" under class 1.

On identification and acquisition of the land for the proposed project, our company will require the following approvals for which the applications will be made in the due course.

Sr. No.	Approval/Consent	Authority
1.	Factory License	Chief Inspector Of Factory, Maharashtra
2.	Consent for Operation of the Plant under Water(Prevention and Control of Pollution) Act, 1974	Maharashtra Pollution Control Board
3.	Consent for Operation of the Plant under Air(Prevention and Control of Pollution) Act, 1981	Maharashtra Pollution Control Board
4.	Permission for DG Sets (Current as well as proposed)	Electrical Inspector

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THIS ISSUE

The Board of Directors have, pursuant a resolution passed at its meeting held on November 21, 2007, authorized this Issue, subject to the approval of the shareholders of our Company under Section 81 (1A) of the Companies Act, 1956.

Our shareholders have authorized this Issue by a special resolution adopted pursuant to Section 81 (1A) of the Companies Act, 1956, passed at the Extra Ordinary General Meeting of our Company held on December 24, 2007.

PROHIBITION BY SEBI

Our Company, our Directors, our Promoters, the Directors of our Promoter Group Companies or persons in control of our Promoter Group Companies, the group companies, companies promoted by our Promoters and companies or entities with which our Company's Directors are associated as directors / promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

PROHIBITION BY RBI

Our Company, our Promoters, their relatives, group concerns and associate companies have not been detained as willful defaulters by the RBI or any other government authorities and there are no violations of securities laws committed by them in the past or pending against them.

ELIGIBILITY FOR THE ISSUE

We are eligible for the issue as per Clause 2.2.2 a (ii) and b (i) of the SEBI Guidelines as explained as under.

Clause 2.2.2 a (ii) and b (i) of the SEBI Guidelines state as follows:

An unlisted company not complying with any of the conditions specified in Clause 2.2.1 may make an initial public offering as per Clause 2.2.2 of equity shares or any other security which may be converted into or exchanged with equity shares at a later date, only if it meets both the conditions in (a) and (b) given below:

(a) (i) The issue is made through the book building process, with atleast 50% of the net offer to the public being allotted to the Qualified Institutional Buyers (QIBs), failing which the subscription monies shall be refunded.

OR

(a) (ii) The "project" has atleast 15% participation by Financial Institutions/Scheduled Commercial Banks, of which atleast 10% comes from the appraiser(s). In addition to this, atleast 10% of the issue size shall be allotted to QIBs, failing which full subscription monies shall be refunded

AND

(b) (i) The minimum post issue face value capital of the Company shall be Rs. 10 crore.

OR

(b) (ii) There shall be a compulsory market making for atleast 2 years from the date of listing of

the shares subject to the following:

(a) Market makers undertake to offer buy and sell quotes for a minimum depth of 300 shares;
(b) Market makers undertake to ensure that the Bid ask spread (difference between quotations for sale and purchase) for their quotes shall not at any time exceed 10%;
(c) The inventory of the market makers on each of such stock exchanges, as on the date of allotment of securities, shall be atleast 5% of the proposed issue of the company"

We are an unlisted company not complying with the conditions specified in Clause 2.2.1 of the SEBI Guidelines and are, therefore, required to meet both the conditions detailed in Sub-Clauses (a) and (b) of Clause 2.2.2 of the SEBI Guidelines.

We are complying with Clause 2.2.2 (a) (ii) of the SEBI (DIP) Guidelines and the "project" has atleast 15% participation by Financial Institutions/Scheduled Commercial Banks, of which atleast 10% comes from the Appraiser i.e. Indian Bank. In addition to this, atleast 10% of the Issue Size shall be allotted to QIB's, failing which full subscription monies shall be refunded.

We are also complying with Clause 2.2.2 (b) (i) of the SEBI (DIP) Guidelines and the minimum post issue face value capital of our Company shall be Rs.10 Crores.

Our Company undertakes that the number of allottees in the proposed Issue shall be at least 1,000; otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS DRAFT PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT PROSPECTUS. THE LEAD MANAGER, FIRST OVERSEAS CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FIRST OVERSEAS CAPITAL LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 03, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, AND DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS IN CONNECTION WITH**

THE FINALISATION OF THIS DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE.

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, IT'S 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) **THIS DRAFT PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS 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 THIS 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 (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS)**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

4. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT PROSPECTUS.**

5. **WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**

6. **WE CERTIFY THAT REQUIREMENTS OF PROMOTERS CONTRIBUTION UNDER THE CLAUSES 4.9 ARE NOT APPLCABLE TO THE ISSUER.**

7. **WE CERTIFY THE REQUIREMENTS OF PROMOTERS CONTRIBUTION UNDER CLAUSE 4.10 ARE NOT APPLICABLE TO THE ISSUER.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACITIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE**

OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER WOULD SPECIFICALLY CONTAIN THIS CONDITION.**

10. **WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE ISSUER OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE.**

11. **WE CERTIFY THAT A DISCLOSURE HAS BEEN IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT MODE ONLY.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:**

    (a) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY AND;

    (b) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

THE FILING OF THIS DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.

Disclaimer Statement from the Company and the Lead Manager

Investors may note that Fineotex Chemical Limited and First Overseas Capital Limited accept no responsibility for statements made other than in this Draft Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer Company or Lead Manager and that any one, placing reliance on any other source of information would do so at their own risk.

Investors will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company and the disclosures as to applicable investment limits in this Draft Prospectus are not represented to be complete or accurate and investors should conduct an independent evaluation of their ability to invest in this

Issue.

All information will be made available by the Lead Manager, and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports or at Collection Centres etc. We shall not be liable to the Applicants for any failure in downloading the applications due to faults in any hardware/software system or otherwise.

Disclaimer in Respect of Jurisdiction

This Issue is being made subject to applicable legal requirements, in India to persons resident in India (including Indian nationals resident in India who are majors, HUF's, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in Equity Shares, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Commercial Banks, Regional Rural Banks, Co-operative Banks (subject to RBI permission), Trusts registered under the applicable trust law or the Societies Registration Act, 1860, as amended from time to time and who are authorized under their constitution to hold and invest in Equity Shares) and to NRIs, Non-residents, FIIs and Foreign Venture Capital Investors registered with SEBI, Public financial institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds registeredwith SEBI, Multilateral and Bilateral development Financial Institutions, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds(subject to applicable law) with minimum corpus of Rs. 2500 Lacs and pension funds (Subject to applicable law) with minimum corpus of Rs. 2500 Lacs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been or will be taken to permit a public issuing in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been submitted for approval and has been filed with SEBI. Accordingly, the Equity Shares, represented thereby may not be issued or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. Persons" (as defined in Regulation under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold only (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of Bombay Stock Exchange Limited ("BSE")

As required, a copy of this Draft Prospectus has been submitted to Bombay Stock Exchange (herein referred to as BSE). Bombay Stock Exchange Limited has given vide its letter no. [●] dated [●] given permission to this Company to use BSE's name in this Draft Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has scrutinized this Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; or
2. Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
3. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

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

Disclaimer Clause of National Stock Exchange of India Limited ("NSE")

As required, a copy of this Draft Prospectus has been submitted to National Stock Exchange of India Limited (herein referred to as NSE). NSE has given vide its letter dated [●], permission to the Company to use NSE's name in this Draft Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. The NSE has scrutinized this Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Draft Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing of Prospectus with SEBI and the Registrar of Companies

A copy of this Draft Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.

A copy of the Prospectus along with the documents required to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC, Everest, 100 Marine Drive, Mumbai- 400 002, Maharashtra (India).

Listing

Application has been made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.
BSE shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the stock exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 70 days from the date of Issue Closing Date, whichever is earlier, then we and all our directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

We shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within seven working days of finalization of Basis of Allotment for this Issue.

Consents

Necessary Consents for this issue have been obtained from the following:

1. Directors of our Company
2. Promoters our Company
3. Bankers to our Company
4. Auditors to our Company
5. Lead Manager to the Issue
6. Legal Advisor to the Issue
7. Legal Advisor to the Company
8. Registrar to the Issue
9. Company Secretary & Compliance Officer
10. Collection Bankers to the Issue^

The said consents would be filed along with a copy of the Prospectus with the RoC, Mumbai, Maharashtra, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Prospectus, for registration with the RoC, Mumbai, Maharashtra.

^ Shall be obtained in the due course

Expert Opinion

Except as stated otherwise in this Draft Prospectus, we have not obtained any expert opinion.

Public Issue Expenses

The expenses of this Issue include, among others, Issue management fees, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses (Rs. Lacs)	% of Issue Size*	% of Issue expenses

Lead Management & Brokerage	42.50	2.88	29.10
Advertisement and Marketing Expenses	30.00	2.04	20.55
Printing and Stationery (including expenses on transportation of the material)	50.00	3.39	34.25
Others (Registrar's Fees, Legal Fees, Listing Fees, ROC Charges, Deposit, Consultancy Fees etc.)	23.50	1.59	16.10
Total	**146.00**	**9.90%**	**100%**

* Has been incorporated at the lower end of the price band.
All expenses with respect to this issue will be borne by our Company.

Details of Fees Payable

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding signed between us and the Lead Manager, First Overseas Capital Limited dated February 4, 2008 a copy of which is available for inspection at our Registered Office and forms part of Material Contracts and Documents.

Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to this Issue, Bigshare Services Private Limited, will be as per the Memorandum of Understanding signed with our Company dated September 11, 2007 a copy of which is available for inspection at our Registered Office and forms part of Material Contracts and Documents.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of stationery, postage, stamp duty, communication expenses. Adequate funds will be provided to the Registrar to this Issue to enable them to send refund orders or allocation advice by registered post/ Speed Post. Refund Orders up to Rs. 1,500/- would be sent under certificate of posting.

Brokerage

Brokerage for this Issue will be paid not more than 1.50% of this Issue Price of the Equity Shares by our Company on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the 'Broker' column. Brokerage at the same rate will also be payable to the Collection Banks in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers'/Agents' codes on the Application Form, our Company's decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. We, at our sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by us.

Previous Rights and Public Issues during the Last Five Years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issues of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as detailed in the section entitled 'Capital Structure' beginning on page [●] of this Draft Prospectus.

Commission and Brokerage on Previous Issues

Since this is the initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issues during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Option to subscribe

Shares issued pursuant to this Issue shall be allotted in the dematerialized form only**.**

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance - Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding debentures or bonds and redeemable preference shares and other instruments issued and outstanding as on the date of this Draft Prospectus and terms of Issue

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of this Draft Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor's Grievance

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/ investor complaints such as issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/ transmission of shares and Debentures, complaints fro non-receipt of dividends etc. For further details on this committee, please refer under the head 'Corporate Governance' on page [●] of this Draft Prospectus. To expedite the process of share transfer our company has appointed Bigshare Services Private Limited as the Registrar and Share transfer agents of our Company.

Disposal of Investors' Grievances and Redressal Mechanism

We have appointed Bigshare Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance Officer. All grievances relating to the

present issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of equity shares applied for, amount paid on application and bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

A fortnightly status report of the complaints received and redressed by the registrar to the Issue would be forwarded to us. We would also co-ordinate with the Registrar to the Issue in attending to the investors grievances.

We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances shall be fifteen working days from the date of receipt of the complaint. In case of non routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Abhay V. Nerurkar as the Compliance Officer who would directly liaise with SEBI with respect to implementation/compliance of various laws, rules, regulations and other directives issued by SEBI and matters related to investor complaints. The investors may contact the compliance officer in case of any pre issue/post issue related problems at the following address:

Mr. Abhay V. Nerurkar
Company Secretary & Compliance Officer
Fineotex Chemical Limited
42/43, Manorama Chambers,
S.V.Road, Bandra (West),
Mumbai - 400 050
Tel:+91-22-26559174/75/76;
Fax +91-22-26559178;
E-mail:nerurkar@fineotex.com;
Website: www.fineotex.com

Changes in Auditors during the last three years and reasons thereof

There has been a change in the auditors during the last three years. Pravin Shah & Co., Mumbai was appointed as the statutory auditor of the Company. Thereafter M/s A. D. Mehta & Co. was appointed as the statutory auditor from Financial Year 2005-06 since he was the auditor for other group concerns of the promoters.

Capitalization of Reserves or Profits during last five years

Our Company has issued 33,24,600 bonus Equity Shares from the reserves of the Company.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION IX - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Principal Terms and Conditions of the Issue

The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI (DIP) Guidelines, our Memorandum and Articles of Association, the terms of this Draft Prospectus, the Prospectus, Application Form, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the issue

The Issue has been authorized by a resolution of our Board dated November 21, 2007 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, at an Extraordinary general meeting of the shareholders of our Company held on December 24, 2007.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in respect of Allotment of Equity Shares under this Issue will be entitled to dividends, voting rights and any other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see the section “Main Provisions of the Articles of Association” on page [] of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of the Companies Act and our Articles of Association, recommended by the Board of Directors and the shareholders at their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per the provisions of the Companies Act.

Face Value and Issue Price per Share

The Equity Shares having a face value of Rs. 10/- each are being offered in terms of this Draft Prospectus at a price of Rs. [●]**/-** per Equity Share. The issue price will be determined by our Company in consultation with the Lead Manager and on the basis of assessment of market demand for the Equity Shares. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [●] times the face value of the Equity Shares.

Compliance with SEBI Guidelines

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability of shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, etc., please refer to the section titled 'Main Provisions of Articles of Association' beginning on page [●] of this Draft Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per the existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors.

Since trading of our Equity Shares will be in dematerialized form, the tradable lot is one Equity Share. Allocation and Allotment in this Issue will be done only in electronic form in multiples of 150 Equity Shares to the Investors subject to a minimum Allotment of 150 Equity Shares. For details of Allocation and Allotment, please refer to the section titled "Issue Procedure" on page [●] of this Draft Prospectus.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with

within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

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

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received.

At least 10% of the Issue size shall be allotted to QIBs, failing which the full subscription money shall be refunded.

Withdrawal of the Issue

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue any time after the Issue Opening Date without assigning any reason thereof.

In the event of withdrawal of the issue any time after the Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

Period of Subscription

The subscription list for public issue shall remain open for at least 3 working days and not more than 10 working days.

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares will be traded in dematerialized form only; therefore the marketable lot is one (1) share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Shares

For a detailed description in respect of restrictions, if any, on transfer and transmission of our Equity Shares and on their consolidation/splitting, please refer sub-heading "Main Provisions of The Articles of Association" appearing on page [] of this Draft Prospectus.

ISSUE PROCEDURE

Authority for the Present Issue

The Issue has been authorized pursuant to a resolution of the Board of Directors of our Company adopted at its meeting held on November 21, 2007 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956, at the Extraordinary General Meeting of the Company held on December 24, 2007.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Draft Prospectus together with Application Forms and copies of the Prospectus may be obtained from the Registered Office of the Company, Lead Manager to the Issue, Registrar to the Issue and at the collection centres of the Bankers to the Issue, as mentioned on the Application Form. NRIs/FIIs can obtain the Application form from the registered office of the Company.

Application may be made by:

a. Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three)

b. Hindu Undivided Families through the Karta of the Hindu Undivided Family

c. Companies, Bodies Corporate and Societies registered under the applicable laws in India and authorized to invest in the Shares

d. Indian Mutual Funds registered with SEBI

e. Indian Financial Institutions & Banks

f. Indian Venture Capital Funds / Foreign Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any.

g. State Industrial Development Corporations

h. Insurance Companies registered with Insurance Regulatory and Development Authority

i. Provident Funds with minimum corpus of Rs.2500 Lacs

j. Pension Funds with minimum corpus of Rs.2500 Lacs

k. Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorized under its constitution to hold and invest in Equity Shares of a Company

l. Commercial Banks and Regional Rural Banks. Co-operative Banks may also apply subject to permission from Reserve Bank of India

m. Permanent and Regular employees of our Company

n. Non-Resident Indians (NRIs) on repatriation / non-repatriation basis

o. Foreign Institutional Investors (FIIs) on repatriation basis

Applications not to be made by:

i. Minors
ii. Partnership firms or their nominees
iii. Foreign Nationals (except NRIs)
iv. Overseas Corporate Bodies (OCBs)

Applications by Hindu Undivided Families (HUF)
Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

Application Form

Applications must be made only on the prescribed Application Form and should be completed in BLOCK LETTERS in English as per the instructions contained herein and in the Application Form, and are liable to be rejected if not so made. The prescribed application forms will have the following colours:

Category	Colour of Application Form
Indian Public including eligible NRIs applying on non-repatriation basis	White
NRIs / FIIs applying on repatriation basis	Blue
QIBs	Green

Minimum and Maximum Application Size

Applications should be for minimum of 150 Equity Shares and in multiples of 150 Equity Shares thereafter. An applicant in the net public category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. In the case of reserved categories, a single applicant in the reserved category can make an application for a number of Equity Shares, which exceeds the reservation.

Under existing SEBI guidelines, a QIB applicant cannot withdraw its application after the Issue Closing Date.

Option to Subscribe

As on the date of this document, there are no pending options to subscribe to Equity Shares or convertible instruments pending conversion into Equity Shares of any kind. The investor shall have the option to subscribe to Equity Shares to be dealt with in a depository.

Applications under Power of Attorney

In case of applications under Power of Attorney or by Companies, Bodies Corporate, Societies registered under the applicable laws, trustees of trusts, Provident Funds, Superannuation Funds, Gratuity Funds; a certified copy of the Power of Attorney or the relevant authority, as the case may be, must be lodged separately at the office of the Registrar to the Issue simultaneously with the submission of the application form, indicating the serial number of the application form and the name of the Bank and the branch office where the application is submitted.

Our Company in absolute discretion reserves the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Application Form subject to such terms and conditions as it may deem fit.

Application by Non Residents/NRIs/FIIs

There is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Ventures Capital Fund Applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the policy of RBI, Overseas Corporate Bodies cannot participate in the issue.

Instructions for applications by NRIs/ FIIs (on Repatriable basis)

1. As per Notification No. FEMA 20 / 2000 - RB dated 3rd May 2000, as amended from time to time, under automatic route of Reserve Bank, our Company is not required to make an application for Issue of Equity Shares to NRIs/FIIs with repatriation benefits.

2. However, the allotment / transfer of the Equity Shares to NRIs/FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

3. In case of application by NRIs on repatriation basis, the payments must be made through Indian rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance.

4. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Subscribers applying on a repatriation basis. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to NRE or FCNR account.

5. In case of application by FIIs on repatriation basis, the payment should be made out of funds held in Special Non-Resident Rupee Account along with documentary evidence in support of the remittance like certificates such as FIRC, bank certificate etc. from the authorised dealer. Payment by bank drafts should be accompanied by bank certificate confirming that the bank draft has been issued by debiting to Special Non-Resident Rupee Account.

6. Duly filled Application Forms by NRIs / FIIs will be accepted at designated branches of the Bankers to the Issue at Mumbai and New Delhi only.

7. Refunds/dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges / commission. In case of applicants who remit their application money from funds held in NRE / FCNR accounts, such payments shall be credited to their respective NRE / FCNR accounts (details of which shall be furnished in the space provided for this purpose in the Application Form), under intimation to them. In case of applicants who remit their money through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as maybe permitted by RBI at the exchange rate prevailing at the time of remittance and will be dispatched by registered post, or if the applicants so desire, will be credited to their NRE / FCNR accounts, details of which are to be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice versa.

8. Applications in this category may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the reserved

category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Instructions for Applications by Indian Mutual Funds & Scheduled Banks

a. A separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications. The applications made by the Asset Management Company or Trustees / Custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

b. Indian Mutual Funds & Scheduled Banks should apply in this Public Issue based upon their own investment limits and approvals.

c. Application forms together with cheques or bank drafts drawn in Indian Rupees for the full amount payable at the rate of Indian Rs. [●] per share must be delivered before the close of subscription list to such branches of the Bankers to the Issue at places mentioned in the application form.

d. A separate single cheque / bank draft must accompany each application form.

Terms of Payment

The entire Issue price of Rs. [●] (Face Value of Rs. 10 plus premium of Rs. [●] per share) per share is payable on application only. In case of allotment of lesser number of Equity Shares than the number applied, the Company shall refund the excess amount paid on application to the applicants.

Filing of the Prospectus with ROC

A copy of the Prospectus along with the documents required to be filed under Section 60B of the Companies Act, 1956 would be delivered for registration to the Registrar of Companies, Everest, 100 Marine Drive, Mumbai – 400 002, Maharashtra (India)

Announcement of Pre-Issue Advertisement

Subject to section 6 of the Companies Act, 1956 the Company shall after receiving the final observations, if any, on this Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in an English national daily with wise circulation, one Hindi National newspaper and a regional language newspaper with wide circulation at Mumbai.

General Instructions for Applicants

1. Applications must be made in the prescribed application form and completed in Full in BLOCK LETTERS in English as per the instructions contained herein and in the application form and are liable to be rejected if not so made.

2. The application for Equity Shares should be for a minimum of 150 Equity Shares and in multiples of 150 shares thereafter. An applicant can make an application only for a maximum number of Equity Shares that are offered in the respective category.

3. Thumb impressions and signatures other than in English/ Hindi or any other language specified in the 8th Schedule to the Constitution of India, must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his/ her official seal.

4. **Bank Account Details of Applicant**

The name of the Applicant, Depository Participant's name, Depository Participant's Identification (DPID) number and the Beneficiary number provided by the Depository Participant must be mentioned correctly in the Application Form at the appropriate places. The Registrar will obtain the Demographic details such as Address, Bank account details and occupation from the depository participants. The refunds, if any, will be printed with the Bank details as given by the Depository participant.

5. Applicants should write their names and application serial number on the reverse of the instruments by which the payments are being made to avoid misuse of instruments submitted along with the applications for Equity Shares.

6. Applications by NRIs on non-repatriation basis can be made using the Form meant for Public out of the funds held in Non- Resident Ordinary (NRO) Account. The relevant bank certificate must accompany such forms. Such applications will be treated on par with the applications made by the public.

Payment Instructions

1. Payments should be made in cash or cheque or bank draft 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 Centers (indicated in the Application Form) where the Application is accepted. However, if the amount payable on application is Rs. 20,000/- or more, in terms of section 269SS of the Income-Tax Act, 1961; such payment must be effected only by way of an account payee cheque or bank draft. In case payment is effected in contravention of the conditions mentioned herein, the application is liable to be rejected and application money will be refunded and no interest will be paid thereon.

2. Money orders, postal orders, outstation cheques or bank drafts, cheques / draft drawn on Banks not participating in the "clearing" will not be accepted and applications accompanied with such instruments may be rejected.

3. A separate cheque / bank draft must accompany each application form.

4. All cheques / bank drafts accompanying the application should be crossed **"A/c Payee Only"** and made payable to the Bankers to the Issue and marked:

Category of Application	**Cheques / Bank Drafts favouring**
Indian Public including eligible NRIs applying on non-repatriation basis	**"FCL – Public Issue"**
NRIs/ FIIs on repatriation basis	**"FCL – Public Issue – NR"**
QIBs	**"FCL – Public Issue – QIB"**

5. Investors will not have facility of applying through stockinvest instruments as RBI has withdrawn the stockinvest scheme vide notification no.DBOD.NO.FSC.BC.42/24.47.001/ 2003-04 dated 5/11/2003.

Do's:

a) Check if you are eligible to apply;
b) Complete the application form after reading all the instructions carefully;
c) Ensure that the details about Depository Participant and beneficiary account are correct as Equity Shares will be allotted in the dematerialized form only;

d) Ensure that the Demographic Details are updated, true and correct in all respects.
e) Ensure that the application is for a minimum lot of 150 shares and in multiples of 150 shares thereof
f) Ensure that the Application forms are submitted at the Bank locations mentioned on the application forms;
g) Ensure that you have been given an acknowledgement for your application;
h) Ensure that the application form is accompanied by the corresponding amount of cheques/demand draft
i) Investors must ensure that the name given in the application form is exactly the same as the name in which the Depository Account is held. In case, the Bid cum Application Form is submitted in joint names, investors should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Application Form.
j) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000/- or more. The copy of the PAN card or the PAN allotment letter should be submitted with the application form; and
k) If you have mentioned 'Applied For' or 'Not Applicable' in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.

Don'ts:

a) Do not apply if you are prohibited from doing so under the law of your local jurisdiction;
b) Do not apply for lower than minimum application size;
c) Do not provide your GIR number instead of PAN number;
d) Do not fill up the Application Form for an amount that exceeds the investment limit or maximum number of Equity Shares that can be held by an applicant under the applicable law.

Submission of Completed Application Forms:

All applications duly completed and accompanied by cash/ cheques / bank drafts shall be submitted at the branches of the Bankers to the Issue (listed in the Application Form) before the closure of the Issue.

Application(s) should not be sent to the office of our Company or the Lead Manager to the Issue or the Registrar to the Issue.

Applicants residing at places where no collection centers have been opened may submit / mail their applications at their sole risk along with application money due there on by Bank Draft to the Registrar to the Issue, Big Share Services Private Limited, super scribing the envelope "Fineotex Chemical Limited – Public Issue" so as to reach the Registrar on or before the closure of the Subscription List. Such bank drafts should be payable at Mumbai only.

Our Company will not be responsible for postal delays and loss in transit. Our Company will not entertain any claims, damage or loss due to postal delays or loss in transit.

No separate receipts will be issued for the application money. However, the Bankers to the Issue or their approved collecting branches receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

Applications shall be deemed to have been received by our Company only when submitted to the Bankers to the Issue at their designated branches or on receipt by the Registrar as detailed above and not otherwise.

Other Instructions

Joint Applications in the case of individuals

Applications can be in single or joint names (not more than three). In the case of joint applications, all payments will be made out in favour of the first applicant. All communications will be addressed to the first named applicant whose name appears in the Application form at the address mentioned therein.

Applications may be made by Hindu Undivided Families (HUF) through the Karta of the (HUF) and will be treated at par with individual applications.

Multiple Applications

An applicant should submit only one application form (and not more than one) for the total number of Equity Shares applied for. Two or more applications in single or joint names will be deemed to be multiple applications if the sole and/ or first applicant is one and the same.

Our Company reserves the right to accept or reject, in its absolute discretion, any or all-multiple applications. Unless the Company specifically agrees in writing with or without such terms and conditions it deems fit, a separate cheque/draft must accompany each application form.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect the multiple applications are given below:

i. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

ii. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

iii. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Application form and create an address master.

iv. The addresses of all the applicants in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e, commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

v. The applications will be scrutinized for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

vi. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the applications clearly indicate the scheme concerned for which the application has been made. The applications made by the Asset Management Companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned for which application is being made.

We reserve the right to reject, in their absolute discretion, all or any multiple applications in any or all categories.

PAN/ GIR Number

Whenever the application(s) is/are made, the applicant or in the case of an application in joint names, each of the applicants, should mention his/her Permanent Account Number (PAN) allotted under the IT Act. **The copy of the PAN card or PAN allotment letter is required to be submitted with the application form.** Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.** In case the sole/first applicant and joint applicant(s) is/are not required to obtain PAN, each of the applicant(s) shall mention "Not Applicable" and in the event that the sole applicant and/or the joint applicant(s) have applied for PAN, which has not yet been allotted, each of the applicant(s) should mention "Applied for" in the Application Form. Further, where the applicant(s) has mentioned "Applied for" or "Not Applicable", the sole/first applicant and each of the joint applicant(s), as the case may be, would be required to submit Form 60 (form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in Rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in Rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving Licence (d) Identity Card issued by any institution (e) Copy of the Electricity Bill or Telephone Bill showing Residential Address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration.

It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Central Board of Direct Taxes, Department of Revenue, Ministry of Finance. All applicants are requested to furnish, where applicable, the revised Form 60 or Form 61 as the case may be.

Right to reject the applications

Our Company and the Lead Manager reserve the right to reject any application without assigning any reason therefore in case of QIBs. In case of Non-Institutional Applicants and Retail Individual Applicants, we have a right to reject applications based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Applicant's address at the Applicants risk.

Grounds for Technical Rejections

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:-

i. Amount paid does not tally with the amount payable for the value of Equity Shares applied for;

ii. Age of first applicant not given;

iii. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such, shall be entitled to apply;

iv. NRIs, except eligible NRIs and Non-Residents;

v. Applications by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;

vi. PAN not stated or GIR number is stated instead of PAN number;

vii. Applications for number of Equity Shares, which are not in multiples of 150;

viii. Category not ticked;

ix. Multiple Applications as defined in this Draft Prospectus;

x. In case of Application under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

xi. Applications accompanied by stockinvest/money order/postal order/cash (wherever applicable);

xii. Signature of sole and/or joint Applicants missing;

xiii. Application Form does not have the Applicant's depository account details;

xiv. Application Form is not delivered by the Applicant within the time prescribed as per the Application Form, Issue Opening Date advertisement and this Prospectus and as per the instructions in the Prospectus and the Application Form;

xv. Any other reason which the Lead Manager or our Company deem necessary.

xvi. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the depositary participant's identity (DP ID) and the beneficiary account number;

xvii. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations.

xviii. Applications by OCBs; and

xix. Applications by U.S. persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act;

Equity Share In Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Share of the Company can be held in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode).

Successful allottees in this issue will be compulsorily allotted Equity Shares in dematerialized form. In this context, two tripartite agreements have been signed between the company, the Registrar and the Depositories:

a. An agreement dated January 29, 2008 between the Company, NSDL and Bigshare Services Private Limited; and

b. An agreement dated January 17, 2008 between the Company, CDSL and Bigshare Services Private Limited.

All investors can seek allotment only in dematerialized mode. However an investor will have an option to hold the shares in Physical form or demat form. After the allotment in the proposed issue allottees may request their respective DP for rematerialization of shares if they wish to hold shares in physical form. Applications without relevant details of his or her depository account are liable to be rejected.

1. An applicant applying for shares must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or of CDSL, registered with SEBI, prior to making the application.

2. The applicant must necessarily fill in the details (including the beneficiary account no. and Depository Participant's ID no.) in the application form.

3. Equity Shares allotted to an applicant in the electronic account will be credited directly to the respective beneficiary accounts (with the DP)

4. Names in the share application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository

5. The Registrar to this Issue will directly send non-transferable allotment letters/refund orders to the applicant.

6. If incomplete/incorrect details are given under the heading 'Request for shares in electronic form' in the application form, it is liable to rejected.

7. The applicant is responsible for the correctness of the applicant's demographic details given in the application form vis-à- vis those with his/her Depository Participant.

8. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares of the Company are proposed to be listed are connected to NSDL and CDSL.

9. Trading in the Equity Shares of the Company would be in dematerialized form only for all investors.

10. Investors are advised to instruct their Depository Participants to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Communication

All future communications in connection with applications made in this issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First applicant, Application Form Number, Applicant's Depository account details, number of Equity Shares applied for, date of Application form, Cheque or draft number and issuing bank thereof.

Our Company has appointed Mr. Abhay V. Nerurkar as the Compliance Officer for the purpose of this IPO. The compliance officer can be contacted at 42 & 43 Manorama Chambers, S. V. Road, Bandra (West) Mumbai – 400 050, Tel:+91-22-26559174/75, Fax: +91- 22-26559178, Email:ipo@fineotex.com.

Investors can contact the Compliance Officer in case of any Pre-Issue related problems. In case of Post-Issue related problems such as non-receipt of letters of allotment / share certificates / credit of securities in depositories beneficiary account / refund orders, etc., Investors may contact Compliance Officer or Registrar to the Issue.

For further instructions regarding application for the Equity Shares, investors are requested to read the application form carefully

Disposal of Application and Application Money

Our Company reserves, in own, absolute and uncontrolled discretion and without assigning any reason, the right to accept in whole or in part or reject any application. If an application is rejected in full, the entire application money received will be refunded to the applicant. If the application is rejected in part, excess of the application money received will be refunded to the applicant within 30 (thirty) days from the date of closure of the Issue. No interest will be payable on the application money so refunded. Refund will be made by cheques or demand drafts drawn in favour of the sole/first applicant (including the details of his/her savings/ current account number and the name of the bank with whom the account is held) to the Issue and will be dispatched by Registered Post/ Speed Post for amounts above Rs.1,500 and by Certificate of Posting otherwise. Such refund orders will be payable at par at all the collection centres.

The subscription received in respect of Public Issue will be kept in a separate bank account and our Company shall not have access to such funds unless approval for dealing from BSE & NSE, where listing has been proposed, is received.

Our Company has undertaken to make adequate funds available to the Registrar to the Issue for complying with the requirements of dispatch of Allotment Letters/Refund Orders by Registered Post/Speed Post.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956, which is reproduced below:

“Any person who:

a. makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

b. otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”

Interest on Excess Application Money

Payment of interest at rate of 15% per annum on the excess application money, after adjusting the amount due on allotment and unpaid calls will be made to the applicants, if the refund orders are not dispatched within 30 days from the date of closure of the subscription list.

Basis of Allotment

In the event of the Present Issue of Equity Shares being oversubscribed, allotment shall be made on a proportionate basis and the basis of allotment will be finalized in accordance with the SEBI Guidelines and in consultation with BSE (Designated Stock Exchange). The Executive Director / Managing Director of BSE along with the Lead Manager and the Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the following guidelines:

Proportionate Allotment Procedure

Allotment shall be on proportionate basis within the specified categories, rounded off to the nearest integer subject to a minimum allotment being equal to the minimum application size i.e. 150 Equity Shares.

Reservation for Retail Individual Investor

The above proportionate allotments of Equity Shares in an Issue that is oversubscribed shall be subject to the reservation for Retail individual investors as described below:

(a) At least 4,21,116 Equity Shares shall be allotted to QIBs
The unsubscribed portion, if any, after such inter se adjustments amongst the reserved categories shall be added back to the Net Issue to the Public.

Any oversubscription by the QIBs in this category shall be added back to the non-retail category comprising of 18,95,022 equity shares.

(b) A minimum 50% of the Net Issue to the Public shall initially be made available for allotment to Retail Individual Investors, as the case may be.

(c) The balance Net Issue to the Public shall be made available for allotment to:

I. individual applicants other than retail individual investors, and;
II. other investors including QIBs/Corporate bodies/ institutions irrespective of the number of shares, debentures, etc. applied for.

(d) Spill over from QIBs' category, shall, at the sole discretion of our Company in consultation with the Lead Manager, be allowed to meet under-subscription, if any, in categories for Non-Institutional Investors and Retail Individual Investors.

(e) Further, unsubscribed portion in either of Non-Institutional Investors or Retail Individual Investors category shall be added to the other category interchangeably.

The drawal of lots (where required) to finalize the basis of allotment, shall be done in the presence of a public representative on the Governing Board of BSE (Designated Stock Exchange). The basis of allotment shall be signed as correct by the Executive Director/Managing Director of BSE (Designated Stock Exchange) and the public representative in addition to the Lead Manager, our Company and the Registrar to the Issue.

Letters of Allotment or Dispatch of Refund Orders

Our Company shall give credit to the Beneficiary Account with Depository Participants within two (2) working days of finalization of the basis of allotment of Equity Shares. Our Company Shall dispatch refund orders, if any, of value up to Rs.1,500, by "Under Certificate of Posting", and will

dispatch refund orders above Rs.1,500, if any , by registered post or speed post at the sole or first applicant's sole risk. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE & NSE are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Guidelines, our Company further undertakes that:

- Allotment of Equity Shares will be made within 30 days from the Issue closing date
- Dispatch of refund orders will be done within 30 days from the Issue closing date
- Our Company shall pay interest at 15% per annum (for delay beyond 30 day time as mentioned above), if refund orders are not dispatched and/or demat credit are not made to investors within the 30 day time prescribed above.
- Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.
- Refunds will be made by cheques or pay-orders drawn on the bank(s) appointed by our Company, as refund banker(s). Such instruments will be payable at par at the places where applications are accepted. Bank charges, if any, for encashing such cheques or pay orders will be payable by the applicant.

Mode of Making Refunds

In case of applicants residing in 68 centres where clearing houses are managed by the Reserve Bank of India, refunds would be credited to the bank accounts of the applicants through electronic transfer of funds by using ECS (Electronic Clearing Service).

In case of other applicants, the Company shall ensure dispatch of refund orders of value over Rs 1,500 by registered post or speed post only and refund orders of value up to Rs. 1,500 by under Certificate of Posting and adequate funds for the purpose shall be made available to the Registrar to the Issue by the Company.

We shall ensure dispatch of allotment advice and/or refund orders/refund advice (in case refunds made through ECS/ Direct Credit, RTGS, NEFT) as the case may be giving credit to the Beneficiary Account of the applicants with their respective Depository Participant and submission of the allotment and listing documents to the Stock Exchanges within two working days of finalization of the basis of allotment of Equity Shares.

The payment of refund, if any, would be done through various modes as given hereunder:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following sixty eight centres:

Centres			
1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneshwar	10. Surat	11. Tirupati (non-MICR)	12. Indore
13. Kolkata	14. Trichy	15. Dhanbad(non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non-MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakinada(non-MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam

29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non-MICR)	43. Ludhiana	44. Kochi/Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non-MICR)	55. Aurangabad	56. Amritsar
57. Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non-MICR)	67. Udaipur	68. Bhilwara

This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the above mentioned sixty eight centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the above mentioned sixty eight centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts and payable at par at places where applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the applicants.

6. Our Company will provide adequate funds required to the Registrar to the Issue for refunds to unsuccessful applicants or allotment advice. Refunds if, not made by ECS, Direct Credit, RTGS, NEFT will be made through cheques, pay orders or demand drafts drawn on a bank appointed by us as a refund banker and payable at par at places where applications are

received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the applicants.

Where refunds are made through electronic transfer of funds, a suitable communication will be sent to the applicants within 30 days of closure of the issue, giving details of the Bank where refund will be credited along with amount and expected date of electronic credit of refund.

Dispatch of Refund Orders

Our Company shall ensure dispatch of Refund Orders of value up to Rs.1500/- Under Certificate of Posting and Refund Orders over the value of Rs.1500/- & Share Certificates by Registered Post only. Further, adequate funds for the said purpose shall be made available to the Registrars by the Company.

Interest In Case of Delay in Dispatch of Allotment Letters / Refund Orders

"Our Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of public issue. The company further agrees that it shall pay interest @15% per annum if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 30 days from the date of the closure of the issue."

Undertaking by the Company

Fineotex Chemical Limited undertakes:

a. That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;

b. That all steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are to be listed are taken within 7 working days of finalization of the basis of allotment;

c. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.

   i. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 30 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

d. That the promoters' contribution in full, wherever required, shall be brought in advance before the issue opens for public subscription and the balance if any, shall be brought in pro rata basis before the calls are made on public.

e. That the certificates of Equity Shares/refund orders to non-resident Indian applicants shall be dispatched within specified time;

f. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or till the application moneys are refunded on account of non-listing, under-subscription, etc.

Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

a. All monies received out of this issue of shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Act;

b. Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the purpose for which such monies had been utilized; and

c. Details of all unutilized monies out of the issue of shares, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in the Balance Sheet of the Company indicating the form in which such unutilized monies have been invested.

Our Company undertakes that we shall not access the money raised in the Issue till finalization of basis of allotment or completion of offer formalities.

Foreign investment in Indian securities

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI. As per current foreign investment policies, foreign direct investment in the sector in which our Company operates (Specialty Chemicals) is not subject to any restrictions and is therefore, allowed upto 100% under the automatic route.

RBI, vide its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of equity shares to be issued is not less than the price at which the equity shares are issued to residents.

SECTION X - DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

The Authorised Capital of our Company is Rs. 13.00 Crores divided into 1,30,00,000 Equity Shares of Rs. 10/- each.

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to the provisions of Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares and other main provisions are as detailed below. Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

Title of Article	Article Number and contents
Share Capital	3. The Authorised Share Capital of the Company is Rs. 13,00,00,000 (Rupees Thirteen crores) divided into 1,30,00,000 (Equity Shares of Rs.10/- each.
Increase of capital by the Company how carried into effect	4. The Company in General Meeting may, from time to time, by an ordinary resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a right of voting at General Meetings of the Company in conformity with Sections 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Sections 81 and 97 of the Act.
New Capital same as existing capital	5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
Unclassified Shares	6. Any Unclassified shares of the Company for the time being may be issued either with the sanction of the Company in General meeting or by the Board with such rights and privileges annexed there to, and upon such terms and conditions as the General Meeting sanctioning the issue of such shares may direct, and if no such direction shall be given and in all other cases as the Directors shall determine.
Power to issue preference shares	7. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.
Cumulative Redeemable Preference Shares	8.(a) the right to a Cumulative Preferential dividend at such rate as may be prescribed by the terms of issue of such shares, on the share capital for the time being paid-up thereto, free of Company's income-tax, but subject to deduction of taxes at source at the rate or rates prescribed from time to time. (b) the right in the event of winding up to payment of such capital and arrears of dividend, whether earned, accrued declared or not, down to the commencement of the winding up in priority to equity shares but shall not confer any further right to participate in profits or assets.
Cumulative	9.(a) The dividend payable shall be on a preferential basis and at such rate as may be

Title of Article	Article Number and contents
convertible preference shares	prescribed or permitted under the applicable rules prevailing at the relevant time(b) All such shares shall be converted into equity shares any time between the expiry of three years and expiry of five years from the date of allotment of the shares as may be decided by the Board subject to any regulations or sanction that may be in force at the time. Upon conversion into equity shares the right to receive arrears of dividend if any, on the preference shares upto the date of conversion shall devolve on the holders of the equity shares registered with the Company on the date prescribed in the declaration of the said dividend. (c) Such conversion shall be deemed to be redemption of the preference shares out of the proceeds of a fresh issue of shares.
	10. The Company shall be entitled to dematerialise its existing securities rematerialise its securities held in the Depositories and/ or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, 1969.
Issue of Sweat Equity Shares	11.Company may exercise the powers of issuing sweat equity shares under Section 79A of the Act of a class of shares already issued subject to the following conditions: (a) the issue of sweat equity shares is authorised by a special resolution passed by the Company in general meeting; (b) the resolution specifies the number of shares, their value & the class or classes of directors or employees to whom such equity shares are to be issued; (c) not less than one year has at the date of issue elapsed since the date on which the Company was entitled to commence business.
Buy-Back of shares/securities	12.The Company shall have the power to buy its own shares, subject to all applicable provisions of the law including modification(s), re-enactment(s) or promulgation of an ordinance and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be considered by the Board of Directors & subject to modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to purchase such number of Equity Shares or other securities specified by the government, of the Company and as may be though fit by the Board, from the holders of the Equity Shares or other securities in such proportions and manner as may be permitted by law, not exceeding such percentage of the capital of the Company as may be permitted to be used for this purpose or out of the proceeds of any issue made by the company, on such terms and subject to such conditions as may be prescribed by the law and/or re-sell/re-issue the same in such manner or mode as may be permitted by law and on such terms and conditions and limits as may be prescribed by law from time to time.
Purchase of own Shares	13. Pursuant to Section 77A of the Act, the Company may purchase its own shares or other specified securities from out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the general meeting of the Company.
Reduction of capital	14. The Company may from time to time by Special Resolution reduce its share capital in the manner authorised by law And if necessary alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.

CONSOLDATION, DIVISION AND SUBDIVISION

Title of Article	Article Number and contents
Consolidation, division and sub division of shares	15.Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (I) of Section 94; and the resolution whereby any share is sub-divided, may determine that, as between the holders of the

	share resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	16. If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 & 107 of the Act & whether or not the Company is being wound-up, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with a Special Resolution passed at a separate general meeting of the shareholders of that class of shares.
Power to issue Shares with Non-voting and/or disproportionate rights	17. Subject to the provisions of the Companies Act, 1956 Company may from time to time issue to any person(s) as it may deem proper shares, whether Equity, Preference or any other class or Financial Instruments or Securities, with non-voting rights and the Instruments so issued may carry right as to voting dividend, capital or otherwise which may be disproportionate to the rights attached to the other shares or Securities of the Company.
Restriction on Allottment	18. The Board shall observe the restrictions as to allotment contained in section 69 and 70 of the Act, as the case may be, and shall cause to be filed the returns as to allotment according to section 75 of the Act.
Share under the Control of the Directors	19.Subject to the provisions of these Articles and of the Act, the shares in the capital of the Company for the time being shall be under the control of the Directors who may allot to such persons in such proportion & on such terms & conditions as the Directors think fit subject to the sanction of the Company in General Meeting (Subject to the provisions of sections 78 and 79 of the Act) at a premium or at par or a discount and such option being exercisable at such times and for such consideration as the Directors think fit.
Power to issue shares	20. 1) a) Further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares, in proportion, to the capital paid up at the date. b) Such offer shall be made by a notice specifying the number of shares offered & within not less than 30 days from the date of the offer, the offer is not accepted, will be deemed to have been declined. c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person & the notice referred to in sub clause (b) hereof shall contain a statement of this right. PROVIDED THAT the directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him. d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person (s) as they may think, in their sole discretion, fit. 2. Notwithstanding anything contained in sub clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include then persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever. a) If a special resolution to that effect is passed in General Meeting; or b) Where no such special resolution is passed, if the votes cast in favour of the proposal contained in the resolution moved in the general meeting by the members if

Title of Article	Article Number and contents
	any cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company. 3. Nothing in sub clause (c) of (1) hereof shall be deemed; a) To extend the time within which the offer should be accepted; or b) To authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation. 4. Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raise by the company: (i) To convert such debentures or loans in to shares in the company; or (ii) To subscribe fir shares in the company (PROVIDED THAT the terms if issue of such debentures or loans include a term providing for such option and such term: a)Either has been approved by the central government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by the Government in this behalf; and b) In the case of debentures or loan or other than debentures issued to or loans obtained from government or any institutions specified by the central government in this behalf, has also been approved by a special resolution passed in the general meeting before the issue of the debentures or raising of the loans.
Power of General Meeting to offer shares to such person or persons as the company may resolve	21.Without derogating from the power for that purpose conferred on the Directors under Article 19 the Company in General Meeting may, by Special Resolution, determine to issue further shares out of the authorised by unissued Capital of the Company shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act), at a discount.
Shares numbered progressively no shares to be sub-divided	22. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner here in before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Acceptance of shares	23. An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles, be a Member.
Directors may allot shares as fully paid-up	24. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property or assets of any kind whatsoever (including goodwill of any business) sold or transferred, goods or machinery or know-how supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. The Directors shall cause returns to be filed of any such allotment as provided by section 75 of the Act.
Company not to recognize any interest in share other than the registered holder	25. Except as ordered by a court of competent jurisdiction or required by law and in particular by section 187C of the Act, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner.

Title of Article	Article Number and contents
Deposit and calls etc. to be a debt payable immediately	26. The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposits, calls or otherwise, in respect of any shares allotted by them shall become a debt due to/ and recoverable by the Company from the allottee thereof, and shall a be paid by him, accordingly.
Liability of members	27. Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in accordance with the Company's regulations, require on date fixed for the payment thereof.
Registration of Shares	28.Shares may be registered in the name of any limited company or other corporate body but not in name of a firm, an insolvent or a person of unsound mind.

SHARE CERTIFICATE

Title of Article	Article Number and contents
Register & Index of Members	29.The company shall kept a Register and Index of Members according to Section 150 and 151 of the Companies Act, 1956 and the Depositories Act, 1996
Branch Register of Members	30. The Company shall keep in any state or country outside India a Branch Register of members resident in that state or country.
Share Certificates	31. (a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued & the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. (b) Any two or more joint allottee of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, be delivered to anyone of such joint owners on behalf of all of them. The Company shall comply with the provisions of Section 113 of the Act. (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine.
Limitation of time for issue of share certificates	32. Company shall within 3 months after the allotment of its shares or debentures & within 1 month after the application for registration of the transfer of shares or debenture be ready for delivery. Company shall comply with Section 113 of the Act.
Renewal or issue of duplicate shares Certificates	33. (a) No certificate/s of any share or shares or debenture or debentures shall be issued either in exchange for those which are sub-divided or consolidated or in replacement or those which are defaced, torn or old, decrepit, worn out, or rendered useless from any cause whatsoever, or where the cases on the reverse for recording transfer have been fully utilised, unless the certificates in lieu of which they are issued are surrendered to the Company. (b) New share certificate has been issued in pursuance of clause (a) of Above, it shall state on the face of it & against the stub or counterfoil to the effect that it is "Issued in lieu of shares certificate No. -- Sub-divided/replaced/on consolidation of shares". © If a share certificate is lost or destroyed a new certificates in lieu thereof shall be issued only with the prior consent of the Board on payment of such fee, not exceeding Rs 2.
First named joint holder deemed sole holder	34. (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the

Title of Article	Article Number and contents
	Company's regulations. (b) No more than three persons as the joint holders of any share.
Interest in share other than that of registered holders	35. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or any right in respect of a share other than an absolute right thereto, in accordance with these Articles.

UNDERWRITING AND BROKERAGE

Title of Article	Article Number and contents
Commission	37. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) or procuring or agreeing to procure for any shares or debentures in the Company, so that the commission shall not exceed he maximum rates laid down by the Act. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
Brokerage	38. Company may pay on any issue of shares & debentures such brokerage as may be lawful.
Interest Out of Capital	39.Where any 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 plant, or onshore or offshore rigs, which can not be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at a rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

INTEREST OUT OF CAPITAL

Title of Article	Article Number and contents
Interest Out of Capital	39.Where any 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 plant, or onshore or offshore rigs, which can not be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at a rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS

Title of Article	Article Number and contents
Directors may make calls	40.(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board. (2)A call may be revoked or postponed at the discretion of the Board. (3)A call may be made payable by installments.
Notice of calls	41. the Company shall give a 14 day notice in writing giving the time & place of payment and name of person.
Calls to date from resolution	42 A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed
Calls on uniform basis	43.Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class

Title of Article	Article Number and contents
Directors may extend time	44.The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call
Calls to carry interest	45.If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
Sums deemed to be calls	46.Any sum, which by the terms of issue of the share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of the Articles be deemed to be a call duly made & payable on the date on which by the terms of issue of same becomes payable

LIEN

Title of Article	Article Number and contents
Company's lien on Shares/ Debentures	50.The Company shall have first and paramount lien upon all Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) & upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures; Unless otherwise agreed the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/Debentures. The Directors may at any time declare any Shares/ Debentures wholly or in part exempt from the provisions of this Article.
As to enforcing lien by sale	51.For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member of the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.
Application of proceeds of sale	52. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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 the sale.

FORFEITURE & SURRENDER OF SHARES

Title of Article	Article Number and contents
If money payable on Shares not paid notice to be given	53. If any Member fails to pay the whole or any part of any call or any instalments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

Title of Article	Article Number and contents
On default of payment, shares to be forfeited	54. For the purposes of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.
In default of payment Shares to be forfeited	55. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses and other moneys due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
Notice of Forfeiture to a member	56. When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, & an entry of the forfeiture, with the date thereof shall be made in the Register of Members.
Member still liable for money owning at the time of forfeiture and interest	58.Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.
Effects of forfeiture	59. The forfeiture shares shall involve extension at the time of the forfeiture, of all interest in all claims and demand 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.
Cancellation of share certificate in respect of forfeited shares	62.Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null & void & of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
Surrender of shares	64.The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

Title of Article	Article Number and contents
Register of Transfer	65. The Company shall keep a "Register of Transfers" & shall have recorded particulars of every transfer or transmission of any share & debenture held in material form.
Transfer Form	68. The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
Transfer not to be registered except on production of instrument	69.The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any

Title of Article	Article Number and contents
	shares in the Company has been transmitted by operation of law.
Directors may refuse to register transfer	70. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
No fee on transfer	72. The Company shall not charge any fee in respect of transfer or transmission of any number of shares.
Application for transfer of partly paid shares	75. Where an application of transfer relates to partly paid shares, the transfer shall be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
Recognition of legal representative	77. (a) On the death of a Member, the survivor(s), where the Member was a joint holder, & his legal representatives where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares. (b)Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate. (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share, which had been jointly held by him with other persons.
Registration of persons entitled to share otherwise than by transfer. (Transmission clause)	78. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.
Refusal to register nominee	79. Subject to the provisions of the Act & the Articles, Directors shall have the same right to refuse register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in a transfer presented for registration.
Form of transfer outside India	82. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognised by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Article 68 hereof as circumstances permit.

Title of Article	Article Number and contents
No transfer to insolvent etc.	83. No transfer shall be made to an insolvent or person of unsound mind.

NOMINATION

Title of Article	Article Number and contents
Nomination	85. (1) Every shareholder or debenture holder of the Company, may at anytime, nominate, in the prescribed manner, a person to whom his shares in, or debentures of the Company shall vest in the event of his death. (2) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company as the case may be, shall vest in the event of death of all the joint holders. (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or debenture holder or, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner. (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in, or debentures of, the Company, in the event of his death, during the minority.
Transmission of Securities by nominee	A nominee, upon production of such evidence as may be required by the Board and subject as here in after provided, elect, either- (i)to be registered himself as holder of the securities, as the case may be; or (ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made; (iii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be; (iv)a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALISATION OF SHARES

Title of Article	Article Number and contents
Dematerialisation of Securities	87. (b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to

Title of Article	Article Number and contents
	the Depositories Act, 1996 and the Rules framed there under, if any; (c)Option for Investors:Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security. (d) Securities in Depositories to be in fungible form: All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners; (e) Rights of Depositories and Beneficial Owners: i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner; ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it; iii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository. (f) Depository to furnish information: Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies and discs. (g) Option to opt out in respect of any security : If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be. (h) Sections 83 and 108 of the Act not apply: Notwithstanding anything to the contrary contained in the Articles - i. Section 83 of the Act shall not apply to the shares with a Depository; ii. Section 108 of the Act shall not apply to transfer of security affected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository. (i) Register and Index of beneficial owners: The register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles. (k) Stamp duty on securities held in dematerialised form: No stamp duty would be payable on shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium. (l) Applicability of the Depositories Act:

Title of Article	Article Number and contents
	In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply. (m) Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository:Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

JOINT HOLDER

Title of Article	Article Number and contents
Joint Holders	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: (a) Joint and several liabilities for all payments in respect of shares: the Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. (b) Title of survivors: on the death of any such joint holders the survivor or survivors shall be the only person recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person; (c) Receipts of one sufficient: only the person whose name stands first in the Register of Members may give effectual receipts of any dividends or other moneys payable in respect of share; and (d) Delivery of certificate and giving of notices to first named holders: only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders. (e) Any one of two or more joint-holders may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting. Provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by proxy although the name of such joint holder present by proxy stands first or higher in the Register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this sub-clause be deemed joint-holders.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

Title of Article	Article Number and contents
Share may be converted into stock	89.The Company may, by Ordinary Resolution: (a) Convert any fully paid up Share into stock, and (b) Reconvert any stock into fully paid-up Shares of any denomination

Title of Article	Article Number and contents
Transfer of stock	90. The several holders of such stock may transfer there respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, form time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.
Right of stock holders	91.The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulations applicable	92. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

BORROWING POWERS

Title of Article	Article Number and contents
Power to borrow	93. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
Terms of issue of Debentures bonds, etc.	94.Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, drawin gs, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.
Securing payment or repayment of moneys borrowed	95.The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture-stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

MEETING OF MEMBERS

Title of Article	Article Number and contents
Annual General Meeting	(a)Subject to the provisions of Section 166 and 210 of the Act the Company shall, in each year, hold, in addition to any other meetings, a General Meeting as its Annual General meeting, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next and the Annual General Meeting shall be held within six months of the expiry of its financial year. Provided that if the Registrar shall have, for any special reason, extended the time within which any Annual General Meeting shall be held, by a period not exceeding 3 month, then such Annual General Meeting may be held within such extended period. (b) Every Annual General Meeting shall be called at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the registered Office of the Company or at some other place within the City or town in which the registered office is situated. (c)The Statutory Meeting of the Company shall be held at such place and at such time (not less than 1 month nor more than 6 months from the date at which the Company is entitled to commence business) as the Directors may determine and in connection therewith, Directors shall comply with Sec 165 of the Act. All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.
Contents of Notice	107. (1)Every notice of a Meeting of the Company shall specify the place, the date and hour of the Meeting and shall contain a statement of the business to be transacted thereat. The Notice/Agenda of such General Meeting shall be in English and shall not contain a miscellaneous designation such as 'other matter'. (2)In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy, to attend and vote instead of himself, and that a proxy need not be a member of the Company.
Quorum	109. Five Members present in person shall be a quorum for a General Meeting. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with section 187 of the Act.
Chairman of General Meeting	111. The Chairman of the Board shall be entitled to take the chair at every General Meeting whether annual or Extra-Ordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present or if he shall be unable or unwilling to take the chair, then the Vice – Chairman (if any) of the Board shall be entitled to take the chair at such meeting. If there be no such vice- chairman of the Board, or if at any meeting he shall no be present or if he shall be unable or unwilling to take the chair, then the Directors present may choose one of their number to be the Chairman of the meeting. If no Director be present or if all the Directors present decline to take the chair, then the members present shall elect one of their member to be Chairman of their meeting.
Chairman's casting vote	116.In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

VOTES OF MEMBERS

Title of Article	Article Number and contents
Number of votes to which Member entitled	122.Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the

Title of Article	Article Number and contents
	Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.
Casting of vote by a member entitled to more than 1 vote	123. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
Votes of Members of unsound mind	124.A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	125.If there are joint holders of any shares, any one of such persons may vote at any meeting or appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of the said persons remain present than the person whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.
Representation of body corporate	127. A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 187 of the Act to act as its representative at any Meeting of the members or creditors of the Company of or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor of holder of debentures of the Company.
Members not prohibited if share not held for any specified period	129. Any person entitled under Article 78 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote provided he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
Appointment of proxy	131.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 and vote instead of himself PROVIDED ALWAYS THAT a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a member entitled to attend and vote is entitled one or more proxies.
Validity of votes given by proxy notwithstanding death of a member	133. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
Inspection of proxies	134. Every member entitled to vote at a Meeting of the Company according to the provisions of these Articles on any resolution to be moved thereof shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention to inspect is given to the Company.
Time for	135. Subject to the provision of Act and these Articles, No objection shall be made to

Title of Article	Article Number and contents
objections to votes	the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or polls.
Chairman of the Meeting to be the judge of validity of any vote	136. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.
Rights of Members to use votes differently	138. On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses
Passing of resolutions by postal ballot	139. Notwithstanding anything contained in the Articles of Association of the Company and subject to Section 192A, the company may adopt the mode of passing a resolution by the members of the company by means of postal ballot and/or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters instead of transacting such business in a general meeting of the company: - (1) any business that can be transacted by the company in general meeting; (2) any of the following business prescribed by the Central Government : (a) alteration in the Object Clause of Memorandum; (b) alteration of Articles of Associations in relation to deletion or insertion of provisions defining private company; (c) buy-back of own shares by the company under sub-section (1) of section 77A; (d) issue of shares with differential voting rights as to voting or dividend or other wise under sub-clause (ii) of clause (a) of section 86; (e) change in place of Registered Office out side local limits of any city, town or village as specified in sub-section (2) of section 146; (f) sale of whole or substantially the whole of undertaking of a company as specified under sub-clause (a) of sub-section (1) of section 293; (g) giving loans or extending guarantee or providing security in excess of the limit prescribed under sub-section (1) of section 372A; (h) election of a director under sub-section (1) of section 252; (i) power to compromise or make arrangements with creditors and members as specified under sub-section (2) of section 391; variation in the rights attached to a class of shares or debentures or other securities as specified under section 106. (3)resolutions relating to such business as the Central Government, may by notification, declare to be conducted only by postal ballot.

DIRECTORS

Title of Article	Article Number and contents
Number of Directors	140. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than 3and not more than 12.
Special Directors	141.The Company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporations that he or it shall have the right to appoint his or its nominee or nominees on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. Such nominees and their successors in office appointed under this Article shall be called special directors of the Company.
Special Clause	144. So long as Mr. Surendrakumar Tibrewala or its associates hold or continue to hold not less than 10% of the paid-up Equity Capital of the Company from time to time notwithstanding anything contained in any other clause in these Articles of Association. Mr. Surendrakumar Tibrewala or a person authorised by him shall have the right to nominate up to a maximum number of one third of the strength of the Board of Directors as a Directors or Directors of the Board of the Company and to remove such

Title of Article	Article Number and contents
	person or persons from the Board and nominate other or others in their places and the Company and the Board of the Company shall be bound by such nominations. Such Nominee Directors as may be specified by Mr. Surendrakumar Tibrewala or a person duly authorised by him shall not be liable to retire by rotation.
Qualification shares	145. A Director need not hold any qualification shares.
Nominee Directors of Financial Institutions	146.In case the Company obtains any loans and or other facilities from financial institutions and it is a term thereof that the said financial institution shall have a right to nominate one or more Directors, then subject to such terms and conditions, the said financial institution shall be entitled to nominate 1 or more Directors, as the case may be, on the Board of the Company and to remove from office any such Director so appointed and to nominate another in his place. Any Director of the Directors so nominated shall not be required to hold any qualification shares & shall not be liable to retire by rotation. Any such nomination or removal shall be made in writing & by a resolution of the Board of such financial institution & shall be signed by the said financial institution or by any person duly Authorised by it & shall be served at the office of the Company. Provided that the right to appoint non-rotational directors shall be limited to the industrial Credit & Investment Corporation of India, the Industrial Finance Corporation, State Financial Corporation or any Financial Institution owned or controlled by the Central or a State Government or RBI or by 2 or more of them or by Central or State Government by themselves.
Directors power to add to the Board	150.Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next AGM.
Appointment of Additional Directors	152. Subject to the provision of Section 260, 284(6), Board shall have power at any time and from time to time to appoint a person or persons as an Additional Director or Directors. Such Additional Director shall hold office only upto the date of the next AGM of the Company, but shall be eligible for re-election at that meeting as a Director provided that, the number of Directors & the Additional Directors together, shall not exceed the maximum strength fixed by the board by Article 140.
Directors may be Directors of Companies promoted by the Company	158. A Director of the Company may become a Director of any Company promoted by the Company, or in which he may be interested as a vendor or Member and subject to the provisions of the Act and these Articles no such Director shall be accountable for any benefits received as a Director or Member of such Company.
Disclosure of Interest by Directors	162.A Director of the company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act, provided that it shall not be necessary for a director to disclose his concern or interest in any such contract or arrangement where the concern or interest consists only in holding together with his co- directors in the aggregate not more than two percent of the paid- up share capital in any company, a general notice given to the Board by the Director, to the effect that he is director or member of as specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into which that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by fresh notice given in the last months of the financial year in which it would have otherwise expired. No such general notice and to renewal thereof shall be of effect unless, either it is given at a meeting of the Board of the Directors concerned takes reasonable steps to secure that it is brought up and read at the first meeting of

Title of Article	Article Number and contents
	the Board after it is given.
Interested Directors not to participate or vote in Board's proceedings	163. No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:- (a) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company; (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely; (i) in his being: (a) a director of such company; and (b)the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or (ii) in his being a member holding not more than two percent of its paid-up share capital.

PROCEEDING OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meetings of Directors	165. The Directors may meet together as a Board from time to time and at least four Board meetings shall be held in every year, and they may adjourn and otherwise regulate their meetings as they deem fit.
Chairman	166. The Directors may from time to time elect from among their members a Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting.
Directors may appoint committee	168. Subject to the provisions of section 292 of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or persons, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board.
Quorum for Meeting of the Board	172. Subject to the provisions of Section 287 of the Act, the quorum for a Meeting of the Directors shall be one-third of the total strength of the Board of Directors, or two Directors whichever is higher. Provided that where at any time the number of Interested Directors exceeds or is equal two-thirds of the total strength, the number of remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting not being less than two, shall be quorum during such time. However no such Board meeting shall be deemed to be duly and properly held unless two Directors for the time being nominated by the Promoters attend the said Meeting. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by of under the Act or the Articles of the Company, for the time being vested In or exercisable by the Board of Directors generally.

RETIREMENT AND ROTATION OF DIRECTORS

Title of Article	Article Number and contents
Retirement by	173. (a)Not less than two-third of the total number of directors of the Company shall be

Title of Article	Article Number and contents
Rotation	person whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company, in General Meeting. (b) The remaining Directors shall be appointed in accordance with the provisions of the Articles.
Directors to retire annually how determined	174.At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office.
Eligibility for re-appointment	176. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.
Provisions in default in appointment	178.(1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday, at the same time and place. (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless: (a) At the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost ; (b)The retiring Director has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed; (c) He is not qualified or is disqualified for appointment; (d)A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act; (e) Sub-clause (2) of Section 263 of the Act is applicable to the case.

REMOVAL OF DIRECTORS

Title of Article	Article Number and contents
Removal of Directors	(1)The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office. (2) Special notice as provided by Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed. (3)On receipt of notice of a resolution to remove a director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meting. (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the company shall unless the representation is received by it too late, do it so: (a) in the notice of the resolution give to members of the company state the fact of the representation having been made, and (b) send a copy of the representation to every member of the company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting: Provided that copy of the representation need not be sent or read out at the meeting on the application of the Company or of any other person who claims to be aggrieved if the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter. (5) A vacancy created by the removal of a director under this Article may, if he had been

Title of Article	Article Number and contents
	appointed by the Company in General Meeting or by the Board in pursuance of Article 150 or section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed. Provided special notice of the intended appointment has been given under sub-clause (2) hereof. A director so appointed shall hold office until the date upto which his predecessor would have held office if he had and not been removed as aforesaid. (6) If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions in so far as they are applicable, of Article 151 or Section 262 of the Act, and all the provisions of that section shall apply accordingly. (7) A Director who was removed from the office under this Article shall not be reappointed as a Director by the Board of Directors. with difficulty or only after a considerable time;
When office of Directors to be vacated	182. Subject to section 283 (2) and 314 of the Act, the office of a Director shall become vacant if: (a) he is found to be of unsold mind by a Court of competent jurisdiction ; or (b) he applies to be adjudicated an insolvent ; or (c) he is adjudged insolvent ; or (d)he is convicted by a Court of any offense involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months ; or (e) he falls to pay any call made on him in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or (f) he absents himself from 3 consecutive meetings of the Directors or from all meetings of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board ;or (g) he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or (h) he acts in contravention of Section 299 of the Act; or (i) he becomes disqualified by an order of the court under section 203; or (j) he is removed in pursuance of Section 284 ; or (k) having appointed a Director by virtue of his holding any office or other employment in the company he ceases to hold such office or other employment in the company.
Certain powers to be exercised by the Board only at meeting	184 (1) The Board shall exercise the following powers on behalf of the Company and it shall do so only by means of resolutions passed at the meetings of the Board of Directors: (a) the power to make calls on members in respect of money unpaid on their shares; (b) the power to issue debentures; (c) the power to borrow moneys otherwise than on debentures; (d) the power to invest the funds of the Company. (e) the power to make loans. (2)Provided that the Board may, by resolution passed at a meeting, delegate to any Committee of Directors or the Managing Director, or the Secretary, or any principal officer of the Company or of any of its branch offices the powers specified to in (c), (d) and (e) of this sub-clause to the extent specified below on such conditions as the Board may prescribe. (3) Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegatee. Provided, however, that where the Company has an arrangement with its bankers for the borrowing of money by way of overdraft, cash credit or otherwise, the actual day-to-day operation of the overdraft, cash credit or the accounts by means of which the arrangement made is availed of shall not require sanction of Board. (4) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify

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	the total amounts upto which the funds may be invested and the nature of the investments which may be made by the delegates. (5) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases. (6)Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board and any of the powers referred to in (a), (b), (c) and (d) of clause (1) above.

POWERS OF THE BOARD

Title of Article	Article Number and contents
Powers of the Board	185. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. (1)To acquire any property, rights etc Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India. (2) To take on Lease Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfactory. (3) To erect & construct To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company. (4) To pay for property At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. (5) To insure properties of the Company To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. (6) To open Bank accounts To open accounts with any Bank or Bankers and to pay money into and draw money

Title of Article	Article Number and contents
	from any such account from time to time as the Directors may think fit. (7) To secure contracts by way of mortgage To secure the fulfillment of any contracts or entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit. (8) To accept surrender of shares To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon. (9) To appoint trustees for the Company To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. (10) To conduct legal proceedings To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon. (11) Bankruptcy & Insolvency To act on behalf of the Company in all matters relating to bankruptcy insolvency. (12) To issue receipts & give discharge To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company. (13) To invest and deal with money of the Company Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon which authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name. (14) To give Security by way of indemnity To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon; (15) To determine signing powers To determine from time to time who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise. (16) Commission or share in profits To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company. (17) Bonus etc. employees To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company.

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	(18)Transfer to Reserve Funds Before recommending any dividend subject to provisions of section 205 of the Act, to set aside out of the profits of the Company such sums as they may think proper of the depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalising dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depredation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pays interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper. (19) To appoint and remove officers and other employees To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause. (20)To comply with the provisions of local law To comply with the requirement of any local law which in their opinion it would be in the interest of the Company be necessary or expedient to comply with. (21)To appoint local Boards From time to time and at any time to establish any local board for managing the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards, and to fix their remunerations; (22) To delegate powers to Local Boards Subject to Section 292 of the Act, from time to time, and at any time to delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys; and to authorise the members for the time being of any local Board, or any of them to fill up any vacancies, and such appointment or delegation may be made on such terms and conditions to the Board may think fit, and the Board may at any time remove any person so appointed and may revoke or vary such delegation. (23)To appoint Attorneys At any time & from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make

Title of Article	Article Number and contents
	calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board any powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, & may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities & discretion for the time being vested in them. (24)To enter into contracts Subject to Sections 294 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. (25)To make rules From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees. (26)To effect contracts etc. To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company. (27)To apply & obtain concessions licences etc. To apply for, promote and obtain any act, charter, privilege, concession, license, authorisation, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests. (28)To pay commission or interest To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act and of the provisions contained in these presents. (29)To redeem redeemable preference shares. To redeem redeemable preference shares. (30) To assist charitable or benevolent institutions To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise.

MANAGING AND WHOLETIME DIRECTORS

Title of Article	Article Number and contents
Powers to appoint Managing and Whole-time Directors	186.Subject to the provisions of the Act and of these Articles, the Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.
Certain persons not to	188. The Company shall not appoint or employ or continue the appointment or employment of a person as its Managing or Whole-time Director who:

Title of Article	Article Number and contents
be appointed as Managing Director(s)	(a)is an undischarged insolvent, or has at any time been adjudged an insolvent ; (b) Suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made, a composition with them; or (c) is, or at any time been convicted by a Court of an offense involving moral turpitude.
Remuneration of Managing or whole- time Director	189. The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes.
Powers and duties of Managing Director or Whole- time Director	191. Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board. The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.

THE SECRETARY/MANAGER

Title of Article	Article Number and contents
Board to appoint Secretary/Manager	192. The Directors may from time to time appoint a duly qualified person to be the Secretary/Manager of the Company and on such terms and conditions as they shall deem fit and may from time to time suspend, remove or dismiss him from office and appoint another in his place. Subject to the provisions of the Act and these Articles the Directors may delegate to the Secretary such powers and entrust him with such duties as they may deem fit from time to time and revoke, cancel, alter or modify the same, and in particular, entrust to him the performance of the functions which, by the Act, are to be performed by the Secretary of the Company and other administrative and ministerial duties. The remuneration of the Secretary shall be such as may be determined by the Directors from time to time.

REGISTERS, BOOKS AND DOCUMENTS

Title of Article	Article Number and contents
Registers, Books and documents to be maintained by the company	193. (1) The company shall maintain all registers, books and documents as required by the act or these articles. (2) The said registers, books and documents shall be maintained in conformity with the applicable provisions of the act and these articles and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the act and these articles on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the act and these articles and extracts there from shall be supplied to those persons entitled thereto in accordance with the provisions of the act and these articles. (3) The company may keep a foreign register of members in accordance with section 157 and 158 of the act. The directors may from time to time make such provisions as they may think fit in respect of the keeping of branch registers of members and/or debenture-holders.

THE SEAL

Title of Article	Article Number and contents
The seal, its custody and use	194. (a)The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an Official Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
Deeds how executed	195. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by any one Director and Secretary or some other person appointed by the Board for the purpose provided that in respect of the Share Certificate the Seal shall be affixed in accordance with Article 31(a).

DIVIDENDS

Title of Article	Article Number and contents
Division of profits	196. The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these articles and subject to the provisions of these Articles, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on a Share.
The Company at General Meeting may declare dividend	197.The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declare a dividend to be paid to the Members other than the Members who have waived/forgone their right, of receiving any dividend (including any interim dividend) declared / to be declared by the Company for any financial Year, in accordance with Rules framed by the Board and amended from time to time, according to their respective rights and interests in the profits and subject to the provisions of the Act, may fix the time for payment. Where a dividend has been so declared, subject to the provisions of Section 207 of the Act, either the dividend shall be paid or the warrant in respect thereof shall be posted within 30 days of the date of the declaration to the Members entitled to the payment of the same.
Dividends out of profits only	198. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205, 206, 207 of the Act.
Interim Dividend	199. Subject to the provisions of the Act, the Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.
Retention of dividends until completion of transfer under Article 78.	202. The Board may retain the dividends payable upon shares in respect of which any person is, under Articles 78 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same, subject to the provisions of Section 206-A and other applicable provisions, if any, the Companies Act, 1956.
Transfer of shares must be registered	204. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
Dividend and call together	206. At any General Meeting declaring a dividend may on the recommendation of the Directors, make a call on the Members of such amount as the meeting fixes, but so that call on each Member shall not exceed the dividend payable to him and so that call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the Member, be set off against the calls.
Unclaimed Dividend	(a)Dividends unclaimed will be dealt with according to the provisions of Section 205-A and 205-B of the Act.

Title of Article	Article Number and contents
	(b) No unclaimed dividend should be forfeited by the Board and no unpaid dividend shall bear interest as against the Company.

CAPITALISATION OF PROFITS

Title of Article	Article Number and Contents
Capitalisation in respect of partly paid up shares	208. (1) Any General Meeting may resolve that any amounts standing to the credit of the share premium account or the capital redemption reserve account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company, standing to the credit of the General Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend) be capitalised: (a) by the issue and distribution as fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company or (b) by crediting shares of the Company which may have been issued and are not fully paid-up, with the whole or any part of the sum remaining unpaid thereon. Provided that any amounts standing to the credit of the share premium account or the capital redemption reserve account shall be applied only in crediting the payment of capital on shares of the Company to be issued to Members (as herein provided) as fully paid bonus shares. (2) Such issue and distribution under (1) (a) above and such payment to credit of unpaid share capital under (1) (b) above shall be made up, among and in favour of the Members or any class of them or any of them entitled thereto and in accordance with their respective rights and interest and in proportion to the amount of capital paid-up on the shares held by them respectively in respect of which such distribution under (1) (a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as capital. (3) The Directors shall give effect to any such resolution and apply such portion of the profits, general reserve, or reserve fund or any other funds or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures, or debenture-stock, bonds or other obligations of the Company so distributed under (1) (a) above or for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which have been issued and are not fully paid-up under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommenced such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum. (4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fix and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit. (5) When deemed requisite, a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the Members entitled, as aforesaid and such appointment shall be effective. (6) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalisation may be effected by the distribution of further shares with the whole or

	part of the unpaid liability thereon but so that as between the holders of the full-paid shares, and the partly paid shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully-paid and partly paid shares respectively.

ACCOUNTS

Title of Article	Article Number and Contents
As to inspection of accounts & books by members	209. Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have the right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.
Statement of Accounts to be furnished to General Meeting	210. The Directors shall from time to time, in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheet, Profit and Loss Accounts and Reports as are required by the Act and within the periods therein mentioned.

FOREIGN REGISTER

Title of Article	Article Number and Contents
Foreign Register	211. The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders

DOCUMENTS AND SERVICE OF NOTICES

Title of Article	Article Number and Contents
Signing of documents & notices to be served or given	212. Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.
To whom the notices or documents must be served	213. Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore authorised on or to every member, every person entitled to a share in consequence of the death or insolvency of a member and the Auditor or Auditors for the time being of the Company. Provided that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company pursuant to sub-section 3 of Section 53 of the Act, the statement of material facts referred to in Section 173 need not be annexed to the notice, as is required by that Section, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.
Service of Documents on Registrar of Companies	215. A document may be served on the Registrar of Companies by sending it to him at his Office by post under a Certificate of Posting or by Registered Post or by delivering it to or leaving it for him in his office.

RECONSTRUCTION

Title of Article	Article Number and Contents
Reconstruction procedure therefore	217. On any sale of the undertaking of the company, the board or liquidator on a winding up may, if authorised by a special resolution, accept fully paid-up shares, debentures or securities of any other company, whether incorporated in India or not, either then existing or to be formed for the purpose in whole or in part of the property of the company, and

Title of Article	Article Number and Contents
	the board (if the profits of the company permit) or the liquidator (in a winding up) may distribute such shares or securities or any other property of the company amongst the members without realisation or vest the same in trustees for them , and any special resolution may provide for the distribution or appropriation of cash, shares or other securities, benefit or property otherwise than in accordance with strict legal rights of the members of contributors of the company and for the valuation of such securities or property at such price and in such manner as the meeting may approve and all holders or shares be bound to accept, and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto, save only in case the company is proposed to be or is in the course of being wound up such statutory rights, if any under section 494 of the Act, as are incapable of being varied or excluded by these articles.

WINDING UP

Title of Article	Article Number and Contents
Distribution of Assets	218. If the Company is to be wound up and the assets available for distribution among the Members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed as nearly as may be, 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 winding up, assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid upon the shares held by them respectively. But this article is to be without prejudice to the rights of the holders of shares issued upon special terms & conditions.
Distribution in specie or kind	219. (a) If the Company is to be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a Special Resolution, divide amongst the contributories, in specie or kind any part of the assets of the company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributors, or any of them, as the liquidators, shall think fit. (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given preferential or special rights or may excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on, any contributory who would be prejudiced thereby shall have a right to dissent and have ancillary rights as if such determination where a Special Resolution passed pursuant to Section 494 of the Act. (c) In case any share to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after passing of the Special Resolution, by notice in writing, direct the liquidators to sell his portion and pay him the net proceeds and the liquidators shall if practicable act accordingly.
Rights of Shareholders in case of sale	220. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said section.

INDEMNITY

Title of Article	Article Number and Contents

Title of Article	Article Number and Contents
Indemnity	221. (a) Save and except so far as the provisions of this Article shall be avoided by Section 201 of the Act, the Board of Directors, Managing Director, Managers, Secretary and other Officers or other employees for the time being of the Company, Auditor and other trustee, if any, for the time being acting in relation to any of the affairs of the Company, and every one of them and every one of their heirs, executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company, from and against all actions, costs, charges, losses, damages, and expenses which they or any one of them or their executors or administrators shall or may incur or sustain by reason of any act done, occurred in or omitted in or about the execution of their duty, or supposed duly, their respective offices or trusts, except such, if any, as they shall incur or sustain through or any their own willful neglect or default respectively. (b) Not responsible for acts of others Subject as aforesaid every Director, Managing Director, Manager, Secretary or other officer or employee of the company shall be indemnified against any liability incurred by him in defending any proceeding whether civil or criminal or in connection with any application under Section 633 of the Act in which relief is given to him by the Court.
Directors and others not responsible for acts of others	222. Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECRECY

Title of Article	Article Number and Contents
Secrecy	223. (a) Secrecy Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court or Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained. (b) Access to property information No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

SECTION XI – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Prospectus which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which will be attached to the copy of the Prospectus, delivered to the ROC for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at 42 & 43 Manorama Chambers, S. V. Road, Bandra (West), Mumbai – 400 050, India from 11.00 hours to 15.00 hours on any working day, excluding Saturday and Sunday from the date of this Draft Prospectus until the Issue Closing Date.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated February 4, 2008, among the Company and First Overseas Capital Limited, appointing them as Lead Manager to the Issue.

2. Memorandum of Understanding dated September 11, 2007, among the Company and Bigshare Services Private Limited, appointing them as Registrar to the Issue.

3. Letter of Appointment dated February 2, 2008, appointing Mr. Joby Mathew as Legal Advisor to the Issue.

4. Letter of Appointment dated January 2, 2008, appointing Mr. P. H. Bathiya as Legal Advisor to the Company.

5. Tripartite Agreement dated January 29, 2008 among our Company, NSDL and Bigshare Services Private Limited.

6. Tripartite Agreement dated January 17, 2008 among our Company, CDSL and Bigshare Services Private Limited.

DOCUMENTS FOR INSPECTION

1. Our Memorandum and Articles of Association as amended from time to time.

2. Certificate of Incorporation dated October 19, 2007 bearing Certificate of Incorporation number U 24100 MH 2004 PTC 144295 issued by the Registrar of Companies, Mumbai, Maharashtra

3. Resolution of the Board of Directors passed at its meeting held on November 21, 2007, authorizing the issue.

4. Resolution passed at under Section 81 1 (A) of the Companies Act at the Extra Ordinary General Meeting of our Company held on December 24, 2007.

5. Agreement dated June 29, 2007 appointing Mr. Surendra Kumar Tibrewala as our Chairman and Managing Director.

6. Agreement dated June 29, 2007 appointing Mr. Sanjay S. Tibrewala as our Whole time Director.

7. Due Diligence Certificate dated March 03, 2008 to SEBI from First Overseas Capital Limited.

8. Consent from Directors, Promoters, Compliance Officer, Auditor, Lead Manager, Registrar to the Issue, Bankers to the Issue, Bankers to our Company, Legal Advisors to the Issue, and Legal Advisor to the Company to act in their respective capacities.

9. Certificate dated January 10, 2008 from Statutory Auditors, A.D. Mehta & Co., Chartered Accountants, detailing Tax Benefits.

10. Audit Reports by the Statutory Auditor, A.D. Mehta & Co., Chartered Accountants dated February 22, 2008 included in the Draft Prospectus and copies of the Balance Sheet referred in the said report.

11. Copy of the Certificate from the Statutory Auditors, A.D. Mehta & Co., Chartered Accountants, dated February 25, 2008 regarding the Deployment of Funds as on February 18, 2008.

12. Deed of Assignment of Acquiring the Business of FCI by FCL and its Board Resolution

13. Deed of Assignment of trademark dated June 19, 2007 with Fineotex Chemical Industries.

14. Deed of Assignment of trademark dated October 5, 2007 with Sanjay Exports.

15. Non Compete Agreement between Fineotex Chemical Limited and Proton Biochem Private Limited dated February 4, 2008.

16. Non Compete Agreement between Fineotex Chemical Limited and Kamal Chemicals Private Limited dated February 4, 2008.

17. Project Appraisal Report by Indian Bank dated December 28, 2007 for our project of establishing of a new plant with manufacturing facilities and a sales office.

18. Copy of sanction letter dated December 12, 2007 from Indian Bank.

19. Report of Basavaraj Masanagi & Co, Chartered Engineers, dated January 14, 2008 for the project detailing the cost of civil works & plant and machineries.

20. Copy of in-principal approval received from the Bombay Stock Exchange Limited and National Stock Exchange Limited dated [●] and [●] respectively.

21. SEBI Observation Letter No. [●] dated [●],

22. Reply by the Lead Manager, dated [●] for the above SEBI Observation Letter.

Any of the Contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time is so required in the interest of Our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XII – DECLARATION

We, hereby declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the government or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956 or the Securities and Exchange Board of India Act, 1992 or rules made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS

Mr. Surendra Kumar Tibrewala

Mr. Sanjay S. Tibrewala

Mr. Anand Agarwal

Mr. Umesh Gala

Mr. Manmohan Mehta

SIGNED BY THE VICE PRESIDENT (FINANCE & ACCOUNTS)

Mr. Hitesh Bhadra

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. A. Nerurkar

Date: March 03, 2008

Place: Mumbai