



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 Corporate Structure' beginning on page 95 of this Draft Red Herring Prospectus.

Registered Office: 42 & 43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai-400050.

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PUBLIC ISSUE OF 42,11,160 EQUITY SHARES OF Rs. 10 EACH OF FINEOTEX CHEMICAL LIMITED ("FCL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF Rs. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF Rs. [•] PER EQUITY SHARE) AGGREGATING TO Rs. [•] LAKHS (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 37.50% OF THE POST ISSUE PAID UP CAPITAL OF THE COMPANY.

The Company is considering the private placement of certain equity shares with certain investors, prior to the completion of the issue. In that case, capital of the company will get increased to the extent of such private placement subject to a minimum issue size of 25% of the post issue capital being offered to the public. The issue size offered to the public would not be reduced.

PRICE BAND: Rs. [•] TO Rs. [•] PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH. THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH. THE ISSUE PRICE IS [•] TIMES THE FACE VALUE AT THE FLOOR PRICE AND [•] TIMES THE FACE VALUE AT THE CAP PRICE.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding/Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Limited ("BSE"), by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the other members of the Syndicate.

The Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportional basis to Mutual Funds only and the remainder shall be made available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, upto 15% of the Issue shall be made available for allocation on a proportionate basis to Non- Institutional Bidders and upto 35% of the Issue shall be made available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares is Rs. 10 each. The Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value.** The Issue Price (has been determined and justified by the BRLM and our Company as stated under the Chapter on "Basis for Issue Price" beginning on Page 56) should not be taken to be indicative of the market price of the Equity Shares after they are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of investors is invited to the statement of "Risk Factors" beginning on page 12.

IPO GRADING

This Issue has been graded by [•] and has been assigned a grade of [•], indicating [•] fundamentals through its letter dated [•]. For details please refer to Chapter "General Information" beginning on page 31 of the Draft Red Herring Prospectus

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring 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 Red Herring 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 make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE. The Company has received an 'in-principle' approval from the BSE, for the listing of the Equity Shares pursuant to letter dated [•]. For the purposes of the Issue, the Designated Stock Exchange shall be BSE.



BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
 <p>INDBANK MERCHANT BANKING SERVICES LTD. 11, Varma Chambers, Homji Street, Fort Mumbai – 400 001 Sebi Reg. No: MB/INM000001394 Tel No: +91- 22 2263 4601 Fax No: +91- 22 2265 8270 Website: www.indbankonline.com Email: mba@indbankonline.com Contact Person: Mr. Amit Wagle</p>	 <p>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</p>
ISSUE PROGRAMME	
BID/ISSUE OPENS ON : [•]	BID/ISSUE CLOSES ON : [•]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Term	Description
“The Issuer” or “The Company” or “Fineotex Chemical Limited” or “Fineotex” or “FCL” “We” or “us” or “our”	Unless the context otherwise requires or specified, these references mean ‘Fineotex Chemical Limited’, a Public Limited Company incorporated under the Companies Act, 1956.
Promoter(s)	<ol style="list-style-type: none"> 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)
Group Companies	<p>The following are the Group Companies/Concerns of our Company:</p> <ol style="list-style-type: none"> 1. M/s. Shree Vinayak Industries 2. M/s. Shree Ganesh Enterprises 3. M/s. Sanjay Exports

Conventional / General Terms

Term	Description
Articles/ Articles of Association	The Articles of Association of Fineotex Chemical Limited.
Act/ Companies Act	The Companies Act, 1956, as amended from time to time
Auditors	The Statutory Auditors of our Company namely, M/s UKG & Associates, Chartered Accountants.
Board / Board of Directors	The board of directors of our Company or a committee constituted thereof
Directors	Directors on the Board of our Company, as may be appointed from time to time, unless otherwise specified
Equity Shares	The Equity Shares of face value of Rs. 10/- each of our Company
Indian GAAP	Generally Accepted Accounting Principles in India
Memorandum/ Memorandum of Association	The Memorandum of Association of Fineotex Chemical Limited.
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
RoC	Registrar of Companies, Maharashtra, Mumbai unless otherwise specified.
Registered Office of our Company	42 & 43, Manorama Chambers, S. V. Road, Bandra (West), Mumbai – 400 050.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
ICDR Regulations/SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Stock Exchange	Bombay Stock Exchange Limited (BSE)

Issue Related Terms

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, Allotment of Equity Shares pursuant to this Issue.
ASBA	An application for subscribing to an issue, containing an authorisation to block the application money in a bank account.
ASBA Investor	An Investor who intends to apply through ASBA process and (a) is a "Resident Retail Individual Investor; (b) is bidding at cut-off, with single bid option as to the number of shares bid for; (c) is applying through blocking of funds in a bank account with the SCSB; (d) has agreed not to revise his/her bid; (e) is not bidding under any of the reserved categories.
ASBA Form	Bid cum Application form for Resident Retail Individual Investor intending to subscribe through ASBA
Applicant	Any prospective investor who makes an application for shares in terms of the Prospectus.
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
Allottee	A successful Bidder to whom Equity Shares are being / have been Allotted
Anchor Investor	A Qualified Institutional Buyer, who applies under the Anchor Investor Portion with a minimum Bid of Rs. 100 million
Application Amount	The amount at which the applicant makes an application.
Banker(s) to the Issue	The bank(s) which is / are clearing member and registered with the SEBI as Bankers to the Issue with whom the Escrow Account will be opened, in this case being [●]
BRLM/ Running Manager	Book Lead Indbank Merchant Banking Services Limited
Bid	An indication to make an offer during the Bidding period by a prospective investor to subscribe to the Company's Equity shares at a price within the Price Band including all revisions and modifications thereto. For the purposes of ASBA Bidders, a Bid means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid`-cum-Application	The form in terms of which the Bidder shall make an offer to purchase Equity Shares and which shall be considered as the application for the issue of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application as may be applicable
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, including an ASBA Bidder and an Anchor Investor
Bidding Period/ Issue Period	The period between the Bid Opening Date and the Bid Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Bid/ Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs shall start accepting Bids, which shall be notified in an English national newspaper, a Hindi national newspaper and a newspaper in the regional language, each with wide circulation
Bid/ Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national newspaper, a Hindi national newspaper and a a newspaper in the regional language, each with wide circulation
Brokers to this Issue	Brokers registered with any recognized Stock Exchange.
CAN/Confirmation	Means a note or advice or intimation of allocation of Equity Shares sent to the

Term	Description
Allocation Note	Bidders who have been allocated Equity shares after discovery of the Issue Price in accordance with the Book Building Process. In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
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 Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account of the ASBA Bidders to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees
Designated Exchange	Stock Bombay Stock Exchange Limited (BSE)
Draft Red Herring Prospectus	Draft Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue. It will become a Red Herring Prospectus after filing with the Registrar of Companies, Maharashtra, Mumbai at least three days before the Bid/Issue Opening Date. It will become a Prospectus upon filing with ROC after the pricing of Equity Shares.
ECS	Electronic Clearing System
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s), the BLRM and Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of amounts collected, to the bidders.
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account will be opened in this case being [•].
Equity Shares	Equity Shares of our Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form

Term	Description
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder.
FII	Foreign Institutional Investor (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India.
Floor Price	The lower end of the price band, below which the Issue Price will not be finalised and below which no bids will be accepted.
Financial Year /fiscal / FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI under applicable laws in India.
Issue/ IPO/ Initial Public Offerings/ Public Issue	<p>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 Book Running Lead Manager in terms of this Draft Red Herring Prospectus.</p> <p><i>The Company is considering the private placement of certain equity shares with certain investors, prior to the completion of the issue. In that case, capital of the company will get increased to the extent of such private placement subject to a minimum issue size of 25% of the post issue capital being offered to the public. The issue size offered to the public would not be reduced.</i></p>
Issue Price	The final price at which Equity Shares will be issued and allotted in term of this Draft Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the Book Running Lead Manager on the Pricing Date
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Period	The Issue period shall be [●] being the Issue Opening Date, to [●], being the Issue Closing Date
Margin Amount	The amount paid by the Bidder (excluding Anchor Investors) at the time of submission of the Bid, being 10% to 100% of the Bid Amount
Minimum Bid/allotment lot	[●] Equity Shares and in multiples of [●] Equity Shares thereof
Mutual Funds	Mutual Funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Net Issue or Net Issue to Public	Upto 42,11,160 Equity Shares of Rs. 10/- each, aggregating Rs. [●] Lacs.
Non-Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with the SEBI, which are foreign corporate or foreign individuals that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non-Institutional Portion	The portion of the Issue being upto 6,31,674 Equity Shares of Rs. 10/- each available for allocation to Non-Institutional Bidders on a proportionate basis.
Non-Resident Indian / NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended

Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time. Pursuant to the existing regulations, OCBs are not eligible to participate in this Issue.
Pay-in Date	With respect to QIB Bidders, the Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable and which shall with respect to the Anchor Investors, be a date not later than two days after the Bid Closing Date
Pay-in-Period	<p>Except with respect to ASBA Bidders, those Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date; and</p> <p>With respect to Bidders, except Anchor Investors whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the last date specified in the CAN</p> <p>With respect to Anchor Investors, the period commencing on the Anchor Investor Bidding Date and extending until the last date specified in the CAN which shall not be later than two days after the Bid Closing Date</p>
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	The price band with a minimum floor price of Rs. [●] and a maximum cap price of Rs. [●] including revisions thereof.
Pricing Date	The date on which our Company in consultation with the BRLM finalises the Issue Price.
Prospectus	The Prospectus, filed with the RoC containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and sub-accounts registered with the SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with the SEBI, foreign venture capital investors registered with the 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. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the Government of India published in the Gazette of India
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs (other than Anchor Investors) at the time of submission of their Bid
QIB Portion	The portion of this Issue being at least 50% of the Issue Size, i.e. 21,05,580 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.
Refund Account	Account(s) opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Registrar /Registrar to the Issue	Registrar to the Issue, in this case being Bigshare Services Private Limited, E-2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai 400 072.
Retail Individual Bidder	Individual Bidders (including HUFs and NRIs) who have submitted Bids for Equity Shares for an aggregate amount less than or equal to Rs. 100,000 in all of the bidding options in the Issue
Retail Portion	Upto 35% Net Issue to the Public i.e. 14,73,906 Equity Shares of Rs. 10 each

Term	Description
	available for allocation to Retail Individual Investors.
Revision Form	The form used by Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RHP or Red Herring Prospectus	The Red Herring Prospectus dated [•] issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of price at which the Equity Shares are offered and the size of the issue. The Red Herring Prospectus will be filed with the RoC atleast 3 days before the Bid/ Issue opening date and will become a Prospectus upon filing with the RoC after the Pricing date.
SCSB/ Self Certified Syndicate Banker	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992, as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.
SEBI Insider Trading Regulations	The SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Syndicate Agreement	The agreement to be entered into among our Company and the members of the Syndicate, in relation to the collection of Bids in this Issue.
Syndicate Member	[•]
TRS or Transaction Registration Slip	The slip or document issued by Syndicate Members to the Bidder as a proof of registration of the bid.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriting Agreement	The Agreement amongst the members of the Syndicate and our Company to be entered into on or after the Pricing Date.

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
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

Abbreviations

Term	Description
A.Y./ AY	Assessment Year
A/c	Account
AGM	Annual General Meeting of our Company
AS	Accounting Standards
ASBA	Application Supported by Blocked Amount
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
EBIDTA	Earnings Before Interest, Depreciation Tax and Amortisation
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
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
SCSB	Self Certified Syndicate Banker
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

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

In this Draft Red Herring 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.

Financial Data

In this Draft Red Herring 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 Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout this Draft Red Herring Prospectus, all figures have been expressed in lacs. Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our restated unconsolidated financial statements prepared in accordance with Indian GAAP and included in this Draft Red Herring Prospectus. Unless indicated otherwise, the operational data in this Draft Red Herring Prospectus is presented on an unconsolidated basis and refers to the operations of our Company. In this Draft Red Herring 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 Red Herring 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 Red Herring 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 Red Herring Prospectus, see the section Definitions and Abbreviations beginning on page 2 of this Draft Red Herring 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.

Industry and Market Data

Unless stated otherwise, market data used throughout this Draft Red Herring 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 Red Herring 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 Red Herring 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 turbulence 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 12 of this Draft Red Herring 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 II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the section titled “Our Business” and “Management Discussion and Analysis”. 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

- We have experienced negative cash flows for FY 2005 to FY 2008. Any negative cash flows in the future would adversely affect our results of operations and financial condition.***

Following is the details of negative cash flow for the FY 2005-2008:

				(Rs. In Lacs)
For the period ended				
31.03. 05	31.03. 06	31.03. 07	31.03.2008	
(0.03)	(0.07)	(0.12)	(70.12)	

If we experience negative cash flows or are unable to generate positive cash flows in the future, this could adversely affect our results of operations and financial condition.

- We reported a loss after tax in fiscal 2005 and fiscal 2006 and may incur additional losses in the future.***

We reported a loss after tax of Rs. 0.03 lakhs and Rs. 0.04 lakhs in fiscal 2005 and fiscal 2006 respectively, mainly due to Administrative expenses and Statutory charges when there were no operations in the Company. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

- Contingent liabilities which have not been provided for could adversely affect our financial conditions.***

Our contingent liabilities as at September 30, 2009 aggregated Rs. 38.93 lakhs. If any or all of these contingent liabilities materialize, it could have an adverse effect on our business, financial condition and results of operation. For further information, see Section “ **Financial Information**” beginning on page 120

- 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 111 of this Draft Red Herring Prospectus.

- 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 S. 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 Chapter titled “Our Business” beginning on page 72 of this Draft Red Herring 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 Chapter titled “Our History and Corporate Structure” beginning on page 95 of this Draft Red Herring Prospectus

7. *Our customers generally do not enter into long term contracts*

Our customers generally do not enter into any long term contracts with us. Our ability to maintain close and satisfactory relationships with our customers and to consistently manufacture products that meet their requirements is therefore important to our business. There is no assurance that these customers will continue to purchase our products from us or that they will not scale down their orders. This could impact our financial performance.

8. *The loss resulting from shutdown of operations at any of our plants could have an adverse effect on us.*

The plants are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents. Our plants use complex equipment and machinery, and the breakdown or failure of equipment or machinery may result in us having to make repairs or procure replacements which may require considerable time and expense. While we have insurance cover for both our facilities, including for loss of profit due to accidental shut down, the same may not be adequate to cover the loss in business.

Although we take precautions to minimize the risk of any significant operational problems at our plants could have an effect on our financial performance.

9. *Our business is dependent on our key customers and the loss of any significant customer could adversely affect our financial results.*

For the six month period ended September 30, 2009, our five largest customers accounted for approximately 41% of our net sales. The loss of a significant customer or customers would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these customers or that we will be able to replace these customers in case we lose any of them.

10. *Cordial relationship with the employees is crucial for smooth functioning of our operations.*

Our operations rely heavily on employees and on the employees' ability to provide high-quality services. In the event there is a shortage of skilled labour or stoppage caused by disagreements with employees in future, it could affect our ability to meet the quality standards and timely completion of orders, which could lead to reduced business or may potentially damage our reputation.

11. Any future acquisitions of businesses/ facilities, technologies and products may expose us to new risks and we may fail to realize the benefits of such acquisitions thereby adversely impacting our profitability.

In future, we may acquire businesses/ facilities, technologies and products believing them to be a strategic fit with our business. However, we may not be able to successfully integrate such businesses, products, technologies or personnel without a significant expenditure on operating, financial and management resources. Further, we may fail to realize the anticipated benefits of certain acquisitions. Future acquisitions could dilute our shareholders' interest in us and could cause us to incur substantial debt, expose us to contingent liabilities and negatively impact our profitability. However, as of the date of this Draft Red Herring Prospectus we have not entered into any definitive commitment or agreement for any material investment, partnership or acquisition.

12. We have in the past entered into related party transactions and may continue to do so in the future.

We have entered into transactions with our promoters and affiliates. While we believe that all such transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For further details please refer our section titled "Financial Information" beginning on page 120 of this Draft Red Herring Prospectus

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

We have made application for registration of trademarks 'FCL' and 'FINOCON', 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. Further, we cannot assure that any of our pending applications would be granted registrations or will not be challenged or if granted registration, will not be invalidated or circumvented or will offer us any meaningful protection. Further, the laws of some countries in which we may market our products may not protect our intellectual property rights adequately. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our company will be adequate.

For further details please refer our Chapter titled "Statutory Approvals and Licenses" beginning on page 150 of this Draft Red Herring Prospectus

14. 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.

15. We may not be able to maintain the pace of growth as exhibited historically

We have experienced significant growth in recent years and expect our business to grow further. 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.

16. 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.

17. We face competition in India and internationally

We operate in a competitive environment as our products are produced by a large number of other manufacturers in India and abroad. Players in this market generally compete with each other on key attributes such as technical competence, quality of products and services, pricing and track record. We compete with our competitors on the basis of our track record of quality, technical competence, distribution channels, logistical facilities and after sales relationships. There is however no assurance that we will continue to compete successfully in future.

18. Our indebtedness and the conditions and restrictions imposed by our loan agreement could restrict our ability to conduct our business and operations

We have entered in to agreement with the bank for availing working capital limits for our regular business activities. This has been secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. In case we are not able to pay our dues in time, the same could adversely impact our operations.

19. Increase in wages could reduce our profit margins.

Historically, wage costs in the Indian chemical industry have been significantly lower than wage costs in the developed countries for comparable skilled technical personnel. In the long term, wage increases may make us less competitive unless we are able to continue increasing our efficiency and productivity, and the prices we can charge to our customers. Any significant increase in wage costs could have an adverse effect on our business, financial condition and results of operations.

20. Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition.

As per our standalone financial statements, as on September 30, 2009, we have unsecured loan of Rs. 60 Lacs which is repayable on demand. For further details of these unsecured loans, please refer to section 'Financial Statements' beginning on page 120 of this Draft Red Herring Prospectus. Any demand from lenders for repayment of such unsecured loans, the cash outgo, may adversely affect our business operations.

B) **Project Related Risks**

21. ***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 Chapter titled “Objects of the Issue” beginning on page 48 of the Draft Red Herring Prospectus.

22. 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.

23. ***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 sales, operations and profitability.

For further details refer to the Chapter titled “Objects of the Issue” beginning on page 48 of the Draft Red Herring Prospectus.

24. ***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 50 of Chapter ‘Objects of the Issue’ Chapter in this Draft Red Herring Prospectus.

25. ***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.

26. ***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.

27. *Our proposed expansion plans are financially dependent on the Issue proceeds any delay in the same may result in escalation of project cost thereby impacting the operations and financials of our Company.*

Our proposed expansion plans are dependent on the proceeds of this Issue. We have not arranged for any alternate source of funding the major part of the project. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

C) Risks external to our Company

1. *We are dependent on third-party transportation providers for the supply of raw materials and delivery of products.*

We normally use third-party transportation providers for the supply of most of our raw materials and for deliveries of our finished products to our customers. Transportation strikes by members of various Indian Truckers' Unions have had in the past, and could in the future, an adverse effect on our receipt of supplies and our ability to deliver our finished products. In addition, transportation costs have been steadily increasing. Continuing increases in transportation costs may have an adverse effect on our business and results of operations.

2. *We are exposed to interruptions in the supply of electricity and water*

Our production processes at all the plants require a continuous and adequate supply of electricity and water to ensure that the production processes are uninterrupted and smooth running. Any shortage or interruption in the future to the supply of electricity and water by external parties to our plants for extended periods of time will disrupt our operations or increase our production costs. It will also affect our ability to continue production operations smoothly.

3. *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.

4. *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.

5. *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.

6. *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.

7. *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 Exchange 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.

8. *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 Book Building Process. This price will be based on numerous factors (discussed in the Chapter 'Basis for Issue Price' beginning on page 56) 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.

Prominent Notes:

1. Pre-Issue Net worth of our Company as on March 31, 2008 is Rs. 1023.48 Lacs, as on March 31, 2009 is Rs. 1236.90 Lacs and as on September 30, 2009 is Rs.1486.07.
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

4. Book value of the Equity Shares of our Company as March 31, 2008 is Rs. 14.58, as on March 31, 2009 is Rs. 17.62 per share and as on September 30, 2009 is Rs. 22.59 per share.
5. The Promoters, Promoter Group and Directors of the Company have not undertaken any transactions in the Equity Shares of the Company during a period of six months preceding the date of this Draft Red Herring Prospectus.
6. Except as disclosed in "Our Management", Promoters and their Background" and "Information of Group Companies / Ventures of the Promoters" beginning on pages 98, 111 and 116 and of this Draft Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them.
7. Other than as stated in the Chapter titled "Capital Structure" beginning on page 38 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for considerations other than cash.
8. Since inception, our Company has issued 33,24,600 bonus shares in the ratio of 9:10 on on January 3, 2008, by capitalisation of free reserves.
9. Investors are advised to go through Basis of Allotment in the Chapter titled "Issue Procedure" beginning on page 169 of this Draft Red Herring Prospectus.
10. 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.
11. Investors are advised to refer to the Chapters on "Basis for Issue Price" and "Issue Procedure" beginning on page 56 and page 169 of this Draft Red Herring Prospectus before making any investment in this issue.
12. No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Company, Directors, Key Managerial Personnel, Associate Companies or Group Companies.
13. Investors may contact the BRLM for any complaints, information or clarifications pertaining to the Issue.
14. Our Company and the Book Running Lead Manager shall update this Draft Red Herring Prospectus in accordance with the Companies Act, 1956. All information shall be made available by our Company and the Book Running 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.
15. Except as mentioned in the Auditor's report, there are no other contingent liabilities as on September 30, 2009.
16. Trading in Equity Shares for all investors shall be in dematerialised form only.

17. For details of Related Party Transactions, please refer to the Section on 'Financial Information' beginning on page 120 of this Draft Red Herring Prospectus.
18. For details of liens and hypothecation on the properties and assets of our Company please see Section on 'Financial Information' on page 120.
19. 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.
20. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
21. 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 III- INTRODUCTION

SUMMARY OF INDUSTRY

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 Red Herring 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 "Presentation of Financial, Industry and Market Data" beginning on page 10 in this Draft Red Herring Prospectus.

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)

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.

During 2008-09, chemicals & chemical products grew by 2.9 per cent in 2008-09 as compared to 10.6 per cent in 2007-08. 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.

(Source: Planning Commission Report; <http://indiabudget.nic.in/es2008-09/esmain.htm>)

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)

SUMMARY OF 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 Chemicals India Limited, 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 products please refer the Chapter 'Our Business' beginning on page 72 of this Draft Red Herring 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 Chemicals India 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. Our customer list includes companies like Pidilite Industries Limited, Clariant Chemicals India Limited, 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 and Mr. Sharad Nachane, our Technical Heads 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 deputed 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 offer 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 Chemicals 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, Balotra, Erode, Karur, Surat, Ahmedabad, Rajasthan, Bangalore, Tirupur, 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.

BRIEF DETAILS OF THE ISSUE

Equity Shares offered:

Fresh Issue by our Company	42,11,160 Equity Shares
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Issue Price	Rs. [●] per Equity Share
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Face Value	Rs. 10 per Equity Share
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Of which:

a) Qualified Institutional Buyers

At least 50% of the Issue size has to be subscribed and allotted to QIBs failing which all the money will be refunded	21,05,580 Equity Shares (Allocation on a proportionate basis)
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Of the above 21,05,580 Equity Shares, 1,05,279
Shall be available for allocation to mutual Funds.

The balance 20,00,301 Equity Shares shall be available to all
QIBs including Mutual Funds.

b) Non Institutional Bidders

Upto 6,31,674 Equity Shares
(Allocation on a proportionate Basis.

c) Retail Portion

The balance 14,73,906 Equity Shares
(Allocation on a proportionate Basis)

Note: Under Subscription, if any, in any of the category **except in the QIB category** would be allowed to be met with spillover from the other categories, at the discretion of our company in consultation with the BRLM. If a minimum **allotment of 50% of the Net Issue is not made to the QIBs, the entire subscription monies shall be refunded.**

Equity Shares outstanding prior to the Issue	70,18,600 Equity Shares of face value of Rs.10/- each
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Equity Shares outstanding after the Issue	1,12,29,760 Equity Shares of face value of Rs.10/- each
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Use of Issue proceeds	Please refer to Chapter titled “Objects of the Issue” beginning on page 48 of this Draft Red Herring Prospectus for additional information
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Note:

The Company is considering the private placement of certain equity shares with certain investors, prior to the completion of the issue. In that case, capital of the company will get increased to the extent of such private placement subject to a minimum issue size of 25% of the post issue capital being offered to the public. The issue size offered to the public would not be reduced.

SUMMARY OF FINANCIAL INFORMATION

The following summary financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and restated as described in the Auditor's Report of our statutory auditor's, M/s. UKG & Associates, Chartered Accountants dated November 17, 2009 for the period ended September 30, 2009 in the section titled 'Financial Information'. You should read this financial data in conjunction with financial statements Audited by M/s Pravin Shah & Co. for the fiscal 2005 and M/s. A.D. Mehta & Co. for fiscal 2006, 2007, 2008 and 2009 including the Notes thereto and the Reports thereon, which appears under the Section 'Financial Information' beginning on page 120 in this Draft Red Herring Prospectus, and 'Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements' beginning on page 141 in this Draft Red Herring Prospectus..

Summary statement of Assets & Liabilities, as restated

(Rs. in Lacs)

Particulars	As at					
	31.03.05	31.03. 06	31.03.07	31.03.08	31.03.09	30.09.09
A Fixed Assets						
Gross Block	0	0	0	283.83	358.73	365.12
Less: Depreciation	0	0	0	8.71	8.91	15.07
Net Block	0	0	0	275.12	349.82	350.06
Capital Work in Progress	0	0	0	67.66	76.09	76.09
Total Fixed Assets (A)	0	0	0	342.78	425.91	426.15
B Investments (B)	0	0	0	0	201.80	364.71
C Current Assets, Loans and Advances						
Inventories	0	0	0	100.16	135.74	147.92
Sundry Debtors	0	0	0.66	776.36	546.75	615.10
Cash and Bank Balances	0.73	0.66	1.00	217.10	23.79	27.92
Other Current Assets				23.79	186.39	243.04
Loans and Advances	0	0.04	0.03	254.16	283.09	51.63
Total (C)	0.73	0.70	1.69	1371.57	1175.76	1085.62
D Liabilities and Provisions						
Secured Loans	0	0	0	5.10	50.41	24.22
Unsecured Loans	0	0	0	0	96.00	60.00
Deferred Tax Liability	0	0	0	7.13	8.95	14.23
Current Liabilities	0	0	0.03	386.23	254.63	262.35
Provisions	0.02	0.03	0.24	292.41	155.58	29.61
Total (D)	0.02	0.03	0.27	690.87	566.57	390.41
E Net Worth (A+B+C-D)	0.71	0.67	1.42	1023.48	1236.90	1486.07
F Represented by:						
1 Share Capital						
Equity Share Capital	1.00	1.00	1.50	701.86	701.86	701.86
Total	1.00	1.00	1.50	701.86	701.86	701.86
2 Reserves and Surplus	0	0	0.11	321.77	535.14	784.92
3 Miscellaneous Expenditure/ Preoperative Expenses	(0.24)	(0.24)	(0.19)	(0.14)	(0.10)	(0.07)
4 Debit Balance in Profit and Loss Account	(0.05)	(0.09)	0	0	0	0
Net Worth (1+2+3+4)	0.71	0.67	1.42	1023.48	1236.90	1486.07

Summary statement of Profit & Loss, as restated

(Rs. in Lacs)

Particulars	For the Year/Period Ended					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
A Income						
Sales –Products	0	0	0	1783.15	2048.08	1069.43
Manufactured						
Traded Sales	0	0	104.61	1365.51	648.18	0.00
Less : Excise Duty	0	0	0	(184.97)	(169.04)	(57.18)
Net Sales	0	0	104.61	2963.69	2527.22	1012.25
Increase/(Decrease) in Inventory	0	0	0	0	0	26.26
Other Income	0	0	0.46	22.88	33.68	60.27
Total (A)	0	0	105.07	2986.57	2560.90	1098.77
B Expenditure						
Materials Consumed	0	0	0	956.11	1149.34	628.08
Cost of sales of goods traded	0	0	104.43	1263.55	646.69	0.00
Work Expenses	0	0	0	65.92	98.74	28.68
Staff Cost	0	0	0	43.56	66.97	34.17
Administrative & Other Expenses	0.03	0.04	0.23	42.44	84.20	42.37
Total (B)	0.03	0.04	104.66	2371.58	2045.94	733.33
Profit Before Interest, Depreciation and Tax	(0.03)	(0.04)	0.41	614.99	514.96	365.44
C Depreciation	0	0	0	8.71	8.87	6.16
Profit Before Interest and Tax	(0.03)	(0.04)	0.41	606.28	506.09	359.28
Financial Charges	0	0	0	3.31	3.76	0.56
Profit after Interest and Tax	(0.03)	(0.04)	0.41	602.97	502.33	358.75
D Before Tax						
Preliminary Expenses W/o	0	0	0.05	0.05	0.05	0.02
E Profit before Taxation	(0.03)	(0.04)	0.36	602.92	502.28	358.73
Provision for Taxation	0	0	0.10	219.53	179.01	104.66
Provision for Deferred Tax	0	0	0	7.13	1.83	5.28
Fringe Benefit Tax	0	0	0	0.98	1.45	0
Add/Less Tax adjustment	0	0	0	0	0	0
Profit After Tax but Before Extra ordinary Items	(0.03)	(0.04)	0.26	375.28	319.09	248.79
F Extra ordinary Items						
Extraordinary items	0	0	0	10.59	(24.20)	0
Prior Period Items	0	0	0	0	0.70	0
Profit after Tax	(0.03)	(0.04)	0.26	385.87	295.59	248.79
Surplus profit of earlier year/period	(0.02)	(0.05)	(0.09)	0.11	303.87	525.29
Net Profit Available for Appropriation	(0.05)	(0.09)	0.17	385.98	599.46	767.02
G Appropriation						
Proposed dividend	0	0	0.05	70.18	70.18	0
Tax on Proposed dividend	0	0	0.01	11.93	11.93	0
Transfer to General Reserve	0	0	0	0	0	0
Balance c/d to Balance Sheet	(0.05)	(0.09)	0.11	303.87	525.29	767.02

Cash Flow Statement

(Rupees in Lacs)

Particulars	For the year/period ended					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
A. Cash Flow from Operating Activities						
Profit before tax, as restated	(0.03)	(0.04)	0.36	602.92	502.27	358.73
Adjustments for						
Depreciation	0	0	0	8.71	8.87	6.16
Miscellaneous expenditure written off	0	0	0.05	0.05	0.05	0.02
Interest on deposit	0	0	(0.01)	(16.59)	(11.05)	0.00
Finance Expenses (Net)	0	0	0	3.31	3.76	0.00
Income from Investments	0	0	0	0	18.34	(56.13)
Operating Income before working capital changes	(0.03)	(0.04)	0.40	598.40	522.24	308.78
Adjustments for:						
Decrease/(Increase) in Trade & Other Receivables	0	(0.04)	(0.66)	(814.05)	129.14	106.46
Decrease/(Increase) in inventories	0	0	0	(72.67)	(35.57)	(12.19)
Increase/(decrease) in Trade Payables	0	0.01	0.14	227.17	(165.72)	(192.31)
Decrease/ (Increase) in Loans & Advances & Deposits	0	0	0	0	(11.39)	0.00
Decrease/(Increase) in miscellaneous expenditure	0	0	0	0	0	0
Income Tax/ FBT paid			0	(19.57)	(322.17)	(31.25)
Net Cash Flow from Operating Activities before Extra ordinary items	(0.03)	(0.07)	(0.12)	(80.71)	116.51	179.49
Extra Ordinary & Non Recurring Income	0	0	0	10.59	0.70	0
Net Cash Flow from Operating Activities	(0.03)	(0.07)	(0.12)	(70.12)	117.71	179.49
B. Cash Flow from Investing Activities						
Purchase of Fixed Assets & Advances for Fixed Assets	0	0	0	(97.85)	(198.16)	(6.39)
Sale of Fixed Assets	0	0	0	0	1.20	0
Preoperative Expenses	0	0	0	0	0	0
Purchase of Investments	0	0	0	0	(359.31)	(557.47)
Sale of Investments					135.06	448.06
Interest Received	0	0	0.01	16.59	12.14	0
Dividend Received					4.12	2.63
Increase/(decrease) in Creditors for Capital goods	0	0	0	15.87	39.00	0
Net Cash used from Investing Activities	0	0	0.01	(65.40)	365.94	(113.17)
C. Cash Flow from Financing Activities						
Proceeds from						
- Share Capital Issued	0	0	0.50	400.36	0	0
- Share Premium Account	0	0	0	7.04	0	0
- Loans	0	0	0	0	146.41	(62.18)
Repayment of						
- Loans	(0.23)	0	0	(98.07)	(5.10)	0

- Interest Paid	0	0	0	(3.31)	(3.76)	0
Dividend & Dividend Tax Paid	0	0	(0.05)		(82.11)	0
Net Cash Flow from Financing Activities	(0.23)	0	0.45	306.01	55.44	(62.18)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(0.26)	(0.07)	(0.34)	170.49	(193.31)	4.14
Cash & Cash Equivalents at Beginning of the Year	0.99	0.73	0.66	1.00	217.10	23.79
Cash & Cash Equivalents received from the acquired business	0	0	0	45.60	0	0
Cash & Cash Equivalents at End of the Year/period	0.73	0.66	1.00	217.10	23.79	27.92

GENERAL INFORMATION

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 Corporate Structure' beginning on page 95 of this Draft Red Herring Prospectus.

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. V. 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.

Board of Directors

Our Board of Directors comprises the following:

Sr. No.	Name, Designation & Occupation of Director	Age (Years)	DIN	Address
1)	Mr. Surendra Kumar Tibrewala Chairman & Managing Director Executive and Non Independent Business	53	00218394	42/43, Valencia, 11, Juhu Tara Road, Juhu, Mumbai - 400 049
2)	Mr. Sanjay S. Tibrewala # Whole-time Director Executive and Non Independent Business	28	00218525	42/43, Valencia, 11, Juhu Tara Road, Juhu, Mumbai - 400 049
3)	Mr. Anand Agarwal Non Executive & Independent Professional	47	00605748	206 Rajshila, 597 J.S.S. Road, Chirabazar, Mumbai – 400 002
4)	Mr. Sanjay Mittal Non Executive & Independent Business	38	01705140	601, V.V Aster, CHS Ltd, Film City rd, Dindoshi, Malad (E), Mumbai- 97
5)	Mr. Manmohan Mehta Non Executive & Independent Business	41	00391964	102, A wing, Oberoi Garden Building, Thakur Village, Kandivali (E), Mumbai – 400 101

Mr. Sanjay Tibrewala, the Whole Time Director of our Company is Son of Mr. Surendra Tibrewala, the Chairman and Managing Director of our Company

For further details of our Chairman and Managing Director, Whole Time Director and other Directors see "Our Management" beginning on page 98

COMPLIANCE OFFICER & COMPANY SECRETARY

Mr. A. V. Nerurkar
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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Investors.

ISSUE MANAGEMENT TEAM**Book Running Lead Manager**

Indbank Merchant Banking Services Limited.
11, Varma Chambers, Homji Street,
Fort Mumbai – 400 001
Sebi Reg. No: MB/INM000001394
Tel No: +91- 22 2263 4601
Fax No: +91- 22 2265 8270
Website: www.indbankonline.com
Email: mba@indbankonline.com
Contact Person: Mr. Amit Wagle

Syndicate Members

[•]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

Legal Counsel 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

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

Bankers to the Issue and Escrow Collection Banks:

[•]

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. Shankaran

Statutory Auditors**M/s UKG & Associates**

B-2, West View, 2nd floor,
L N Road, Dadar (E), Mumbai- 400 014
Tel No: +91- 22 2412 9600
Fax No: +91- 22 2410 0362
Email: champak@ukgala.com
Contact Person: Mr. Champak Dedhia

Brokers to the Issue

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

IPO Grading Agency

This Issue has been graded by [•] and has been assigned [•] indicating [•]. The IPO grading is assigned on a five point scale from 1 to 5 with an “IPO Grade 5” indicating strong fundamentals and an “IPO Grade 1” indicating poor fundamentals. Attention is drawn to the disclaimer appearing on page [•]. A copy of the report provided by [•], furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days during the Bidding Period.

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.

Monitoring Agency

There is no requirement for a monitoring agency for the Issue pursuant to Regulation 16 of the SEBI Regulations.

Project Appraisal

Our Project has been appraised by Indian Bank, Bandra Branch, Mumbai.

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

Indbank Merchant Banking Services Limited has been appointed as the sole Book Running Lead Manager and all activities pertaining to the issue shall be coordinated by them.

Book Building Process

Book Building refers to the process of collection of Bids from the Investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

1. The Company;
2. The Book Running Lead Manager;
3. The Syndicate Members;
4. The Registrar to the Issue; and
5. SCSBs.

The Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportional basis to Mutual Funds only and the remainder shall be made available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, upto 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

Under the SEBI Regulations, QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. In addition, QIBs are required to pay not less than 10% of the Bid Amount payable on application upon submission of the Bid cum Application Form during the Bid/Issue Period and allocation to QIBs will be on a proportionate basis. For further details, please refer to Chapter “Terms of the Issue” beginning on page 163.

The process of Book Building under the SEBI Regulations is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

Our Company shall comply with regulations issued by SEBI for this Issue. In this regard, our Company has appointed Indbank Merchant Banking Services Limited as the BRLM to manage the Issue and to procure subscriptions to the Issue.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (refer to Chapter “Issue Procedure” beginning on on page 169);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned PAN in your Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction;
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;
5. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form and the ASBA Bid cum Application Form;
6. Bids by QIBs will only have to be submitted to the BRLM; and
7. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs.24 per share while another has bid for 1,500 shares at Rs.22 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	27.77%
1000	23	1500	83.33%
1500	22	3000	166.67%
2000	21	5000	277.78%
2500	20	7500	416.67%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The issuer, in consultation with the BRLM, will finalise the issue price at or below such cut off price, i.e., at or below Rs. 22. All Bids at or above this issue price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares without assigning any reason therefor.

Bid/Issue Programme

BID/ISSUE OPENS ON [●]

BID/ISSUE CLOSES ON [●]

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form **except that on the Bid/Issue Closing Date, Bids excluding ASBA Bids shall be accepted only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) until such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one

day prior to the Bid/Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company, the BRLM and the Syndicate Members shall not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday).

INVESTORS PLEASE NOTE THAT AS PER LETTER NO. LIST/SMD/SM/2006 DATED JULY 3, 2006 ISSUED BY BSE, BIDS AND ANY REVISION IN BIDS SHALL NOT BE ACCEPTED ON SATURDAYS AND HOLIDAYS AS DECLARED BY THE EXCHANGES.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

We reserve the right to revise the Price Band during the Bidding Period in accordance with SEBI Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price and can move up or down to the extent of 20%.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE, by issuing a press release, and also by indicating the change on the web sites of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with ROC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
[•]	[•]	[•]
Syndicate Members		
[•]	[•]	[•]

The above mentioned amount is indicative underwriting and this would be finalized after pricing and actual allocation. The above Underwriting Agreement is dated [•]

In the opinion of the Board of Directors acting through the Chairman & Managing Director, based on a certificate dated [•] given to them by BRLM and the Syndicate Members, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges. The above Underwriting Agreement has been accepted by the Board of Directors of our Company and has issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

The Share Capital of Our Company as on the date of filing of this Draft Red Herring 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. PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS ⁽¹⁾ 42,11,160 Equity Shares of Rs. 10/- each at a premium of Rs. [●]/- per Share	4,21,11,600	[●]
D. NET ISSUE TO THE PUBLIC ⁽²⁾ 42,11,160 Equity Shares of Rs. 10/- each at a premium of Rs. [●]/- per Share	4,21,11,600	[●]
E. PAID UP CAPITAL AFTER THE PRESENT ISSUE 1,12,29,760 Equity shares of Rs. 10/- each	11,22,97,600	[●]
F. SHARE PREMIUM ACCOUNT Before the Issue After the Issue	7,04,000	[●]

Note:

⁽¹⁾ The present Issue in terms of this Draft Red Herring Prospectus has been authorized by our Board of Directors and our shareholders, pursuant to their resolutions dated August 22, 2009 and August 31, 2009 respectively.

⁽²⁾ The Company is considering the private placement of certain equity shares with certain investors, prior to the completion of the issue. In that case, capital of the company will get increased to the extent of such private placement subject to a minimum issue size of 25% of the post issue capital being offered to the public. The issue size offered to the public would not be reduced.

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

Notes to Capital Structure:

- 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.)	Consideration	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	Further Allotment	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

2. Issue of Equity Shares in the last one year

Save as stated in the offer document, our Company has not made any issue of Equity Shares during preceding one year

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, 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 S. 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

out of this 130500 shares are jointly held with Mrs. Kanaklata S. Tibrewala

Out of this 93150 shares are jointly held with Mr Surendra Kumar Tibrewala

* Jointly held with Mrs. Kanaklata S. Tibrewala

Except as disclosed above, no benefits have accrued to our Company out of the above allotments.

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

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue equity share capital of the Company i.e. 22,45,952 Equity Shares, shall be locked in by the Promoter as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from the date of Allotment in the Issue or from the first date of commencement of commercial production, whichever is later. The Equity Shares, which are being locked-in as minimum Promoters' contribution, are eligible for computation of minimum Promoters' contribution in accordance with the provisions of the SEBI Regulations.

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. 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	30,00,000	10	10	26.72%	1
	# August 6, 2007	Cash	33,500	10	60	0.30%	3
	# December 31, 2007	Cash	1,11,500	10	60	0.99%	3
	January 3, 2008	Bonus	20,90,952	10	NIL	18.62%	3
	\$ January 3, 2008	Bonus	7,48,548	10	NIL	6.67%	1
Total (A)			59,94,500			53.38%	
Mr. Sanjay S. Tibrewala	January 30, 2004	Cash	5,000	10	10	0.04%	1
	* August 6, 2007	Cash	1,03,500	10	60	0.92%	1
	** January 3, 2008	Bonus	97,650	10	NIL	0.87%	1
Total (B)			2,06,150			1.84%	
Mrs. Kanaklata S. Tibrewala	August 6, 2007	Cash	1,54,000	10	60	1.37%	1
	January 3, 2008	Bonus	1,38,600	10	NIL	1.23%	1
Total (C)			2,92,600			2.61%	
Ms. Ritu S. Tibrewala	# August 6, 2007	Cash	19,000	10	60	0.17%	1
	# January 3, 2008	Bonus	17,100	10	NIL	0.15%	1
Total (D)			36,100			0.32%	
Proton Biochem Private Limited	August 6, 2007	Cash	56,500	10	60	0.50%	1
	January 3, 2008	Bonus	50,850	10	NIL	0.45%	1
Total (E)			1,07,350			0.96%	
Kamal Chemicals	August 6, 2007	Cash	1,55,500	10	60	1.38%	1

	January 3, 2008	Bonus	1,39,950	10	NIL	1.25%	1
	Total (F)		2,95,450			2.63%	
Surendra Kumar Tibrewala (HUF)	August 6, 2007	Cash	44,500	10	60	0.40%	1
	January 3, 2008	Bonus	40,050	10	NIL	0.35%	1
	Total (G)		84,550			0.75%	
	Grand Total (A+B+C+D+E+F+G)		70,16,700			62.48%	

Shares jointly held with Mrs. Kanaklata S. Tibrewala

\$ Out of the aforesaid shares, 130500 shares are held jointly with Mrs. Kanaklata S. Tibrewala

* Shares jointly held with Mr. Surendra Kumar Tibrewala

** Out of the aforesaid shares, 93150 shares are held jointly with Mr. Surendra Kumar Tibrewala

5. The details of the shares locked in for three years

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
	# August 6, 2007	Cash	33,500	10	60	0.30%	3
	# December 31, 2007	Cash	1,11,500	10	60	1.00%	3
	January 3, 2008	Bonus	20,90,952	10	NIL	18.62%	3
	Total		22,45,952			20.00%	

Shares jointly held with Mrs. Kanaklata S. Tibrewala

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations. The Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in. Further, the Promoter has given an undertaking to the effect that it shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoters' contribution from the date of filing this Draft Red Herring Prospectus till the date of commencement of lock-in as per the SEBI Regulations. Equity Shares held by the Promoter and offered as minimum Promoters' contribution are free from pledge.

6. Details of Other Equity Shares locked in for one year

In addition to the lock-in of 20% of the post-Issue shareholding of the Promoter for three years, as specified above, the balance pre-Issue share capital of the Company (including those held by Promoters) shall be locked-in for a period of one year from the date of Allotment in the Issue.

7. Any Equity Shares allotted to Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

8. In terms of Regulation 40 of the SEBI Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI Regulations, subject to continuation of the

lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable. Further, in terms of Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoter group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable. Locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan and further that the loan has been granted for the purpose of financing one of the Objects of this Issue.

9. 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.
10. 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.
11. For the purpose of computing 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.
12. **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)	Promoters	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	0.01%
	Mrs. Pragna Vorani \$	950	0.01%	950	0.01%
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%

Out of the aforesaid shares, 2,75,500 shares are held jointly with Mrs. Kanaklata S. Tibrewala

Out of the aforesaid shares 1,96,650 shares are held jointly with Mr. Surendra Kumar Tibrewala

\$ Shares jointly held with Mrs. Kanaklata S. Tibrewala

Except as disclosed above, none of the BRLM and their associates, our Promoters, Group Companies, Directors and Key Managerial Personnel hold any shares in our Company.

13. 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	0.01%
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. The final Post- Issue shareholding Pattern will be determined after the Book-Building Process.

14. 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.
15. 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 exchange, where the shares are to be listed, before the listing of the securities.
16. There are no 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.
17. 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 amongst Promoter Group or to a new promoter(s) or persons in control of our Company, subject to the continuation of lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.
18. As on the date of filing of this Draft Red Herring 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.
19. Our Company, our Promoter, our Directors and the Book Running 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 Red Herring Prospectus.

20. 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.
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 [●] 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. At least 50% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (including specific allocation of 5% within the category of QIBs for Indian Mutual Funds). Further upto 15% of the Net Issue to the Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and upto 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.
23. Under-subscription, if any, in any category except for the QIB Portion, would be met with spillover from the other categories at the sole discretion of Company, in consultation with the BRLM, subject to applicable provisions of the SEBI Regulations and the Designated Stock Exchange. However, if the aggregate demand by mutual funds is less than 5% of Equity Shares, the balance equity shares available for allocation in the mutual fund portion will be first added to the QIB portion and be allotted proportionately to the QIB Bidders.

The unsubscribed portion, if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion. In case of under-subscription in the net offer to the public portion, spill-over to the extent of under subscription shall be permitted from the reserved category except the QIB portion to the net offer to public portion.

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

25. Particulars of top ten shareholding is as follows:

a. As on the date of filing this Draft Red Herring Prospectus

Sr. No.	Name of Shareholder	No. of Shares	% of the then Issued Capital
1. (a)	Mr. Surendra Kumar Tibrewala	57,17,000	81.45
(b)	Mr. Surendra Kumar Tibrewala & Mrs. Kanaklata S. Tibrewala	2,77,500	3.95
2. (a)	Mr. Sanjay S. Tibrewala	9,500	0.14
(b)	Mr. Sanjay S. Tibrewala & Mr. Surendra Kumar Tibrewala	1,96,650	2.80
3.	Ms. Ritu S. Tibrewala & Mrs. Kanaklata S. Tibrewala	36,100	0.51
4.	Mrs. Kanaklata S. Tibrewala & Mr. Surendra Kumar Tibrewala	2,92,600	4.17
5.	Proton Biochem Private Limited	1,07,350	1.53
6.	Surendra Kumar Tibrewala HUF	84,550	1.21
7.	Kamal Chemicals Private Limited	2,95,450	4.21
8.	Mrs. Pragna Vorani & Mrs. Kanaklata S. Tibrewala	950	0.01
9.	Mrs. Laxmiben Thakkar & Mrs. Kanaklata S. Tibrewala	570	0.01
10.	Mr. Mahendra Vorani & Mrs. Kanaklata S. Tibrewala	380	0.01
Total		70,18,600	100%

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

Sr. No.	Name of Shareholder	No. of Shares	% of the then Issued Capital
1. (a)	Mr. Surendra Kumar Tibrewala	57,17,000	81.45
(b)	Mr. Surendra Kumar Tibrewala & Mrs. Kanaklata S. Tibrewala	2,77,500	3.95
2. (a)	Mr. Sanjay S. Tibrewala	9,500	0.14
(b)	Mr. Sanjay S. Tibrewala & Mr. Surendra Kumar Tibrewala	1,96,650	2.80
3.	Ms. Ritu S. Tibrewala & Mrs. Kanaklata S. Tibrewala	36,100	0.51
4.	Mrs. Kanaklata S. Tibrewala & Mr. Surendra Kumar Tibrewala	2,92,600	4.17
5.	Proton Biochem Private Limited	1,07,350	1.53
6.	Surendra Kumar Tibrewala HUF	84,550	1.21
7.	Kamal Chemicals Private Limited	2,95,450	4.21
8.	Mrs. Pragna Vorani & Mrs. Kanaklata S. Tibrewala	950	0.01
9.	Mrs. Laxmiben Thakkar & Mrs. Kanaklata S. Tibrewala	570	0.01
10.	Mr. Mahendra Vorani & Mrs. Kanaklata S. Tibrewala	380	0.01
Total		70,18,600	100%

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

Sr. No.	Name of Shareholder	No. of Shares	% of the then Issued Capital
1. a)	Mr. Surendra Kumar Tibrewala	30,10,000	82.16
(b)	Mr. Surendra Kumar Tibrewala & Mrs. Kanaklata S. Tibrewala	33,500	0.91
2. (a)	Mr. Sanjay S. Tibrewala	5,000	0.14
(b)	Mr. Sanjay S. Tibrewala & Mr. Surendra Kumar Tibrewala	1,03,500	2.83
3.	Ms. Ritu S. Tibrewala & Mrs. Kanaklata S. Tibrewala	69,000	1.88
4.	Mrs. Kanaklata S. Tibrewala & Mr. Surendra Kumar Tibrewala	1,54,000	4.21
5.	Proton Biochem Private Limited	56,500	1.54
6.	Surendra Kumar Tibrewala HUF	44,500	1.21
7.	Kamal Chemicals Private Limited	1,55,500	4.24
8.	Mrs. Pragna Vorani & Mrs. Kanaklata S. Tibrewala	12,500	0.34
9.	Mrs. Laxmiben Thakkar & Mrs. Kanaklata S. Tibrewala	7,800	0.21
10.	Mr. Mahendra Vorani & Mrs. Kanaklata S. Tibrewala	12,200	0.33
Total		36,64,000	100%

26. Our Company has not raised any bridge loan against the proceeds of this Issue.
27. Other than Pre-IPO placement, if any, 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 Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.
28. 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.
29. 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.
30. 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.
31. A Bidder 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.
32. Our Company has not re-valued assets since inception and has not issued any shares out of the revaluation reserves. We confirm that the bonus shares issued, as mentioned above are from the free reserves of our Company.
33. 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.

34. We have 10 members as on date of filing of this Draft Red Herring Prospectus.
35. Except as stated above, the Directors, the Promoters, promoter group, and Group Companies have not purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.
36. Equity shares offered through this issue shall be made fully paid up or may be forfeited for non payment of calls within twelve months from the date of allotment of securities.
37. Our Promoters and our Promoter Group will not participate in the Issue.
38. As per the RBI Regulations, OCBs are not allowed to participate in the Issue.
39. Our Company has not made any public issue since incorporation.

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. 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.

The details of the proceeds of the Issue are summarized in the table below:

Particulars	Rs. In Lakhs
Gross proceeds of the Issue	[●]
Issue related expenses	[●]
Net Proceeds	[●]

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	[●]
E.	General Corporate Purposes	[●]
	Total	[●]

Details of Means of Finance

		(Rs. in Lacs)
Sr. No.	Particulars	Amount
A.	Term Loans	246
B.	Proceeds from Initial Public Offer*	[•]

* Relevant figure will be updated on finalization of the issue price.

Proceeds from the Initial Public Offer would be crystallized on finalization of the Issue Price on conclusion of the book building process.

We confirm that firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed public issue has been made.

The fund requirement and deployment are based on our management estimates and the quotations received from the suppliers. Our capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/development delays or defects; receipt of critical governmental approvals; availability of working capital finance on acceptable terms; and changes in management's views of the desirability of current plans, amongst others.

Terms and Conditions for the Loan

Facility	Term Loan
Sanctioned Limit	246 Lacs
Margin	25%
Rate of Interest	13%
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.

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.

DETAILED BREAK UP OF THE PROJECT

A. Setting up Manufacturing Plant

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. 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	Qty	Total Cost (Rs. Lacs)	Quotations received from	Quotation Date
1	Reactors SS 316				S.S. Engineering	May 4, 2009

	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	Ambeshwar trading Pvt. Ltd.	May 2, 2009
3	Thermi Fluid Heater	20.00	1	20.00	Elite Thermal Engineers Private Limited	May 7, 2009
4	Generator	12.00	1	12.00	Goel Power Engineers	May 7, 2009
5	Flakers	15.00	1	15.00	S.S. Engineering	May 4, 2009
6	Storage Tanker				S.S. Engineering	May 4, 2009
	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	May 4, 2009
8	Cooling Towers	3.50	1	3.50	National Cooling Towers	May 9, 2009
9	Air Compressors	0.60	1	0.60	Chandrakant Trading Pvt. Ltd.	May 6, 2009
10	DM Water Plant	0.70	1	0.70	Chandrakant Trading Pvt. Ltd.	May 9, 2009
11	Lab Equipments	7.50	-	7.50	M. J. Exports C. Abhaykumar	May 6, 2009 May 8, 2009
12	Weighing Balance				Tapson's Scientific Instruments Co.	May 19, 2009
	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	May 4, 2009
14	Open Vessels	5.00	1	5.00	S.S. Engineering	May 4, 2009
15	Material Handling		Lot	4.00	Chandrakant Trading Pvt. Ltd.	May 4, 2009
16	Pipeline Fittings	15.00	Lot	15.00	S.S. Engineering	May 4, 2009
17	Electrical Fittings	12.00	Lot	12.00	Tarun Electricals	May 4, 2009
18	Racks & Platform	9.00	Lot	9.00	S.S. Engineering	May 4, 2009
19	Fire Extinguishers	4.00	Lot	4.00	Ciba Fire Services	May 11, 2009
	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 2011 - March 2012			
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 Total estimated Issue expenses are as follows:

Activity	Expenses (Rs. In Lacs)	% of Issue Size*	% of Issue expenses
Lead Management Fees & Brokerage	[•]	[•]	[•]
IPO Grading Fees			
Advertisement and Marketing Expenses	[•]	[•]	[•]
Printing and Stationery (including expenses on transportation of the material)	[•]	[•]	[•]
Others (Registrar's Fees, Legal Fees, Listing Fees, RoC Charges, Deposit, Consultancy Fees etc.)	[•]	[•]	[•]
Total	[•]	[•]	[•]

* Will be incorporated after the finalization of Issue Price.

E. General Corporate Purposes

Our Company intends to deploy the excess Issue proceeds, if any aggregating Rs. [●] Lacs, towards the general corporate purposes, including but not restricted to payment of interest during construction period, strategic initiatives, technological up gradation investment in other segments of the industry, entering into strategic alliances, partnerships, joint ventures and acquisitions, advertising & brand-building, 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	--	June 2010
Inquiries, negotiations with suppliers of Plant and Machinery and placing orders	June 2010	July 2010
Technical Support /Consultant appointments	--	June 2010
Execution of Civil Works and Building erection work	July 2010	September 2010
Installations of Plant & Machinery	September 2010	November 2010
Any specific raw materials to be ordered or contracted with the supplier/overseas	November 2010	December 2010
Trial Production	January 2011	March 2011
Commencement of Production and Sales	April 2011	--

(B) Setting up Sales Office

Particulars	Month of Commencement	Month of Completion
Identification and Acquisition of Property	May 2010	June 2010
Setting up of Furniture & Fixtures	July 2010	September 2010
Commence Operations	October 2010	

Deployment of Funds in the project:

We have incurred the following expenditure on the projects till November 11, 2009:-.

Particulars	Amount (in Rs. Lacs)	Sources of Funds
Public Issue Expenses	40.30	Internal Accruals
Total	40.30	

** As certified by our company's statutory auditors M/s UKG & Associates, Chartered Accountants vide their Certificate Dated November 15, 2009*

The overall cost of the proposed project and the proposed quarter wise break-up of Deployment f Funds are as under:

PARTICULARS	Expense incurred before filing	2010-11				TOTAL
		1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	
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	40.30					[•]
E. GENERAL CORPORATE PURPOSE	-		-	-	-	[•]
TOTAL	40.30	[•]	471	384	142	[•]

Interim Use of Funds

We, in accordance with the policies established by the Board, will have flexibility in deploying the Net Proceeds received by us from the Issue. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by us based upon the above objects i.e. branding and promotion, purchase of corporate office in Mumbai, and investment in technology infrastructure. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and other fixed and variable return instruments.

Monitoring of Issue proceeds

We have not appointed a monitoring agency to monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilized. We will indicate investments, if any, of unutilized proceeds of the Issue in our Balance Sheet for the relevant Financial Years subsequent to our listing. Pursuant to clause 49 of the Listing Agreement, our Company shall on a quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory auditors of our Company. Our Company shall be required to inform material deviations in the utilisation of the Net Proceeds of the Issue to the Stock Exchanges and shall also be required to simultaneously make the material deviations/adverse comments of the Audit committee/monitoring agency public through advertisement in newspapers.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, Directors, Group Companies or Key Managerial Personnel, except in the normal course of our business.

Shortfall of Funds

In case of a shortfall in the Proceeds of the Fresh Issue, the management may explore a range of options including utilizing the internal accruals of the Company or seeking debt from future lenders. The management expects that such alternate arrangements will be available to fund any such shortfall.

Bridge Financing Facilities

We have not raised any bridge loan against the Proceeds of the Fresh Issue.

BASIS FOR ISSUE PRICE

The issue price will be determined by our Company in consultation with the BRLM on the basis of market demand for the equity shares offered by the way of book building.

Investors should read the following summary with the Risk Factors beginning from page 12 and the details about our Company and its Financial Statements included in the Draft Red Herring Prospectus beginning on page 120. 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 Chemicals India Limited 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 three 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
2006-2007	1.77	1
2007-08	5.69	2
2008-09	4.21	3
Weighted Average EPS	4.30	

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

▪ Based on 2008-09 EPS of Rs.4.21	[●]
▪ Based on weighted average EPS of Re. 4.30	[●]

Industry P/E: Chemicals		
i.	Highest – Ellen Industrial Gas	123.60
ii.	Lowest – Oriental Carbon	4.00
iii.	Average (industry composite)	13.40

Source: Capital Market, Volume XXIV/20, November 30 - December 13, 2009

3. Return on Net Worth

Particulars	RONW (%)	Weights
2006-2007	18.31	1
2007-08	37.70	2
2008-09	23.90	3
Weighted Average RONW	27.57	

4. Minimum Return on Net Worth needed after the Issue to maintain pre-Issue EPS of Rs.4.21 is [●]%

5. Net Asset Value (Rs.)

a)	As on March 31, 2009	17.62
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	111670	6950	23.40	12.20	18.90	136.70
Clariant Chemicals India Limited	10	92020	6770	22.10	11.90	21.50	119.10
Pidilite Industries Limited	1	176110	14790	5.5	21.40	21.30	29
Ciba India	10	50630	2000	14.50	70.90	6.60	235
Fineotex Chemical Limited (2008-09)	10	2560.90	295.59	4.21	--	23.90	17.62

Source: Capital Market, Volume XXIV/20, November 30 - December 13, 2009

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 Book Running 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 Red Herring 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 9), prepared by the Company, and 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 UKG & Associates, Chartered Accountants

Champak K. Dedhia

(Partner)

Membership No. 101769

Place: Mumbai

Date: 5th November, 2009.

**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(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 15 per cent (plus applicable surcharge and education cess).

1.3.5. 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.

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),(iia) and (iii) of the Act, in respect of any sum paid to a Scientific Research Association or to a company registered in india and approved by the prescribed authority 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 15 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 Deduction of STT paid

Deduction of STT paid of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transaction entered into the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains of business or profession”.

3. Benefits available to Non-Resident Indian shareholders (Other than Foreign Institutional Investors 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 15 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 Deduction of STT paid

Deduction of STT paid of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transaction entered into the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

4. Benefits available to other Non-resident Shareholders (Other than Foreign Institutional Investors 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 15 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 Deduction of STT paid

Deduction of STT paid of an amount equal to the securities transaction tax paid by the assesses in respect of the taxable securities transaction entered into the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

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 @ 15% (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 Deduction of STT paid

Deduction of STT paid of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transaction entered into the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

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.

7. Benefits available to Venture Capital Companies

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1922 and notified as such in the Official Gazette; and Venture Capital Fund, Operating under a registered trust deed or a venture capital scheme made by a Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1922 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking are eligible for exemption from income tax on all their income, including dividend from and income from 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, 2009 and will be available only to the sole/first named in case the shares are held by joint holders.
2. In Respect of non residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the Country in which the non – residents has fiscal domicile.
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- IV- ABOUT US

INDUSTRY OVERVIEW

Disclaimer: pursuant to the requirements of the SEBI Regulations , the discussion on the business of Our Company in this Draft Red Herring 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 Red Herring 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 Red Herring 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.

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.

Source: Planning Commission Report

Indian Chemical Industry

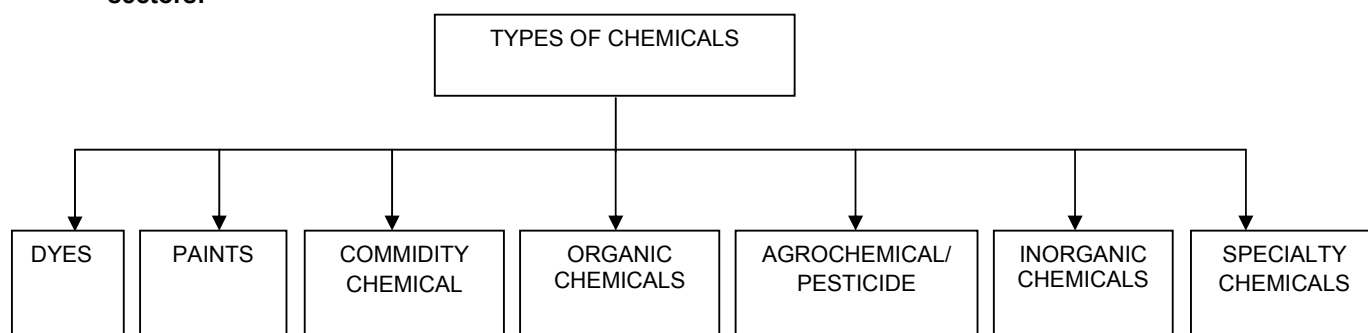
Chemical Industry is one of the oldest industries in India, which contributes significantly towards industrial and economic growth of the nation. It is highly science based and provides valuable

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.

During 2008-09, chemicals & chemical products grew by 2.9 per cent in 2008-09 as compared to 10.6 per cent in 2007-08. 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.

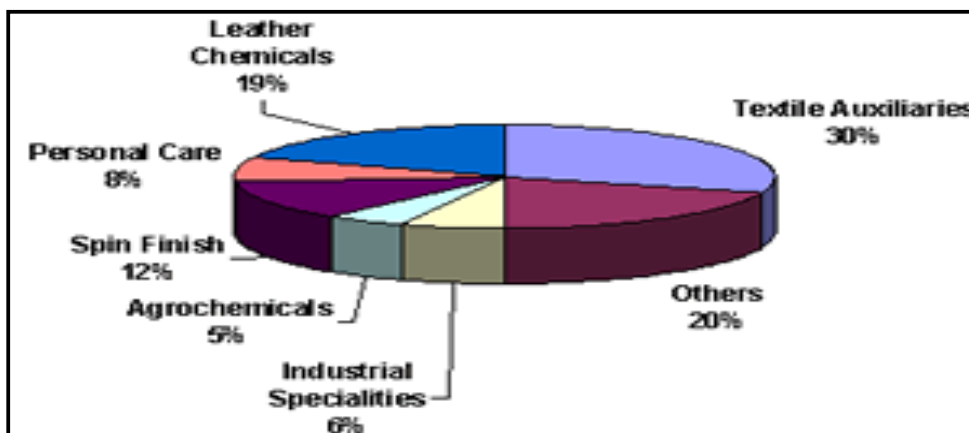
Source: Planning Commission Report; <http://indiabudget.nic.in/es2008-09/esmain.htm>

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



Major Segments of Indian Chemical Industry

A Pie Chart showing the major segments and their perspective shares is shown below:



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.

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)

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.

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)

(Source: Planning Commission Report)

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 propose to set up the following new unit:

Unit III	Khopoli	Manufacturing Plant – Specialty Chemicals for all industries mentioned above
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Brief Details about the Project

For more details about the proposed Project, please refer to Chapter titled “Objects of the Issue” beginning on page 48 of this Draft Red Herring 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 Chemicals India 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. Our customer list includes companies like Pidilite Industries Limited, Clariant Chemicals India Limited, 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 offer 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 Chemicals 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, Balotra, Erode, Karur, Surat, Ahmedabad, Rajasthan, Bangalore, Tirupur, 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	<u>Pre-treatment Chemicals</u>	
	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
<u>Dyeing Chemicals</u>	
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
<u>Printing Chemicals:</u>	
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
<u>Finishing Chemicals:</u>	
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	<u>Cleaning & Processing Chemicals For:</u>	
	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
	<u>Finishing Chemicals For:</u>	
	Shine & Texture	To provide shining effect to the leather
	Water Proofing	To provide water repellency to the leather
Wood Working & Handicraft Industry, Cigarette Industry,	Finishing Agents	To provide the soft feel to the final leather
	Adhesives	Different kinds of adhesives for these Industries for sticking purpose

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	<ul style="list-style-type: none"> The Bombay Dyeing & Manufacturing Co. Ltd. The Raymond Group Malwa Group (through authorised dealer) Grasim Industries Limited- Aditya Birla Group Chenab Textile Mills Clariant Chemicals India Limited
Construction Industry	<ul style="list-style-type: none"> United Alacritty Pte. Ltd. –Singapore (through merchant exporter)
Water Treatment Industry	<ul style="list-style-type: none"> Croda Chemicals India Private Limited (ICI India Limited) Clariant Chemicals India Limited
Leather Industry	<ul style="list-style-type: none"> BASF Limited
Agrochemical Industry	<ul style="list-style-type: none"> Rashtriya Chemicals & Fertilizers Limited (RCF)
Paper Industry	<ul style="list-style-type: none"> Clariant Chemicals India Limited
Adhesives	<ul style="list-style-type: none"> 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	S.S. ENGINEERING	5000 Ltrs	Polymerization/ Esterification/ Sulphonation
		2		3000 Ltrs	
		2		2000 Ltrs	
2.	SS 316 HIGH SPEED STIRRERS	2	S.S. ENGINEERING	10 HP	Mixing and Blending
		2		7.5 HP	
		2		5.0 HP	

		2		3.0 HP	
3.	SS 316 SPARKEL FILTER	1	S.S. ENGINEERING	—	Filtration
	LIFT	1	JAY EQUIPMENTS	1000 Kgs	Material Handling
4.					
5.	BOILER	1	VAPOUR ENGINEERING	300 K. Cal	Steam Boiler
6.	COOLING TOWER	1	NATIONAL COOLING TOWERS	2.5 Ton	Utilities
		1		5.0 Ton	
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	-	
	45 KVA KIRLOSKAR D.G. SET	1	KIRLOSKAR	-	
10.	SINTEX STORAGE TANK	1	SINTEX	20,000 Ltrs	Water
11.		1		10,000 Ltrs	Formaldehyde
		3		5000 Ltrs	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.

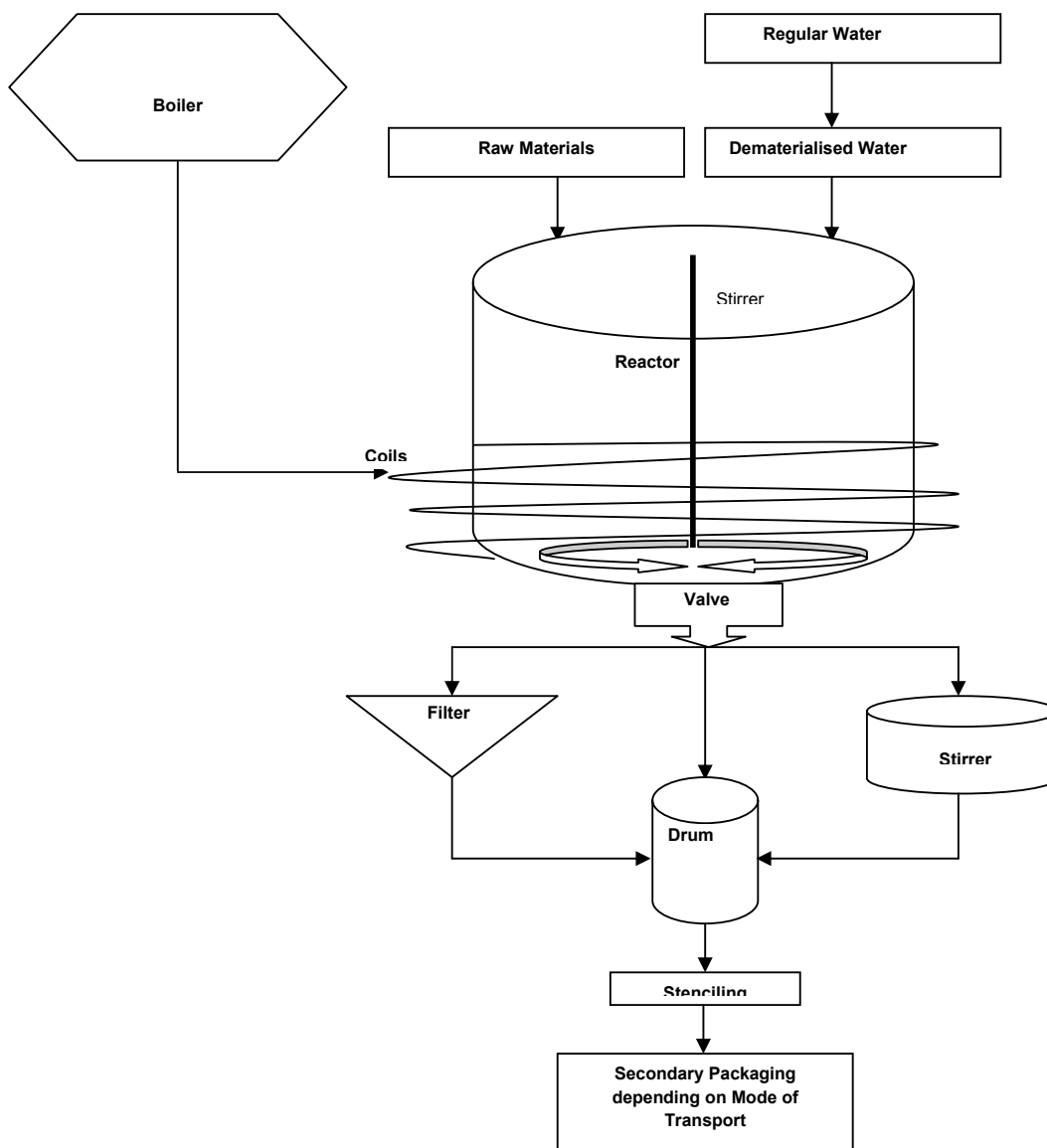
We have not entered into any technology agreement. Our Company uses proven technology for manufacturing our products, which we intend to continue for the new Project also.

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

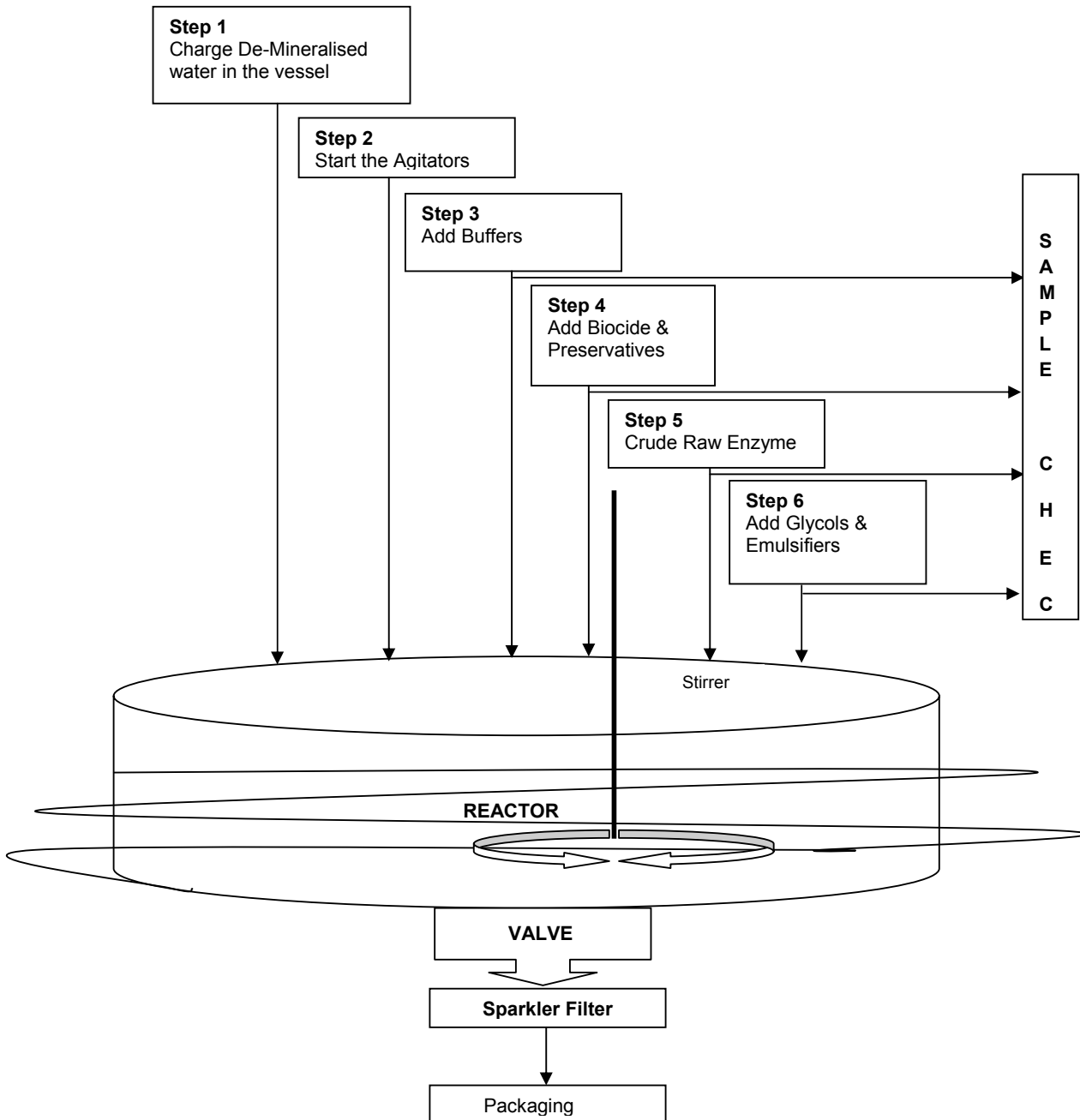
Sulphonation

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 filtration

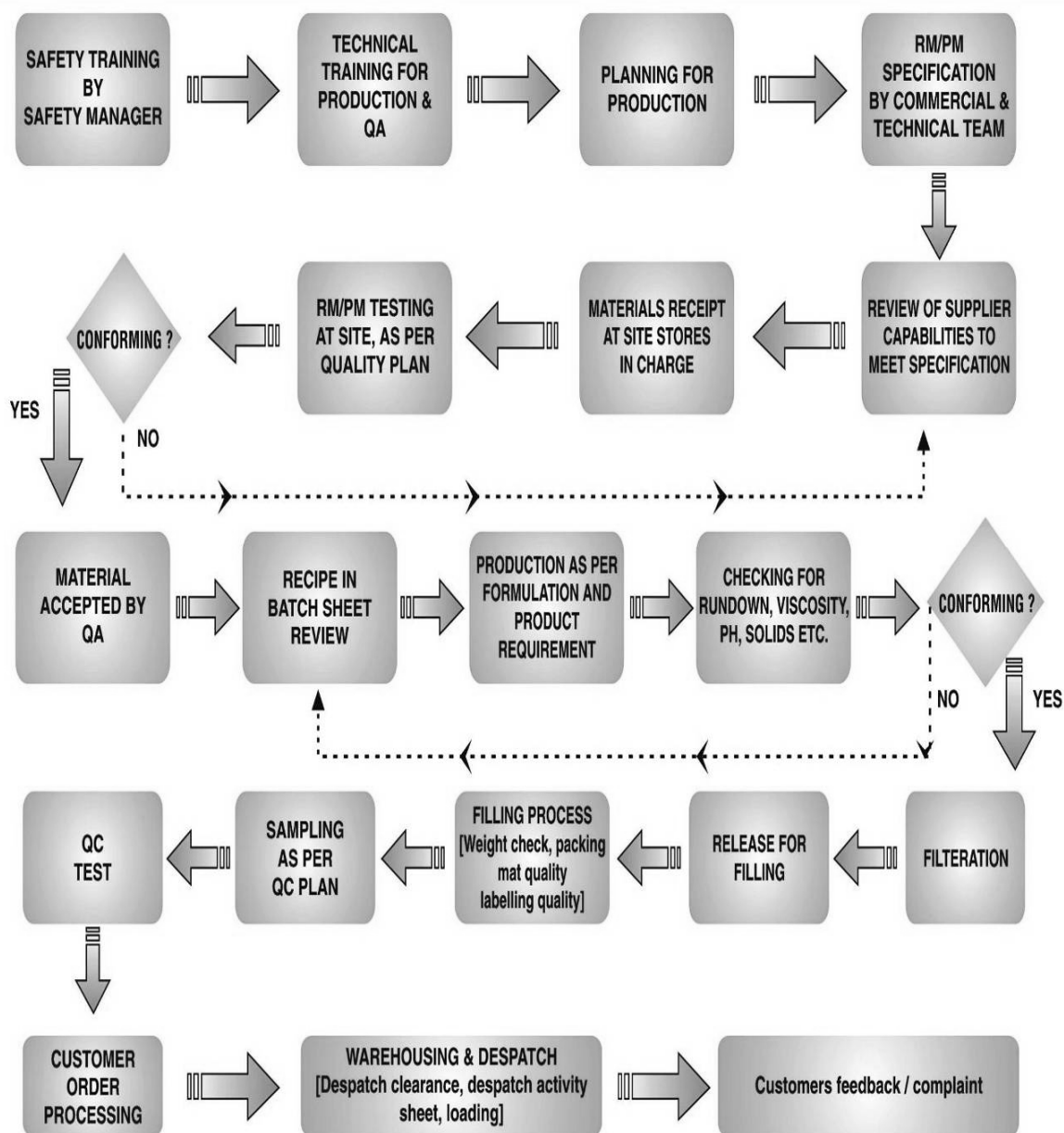
8. Sparkler Filter

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.

PRODUCTION CONTROL & QA PROCESS FLOW CHART



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, NAPHTHALENE SULPHONATE
Leather	DICYANDIAMIDE , PARA FORMALDEHYDE, 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
17	3	8	3	8	39

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; Pidilite Industries Limited, Clariant Chemicals 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

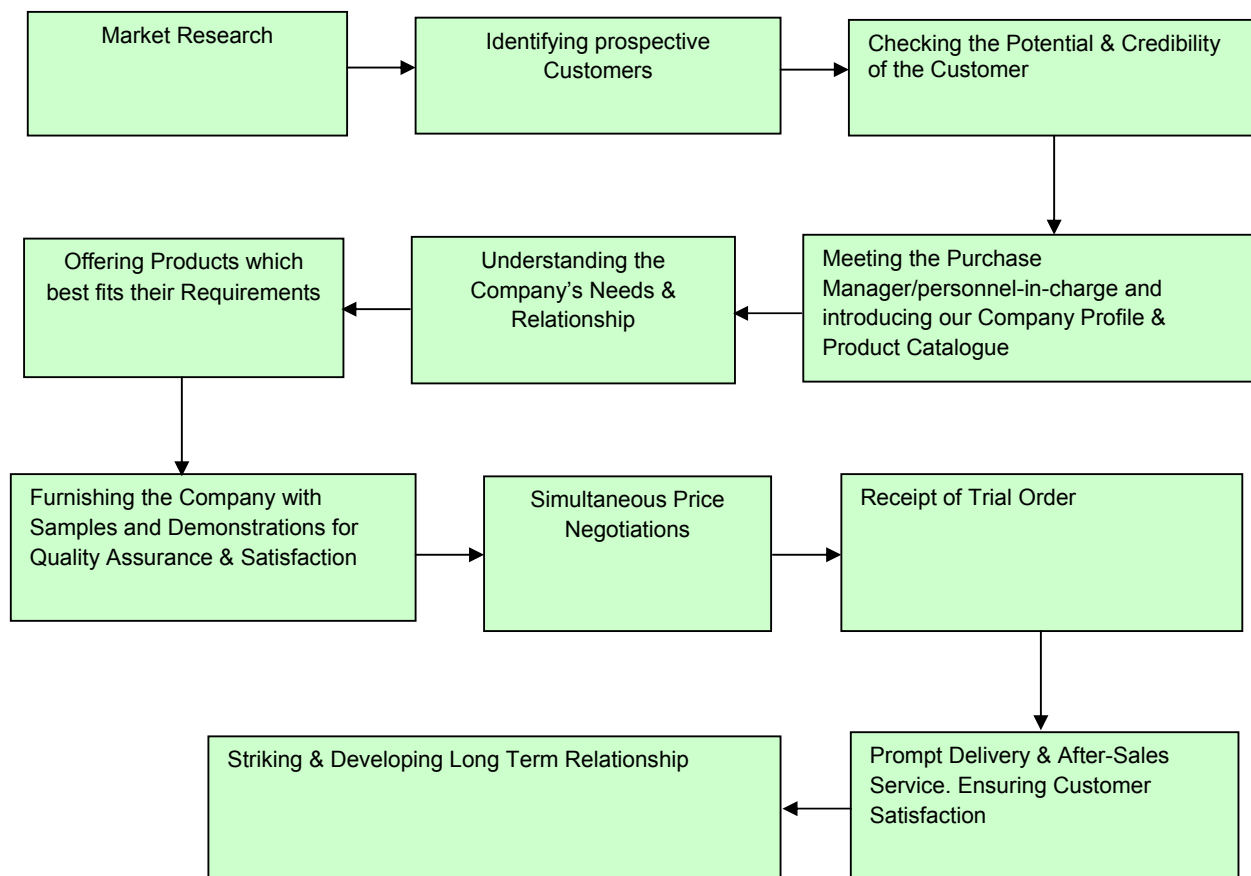
Our Company conducts its marketing arrangement through a strong and dedicated sales & marketing team. Mr. Surendra Kumar Tibrewala our Promoter and Managing Director has almost 3 decades of experience in this field. He has developed strong relationships with customers over the years right from Multinational 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		
	2007 -08	2008 - 09	2009 - 10	2010 - 11	2011 - 12
Installed Capacity (MTPA)	5,000	5,000	5,000	5,000	18,250
Capacity Utilisation %	63.50%	68.50%	76%	86%	56.55%
Commercial Production (MTPA)	3175	3423	3800	4300	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. 130200/36/08/01/00000080 Dated January 22, 2008	The New India Assurance Company Limited	January 22, 2009	January 21, 2010	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
2.	Money Insurance Policy Policy No. 130200/48/09/07/00000025 Dated April 9, 2007	The New India Assurance Company Limited	April 19, 2009	April 18, 2010	Sum Insured Rs. 20,00,000/- Premium Amount Rs. 1985/-	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
3.	Burglary I.R. Policy Policy No. 130200/46/09/04/00000015 Dated April 2, 2007	The New India Assurance Company Limited	April 18, 2009	April 17, 2010	Sum Insured Rs. 50,000/- Premium Amount Rs. 2482/-	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
4.	Standard Fire and Special Perils Policy Policy No.	The New India Assurance	January 23, 2009	January 22, 2010	Sum Insured Rs. 2,28,000/- Premium	Office Premises, 42/43, Manorama Chambers, S.V.Road,

	130200/11/08/11/00000474 Dated January 22, 2008	Company Limited			Amount Rs. 102/-	Bandra (w), Mumbai – 400050
5.	Standard Fire and Special Perils Policy Policy No. 130200/11/08/11/00000473 Dated January 22, 2008	The New India Assurance Company Limited	January 23, 2009	January 22, 2010	Sum Insured Rs. 16,05,000/- Premium Amount Rs. 1283/-	Office Premises, furniture, fixtures, and fittings, equipments and other contents Insured premises at 43, Manorama Chambers, S.V.Road, Bandra (w), Mumbai – 400050
6.	Standard Fire and Special Perils Policy Policy No. 130200/11/08/11/00000475 Dated January 22, 2008	The New India Assurance Company Limited	January 23, 2009	January 22, 2010	Sum Insured Rs. 28,55,000/- Premium Amount Rs. 1283/-	Office Premises, furniture, fixtures, and fittings, equipments and other contents Insured premises at 42, Manorama Chambers, S.V.Road, Bandra (w), Mumbai – 400050
7.	Standard Fire and Special Perils Policy Policy No. 130200/11/08/11/00000465 Dated January 1, 2008 (Endorsed)	The New India Assurance Company Limited	January 6, 2009	January 5, 2010	Sum Insured Rs. 3,25,00,000/- Premium Amount Rs. 66,975.	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
8.	Standard Fire and Special Perils Policy Policy No. 130200/11/08/11/00000466 Dated January 1, 2008 (Endorsed)	The New India Assurance Company Limited	January 6, 2009	January 5, 2010	Sum Insured Rs. 1,32,00,000/- Premium Amount Rs. 30405/-	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
9.	Consequential Loss (Fire) Policy Policy No. 130200/11/09/07/00000315 Dated October 05, 2009	The New India Assurance Company Limited	October 05, 2009	October 04, 2010	Sum Insured Rs. 4,00,00,000/- Premium Amount Rs. 94,758	Policy covers loss of gross profits occurring on unforeseen fire hazards

Intellectual Property

Our Company relies on trademarks and copyrights, to help establish and preserve limited proprietary protection for our products. Our Company has four registered trademarks and two 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 1, dated March 10, 2003 and bearing no. 1181971.

2. Certificate of Registration of Trade Mark dated February 27, 2008 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark "FINOFIX" in Class 1, dated April 18, 2006 and bearing no. 1444500.
3. Certificate of Registration of Trade Mark dated March 10, 2008 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark "FINEOCOLL" in Class 1, dated April 18, 2006 and bearing no. 1444498.
4. Certificate of Registration of Trade Mark dated March 10, 2008 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark "FINOX" in Class 1, dated April 18, 2006 and bearing no. 1444499.

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 1 under Section 18(1), Rule 25(2) 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 1.

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	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	95 years with effect from September 1, 1992
2.	Agreement dated May 28, 2007 between Mrs. Kanaklata S.	Area 970 Square Feet at	Monthly rent of Rs. 40,000/-	Leased property/	5 years commen

	Tibrewala ("Licensor") and Fineotex Chemical Private Limited ("Licensee")	43, Manorama Chambers, 4 th 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	cing from June1, 2007 to May 31, 2012.
3.	Agreement dated June 29, 2007 between Mrs. Kanaklata S. 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	5 years commencing from June 1, 2007 to May 31, 2012

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, 4 th 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 CORPORATE STRUCTURE

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.

Corporate Profile

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. 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, Balotra Bhilwara, Delhi, Ludhiana, Tirupur, Karur, Erode, etc.

The Company had *vide* its letter dated March 04, 2009 filed Draft Prospectus dated March 03, 2009 with SEBI. SEBI *vide* its letter dated May 11, 2009 intimated about the closure of the file and suggested to re-file the offer document with the extant SEBI Regulations.

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 cash consideration of Rs. 3.00 Crore only and acquired all Assets and Liabilities related to the business. Pursuant to this Deed of Assignment, the Proprietor of Fineotex Chemical Industries was allotted 30, 00,000 Equity shares of Rs. 10 each of Fineotex Chemical Limited.

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.	FCL received ISO 9001:2000 from JAS-ANZ Certification	
8.	Sanction of Term Loan from Indian Bank	2007

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, cellophanes, colours, dyes, paints, varnishes, vat and other organic dyestuffs, chemical auxiliaries, disinfectants, insecticides, fungicides, deodorants, biochemical and pharmaceutical, medicinal, sizing, bleaching, photographic 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

Presently, our Company does not have any Strategic Partners.

Financial Partners

Presently, our Company does not have any Financial Partners.

OUR MANAGEMENT

Board of Directors

Board of Directors comprising five directors, of which One is Whole Time Director and Three are Independent Directors. 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 Red Herring 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 (53years) 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 30, 2004 and Managing Director since June 25, 2007 for a period of five years.
2)	Mr. Sanjay S. Tibrewala (28 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 30, 2004 and Whole-time Director since June 25, 2007 for a period of five years.
3)	Mr. Anand Agarwal (47 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	▪ Comfort Intech Limited ▪ Shubham Commerce Private Limited ▪ Nana Fintrade Services Private Limited	Appointed on July 30, 2007. To retire by rotation and eligible for re appointment.
4)	Mr. Sanjay Mittal (38 years) S/o Mr. Rambabu Mittal Non Executive & Independent DIN: 01705140 601, V.V Aster, CHS Ltd, Film City rd, Dindoshi, Malad (E), Mumbai-97 Business	Indian	▪ U C Metal Private Ltd.	Appointed on July 14, 2009. To retire by rotation and eligible for re appointment.

Sr. No.	Name, Age, Fathers Name, Designation, Status, DIN, Address & Occupation of Director	Nationality	Other Directorships	Date of Appointment & Term of Directorship
5)	Mr. Manmohan Mehta (41 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	<ul style="list-style-type: none"> ▪ Nalin Syntex Private Limited ▪ Mehta Syntex Private Limited ▪ Mars Farmland & Consultancy Services Private Limited ▪ Riverview Farm Land Private Limited ▪ RiverTouch Farm Land Private Limited ▪ Riverside Farm Land Private Limited ▪ Forest View Farm Land Private Limited ▪ Hill View Farm Land Private Limited ▪ River View Realty Private Limited ▪ Riverside Residency Private Limited 	Appointed on December 31, 2007. To retire by rotation and eligible for re appointment.

Mr. Sanjay Tibrewala, the Whole Time Director of our Company is Son of Mr. Surendra Tibrewala, the Chairman and Managing Director of our Company

Brief Profile of Our Board of Directors

Mr. Surendra Kumar Tibrewala, aged 53 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 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 28 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 47 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 Shareholders/ Investor Grievance Committee of our company.

Mr. Manmohan Mehta, aged 41 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.

Mr. Sanjay Mittal, aged 38 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 Business will help our Company in making strategic decisions. Presently, he is the Chairman of the Audit Committee of our Company.

Borrowing Powers of the Board

The Board of Directors of our Company has power to borrow up to Rs. 2,500 Lacs 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 supersession 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 notwithstanding 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.

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

COMPENSATION TO MANAGING DIRECTORS/WHOLE-TIME DIRECTORS

a) 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.

b) 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 with respect to Corporate Governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchange.

Our Company has taken necessary steps to implement the provisions of the Corporate Governance norms entered into with the Stock Exchange. 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 exchange.

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. Sanjay Mittal 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. It was further re-constituted at the Meeting of the Board of Directors held on November 05, 2009

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. Sanjay Mittal	Chairman	Non Executive & Independent
2	Mr. Anand Agarwal	Member	Non Executive & Independent
3	Mr. Sanjay S. Tibrewala	Member	Executive & Non Independent

Our Company Secretary, Mr. A. 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. It was further re-constituted at the Meeting of the Board of Directors held on November 05, 2009

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

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

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

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- To look after matters relating to dematerialization and re-materialization of shares.
- 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;
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- 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. It was further re-constituted at the Meeting of the Board of Directors held on November 05, 2009The 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. Sanjay Mittal	Member	Non Executive & Independent
3.	Mr. Anand Agarwal	Member	Non Executive & Independent

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

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

- 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.);
- 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 Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of our Equity Shares on stock exchange. 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 Red Herring 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. Sanjay Mittal	--	--
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).

Payment or benefit to directors/officers of our Company

Except as disclosed below, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our officers except the normal remuneration for services rendered as Directors, officers or employees.

Interest of Directors

Except as stated in the 'Related Party Transactions' beginning on page 138 of this Draft Red Herring 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 Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of the Draft Red Herring 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, 2009.

					(Rs. in lakhs)
Sr. No	Name of the Director	Sitting Fees per meeting	Salaries / Perquisites	Commission	Total
	Mr. Surendra Kumar Tibrewala	--	16.80	--	16.80
1.					
2.	Mr. Sanjay S. Tibrewala	--	10.08	--	10.08
3.	Mr. Anand Agarwal	NIL	--	--	NIL
4.	Mr. Umesh Gala*	NIL	--	--	NIL
	Mr. Manmohan Mehta	NIL	--	--	NIL
5.					
	Total	NIL	26.88	NIL	26.88

* Mr. Umesh Gala has resigned from his directorship w.e.f July 14, 2009

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 Chapter titled 'Our Management' beginning on page 100 of this Draft Red Herring Prospectus.

Changes in the Board of Directors during the last three years

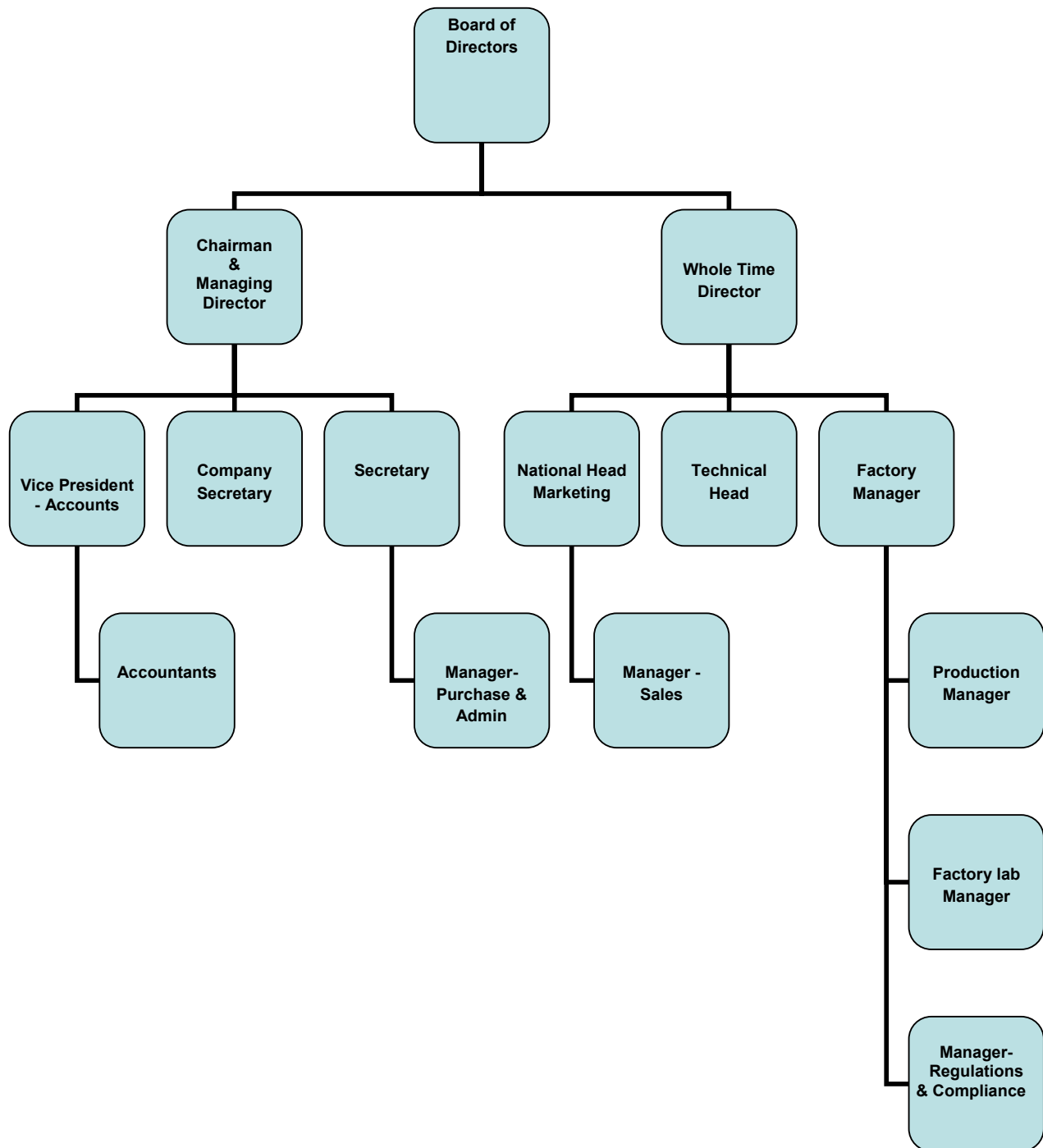
The following changes have taken place in the Board of Directors of our Company during the last three years:

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
6.	Mr. Umesh Gala	July 14, 2009	Cessation
7.	Mr. Sanjay Mittal	July 14, 2009	Appointed as Additional Director to broad base the board

None of our Director has been selected as Director or member of senior management pursuant to any agreement or understanding with major shareholders, customers or others.

Except as stated in the Draft Red Herring Prospectus, none of our Directors have entered into any service contracts which would entitle them for any benefits upon termination of employment

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 25 years, General Manager	M.B.A (Finance)	April 1, 2007	1 Year 10 Months	Overall Management & Administration of the Company	N.A.	3,00,000
2.	Mr. Sharad Nachane 68 years, Senior Technical President	B.Sc LTC (VJT)	April 1, 2009	42 Years	Product Promotion & Customer Service	▪ ICI India Ltd.	N.A.
3.	Mr. Suresh Desai 62 years, Technical Head	M.Sc. (Tech)	April 1, 2007	26 Years	Product Development Technical Quotient	▪ The Bombay Dyeing Mfg Co. Limited ▪ ICI India Limited	2,53,000
4.	Mr. S. R. Iyer 58 years, National Head – Marketing	B.A. (English Literature)	April 1, 2007	36 Years	Overall Marketing Management and Distribution Network	▪ MHD Muscat ▪ Britacel Silicon Limited	3,01,500
5.	Mr. Hitesh Bhadra 28 years, Vice President – Finance & Accounts	B.Com	April 1, 2007	7 Years	Overall Finance and accounts management	▪ D. R. Bhanushali & Co.	2,53,125
6.	Mr. Ramesh Gupta 36 years, Factory - General Manager	M.Sc. (Mathematics)	April 1, 2007	11 Years	Factory – General Manager	▪ Navbharat Enterprises	2,22,935
7.	Mr. A. V. Nerurkar 55 years, Company Secretary	Company Secretary	June 25, 2007	29 Years	Secretarial & Legal Compliances	▪ Ceat Financial Services Limited ▪ HICO Products Limited ▪ Bombay Tyres Int. Limited ▪ Kohinoor Mills Limited	1,46,500

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 25 years, is the General Manager 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. Sharad Nacahne**, aged 68 years, is the Senior Technical President. He is a Science Graduate from the University of Mumbai by qualification. He has joined our Company in April 2009. He was previously employed with ICI India Ltd for over 40 years. With his great experience and recognition in this field, he looks into the promotion of products by conducting trials at the customer place.
3. **Mr. Suresh Desai**, aged 62 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 has joined our Company in April 2007. He was previously employed with The Bombay Dyeing Mfg. Co. Limited and ICI Limited. With over 27 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.
4. **Mr. S.R. Iyer**, aged 58 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 37 years career he has worked in India as well as abroad. He has joined our Company in April 2007. Prior to joining our Company he has worked with M/s. MHD Muscat and Britacel Silicone Limited in the field of marketing.
5. **Mr. Hitesh Bhadra**, aged 28 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. He has joined our Company in April 2007. Prior to joining our Company he has worked with D. R. Bhanushali & Co. in the field of Accounts and Tax.
6. **Mr. Ramesh Gupta**, aged 36 years, is the Factory – General Manager of our Company. He is a Master in Mathematics from Purvanchal University, by qualification. He has joined our Company in April 2007. He has an experience of over 12 years and has worked with Navbharat Enterprises prior to joining Fineotex Chemical Industries. He is responsible for the overall management of the factory.
7. **Mr. A. V. Nerurkar**, aged 55 years, is the Company Secretary of our Company. He is a C.S. by qualification. He has joined our Company in June 2007. He has an experience of over 30 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.

Shareholding of Key Managerial Personnel

None of the Key Managerial Personnel of our Company other than Ms. Ritu S. Tibrewala holds any shares of our Company as on the date of filing of this Draft Red Herring 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. A. V. Nerurkar Company Secretary	June 25, 2007	--	Appointed
4.	Mr. Sharad Nachane Sr. Technical President	April 01, 2009	--	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 none of the Promoters/Directors of our Company 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 86 of this Draft Red Herring 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.


None of our Key Managerial personnel has been selected as Director or member of senior management pursuant to any agreement or understanding with major shareholders, customers or others.

PROMOTERS AND THEIR BACKGROUND

Our Company is promoted by four Natural Persons, two Companies and one HUF.

THE NATURAL PERSONS WHO ARE OUR PROMOTERS ARE:

	<p>1. MR. SURENDRA KUMAR TIBREWALA</p> <p>Mr. Surendra Kumar Tibrewala, aged 53 years, son of Mr. Deviprasad R. Tibrewala is the Chairman and Managing Director of our Company.</p> <p>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 into manufacturing Specialty Chemicals and Enzymes for various industries namely Textiles & Garments, Construction, Water Treatment, Leather, Paper, Paint, Adhesives etc.</p> <p>As the Chairman and Managing Director, he is actively involved in the day to day operations and developing long term strategies for the Company.</p> <p>Driving License No: 87/W/2741; Voter Id No: KNF1662071</p>
	<p>2. MR. SANJAY S. TIBREWALA</p> <p>Mr. Sanjay S. Tibrewala, aged 28 years, son of Mr. Surendra Kumar Tibrewala, is the Whole time Director of our Company. 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.</p> <p>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.</p> <p>Driving License No: 46481; Voter Id No: KNF1662022</p>
	<p>3. MRS. KANAKLATA S. TIBREWALA</p> <p>Mrs. Kanaklata S. Tibrewala, aged 50 years, wife of Mr. Surendra Kumar Tibrewala is the Promoter of our Company.</p> <p>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.</p> <p>Driving License No: 82/W/6051; Voter Id No: KNF1662113</p>

	<p>4. MS. RITU TIBREWALA</p> <p>Ms. Ritu S. Tibrewala, aged 25 years, is the daughter of Mr. Surendra Kumar Tibrewala and is the General Manager and Promoter of our Company.</p> <p>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.</p> <p>Driving License No: B2649 Voter Id No: Application Made</p>
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All the promoters reside at 42, 43, Valencia Apartments, Juhu tara road, Juhu, Mumbai-4000049

CORPORATE AND OTHER PROMOTERS

Our corporate promoters are:

1. 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	58,000	23.57
3.	Ms. Ritu S. Tibrewala & Mrs. Kanaklata S. Tibrewala	25,000	10.16
4.	Ms. Sanjay S. Tibrewala & Mrs. Kanaklata S. Tibrewala	43,000	17.47
5.	Mr. Sanjay S. Tibrewala	5,000	2.04
6.	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 31 st March		
	2007	2008	2009
Equity Share Capital	10.00	24.60	24.60
Reserves (excluding Revaluation Reserves)	0.20	19.09	19.41
Less: Misc. Exp to the extent not written off	0.47	0.46	0.42
Net Worth	9.73	43.23	43.60
Total Income	265.94	78.39	62.39
PAT	3.91	5.84	2.24
EPS (Rs.)	39.12	3.25	0.91
NAV per share (Rs.)	97.30	17.57	17.72
Face Value (Rs.)	100	10	10

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.

2. 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	3,90,000	97.50
2.	Mr. Surendra Kumar Tibrewala	7,400	1.85
3.	Mrs. Kanaklata S. Tibrewala	2,600	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 31 st March		
	2007	2008	2009
Equity Share Capital	1.00	40.00	40.00
Reserves (excluding Revaluation Reserves)	2.21	55.39	58.39
Less: Misc. Exp to the extent not written off	0.00	0.00	0.00
Net Worth	3.21	95.39	98.39
Total Income	0.24	0.17	3.12
PAT	0.11	(0.61)	3.00
EPS (Rs.)	11.06	(0.15)	0.75
NAV per share (Rs.)	321	23.84	24.60
Face Value (Rs.)	100	10	10

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.

Other Promoters

1. 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.

We confirm that:

- Permanent Account Number, Bank Account details and Passport Number of our Natural Promoters,
- Permanent Account Number, Bank Account details and Company Registration number of our Corporate Promoters and
- Permanent Account Number, Bank Account details of Other Promoters

have been submitted to The Bombay Stock Exchange Limited, on which our Company proposes to list its Equity Shares at the time of filing of this Draft Red Herring Prospectus.

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 them. 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.

Interest of Promoters

Our promoters are interested in the promotion of our Company and are also 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 Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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.

Further, 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 Red Herring 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 120 of this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring 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 Chapter titled 'Our Management' beginning on page 98 in this Draft Red Herring 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 138 of this Draft Red Herring Prospectus.

Disassociation of Promoters

None of the promoters have disassociated themselves from the company.

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,			
	2006	2007	2008	2009
Partnership Capital*	13.97	18.4	7.12	7.19
Total Income	95.35	58.8	27.89	7.56
Net Profit after Tax	1.46	1.24	0.90	0.11
*including Current Account				

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,			
	2006	2007	2008	2009
Partnership Capital*	5.06	3.71	5.99	0.89
Total Income	60.62	39.05	23.01	8.34
Net Profit after Tax	0.16	0.31	0.18	0.00
*including Current Account				

Proprietary Concerns

1. 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,			
	2006	2007	2008	2009
Proprietors Capital	4.65	15.05	13.02	(3.30)
Total Income	155.52	217.45	303.56	557.98
Net Profit	7.21	8	6.96	7.82

Erstwhile Group Companies / Ventures of the Promoters

1. M/s. Fineotex Chemical Industries

M/s. Fineotex Chemical Industries was a proprietary concern of Mr. Surendra Kumar Tibrewala. M/s. Fineotex Chemical Industries had its office at 2, Violet Villa, West Avenue Road, Santacruz (West), Mumbai – 400 054, Maharashtra.

M/s. Fineotex Chemical Industries was 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. The concern is not into existence from 1st April 2007.

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

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 them. 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. For further details, please refer to Chapter 'History and Corporate Structure' beginning on page 95 of this Draft Red Herring Prospectus.

Changes in accounting policies in the last three years:

For changes in accounting policies please refer to Section Financial Information beginning on page 120 of this Draft Red Herring Prospectus.

None of the promoter group companies have become defunct, or applied to Registrar of Companies for striking off name. Further, there are no pending litigations pending against/for any of these companies.

All the promoter group companies are unlisted Companies and have not made any public issue in preceding three years. These Companies does not fall under the definition of a sick Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor are they under winding up.

These Companies have not been restrained from accessing the capital market for any reasons by SEBI or by any other authority

Sales or Purchase between companies in the Promoter Group

Except as stated in the Section "Financial Information" beginning on page 120, 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.

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.

Details of Dividend Policy is given as under:-

(Rs. In Lakhs)

Particulars	As at					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Paid up Share Capital	1.00	1.00	1.5	701.86	701.86	701.86
Face Value (Rs.)	10	10	10	10	10	10
Rate of dividend %	-	-	3	10	10	0
Amount of dividend	0	0	0.05	70.18	70.18	0

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

SECTION V- 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 Period ended 30th September 2009 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, 2005 was conducted by previous auditor M/s. Pravin Shah & Co. and Audit for the financial year ended 31st March, 2006, 31st March 2007, 31st March 2008 & 31st March 2009 was conducted by previous auditor M/s. A. D. Mehta & Co., Chartered Accountant and accordingly reliance has been placed on the financial information examined by them 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) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('the SEBI Regulations') issued by Securities and Exchange Board of India ('SEBI') on August 26, 2009 and related amendments and
- (iii) Our terms of reference with the Company dated 31.08.2009 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 2009, 31st March 2009, 31st March, 2008, 31st March 2007, 31st March 2006 and 31st March 2005 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/year ended 30th September 2009, 31st March 2009, 31st March, 2008, 31st March 2007, 31st March 2006 and 31st March 2005 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. i) 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 Regulations.

ii) 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 UKG & Associates
Chartered Accountants

Champak K. Dedhia
(Partner)
Membership No. 101769

Place: Mumbai.

Date: 5th November, 2009.

Restated Summary statement of Assets & Liabilities

(Rs. in Lacs)

Particulars		As at					
		31.03.05	31.03. 06	31.03.07	31.03.08	31.03.09	30.09.09
A	Fixed Assets						
	Gross Block	0	0	0	283.83	358.73	365.12
	Less: Depreciation	0	0	0	8.71	8.91	15.07
	Net Block	0	0	0	275.12	349.82	350.06
	Capital Work in Progress	0	0	0	67.66	76.09	76.09
	Total Fixed Assets (A)	0	0	0	342.78	425.91	426.15
B	Investments (B)	0	0	0	0	201.80	364.71
C	Current Assets, Loans and Advances						
	Inventories	0	0	0	100.16	135.74	147.92
	Sundry Debtors	0	0	0.66	776.36	546.75	615.10
	Cash and Bank Balances	0.73	0.66	1.00	217.10	23.79	27.92
	Other Current Assets				23.79	186.39	243.04
	Loans and Advances	0	0.04	0.03	254.16	283.09	51.63
	Total (C)	0.73	0.70	1.69	1371.57	1175.76	1085.62
D	Liabilities and Provisions						
	Secured Loans	0	0	0	5.10	50.41	24.22
	Unsecured Loans	0	0	0	0	96.00	60.00
	Deferred Tax Liability	0	0	0	7.13	8.95	14.23
	Current Liabilities	0	0	0.03	386.23	254.63	262.35
	Provisions	0.02	0.03	0.24	292.41	155.58	29.61
	Total (D)	0.02	0.03	0.27	690.87	566.57	390.41
E	Net Worth (A+B+C-D)	0.71	0.67	1.42	1023.48	1236.90	1486.07
F	Represented by:						
1	Share Capital						
	Equity Share Capital	1.00	1.00	1.50	701.86	701.86	701.86
	Total	1.00	1.00	1.50	701.86	701.86	701.86
2	Reserves and Surplus	0	0	0.11	321.77	535.14	784.92
3	Miscellaneous Expenditure/ Preoperative Expenses	(0.24)	(0.24)	(0.19)	(0.14)	(0.10)	(0.07)
4	Debit Balance in Profit and Loss Account	(0.05)	(0.09)	0	0	0	0
	Net Worth (1+2+3+4)	0.71	0.67	1.42	1023.48	1236.90	1486.07

Summary statement of Profit & Loss, as restated

(Rs. in Lacs)

Particulars		For the Year/Period Ended					
		31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
A	Income						
	Sales –Products Manufactured	0	0	0	1783.15	2048.08	1069.43
	Traded Sales	0	0	104.61	1365.51	648.18	0.00
	Less : Excise Duty	0	0	0	(184.97)	(169.04)	(57.18)
	Net Sales	0	0	104.61	2963.69	2527.22	1012.25
	Increase/(Decrease) in Inventory	0	0	0	0	0	26.26
	Other Income	0	0	0.46	22.88	33.68	60.27
	Total (A)	0	0	105.07	2986.57	2560.90	1098.77
B	Expenditure						
	Materials Consumed	0	0	0	956.11	1149.34	628.08
	Cost of sales of goods traded	0	0	104.43	1263.55	646.69	0.00
	Work Expenses	0	0	0	65.92	98.74	28.68
	Staff Cost	0	0	0	43.56	66.97	34.17
	Administrative & Other Expenses	0.03	0.04	0.23	42.44	84.20	42.37
	Total (B)	0.03	0.04	104.66	2371.58	2045.94	733.33
C	Profit Before Interest, Depreciation and Tax	(0.03)	(0.04)	0.41	614.99	514.96	365.44
	Depreciation	0	0	0	8.71	8.87	6.16
	Profit Before Interest and Tax	(0.03)	(0.04)	0.41	606.28	506.09	359.28
	Financial Charges	0	0	0	3.31	3.76	0.56
D	Profit after Interest and Before Tax	(0.03)	(0.04)	0.41	602.97	502.33	358.75
	Preliminary Expenses W/o	0	0	0.05	0.05	0.05	0.02
E	Profit before Taxation	(0.03)	(0.04)	0.36	602.92	502.28	358.73
	Provision for Taxation	0	0	0.10	219.53	179.01	104.66
	Provision for Deferred Tax	0	0	0	7.13	1.83	5.28
	Fringe Benefit Tax	0	0	0	0.98	1.45	0
	Add/Less Tax adjustment	0	0	0	0	0	0
F	Profit After Tax but Before Extra ordinary Items	(0.03)	(0.04)	0.26	375.28	319.09	248.79
	Extraordinary items	0	0	0	10.59	(24.20)	0
	Prior Period Items	0	0	0	0	0.70	0
	Profit after Tax	(0.03)	(0.04)	0.26	385.87	295.59	248.79
	Surplus profit of earlier year/period	(0.02)	(0.05)	(0.09)	0.11	303.87	525.29
G	Net Profit Available for Appropriation	(0.05)	(0.09)	0.17	385.98	599.46	767.02
	Proposed dividend	0	0	0.05	70.18	70.18	0
	Tax on Proposed dividend	0	0	0.01	11.93	11.93	0
	Transfer to General Reserve	0	0	0	0	0	0
	Balance c/d to Balance Sheet	(0.05)	(0.09)	0.11	303.87	525.29	767.02

ANNEXURE 1

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rupees in Lacs)

Particulars		As at					
		31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
A	Fixed Assets						
	Gross Block	0	0	0	283.83	358.73	365.12
	Less: Depreciation	0	0	0	8.71	8.91	15.07
	Net Block	0	0	0	275.12	349.82	350.06
	Capital Work in Progress	0	0	0	67.66	76.09	76.09
	Total Fixed Assets (A)	0	0	0	342.78	425.91	426.15
B	Investments (B)	0	0	0	0	201.80	364.71
C	Current Assets, Loans and Advances						
	Inventories	0	0	0	100.16	135.74	147.92
	Sundry Debtors	0	0	0.66	776.36	546.75	615.10
	Cash and Bank Balances	0.73	0.66	1.00	217.10	23.79	27.92
	Other Current Assets				23.79	186.39	243.04
	Loans and Advances	0	0.04	0.03	254.16	283.09	51.63
	Total (C)	0.73	0.70	1.69	1371.57	1175.76	1085.62
D	Liabilities and Provisions						
	Secured Loans	0	0	0	5.10	50.41	24.22
	Unsecured Loans	0	0	0	0	96.00	60.00
	Deferred Tax Liability	0	0	0	7.13	8.95	45.80
	Current Liabilities	0	0	0.03	386.23	254.63	262.35
	Provisions	0.02	0.03	0.24	292.41	155.58	29.61
	Total (D)	0.02	0.03	0.27	690.87	566.57	421.98
E	Net Worth (A+B+C-D)	0.71	0.67	1.42	1023.48	1236.90	1454.50
F	Represented by:						
1	Share Capital						
	Equity Share Capital	1.00	1.00	1.50	701.86	701.86	701.86
	Preference Share Capital	0	0	0	0	0	0
	Less: Calls in Arrears	0	0	0	0	0	0

	Total	1.00	1.00	1.50	701.86	701.86	701.86
2	Reserves and Surplus	0	0	0.11	321.77	535.14	752.69
3	Miscellaneous Expenditure/ Preoperative Expenses	(0.24)	(0.24)	(0.19)	(0.14)	(0.10)	(0.07)
4	Debit Balance in Profit and Loss Account	(0.05)	(0.09)	0	0	0	0
	Net Worth (1+2+3+4)	0.71	0.67	1.42	1023.48	1236.90	1454.50

Note:

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

Financial period ended on 30.09.2009

Reserve and surplus includes Share Premium account of Rs. 7.04 Lacs, Capital Reserve account of Rs.10.85 Lacs and Profit & Loss account of Rs. 734.80 Lacs.

ANNEXURE 2
SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rupees in Lacs)

Particulars		For the Year/Period Ended					
		31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
A	Income						
	Sales –Products Manufactured	0	0	0	1783.15	2048.08	1069.43
	Traded Sales	0	0	104.61	1365.51	648.18	0
	Less : Excise Duty	0	0	0	(184.97)	(169.04)	(57.18)
	Net Sales	0	0	104.61	2963.69	2527.22	1012.25
	Increase/(Decrease) in Inventory	0	0	0			26.26
	Other Income	0	0	0.46	22.88	33.68	60.27
	Total (A)	0	0	105.07	2986.57	2560.90	1098.77
B	Expenditure						
	Materials Consumed	0	0	0	956.11	1149.34	628.08
	Cost of sales of goods traded	0	0	104.43	1263.55	646.69	0.00
	Work Expenses	0	0	0	65.92	98.74	28.68
	Staff Cost	0	0	0	43.56	66.97	34.17
	Administrative & Other Expenses	0.03	0.04	0.23	42.44	84.20	42.37
	Total (B)	0.03	0.04	104.66	2371.58	2045.94	733.30
C	Profit Before Interest, Depreciation and Tax	(0.03)	(0.04)	0.41	614.99	514.96	365.44
	Depreciation	0	0	0	8.71	8.87	6.16
	Profit Before Interest and Tax	(0.03)	(0.04)	0.41	606.28	506.09	359.28
	Financial Charges	0	0	0	3.31	3.76	0.56
D	Profit after Interest and Before Tax	(0.03)	(0.04)	0.41	602.97	502.33	358.75
	Preliminary Expenses W/o	0	0	0.05	0.05	0.05	0.02
E	Profit before Taxation	(0.03)	(0.04)	0.36	602.92	502.28	358.73
	Provision for Taxation	0	0	0.10	219.53	179.00	104.66
	Provision for Deferred Tax	0	0	0	7.13	1.83	5.28
	Fringe Benefit Tax	0	0	0	0.98	1.45	0.00
	Add/Less Tax adjustment	0	0	0	0	0	0.00
F	Profit After Tax but Before Extra ordinary Items	(0.03)	(0.04)	0.26	375.28	319.09	248.79
	Extraordinary items	0	0	0	10.59	(24.20)	0
	Prior Period Items	0	0	0	0	0.70	0
	Profit after Tax	(0.03)	(0.04)	0.26	385.87	295.59	248.79
	Surplus profit of earlier year/period	(0.02)	(0.05)	(0.09)	0.11	303.87	525.29
G	Net Profit Available for Appropriation	(0.05)	(0.09)	0.17	385.98	599.46	767.02
	Proposed dividend	0	0	0.05	70.18	70.18	0.00
	Tax on Proposed dividend	0	0	0.01	11.93	11.93	0.00
	Transfer to General Reserve	0	0	0		0	0.00
	Balance c/d to Balance Sheet	(0.05)	(0.09)	0.11	303.87	525.29	767.02

ANNEXURE 3**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 financial statements for the period ended on September 30th, 2009 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 and disclosure of Contingent Liability 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 net of cenvat credit. (However fixed assets acquired from business purchased 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.

Expenses incurred relating to project prior to its commencement are classified as project related expenditure and disclosed under capital work-in-progress, pending capitalization.

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.

A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All 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. Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. Current investments are carried at the lower of cost or Fair market 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.

Interest Revenue is recognized on Time Proportion basis taking into account the amount outstanding and the rate applicable except in case of Interest income on debentures. Dividend on shares and Mutual Fund is accounted as and when amount is received.

IX LEASES

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as Operating Leases. Operating Lease payments are recognized as an expense in Profit and Loss A/c.

X EMPLOYEE TERMINAL BENEFITS

Provident Fund and Employees State Insurance Corporation (ESIC) are defined contribution schemes and the contributions are charged to the Profit and Loss A/c of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Contribution is made to LIC's Recognized Group Gratuity Fund Scheme in respect of gratuity based on actuarial valuation using projected unit credit method done at the end of every financial year.

Leave encashment calculated at the end of every financial year for the leave not availed during the year is encashed and paid off to the employee as per companies rule.

XI 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.

XII TAXES ON INCOME

Provision for taxation comprises of Current Income 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.

XIII IMPAIRMENT OF ASSETS

An Asset is treated as Impaired when the carrying cost of asset exceeds its recoverable value. An Impairment Loss is charged for when an asset is identified as Impaired. The impairment Loss recognized in prior Accounting period is reversed if there has been a change in the estimate of recoverable amount.

XIV PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

XV 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. Basic earnings per share are calculated by dividing the Net Profit or Loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profits attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

ANNEXURE 4

2) NOTES TO ACCOUNTS

(1) Earning Per Share

Particulars		31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Weighted Average Number of Equity Shares at the end of the Year/Period (face value of Rs. 10)	A	10000	10000	14630	678045	7018600	7018600
Net Profit after Tax available for equity shareholders (Rs. in Lacs)	B	(0.03)	(0.04)	0.26	385.87	295.59	248.78
Earning per share (In Rs.)	C = B/A	(0.30)	(0.40)	1.77	5.69	4.21	3.49

Note:

	30.9.09 <u>Rs. In Lacs</u>	31.3.09 <u>Rs. In Lacs</u>
* Net Profit	248.78	295.59
Less: Extra Ordinary items	-	(23.50)
Less: Tax on above	-	(23.50)
Net Profit after tax but before extra ordinary Items (net of tax expense)	<u>248.78</u>	<u>319.09</u>

On 3rd January 2008, 33,24,600 Equity shares were issued as Bonus.

(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. It stands at Rs. 7,176 in the Balance Sheet (as on 30th September 2009)
- (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 Loss of Fixed Assets and Goods on account of fire.

(9) Contingent Liabilities:

- a) Guarantee given by the bank on our behalf of Rs. 5,39,989/-
 - b) Cess payable to Navi Mumbai Municipal Corporation of Rs.32,67,305/- not acknowledged by the company.
 - c) Property tax claimed by Navi Mumbai Municipal Corporation of Rs. 85324/- not acknowledged by company.
- (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 Reporting

As the company business activities falls within single segment viz. Manufacturing of Chemicals the disclosure requirement of Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

(12) 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****ANNEXURE 6****DETAILS OF CHANGES IN SIGNIFICANT ACCOUNTING POLICIES****a) Financial period ended September 30, 2009: NIL****b) Financial year ended March 31, 2009**

Provision for Leave encashment was accrued and provided on the basis of actuarial valuations made at the last year. In the current year the policy has been revised and no leave is allowed to be carried over, leave not availed during the year is encashed and paid off as per companies rules. As per the management view and opinion the effect of changed can not be determined and is not significant.

c) Financial year ended March 31, 2008:**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 31.03.08 or earlier years as there were no employees employed in the company upto the year ended 31.03.2008

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

a) Financial year ended March 31, 2007: Nil**b) Financial year ended March 31, 2006: Nil****c) Financial year ended March 31, 2005: Nil****ANNEXURE 7****STATEMENT OF QUALIFICATIONS/OBSERVATIONS IN AUDITOR'S REPORT****a) Financial period ended March, 31 2009: Nil****b) Financial year ended March 31, 2008: Nil****c) Financial year ended March 31, 2007: Nil**

d) Financial year ended March 31, 2006: Nil

e) Financial year ended March 31, 2005: Nil

ANNEXURE 8

CASH FLOW STATEMENT

(Rupees in Lacs)

Particulars	For the year/period ended					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
A. Cash Flow from Operating Activities						
Profit before tax, as restated	(0.03)	(0.04)	0.36	602.92	502.27	358.73
Adjustments for						
Depreciation	0	0	0	8.71	8.87	6.16
Miscellaneous expenditure written off	0	0	0.05	0.05	0.05	0.02
Interest on deposit	0	0	(0.01)	(16.59)	(11.05)	0.00
Finance Expenses (Net)	0	0	0	3.31	3.76	0.00
Income from Investments	0	0	0	0	18.34	(56.13)
Operating Income before working capital changes	(0.03)	(0.04)	0.40	598.40	522.24	308.78
Adjustments for:						
Decrease/(Increase) in Trade & Other Receivables	0	(0.04)	(0.66)	(814.05)	129.14	106.46
Decrease/(Increase) in inventories	0	0	0	(72.67)	(35.57)	(12.19)
Increase/(decrease) in Trade Payables	0	0.01	0.14	227.17	(165.72)	(192.31)
Decrease/ (Increase) in Loans & Advances & Deposits	0	0	0	0	(11.39)	0.00
Decrease/(Increase) in miscellaneous expenditure	0	0	0	0	0	0
Income Tax/ FBT paid			0	(19.57)	(322.17)	(31.25)
Net Cash Flow from Operating Activities before Extra ordinary items	(0.03)	(0.07)	(0.12)	(80.71)	116.51	179.49
Extra Ordinary & Non Recurring Income	0	0	0	10.59	0.70	0
Net Cash Flow from Operating Activities	(0.03)	(0.07)	(0.12)	(70.12)	117.71	179.49
B. Cash Flow from Investing Activities						
Purchase of Fixed Assets & Advances for Fixed Assets	0	0	0	(97.85)	(198.16)	(6.39)
Sale of Fixed Assets	0	0	0	0	1.20	0
Preoperative Expenses	0	0	0	0	0	0
Purchase of Investments	0	0	0	0	(359.31)	(557.47)
Sale of Investments					135.06	448.06
Interest Received	0	0	0.01	16.59	12.14	0
Dividend Received					4.12	2.63
Increase/(decrease) in Creditors for Capital goods	0	0	0	15.87	39.00	0
Net Cash used from Investing Activities	0	0	0.01	(65.40)	365.94	(113.17)
C. Cash Flow from Financing Activities						
Proceeds from						
- Share Capital Issued	0	0	0.50	400.36	0	0
- Share Premium Account	0	0	0	7.04	0	0

- Loans	0	0	0	0	146.41	(62.18)
Repayment of						
- Loans	(0.23)	0	0	(98.07)	(5.10)	0
- Interest Paid	0	0	0	(3.31)	(3.76)	0
Dividend & Dividend Tax Paid	0	0	(0.05)		(82.11)	0
Net Cash Flow from Financing Activities	(0.23)	0	0.45	306.01	55.44	(62.18)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(0.26)	(0.07)	(0.34)	170.49	(193.31)	4.14
Cash & Cash Equivalents at Beginning of the Year	0.99	0.73	0.66	1.00	217.10	23.79
Cash & Cash Equivalents received from the acquired business	0	0	0	45.60	0	0
Cash & Cash Equivalents at End of the Year/period	0.73	0.66	1.00	217.10	23.79	27.92

- 1) Cash and Cash Equivalents consist 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					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Net Profit as restated	(0.03)	(0.04)	0.26	385.87	295.59	248.78
Net Worth	0.71	0.67	1.42	1023.48	1236.90	1486.07
Return on Net Worth (%)	(4.23)	(5.97)	18.31	37.70	23.90	16.74%
Share at the end of year / period (Face Value of Rs. 10/-)	10000	10000	15000	7018600	7018600	7018600
Weighted No of Equity Shares (face value of Rs. 10)	10000	10000	14630	6780485	7018600	7018600
Earnings per share (Rs.)	(0.30)	(0.40)	1.77	5.69	4.21	3.49
Net Asset Value/Book Value per share (Rs.)	7.1	6.7	9.47	14.58	17.62	22.59

Notes:

- There are 33,24,600 bonus shares in the ratio of 9:10 on on January 3, 2008, by capitalization of free reserves in the above period..
- Earnings per share calculations are done by considering the weighted No. of Equity Shares.
- 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).
- 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.

- 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					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
On Equity Share Capital						
Paid up Share Capital	1.00	1.00	1.5	701.86	701.86	701.86
Less: Calls in Arrears	0	0	0	0	0	0
Net Share Capital	1.00	1.00	1.5	701.86	701.86	701.86
Face Value (Rs.)	10	10	10	10	10	10
Rate of dividend %	-	-	3	10	10	0
Amount of dividend	0	0	0.05	70.18	70.18	0
Tax on dividend	0	0	0.01	11.93	11.93	0

ANNEXURE 11

UNSECURED LOANS, AS RESTATED

(Rupees in Lacs)

Particulars	As at					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
From Directors	0	0	0	0	96.00	60.00
Inter Corporate Deposits	0	0	0	0	0	0
Total	0	0	0	0	96.00	60.00
Above amount includes transactions with following related parties:						
Surendra D. Tibrewala (Chairman & Managing Director)	0	0	0	0	96.00	60.00
Total	0	0	0	0	96.00	60.00

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 30,2009	Post Issue [Refer Note No.1 below]
Debt		
Short term debt	84.22	[.]
Long term debt	0	[.]
Total Debt	84.22	[.]
Shareholders Funds		[.]

Equity Share Capital	701.86	[.]
Preference Share Capital	0	[.]
Reserves and Surplus	784.92	[.]
Less: Miscellaneous Expenditure & Pre-operative expenses	(0.07)	[.]
Total Shareholders Funds	1486.70	[.]
Debt Equity Ratio	84.22/1486.70 =0.056	[.]

Notes:

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

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						
	31.03.05	31.03.06	31.03.07	30.09.07	31.03.08	31.03.09	30.09.09
Profit Before current and deferred taxes, as restated	(0.03)	(0.04)	0.36	274.45	613.50	478.78	358.72
Tax Rate%							
- Normal (Including surcharge & Education Cess %)	36.59	33.66	33.66	33.99	33.99	33.99	33.99
- MAT(Including surcharge & Education Cess %)	7.84	8.415	11.22	11.33	11.33	11.33	11.33
Tax impact at applicable tax rate on restated profits (A)	0	0	0.12	93.29	208.53	162.74	121.93
Adjustments							
Deduction under section 80 IB	0	0	0	0	0	0	0
Permanent differences							
Dividend from units - exempt from tax	0	0	0	0	0	4.12	2.63
Others	0	0	0.04	2.67	5.24	0	0
Total (B)	0	0	0.04	2.67	5.24	4.12	2.63
Temporary Differences							
Difference between Tax Depreciation and Book Depreciation	0	0	0	(10.70)	(22.13)	(30.77)	(14.28)
Set off of carry forward losses	0	0	(0.09)	0	0	0	
Deferred revenue expenditure	0	0	0	0	0	0	
Other adjustments	0	0	0	0	0	0	(8.06)
Impact of Qualification	0	0	0	0	0	0	0
Total(C)	0	0	(0.09)	(10.70)	(22.13)	(30.77)	22.34
Net Adjustments (B+C)	0	0	(0.05)	(8.03)	(16.89)	(26.65)	24.97
Tax saving thereon (D)	0	0	0.02	2.73	5.74	9.05	8.49
Interest and other adjustments	0	0	0	0	0	0	0

(E)							
Tax as per Income Tax as returned	0	0	0.10	*	219.53	179.02	104.66
Tax as per MAT provisions	0	0	0.04 **	*	0	0	0

Notes:

* Tax as per return of income and tax as per mat provisions not shown being disclosure for part of the financial year/period.

** Tax as per MAT provisions for the period ended 30.09.2009 is not applicable to the Company. This has been shown for disclosure purpose only.

ANNEXURE 14

SECURED LOANS

(Rupees in Lacs)

Particulars	As at						
	31.03.05	31.03.06	31.03.07	30.09.07	31.03.08	31.03.09	30.09.09
Term loan from banks (Vehicle-Car loan) (secured by hypothecation of motor car)	0	0	0	9.25	5.10	0	0
Working capital loan from banks (secured by hypothecation of Stock / Bad Debts / Plant and Machinery)	0	0	0	0	0	50.41	24.22
Total	0	0	0	9.25	5.10	50.41	24.22

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, 2009	Details of Security
1	Working Capital Facilities	-	-	24.22	Hypothecation of Stock / Bad Debts / Plant and Machinery
	Grand Total			24.22	

ANNEXURE 15

INVESTMENTS, AS RESTATED

(Rupees in Lacs)

Particulars	As at					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Short-Term Investments	0	0	0	0	201.80	364.71
Long-Term Investments	0	0	0	0	0	0
Total	0	0	0	0	201.80	364.71

ANNEXURE 16
SUNDRY DEBTORS, AS RESTATED

(Rupees in Lacs)

Particulars	As at					
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Debts outstanding for a period exceeding six months	0	0	0	69.15	57.49	43.54
Others	0	0	0.66	707.21	489.26	571.56
Total	0	0	0.66	776.36	546.75	615.10

Note: Related party transaction with respect to Sundry Debtors as on September 30, 2009.

(Rupees in Lacs)

Sanjay Exports : Rs. 150.50

ANNEXURE 17
LOANS AND ADVANCES, AS RESTATED

(Rupees in Lacs)

Particulars	As at						
	31.03.05	31.03.06	31.03.07	30.09.07	31.03.08	31.03.09	30.09.09
Advances to Vendors/Suppliers	0	0	0	1.52	2.93	1.31	1.85
Advance Others	0	0	0	0.49	0.69	34.85	38.31
MAT Tax Entitlement Account	0	0	0	0	0	0	0
Deposits	0	0.03	0.03	249.99	250.54	246.93	252.39
Total	0	0.03	0.03	252.00	254.16	283.09	
Above amount includes transactions with following related parties							
Kanaklata S. Tibrewala - Deposit	0	0	0	195.00	195.00	195.00	195.00
Proton Bio Chem Pvt. Ltd. - Deposit	0	0	0	50.00	50.00	50.00	50.00
Total	0	0	0	245.00		245.00	245.00

Note:

The related party information disclosed above is based on the audited financial statements of the Company.

Advances to vendors include advances given for procurement of material etc.

There is no wholly owned subsidiary of the Company.

ANNEXURE 18
OTHER INCOME, AS RESTATED

(Rupees in Lacs)

Particulars	As at						
	31.03.05	31.03.06	31.03.07	30.09.07	31.03.08	31.03.09	30.09.09
Recurring							
Interest From Banks	0	0	0.01	3.27	13.81	7.80	0.80
Interest From Trade Deposits	0	0	0	0.56	2.78	4.34	0.56
Commission	0	0	0.45	0	0	0	0.18
Miscellaneous Income	0	0	0	0	6.29	17.42	0.15
Total (A)	0	0	0.46	3.83	22.88	29.56	3.95

Non Recurring							
Income from Investments	0	0	0	0	0	4.12	56.13
Total (B)	0	0	0	0	0	4.12	56.13
Total (A+B)	0	0	0.46	3.83	22.88	33.68	60.09

Notes:

- Other income considered above is as per the statement of the restated profit and loss.
- 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 September 30, 2009 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	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Shree Ganesh Enterprises	Firm in which directors are substantially interested	Sale of goods (inclusive of excise duty)	0	0	0	13.71	0	0.00
Shree Vinayak Industries	Firm in which directors are	Advances taken	0	0	0	0.24	0	0.00

	substantially interested	Purchase of Asset	0	0	0	0	3.38	0.00
Sanjay Exports	Concern in which directors are substantially interested	Sale of goods (inclusive of excise duty)	0	0	0	278.21	544.93	316.32
Kamal Chemicals Pvt Ltd.	Company in which directors are substantially interested	Equity Share Capital	0	0	0	29.55	0	0
		Share Premium amount		0	0	0	0	0
Proton Biochem Pvt. Ltd.	Company in which directors are substantially interested	Labour Charges	0	0	0	32.85	41.71	13.10
		Deposit given	0	0	0	50.00	0	0
		Interest recd. on deposit	0	0	0	4.22	6.00	3.00
		Equity Share Capital	0	0	0	10.74	0	0.00
Surendra Tibrewala	Chairman & Managing Director	Loan taken/given/repaid	0.23	0	0	28.53	96.00	60.00
		Remuneration	0	0	0	11.25	16.80	8.40
		Equity Share capital issued towards Business acquired for lumpsum consideration	0	0	0	300.00	0	0.00
		Equity Share Capital	0	0	0.50	299.45	0	0.00
		Share Premium Amount	0	0	0	0	0	0.00
		Provision for gratuity & Leave Salary	0	0	0	0	0	0.00
Sanjay Tibrewala S.	Whole time Director	Remuneration	0	0	0	6.75	10.08	5.04
		Equity Share Capital	0	0	0	20.62	0	0.00
		Share Premium Amount	0	0	0	0	0	0.00
		Provision for gratuity & Leave Salary	0	0	0	0	0	0.00
Kanaklata Surendra Tibrewala	Wife of Managing Director	Deposit given	0	0	0	195.00	0	0
		Rent paid	0	0	0	6.50	7.80	3.9
		Equity Share Capital	0	0	0	29.26	0	0
		Share Premium Amount	0	0	0	0	0	0
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	0.04	0	0
Surendra	Karta	Loan Repaid	0	0	0	26.62	0	0

Tibrewala HUF		Equity Share Capital	0	0	0	8.46	0	0
		Share Premium amount	0	0	0	0	0	0
Ritu Tibrewala	Daughter of Managing director	Equity Share Capital	0	0	0	3.61	0	0
		Share Premium amount	0	0	0	0	0	0
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	0.1	0	0
		Loan Repaid	0	0	0	7.54	0	0
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	0.06	0	0
		Loan Repaid	0	0	0	4.69	0	0

*Note : Unsecured loans acquired from business purchased now repaid

ANNEXURE -20

STATEMENT OF CONTINGENT LIABILITIES

(Rs. in Lacs)

Particulars	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	30.09.09
Guarantee given by Indian Bank on behalf of our Company on the security of fixed deposit of Rs. 3.85 lacs.	--	--	--	3.85	4.74	5.40
Cess payable to Navi Mumbai Municipal Corporation (Disputed)				11.54	26.86	32.67
Property Tax payable to Navi Mumbai Municipal Corporation (Disputed)				0.21	0.63	0.85
Total	--	--	--	15.6	32.23	38.93

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer to the Section titled 'Financial Information' beginning on page 120 of this Draft Red Herring 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 Red Herring Prospectus. You should also read the Section titled 'Risk factors' beginning on page 12 of this Draft Red Herring 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 Regulations. 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 Chemicals India Limited, Croda Chemicals India (P) Limited (Formerly known as ICI India Limited) etc.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

As per Management, there have been no significant events in the Last Financial Year.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Except as otherwise stated in this Draft Red Herring Prospectus, the Risk Factors in the Draft Red Herring 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 120 of this Draft Red Herring Prospectus.

RESULTS OF OUR OPERATION

For the period ended 30th September, 2009

Results of Operation as a % of Income

(Rs. In Lacs)		
Period (in months)	6 Months	% of Turnover
Products Manufactured	1012.24	92.12%
Other Income	60.27	5.49%
Increase/(Decrease) in stock	26.26	2.39%
Total Revenue	1098.77	100%
Expenditure excl. Depreciation and Interest	732.94	66.71%
Depreciation	6.16	0.56%
Interest	0.95	0.09%
Profit before tax	358.72	32.64%
Taxes	109.95	10.00%
Profit after Tax	248.78	22.64%
(Rs. In Lacs)		
Particulars	Amount	% of Income
Cost of Material consumed	628.08	57.16%
Total	628.08	57.16%
Manufacturing Expenses and Selling Expenses	28.68	2.61%
Administrative and Staff Cost	77.12	7.02%
Total	733.88	66.79%

We recorded Total Turnover of Rs. 1098.77 Lacs and Total Expenditure Rs.732.94 Lacs for the period ended September 30, 2009. Cost of Material consumed constituted 57.16% of the Turnover. The Manufacturing and Selling Expenses and Administrative and Staff Cost constituted 2.61% and 7.02 % respectively of the Turnover for the period ended September 30, 2009.

Turnover

The Gross turnover for the period ended September 30 2009 was Rs. 1098.77 Lacs.

Interest and Financial Charges

We incurred interest cost of Rs. 0.95 Lacs for the period ended September 30, 2009.

Depreciation

We incurred Depreciation cost of Rs. 6.16 Lacs.

Taxes

Taxes for the period ended September 30, 2009 are Rs. 109.95 Lacs, which include Current Tax of Rs. 104.66 Lacs, Deferred Tax (Liabilities) of Rs. 5.29 Lacs.

Net Profit

Our Profit before Taxes were Rs.358.72 Lacs for the period ended September 30, 2009. We recorded Net Profit of Rs. 248.78 Lacs. Our Net Profit Margin stood at 22.64%.

Results of Our Operations for last five years ended in March 31, 2009

Particulars	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09
	12 Months	12 Months	12 Months	12 Months	12 Months
Turnover	0	0	104.61	2963.69	2527.22
Other Income	0	0	0.46	22.88	33.68
Increase/Decrease in Stocks/WIP	0	0	0		
Total Revenue	0	0	105.07	2986.57	2560.90
Material Purchased and Consumed	0	0	0	956.11	1149.34
% to Turnover	-	-	-	32.26%	45.48%
Cost of Sales of Goods Traded	0.00	0.00	104.43	1263.55	646.69
% to Turnover	-	-	99.82%	42.63%	25.59%
Manufacturing Expenses	0	0	0	65.92	98.74
% to Turnover	-	-	-	2.22%	3.91%
Administrative, Staff & Other Expenses	0.03	0.04	0.23	86.00	151.17
% to Turnover	-	-	0.22%	2.90%	5.98%
Total Expenditure	0.03	0.04	104.66	2371.58	2045.94
% to Turnover	-	-	99.60%	80.02%	80.96%
PBDIT	-0.03	-0.04	0.41	614.99	514.96
% to Turnover	-	-	0.39%	20.75%	20.37%
Depreciation	0	0	0	8.71	8.87
% to Turnover	-	-	-	0.29%	0.35%
Profit Before Interest and Tax	-0.03	-0.04	0.41	606.28	506.09
% to Turnover	-	-	0.39%	20.46%	20.02%
Interest	0	0	0	3.31	3.76
% to Turnover	-	-	-	0.11%	0.15%
Profit Before Tax	-0.03	-0.04	0.36	602.92	502.33
% to Turnover	-	-	0.34%	20.34%	19.87%
Provision for Tax	0	0	0.1	227.64	182.29
% to Turnover	-	-	0.10%	7.68%	7.07%
Profit after Tax	-0.03	-0.04	0.26	385.87	295.59
% to Turnover	-	-	0.25%	13.01%	11.70%
Effective Tax Rate	0.00%	0.00%	27.78%	37.76%	36.29%

Fiscal 2009 v/s 2008

Income

Total Income for the Fiscal 2009 is Rs. 2560.90 Lacs. For Fiscal 2008 the total income was 2986.57 Lacs.

Expenditure

Expenditure for the Fiscal 2009 is Rs. 2045.94 Lacs. Total Expenditure as percentage to turnover is 79.89%. For the Fiscal 2008 the company incurred Total Expenditure of Rs. 2371.58 Lacs, which was 80.02% of turnover.

Material Purchased and Consumed

Cost of sales of goods traded is Rs. 646.69 Lacs for the year 2009, whereas it was Rs. Rs. 1263.55 Lacs for the year 2008.

Manufacturing and Selling Expenses

The manufacturing and Selling Expenses for Fiscal 2009 are Rs.98.74 Lacs and for Fiscal 2008 they were Rs. 65.92 Lacs.

Administrative and Other Expenses

Administrative Expenses and Other Expenses accounted to Rs. 151.17 Lacs for Fiscal 2009 and Rs. 86 Lacs for Fiscal 2008.

EBIDTA

EBIDTA for the Fiscal of 2009 is Rs. 514.96 Lacs whereas it was Rs.614.99 Lacs for the Fiscal of 2008.

Depreciation

The Depreciation and Amortisation on Fixed Assets is Rs. 8.87 Lacs in 2009 and it was Rs. 8.71 Lacs in 2008.

Interest Cost / Financial Charges

The Interest and Finance charges for Fiscal 2009 is Rs 3.76 Lacs, but it was Rs.3.31 Lacs in 2008.

Taxes

The Taxes paid for the Fiscal 2009 was Rs. 182.29 Lacs at the rate of nearly 37%. The Total Revenue of our Company was Rs. 2560.90 and Profit before Tax was Rs. 502.28 Lacs for Fiscal 2009.

The Taxes paid for the Fiscal 2008 was Rs. 227.63 Lacs at the rate of nearly 38%. The Total Revenue of our Company was Rs. 2986.57 and Profit before Tax was Rs. 602.91 Lacs for Fiscal 2008.

Profit After Tax (PAT)

The PAT for Fiscal 2009 is Rs. 295.59 Lacs, as compared to Rs. 385.87 Lacs in 2008.

Fiscal 2008 v/s 2007**Income**

Total Income for the Fiscal 2008 is Rs. 2986.57 Lacs. For Fiscal 2007 the total income was 105.07 Lacs.

Expenditure

Expenditure for the Fiscal 2008 is Rs. 2371.58 Lacs. Total Expenditure as percentage to turnover is 79.41%. For the Fiscal 2007 the company incurred Total Expenditure of Rs. 104.66 Lacs, which was 99.61% of turnover.

Material Purchased and Consumed

Cost of sales of goods traded is Rs. 1263.55 Lacs for the year 2008, whereas it was Rs. Rs. 104.43 Lacs for the year 2007.

Manufacturing and Selling Expenses

The manufacturing and Selling Expenses for Fiscal 2008 are Rs.65.92 Lacs and for Fiscal 2007 they were Rs. 0.00 Lacs.

Administrative and Other Expenses

Administrative Expenses and Other Expenses accounted to Rs. 86.00 Lacs for Fiscal 2008 and Rs. 0.23 Lacs for Fiscal 2007.

EBIDTA

EBIDTA for the Fiscal of 2008 is Rs. 614.99 Lacs whereas it was Rs.0.41 Lacs for the Fiscal of 2007.

Depreciation

The Depreciation and Amortisation on Fixed Assets is Rs. 8.71 Lacs in 2008 and it was NIL in 2007.

Interest Cost / Financial Charges

The Interest and Finance charges for Fiscal 2008 is Rs 3.31 Lacs, but it was NIL in 2007.

Taxes

The Taxes paid for the Fiscal 2008 was Rs. 227.63 Lacs at the rate of nearly 38%. The Total Revenue of our Company was Rs. 2986.57 and Profit before Tax was Rs. 602.91 Lacs for Fiscal 2008.

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)

The PAT for Fiscal 2008 is Rs. 385.87 Lacs, as compared to Rs. 0.26 Lacs in 2007.

Related Party Transactions

For details of related party transactions, please refer to the section titled “Related Party Transactions” beginning on page 138 of this Draft Red Herring 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 year ended March 31, 2009, 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 Chapter titled 'Our History and Corporate Structure' beginning on page 95 in this Draft Red Herring 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 Section 'Risk Factors' beginning on page 12 in this Draft Red Herring 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 thereof.

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 68 under the Chapter '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 87 of this Draft Red Herring Prospectus.

SECTION VI – 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)

Particulars	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	September 30, 2009
Guarantee given by Indian Bank on behalf of our Company on the security of fixed deposit of Rs. 3.85 lacs.	--	--	--	3.85	4.74	5.40
Cess payable to Navi Mumbai Municipal Corporation (Disputed)				11.54	26.86	32.67
Property Tax payable to Navi Mumbai Municipal Corporation (Disputed)				0.21	0.63	0.85
Total	--	--	--	15.60	32.23	38.93

Part II - Litigations relating to our Promoters

As on the date of filing this Draft Red Herring 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 Red Herring 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 Red Herring 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 had been a fire incidence in one of the plants at the factory premises resulting in loss of fixed assets, plant and machinery and stocks. There was no harm to human life or third party property. It was well insured and the total loss is Rs. 177.36 lakhs.

Amounts Owed to Small Scale Undertakings and other Creditors

Our Company does not owe anything to creditors including small scale undertakings which is outstanding for more than 30 days as on September 30, 2009.

Material Developments

Except as stated under the Chapter titled 'Management's Discussion and Analysis of financial condition and Results of Operations' beginning on page 141 of this Draft Red Herring Prospectus and our Financial Statements included here in, no Material Developments have taken place after March 31, 2009, 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 Book Running 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 August 22, 2009 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 Annual General Meeting dated August 31, 2009 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 April 24, 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-699/76184 dated November 18, 2008 approving the name change to FCL.

C Approvals related to Environment

1. Consent No. RONM/NNB/TTC/CC/O/C- 213 dated March 31, 2009 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 and Amendment Rules, 2003 (To be referred as Water Act, Air Act and HW (M & H) Rules respectively) valid till the date 30/10/2013.

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.
2. Certificate of Registration of Trade Mark dated February 27, 2008 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark “FINOFIX” in Class 1, dated April 18, 2006 and bearing no. 1444500.
3. Certificate of Registration of Trade Mark dated March 10, 2008 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(I) of the Trademarks Act, 1999 for our mark “FINEOCOLL” in Class 1, dated April 18, 2006 and bearing no. 1444498.

4. Certificate of Registration of Trade Mark dated March 10, 2008 issued by the Registrar of Trade Marks under Section 23 (2), Rule 62(l) of the Trademarks Act, 1999 for our mark "FINOX" in Class 1, dated April 18, 2006 and bearing no. 1444499.

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. 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 the Issue**

The issue of Equity Shares in the Issue by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on August 22, 2009, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Annual General Meeting of the Company held on August 31, 2009 at Mumbai.

Prohibition by SEBI

The Company, Promoters, Directors, Promoter Group entities and Group Companies and natural persons behind the Promoters which are body corporates, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI. The companies, with which Promoter, Directors or persons in control of the Company are associated as promoters, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI. None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI

Neither the Company, Promoters and Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is an unlisted company not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations and is, therefore, required to meet the conditions detailed in Regulation 26(2) of the SEBI Regulations.

Our Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations, which states as follows:

"An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

(a)(i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;

or

(a) (ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

or

(b) (ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

(A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent;
(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent of the proposed issue.”

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2009 are set forth below:

(Rs. In Lacs)						
Particulars	Upto Sept 09	FY 09	FY 08	FY 07	FY 06	FY 05
Distributable Profits	248.78	295.59	385.87	0.26	-0.05	-0.03
Net Worth	1486.77	1237.00	1023.49	1.42	0.67	0.71
Net Tangible Assets	1876.54	1803.57	1714.49	1.88	1.00	1.00
Monetary Assets	1450.33	1377.55	1371.57	1.69	0.69	0.73
Monetary Assets as a % of Net Tangible Assets	77.29%	76.38%	80.00%	89.89%	69.00%	73.00%

Our Company will comply with Regulation 26(2)(a)(i) of the SEBI Regulations and at least 50% of the Issue is proposed to be allotted to QIBs.

Our Company will comply with the first proviso to Regulation 43(2)(c) of the SEBI Regulations; accordingly, upto 15% and 35% of the Issue shall be available for allocation to Non- Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received.

Our Company will comply with Regulation 26(2)(b)(i) of the SEBI Regulations and the post-Issue face value capital of our Company shall be Rs 1122.97 Lakhs which is more than the minimum requirement of Rs. 1,000 Lakhs.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1,000, failing which the entire application monies will be refunded forthwith. In case of delay as specified herein, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Accordingly, our Company is eligible for the Issue under Regulation 26(2) of the SEBI Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING 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 BOOK RUNNING LEAD MANAGER, INDBANK MERCHANT BANKING SERVICES LIMITED, HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED DECEMBER 07, 2009 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING 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 SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.- NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND

APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE.
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 ACTIVITIES 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 SUB-SECTION (3) OF SECTION 73 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. NOTED FOR COMPLIANCE.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER 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.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Maharashtra in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Maharashtra in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from the Company and the BRLM

The Company, the Directors and the BRLM accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the Company's instance and anyone placing reliance on any other source of information, including the Company's web site www.godrejproperties.com, would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the MoU entered into between the BRLM and the Company and the Underwriting Agreement to be entered into between the Underwriter and the Company. All information shall be made available by the Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither the Company nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise. Investors that bid in the Issue will be required to confirm and will be deemed to have represented to the Company, the Underwriter 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 the Company and will not Issue, sell, pledge, or transfer the Equity Shares of the Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of the Company.

The Company, the Underwriter 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 the Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to

RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs, eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions).

This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring 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 offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring 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 Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since 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 S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act. 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 Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The Disclaimer Clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the ROC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with ROC at the Office of the Registrar of Companies, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications will made to the BSE for permission to deal in and for an official quotation of the Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, the Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after the Company becomes liable to repay it, i.e. from the date of refusal or within 7 days from the Bid/Issue Closing Date, whichever is earlier, then the Company and every Director of the 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% p.a. on application money, as prescribed under Section 73 of the Companies Act.

The Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange mentioned above are taken within 7 working days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue; the Lenders; and (b) the Book Running Lead Manager and the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities and consents of banks and financial institutions, being the lenders of our Company who has been named as an expert in this Draft Red Herring Prospectus, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the ROC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009, M/s. UKG & Associates, Chartered Accountants, the Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the ROC.

Expert Opinion

Except as stated otherwise in this Draft Red Herring Prospectus, we have not obtained any expert opinion.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated expenses of the Issue are as follows:

Activity	Expenses (Rs. In Lacs)	% of Issue Size*	% of Issue expenses
Lead Management Fees & Brokerage	[•]	[•]	[•]
IPO Grading Fees			
Advertisement and Marketing Expenses	[•]	[•]	[•]
Printing and Stationery (including expenses on transportation of the material)	[•]	[•]	[•]
Others (Registrar's Fees, Legal Fees, Listing Fees, RoC Charges, Deposit, Consultancy Fees etc.)	[•]	[•]	[•]
Total	[•]	[•]	[•]

The listing fee and all expenses with respect to the Issue will be borne by us.

Fees Payable to the Book Running Lead Manager

The total fees payable to the BRLM will be as stated in the Engagement Letter with the BRLM, a copy of which is available for inspection at the registered office of the Company located at 42, 43 Manorama Chambers, S. V road, Bandra,(West), Mumbai- 400050.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the registered office of the Company.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues during the Last Five Years

We have not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the Chapter "Capital Structure" beginning on page 38 of this Draft Red Herring Prospectus, the Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on Previous Issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since the Company's inception.

Previous capital issue during the previous three years by listed Group Companies, Subsidiaries and associates of our Company

None of the Group Companies, associates and Subsidiaries of our Company are listed on any stock exchange.

Promise v. Performance

Neither our Company nor our Subsidiaries or Group Companies have made any previous rights or public issues,

Outstanding Debentures or Bonds

The Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

The Company does not have any outstanding preference shares other than those mentioned in the Chapter "Capital Structure" beginning on page 38 in this Draft Red Herring Prospectus.

Stock Market Data of our Equity Shares

This being an initial public issue of the Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue, and the Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by the Company

The Company estimates that the average time required by the Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders for the redressal of routine investor grievances shall be ten working days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, the Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. A. V. Nerurkar, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

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

Companies under the same management

No company under the same management (within the meaning of Section 370(1)(B) of the Companies Act) as us has made any capital issue during the last three years.

Change in Auditors

We have appointed M/s. UKG & Associates, Chartered Accountants, as our statutory auditors pursuant to an Annual General Meeting dated August 31, 2009 for ensuing financial year.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits during the last five years, except as disclosed in Chapter “Capital Structure” beginning on page 38.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN 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 all applicable laws, regulations, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Registrar of Companies, RBI, FIPB and/or other authorities, as in force and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “Main Provisions of Our Articles of Association” on page 208.

Mode of Payment of Dividends

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares.

Price Band

The Price Band shall be from Rs. [●] to Rs. [●] per Equity Share of face value of Rs. 10 each.

Compliance with SEBI Regulations

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, the equity shareholders shall have the following rights:

- Right to receive dividends, 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 offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement to be executed with the Stock Exchanges and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture, transfer, transmission and lien and/or consolidation/splitting, see “Main Provisions of Our Articles of Association” beginning on page 208.

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 existing SEBI Regulations, the trading of our Equity Shares shall only be in dematerialized form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For further details please refer to Chapter “Issue Procedure – Basis of Allotment” beginning on page 190.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, 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.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- 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 90 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 the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective DP of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid/Issue Opening Date is [●] and the Bid/Issue Closing Date is [●].

Minimum Subscription

If our Company does not receive the minimum subscription of 100% of the Issue through this Draft Red Herring Prospectus including devolvement of Underwriters within 60 (sixty) days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received.

If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act. If at least 50% of the Issue cannot be Alloted to QIBs, then the entire application money will be refunded forthwith.

Further in terms of Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

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 BIDS MAY NOT BE MADE BY PERSONS IN ANY SUCH JURISDICTION. THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS IN THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES.

Arrangement for Disposal of Odd Lots

Our Company's Equity Shares will be traded in dematerialized form only and the marketable lot is of one Equity Share, hence there is no possibility of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the Chapter entitled "Capital Structure" beginning on page 38 of this Draft Red Herring Prospectus, and except as provided in our Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in our Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles. Please see the Section entitled "Main Provisions of our Articles of Association" beginning on page 208 of this Draft Red Herring Prospectus.

ISSUE STRUCTURE

The present Issue of **42,11,160** Equity Shares of Rs. 10 each, at a price of Rs. [●] for cash aggregating [●] is being made through the 100% Book Building Process. The Issue will constitute 37.50% of the fully diluted post-Issue Equity Share capital of the Company.

QIBs @		Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares	Atleast 21,05,580 Equity Shares will be allotted to QIBs. #	upto 6,31,674 Equity Shares shall be available for allocation.	upto 14,73,906 Equity Shares shall be available for allocation.
Percentage of Issue Size available for Allocation	At least 50% of Net Issue being allocated. However, up to 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Up to 15% of Net Issue or Net Issue less allocation to QIB and Retail Individual Bidders	Up to 35% of Net Issue or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders. *
Basis of allocation if respective category is oversubscribed	(a) 1,05,279 Equity Shares shall constituting 5% of the QIB portions shall be available for allocation on a proportionate basis to Mutual Funds; (b) 20,00,301 shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs 100,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Share thereafter.
Maximum Bid	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Not exceeding the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares per Retail Individual Bidder so as to ensure that the Bid Amount does not exceed Rs.100,000.
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, multilateral and bilateral development financial institutions,	Resident Indian individuals, HUFs (in the name of karta), companies, corporate bodies, societies and trusts.	Individuals (including HUFs in the name of karta) applying for Equity Shares such that the Bid Amount per Retail Individual Bidder does not exceed Rs.100,000 in value.

	foreign venture capital funds registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India.		
Terms of Payment	Margin Amount applicable to QIB Bidders at the time of submission of Bid-cum-Application Form to the Member of Syndicate.	Margin Amount applicable to Non institutional Bidder at the time of submission of Bidcum- Application Form to the Member of Syndicate.	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid - cum – Application Form to the Member of Syndicate.
Margin Amount	10% of the Bid Amount in respect of bids placed by QIB Bidder on Bidding.	Full Bid Amount on Bidding.	Full Bid Amount on Bidding.

The Company is considering the private placement of certain equity shares with certain investors, prior to the completion of the issue. In that case, capital of the company will get increased to the extent of such private placement subject to a minimum issue size of 25% of the post issue capital being offered to the public. The issue size offered to the public would not be reduced.

@ The QIB Portion includes Anchor Investor Portion, as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price in accordance with the SEBI Regulations, on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. For further details, please refer to Chapter "Issue Procedure" beginning on page 169

at least 50% of the fresh issue size shall be allotted to QIB's failing which the full monies shall be refunded.

** Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category would be allowed to be met with spillover inter-se from any of the other categories, at the sole discretion of the Company, the BRLM and subject to applicable provisions of the SEBI Regulations.*

*** In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.*

*** Resident Retail Individual Investor is also eligible to apply through ASBA process, for details please refer Section “ASBA Process” beginning on page 196 of this Draft Red Herring Prospectus.

Withdrawal of this Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

Bidding/Issue Programme

BID/ISSUE OPENS ON [●]

BID/ISSUE CLOSES ON [●]

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids (excluding the ASBA Bidders) shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional Bidders and (ii) until 5.00 p.m. or such extended time as permitted by the BSE, in case of Bids by Retail Individual Bidders. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the BSE.

In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book vis-a-vis the data contained in the physical or electronic Bid cum Application Form submitted through the ASBA process, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of Price Band subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE, by issuing a press release, and also by indicating the change on the web sites of the Book Runners at the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

This Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be made available for allocation on a proportionate basis to QIBs, including 5% of the QIB Portion, which shall be made available for allocation to Mutual Funds only. Further, upto 35% of the Issue shall be made available for allocation on a proportionate basis to the Retail Individual Bidders, and upto 15% of the Issue shall be made available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

INVESTORS SHOULD NOTE THAT ALLOTMENT OF EQUITY SHARES TO ALL SUCCESSFUL BIDDERS WILL ONLY BE IN THE DEMATERIALIZED FORM. BIDDERS WILL NOT HAVE THE OPTION OF GETTING ALLOTMENT OF THE EQUITY SHARES IN PHYSICAL FORM. BID CUM APPLICATION FORMS WHICH DO NOT HAVE DETAILS OF THE BIDDERS' DEPOSITORY ACCOUNT SHALL BE TREATED AS INCOMPLETE AND REJECTED. THE EQUITY SHARES ON ALLOTMENT SHALL BE TRADED ONLY IN THE DEMATERIALISED SEGMENT OF THE STOCK EXCHANGES.

Bid cum Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category Colour of Bid cum Application Form

Resident Indian, Eligible NRIs applying on a non repatriation basis	[●]
Non-Residents, Eligible NRIs, FVCIs, FIIs, registered multilateral and bilateral development financial institutions on a repatriation basis	[●]
The physical ASBA Bid cum Application form	[●]

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorizing blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the ASBA Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application

Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- Mutual Funds registered with SEBI;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and regulations, as applicable);
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- FIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual under the QIB Category;
- Sub-accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category.
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 2,500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;
- National investment fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India; and
- Multilateral and Bilateral Development Financial Institutions; and

- Persons otherwise eligible to invest under all applicable laws, rules, regulations & guidelines.

NOTE: AS PER EXISTING REGULATIONS, OCBS CANNOT PARTICIPATE IN THE ISSUE.

Participation by associates of the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and the Syndicate Members are entitled to subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Bids by Mutual Funds

An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 92,500 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights. In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

- Bid cum application forms ([●] in colour) have been made available for Eligible NRIs at our Registered Office, members of the Syndicate and the Registrar to the Issue.
- The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians ([●] in colour) and shall not use the form meant for the non-resident category.
- In accordance with the SEBI Regulations, NRIs cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The Issue of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of 1,12,29,760 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its subaccounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits applicable to us, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of our Company. With the approval of the Board and the shareholders

by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("**SEBI FII Regulations**"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms.

The FII or subaccount is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors respectively registered with SEBI. Accordingly, the holding in any company by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

THE ABOVE INFORMATION IS GIVEN FOR THE BENEFIT OF THE BIDDERS. OUR COMPANY, THE BRLM ARE NOT LIABLE FOR ANY AMENDMENTS OR MODIFICATION OR CHANGES IN APPLICABLE LAWS OR REGULATIONS, WHICH MAY OCCUR AFTER THE DATE OF THIS DRAFT RED HERRING PROSPECTUS. BIDDERS ARE ADVISED TO MAKE THEIR INDEPENDENT INVESTIGATIONS AND ENSURE THAT THE NUMBER OF EQUITY SHARES BID FOR DO NOT EXCEED THE APPLICABLE INVESTMENT LIMITS UNDER LAWS OR REGULATIONS OR MAXIMUM NUMBER OF EQUITY SHARES THAT CAN BE HELD BY THEM UNDER APPLICABLE LAWS.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders:

The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of cutoff option, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(b) For Other Bidders (Non-Institutional Bidders and QIBs bidding in the QIB Portion):

The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be

submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws.

Under existing SEBI Regulations, a QIB Bidder bidding in the QIB Portion cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of Bid.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

BIDDERS ARE ADVISED TO ENSURE THAT ANY SINGLE BID FROM THEM DOES NOT EXCEED THE INVESTMENT LIMITS OR MAXIMUM NUMBER OF EQUITY SHARES THAT CAN BE HELD BY THEM UNDER APPLICABLE LAWS, RULES, GUIDELINES, APPROVALS, OR REGULATION OR AS SPECIFIED IN THIS DRAFT RED HERRING PROSPECTUS.

Information for the Bidders:

(a) The Red Herring Prospectus will be filed by our Company with the RoC at least three days before the Bid/Issue Opening Date.

(b) The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

(c) Our Company, the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in one English national daily newspaper, one Hindi national daily newspaper and one regional language newspaper, each with wide circulation.

(d) The Members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement.

(e) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.

(f) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the BRLM or the Syndicate Members or their authorised agent(s) to register their Bids.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

(a) Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with RoC and also publish the same in one English national daily newspaper, one Hindi national daily newspaper and one regional language newspaper, each with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company in consultation with the Book Running Lead Manager and advertised at least two working days prior to the Bid/Issue Opening Date in one English national daily newspaper, one Hindi national daily newspaper and one regional language newspaper, each with wide circulation.

(b) The Bidding Period shall be for a minimum of three working days and not exceeding 10 working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be widely disseminated by notification to SCSBs and BSE, and will be published in one English national daily newspaper, one Hindi national daily newspaper and one regional language newspaper, each with wide circulation, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members and the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.

(c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see “Bids at Different Price Levels” below, within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(d) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the “Build up of the Book and Revision of Bids”.

(e) During the Bidding period, Bidders may approach the members of the Syndicate or their authorized agent to submit their Bid. Every member of the Syndicate shall accept bids from Bidders who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

(f) The members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. It is the responsibility of the Bidder to obtain the TRS from the member of the Syndicate.

(g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under “Terms of Payment and Payment into the Escrow Account(s)” beginning on page 175.

Bids at Different Price Levels (Not applicable to ASBA Investors)

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can Bid at any price with in the Price Band, in multiples of Rupee 1 (One).

(b) Our Company in consultation with the BRLM reserves the right to revise the Price Band, during the Bidding Period, in accordance with the SEBI Regulations. The Cap Price cannot be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed in the Red Herring Prospectus or as disclosed two days prior to the Bid/Issue Opening Date, as the case may be.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs, Stock Exchanges, by issuing a public notice in [•] edition of [•] in the English language, [•] edition of [•] in the Hindi language and [•] edition of [•] in the regional language, and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.

(d) Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of or intimation to the Bidders.

(e) The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 1,00,000 may Bid at Cut-off Price.

HOWEVER, BIDDING AT CUT-OFF PRICE IS PROHIBITED FOR QIB OR NON-INSTITUTIONAL BIDDERS AND SUCH BIDS FROM QIBS AND NON-INSTITUTIONAL BIDDERS SHALL BE REJECTED.

(f) Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders who Bid at Cut-off Price shall receive the refund of the excess amounts from the Refund Account(s).

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 1,00,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 1,00,000 for Retail Individual Bidders bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account(s).

(i) Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. [.] to Rs. [.]

Terms of Payment and Payment into the Escrow Account(s)

Each Bidder shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the maximum amount of the Bid in favour of the Escrow Account(s) of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock invest/money order shall not be accepted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its Margin Amount only to the Syndicate Member. The Margin Amount based on the Bid Amount has to be paid at the time of the submission of the Bid cum Application form. The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid/Issue Closing Date, the Refund Banker(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the "Issue Structure" on page 166. Where the Margin Amount applicable to the Bidder is less than 100%

of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares transferred at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date. If the payment is not made favouring the Escrow Account(s) within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation/ transfer, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

(a) The Members of the Syndicate will register the Bids received, using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted.

(b) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. The Syndicate Members can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis.

(c) On the Bid/Issue Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

(d) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the bidding centers and at the websites of each of the Stock Exchanges during the Bidding Period.

(e) At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the investor. Bidders should ensure that the name given in the Bid cum 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, Bidders 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 Bid cum Application Form.
- Investor Category – Individual, Corporate, Eligible NRI, FI, FII, or Mutual Fund, QIBs, etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Bid cum Application Form number.
- Whether Margin Amount has been paid upon submission of Bid cum Application Form.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(f) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/ Allotted either by the members of the Syndicate or our Company.

(g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) In the case of QIB Bidders in the QIB Portion, members of the Syndicate also have the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in the "Issue Procedure-Grounds for Technical Rejections".

(i) The permission given by the Stock Exchange to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(j) It is also to be distinctly understood that the approval given by the Stock Exchange should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchange shall be considered for allocation/ Allotment. In case of discrepancy of data between the Stock Exchange and the members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders, through the Members of the Syndicate shall be electronically transmitted to the Stock Exchanges mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.

(c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess

amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In case of QIB Bidders in the QIB Portion, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the Stock Exchanges and the members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid/Issue Closing Date, the BRLM will analyse the demand generated at various price levels.

(b) Our Company in consultation with the BRLM shall finalise the Issue Price.

(c) Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill over from any other category at the sole discretion of our Company and in consultation with the BRLM. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than 1,05,279 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be Allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

(d) Allocation to Eligible NRIs, FIIs, foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines, approvals and the terms and conditions stipulated by the FIPB and RBI, while granting permission for Allotment of Equity Shares to them in this Issue.

(e) The BRLM, in consultation with our Company shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(f) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date, but before the Allotment, without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders bidding in the QIB Portion shall not be allowed to withdraw their Bid after the closure of the Bidding.

(g) Our Company in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs bidding in the QIB Portion, if any will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.

(h) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the updated Red Herring Prospectus will be filed by our Company with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) We will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to the provisions of section 66 of the Companies Act, 1956, our Company shall, after registering the Red Herring Prospectus with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper, one Hindi national daily newspaper and one regional language newspaper at the place where the registered office of the issuer is situated, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in an English national daily newspaper, a Hindi national daily newspaper and one regional language newspaper, each with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders in the QIB Portion may be done simultaneously with or prior to the approval of the basis of Allotment for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date.

(b) The BRLM or the Syndicate Members would dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. QIB Bidders who have not paid the entire Bid Amount into the Escrow Account(s) at the time of bidding shall pay in full the amount payable into the Escrow Account(s) by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to “**Notice to QIBs: Allotment Reconciliation and Revised CANs**” as set forth below

Notice to QIBs bidding in the QIB Portion: Allotment/Transfer Reconciliation and Revised CAN

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid cum Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of

Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Account(s) to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

General Instructions

Do's:

- (a) Check if you are eligible to apply;
- (b) Ensure that you have Bid within the Price Band;
- (c) Read all the instructions carefully and complete the Resident Bid cum Application Form ([●] in colour) or Non-Resident Bid cum Application Form ([●] in colour), as the case may be;
- (d) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- (e) Ensure that DP account is activated;
- (f) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;
- (g) Ensure that you have been given a TRS for all your Bid options;
- (h) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (i) Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the I.T. Act;
- (j) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;
- (k) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Amount in cash, by money order, by postal order or by stockinvest;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);
- (g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (h) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- (i) Do not bid at Bid amount exceeding Rs. 1,00,000 in case of Bid by a Retail Individual Bidder and
- (j) Do not submit the Bid without the QIB margin, in case of bids by QIB.

Instructions for Completing the Bid cum Application Form

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate or the Registered Office of our Company or the Registrar to the Issue.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable. ([•] for Resident Indians and Eligible NRIs applying on a non-repatriation basis, [●] colour for Eligible NRIs, FVCIs and FIIIs applying on a repatriation basis and [●] for ASBA Bidders.)
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders (including Eligible NRIs) the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (d) For Non-Institutional Bidders and QIB Bidders bidding in the QIB Portion (including Eligible NRIs), Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations. QIBs bidding in the QIB Portion cannot withdraw their Bid after the Bid/Issue Closing Date.

(e) Bids by Non Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

(f) In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at Cut off Price.

(g) In single name or in joint names (not more than three and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) to the Bidders. Hence, Bidders are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders at the Bidders sole risk and neither the BRLM, the Registrar to the Issue nor the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

Bidders Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM 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, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allocation Advice and printing of Bank particulars on the refund order or making refunds electronically and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get

delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected. Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents, Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable ([●] in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three).
3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [●] thereafter that the Bid Amount exceeds Rs. 100,000.

In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, Eligible NRIs, FIIs and foreign venture capital funds and all Non Residents, Eligible NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our

Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore. In case of Bids made pursuant to a power of attorney by FILs, FVCIs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor. In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In case of Bids made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof. Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

Payment Instructions

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Issue. The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s), for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account(s)

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned "Issue Structure" on page 166 of the Draft Red Herring Prospectus.

2. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account(s) and submit the same to the members of the Syndicate.

3. In case of QIBs bidding in the QIB Portion, where the margin is less than 100% of the Bid Amount, the balance amount shall be paid by the Bidders into the Escrow Account(s) within the period specified in the CAN. If the payment is not made in favour of the Escrow Account within the stipulated time, the Bid is liable to be rejected.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of QIB Bidders: “[.]”
- In case of non-resident QIB Bidders: “[.]”
- In case of Resident Bidders: “[.]”
- In case of Non Resident Bidders: “[.]”

4. In case of Bids by Eligible NRIs applying 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 authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non- Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account maintained with banks authorized to deal in foreign exchange in India.

5. In case of Bids by FIIs, or FVCIs the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated/ Allotted a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated will be refunded to the Bidder from the Refund Account.

7. The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

10. Payments should be made by cheque, or demand draft drawn on any bank (including a Cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Money Orders/Postal orders will not be accepted.

11. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

• **Payment by Stockinvest/money order**

Payment through stockinvest/money order would not be accepted in this Issue.

Submission of Bid Cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. 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.
2. 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.
3. 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 Bid-cum-Application Form and create an address master.
4. The addresses of all the applications 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 nonnumeric 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.
5. 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.

6. 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. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention his/her PAN allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Unique Identification Number ("UIN")

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Right to Reject Bids

In case of QIB Bidders bidding in the QIB Portion, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;
2. Age of First Bidder not given;
3. 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;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
5. PAN not stated or GIR number stated instead (except for Bids on behalf of the Central or State Government and the officials appointed by the courts);
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the Floor Price;
8. Bids at a price more than the Cap Price;
9. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;
10. Bids for number of Equity Shares which are not in multiples of [•];
11. Category not ticked;
12. Multiple Bids as described in this Draft Red Herring Prospectus;

13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by money order/postal order/cash/stockinvest;
15. Signature of sole and/or joint Bidders missing;
16. Bid cum Application Forms does not have the stamp of the BRLM or the Syndicate Members;
17. Bid cum Application Forms does not have Bidder's depository account details or the details given are incomplete;
18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
19. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
21. Bids by QIBs not submitted through the Syndicate;
22. Bids by OCBs;
23. Bids by U.S residents or U.S persons other than "Qualified Institutional Buyers" as per Rule 144A of the Securities Act.
24. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;
25. Bids not uploaded in the Book would be rejected;
26. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 uploaded after 4.00 p.m. on the Bid/Issue Closing Date;
27. Bank account details for the refund not given;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
29. Bids by persons who are not eligible to acquire Equity Shares of our Company in terms of all applicable laws, rules, regulations, guidelines and approvals;
30. Bids that do not comply with the securities laws of their respective jurisdictions;
31. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws; and
32. Bids by NRIs not disclosing their residential status.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- a) Agreement dated January 29, 2008 with NSDL, our Company and the Registrar to the Issue;
- b) Agreement dated January 17, 2008 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

- a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
- d) Names in the Bid cum Application Form or Revision 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.
- e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

INVESTORS CAN CONTACT THE COMPLIANCE OFFICER OR THE REGISTRAR TO THE ISSUE IN CASE OF ANY PRE- ISSUE OR POST-ISSUE RELATED PROBLEMS SUCH AS NON-RECEIPT OF LETTERS OF ALLOTMENT, CREDIT OF TRANSFERRED SHARES IN THE RESPECTIVE BENEFICIARY ACCOUNTS, REFUND ORDERS ETC.

Impersonation

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

"Any person who:

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

Interest on refund of excess bid amount

Our Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched 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 and/or demat credits are not made to investors within the 15 day time prescribed above as per guidelines issued by the Government of India, Ministry of Finance and as further modified by the SEBI Regulations

Basis of Allotment***A. For Retail Individual Bidders***

- a) Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- b) The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- c) If the aggregate demand in this category is less than or equal to 14,73,906 Equity Shares (assuming at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids).
- d) If the aggregate demand in this category is greater than 14,73,906 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, refer below.

B. For Non-Institutional Bidders

- a) Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- b) The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- c) If the aggregate demand in this category is less than or equal to 6,31,674 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- d) In case the aggregate demand in this category is greater than 6,31,674 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders, at or above the Issue Price, shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:

(i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below; (b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate allocation to QIB Bidders shall be at least 21,05,580 Equity Shares. The method of proportionate basis of allotment is stated below.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.

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

Payment of Refund

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' address, bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. **ECS** – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centers:

Centres			
1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneswar	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 abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through Direct Credit, NEFT or RTGS.

2. **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), in this case being, [•] 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. **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. 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 and the past experience of the Registrars to the Issue. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

4. **RTGS** – Applicants having a bank account at any of the abovementioned 68 centres and whose refund amount exceeds Rs. one Lakhs, 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 Bid-cum-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 Bidder.

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 drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Disposal of Applications and Application Moneys and Interest in case of Delay

Our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares. In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of finalization of the Basis of Allotment of Equity Shares.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, Our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid/Issue Closing Date;

- Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- Our Company shall pay interest at 15% per annum for any delay beyond the 15 day time period as mentioned above, if Allotment is not made and refund orders are not dispatched 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 and/or demat credits are not made to investors within the 15 day time prescribed above as per guidelines issued by the Government of India, Ministry of Finance and as further modified by the SEBI Regulations.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within two working days of finalization of the basis of Allotment of Equity Shares, and 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 Bidder's sole risk within 15 days of the Bid/Issue Closing Date. Applicants residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through ECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

- In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:
- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid/Issue Closing Date;
- Dispatch of refunds will be done within 15 days from the Bid/Issue Closing Date; and
- They will pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund instruction are not given and/or demat credits are not made to investors within the 15 day time prescribed above.
- Our Company will provide adequate funds required for dispatch of refunds orders or Allotment advice to the Registrar to the Issue.
- Refunds will be made through any of the modes described above and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in case of delay in dispatch of Allotment letters/refund orders

We agree that Allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 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 15 days from the Bid/Issue Closing Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

Utilization of Issue Proceeds**The Board of Directors declares that:**

- All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company**Our Company undertakes the following:**

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;
- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the registrar to the issue;
- that where the refunds are effected through the electronic transfer of funds, suitable communication shall be sent to the applicants within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund;
- that the certificates of the Equity Shares/ refund orders to the eligible non-resident Indians shall be despatched within specified time;
- that no further issue of Securities shall be made until the Securities Shares offered through this Draft Red Herring Prospectus are listed or until the application monies are refunded on account of non-listing, under-subscription etc; and
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Withdrawal of the Issue

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed. Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If the Issue is withdrawn after the closure of bidding, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Board.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Members and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be [●].

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000. The ASBA Bidders shall Bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.
- ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs and the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.
- The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- ASBA Bid cum Application Forms should bear the stamp of the Syndicate Members and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.
- ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.
- ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.
- If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.
- ASBA Bidders shall not be allowed to revise their Bid.

Method and Process of Bidding

- ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch

of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Red Herring Prospectus.

- The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.
- Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the Cap Price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
- If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
- If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip (“**TRS**”). The TRS shall be furnished to the ASBA Bidder on request.
- An ASBA Bidder cannot bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a Non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

a. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

b. In accordance with the SEBI Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.

c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in [•] edition of [•] in the English language, [•] edition of [•] in

the Hindi language and [●] edition of [●] in the Regional language and also by indicating the change on the websites of the BRLM and SCSBs and at the terminals of the members of the Syndicate.

d. Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

f. In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the bank account of the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order, stock invest or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA

Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

(i) it has received the ASBA in a physical or electronic form; and

(ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow

of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online at all the Designated Branches of the SCSBs and on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at all the Designated Branches of the SCSBs during the Bidding Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

**Name of the Bidder(s);
Application Number;
Permanent Account Number;
Number of Equity Shares Bid for;
Depository Participant Identification Number; and
Client identification Number of the Bidder's beneficiary account.**

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges, nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.

h. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Draft Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

i. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the bank account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the Stock Exchanges and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLM, our Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the Stock Exchanges mainframe on a regular basis.

b. The book gets built up at various price levels. This information will be available with the BRLM, the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis.

c. ASBA Bidders shall not revise their Bids.

d. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLM, our Company and the Designated Stock Exchange, in this regard shall be final and binding.

e. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue closing Date, the BRLM shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSBs with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels.

Signing of Underwriting Agreement and RoC Filing

(a) We, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we shall update and file the updated Red Herring Prospectus with the RoC, which then would be termed the 'Prospectus'. The Prospectus would contain details of the Issue Price and Issue size.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in one English national daily newspaper, one Hindi national daily newspaper and one regional language newspaper, each with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch

of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) As per the SEBI Regulations, **Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is [●] in colour).
- d. Ensure that your Bid is at the Cut-off Price.
- e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.
- f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.
- g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.
- h. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- i. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.
- j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- k. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

m. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.

n. Ensure that the name(s) and PAN(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.

o. Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.

b. Do not revise your Bid.

c. Do not Bid for lower than the minimum Bid size.

d. Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

e. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

f. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

g. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.

h. Do not submit the GIR number instead of the PAN.

i. Do not instruct your respective banksto release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is [●] in colour if submitted in physical mode, or electronic mode.

b. In single name or in joint names (not more than three and in the same order as their Depository Participant details).

c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

d. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000.

e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER,

BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants. By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected. ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the

SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids. Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the

power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account. In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in "Issue Procedure- Multiple Bids" beginning on page 186.

Permanent Account Number

For details, see "**Permanent Account Number or PAN**" on page 187.

Right to Reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUND FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Technical Rejection" beginning on page 187, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Age of first Bidder not given;
5. Bid made by categories of investors other than Resident Retail Individual Investors;

6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. PAN not stated, or GIR number furnished instead of PAN. See “Issue Procedure – Permanent Account Number or PAN” on page 187;
8. Bids for number of Equity Shares, which are not in multiples of [•];
9. Authorisation for blocking funds in the ASBA Bidder’s bank account not ticked or provided;
10. Multiple Bids as defined in this Draft Red Herring Prospectus;
11. In case of Bid under power of attorney, relevant documents are not submitted;
12. ASBA Bids accompanied by money order/postal order/cash/stockinvest;
13. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
14. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
15. ASBA Bid cum Application Form does not have the Bidder’s depository account details;
16. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
18. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number; and
19. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. Our Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commissions or any acts of SCSB’s including any defaults in complying with its obligations under applicable SEBI Regulations. ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see “Issue Procedure- Impersonation” on page 189.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see “Issue Procedure- Basis of Allotment” beginning on page 190.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under “Issue Procedure- Undertaking by our Company” on page 195, with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see “Issue Procedure- Utilization of Issue Proceeds” on page 195.

SECTION VIII - 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 convertible	9.(a) The dividend payable shall be on a preferential basis and at such rate as may be prescribed or permitted under the applicable rules prevailing at the relevant time(b) All

Title of Article	Article Number and contents
preference shares	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 thought 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.

CONSOLIDATION, 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 (l) 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 Allotment	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	<p>20. 1)</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>a) If a special resolution to that effect is passed in General Meeting; or</p> <p>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 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.</p> <p>3. Nothing in sub clause (c) of (1) hereof shall be deemed;</p> <p>a) To extend the time within which the offer should be accepted; or</p> <p>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.</p> <p>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</p>

Title of Article	Article Number and contents
	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.
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

Title of Article	Article Number and contents
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 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.

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.

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
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

Title of Article	Article Number and contents
	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.
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 owing 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.

Title of Article	Article Number and contents
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 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	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

Title of Article	Article Number and contents
to share otherwise than by transfer. (Transmission clause)	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.
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	<p>85.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>

Title of Article	Article Number and contents
Transmission of Securities by nominee	<p>A nominee, upon production of such evidence as may be required by the Board and subject as here in after provided, elect, either-</p> <p>(i) to be registered himself as holder of the securities, as the case may be; or</p> <p>(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;</p> <p>(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;</p> <p>(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.</p> <p>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.</p>

DEMATERIALISATION OF SHARES

Title of Article	Article Number and contents
Dematerialisation of Securities	<p>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 the Depositories Act, 1996 and the Rules framed there under, if any;</p> <p><u>(c) Option for Investors:</u> 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.</p> <p>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.</p> <p><u>(d) Securities in Depositories to be in fungible form:</u> 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;</p> <p><u>(e) Rights of Depositories and Beneficial Owners:</u></p> <p>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;</p> <p>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;</p> <p>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.</p> <p><u>(f) Depository to furnish information:</u> 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</p>

Title of Article	Article Number and contents
	<p>electronic mode or by delivery of floppies and discs.</p> <p>(g) <u>Option to opt out in respect of any security</u> : 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.</p> <p>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.</p> <p>(h) <u>Sections 83 and 108 of the Act not apply</u>: Notwithstanding anything to the contrary contained in the Articles -</p> <ol style="list-style-type: none"> Section 83 of the Act shall not apply to the shares with a Depository; 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. <p>(i) <u>Register and Index of beneficial owners</u>: 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.</p> <p>(k) <u>Stamp duty on securities held in dematerialised form</u>: 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.</p> <p>(l) <u>Applicability of the Depositories Act</u>: 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.</p> <p>(m) <u>Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository</u>: 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.</p>

JOINT HOLDER

Title of Article	Article Number and contents
Joint Holders	<p>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:</p> <p>(a) <u>Joint and several liabilities for all payments in respect of shares</u>: 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.</p> <p>(b) <u>Title of survivors</u>: 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;</p> <p>(c) <u>Receipts of one sufficient</u>: 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</p> <p>(d) <u>Delivery of certificate and giving of notices to first named holders</u>: 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.</p>

Title of Article	Article Number and contents
	(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
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, from 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	95.The payment and/or repayment of moneys borrowed or raised as aforesaid or any

Title of Article	Article Number and contents
payment or repayment of moneys borrowed	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	<p>(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.</p> <p>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.</p> <p>(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.</p> <p>(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.</p> <p>All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.</p>
Contents of Notice	<p>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'.</p> <p>(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.</p>
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
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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 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 joint 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 or 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

Title of Article	Article Number and contents
	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 objections for to votes	135. Subject to the provision of Act and these Articles, No objection shall be made to 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 3 and 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 person or persons from the Board and nominate other or others in their places and the

Title of Article	Article Number and contents
	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 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

Title of Article	Article Number and contents
	<p>does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(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;</p> <p>(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;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(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</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>

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 or 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 Rotation	<p>173. (a) Not less than two-third of the total number of directors of the Company shall be 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.</p> <p>(b) The remaining Directors shall be appointed in accordance with the provisions of the Articles.</p>
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	178.(1) If the place of the retiring Director is not so filled up and the meeting has not

Title of Article	Article Number and contents
default in appointment	<p>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.</p> <p>(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:</p> <p>(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 ;</p> <p>(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;</p> <p>(c) He is not qualified or is disqualified for appointment;</p> <p>(d) A resolution whether special or ordinary is required for the appointment or re-appointment by virtue of any provisions of the Act;</p> <p>(e) Sub-clause (2) of Section 263 of the Act is applicable to the case.</p>

REMOVAL OF DIRECTORS

Title of Article	Article Number and contents
Removal of Directors	<p>(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.</p> <p>(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.</p> <p>(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 meeting.</p> <p>(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:</p> <p>(a) in the notice of the resolution give to members of the company state the fact of the representation having been made, and</p> <p>(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:</p> <p>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.</p> <p>(5) A vacancy created by the removal of a director under this Article may, if he had been 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.</p> <p>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.</p> <p>(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.</p> <p>(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;</p>
When office of Directors to be vacated	<p>182. Subject to section 283 (2) and 314 of the Act, the office of a Director shall become vacant if:</p> <p>(a) he is found to be of unsound mind by a Court of competent jurisdiction ; or</p> <p>(b) he applies to be adjudicated an insolvent ; or</p> <p>(c) he is adjudged insolvent ; or</p>

Title of Article	Article Number and contents
	<p>(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</p> <p>(e) he fails 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</p> <p>(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</p> <p>(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</p> <p>(h) he acts in contravention of Section 299 of the Act; or</p> <p>(i) he becomes disqualified by an order of the court under section 203; or</p> <p>(j) he is removed in pursuance of Section 284 ; or</p> <p>(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.</p>
Certain powers to be exercised by the Board only at meeting	<p>184</p> <p>(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:</p> <p>(a) the power to make calls on members in respect of money unpaid on their shares;</p> <p>(b) the power to issue debentures;</p> <p>(c) the power to borrow moneys otherwise than on debentures;</p> <p>(d) the power to invest the funds of the Company.</p> <p>(e) the power to make loans.</p> <p>(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.</p> <p>(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.</p> <p>(4) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amounts upto which the funds may be invested and the nature of the investments which may be made by the delegates.</p> <p>(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.</p> <p>(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.</p>

POWERS OF THE BOARD

Title of Article	Article Number and contents
Powers of the Board	<p>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.</p> <p>(1) <u>To acquire any property, rights etc</u></p> <p>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</p>

Title of Article	Article Number and contents
	<p>Company is authorised to carry on, in any part of India.</p> <p>(2) <u>To take on Lease</u> 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.</p> <p>(3) <u>To erect & construct</u> 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.</p> <p>(4) <u>To pay for property</u> 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.</p> <p>(5) <u>To insure properties of the Company</u> 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.</p> <p>(6) <u>To open Bank accounts</u> To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.</p> <p>(7) <u>To secure contracts by way of mortgage</u> 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.</p> <p>(8) <u>To accept surrender of shares</u> 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.</p> <p>(9) <u>To appoint trustees for the Company</u> 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.</p> <p>(10) <u>To conduct legal proceedings</u> 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.</p> <p>(11) <u>Bankruptcy & Insolvency</u> To act on behalf of the Company in all matters relating to bankruptcy insolvency.</p> <p>(12) <u>To issue receipts & give discharge</u> To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(13) <u>To invest and deal with money of the Company</u></p>

Title of Article	Article Number and contents
	<p>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.</p> <p><u>(14) To give Security by way of indemnity</u> 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;</p> <p><u>(15) To determine signing powers</u> 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.</p> <p><u>(16) Commission or share in profits</u> 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.</p> <p><u>(17) Bonus etc. employees</u> 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.</p> <p><u>(18) Transfer to Reserve Funds</u> 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 pay 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.</p> <p><u>(19) To appoint and remove officers and other employees</u> 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</p>

Title of Article	Article Number and contents
	<p>they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.</p> <p><u>(20)To comply with the provisions of local law</u> 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.</p> <p><u>(21)To appoint local Boards</u> 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;</p> <p><u>(22) To delegate powers to Local Boards</u> 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.</p> <p><u>(23)To appoint Attorneys</u> 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 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.</p> <p><u>(24)To enter into contracts</u> 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.</p> <p><u>(25)To make rules</u> From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees.</p> <p><u>(26)To effect contracts etc.</u> 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.</p> <p><u>(27)To apply & obtain concessions licences etc.</u> 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.</p> <p><u>(28)To pay commission or interest</u> 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.</p> <p><u>(29)To redeem redeemable preference shares.</u> To redeem redeemable preference shares.</p>

Title of Article	Article Number and contents
	<p>(30) <u>To assist charitable or benevolent institutions</u></p> <p>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.</p>

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 be appointed as Managing Director(s)	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: <ul style="list-style-type: none"> (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	<p>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.</p> <p>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.</p>

REGISTERS, BOOKS AND DOCUMENTS

Title of Article	Article Number and contents
Registers, Books and documents to be maintained by the	<p>193. (1) The company shall maintain all registers, books and documents as required by the act or these articles.</p> <p>(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</p>

Title of Article	Article Number and contents
company	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

Title of Article	Article Number and contents
	between the Company and the Member, be set off against the calls.
Unclaimed Dividend	<p>(a) Dividends unclaimed will be dealt with according to the provisions of Section 205-A and 205-B of the Act.</p> <p>(b) No unclaimed dividend should be forfeited by the Board and no unpaid dividend shall bear interest as against the Company.</p>

CAPITALISATION OF PROFITS

Title of Article	Article Number and Contents
Capitalisation in respect of partly paid up shares	<p>208.</p> <p>(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:</p> <p>(a) by the issue and distribution as fully paid up shares, debentures, debenture-stock, bonds or other obligations of the Company or</p> <p>(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.</p> <p>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.</p> <p>(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.</p> <p>(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 recommended such distribution and payment shall be accepted by such Members as aforesaid in full satisfaction of their interest in the said capitalised sum.</p> <p>(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.</p> <p>(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.</p> <p>(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</p>

	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.
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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 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

Title of Article	Article Number and Contents
	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
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) <u>Not responsible for acts of others</u> 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.

Title of Article	Article Number and Contents
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.

SECREC Y

Title of Article	Article Number and Contents
Secrecy	<p>223. (a) <u>Secrecy</u> 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.</p> <p>(b) <u>Access to property information</u> 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.</p>

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered into or will be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of the Company from 10.00 am to 4.00 pm on working days from the Bid Opening Date until the Bid Closing Date.

Material Contracts to the Issue

1. Issue Agreement dated December 04, 2009 among the Company and the BRLM.
2. Memorandum of Understanding dated September 11, 2007 between the Company and the Registrar to the Issue.
3. Escrow Agreement dated [.] among the Company, the BRLM, the Escrow Collection Banks and the Registrar to the Issue.
4. Syndicate Agreement dated [.] among the Company, the BRLM and the Syndicate Members.
5. Underwriting Agreement dated [.] among the Company, the BRLM and the Syndicate Members.
6. Engagement Letter dated November 11, 2009 for the appointment of the BRLM

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our Certificate of Incorporation.
3. Board resolution dated August 22, 2009 authorizing the Issue.
4. Shareholders' resolution dated August 31, 2009 authorizing the Issue.
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. Standalone Statements of Assets and Liabilities, Statement of Profits and Losses, as Restated and Cash Flows, as Restated, under Indian GAAP as at and for the Years Ended March 31, 2009, 2008, 2007, 2006 and 2005 and for the period ended September 30, 2009 audited by M/s UKG & Associates, Chartered Accountants and their audit report on the same, dated November 05, 2009.
8. Statement of Tax Benefits from, M/s UKG & Associates, Chartered Accountants dated November 05, 2009 Auditor's Report on possible Income-tax benefits available to the Company and its shareholders.
9. Consents of Banker to the Company, the BRLM, Syndicate Member *, Registrar to the Issue, Escrow Collection Bank(s) *, Bankers to the Issue *, Legal Counsel to the Issue, Directors of

the Company, Company Secretary and Compliance Officer of the Company, as referred to, in their respective capacities

** The aforesaid will be appointed prior to the filing of the Red Herring Prospectus with the RoC, and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with the RoC.*

10. Initial listing applications dated [] filed with BSE.
11. In-principle listing approval dated [] from BSE.
12. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated January 29, 2008.
13. Listing agreement of the Company with the BSE dated [●].
14. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated January 17, 2008.
15. Due diligence certificate dated December 07, 2009 to SEBI from the BRLM.
16. SEBI observation letter No. [] dated [].
17. IPO Grading Report dated [], by [].
18. Project Appraisal Report by Indian Bank for our project of establishing of a new plant with manufacturing facilities and a sales office.
19. Non-Compete Agreement ("the said Agreement") dated February 4, 2008 with Proton Biochem Private Limited
20. Non-Compete Agreement ("the said Agreement") dated February 4, 2008 with Kamal Chemicals Private Limited
21. Deed of Assignment dated April 1, 2007 for acquiring business of Fineotex Chemical Industries
22. Copy of the Certificate from the Statutory Auditors, M/s UKG & Associates, Chartered Accountants, dated November 15, 2009 regarding the Deployment of Funds as on November 11, 2008

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the 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.

DECLARATION

We certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations and guidelines issued by 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 Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules or regulations made there under or guidelines issued, as the case may be. We hereby certify that all the statements in this Draft Red Herring Prospectus are true and correct.

Signed by the Directors of the Company

Mr. Surendra Kumar Tibrewala, *Chairman & Managing Director*

Sd/-

Mr. Sanjay S. Tibrewala, *Whole-time Director*

Sd/-

Mr. Anand Agarwal, *Independent Director*

Sd/-

Mr. Sanjay Mittal, *Independent Director*

Sd/-

Mr. Manmohan Mehta, *Independent Director*

Sd/-

Mr. A. V. Nerurkar, *Company Secretary and Compliance Officer*

Sd/-

Mr. Hitesh Bhadra *Vice President (Finance & Accounts)*

Date: December 07, 2009

Place: Mumbai