

INFORMATION MEMORANDUM

INNOVASSYNTH INVESTMENTS LIMITED

(Incorporated as a public limited company on February 15, 2008 and obtained certificate of commencement of business dated March 4, 2008 under the Companies Act, 1956)

Registered Office: Paragon Condominium, 3rd Floor, Pandurang Budhkar Marg, Mumbai – 400 013. Phone: (022)43448500; Fax: (022) 24923142;
E-mail: a.r.gadkari@futuraolyesters.com : pbk@innovassynthinvestments.com

Website: www.innovassynthinvestments.com

INFORMATION MEMORANDUM FOR LISTING OF 2,38,78,035 EQUITY SHARES OF RS. 10 EACH

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Innovassynth Investments Limited 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 the shares of Innovassynth Investments Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

ABSOLUTE RESPONSIBILITY OF INNOVASSYNTH INVESTMENTS LIMITED

Innovassynth Investments Limited having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Innovassynth Investments Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum 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 of Innovassynth Investments Limited are proposed to be listed on The Bombay Stock Exchange Limited (BSE).

SHARE TRANSFER AGENTS

Satellite Corporate Services Private Limited

302, Sony Apartment, Opp. St. Jude's High School,
Off Andheri- Kurla Road,
Jarimari, Sakinaka, Mumbai – 400 072
Tel.: +91-22-28520461/28520462
Fax: +91-22-28511809
E-mail: service@scspl.net
Website: www.scspl.com
Contact Person: Mr. Michael Monterio
SEBI Registration No: INR000003639

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ABBREVIATIONS & GENERAL TERMS USED.

In this Information Memorandum following abbreviations will have the full form as given below:

Abbreviation	Full Form
AGM	Annual General Meeting
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CEO	Chief Executive Officer
CDSL	Central Depository Services (India) Limited
CIN	Company Identification Number
DNA	Deoxyribonucleic Acid
DIN	Directors Identification Number
DP	Depository Participant
EGM	Extraordinary General Meeting
EOU	Export Oriented Unit
EPS	Earning Per Share
FDA	Food & Drug Administration
FEMA	Foreign Exchange Management Act, 1999
GAAP	Generally Accepted Accounting Principles
Gol	Government of India.
HR	Human Resources.
IIL	Innovassynth Investments Limited
ITIL	Innovassynth Technologies (India) Limited
ISO	Indian Standard Organisation
MIS	Management Information Systems.
MoU	Memorandum of Understanding.
MT	Metric Tonne
NAV	Net Asset Value.
NRI(s)	Non Resident Indian(s).
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
PET	Polyethylene Terephthalate
PSF	Polyester Staple Fibre
RBI	Reserve Bank of India.
R&D	Research and Development
ROC	The Registrar of Companies, Maharashtra, Mumbai
SEBI	Securities and Exchange Board of India.
USA / US	United States of America

General Terms used in the Information Memorandum

Term	Definition
Act	The Companies Act, 1956 and amendments thereto from time to time.
Designated Stock Exchange/Stock Exchange	BSE.
Scheme of Arrangement	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956, filed by Futura Polyesters Limited and Innovassynth Investments Limited with the High Court of Judicature, Bombay pursuant to which the High Court has sanctioned the said Scheme.
Futura	Futura Polyesters Limited

RISK FACTORS

Risks envisaged by the Management: Innovassynth Investments Limited (IIL) is holding 2,38,50,070 equity shares of Rs.10/- each in Innovassynth Technologies (India) Ltd. (ITIL). (herein after refer to as investment)Its only source of income is from dividend, if any, from Innovassynth Technologies (India) Ltd. Therefore, any adverse financial impact on the operation/business of ITIL will have negative impact on the revenue of Innovassynth Investments Limited.

In the section on Management Discussion and Analysis Report of ITIL appearing on Page No. 69 to 72 details of the opportunities and threats and other risks of business faced by ITIL are enumerated.

GENERAL INFORMATION

Authority for Listing

Futura and IIL filed prepared a Scheme of Arrangement under Sections 391 to 394 of the Companies Act. As per the Scheme of Arrangement, the shares held by Futura in ITIL are to be transferred and vested in IIL and in consideration thereof IIL would allot its equity shares to the shareholders of Futura in the proportion of 5 equity shares if IIL for every 11 equity shares held in Futura. The said Scheme of Arrangement was submitted to BSE and BSE gave its No objection letter to the Scheme vide their letter No.DCS/AMAL/RCG/24(f)/2825/2007-08 dated 3.3.2008. Thereafter the Scheme was filed in the High Court of Judicature, Bombay for sanction. As per instructions of the High Court meetings of the shareholders of IIL and Futura were held and the shareholders accorded their approval to the Scheme of Arrangement. Thereafter, the Honourable High Court of Judicature at Bombay, vide their Order dated July 4, 2008, have approved the Scheme of Arrangement (the "Scheme") filed under Sections 391 to 394 of the Companies Act, 1956 between by Futura Polyesters Limited (Futura) and Innovassynth Investments Limited (IIL) and their respective members whereby the investments held by Futura in Innovassynth Technologies (India) Limited (ITIL) has been transferred to and vested in IIL with effect from July 16, 2008 (i.e. the Effective Date under the Scheme). In accordance with the said Scheme, the Equity Shares of IIL allotted pursuant to the Scheme as well as existing shares of IIL issued for the purpose of incorporation of IIL shall, subject to applicable regulations, be listed and admitted to trading on Bombay Stock Exchange Ltd ("BSE"). Accordingly The Bombay Stock Exchange Ltd has granted Listing Approval vide their letter No DCS/AMAL/VB/355/2009-10 dated 22nd July 2009 and SEBI vide their letter No CFD/DIL/SP//VB/OW/30328/2010 DATED 16th Dec 2010, has granted relaxation from the applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules 1957.

The aforesaid Order of the Honorable High Court of Judicature at Bombay was filed by Futura with the Registrar of Companies ("ROC"), Maharashtra on July 15, 2008 and by IIL with the ROC, Maharashtra on July 16, 2008.

IIL is submitting this Information Memorandum, containing information about itself and ITIL, making disclosures in line with the disclosure requirements for public issues, as applicable, to BSE for making the said Information Memorandum available to public through their websites

IIL will make the said Information Memorandum available on website of ITIL as well as that of IIL.

IIL has published an advertisement in the newspapers containing its details in line with the requirements of Annexure to SEBI Circular No .SEBI/CFD/SCRR/01/2009/03/09 dated 3rd

Sept 2009. The advertisement draws a specific reference to the availability of aforesaid Information Memorandum on the websites of ITIL, IIL and of BSE.

IIL also undertakes that all material information about ITIL shall be disclosed to BSE on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement for disclosures. IIL has also obtained a specific undertaking from ITIL in this regard.

Prohibition by SEBI

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital market under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of Annexure to Circular No .SEBI/CFD/SCRR/01/2009/03/09 dated 3rd Sept 2009 or any other material issued by or at the instance of the Company and any one placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company 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.

Listing

IIL is now seeking permission to deal in and for an official quotation of the equity shares of IIL from the The Bombay Stock Exchange Ltd.

IIL has nominated BSE as the Designated Stock Exchange for the aforesaid listing of the shares.

IIL shall ensure that all steps will be taken for the completion of necessary formalities for listing and commencement of trading at BSE.

Demat Credit

IIL has executed Agreements with NSDL and CDSL for admitting its securities in demat form. IIL has made allotment of the equity shares and such shares are allotted in demat form to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Futura in demat form.

Share Transfer Agent

Satellite Corporate Services Private Limited

B- 302, Sony Apartment, Opp. St. Jude's High School, Off Andheri -Kurla Road,
Jarimari, Sakinaka, Mumbai – 400 072

Tel.: +91-22-28520461/28520462

Fax: +91-22-28511809

E-mail: service@scspl.net

Website: www.scspl.com

Contact Person: Mr. Michael Monteiro

SEBI Registration No. INM000003639

Auditors

M/s. N.M. Rajji & Co, Chartered Accountants,
Universal Insurance Building, 6th Floor, Sir P.M. Road, Fort
Mumbai 400 001

Phone No.022-22870068/22873463;

Fax Nos.022-2282 8646/ 2265 0578

E-Mail: nmr.ho@nmraiji.com

Banker to the Company

H D F C Bank Ltd,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai-400013.

Phone No:022-24988484/24988280/24962012

Fax Nos.022-24960773

Compliance Officer and Company Secretary

Mr. A.R.Gadkari

Company Secretary

Innovassynth Investments Limited

Paragon Condominium, 3rd floor,

Pandurang Budhkar Marg,

Mumbai 400013

Phone No.:022-43448500;

Fax No.022-24923142

E-Mail:a.r.gadkari@futurapolyesters.com

Investors can contact the Compliance Officer in case of any share transfer related problem.

CAPITAL STRUCTURE

SHARE CAPITAL

		Aggregate value(Rs.)
A.	Authorised Capital Prior to Scheme 20,00,000 Equity Shares of Rs.10 each	2,00,00,000
B.	Issued, Subscribed and Paid-Up Capital Prior to Scheme 50,000 Equity Shares of Rs.10 each fully paid-up	5,00,000
C.	Number of Equity Shares to be issued as per Scheme of Arrangement approved by the High Court of Judicature, Bombay 2,38,28,035 Equity Shares of Rs.10 each	23,82,80,350
D.	Authorised Capital (Post scheme) 2,50,00,000 Equity Shares of Rs.10 each	25,00,00,000
E	Issued, and Paid-Up Capital (Post Scheme) 2,38,78,035 Equity shares of Rs. 10 each	23,87,80,350

1. The authorised share capital of IIL at the time of incorporation was Rs.200 lakhs, divided into 20,00,000 equity shares of Rs.10 each and the paid up capital for the purposes of incorporation was Rs. 5 lakhs divided into 50,000 equity shares of Rs. 10/- each.

2. As per the Scheme, IIL is required to issue and allot 2,38,28,035 equity shares of Rs. 10/- each to the shareholders of Futura in the proportion of 5 (five) fully paid up equity shares of Rs. 10/- of IIL against every 11 equity shares held in Futura.

Notes to the Capital Structure:

1) Share Capital History of IIL:

Date of Allotment/ credit to demat account	Date when fully paid up	Consideration	Number of Equity shares	Face Value (Rs.)	Issue Price (Rs.)	% of post Scheme paid up capital
15.02.2008	15.02.2008	Cash	50,000	10	10	0.21
29.09.2008	29.09.2008	As per Scheme of Arrangement	2,38,28,035	10	10	99.79

2) There is no lock-in requirement for the shares of IIL.

3) Promoters of IIL, their relatives and associates, and their Directors have not purchased or sold or financed, directly or indirectly, any equity shares from the date of approval of the scheme by the High Court till the date of submission of this Updated Information Memorandum.

4) Shareholding pattern of IIL before and after the Scheme:

Innovassynth Investments Limited (Pre Scheme)

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	6	60	0	0.12	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	49940	0	99.88	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	7	50000	0	100.00	0.00	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00
b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Specify)	0	0	0	0	0.00	0.00	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	50000	0	100.00	0.00	0.00	0.00
(B)	Public shareholding							
1	Institutions							

(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0.00	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0.00	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0		0.00	0.00	0.00
(h)	Any Other (specify)							
(h-i)								
(h-ii)								
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	0	0	0	0.00	0.00	0.00	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	0	0	0	0.00	0.00	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	0	0	0	0.00	0.00	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	0	0	0	0.00	0.00	0.00	0.00
(c-ii)	Directors & Relatives	0	0	0	0.00	0.00	0.00	0.00
(c-iii)	Non resident Indians	0	0	0	0.00	0.00	0.00	0.00
(c-iv)	Clearing Member	0	0	0	0.00	0.00	0.00	0.00
(c-v)	Hindu Undivided families	0	0	0	0.00	0.00	0.00	0.00
(c-vi)	Overseas Corporate Bodies	0	0	0	0.00	0.00	0.00	0.00
(c-vii)	Employees	0	0	0	0.00	0.00	0.00	0.00
						0.00		
	Sub-Total (B)(2)	0	0	0	0.00	0.00	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	0	0	0	0.00	0.00	0.00	0.00
						0		
	TOTAL (A)+(B)	7	50000	0	100.00	0.0000	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0				
	GRAND TOTAL (A)+(B)+(C)	7	50000	0		0.00	0	0.00

Innovassynth Investments Limited (Post Scheme) as per Clause 35 of Listing Agreement.

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group ²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00	0.00	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	19	7444427	7394486	31.18	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	19	7444427	7394486	31.18	0.00	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00
b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Specify)	0	0	0	0	0.00	0.00	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	19	7444427	7394486	31.18	0.00	0.00	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	15	72302	131	0.30	0.00	0.00	0.00
(b)	Financial Institutions / Banks	48	11714	3431	0.05	0.00	0.00	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	8	1316869	1315294	5.51	0.00	0.00	0.00
(f)	Foreign Institutional Investors	8	42393	39117	0.18	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0		0.00		
(h)	Any Other (specify)							
	Sub-Total (B)(1)	79	1443278	1357973	6.04	0.00	0.00	0.00

B 2	Non-institutions							
(a)	Bodies Corporate	547	3149674	3106928	13.19	0.00	0.00	0.00
(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	37040	6914395	5724821	28.96	0.00	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	82	2844231	2825545	11.91	0.00	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	19	8757	1747	0.04	0.00	0.00	0.00
(c-ii)	Directors & Relatives	5	32679	32199	0.14	0.00	0.00	0.00
(c-iii)	Non resident Indians	187	560674	558414	2.35	0.00	0.00	0.00
(c-iv)	Clearing Member	20	17411	17411	0.07	0.00	0.00	0.00
(c-v)	Hindu Undivided families	435	419925	419925	1.76	0.00	0.00	0.00
(c-vi)	Overseas Corporate Bodies	4	1042584	0	4.37	0.00	0.00	0.00
(c-vii)	Employees	0	0	0	0.00	0.00	0.00	0.00
						0.00		
	Sub-Total (B)(2)	38339	14990330	12686990	62.78	0.00	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	38418	16433608	14044963	68.82	0.00	0.00	0.00
						0		
	TOTAL (A)+(B)	38437	23878035	21439449	100.00	0.0000	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0				
	GRAND TOTAL (A)+(B)+(C)	38437	23878035	21439449		0.00	0	0.00

5) List of the persons/entities comprising Promoter and Promoters Groups are given below: List of the persons/entities comprising Promoter and Promoters Groups are given below:

(I) Statement showing Shareholding of persons belonging to
(b) the category

“Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Number of shares	Shares as a percentage of total number of shares {i.e., Grand Total (A)+ (B)+ (C) indicated in Statement at para (I) (a) above}	Shares Pledged or otherwise encumbered		
				Number of shares	% to the total promoter holding	% to the grand total
1	BLOOMINGDALE INVESTMENT & FINANCE PRIVATE LIMITED	2412414	10.10	0.00	0.00	0.00
2	MATSYAGANDHA INVESTMENTS AND FINANCE PRIVATE LIMITED	2015957	8.44	0.00	0.00	0.00
3	FUTURA POLYESTERS LIMITED	49940	0.21	0.00	0.00	0.00
4	BHUPATI INVESTMENTS AND FINANCE PVT LTD	2966116	12.43	0.00	0.00	0.00
TOTAL		7444427	31.18	0.00	0.00	0.00

The list of top 10 shareholders of Innovassynth Investments Limited: (Post Scheme)

Sr. No	Name	No of shares	% to the paid up capital
1	Bhupati Investments and Finance Private Ltd	2966116	12.43
2	Bloomingdale Investment & Finance Private Ltd	2412414	10.10
3	Matsyagandha Investment & Finance Private .Ltd	2015957	8.44
4	Life Insurance Corporation of India	1095413	4.59
5	Persiphone Investments Limited	765280	3.20
6	Distributors (Bombay) Pvt. Limited	683720	2.86
7	R.Raheja Properties Pvt. Ltd.	681854	2.86
8	Sudhir Keshavji Sampat	353966	1.48
9	Dipak Kanayalal Shah	238636	1.00
10	Religare Securities Ltd	161575	0.68

Top ten shareholders on the date of filing the Information Memorandum with Stock Exchange

Sr. No	Name	No of shares	% to the paid up capital
1	Bhupati Investments and Finance Private Ltd	2966116	12.43
2	Bloomingdale Investment & Finance Private Ltd	2412414	10.10
3	Matsyagandha Investment & Finance Pvt.Ltd	2015957	8.44
4	Life Insurance Corporation of India	1095413	4.59
5	Persiphone Investments Limited	765280	3.20
6	Distributors (Bombay) Pvt. Limited	683720	2.86
7	R.Raheja Properties Pvt. Ltd.	681854	2.86
8	Sudhir Keshavji Sampat	353966	1.48
9	Dipak Kanayalal Shah	238636	1.00
10	Religare Securities Ltd	161575	0.68

6) As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of IIL.

7) There will 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 the date of approval of the Scheme by the High Courts till listing/ permission to deal in and for an official quotation of the Equity Shares allotted as per the Scheme, except the shares allotted as per the Scheme.

8) There shall be only one denomination for the Equity Shares of IIL, subject to applicable regulations and IIL shall comply with such disclosure and accounting norms specified by SEBI, from time to time.

9) IIL has **38437** members as on the date of filing this updated Information Memorandum

38398 members as on the date of filing this updated Information Memorandum

OBJECTS OF THE SCHEME OF ARRANGEMENT

The objects of the Scheme of Arrangement between Futura and IIL are given below:

To achieve economy, better administration and efficiency in operation of both the Companies which would ultimately benefit the shareholders of the Transferor Company in as much as they would also become shareholders of the Transferee Company

IIL is an Investment Company and presently holds 2,38,50,070 equity shares in ITIL. Those shares were transferred to IIL by Futura under the Scheme of Arrangement approved by The Honorable High Courts of Judicature at Bombay vide their Order dated July 4, 2008.

HISTORY

IIL was incorporated on February 15, 2008.

The main objects of IIL, as set out in its Memorandum of Association, are as follows:

1) To carry on the business of investment Company and/or a holding Company, to buy, sell, deal, hold, invest, disinvest, exchange and surrender stocks, shares, securities, scrips, derivatives, debt instruments, bonds, debentures, policies, book debts and claims and commercial papers, government or commercial security or any other financial investment instruments of any Company, banks whether government, public or private or any local authority whether in India or abroad, and to promote, subsidize and assist Companies and syndicates in order to promote the business of Company.

2) To acquire investment in equity shares in Innovassynth Technologies (India) Limited held by Futura Polyesters Limited

Change in Memorandum of Association of IIL since its inception

The Memorandum of Association was amended on 16.7.2008 increasing the Authorized Capital from Rs. 2 crores to Rs.25 Crores

MANAGEMENT

Board of Directors

The following table sets forth details regarding the Board of Directors of IIL.

Sr. No	Name/Father's name/Address	Age (years)	Other directorships
1	Mr. S.B. Ghia Chairman & Managing Director s/o Mr. Bhupatirai M.Ghia 18, Ghia Mansion, Carmichael Road MUMBAI : 400 026	63	1. Sonata Software Limited. 2. Alkyl Amines Limited. 3. A.V.T Natural Products Limited. 4. Innovassynth Technologies (India) Limited 5. Futura Polyesters Ltd
2	Dr. B. Sahu Director s/o Mr. Kamallochan Sahu B- 1103 Raheja Empress, 392 V. S. Marg, Prabhadevi Mumbai – 400 025.	58	NIL
3	Mr. Shyam Sunder Sami Director s/o Mr. Vaidhyawath Sami C-203, Golden Oak, High Street, Hiranandani Gardens, Powai MUMBAI 400076.	69	Futura Polyesters Ltd. Innovassynth Technologies (India) Limited
4	Mr. K.Ramasubramanian Director s/o.Mr.N. Kuppusubramanian 403, Patel New Building Opp Patel Engg, Ltd Patel Estate Jogeshwari(W) Mumbai 400102	67	Mirae Asset Trust Company Limited PMC Medicals Private Limited
5	Mr. S.B. Chatterjee Director 102, Vinayak Aangan CHS Ltd., Opp. VIP House, Old Prabhadevi Road, Mumbai-400 025	55	NIL

Brief Biography of Directors

Mr. Shyam Bhupatirai Ghia, is 63 years old and is a resident of India. He holds a Bachelor's Degree in Chemistry from the University of Mumbai and Master's Degree in Business Administration from Bowling Green State University, Ohio, United States of America. Further, he has also undergone practical training in Administration and Commerce at Bayer's offices in New York, United States of America and Leverkusen in Germany. Mr. Shyam Bhupatirai Ghia, has extensive experience spanning over thirty years, in industry. He joined Futura from March 01, 1972 as Director, Administration and was elevated to the Board as a Whole-time Director with effect from October 18, 1973. Subsequently, elevated to the position of Joint Managing

Director with effect from January 01, 1988 and as Chairman and Managing Director of Futura with effect from August 23, 1990. He is also the Chairman and Managing Director of IIL.

Dr. B. Sahu, is 58 years old and is a resident of India. He holds a Master's Degree in Arts, Personnel Management and Industrial Relations and Doctorate in Management and Organizational Behaviour. He was previously employed with N.I.T.I.E and in all 32 years of experience. He is presently CEO & President of ITIL.

Mr. Shyam Sunder Sami, is 69 years old and is a resident of India. He holds a Bachelor's Degree in Arts from the University of Bombay. He is a retired senior executive of Wimco Limited and has a wide experience at a senior level in various companies like J.K. Helene Curtis Limited, Parle Products Limited, Geoffrey Manners Limited and Hindustan Unilever Limited, among others

Mr. K. Ramasubramanian, is 67 years old and is a resident of India. He holds a Master's Degree in Science from University of Kerala, a Post Graduate Diploma in Management and Diploma in Computer Science. He joined Reserve Bank of India in 1967 as a probationary officer and served in various capacities, and retired as General Manager - Foreign Exchange Department of Reserve Bank of India in 2002.

Mr. S.B. Chatterjee is 55 years old and is a resident of India. He holds a Bachelor's Degree in Commerce from the University of Pune and is Chartered Accountant and Company Secretary. He has a wide experience at a senior level in various companies. He is presently Executive Director & President-Finance of Futura.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchange with respect to corporate governance will be applicable to IIL immediately upon the listing of its Equity Shares on the Stock Exchange.

IIL has already appointed independent directors to its Board and has also constituted the Audit Committee and the Investors Grievances Committee as required by Clause 49 of the listing agreement to be entered into with the Stock Exchange.

Details are as follows:

Board of Directors	Category	Member of Audit Committee	Member of Investor Grievance Committee
Mr. S.B. Ghia	Chairman & Managing Director	Nil	Nil
Dr. B. Sahu	Independent	/Member	-
Mr. Shyam S. Sami	Independent	Chairman/Member	- Member
Mr. K. Ramasubramanian	Independent	Member	Chairman/Member
Mr. S.B. Chatterjee	Independent	Member	-

IIL undertakes to adopt the Corporate Governance Code as per Clause 49 of the listing agreement to be entered into with the Stock Exchange prior to listing.

Shareholding of Directors

Name of Director	No of Shares in Futura as on 4 th August 2008(Book Closure date)	No of Shares in IIL to be allotted as per the Scheme
Mr . S.B. Ghia	1012	470
Dr. B. Sahu	Nil	NIL

Mr. Shyam S. Sami	Nil	Nil
Mr. K. Ramasubramanian	Nil	Nil
Mr. S.B. Chatterjee	Nil	Nil

Interest of the Directors

Other than their respective shareholding as stated above, the directors of the IIL have no other interest in the IIL. Mr. S. B. Ghia is Chairman and Managing Director, but does not draw any remuneration from IIL.

Term of Office

All directors excepting Mr. Shyam B. Ghia, who is the Chairman and Managing Director are liable to retire by rotation.

Change in Board of Directors of IIL since its inception

Name of Director	Date of change
Mr. Shyam S. Sami	Appointed on August 7, 2008
Mr. K. Ramasubramanian	Appointed on August 7, 2008
Mr. S. Ramachandran	Ceased to be a Director w.e.f. 16-12-2008
Mr S.B. Chatterjee	Appointed on April 29, 2009

Key managerial personnel:

At present there are no Key Managerial personnel in the IIL other than the Chairman and Managing Director and Directors mentioned above.

Employees

At present, IIL does not have any employee

PROMOTER

Futura Polyesters Limited

Futura, who is the Promoter of IIL was incorporated in 1960, and was engaged in the business organic chemicals and subsequently diversified into Polyester Staple Fibre, PET Resin and PET Preforms business. Presently its business consists of Polyester Staple Fibre, PET Resin and PET Preforms. Its factory is located in Manali, Chennai. Futura is listed on the Bombay Stock Exchange Limited.

Further details of the Promoter company are given below:

Date of Incorporation: February 10, 1960

Principal Business: Production of Polyester Staple Fibre, PET Resin and PET Preforms

Shareholding Pattern (Pre Scheme)

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/Hindu Undivided Family	12	441228	428716	0.84	0.84	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	25	19946864	19946864	38.05	38.05	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
(e-i)								
(e-ii)								
	Sub Total(A)(1)	37	20388092	20375580	38.89	38.89	0	0.00
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00

b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Specify)	0	0	0	0	0.00	0.00	0.00
d-i								
d-ii								
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	37	20388092	20375580	38.89	38.89	0.00	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	14	159076	290	0.30	0.30	0.00	0.00
(b)	Financial Institutions / Banks	45	25821	7406	0.05	0.05	0.00	0.00
l	Central Government/ State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	6	2897119	2893651	5.53	5.53	0.00	0.00
(f)	Foreign Institutional Investors	7	93270	86058	0.18	0.18	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0				
(h)	Any Other (specify)							
(h-i)								
(h-ii)								
	Sub-Total (B)(1)	72	3175286	2987405	6.06	6.06	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	551	2883649	2790804	5.50	5.50	0.00	0.00

(b)	Individuals							
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	38676	13791602	11093414	26.31	26.31	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	199	7563216	7533800	14.43	14.43	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	16	16277	841	0.03	0.03	0.00	0.00
(c-ii)	Directors & Relatives	4	2740	2740	0.01	0.01	0.00	0.00
(c-iii)	Non resident Indians	160	1234776	1229626	2.36	2.36	0.00	0.00
(c-iv)	Clearing Member	53	133427	133427	0.25	0.25	0.00	0.00
(c-v)	Hindu Undivided families	435	938035	938035	1.79	1.79	0.00	0.00
(c-vi)	Overseas Corporate Bodies	4	2293690	0	4.38	4.38	0.00	0.00
(c-vii)	Employees	20	889	550	0.00	0.00	0.00	0.00
	Sub-Total (B)(2)	40118	28858301	23723237	55.05	55.05	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	40190	32033587	26710642	61.11	61.11	0.00	0.00
	TOTAL (A)+(B)	40227	52421679	47086222	100.00	100	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	40227	52421679	47086222		100.00	0	0.00

Shareholding Pattern (Post Scheme)

Category code	Category of Share holder	Number of Share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percent age of(A+B) ¹	As a percent age of (A+B+C)	Number of shares	As a percent age
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
(A)	Sharehold ing of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	12	441228	428716	0.84	0.84	247756	56.15
(b)	Central Governmen t/ State Governmen t(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	15	19946864	19946864	38.05	38.05	6500000	32.59
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Spe cify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	27	20388092	20375580	38.89	38.89	6747756	33.10
2	Foreign							
a	Individuals (Non- Residents Individuals/ Foreign Individuals)	0	0	0	0	0.00	0.00	0.00
b	Bodies Corporate	0	0	0	0	0.00	0.00	0.00
c	Institutions	0	0	0	0	0.00	0.00	0.00
d	Any Others(Spe cify)	0	0	0	0	0.00	0.00	0.00
	Sub Total(A)(2)	0	0	0	0	0.00	0.00	0.00
	Total Sharehold ing of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	27	20388092	20375580	38.89	38.89	6747756.00	33.10

(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	14	158976	290	0.30	0.30	0.00	0.00
(b)	Financial Institutions / Banks	44	25521	7106	0.05	0.05	0.00	0.00
(c)	Central Government / State Government(s)	0	0	0	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0.00	0.00
(e)	Insurance Companies	6	2897119	2893651	5.53	5.53	0.00	0.00
(f)	Foreign Institutional Investors	7	93270	86058	0.18	0.18	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0				
(h)	Any Other (specify)							
	Sub-Total (B)(1)	71	3174886	2987105	6.06	6.06	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	506	2878417	2785600	5.49	5.49	0.00	0.00
(b)	Individuals							
I	Individuals - i. Individual shareholders holding nominal share capital up to Rs 1 lakh	38361	13769584	11101788	26.27	26.27	0.00	0.00
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	196	7700350	7670934	14.69	14.69	0.00	0.00
(c)	Any Other (specify)					0.00	0.00	0.00
(c-i)	Trusts	17	16287	851	0.03	0.03	0.00	0.00
(c-ii)	Directors & Relatives	0	0	0	0.00	0.00	0.00	0.00
(c-iii)	Non resident Indians	161	1214736	1209586	2.32	2.32	0.00	0.00
(c-iv)	Clearing Member	38	44929	44929	0.09	0.09	0.00	0.00
(c-v)	Hindu Undivided families	448	939819	939819	1.79	1.79	0.00	0.00

(c-vi)	Overseas Corporate Bodies	4	2293690	0	4.38	4.38	0.00	0.00
(c-vii)	Employees	20	889	550	0.00	0.00	0.00	0.00
	Sub-Total (B)(2)	39751	28858701	23754057	55.05	55.05	0.00	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	39822	32033587	26741162	61.11	61.11	0.00	0.00
	TOTAL (A)+(B)	39849	52421679	47116742	100.00	100	6747756	33.10
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	39849	52421679	47116742		100.00	6747756	33.10

Board of Directors

The Board of Directors of Futura as on date is set forth below:

1. Mr. Shyam Bhupatirai Ghia, Chairman & Managing Director
2. Mr. Mukund Dharamdas Dalal, Joint Managing Director
3. Mr. Shyam Sunder Sami
4. Mr. M Saravanan (Nominee of IDBI Bank Limited)
5. Mr. K.V.K Murthy

Financial Performance:

(Rs. in Lacs, except per share data which is in Rs.)

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
As at 31st March			
Net Sales	41,362.76	37,888.38	37,784.29
Other income	1,295.89	1,051.59	945.93
Profit / (Loss) after tax	1,127.78	(936.53)	(1,386.87)
Equity Share Capital	5,242.17	5,242.17	5,242.17
Reserves & Surplus	22,213.93	18,019.97	15,775.53
Book Value (Rs.)	24.95	22.07	19.36
EPS per Share of Rs. 10 (Rs.)	2.15	(1.79)	(2.65)

Details of listing and Highest & Lowest market price during the preceding six months:

Futura's shares are listed on BSE. The details of the highest and lowest price of Futura during the preceding six months are as follows:

Month	Highest (Rs.)	Lowest (Rs.)
July 2010	10.93	7.82
August, 2010	9.15	7.11
September, 2010	10.71	7.26
October, 2010	11.01	7.88
November, 2010	10.97	7.55
December, 2010	9.40	7.54
January, 2011	8.93	8.60

*Source: BSE website

There was change in Authorized Capital of Futura from 5,40,00,000 Equity Shares of Rs. 10/- each and 1,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 5500 Lacs to 7,90,00,000 Equity Shares of Rs. 10/- each and 1,00,000 Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 8000 Lacs during last six months

Authorised Share Capital of Futura has been reclassified from 7,90,00,000 equity shares of Rs.10/- each aggregating to Rs.79,00,00,000/- to 6,00,00,000 equity shares of Rs.10/- each aggregating to Rs.60,00,00,000/- and from 100,000 Cumulative Redeemable Preference shares of Rs.100/- each aggregating to Rs.1,00,00,000/- to 20,00,000 Non cumulative Redeemable preference shares of Rs.100/- each aggregating to Rs.20,00,00,000/-

GROUP COMPANIES:**BHUPATI INVESTMETNS & FINANCE PRIVATE LIMITED****Brief History :**

Bhupati Investments & Finance Private Limited was incorporated on November 8, 1974 under the Companies Act, 1956 having its registered Office at B-34/35, 3rd Floor, Paragon Condominium, Pandurang Budhkar Marg, Worli, Mumbai – 400 013. The Company's shares are not listed on any Stock exchange in India .

Nature of activities :

The Company was incorporated with the main object of investment in securities and lending of funds.

Board of Directors as on March, 31 2010 :

Names	Position
Mrs. Rajul S. Ghia	Chairperson and Director
Mrs. Vishakha D. Ghia	Director
Mr. Paresh B. Parekh	Director
Mr. Rusi H. Patel	Director
Mr. Sunil P. Sheth	Director

The Company has not availed any loan/overdraft facilities from Banks or Financial Institutions.

Shareholding Pattern :

Name of the Shareholders	No. of shares holding	Percentage of Total
Mr. Nikhil S. Ghia	1,665	5.80%
Bodies Corporate	19,165	66.73%
Foreign Bodies Corporate	7,890	27.47%
Total	28,720	100.00%

Financial Performance :

Particulars	For the Financial Year ended March 31		
	2008 (Rs. in Lacs	2009 (Rs. in Lacs	2010 (Rs. in Lacs
Total Revenue	440.63	570.40	306.04

Profit After Tax	357.64	484.15	244.20
Equity Share Capital	28.72	28.72	28.72
Reserves (excluding Revaluation reserves)	4,483.63	4,974.82	5,256.22
Networth	4,513.85	5,005.04	5,286.44
EPS per share of Rs. 100 (Rs.)	1,347.11	1,685.02	849.53
NAV per share of Rs. 100 (Rs.)	15,716.75	17,427.02	18,401.59

Note : There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

BLOOMINGDALE INVESTMENT & FINANCE PRIVATE LIMITED

Brief History

Bloomingdale Investment & Finance Private Limited was incorporated on July 25, 1986 under the Companies Act, 1956, having its registered office situated at Rahejas, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai-400054. The shares of Bloomingdale Investment & Finance Private Limited are not listed on any of the stock exchanges in India

Nature of Activities

The company was incorporated with the main object of carrying on the business as an investment and finance company including venture funding, seed capital funding, underwriting and dealing in securities.

Board of Directors

The Board of Directors of Bloomingdale Investment & Finance Private Limited consists of

Name	Position
Mr. Rajan Raheja	Director
Mr. Akshay Raheja	Director
Mr. Viren Raheja	Director
Mrs. Suman Raheja	Director

Shareholding pattern:

The shareholding pattern of this company is as under

Name of the Shareholder	No. of Shares Held	% Holding
Crescent Property Developers Pvt Ltd	14850	33.00
Sea Side Exports Pvt Ltd	15075	33.50
Prerna Builders Pvt Ltd	15075	33.50

Total	45,000	100.00
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Financial performance:

Rs. in lacs

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
Total Revenue	313.35	162.52	706.62
Profit After Tax	306.15	153.26	700.15
Equity Share Capital	45.00	45.00	45.00
Reserves (excluding revaluation reserves)	7931.34	8084.60	8784.75
Net worth	7976.34	8129.60	8829.75
EPS per Share of Rs. 100 (Rs.)	680.34	340.57	1555.88
NAV per Share of Rs. 100 (Rs.)	17721.75	18065.78	19621.66

MATSYAGANDHA INVESTMENTS & FINANCE PRIVATE LIMITED

Brief History

Matsyagandha Investments & Finance Private Limited was incorporated on June 04, 1990, under the Companies Act, 1956, having its registered office situated at Rahejas, Corner of Main Avenue & V.P. Road Santacruz (West), Mumbai-400054. The shares of Matsyagandha Investments & Finance Private Limited are not listed on any stock exchange in India.

Nature of Activities

The company was incorporated with the main object of carrying on the business as an investment and finance Company including venture funding, seed capital funding, underwriters and dealing in securities.

Board of Directors

The Board of Directors of Matsyagandha Investments & Finance Private Limited, consist of

Name	Position
Mr. Rajan Raheja	Director
Mr. Akshay Raheja	Director
Mr. Viren Raheja	Director
Mrs. Suman Raheja	Director

Shareholding pattern:

The shareholding pattern of this company is as under

Name of the Shareholder	No. of Shares Held	% Holding
Raheja Family	5,010	33.38
Bodies Corporate	10,000	66.62

Total	15010	100.00
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Financial performance:

Rs. in lacs

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
Total Revenue	138.43	71.48	455.68
Profit After Tax	128.79	61.34	445.30
Equity Share Capital	15.01	15.01	15.01
Reserves (excluding revaluation reserves)	3662.49	3723.84	4169.13
Net worth	3677.50	3738.85	4184.14
EPS per Share of Rs. 10 (Rs.)	858.05	408.68	2966.66
NAV per Share of Rs. 10 (Rs.)	24500.35	24909.03	27875.70

R. RAHEJA PROPERTIES PRIVATE LIMITED

Brief History

R. Raheja Properties Private Limited was incorporated on August 17, 1981 under the name of Gokul Construction Company Private Limited and later on its name was changed R Raheja Properties Private Limited with effect from January 04, 2008, under the Companies Act, 1956, having its registered office situated at Rahejas, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai-400 054. The shares of R. Raheja Properties Private Limited are not listed on any stock exchanges in India.

Nature of Activities

The company was incorporated with the main object of carrying on construction and investment activities

Board of Directors

The Board of Directors of R. Raheja Properties Private Limited

Name	Position
Mr. Rajan Raheja	Director
Mr. Akshay Raheja	Director
Mr. Viren Raheja	Director
Mrs. Suman Raheja	Director

Shareholding Pattern

The shareholding pattern of this company is as follows:

Name of the Shareholder	No. of Shares Held	% Holding
Raheja Family	5,010	33.38

Bodies Corporate	10,000	66.62
Total	15010	100.00

Financial Performance

The financial performance of this company for last three years is as below

Rs. in lacs

Particulars	For the Financial Years Ended March 31		
	2008	2009	2010
Total Revenue	671.14	29.19	367.78
Profit/(Loss) After Tax	397.02	(8.53)	348.78
Equity Share Capital	15.01	15.01	15.01
Reserves (excluding revaluation reserves)	4120.83	4112.30	4461.07
Net worth	4135.84	4127.31	4476.08
EPS per Share of Rs. 100 (Rs.)	2645.06	(56.83)	2323.65
NAV per Share of Rs. 100 (Rs.)	27545.87	27486.89	29820.69

SUBSIDIARIES OF IIL

IIL has no subsidiary company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT OF IIL

Since incorporation on February 15, 2008, IIL as of date has no activity other than the equity holding in ITIL and therefore there is no significant issue required to be discussed in Management Discussion & Analysis Report. On the activities/business of ITIL, there is a separate Management Discussion and Analysis Report given on Page No.69 to 72

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Save as stated hereunder:

- There are no outstanding or pending material litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified paragraph (I) of Part 1 of Schedule XIII of the Companies Act) or litigation for tax liabilities against the Company, its Promoters, Directors or Promoter Group companies.
- There are no material defaults, non payments or over dues of statutory dues, institutional or bank dues or dues towards holders of debentures, bonds and fixed deposits and arrears of preference shares.

Against the Promoter Company(Futura)

Cases filed against Futura:

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount of claim involved (Rs. in lacs)
1.	Ganan Industrial Sales and Services Limited (the "Plaintiff") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Defendant")	High Court of Judicature at Bombay	Suit number 3841 of 1995	This suit has been filed by the Plaintiff for the recovery of Rs. 41,70,062 arising out of alleged default in payment of agency commission by the Defendant for the canvassing services rendered by the Plaintiff.	41.70 and 18% interest per annum on the principal amount of Rs. 9,06,371 till payment or Realisation.
2.	Canara Bank (the "Plaintiff") v/s Indian Organic Chemicals Limited [now Futura polyesters Limited] and M/s Atul Transport Company (the "Defendants")	High Court of Judicature at Bombay	Suit number 4287 of 1994	This suit has been filed by the Plaintiff for the recovery of Rs. 3,24,823 arising out of alleged default in payment by the Defendant No.1 to the Plaintiff for the goods sold and delivered to the Defendant no. 1 by the Defendant No. 2 under the 11 supply bills discounted with and purchased by the Plaintiff.	3.25 and 18% interest per annum on the principal amount of Rs. 2,36,100 till the date of payment or realization.
3.	Bank of India (the "Applicant") v/s M/s. Enarai Finance and others including Futura Polyesters Limited as Defendant no. 5 (the "Defendants")	Debt Recovery Tribunal, Pune	Original Application number 413 P 2001	This suit has been filed as per the provisions of Recovery of Debts due to Banks and Financial Institutions Act. The Applicant has filed a suit against Enarai Finance Limited. Futura Polyesters Limited (Defendant No. 5) had availed lease finance facilities from Enarai Finance Limited for its plant in Chennai. The repayment of lease finance facilities was scheduled to be distributed in 18 installments of Rs. 14.12 lacs together with an amount of Rs 1.5 crores commencing from July 1997 to August 2002. Defendant No. 5 has fully discharged its liability to Enarai Finance	No monetary liability for our Company

				Limited and has therefore contested the claim made by the Plaintiff.	
4.	R.K. Gupta (the "Plaintiff") v/s Futura Polyesters Limited through Mr. S.B.Ghia, Mr. S. Rangarajan, Mr. M.D. Dalal and Mr. R.B. Raheja (the "Defendants")	Court of District Judge, Tis Hazari Courts, Delhi	Suit number 266 of 2007	This suit has been filed by the Plaintiff for declaration and the recovery of Rs. 7,50,000 arising out of the alleged unfair dismissal of the Plaintiff by the Defendant Company	7.50 and 12% interest per annum till the date of payment or realization

Tax Cases filed against Futura:

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount of claim involved (Rs. in lacs)
1.	Commercial Tax Officer, Chennai (the "Assessor") v. Futura Polyesters Limited (the "Assessee")	Commercial Tax Officer, Chennai	Assessment number 49999 for the Assessment Year 2002-2003	This notice of demand dated March 12, 2008 is issued by the Assessor imposing a penalty of Rs. 14,906. The Assessor <i>vide</i> the notice of demand has imposed penalty and interest on sales tax under Section 12(3)(c) of the Tamil Nadu General Sales Tax, 1959 read with Section 9(2-A) of Central Sales Tax Act, 1956 for the alleged delay in payment of sales tax and filing of monthly returns	0.15
2.	Commercial Tax Officer, Chennai (the "Assessor") v. Futura Polyesters Limited (the "Assessee")	Commercial Tax Officer, Chennai	Assessment number 1080067 for the Assessment Year 2002-2003	The Assessor has issued the present notice of demand dated March 12, 2008 for the alleged non-payment of additional tax amounting to Rs. 10,86,499 under Section 2(1)(aa) of the Tamil Nadu Additional Sales Tax, 1970.	10.86
3.	Commercial Tax Officer, Manali v/s. Futura Polyesters Limited	Sales Tax Appellate Tribunal	NA	The Commercial Tax Officer states that the interest collected from the customers for late payment and for the credit period is chargeable to sales tax and the same has to be paid by our Company.	5.00
4.	Commercial Tax Officer, Manali v/s. Futura Polyesters Limited	Sales Tax Appellate Tribunal	NA	The differential sales tax is demanded on the raw material purchased within the state and the finished goods (manufactured from the raw material so purchased) sold outside the state.	9.00

Cases filed against Futura - Export related :

Sr. No.	Parties	Authority before which pending	Show Cause Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount involved (Rs. in Lacs)
1.	Foreign Trade Development Officer v/s Indian Organic Chemicals Limited [now	Officer of Joint Director General of Foreign Trade	Show cause notice number 0301002000 93AM09/20	It has been alleged that our Company has not utilised the goods imported against the export license. It has been further alleged that the license has been obtained on the basis of misrepresentation and mis-declaration	Not quantifiable

	Futura Polyesters Limited], Mr. Shyam Bhupatirai Ghia , Sharad Shreepad Marathe, Nikhil Ghia and Mukund Dharamdas Dalal (the "Company")			of facts. Our Company has been asked to justify why an action to impose fiscal penalty should not be taken on our Company and its directors under Section 11 of the Foreign Trade (Development and Regulation) Act, 1992.	
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Income-tax Cases filed against Futura

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding
1.	The Assistant Commissioner of Income Tax, Chennai (the "Appellant") v/s Futura Polyesters Limited (the "Respondent")	Income Tax Appellate Tribunal, Chennai	Appeal numbers 357, 358, 359 and 360 of 2008 for the Assessment Years 1998-1999, 1999-2000, 2000-2001 and 2001-2002.	These Appeals have been filed against order dated October 31, 2007 passed by the Commissioner of Income Tax (Appeals) holding that the relief under section 80HHC of the Income Tax Act, 1961 has to be computed on the basis of book profits as against the normal computation of income.

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding
1	Commissioner of Income Tax, Mumbai (the "Appellant") v/s Futura Polyesters Limited (the "Respondent")	High Court of Judicature at Bombay	Income Tax Appeal number 949 of 2007 for the Assessment Years 1985-86, 1986-87 and 1987-88	This appeal has been filed against the order dated August 25, 2006 passed by Income Tax Appellate Tribunal holding that the sales tax set-off does not come under the purview of Section 43B of the Income Tax Act, 1961. Further, the Appellant has raised questions of law on the scope and correct interpretation of Section 43B of the Income Tax Act, 1961 and the jurisdiction of the Tribunal in setting aside the disallowance of the sales tax set off made by the Assessing Officer under Section 43B of the Income Tax Act, 1961
2	Deputy Commissioner of Income Tax, Mumbai (the "Appellant") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Respondent")	Income Tax Appellate Tribunal, Mumbai	Appeal number 1179/Mum/1998 for the Assessment Year 1994-95	This appeal has been filed against the order dated November 28, 1997 passed by the Deputy Commissioner of Income Tax (Appeal), Mumbai on the following grounds: <ol style="list-style-type: none"> 1. Allowance of the Respondent's claim of Guest House expenses; 2. Allowance of proportionate premium on redemption of debentures; 3. Disallowance of the MODVAT addition.
3	Deputy Commissioner of Income Tax, Mumbai (the "Appellant")	Income Tax Appellate Tribunal, Mumbai	Appeal number 3799/Mum/1994 for the Assessment Year 1990-91	This appeal has been filed against the order dated March 11, 1994 passed by the Deputy Commissioner of Income Tax (Appeal) on the following grounds: <ol style="list-style-type: none"> 1. Allowance of relief of Rs. 348,573 out of the

	"Appellant") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Respondent")			total disallowance of Rs. 8,06,634 under Section 37(4) of the Income Tax Act, 1961; 2. Allowance of relief of Rs. 1,62,924 out of the total disallowance of Rs. 549,383 under Rule 6D of the Income Tax Rules and 3. Disallowance of the addition made to part provision against premium on debentures Rs. 29,82,141.
4	Commissioner of Income Tax, Mumbai (the "Appellant") v/s Indian Organic Chemicals Limited [now Futura Polyesters Limited] (the "Respondent")	High Court of Judicature at Bombay	Appeal number 1614 of 2005 for the Assessment Year 1997-98	This appeal has been filed against the order dated April 1, 2005 passed by the Income Tax Appellate Tribunal. The Commissioner of Income Tax through this Appeal has sought the opinion of the High Court of Bombay, whether Income Tax Appellate Tribunal was right in confirming the decision of the Commissioner of Income Tax (Appeals) on the allowance of depreciation not claimed by the Respondent.
5	Futura Polyesters Ltd v/s Assistant Commissioner of Income Tax 5(1) Mumbai	High Court of Judicature at Bombay	Appeal number WP/1794/2010 of 2010 for the assessment Year 2007-2008	This writ Petition has been filed seeking to challenge the constitutional validity of Notice received u/s.154/155 of the I.T.Act 1961 seeking to open assessments u/s section 115JB with respect to deferred tax and the provisions there to inserted by Finance Act 2008 with retrospective effect from assessment year 2001-2002.

Labour Cases filed against Futura:

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount claimed (Rs. in Lacs)
1.	A. Manoharan - Petitioner. Complaint 01/07. SRR appeared the case as AR. Since party in person (Principal Labour court) No advocate. Claim of reinstatement and back wages.	Complaint 01.07 Principal Labour Court, Chennai.	Complaint 01.07	But he says that he filed SLP in SC to stall the proceedings in LC. No proof for filing is submitted. He has not attended the case from 12/08. We have to pray to dismiss the case and monthly payment request which was stopped by us.	Rs.517335.00
2.	Kamaraj Case ID 250/05 II Additional Labour Court (JJ). Claim of reinstatement and back wages.	ID 250 / 05 II Additional Labour Court, Chennai .	ID 250/05	Case posted for argument regarding preliminary objection.	Rs.567515.00

3.	Pethurajan case ID 122/06 in I Additional Labour court posted for cross examination on 19.05.09 (JJ). Claim of reinstatement and back wages.	ID 122 / 06 I Additional Labour Court, Chennai.	ID 122/06	Case is further posted.	Rs.495604.00
4.	N.C. Kuttralam Pillai case (JJ). Claim of reinstatement and back wages.	ID 832 / 1993	ID 832 / 1993 Principle Labour Court	The I Additional Labour Court ordered Rs. 6 lacs as compensation. Reinstatement rejected. We have to challenge before HC.	Rs.600000.00
5.	Sathangadu Lake Case PIL WP 15466/07 – HC	W. P. No. 15466 / 07 Madras High Court	WP 15466/07 – HC	As a respondent (FPL) we are challenging the case. The case has not reached in many times even it is listed for many times. Counter affidavit to be filed.	Not Quantable
6	Demolition of compound wall case TVT / Municipality (East side) MSK / JJ. Encroachment by the Company	W. P. No. 18873 / 08 Madras High Court WMP No.01 / 08	W. P. No. 18873 / 08	We got stay order from HC against TVT / MC. Order main case not yet listed.	Not Quantable
7	Vacant Land Tax case in HC by CSTPU – (MSK / JJ).	Madras High Court W. P. No.30333 and 30334 of 2008	W. P. No.30333 and 30334 of 2008	The demand notice of CSTPU (Chinnasekkadu Town Panchayat Union) was stayed by HC. - in our writ petition against the order.	Rs.15127080.00
8	Radha Venkataraman / Guest house case CS 751/09 in High Court. Arrears of rent paid as per the direction.	Madras High Court CS 751 / 2007	CS 751 / 2007	We had already paid arrears of rent as per SC/HC order. Claiming interest for delayed payment. We are opposing the same . The case is pending.	Rs.25000.00
9	Canteen contract employees case (old case 1991) – High court	CMP 16301 / 2000 in W. A. 1870 / 2000 Madras High Court	CMP 16301 / 2000 in W. A. 1870 / 2000	CITU Union – filed a case for absorption of canteen employees into our company roll. The TN Govt / GO in our favour was challenged by the union. Absolute / Permanent stay is there against the HC order. We had withdrawn the writ appeal. Matter closed in High Court.	Not Quantable

Central Excise Cases filed against Futura

Sr. No.	Parties	Authority before which pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/Proceeding	Amount claimed (Rs. in Lacs)
1.	Show Cause Notice issued by Assistant Commissioner	Assistant Commissioner of Central Excise, Chennai	Show Cause Notice number 365 of 1997	Our Company through this show cause notice dated March 26, 1997 has been asked to justify why a sum Rs. 13,33,828.91 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	13.33
2.	Show Cause Notice issued by Superintendent of Central Excise	Superintendent of Central Excise Chennai	Show Cause Notice number 412 of 1999	Our Company through this show cause notice dated June 4, 1999 has been asked to justify why a sum Rs. 7,99,418.64 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	7.99
3.	Show Cause Notice issued by Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Cause Notice number 365 of 2000	Our Company through this show cause notice dated July 4, 2000 has been asked to justify why a sum Rs. 1,94,498 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	1.94
4.	Show Cause Notice issued by Additional Director of Anti-Evasion	Directorate General of Anti-Evasion (Central Excise), Chennai	Show Cause Notice number 39 of 2000	Our Company through this show cause notice dated September 2, 2000 has been asked to justify why a sum of Rs. 19,50,46,129 being duty concession which is alleged to have been wrongly availed should not be demanded under Section 11A Central Excise Act, 1944 .	1950.46
5.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise	Show Cause Notice number 6 of 2000	Our Company through this show cause notice dated January 4, 2000 has been asked to justify why a sum Rs. 2,37,904.16 which is alleged to have been utilised in contravention of Rule 57C of Central Excise Rules, 1944 should not be demanded.	2.37
6.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Cause Notice number 469 of 2001	Our Company through this show cause notice dated September 7, 2001 has been asked to justify why a sum Rs. 4,33,753 which is alleged to have been availed in contravention of Rule 57AD of Central Excise Rules, 1944 should not be recovered.	4.33
7.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Assistant Commissioner of Central Excise, Chennai.	Show Cause Notice number IV/16/41/2001 – Adj	Our Company through this show cause notice dated May 7, 2000 has been asked to justify why the benefit of concessional rates of duty should not be denied for non-fulfillment of the net foreign exchange earning as a percentage of exports and a consequential differential duty of a sum of Rs. 7,70,87,818 should not be demanded under Section 11A Central Excise Act, 1944.	770.88
8.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Notice number 413 of 2002	Our Company through this show cause notice dated July 11, 2002 has been asked to justify why the disallowance of Rs. 1,71,89,579 should be permitted under Rule 12 of the Cenvat Credit Rules, 2001	171.90

9.	Show Cause Notice issued by the Superintendent of Central Excise	Superintendent of Central Excise, Chennai	Show Cause Notice number 106 of 2002	Our Company through this show cause notice dated February 20, 2002 has been asked to justify why Rs. 2,78,28,745.50 should not be disallowed out of the credit of Rs. 5,56,57,491 under Rule 12 of the Cenvat Credit Rules 2001. Further, our Company has been asked to justify why the penalty which the show cause notice proposes to impose should not be levied on it.	278.29
10.	Show Cause Notice issued by the Superintendent of Central Excise	Assistant Commissioner of Central Excise, Chennai	Show Cause Notice number 30 of 2002	Our Company through this show cause notice dated January 21, 2002 has been asked to justify why a sum Rs. 3,89,686 which is alleged to have been availed in contravention of Rule 57AD of Central Excise Rules, 1944 should not be demanded.	3.90
11.	Commissioner of Central Excise (Appeals) (the "Appellant") v/s Indian Organic Chemicals Limited (the "Respondent")	Customs, Excise and Service Tax Appellate Tribunal, Chennai	Appeal number E/305/2006	This appeal has been filed against the order-in-appeal number 02 of 2006 dated January 16, 2006 passed by the Commissioner of Central Excise (Appeals) wherein payment of Rs. 43,74,354 has been imposed as Cenvat credit on furnace oil is not eligible to be availed and a penalty of Rs. 10,00,000 has been imposed for credit availed under Rule 13 of the Central Excise Rules, 1944.	53.74
12.	Commissioner of Central Excise Chennai (the "Appellant") v/s Indian Organic Chemicals Limited and Customs, Excise and Service tax Appellant Tribunal, Chennai (the "Respondent")	High Court of Judicature at Madras	CM appeal number 1641 of 2005	This appeal is filed against the final order number 1018 of 2003 dated November 28, 2003 passed by the Customs, Excise and Service Tax Appellate Tribunal, Chennai. The Appellant has alleged that the first respondent has suppressed the fact of supplying steam to Futura Industries Limited Further the Appellant has alleged that the first respondent has fraudulently evaded the excise duty by concealing the supply of steam to Futura Industries Limited.	1.81
13.	Commissioner of Central Excise, Chennai (the "Appellant") v/s M/s Futura Fibres, Futura Polymers (the "Respondent")	Supreme Court of India	Civil appeal number 427-428 of 2006	These civil appeals are filed against the impugned final orders 1000 and 1001 of 2004 dated November 18, 2004 passed by the Customs, Excise and Service Tax Appellate Tribunal ("CESTAT") holding that the demand of Rs. 470,178 is not affected by the amendments made to Section 65 by Parliament under Section 116 of the Finance Act, 2000. The appeal is filed on the grounds that the CESTAT failed to consider that a combined reading of Section 116 and 117 of the Finance Act, 2000 makes the respondent to pay service tax as per Section 66 of Finance Act, 1994. The Appellant has therefore prayed for the admission and allowance of the appeal against the final order number 1000 and 1001 of 2004 dated November 18, 2004.	4.7

14.	Show Cause Notice issued by the Additional Commissioner of Central Excise	Office of the Commissioner of Central Excise, Chennai	Show Cause Notice Number V/15/55/45/2007-Adj	Our Company through this show cause dated August 23, 2007 has been asked to justify why a sum of Rs. 36,14,972 alleged to have been availed as service tax credit on outward transport of finished goods for the period from May 2005 to 2007 under Rule 14 of the Cenvat Credit Rules read with proviso to Section 11A of the Central Excise Act, 1944 should not be levied	36.14
15.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Office of the Assistant Commissioner of Central Excise, Chennai	Show Cause Notice Number IV/16/60/2007-Adj.	Our Company through this show cause notice dated December 27, 2007 has been asked to justify why a sum Rs. 2,49,407 which is alleged to have been availed as service tax credit on outdoor catering service for the period from December 2006 to February 2007 under Section 65 (76 a) of the Finance Act, 1994 should not be demanded under Rule 14 of the Cenvat Credit Rules, 2004 read with the extended proviso to Section 11A of the Central Excise Act, 1944.	2.49
16.	Show Cause Notice issued by the Additional Commissioner of Central Excise	Office of the Commissioner of Central Excise, Chennai	Show Cause Notice number V/15/55/3/08 Adj	Our Company through this show cause notice dated February 26, 2008 has been asked to justify why a sum of Rs. 8,44,718 which is alleged to have been availed as service tax credit on outdoor catering service for the period from March 2007 to December 2007 under Section 65 (76 a) of the Finance Act, 1994 should not be demanded under Rule 14 of the Cenvat Credit Rules, 2004 read with the extended proviso to Section 11A of the Central Excise Act, 1944.	8.44
17.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Office of the Commissioner of Central Excise, Chennai	Show Cause Notice number V/16/16/2008-Adj	Our Company through this show cause notice dated March 19, 2008 has been asked to justify why a sum of Rs. 53,214 availed as service tax credit on outdoor catering service under Section 65 (76 a) of the Finance Act, 1994 should not be demanded under Rule 14 of the Cenvat Credit Rules, 2004 read with the extended proviso to Section 11A of the Central Excise Act, 1944	0.53
18.	Show Cause Notice issued by the Assistant Commissioner of Central Excise	Office of Commissioner of Customs, Chennai	Show Cause Notice number S4/47/2005-Bonds	Our Company through this show cause notice dated February 8, 2005 was asked to justify the following: (a) The grounds for not treating M/s Futura Polymers and M/s Futura Preforms as related persons in terms of Rule 2(2) of the Customs Valuation Rules; (b) The grounds for not levying Rs. 30, 48, 175 as differential duty (C) The grounds for not the levying penalty under the Central Excise Rules	30.48
19.	Commissioner of Central Excise v/s. Futura Polyesters Limited	Supreme Court of India	C.A.No. 4522/2003	The department of Central Excise has filed an appeal before the Supreme Court of India against the order passed by CEGAT. The Commissioner of Central Excise claimed 50% concessional duty on goods transferred from EOU to DTA on the aggregate of all duties payable by EOU, Our Company has paid the duty on 50% on each of such duties payable by EOU.	121

20.	Superintendent of Central Excise v/s. Futura Polyesters Limited	Additional Commissioner of Central Excise,	NA	Superintendent of Central Excise claims that the preforms divisions can claim only 50% of Central Value added Tax (CENVAT) in respect of goods supplied to preforms division from EOU.	17.83
21.	Superintendent of Central Excise v/s. Futura Polyesters Limited	Central Excise Service Tax Appellate Tribunal	NA	The Superintendent of Central Excise has appealed against the order of the Commissioner of Central Excise, which allowed our Company to be entitled to CENVAT credit on purchase of furnace oil used for generation of steam diverted to EOU.	8.00
22.	Superintendent of Central Excise v/s Futura Polyesters Limited	High Court of Judicature at Madras	RCP number 32 of 2000	The Superintendent of Central Excise has appealed against order of Commissioner of Central Excise, which allowed our Company to be entitled to input credit in respect of polyester staple fibre supplied to ultimate exporter.	3.68
23.	Superintendent of Central Excise v/s Futura Polyesters Limited	High Court of Judicature at Madras	RCP number 37 of 2001	The Superintendent of Central Excise has appealed against order of Commissioner of Central Excise, which allowed our Company to be entitled to input credit in respect of polyester staple fibre supplied to ultimate exporter.	2.15

There is no outstanding litigation against IIL.

Since IIL has no employees, there is no outstanding litigation against IIL by its employees or by IIL against its employees.

Against Directors of IIL

There are no litigation against directors of IIL except the following :

a) Against Dr. B. Sahu, Director

Criminal Compliant No.4984/06 has been filed against Dr. B Sahu, Director in the Court of JMFC, Lucknow by one M/s. Esscee Biotech Pvt. Ltd. u/s 406/420/467/468/469/120-B of the Indian Penal Code for offences relating to theft of chemical formulas and secrets of the Complainant and inducing employees by giving monetary benefits to take up employment in ITIL. Also refer Page no 78 regarding Civil Case filed by Chemgenes Corporation, Inc, Massachussettes, U.S.A., along with Ess Cee Biotech Pvt. Ltd., of India in the Suffolk, County Court, Massachussettes, USA.

b) Against Mr. S. B. Ghia, Director

One of the ex-employees of Futura, viz. Mr. R.K. Gupta filed a Suit in the Court of District Judge, TIS Hazari Courts, Delhi (Suit No.266 of 2007) against Futura and some of its Directors, including Mr. S. B. Ghia. In the Suit Mr. R.K. Gupta has claimed for recovery of Rs.7,50,000 from Futura towards incentive payment and also declaration against alleged dismissal from Futura. Also refer Page no 78 regarding Civil Case filed by Chemgenes Corporation, Inc, Massachussettes, U.S.A., along with Ess Cee Biotech Pvt. Ltd., of India in the Suffolk, County Court, Massachussettes, USA.

GOVERNMENT APPROVALS

IIL has received the Certificate of Incorporation and Certificate of commencement of business from Registrar of Companies(Maharashtra) . Except the above, no other government license/approval is required by IIL to carry on its business activity.

OTHER REGULATORY DISCLOSURES

Stock Market Data for Equity Shares of IIL

Equity Shares of IIL are not listed on any stock exchange. IIL is seeking approval for listing in BSE of its shares through this Information Memorandum.

Particulars Regarding Previous Public or Rights Issues during the Last Five Years

IIL has not made any previous public or rights issue during the last five years. There is no issue of shares otherwise than for cash excepting shares issued under the Scheme sanctioned by the High Court and there are no outstanding debentures and redeemable preference shares. There has been no revaluation of assets of IIL.

Companies under the Same Management

There are no companies under the same management of IIL within the meaning of Section 370(1B) of the Companies Act..

Disclosure on negative net worth/winding up/sick/BIFR/disassociation/strike off from ROC

There is no group company of IIL having a negative net worth or under winding up or a sick company or under BIFR. Further, IIL has not disassociated from any such company. Further, none of group companies of IIL have applied for striking off their name from the RoC.

DIVIDEND POLICY

The first Financial year of incorporation of IIL, ended on March 31, 2008. As such, no dividend on equity shares of IIL has been declared. Dividends, if any, will be declared at the Annual General Meeting of the shareholders based on a recommendation by the Board. The Board may recommend dividends, at its discretion, to be paid to the members of IIL.

FINANCIAL INFORMATION

Innovassynth Investments Limited

AUDITORS' REPORT

The Board of Directors,
Innovassynth Investments Limited,
Paragon Condominium,
Pandurang Budhkar Marg,
Mumbai-400 013

- 1.0 We have examined the Books of Account of **Innovassynth Investments Limited** for the period ended on 31st March 2008 , for the year ended 31st March 2009, 31st March 2010 and for the six Months ended on 30th September 2010 being the last date up to which the accounts of the Company, have been made up. We have also examined the accompanying 'Statement of Adjusted Assets and Liabilities' as on that dates, Profit and Loss Account as on that dates read together with the Notes thereon enclosed as Annexure – "I" and Cash-flow statement as on that dates enclosed as Annexure – "VI". These statements reflects the "Assets and Liabilities" as extracted from the Balance Sheet as at 31st March 2008, 2009,2010 and 30th September, 2010 and summary of Profit and Loss Account extracted from the Profit and Loss Account for the period ended 31st March, 2008, for the year ended 31st March 2009, 31st March 2010 and for the period ended on 30th September 2010 audited by us, .
- 2.0 The summary of significant accounting policies adopted by the Company is enclosed as Annexure-"II" to this report.
- 3.0 We have examined the Statement of "Accounting Ratios" and "Capitalization Statement" of the Company for the period ended 31st March, 2008, for the year ended 31st March 2009, 31st March 2010 and for the period ended on 30th September 2010 enclosed as Annexure'-III' and Annexure'-IV' to this report and confirm that they have been correctly computed from the figures as stated in the 'Statement of Adjusted Assets and Liabilities' of the Company referred to paragraph 1 above and read with the notes appended in Annexure-II.
- 4.0 We have examined the Statement of "Capitalization Statement" of the Company for the period ended on 30th September 2010 enclosed as Annexure - 'IV'.
- 5.0 This report is being issued by us for the purpose of incorporating the same in the 'Information Memorandum' to be issued to the Stock Exchange Authorities in India.

For N.M. Raiji and Co,
Chartered Accountants
Firm Registration No.108296 W

CA. Y.N. Thakkar
Partner
Membership No. 33329

Dated: 4th January, 2011
Place: Mumbai

Annexure – I

Summary of adjusted Assets and Liabilities

Particulars		Rupees			
		As at 30/09/2010	As at 31/03/2010	As at 31/03/2009	As at 31/03/2008
A.	Fixed Assets:	0	0	0	0
	Gross Block	0	0	0	0
	Less: Depreciation	0	0	0	0
	Net Block	0	0	0	0
	Less: Revaluation Reserve	0	0	0	0
	Net Block after adjustment For Revaluation Reserve	0	0	0	0
B.	Investments	238,500,700	238,500,700	238,500,700	0
C.	Current Assets, Loans and Advances				
	Inventories	0	0		0
	Sundry Debtors	0	0		0
	Cash and Bank Balances	183,330	394,841	185,576	228,557
	Loans and Advances	30,575	10,015	0	0
	Deferred Tax Asset	0	0	0	0
	Total	213,905	404,856	185,576	228,557
D	Liabilities and Provisions				
	Secured loans	0	0	0	0
	Unsecured loans	1,300,000	1,000,000	0	0
	Current Liabilities and Provisions	112,048	27,663	16,545	0
	Total	1,412,048	1,027,663	16,545	0
E	Profit and Loss Account Debit Balance	1,698,143	1,122,807	330,969	0
F	Net Worth (A+B+C-D+E)	239,000,700	239,000,700	239,000,700	228,557
G	Represented by				
	1. Share Capital	238,780,350	238,780,350	238,780,350	500,000
	2. Reserves	220,350	220,350	220,350	0
	Less: Revaluation Reserve	0	0	0	0
	Reserves (Net of Revaluation Reserves)	220,350	220,350	220,350	0
	Total	239,000,700	239,000,700	239,000,700	500,000
H	Misc. Expenditure Up to the Extent not w/off	0	0	0	271,443
I	Net worth (G-H)	239,000,700	239,000,700	239,000,700	228,557

Annexure II

NOTES FORMING PARTS OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

A System of Accounting

The financial statements are prepared under Historical cost convention on an accrual basis

B Investments

Investments being long term are stated at cost less diminution in the value of Investments if any.

C Taxes on Income

- (a) Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

- (b) Deferred Tax Provision: Deferred Tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred Tax Assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realised.

2. Other Provision of Paragraph 4 (C) of part II of Schedule VI of the Companies Act, 1956 Are not applicable.

3. List of Related Parties and Key Management Personnel (As Certified by Management)

Sr.no.	Name	Nature of Relationship
1	Innovassynth Technologies (India) Ltd. (IIL)	Mr. S.B. Ghia and Mr Shyam S. Sami are Common Directors. IIL holds 32.22% of paid up capital of ITIL.
2	Futura Polyesters Ltd.	Mr. S.B. Ghia and Mr Shyam S. Sami are Common Directors. Mr. S.B. Ghia Common Managing Director, Key Management Personnel

Related Party Transactions:

Sr.no.	Nature of Transaction	Company in which Key Management Personnel have significant influence
1	Reimbursement of Expenses	20,390

4. Provision for tax and diminution in the value of investments will be considered at the end of the financial year.

Annexure-III

Statement of Accounting Ratios as at

Particulars	30 th September, 2010	31 st March, 2010	31 st March, 2009	31 st March, 2008
Earnings Per Share (EPS) (Before Extra Ordinary Item)	(0.02)	(0.03)	(0.01)	N. A.
Earnings Per Share (EPS) (After Extra Ordinary Item)	(0.02)	(0.03)	(0.01)	N. A.
Return on Net Worth (%) (Before Extra Ordinary Item)	N. A.	N. A.	N. A.	N. A.
Return on Net Worth (%) (After Extra Ordinary Item)	N. A.	N. A.	N. A.	N. A.
Net Assets Value per Share (Rs.)	10.01	10.01	10.01	4.57

Annexure-IV

CAPITALISATION STATEMENT AS ON 30.09.2010				
				(Rupees in Lacs)
Sr.No.	Particulars	Pre-issue as	Post Issue	
		on 30-09-2010		
1	Unsecured Loan	13.00	13.00	
2	Total Debt	13.00	13.00	
3	Less : Short Term Debts	13.00	13.00	
4	Total Long Term Debts	0.00	0.00	
	Share Holders Funds			
5	Share Capital	2,387.80	2,387.80	
6	Reserves (Excluding Revaluation Reserve)	2.20	2.20	
	Profit and Loss Account- Debit Balance	(16.98)	(16.98)	
	Miscellaneous Expenditure (not written off)	0.00	0.00	
7	Total Share holders Fund	2,373.02	2,373.02	
	Long Term Debt/Equity (4/7)	-	-	

Annexure-V

Loans - Term Loans as on 30th September,2010					(Rupees in Lacs)
Sr.No.	Name of the Institution / Bank	Outstanding Amt	Rate of	Security	
		As on 30-09-2010	Interest		
Unsecured Term Loans					
1.	Inter Corporate Deposit	13.00	Interest free		

Annexure – VI

CASH FLOW STATEMENT

	Rupees			
	01.04.10 to 30.09.2010	2009-10	2008-09	2007-08
(A) CASH FLOW FROM OPERATIONS				
(Loss) before tax and extra-ordinary item	(575,336)	(791,838)	(330,969)	-
Operating Loss before working capital changes	(575,336)	(791,838)	(330,969)	
Adjustment for				
Other Receivable	(20,560)	(10,015)	-	-

Sundry Creditors & Other Payables	84,385	11,118	16,545	-
Cash Generated from Operations	(511,511)	(790,735)	(314,424)	
Miscellaneous Expenses	0	0	271,443	
Net Cash from Operating Activities	(511,511)	(790,735)	(42,981)	
(B) CASH FLOW FROM INVESTING ACTIVITIES:				
Pre-Operative Expenses				(271,443)
Acquisition of Investments			(238,500,700)	
Net cash used in investing activities (B)	-	-	(238,500,700)	(271,443)
(C) CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Share Capital			238,500,700	
Proceeds from Short Term borrowing	3,00,000	1,000,000	0	500,000
Net cash from financing activities (C)	3,00,000	1,000,000	238,500,700	500,000
Net increase in cash and cash activities (A + B + C)	(211,511)	209,265	(42,981)	228,557
Cash and cash equivalents (Opening Balance)	394,841	185,576	228,557	-
Cash and cash equivalents (Closing Balance)	183,330	394,841	185,576	228,557
NET INCREASE / (DECREASE) AS DISCLOSED ABOVE	(211,511)	209,265	(42,981)	228,557

Notes :

1. Cash and Bank Balances as per accounts have been classified as cash and cash equivalent.
2. All figures in brackets are outflows.

ANNEXURE I

INNOVASSYNTH TECHNOLOGIES (INDIA) LIMITED - ITIL

HISTORY:

Innovassynth Technologies (India) Ltd (ITIL) was incorporated on December 4, 2001 under the Companies Act 1956, with its registered Office situated at 3rd Floor, Paragon Condomonium, P.B.Marg, Mumbai 400013. The shares of Innovassynth Technologies (India) Ltd are not listed in any Stock Exchange.

Main Objects of Innovassynth Technologies (India) Limited

As set out in the Memorandum of Association of Innovassynth Technologies (India) Limited, the main objects are as follows:

1. To carry on the business as manufacturers, processors and dealers of specialty chemicals, fine chemicals, custom synthesis of all kinds and descriptions and to act as manufacturers of and dealers in intermediate, by-products and end products thereof and / or to carry on business of toll manufacturing and contract manufacturing of chemicals, all kinds and descriptions, as well as to do marketing and research and development of aforesaid products.
2. To acquire and takeover as a going concern the business of manufacturers, processors and dealers of specialty chemicals, fine chemicals, custom synthesis of all kinds and descriptions and its exports, now carried on by the division of Indian Organic Chemicals Limited and all of the assets and liabilities of that business in connection therewith, and with the view thereto to enter into the agreement referred to in clause 2 of the Company's Articles of Association, and to carry the same into effect with or without modification.

Changes in the Memorandum of Association

Since incorporation, the following changes have been made in the Memorandum of Association of Innovassynth Technologies (India) Limited;

Date	Change
02.06.2004	Change in name of the Company
29.3.2004	Change in Authorized Capital
10.3.2005	Change in Authorized Capital
30.06.2006	Change in Authorized Capital
07.09.2006	Change in Authorized Capital
11.01.2007	Change in Authorized Capital
1.6.2007	Change in Authorized Capital
10-12-2008	Change in Authorized Capital
02-01-2009	Change in Authorized Capital

CAPITAL STRUCTURE

Capital Evolution Details of INNOVASSYNTH TECHNOLOGIES (INDIA) LTD

Authorised Share Capital:

Date	Amount in (Rs.)	No of Shares & Paid Up value
Initial Authorised share capital	5,20,000	(52,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated -29.03.04	33,00,00,000	(3,30,00,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated -10.03.2005	40,00,00,000	(4,00,00,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated 30-6-2006	50,00,00,000	(5,00,00,000 equity shares of Rs.10/- each)
Extraordinary General Meeting dated 7 th Sept 2006	50,00,00,000	4,65,00,000 Equity shares of Rs. 10 each 35,00,000 Cumulative Convertible Preference shares Rs. 10 each
Extraordinary General Meeting dated -11.01.2007	55,00,00,000	5,15,00,000 Equity shares of Rs. 10 each 35,00,000 Cumulative Convertible Preference shares of Rs. 10 each
Extraordinary General Meeting dated -01.06.2007	55,60,00,000	5,56,00,000 Equity shares of Rs. 10 each
Extraordinary General Meeting dated -10.12.2008	61,00,00,000	6,10,00,000 Equity shares of Rs. 10 each
Extraordinary General Meeting dated -02.01.2009	76,00,00,000	7,60,00,000 Equity shares of Rs. 10 each

PAID-UP SHARE CAPITAL:

Initial Paid-up share capital	.5,00,700	(50,070 equity shares of Rs.10/- each)
By Allotment of 2,50,00,000 equity shares of Rs.10/- each on By Transfer of Business	25,05,00,700	(2,50,50,070 equity shares of Rs.10/- each)
By allotment of 1,40,05,000 equity shares of Rs.10/- each on 30-06-2005 by Preferential allotment at premium of Rs 15/- each	39,05,50,700	(3,90,55,070 equity shares of Rs.10/- each)
By allotment of 65,88,633 equity shares of Rs.10/- each on 1-8-2006 by way of Rights Issue	45,64,37,030	(4,56,43,703 equity shares of Rs.10/- each)
By allotment of 34,00,000/- Convertible Preference Shares of Rs.10/- each on 25-9-2006 on Preferential allotment basis.	49,04,37,030	(4,56,43,703 equity shares of Rs.10/- each and 34,00,000 Cumulative Convertible Preference Shares Rs. 10/- each.)
By conversion of Cumulative Convertible Preference Shares into equity shares on 11-01-2007	49,04,37,030	(4,90,43,703 equity shares of Rs.10/- each) Preference shares :NIL
By allotment of 65,00,000 equity shares of Rs.10/- each on 15-7-2007 on Preferential allotment basis	55,54,37,030.	(5,55,43,703 equity shares of Rs.10/- each)
By allotment of 50,00,000 equity shares of Rs.10/- each on 12-12-2008 by way of Rights Issue	60,54,37,030	(6,05,43,703 equity shares of Rs.10/- each)
By allotment of 1,34,77,648 equity shares of Rs.10/- each on 19 -1-2009 by way of Rights Issue	74,02,13,510	(7,40,21,351 equity shares of Rs.10/- each)

KEY MILESTONES/SIGNIFICANT EVENTS IN ITIL'S HISTORY

Date of Change	Remarks
2001	Incorporation
2004	Transfer of Chemical business from Futura to ITIL
2004	Issue of 2,50,00,000 equity shares of Rs.10/- each at par to Futura in consideration of transfer of business aggregating to Rs.25,00,00,000/-
2004	Expansion in the capacity by setting up Plant Nos.3,4,5 & 6
2005	Issue of 1,40,05,000 equity shares of Rs.10/- each at a price of Rs.25/- per share (at a premium of Rs.15/- per share) to selected shareholders aggregating to Rs.35,01,25,000/-
2006	Rights Issue of 65,88,633 equity shares of Rs.10/- each aggregating to Rs.6,58,86,330 on Rights basis to shareholders of ITIL.
2006	Preferential Allotment of 34,00,000 Cumulative Convertible Preference shares of Rs.10/- each aggregating to Rs.3,40,00,000/- to selected persons.
2007	Modification in Plant No. 1
2007	Conversion of 34,00,000 Cumulative Convertible Preference shares into equity shares of Rs.10/- each aggregating to Rs.3,40,00,000/- selected persons.
2007	Preferential Allotment of 65,00,000 Equity shares of Rs.10/- each aggregating to Rs.6,50,00,000/- to selected persons.
2008	Sold 5 acres of vacant land to Actis Biologics Private Limited, a bio-tech company in Mumbai and in consideration received 5,30,000 equity shares of Rs. 10/- of Actis Biologics Pvt Ltd at a price of Rs. 30/- each aggregating in value of Rs. 1,59,00,000/-.
2008	Rights Issue of 50,00,000 equity shares of Rs.10/- each aggregating to Rs.5,00,00,000 on Rights basis to shareholders of the Company
2009	Rights Issue of 1,34,77,648 equity shares of Rs.10/- each aggregating to Rs.13,47,76,480 on Rights basis to shareholders of the Company

SHAREHOLDING PATTERN OF ITIL

A] As on date of filing Information Memorandum

A.1 Shareholding Pattern

Sr. No.	Category	No. of shares	%
A	Promoter *	2000000	2.70
B	Others		
(a)	Body Corporates	31837626	43.01
(b)	Individuals	4547489	6.15
(c)	NRI	33636236	45.44
(d)	Foreign Companies	2000000	2.70
	Total	74021351	100

A.2. Top Ten Shareholders

Sr. No.	Names	No. of shares	%
1	Mr. Satish Raheja	33636236	45.44
2	Innovassynth Investments Limited	23850070	32.22
3	Bhupati Investments & Finance Pvt. Ltd.	7204014	9.73
4	Mr. Rakesh Jhunjunwala	3406250	4.60
5	Futura Polyesters Limited*	2000000	2.70
6	Greyshot Ltd	2000000	2.70
7	Ms. Hina Kalpraj Dharamshi	300000	0.41
8	Chika Pvt. Ltd	250000	0.34
9	Viraj Investments Pvt. Ltd.	250000	0.34
10	Kika Investments & Finance Pvt. Ltd.	250000	0.34
	Total	73146570	98.82

B. Ten days before filing of Memorandum of Information

B.1. Shareholding Pattern

Sr. No.	Category	No. of shares	%
A	Promoter *	2000000	2.70
B	Others		
(a)	Body Corporates	31837626	43.01
(b)	Individuals	4547489	6.15
(c)	NRI	33636236	45.44
(d)	Foreign Company	2000000	2.70
	Total	74021351	100

B.2. Top Ten Shareholders

Sr. No.	Names	No. of shares	%
1	Mr. Satish Raheja	33636236	45.44
2	Innovassynth Investments Limited	23850070	32.22
3	Bhupati Investments & Finance Pvt. Ltd.	7204014	9.73
4	Mr. Rakesh Jhunjunwala	3406250	4.60
5	Futura Polyesters Limited*	2000000	2.70
6	Greyshot Ltd	2000000	2.70
7	Ms. Hina Kalpraj Dharamshi	300000	0.41
8	Chika Pvt. Ltd	250000	0.34
9	Viraj Investments Pvt. Ltd.	250000	0.34
10	Kika Investments & Finance Pvt. Ltd.	250000	0.34
	Total	73146570	98.82

* These shares are pledged by the Promoter Company, i.e. Futura for raising funds for Futura's use

C) Two Years Before filing Information Memorandum

C.1. Shareholding Pattern

Sr. No.	Category	No. of shares	%
A	Futura Polyesters Limited	23050070	47.00
B	Others		
(a)	Body Corporates	2031280	4.14
(b)	Individuals	4026117	8.21
(c)	NRI	17936236	36.57
(d)	Trust	2000000	4.08
	Total	49043703	100.00

C.2. Top Ten Shareholders two years before filing Information Memorandum

Sr. No.	Names	No. of shares	%
1	Futura Polyesters Limited	23050070	47.00
2	Mr. Satish Raheja	17936236	36.57
3	Mr. Rakesh Jhunjhunwala	3125000	6.37
4	Bhupati Investments & finance Pvt. Ltd	1250000	2.55
5	Innovassynth Employees Welfare Trust	2000000	4.08
6	Ms. Hina Kalpraj Dharamshi	300000	0.61
7	Chika Pvt. Ltd	250000	0.51
8	Kika Investment & Finance Pvt. Ltd	250000	0.51
9	Viraj Investments Pvt. Ltd	250000	0.51
10	Ms Seema Dilip Vora	110000	0.23
	Total	48521306	98.94

6) There shall be only one denomination for the Equity Shares of Innovassynth Technologies (India) Limited, subject to applicable regulations and the Innovassynth Technologies (India) Limited shall comply with such disclosure and accounting norms specified under law , from time to time.

7) Innovassynth Technologies (India) Limited had twenty eight (28) members as on the date of filing this Information Memorandum.

BUSINESS OVERVIEW

INDUSTRY SCENERIO

The ITIL's diverse business activities, namely, Specialty Chemicals, Customs Synthesis, Contract Research & Development, Contract Chemicals and Toll manufacture encompass both, Pharmaceutical and Chemical industry. Hence an overview of both these industries are given below:

PHARMACEUTICAL INDUSTRY

The Indian pharmaceutical industry, now a \$17 billion(over Rs 68,000 crores) Industry, has shown tremendous progress in terms of infrastructure development, technology base creation and a wide range of products. It has established its presence and determination to flourish in the changing environment. The industry now produces bulk drugs belonging to all major therapeutic groups requiring complicated manufacturing technologies. Formulations in various dosage forms are being produced in GMP (Good Manufacturing Production) compliant facilities. Strong scientific and technical manpower and pioneering work done in process development have made these possible. The country now ranks 4th worldwide accounting for 8% of world's production by volume and 1.5% by value. The country's exports from pharmaceutical sector during 2005-06 and 2006-07 were Rs.22,116 crores and Rs.24,942 crores, respectively.

The following attributes constitute the basis of the technological strengths of the Indian Pharmaceutical Industry:

- a) Self-reliance, displayed by the production of 70% of bulk drugs and almost the entire requirement of formulations within the country ;
- b) Low cost of production ;
- c) Low R&D costs ;
- d) Innovative Scientific manpower ;
- e) Excellent and world-class national laboratories specialising in process development and development of cost effective technologies ;
- f) Increasing balance of trade in Pharma sector ;
- g) An efficient and cost effective source for procuring generic drugs especially the drugs going off patent in the next few years ;
- h) An excellent centre for clinical trials in view of the diversity in population.
- i) India has a nascent but rapidly growing Biotech industry - US\$2.1 billion in revenues in 2006-07
- j)The Biotech industry is seeing the emergence of several domestic private players with world-class capabilities

(Source: Website of Ministry of chemicals and fertilizers)

Research and Development in Pharma sector

Investment in R&D by industry as a whole in India has been low, only around 0.6% of the turnover. In the Indian pharmaceutical industry the average R&D expenditure is around 2% of the turnover contributed by around 150 companies. The low investment in R&D is due to the low levels of profitability and comparatively small size of the companies. However, the scenario is now changing. Some pharma companies now spend nearly 5% of their turnover on R&D. In addition to R&D in industry, substantial pharma related R&D is carried out in publicly funded research organisations, mainly by the laboratories of Council of Scientific & Industrial Research (CSIR), Indian Council of Medical Research (ICMR), around 25 universities and a few pharmacy colleges. Some of the new R&D units in industry and a few of the publicly funded laboratories are equipped with sophisticated laboratory equipment, instruments and pilot plant facilities. The R&D manpower is generally highly qualified and proficient in conventional techniques of pharmaceutical R&D.

Hitherto, R&D was largely concentrated on process development for known bulk drugs albeit through novel and innovative process routes, invariably substituting for expensive imported raw materials enhancing the productivity and efficiency of the processes, besides research on formulations and known drug delivery systems. India's R&D forte has been in synthetic organic chemistry and process development. A few new drugs, using conventional screening techniques, have emerged from the Indian R&D, but none of them have been blockbusters.

Not much R&D is being pursued in traditional systems of medicine. Even the limited R&D is concentrated on standardisation of raw materials and final products. A few companies are now using modern scientific methods and limited biological screening as well as toxicity studies for validation of formulations.

(Source: Website of Ministry of chemicals and fertilizers)

Indian Biotech Scenario

2005-06 was an eventful year in the annals of Indian biotech industry. It registered revenues in excess of \$ 1 billion (\$ 1.07 billion to be exact) and recorded a 36.55% growth. Indian scientists too did well during the year with several outstanding publications in prestigious journals including .Nature. and .Science.

Life science and biotechnology sector is characterized by dynamic changes in flow of new ideas and conception and development of new tools for research and rapid responses are required to meet these challenges. It is essential to facilitate availability of scientific and technical human resource in adequate number and quality.

Within the DBT itself, the year has been quite eventful. One of the major occupations is to prepare a biotechnology strategy and action plan for the country that would provide a clearcut roadmap for the next 10 years. Several interactive meetings were organized for consultation with a large number of domain experts, industry representatives, voluntary organizations, farmers. fora and officials. The draft strategy has tried to take a holistic look at the present scenario and suggest several measures in a defined timeframe to promote innovation and manufacturing, to create world-class human capital, build quality infrastructure and address the basic needs of the society. The goal is to push revenue generation in the sector US \$ 5 billion and generate 1 million jobs by 2010.

Some of the measures to promote innovation have already been initiated. For example, in order to forge public private linkages especially with small and medium enterprises, the small

business innovation research initiative (SBIRI) has been launched. Under this scheme, funding for highly innovative early stage, pre-proof of concept research is being considered which will be expanded further in the form of soft loan up to Rs.10 crores for projects which have established the proof of concept and have the ability to get venture capital funding.

Several infrastructure facilities are being setup in public funded R&D laboratories and academic institutions. It is proposed to promote stem cell clusters at three locations in the country, which will focus on targeted programs. In the area of bioindustrial development, new vaccines/constructs have been developed indigenously and are undergoing trials. These include rota viral vaccine for childhood diarrhea, vaccines for cholera, anthrax, and rabies. A diagnostic test for Japanese encephalitis and Leishmaniasis was also developed and commercialized. Vaccines and diagnostics for animal and marine health have also been successfully developed and commercialized. In addition, technologies in the area of biofertilizers, biopesticides and plant tissue culture have also been commercialized.

(Source: Website of Ministry of Science and Technology, Department of Biotechnology)

Advantage India:

- ❖ India is an attractive global sourcing destination for pharmaceuticals
- ❖ Availability of low-cost, high-quality production and regulatory compliance
- ❖ Large and growing US FDA-approved plant capacity
- ❖ Low cost of research and world-class testing facilities
- ❖ Major opportunities in pharmaceuticals are in the following areas:
 - ❑ Contract Research and Manufacturing (CRAM)
 - ❑ IT-enabled services including clinical/market data analysis
 - ❑ Clinical trials: revenues to grow from US\$70 million (2002) to US\$1-1.5 billion by 2010 driven by a 60% cost advantage and large gene pool for trials
- ❖ Major opportunities in Biotechnology are in the areas of Bio-informatics, Bio-pharma, Bio-agri and Bio-services

(Source: Website of Ministry of Science and Technology, Department of Biotechnology)

Changing global scenario

The health-care costs are rising world-wide. Leading companies are merging. Strategic alliances and collaborations are taking place in order to meet the increasing R&D budgetary requirement that exceeds a billion dollars each for many leading global pharma players. The WTO has imposed upon the Indian pharma industry the challenge of coping with product patents by the end of the year 2004 and exclusive marketing rights (EMRs) in the interim period.

Recent advances in molecular biology and genetic engineering have enhanced the basic understanding of human physiology and the biological action of drugs on cell receptors and proteins. New tools of drug discovery such as combinatorial chemistry, structure based molecular design and high throughput screening have revolutionised the drug discovery process. This increasing 'scientification' of drug research has encouraged a division of labour amongst agents specialised in different segments of the innovation chain i.e. basic biomedical research, chemical synthesis, process development, clinical testing, etc.

At present, out of ten thousand chemical compounds screened, only one becomes an approved drug in the developed countries. Further about 12-15 years are required for drug development. In order to attempt to reduce the time for drug development to half and to improve the success rate of drug discovery, intelligent screening of sources of chemical compounds is required. For this, on one hand, creation and analysis of new tools and data base of compound sources would be necessary, and on the other hand, new tools, such as combinatorial chemistry, structure based molecule design and high throughput screening would have to be adopted to greatly enhance the levels of productivity of drug discovery.

Further more, some of the new sources of NCEs could be plants, microbes, fungi, insects and various venoms. The extracts from these material sources must continue to form a major source of entirely novel structures.

The Human Development Report of 1999 has highlighted that there is a tremendous concern about the control of knowledge as tighter intellectual property rights raise price of technology transfer and increase the technological gap and block the developing countries out of dynamic knowledge sector. On the other hand, the major pharmaceutical companies argue that compliance of the provisions of TRIPS would stimulate transfer of technology, encourage foreign direct investment, strengthen R&D investment and also ensure early introduction of new products in developing countries. These arguments are invariably backed by data on increased FDI in some countries where stringent IPRs were introduced. Whereas these claims and counter claims could be debated, the Indian model has to be based on providing medicines at affordable prices to the needy Indian populace on one hand and also leveraging the Indian intellectual prowess on the other, through which India could create its own intellectual property.

It is clear that an internal networking and co-ordination amongst different constituents of innovation chain has not only become necessary but imperative in order to bring down the time and costs of new drug discovery and its introduction in the market place. This affords a great opportunity to Indian R&D.

(Source: Website of Ministry of chemicals and fertilizers)

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 volatile crude oil prices and demanding international environmental protection standards now adopted globally, the chemicals industry has still grown at a rate higher than the overall-manufacturing segment.

Commodity chemicals is the largest segment in the chemicals market with an approx. 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 approx. half the consumption. The US is the largest consumer of commodity chemicals whereas Asia Pacific is the largest consumer of agrochemicals and fertilizers.

The Indian Chemicals Industry comprises both small and large-scale units. The fiscal concessions granted to small sector in mid-eighties led to establishment of large number of units in the Small Scale Industries (SSI) sector. Currently, the Indian Chemical industry is in the midst of a major restructuring and consolidation phase. With the shift in emphasis on

product innovation, brand building and environmental friendliness, this industry is increasingly moving towards greater customer orientation. Even though India enjoys an abundant supply of basic raw materials, it will have to build upon technical services and marketing capabilities to face global competition and increase its share of exports.

India also produces a large number of fine and specialty chemicals, which have very specific uses and are essential for increasing industrial production. These find wide usage as food additives and pigments, polymer additives, anti-oxidants in the rubber industry, etc.

- ❖ The Chemical industry in India is over \$35 billion in 2006-07 - constitutes about 3% of GDP; 17.6% of manufacturing sector - a significant component of the Indian economy
- ❖ India is the 12th largest producer of chemicals in the world
- ❖ Manufactures more than 70,000 products
- ❖ Exports of over \$17 billion in 2006-07 (14% of total exports from India)
- ❖ However, India constitutes a relatively small portion of the global market
- ❖ The Chemicals industry in India is fragmented with few large companies
- ❖ Basic chemicals constitute major share of exports
- ❖ Good R&D base with access to low-cost, high-quality human resources
- ❖ Strategic location: In the heart of the high-growth markets of India, Asia and the Middle East
- ❖ Major opportunities lie in all segments: Basic, Specialty and Knowledge Chemicals

100% FDI under the automatic route is allowed for all chemical items except hazardous chemicals where government/FIPB approval and license to manufacture are required

Plans are underway to set up port based chemical parks in SEZs to encourage clustering, provide infrastructure and enable tax concessions

Downstream SEZs have been planned to use the output of Chemical Park

Sub-sectors – Chemical Industry (% value)

Fertilizer	:	18%
Synthetic Fibres	:	16%
Organic	:	15%
Dyes & Paints	:	06%
Polymers	:	06%
Inorganic	:	08%
Pharmaceuticals	:	15%
Others	:	06%

(Source: Website of Ministry of chemicals and fertilizers)

Advantage India:

- ❖ Good R&D base with access to low-cost, high-quality human resources
- ❖ Strategic location: In the heart of the high-growth markets of India, Asia and the Middle East
- ❖ Major opportunities lie in all segments: Basic, Specialty and Knowledge Chemicals

PRODUCTION PROCESS OF ITIL

CUSTOM SYNTHESIS - GENERAL PROCESS

ITIL is involved in the following business segments:

1. Custom Synthesis
2. Contract Manufacture
3. Contract Research & Development

ITIL produces specialty chemicals for customers in the areas of 'nucleoside chemistry', perfumery and fragrance chemistry', pharmaceutical intermediates, specialty dyes for diagnostic applications, and nutraceutical products.

The general procedure for handling of enquiries from customers and the sequence of research & development activities, scale-up of new routes of chemical synthesis which culminates in the development of long term relationships with the customers is give below.

RECEIPT OF ENQUIRY FROM CUSTOMER

Enquiry from customer with molecular structure of required molecule and indication of quantity : Study of available technical literature to work out a 'non-infringing' chemical synthesis process

DEVELOPMENT OF 'LABORATORY PROCESS'

Synthesis of laboratory sample for customer approval at R & D Lab : R & D work for Process development

INTERFACE WITH CUSTOMER FOR SAMPLE APPROVAL : Laboratory Process Document (LPD)
Indicative Costing of product based on available technical & commercial inputs : Sample approval from customer & communication of 'indicative product cost' to customer

SCALE-UP OF PROCESS : Generation of Product Cost Data /Sheet
Review of laboratory process by R&D and process development' team for scaling-up process in kilo-lab : Scale-up of process in Kilo Lab Generation of Standard Operating Procedure (SOP) for scale-up of synthesis process in plants.

COMMERCIAL INTERFACE WITH CUSTOMER FOR BULK ORDER : Signing of 'Confidentiality' and 'Non-Disclosure' Agreement with customer and receipt of customer order

Production of plant batches for export to customer

PATENTS APPLIED FOR BY ITIL

Sr No	Date of filing	Application No	Application filed in	Nature of the patent	Description of Inventor for which patent applied
1	4/4/05	420/MUM/2005	India	Process Patent	A Process for manufacturing Isosulphan Blue
2	4/4/05	421/MUM/2005	India	Process Patent	A Process for the isolation of 4-Hydroxyisoleucine from Fenugreek seeds
3	6/4/05	436/MUM/2005	India	Process Patent	A Process for the preparation of 4-Fluoroisoquinoline
4	6/4/05	437/MUM/2005	India	Process Patent	A Process for the isolation of solanesol from flue cured tobacco leaf
5	5/4/05	537/MUM/2006	India	Process Patent	A Process for the extraction of solanesol from burley or blue cured tobacco leaves
6	4/4/06	USA-11/278,641	U.S.A.	Process Patent	A Process for the preparation of Isosulphan Blue

LOCATION

Plants and Units location details of ITIL

Sr. No.	Plants	Products	Plants Location
1.	Custom Synthesis		Khopoli
a)	Plant-1	Nucleoside Products	
b)	Plant-2		
c)	Plant-3/4/5/6	Non-Nucleoside products	
2.	Contract manufacturing - Ciba	CG29-1127	

HUMAN RESOURCES

Human Resources Management in Innovassynth Technologies (India) Limited

ITIL treats “People” as an Asset to the organization. Professional Excellence and performance on job is always encouraged. The Human Resource policies are framed and developed for employee's growth and welfare in the organization. Positive and healthy working culture are promoted which attracts people to join the Company and for long lasting relationship; the average age of employees is 28 years.

Recruitment

As ITIL is a knowledge based Research & Development (R&D) driven company, a large number of employees are involved in R&D activities and they are qualified in M.Sc/ Ph.D (Organic Chemistry). These employees are sourced from premium reputable Universities/ Institutes in India and Abroad. The recruitment process consist of Psychometry Test/ IQ test/ Chemistry Test, Group Discussion, personal interview ending with a Medical fitness test. The new entrants are then imparted a detailed Induction programme .

Rewards

ITIL has instituted Award Schemes for its employees like :-

- Chemist / Officer of the Quarter
- Employee of the Quarter

Thus the outstanding work done by the employees are being identified and rewarded quarterly.

Performance Management Systems

ITIL has in place a “Performance Management System” whereby performance is linked to remuneration package. The employees’ performance is reviewed twice in a year based on the Key Performance Areas (KPAs) and targets allocated. The Managerial cadre are appraised for their respective KPA by 360⁰ degree Assessment Techniques.

Training & Development

The employees knowledge base is regularly updated by involving them for in-house and External seminars, Training Programs, Exhibitions etc. in India and Abroad.

Open house sessions with top Management including Chairman and CEO of the Company are organized with employees quarterly where the employees are briefed on latest Business Development and these are discussed with active participation with selected employees.

ITIL encourages and supports the employees to pursue Ph.D programmes during their working and after completion of their PhD, they are suitably upgraded.

Organization Development Suggestion scheme is in vogue whereby employees can make suggestions for continuous improvements.

Exit Interviews -

The organization has its core values on which it operates and it invites constructive criticism as an opportunity for improvements. Exit interviews are held in order get feedback from the Employees.

Social Welfare ITIL has a residential colony where more than 100 employees with their families are staying and are provided with recreation facilities. The company takes interest in Community Development program in near-by areas; steps for environment protection are taken by "Tree Plantation".

MANAGEMENT OF ITIL

LIST OF DIRECTORS OF ITIL

Sr. No	Name	Designation	Address
1	Mr. S.B.Ghia	Chairman	Ghia Mansion 18, Carmichael Road MUMBAI- 400 026.
2	Mr. Viren Raheja	Director	"Rahejas" Corner of Main Avenue & V.P.Road, Santa Cruz West, MUMBAI-400 054.
3	Mr. Utpal sheth	Director	B-27, Kum Kum Apts S.V.Road Near Nanavati Hospital Vileparle (W) Mumbai400056
4	Mr. Shyam S. Sami	Director	C 203, Golden Oak, Hiranandani Gardens Powai, Mumbai 400076.
5	Mr. Vivek Kejriwal	Director Administration	"Rahejas" Corner of Main Avenue & V.P.Road, Santa Cruz West, MUMBAI-400 054.
6	Dr. B.K.Kulkarni	Whole Time Director	Innovassynth Technologies (India) Ltd Mumbai Pune Road Khopoli : Maharashtra

Brief Biography of Our Directors

Mr. Shyam Bhupatirai Ghia, is 63 years old and is a resident of India. He holds a Bachelor's Degree in Chemistry from the University of Mumbai and Master's Degree in Business Administration from Bowling Green State University, Ohio, United States of America. Further, he has undergone practical training in Administration and Commerce at Bayer's offices in New York, United States of America and Leverkusen in Germany. Mr. Shyam Bhupatirai Ghia, has extensive experience spanning over thirty years, in industry. He joined Futura from March 01, 1972 as Director, Administration and was elevated to the Board as a Whole-time Director with effect from October 18, 1973. Subsequently, elevated to the position of Joint Managing Director with effect from January 01, 1988 and as Chairman & Managing Director in Futura with effect from August 23, 1990

Mr. Viren Raheja, is 26 years old and is a resident of India. He holds a Bachelor's degree in Commerce from the University of Mumbai. He has cleared three levels of Chartered Financial Analysis and holds Master's in Business Administration from London Business School.

Mr. Utpal Sheth is 38 years old and is a resident of India. He is a Cost Accountant (Grad.CWA), Gold Medalist at an All India level in CFA and DSM from NIIT. He was involved

at senior level at HRS Insight Financial Intermediaries (India) Pvt. Ltd. and Enam Financial Consultants Pvt. Ltd. He is also faculty member in BSE institutes UTI Capital Market, National Institutes of Financial Management, Cochin Management Institutes etc.

At present he is with M/s Rare Enterprises a proprietary Asset Management firm of Mr. Rakesh Jhunjunwala

Mr. Shyam Sunder Sami, is 69 years old and is a resident of India. He holds a Bachelor's Degree in Arts from the University of Bombay. He is a retired senior executive of Wimco Limited and has a wide experience at a senior level in various companies like J.K. Helene Curtis Limited, Parle Products Limited, Geoffrey Manners Limited and Hindustan Unilever Limited, among others

Mr. Vivek Kejriwal, is 28 years old and is a resident of India. He holds a Masters degree in Business Administration from Narsee Monjee Institute of Management Studies. He has got 5 years experience in various capacities with Raheja Group of Companies.

Other Directorships:

Sr. No.	Name, Father's name, Designation, Address, Occupation, Nationality, Tenure & DIN	Age	Date of Appointment as Director	Other Directorships
1.	Mr. Shyam Bhupatirai Ghia S/o. Mr. Bhupatirai Maganlal Ghia Chairman and Director Address: Ghia Mansion, 18 Carmichael Road, Mumbai – 400 026 Occupation: Industrialist Nationality: Indian Tenure as Director: Subject to retirement by rotation DIN: 00005264 Share holding in ITIL : Nil	63	02.12.2002	Public Companies: 1. Sonata Software Limited. 2. Alkyl Amines Limited. 3. A.V.T Natural Products Limited. 4. Futura Polyesters Limited 5. Innovassynth Investments Limited
2.	Mr. Viren Raheja S/o. Mr. Rajan Raheja Director Address: "Rahejas", Corner of Main Avenue and V.P. Road, Santacruz West, Mumbai – 400 049 Occupation: Industrialist Nationality: Indian Tenure: Subject to retirement by rotation DIN: 00037592 Share holding in ITIL : Nil	26	25.06.2008	Public Companies 1. Asianet Satellite Communications Limited. 2. Sonata Software Limited. 3. Supreme Petrochem Limited. 4. Futura Polyesters Limited 5. Hathway Cable and Datacom Limited Private Companies

				<ol style="list-style-type: none"> 1. Abu Developers Private Limited 2. Akalpitam Land Developers Private Limited 3. Ala-Mona Contractors & Developers Private Limited 4. Ameeta Grihnirman Private Limited 5. Ananya Construction Company Private Limited 6. Arjun Housing Private Limited 7. ARKO Dealers Private Limited 8. ARKO Enterprises Private Limited 9. Bay-Side Constructions Private Limited 10. Bay-Side Contractors & Developers Private Limited 11. Bay-Side Exports Private Limited 12. Beach Plaza Contractors & Developers Private Limited 13. Bellvne Contractors & Developers Private Limited 14. Bellvne Constructions Private Limited 15. Bestow Contractors & Developers Private Limited 16. Bloomingdale Investment & Finance Private Limited 17. Bloomingdale Trading Company Private Limited 18. Brindaban Agro Industries Private Limited 19. Brindaban Land
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				<p>Development Private Limited</p> <p>20. Chandramouli Finance & Estates Private Limited</p> <p>21. Chevy Trading Private Limited</p> <p>22. Colonnade Contractors & Developers Private Limited</p> <p>23. Colonnade Housing Private Limited</p> <p>24. Coronet Investments Private Limited</p> <p>25. Crescent Property Developers Private Limited</p> <p>26. Excelsior Construction Private Limited</p> <p>27. Fortune Films Private Limited</p> <p>28. Globus Stores Private Limited</p> <p>29. Gstaad Estates Private Limited</p> <p>30. Gstaad Investment & Finance Private Limited</p> <p>31. Gstaad Trading Company Private Limited</p> <p>32. Kalpitam Premises Private Limited</p> <p>33. Kanyakumari Contractors & Developers Private Limited</p> <p>34. Kaunteya Builders Privat Limited</p> <p>35. Kaunteya Contractors & Developers Private Limited</p> <p>36. Kuntinandan Contractors & Developers Private Limited</p> <p>37. Kuntiputra Properties Private Limited</p>
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				<p>38. Lavina Contractors & Developers Private Limited</p> <p>39. Manali Builders Private Limited</p> <p>40. Manali Estates Private Limited</p> <p>41. Manali Investment & Finance Private Limited</p> <p>42. Matsyagandha Estates Private Limited</p> <p>43. Matsyagandha Investments & Finance Private Limited</p> <p>44. Meenakshi Builders Private Limited</p> <p>45. Outlook Publishing (India) Private Limited</p> <p>46. Panchali Builders Private Limited</p> <p>47. Peninsula Estates Private Limited</p> <p>48. Prerana Builders Private Limited</p> <p>49. R. Raheja Investments Private Limited</p> <p>50. R. Raheja Properties Private Limited</p> <p>51. R. B. R. Constructions Private Limited</p> <p>52. R. B. R. Estates & Finance Private Limited</p> <p>53. Rajan Estates & Finance Private Limited</p> <p>54. Raghukul Developers Private Limited</p> <p>55. Sea-Side Exports Private Limited</p> <p>56. Shalini Construction Company Private Limited</p> <p>57. Shalini Developers Private Limited</p>
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				<p>58. Shiraz Realtors Private Limited</p> <p>59. Shore Line Constructions Private Limited</p> <p>60. Shoreline Exports Private Limited</p> <p>61. Sonal Properties Private Limited</p> <p>62. Spur Cable & Datacom Private Limited</p> <p>63. Suchetan Construction Company Private Limited</p> <p>64. Trophy Investment & Finance Private Limited</p> <p>65. Varahagiri Investments & Finance Private Limited</p> <p>66. Vidur Constructions Private Limited</p> <p>67. Villa Capri Developers Private Limited</p> <p>68. Villa Capri Estates Private Limited</p> <p>69. Whitsun Contractors & Builders Private Limited</p> <p>70. Windsor Realty Private Limited</p> <p>71. Wren Contractors & Developers Private Limited</p> <p>72. Zillion Contractors & Developers Private Limited</p> <p>73. Zircon Consultants Private Limited</p>
3	<p>Mr. Utpal Sheth S/o. Mr. Hemendra Ramniklal Sheth</p> <p>Director</p> <p>Address: B-27, Kum Kum Apts S.V.Road Near Nanavati Hospital Vileparle (W)</p>	38	25.6.2008	<p>1. HRS Insight Financial Intermediaries Pvt. Ltd</p> <p>2. Insight Assets Management Ltd</p> <p>3. Enlghtened Buildcod Pvt. Ltd.</p> <p>4. J & J Buildcon Pvt. Ltd</p> <p>5. Chanakya Corporate</p>

	<p>Mumbai400056</p> <p>Occupation: Service Nationality: Indian Tenure: Subject to retirement by rotation</p> <p>DIN No.00081012</p>			<p>Services Pvt. Ltd.</p> <p>6. Robust Merchantile Co. Pvt. Ltd.</p> <p>7. Aptech Limited</p> <p>8. Metro Shoes Pvt. Ltd.</p> <p>9. Merchant Media Limited</p> <p>10. Praj Industries Limied</p> <p>11. Marganta Textiles Pvt. Ltd.</p> <p>12. Hillcroft Investments Company Pvt. Ltd.</p> <p>13. Clue Leasing & Fina. Pvt. Ltd.</p> <p>14. Moss Properties Pvt. Ltd.</p> <p>15. Moss Estate Pvt. Ltd.</p> <p>16. Zen Technologies Limited</p> <p>17. Trust Trade & investment Co. Pvt. Ltd.</p>
5.	<p>Mr. Shyam Sunder Sami S/o. Vidhyawath Swami</p> <p>Director</p> <p>Address: C-203, Golden Oak, High Street, Hiranandani Gardens, Powai, Mumbai – 400 076</p> <p>Occupation: Retired company executive Nationality: Indian Tenure: Liable to retire by rotation. DIN : 00026470</p>	69	1.4.2005	<p>Public Company Innovassynth Investments Limited Futura Polyesters Limited</p>
6.	<p>Mr. Vivek Kejriwal S/o Mr. Ramkrishan Babulal Kejriwal</p> <p>Director</p> <p>Address: "Rahejas", Corner of Main Avenue and V.P. Road, Santacruz West, Mumbai – 400 049</p> <p>Occupation: Service Nationality: Indian Tenure: Subject to retirement by rotation</p>	28	28.5.2009	<p>Public Company</p> <p>Securites Publications(I) Limited</p> <p>Private Company Peregrine Capital (India) Pvt. Ltd. Peregrine Securities (India) Pvt. Ltd. R & H Constructions Pvt. Ltd.</p>

	DIN No.02667374			
	<p>Dr. B.K. Kulkarni</p> <p>S/o Mr. Khanderao. Kulkarni</p> <p>Whole Time Director</p> <p>Address:</p> <p>Innovassynth Technilogies (India) Ltd Qrtr No: Mumbai Pune Road Khopoli :</p> <p>Maharashtra</p> <p>Occupation: Service Nationality: Indian Tenure: Subject to retirement by rotation DIN No.00209210</p>	45	13.11.2009	Nil

Shareholding of Directors

None of the Directors hold shares in the Company

Change in Board of Directors in the last three years

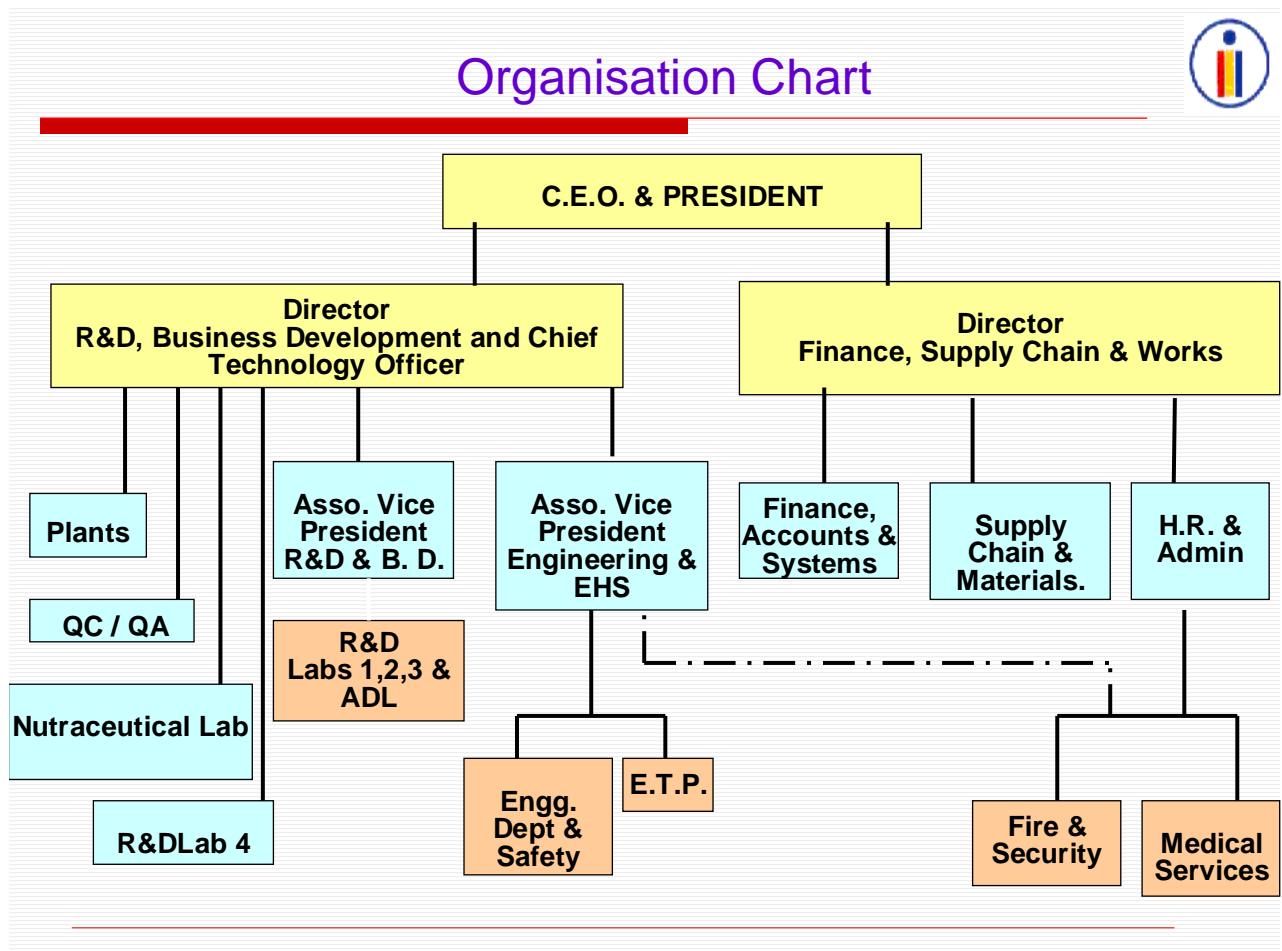
The following changes have taken place during last three years.

Sr. No	Name	Designation	STATUS
1	Mr. Viren Raheja	Director	Appointed on 25/06/2008
2	Mr. Utpal sheth	Director	Appointed on 25/06/2008
3	Mr. Rajan Raheja	Director	Resigned on 25/06/2008
4	Mr. Rakesh R. Jhunjhunwala	Director	Resigned On 25/06/2008
5	Dr. B Sahu	Director	Resigned On 29/4/2009
6	Dr B. K. Kulkarni	Director	Resigned On 29/4/2009
7	Mr. S.C. Nanda	Director	Resigned On 29/4/2009
8	Mr. Vivek Kejriwal	Director	Appointed On 28/5/2009
	Dr B. K. Kulkarni	Whole Time Director	Appointed On 13/11/2009

AUDITORS

M/s N. M. Raiji & Co., Mumbai are the Auditors of ITIL. There has been no change in the Auditors in the last three years.

Management Organization Structure of ITIL



Our Key Managerial Personnel, of ITIL are as follows:

Mr. S.B. Ghia, Dr. B. Sahu, and Dr. B.K.Kulkarni are the Key Managerial persons, their share holding in ITIL is NIL

PROMOTER

Futura Polyesters Limited is the promoter of the company.

SUBSIDIARIES

There are no subsidiaries of ITIL.

GROUP COMPANIES

Details of Promoter Group Companies are the same as applicable to IIL given on page Nos from 24 to 28.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF ITIL.

(In this chapter, the word “ the Company” wherever it appears refers to ITIL)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2009-2010

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is engaged in the business of customs synthesis, contract research & development, contract chemicals, specialty chemicals, toll and contract manufacture of various chemicals and similar businesses. Thus the Company is engaged in several diverse activities which cannot be benchmarked to any industry.

The Company is currently engaged in both contract research & development for product groups like protected nucleosides, phosphoramidites & amino acids, intermediates for active Pharma intermediates, specialty carbohydrate derivatives, metallocene compound, etc. The Company's focus on nucleosides and amidites has placed it in one among the top few companies engaged in this activity in the world. The Company manufactures specifically against orders received from its customers.

The Company is also manufacturing under long term contract since 2001 with Ciba Specialty Chemicals (Now BASF after global take over of business), Switzerland for manufacture of a single product. This has been one of the major contract manufacturing activities of the Company since its inception.

The Company has developed hundreds of molecules for several internationally well known customers. Last five years of hard work and promotion of company's technical capabilities have resulted in well known chemical and pharma MNCs accepting Company's status as a quality Research & Development company especially in several new areas.

The entire production of the Company is exported. Hence the Company has applied for the status as Export Oriented Unit (EOU) with appropriate authorities and expecting to receive the approval in due course of time.

2. OPPORTUNITIES AND THREATS

The Company has been recognized internationally as one of the few companies in development and manufacture of nucleosides and amidites. This breakthrough opens up vast opportunities for the Company in this area. There are several Pharma MNCs worldwide which are actively engaged in developing new drugs based on DNA analysis, Stem cell research etc. The requirement for nucleosides and amidites of different types, for research, manufacture and diagnosis offer unlimited opportunities. The Company has already in the supply

chain of some of the large R&D and Pharma companies who are using the Company's products for their research. Some of the drugs are in advanced stage of Clinical trials and once these are successful, the Company can hope to get multi ton orders from these companies.

Similarly, in customs synthesis and contract manufacture, the Company has established its name and has been working successfully for CIBA (& now with BASF) since 2001. Last year, the Company produced 196 metrics ton of a single product for this customer and has received order for around 312 MT for the year 2010. The Company hopes this contract would continue further as the markets in US & Europe has opened up post recession and demand is picking up.

The Company has to depend on supplies through imports and therefore, logistics assumes considerable importance. However, the industry scenario appears bright and the Company hopes to emerge as one of the major players in the world.

3. PERFORMANCE

The Company's turnover for 2009-10 was Rs. 31.79 crores as compared with Rs. 41.82 crores during the previous year. The year has resulted in a net loss after tax of Rs. 7.73 crores compared with Rs.13.71 crores during the last year. The reduction in losses is due to reduction in financial expenses & other fixed overheads. The net worth of the Company as on 31st March 2010 amounts to Rs.89.83 crores. The Company is yet to reach a break even level to earn profits. This is due to the fact that the Company has to invest in infrastructure and servicing of fixed expenses in advance to establish its credentials with prospective customers who come to audit the company's facilities before placing orders. Secondly the global market is hit by the recession and as a result business of Contract manufacturing and Custom Synthesis are affected. The Company hopes to achieve progress in the current year. In view of the investments made earlier, the Company's financial costs, depreciation and other fixed costs cannot be fully absorbed at the current turnover level. Further the losses incurred by the Company have affected the current cash flow situation. However, the Company is in due process of receiving adequate orders for the current year to meet its budgetary projection.

4. OUTLOOK

The Company expects to substantially increase its turnover in the current year considering the orders likely to be received for a range of products developed for its customers. New customers have been added for Deoxy amidites, RNA amidites, Fluro amidites, Sugar Monomers, Sodium-p-Glycerophosphate and many specialty products. There is positive response from various Pharma companies, oligo houses and drug discovery companies in USA, Europe and Japan for supply of Deoxy and RNA amidites. In view of increase in potential demand for various nucleoside products and considering their pH sensitive

nature, your company has converted one of the specialty chemical plant into nucleosides and amidite manufacturing plant. There is a good demand post global recession for the new business segments entered into by the company, namely, Protected Amino acids and other chemicals. In other chemicals segment, discussions are at an advanced stage with one of the leading US based companies for large contract manufacture collaboration. On finalization of the contract, there will be a quantum jump in the turnover. In contract chemicals segment, the existing contract with BASF is expected to continue as the Company has received a bulk order of around 312 MT for the current year. Overall the future prospects appear to be bright in view of recovery of global recession. Company has also started local initiative to sign contract manufacturing agreement with Indian Pharma Companies which will give steady cash flow over and above good profit margin.

Cost reduction measures being implemented especially in utilities. Steam generation through low cost input (i.e. Bio-mass) has already resulted in saving in utility cost. This will also enable us to benefit from Carbon credit. Cost cutting measures in other fixed overheads are also in vogue.

5. RISKS & CONCERNS

As the Company is involved in research and development of new molecules and products there are possibilities of delay in the client commercializing their development. This is also partly affected by global meltdown. World economy is now at a stage of gradual recovery. Many of the clients who are carrying out clinical trials for drugs for which the Company has supplied the raw materials, are in advanced stage of trials. Once these trails are completed successfully and they commercialize the same, the Company will benefit by way of substantial orders. Further, development of new molecules and products involve considerable development costs which are to be amortized over a period of few years. There are possibilities that the client may not succeed in their development of their final products. In view of several new products being developed simultaneously, it would be difficult to assess the capacity utilization which depends on the product mix. The Company, however, attach priority to high contribution products to improve its profitability. The Company also depends for its growth on its vast skilled scientists and chemists whose continuance in service is a critical factor inspite of high recurring and retention cost.

6. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Audit Committee set up by the Board reviews periodically the internal audit reports submitted by the internal auditors. The Management periodically interacts with the internal auditors and statutory auditors. The Company has adequate internal control systems commensurate with its size and operations.

7. HUMAN RESOURCES AND INDUSTRIAL REALTIONS

Industrial relations remained cordial throughout the year. The number of permanent employees on roll of the Company is 228. Of this, there are 3 doctorates (Ph.Ds) in Chemistry and 58 Chemists are engaged in R& D work. The unionized workers are 70 in number.

ADVERSE DEVELOPMENTS IN ITIL, IF ANY:

The Directors of ITIL confirm that in their opinion no material and adverse development has taken place since the date of the last financial statements as disclosed in this Information Memorandum which is likely to affect the profitability of ITIL, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

OUTSTANDING LITIGATION - ITIL

Against ITIL

Labour cases filed against Innovassynth Technologies (India) Limited

Sr. No.	Parties	Authority Before Which Pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/ Proceeding	Amount of Claim Involved	Status as on 31-12-10
1.	M/s Shree Enterprises & Innovassynth Technologies (India) Limited (the "First Party") v/s Gautam Kashinath Rokde (the "Second Party")	Labour Court at Mahad.	Reference application number REF (IDA) 5/2006	This case has been filed by the Second Party on the alleged illegal termination of the Second Party by the First Party with effect from December 23, 2004. The Second Party has thus prayed that the alleged illegal termination by the First Party be set aside and the Second Party be reinstated and the back wages from the date of termination till the resumption of his service be paid	Entire back wages from the date of the said termination till the resumption of his services/ Not quantifiable	Labour court Mahad has ruled in favour of Innovassynth h . The appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
2.	Innovassynth Technologies (India) Limited (the "First Party") v/s S.R. Darekar (the "Second Party")	Labour Court, Mahad	REF (IDA) No. 225/2001.	This case has been filed against the alleged illegal termination of the Second Party by the First Party with effect from march 30, 1997. The Second Party has thus prayed that the alleged illegal termination be set aside and the Second Party be reinstated in the service and the back wages be paid to the Second Party	Entire back wages from the date of the said termination till the resumption of his services/Not quantifiable	Labour court Mahad has ruled in favour of Innovassynth h . The appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
3.	Innovassynth Technologies (India) Limited (the "First Party") v/s H.S. Darekar (the "Second Party")	Labour Court, Mahad	REF (IDA) No. 227/2001.	This case has been filed against the alleged illegal termination of the Second Party by the First Party with effect from December 13, 1996. The Second Party has thus prayed that the alleged illegal termination be set aside and the Second Party be reinstated in the service and the back wages be paid to the Second Party	Entire back wages from the date of the said termination till the resumption of his services/Not quantifiable	Labour court Mahad has ruled in favour of Innovassynth h. The appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
4.	Innovassynth Technologies (India) Limited (the "First Party") v/s Hemant Balkrishna Nalavade (the	Labour Court, Mahad	REF (IDA) No. 226/2001.	This case has been filed against the alleged illegal termination of the Second Party by the First Party with effect from April 09, 1997. The Second Party has thus prayed that the	Entire back wages from the date of the said termination till the resumption of	Labour court Mahad has ruled in favour of Innovassynth h. The

	"Second Party")			alleged illegal termination be set aside and the Second Party be reinstated in the service and the back wages be paid to the Second Party	his services/Not quantifiable	appeal (if any) was to have been filed by 31-07-2010. No appeal has been filed till date.
5.	Praful] Anant Gaikwad ("Petitioner") v/s Innovassynth Technologies (I) Limited ("Respondent"),	Labour Court, Mahad	Complaint no. 1/2008.	Company has paid back wages to Mr. Gaikwad as per labour court's order. Alleging that the payment is not as per the order and is much less than the order, complainant has filed a complaint which is pending before the labour court Mahad for filing our reply.	Not quantifiable	The Company has paid back the wages , but the plaintiff has alledged that the payment is not as per order and he has files the complaint in Labour court.
6.	Mr. Sanjay Sadanand Patil and Mr. Aziz Hasan Khot (the "Complainants") v/s M/s Innovassynth Technologies (India) Limited and others (the "Respondent")	Industrial Court, Thane	Complaint number (U.L.P.) No. 327 of 2001	This Complaint has been filed against the alleged illegal termination of the Complainants by the Respondents with effect from February 12, 2000. The Complainants thus pray for the alleged illegal termination to be set aside and the Complainants be reinstated in their services and the back wages from the date of termination till the resumption of his service be paid along with the arrears arising from the revision in pay and other benefits be paid to the Second Party	Entire back wages from the date of the said termination till the resumption of his services./Not quantifiable	The industrial court has ruled in favour of Innovassynth h and there has been no appeal by the complainant s.
7.	Praful Anant Gaikwad (the "Petitioner") v/s Innovassynth Technologies (India) Limited (the "Respondent")	High Court of Judicature at Bombay	Contempt Petition no. 276 of 2007	This application for contempt has been filed against the alleged disobedience of the orders passed by the Labour and the Industrial Court. The Labour Court through its order dated April 27, 2006 had ordered for the reinstatement of the Petitioner into his service. The same was upheld by the Industrial Court through its order dated April 09, 2007. The Petitioner has thus alleged that he has not been reinstated even after the court orders have been passed in his favour.	Not quantifiable	The petitioner has alledged that he has not been reinstated in service despite orders from Industrial/ labour court and has filed a contemp petition against the company.
8.	Anil Pandurang	Industrial	Complaint	This complaint has been	Entire back	The

	Gaikwad & others (the "Complainants") v/s Innovassynth Technologies (India) Limited & others (the "Respondents")	Court, Thane	(U.L.P) no. 574 of 2000	filed against the alleged illegal termination of the Complainants by the Respondent. The Complainants have alleged that the Respondent has indulged in unfair labour practices by denying the compensation under the voluntary retirement scheme as claimed to be promised to the Complainant. The Complainant thus prays for reinstatement in his service.	wages from the date of the said termination till the resumption of his services/Non-quantifiable	industrial court has ruled in favour of Innovassynth and there has been no appeal by the plaintiff.
9.	Maharashtra Rajya Rashtriya Kamgar Sangha Vs. Innovassynth Technologies (I) Ltd. & Others	Industrial Court Thane	ULP 149 / 2009	The Applicant Union has filed a Complaint for challenging the letters given to workmen for vacating the residential accommodations provided to them in company's colony at Khopoli.	Not quantifiable	All the workers concerned have vacated & given the possession back to the company in accordance with Hon. Industrial court order dated 22-12-10
10.	Innovassynth Technologies (I) Ltd Kamgar Sanghatana Vs. Innovassynth Technologies (I) Ltd. & Others	Industrial Court Thane	ULP 155 / 2009	The Applicant Union has filed a Complaint for challenging the letters given to workmen for vacating the residential accommodations provided to them in company's colony at Khopoli.	Not quantifiable	All the workers concerned have vacated & given the possession back to the company in accordance with Hon. Industrial court order dated 22-12-10
11.	Innovassynth Technologies (I) Ltd Kamgar Sanghatana Vs. Innovassynth Technologies (I) Ltd. & Others	Industrial Court Thane	ULP 155 / 2009	The Applicant Union has filed a Complaint for under MRTU & PULP Act for challenging the alleged unlawful deductions of Rs. 1100/- from their wages and unlawfully changing the service conditions of the workmen. They have also claimed for bonus at higher rates.	Not quantifiable	Matter has been settled with union & company but case is not yet withdrawn.
12.	Innovassynth Technologies (India) Limited (the "Applicant") v/s Rajendra Vasant Chorge, Presiding officer, Labour Court,	High Court of Bombay	Letter Patent Appeal No 29 of 2008 in Writ Petition No5016 of 2006.	This Appeal has been filed against the order dated December 27, 2005 passed by Respondent No.2. The Respondent No.2 has passed an order to reinstate Respondent no.1 who was allegedly	Entire back wages from the date of the said termination till the resumption of his	The Court has granted relief to the complainant by passing an order dt. 06-07-09 directing

	Mahad (the "Respondent 1 & 2")			terminated illegally. The Appellant has filed this appeal to set aside the order of the Respondent no.2.	services/Not quantifiable	that minimum wages to be paid to the complainant from 01-03-08. Accordingly, Innovassynth has been depositing monthly payments with the labour court from 01/03/08.
13.	Innovassynth Technologies (I) Limited ("Applicant") v/s S. G., Presiding officer, Labour Court, Mahad ("Respondent 1 & 2"), before the bearing	High Court of Judicature, Bombay,	Writ Petition No. Not yet allotted	The company had filed the appeal against the order of industrial court upholding the order of labour court Mahad, allowing reinstatement of Mr. S. G. Saple who's services were terminated on medical grounds in April 1998. The matter is pending before the High Court of Bombay with its Judicature at Mumbai. After circulation, case will come up for hearing; the next hearing is not yet declared.	Entire back wages from the date of the said termination till the resumption of his services/Not quantifiable	The initial order in this matter has gone against the company with the court directing reinstatement and back wages w.e.f. 11-04-98. The company has appealed with the divisional bench of high court has allowed the appeal and directed the company to deposit back wages at the high court amounting to Rs. 713685/-, which has been done.

Tax cases filed against Innovassynth Technologies (India) Limited

Sr. No	Parties	Authority Before Which Pending	Case Number	Brief Particulars of Suit/Appeal/Case/Notice/ Proceeding	Amount of Claim Involved (Rs. In Lacs)
1.	Innovassynth Technologies (India)	Customs, Excise	Appeal number	This Appeal has been filed against the order-in-appeal number	1.93

	Limited (the “Appellant”) v/s The Commissioner of Central Excise (the “Respondent”)	and Service Tax Appellate Tribunal (the “CESTAT”)	E/629/07	AT/831/RGD/2006 dated February 5, 2007 passed by the Commissioner of Central Excise (Appeals)challenging the decision that the Appellants was liable to pay a differential duty under Rule 3(4) of Cenvat Credit Rules, 2002 However, the CESTAT vide order number S/538/2007/CI/EB has waived and stayed the recovery of pre-deposit of interest and penalty pending the appeal as the duty demand of Rs. 1,92,824 has been duly paid.	
2.	Futura Polyesters Limited (the “Appellant”) v/s Commissioner of Central Excise (the “Respondent”)	Customs, Excise and Service Tax Appellate Tribunal	Appeal number 3677/03 of 2003	This appeal has been filed against the order in appeal number RJB/M-III/265/2003 dated August 28, 2003 passed by the Commissioner of Central Excise (Appeal). The alleged grounds of the appeal are stated herein below <ol style="list-style-type: none"> 1. The duty amount of Rs. 13,48,142 cannot be demanded in absence of recovery provisions. 2. The Respondent has failed to consider that Rule 57CC of Central Excise Rules, 1944 envisages the reversal of MODVAT credit taken in respect of duty paid inputs, which are subsequently utilised in the manufacture of the exempted goods. 3. Since there is no existence of sale, provisions of Rule 57CC of the Central Excise Rules, 1944 does not apply. 4. Value under Rule 57CC cannot be determined as per Section 4 of 4A of the Central Excise Act 5. The circular number 591/28/2001-CX dated October 16, 2001 is applicable 	13.48
3.	Innovassynth Technologies (India) Limited (the “Appellant”) v/s Khopoli Municipal Council, Khopoli (the “Respondent”)	Court of Judicial Magistrate First Class, Khalapur.	Miscellaneous Appeal No. 25/2006 of 2006	This application has been filed for the readmission of the appeal originally numbered M.A No. 1/99. The appeal was filed for the setting aside of the Bill No. 4134 dated April 19, 1999 served on the Appellant by the Respondent for the outstanding Octroi duty. The same was alleged to be illegal by the Appellant.	7.74
4.	Superintendent of Central Excise (the “Assessor”) v/s Innovassynth Technologies (India) Limited (the “Assesse”)	Superintendent of Central Excise, Khopoli Range -I	F No. V/.Adj (SCN) 15-480/M-VII/01/15 43	The Assesse through this show cause notice dated January 1, 2002 has been asked to justify why a sum of Rs. 3,08,810 should not be demanded and recovered from them in contravention of Rule 9(2) of the Central Excise Rules, 1944.	3.80

Civil cases filed against the Company.

1	One Chemgenes Corporation, Inc, Massachussettes, U.S.A., along with Ess Cee Biotech Pvt. Ltd., of India have filed a civil case in the Suffolk, County Court, Massachussettes, USA and have made, interalia, Innovassynth Technologies (India) Limited, Mr. S. B. Ghia and Dr. B Sahu, as defendants claiming that all the defendants have acted to steal some of the trade and other secrets relating to their specified products by recruiting some of the employees of Ess Cee Biotech Pvt. Ltd., in India and have sought for a Stay of the defendants dealing with the specified products and also claiming damages. All the three defendants are being defended in the case through an Attorney.
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GOVERNMENT APPROVALS OF ITIL

	Issuing Authority	License for	Period for
01)	Government of India, Ministry of Science & Tech., New Delhi	Recognition of In-house R&D Unit	Upto 31/03/2011
02)	Registering & Licensing Authority of Contract Labour (R&A Act)	License for Contract Labour	Upto 31/12/2009
03)	Director of Industrial, Safety & Health Act	Factory License	Upto 31/12/2010
04)	Additional Collector Raigad, Alibag (under the Maharashtra solvent, Refinate & Slop Act)	License for acquisition of Solvents, Refinate & slop	Upto 03/08/2010
05)	Collector of Raigad, Alibag	License for Rectified Spirit in the form RSII	Upto 31/03/2009 (Renewal application submitted)
06)	Collector of Raigad, Alibag	License for Denatured Spirit in the Form DS-V	Upto 31/03/2009 (Renewal application submitted)
07)	Joint Commissioner of Foods & Drugs Administrator	License of Manufacture for sale of Drugs other than those specified in (Sch.CC(i)&(x) in Form 25	Upto 04/02/2010
08)	Maharashtra Pollution Control Board	Consent to operate for the manufacturing	Upto 30/06/2013
09)	Joint Chief Controller of Explosive	License to store Compressed Gas in Cylinder	Upto 30/09/2010
10)	Joint Chief Controller of Explosive	Licence for import & store petroleum in installation	Upto 31/12/2009

FINANCIAL INFORMATION

AUDITORS' REPORT

The Board of Directors
Innovassynth Technologies (India) Limited,
Paragon Condominium,
P.B. Marg,
Mumbai - 400 013

Dear Sirs,

We have examined the Books of account of **Innovassynth Technologies (India) Limited**, for the five financial years ended on 31st March 2010, being the last date upto which the accounts of the Companies, have been made up and audited by us for presentation to the members,

In terms of requirements of:

(A) Paragraph B (1) of the part II schedule II of the Companies Act 1956

(B) The instruction dated 31st December 2010, received from the Company, requesting us to issue report as Statutory Auditor of the Company, relating to the information to be included in the "Information Memorandum" of the Innovassynth Investments Limited (IIL).

We report as under:

In our opinion, the financial information of the Company, set out in reports, read with respective significant accounting policies, subject to notes given thereon, have been prepared in accordance with part II – B of the Schedule II of the Companies Act, 1956.

We have examined the following financial information relating to the Company prepared by the management.

Innovassynth Technologies (India) Limited

1. Summary statement of Assets and Liabilities as per Annexure - I
2. Statement of Profit and Losses as per Annexure - II
3. Significant Accounting Policies and relevant notes to accounts as per Annexure - III
4. Dividend declared by the Company as per Annexure - IV
5. Other Income as per Annexure - V
6. Accounting Ratios as per Annexure - VI
7. Capitalisation statement as per Annexure - VII
8. Secured Loans- Term Loans as per Annexure - VIII
9. Tax Shelter Statement as per Annexure - IX
10. Sundry Debtors as per Annexure - X
11. Loans and Advances as per Annexure - XI
12. Statement of Capital Commitments and Contingent Liabilities as per Annexure - XII
13. Related Parties as per Annexure - XIII

14. Related Parties Transactions as per Annexure - XIV - A,B,C,D and E
15. Cash Flow Statement as per Annexure - XV

This report is being provided solely for the use of Company for the purpose of inclusion of the same in the information to be issued to the Stock Exchange authorities in India in connection with the allotment of Equity Shares of IIL to the existing Shareholders of the Futura Polyesters Limited as per the Scheme approved by the Shareholders and High Court of Bombay.

This report may not be used or relied upon by, or disclosed, referred to or communicated by yourself (in whole or in part) to, any third party for any purpose other than the stated use, except with our written consent in each instance, and which consent, may be given, only after full consideration of the circumstances at that time.

For N.M. Raiji and Co,
Chartered Accountants
Firm Reg.No.108296 W

Dated: 4th January, 2011
Place: Mumbai

CA. Y.N. Thakkar
Partner
Membership No. 33329

STATEMENT OF FIXED ASSETS AND LIABILITIES

(Rupees in Lacs)

	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
1 FIXED ASSETS					
Gross Block	14,853.36	14,055.01	10,306.79	9,755.42	9,291.76
Less: Depreciation	4,029.60	3,265.96	2,550.28	1,907.07	1,326.15
Add : Capital Work - in - Progress	159.26	352.24	200.29	341.55	100.55
Net Block	10,983.02	11,141.29	7,956.80	8,189.90	8,066.16
2 INVESTMENTS	159.00	159.00	0	0	0
3 DEFFERED TAX ASSETS	2,587.59	2,248.20	2,259.54	1,827.03	1,271.91
4 CURRENT ASSETS, LOANS AND ADVANCES					
Inventories	2,098.88	2,029.17	1,714.66	1,252.82	675.64
Sundry Debtors	585.07	1,022.35	680.08	476.78	550.23
Cash and Bank Balances	326.15	224.45	324.08	92.16	235.36
Loans and Advances	286.13	406.40	523.18	393.32	410.73
	3,296.23	3,682.37	3,242.00	2,215.08	1,871.96
5 SECURED LOANS	3,709.01	3,627.73	3,527.62	3,668.84	3,601.03
6 UNSECURED LOANS	2,000.00	1,030.00	1,256.38	560.92	595.00
7 CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	2,143.64	2,602.17	2,977.84	2,057.73	1,114.10
Provisions	190.53	220.23	196.37	81.23	55.69
	2,334.17	2,822.40	3,174.21	2,138.96	1,169.79
	8,982.66	9,750.73	5,500.13	5,863.29	5,844.21
NET WORTH					
REPRESTED BY					
8 SHARE CAPITAL	7,402.14	7,402.14	5,554.37	4,904.37	3,905.51
9 RESERVE AND SURPLUS	2,122.06	2,366.56	2,122.06	2,122.06	2,122.06
Less : Miscellaneous Expenditure	12.83	17.97	9.16	11.30	2.80
(to the extent not written off or adjusted)					
RESERVES (NET)	2,109.23	2,348.59	2,112.90	2,110.76	2,119.26
10 PROFIT & LOSS ACCOUNT-DEBIT BALANCE	(528.71)		(2,167.14)	(1,151.84)	(180.56)
NET WORTH(8+9+10)	8,982.66	9,750.73	5,500.13	5,863.29	5,844.21

Annexure - II

PARTICULARS	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
INCOME					
Sales & Services (Gross)	3,179.90	4,182.62	3,254.91	2,005.10	1,573.70
Add : Cost of Traded Goods Sold			-	358.67	211.72
Less : Excise Duty Paid	2.14	4.46	3.22	1.50	4.11

	3,177.76	4,178.16	3,251.69	2,362.27	1,781.31
Other Income	63.40	389.26	210.25	78.57	142.81
(Less)/Add : (Increase)/Decrease in Inventories	(77.86)	(213.13)	(129.45)	(239.98)	(355.75)
	3,319.02	4,780.55	3,591.39	2,680.82	2,279.87
EXPENDITURE					
Raw Material Consumed	1205.74	2,014.41	1,558.78	943.34	1,447.19
Staff Costs	838.76	891.33	880.44	772.30	694.84
Other Manufacturing Expenses	961.20	1,266.91	1,190.77	1,062.90	937.71
Administration Expenses	399.55	594.37	247.51	255.51	199.67
Selling and Distribution Expenses	18.45	77.48	81.38	100.74	87.42
Cost of Traded Goods sold	-		-	315.34	189.98
Finance Expenses	645.67	785.66	682.95	552.94	340.00
Depreciation	763.68	719.27	655.17	582.00	626.27
	4833.05	6349.43	5,297.00	4,585.07	4,523.08
Less : New Product Development Expenses Capitalised	(401.44)	(215.11)	(263.34)	(382.27)	258.79
	4431.61	6134.32	5,033.66	4,202.80	4,264.29
Loss before Tax	(1,112.61)	(1,353.77)	(1,442.27)	(1,521.98)	(1,984.42)
Taxation :-					
Add/(Less) : Taxation of Earlier years		0.02	(0.11)	1.01	10.62
Less : Provision for Tax (Wealth Tax)		-0.1	0.15	0.09	0.18
Add: Deferred Tax adjustment	339.39	(11.33)	432.51	555.11	738.36

Annexure -III

NOTES FORMING PART OF THE ACCOUNTS: 2009-2010

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements have been prepared and presented under historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("GAAP") and comply with the mandatory Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India ("ICAI") to the extent applicable except insurance claim which is accounted for on receipt basis.

B. Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost comprises cost of acquisition, cost of improvements, borrowing cost and any attributable cost of bringing the asset to condition for its intended use.

C. Depreciation and Amortisation of Assets

Depreciation has been provided on Plant and Machinery on straight line basis and on other assets on written down value basis at the rates specified in Schedule-XIV of the Companies Act, 1956 . Higher rate of depreciation has been provided on certain Plant & Machinery, ranging 6.22% to 16.67% compared to 5.28% for continuous process plants and 10.34% to 50% compared to 10.34% for batch process.

Cost relating to successful new products development is amortised on a straight line basis over a period of 10 years.

Cost relating to payment of non compete compensation is amortised on a straight line basis over the life of non-compete agreement.

Cost relating to registration/ Cost of acquisition of new patent is amortised on straight line basis over a period of 10 years.

Cost relating to other intangible assets is amortised over the estimated useful life of the assets.

D. Preliminary Expenses

Share issue expenses are amortised over a period of 5 years.

E. Borrowing Costs

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds and is considered as revenue expenditure for the year in which it is incurred except for borrowing costs attributed to the acquisition/development of qualifying capital assets which is capitalised as cost of that assets.

F. Inventories

Inventories are valued as under:

Raw materials, packing materials, stores and spares : at cost (weighted average method) Material-in-transit and Semi finished goods : at cost Finished goods : at lower of cost or net realisable value.

G. Revenue Recognition

Sale of goods is recognised on despatch to customers as per terms of contract. Sales include amounts recovered towards excise duty, but exclude amounts recovered towards VAT . Service income is recognised as per terms of agreements exclusive of service tax.

H. Foreign Currency Transactions

Transactions in foreign currencies are recorded at current rates. All monetary Assets and Liabilities denominated in foreign currency are restated at the year end rates. All exchange gains and losses are accounted for in the Profit and Loss Account.

I. Research and Development

Revenue expenditure is charged as an expense in the year in which they are incurred. Capital expenditure is shown as an addition to the fixed assets.

J. Employee Benefits

i) Defined Contribution Plan

Company's contribution to Labour Welfare Fund and Pension Fund are recognised in the Profit and Loss Account.

a. Defined Benefit Plan

- a) Company's Contribution towards Provident Fund is made to an approved fund.
- b) Provision for Gratuity is made as per actuarial valuation certificate obtained from an actuary which is determined using Projected Unit Credit method.
- c) Provision for Leave Entitlement is made as per actuarial valuation certificate obtained from an actuary which is determined using Projected Unit Credit method.
- iii) Short term employee benefits are provided in the year in which the employee render the related services.
- iv) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

K. Taxes on Income

- a) Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.

b) Deferred Tax Provision : Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

NOTES TO ACCOUNTS

a) Note for the years 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010

During the year 2005-2006, the Company has revalued the entire Land at Khopoli to Rs. 300,000,000/- as on 31st March, 2006 based on the Valuation carried out by M/s. Kanti Karamsey and Company, registered valuers (vide their Report dated 06th April, 2006). The net increase in the book value arising out of revaluation amounts of Rs.184,032,110/- had been credited to Revaluation Reserve Account. As per the legal opinion received by the Company, the Revaluation Reserve has been adjusted against Profit and Loss Account as on 31.03.2006.

b) Note for the year 2008-2009 and 2009-2010

During the year 2008-2009, the Company has revalued the 3,30,555 sq. mtrs. Land at Khopoli to Rs.661,110,000/- (as on 31st March, 2009 based on the Valuation carried out by M/s. Business & Industrial Consultants, registered valuers (vide their Report dated 28th March, 2009). The net increase in the book value arising out of revaluation amounts to Rs. 378,310,610/- has been credited to Revaluation Reserve Account. As per the legal opinion received by the Company, the Revaluation Reserve has been adjusted against Profit and Loss Account as on 31st March, 2009 & 31st March, 2010.

Annexure -IV

DIVIDEND DECLARED BY THE COMPANY

(Rupees in Lacs)

	DIVIDEND FOR THE PERIOD ENDED				
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
DIVIDEND FOR THE YEAR	NIL	NIL	NIL	NIL	NIL

Annexure – V

OTHER INCOME	FOR THE PERIOD ENDED				
	(Rupees in Lacs)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Interest Received (Gross)	14.95	17.90	9.49	9.94	23.28
Commission	-	-	-	-	12.01
Insurance Claim	0.55	20.85	0.95	-	21.46
Sales Tax Set-off	-	-	-	-	2.85
Profit on sale of Fixed Assets (Net)			2.34	-	0.15
Provision no longer required	10.06	273.88	59.07	33.00	25.31
Provision for Doubtful Debts Written Back	-	-	-	-	4.28

Foreign Exchange Fluctuation (Net)			43.02	3.55	0.52
Miscellaneous Receipts	17.99	16.82	23.26	9.72	10.02
Sundry Balances Written back	5.90	-	45.68	22.36	7.13
Prior Period Items (Net)			26.44	-	35.79
TOTAL	49.46	329.44	210.25	78.57	142.80

Annexure - VI

ACCOUNTING RATIOS					
	AS AT				
	Mar-10	Mar-09	Mar-08	Mar-07	Mar-06
Earning Per Share (in Rs.) (Basic)	(1.04)	(2.30)	(1.89)	(2.20)	(3.49)
Earning Per Share (in Rs.) (Diluted)	(1.04)	(2.30)	(1.89)	(2.20)	(3.49)
Net Asset Value Per Share (Rs.)	12.13	13.17	0.99	1.20	1.50
Return on Net Worth (RONW)	-8.60%	-14.06%	-18.46%	-16.57%	-21.25%

Annexure - VII

CAPITALISATION STATEMENT AS ON 31.03.2010			
			(Rupees in Lacs)
Sr.No.	Particulars	Pre-issue as on 31-03-2010	Post Issue
1	Secured Loan	3,709.01	3,709.01
2	Unsecured Loan	2,000.00	2,000.00
3	Total Debt	5,709.01	5,709.01
4	Less : Short Term Debts	8,98.21	8,98.21
5	Total Long Term Debts	4,810.80	4,810.80
	Share Holders Funds		
6	Share Capital	7,402.14	7,402.14
7	Reserves (Excluding Revaluation Reserve)	2,122.06	2,122.06
	Profit and Loss Account- Debit Balance	(528.71)	(528.71)
	Miscellaneous Expenditure (not written off)	(12.83)	(12.83)
8	Total Share holders Fund	8,982.66	8,982.66
	Long Term Debt/Equity (5/8)	0.54	0.54

Loans - Term Loans as on 31st March,2010				(Rupees in Lacs)
Secured Term Loans				
Sr.No.	Name of the Institution / Bank	Outstanding Amt	Rate of	Security
		As on 31-03-2010	Interest	
TERM LOAN FROM FINANCIAL INSTITUTION				
1.	Housing Development Finance Corporation Ltd	2,200.00	13.00%	The Term Loan from Housing Development Finance Corporation is secured against first charge on the Factory premises situated on all the piece and parcel of land and factory building constructed thereon situated at Khopoli together with Plant and Machinery and construction thereon present and future except Plant and Machinery and Fixed Assets funded by CIBA towards Contract Manufacturing.
OTHER LOANS FROM BANKS				
2.	Cash Credit-Vijaya Bank	1,505.80	13.25%	Cash Credit is secured by hypothecation of Company's Current Assets and second charge on the Plant and Machinery, Land and Factory Buildings and Other Fixed Assets of the Company at Khopoli except Plant and Machinery and Fixed Assets funded by CIBA toward Contract Manufacturing.
3.	Car Loan - ICICI Bank	3.21	11.00%	Car Loan is secured by hypothecation of Cars.
	Sub-Total (A)	3,709.01		
Unsecured Term Loans				
1.	From Department of Science & Technologies, Delhi	1,900.00	3.00%	
2.	Inter Corporate Deposit	100.00	10.00%	
	Sub-Total (B)	2,100.00		
	Total (A + B)	5,809.01		

Tax Shelter Statement

Particulars	For the Year Ending March 31 (Rs. In lakhs)				
	2006	2007	2008	2009	2010
Tax Shelter Statement as on 31st March					
Tax Rate	33.66%	33.66%	30.90%	30.90%	33.99%
Business (Loss) for tax purpose	(2,126.40)	(1,400.32)	(1,457.82)	(1,039.82)	(922.53)
Tax Saving for the year	715.75	471.35	450.47	321.30	313.57
Cumulative carry forward Losses	(4,387.80)	(5,788.12)	(7,245.94)	(8,118.45)	(9,040.98)
Cumulative tax Saving	1,476.93	1,948.28	2,398.75	2,720.05	3,033.62

Annexure – X

(Rupees in Lacs)

SUNDRY DEBTORS					
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Over Six months					
Considered Good	98.12	325.36	25.46	23.62	168.32
Considered Doubtful	378.08	385.42	605.59	600.71	557.50
	476.20	710.78	631.05	624.33	725.82
Others : Considered Good	486.95	696.99	654.62	453.16	381.91
	963.15	14,07.77	1,285.67	1,077.49	1,107.73
Less : Provision for doubtful debts	378.08	385.42	605.59	600.71	557.50
	585.07	1,022.35	680.08	476.78	550.23

Annexure – XI

(Rupees in Lacs)

LOANS AND ADVANCES					
	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
Advances recoverable in Cash or in kind					
or for value to be received :					
Considered good	112.18	160.15	411.11	288.75	319.01
Considered doubtful	26.12	27.26	27.26	27.36	21.18
	138.30	187.41	438.37	316.11	340.19
Less : Provision for Doubtful Advances	26.12	27.26	27.26	27.36	21.18
	112.18	160.15	411.11	288.75	319.01
Advance Payment of Tax (Net of Provisions)	6.63	6.46	33.20	30.92	29.77
Balance with Excise, Customs, etc.	105.98	177.97	78.87	73.65	61.95
Other Receivables	14.42	14.42	-	-	-
Deposits with Govt. Authorities	39.13	39.13	-	-	-
Other Sundry Deposits	7.79	8.28	-	-	-
	286.12	406.40	523.18	393.32	410.73

Annexure – XII

(Rs. In Lacs)

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES IN RESPECT OF :-		As at				
		31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07	31-Mar-06
1	Capital Commitments (A)	61.21	111.50	15.70	55.23	0.00
2.	Contingent Liabilities:					
(i)	Claims against the Company not acknowledged as debts.	not ascertained	752.52	787.85	695.48	636.33
(ii)	Other Liabilities	30.60	30.60	30.60	16.60	-
	Total (B)	30.60	783.12	818.44	712.08	636.33
	TOTAL (A + B)= C	91.81	894.62	834.14	767.31	636.33

Annexure - XIII

As required by Accounting Standard - AS 18 "Related parties Disclosure" issued by The Institute of Chartered Accountants of India as follows:-			
A	List of Related Parties and Key Management Personnel :		2009-10
	Name	Nature of Relationship	
	1. Innovassynth Investments Ltd. (IIL)	: Mr. S.B.Ghia and Mr. Shyam S. Sami are common Directors. Innovassynth Investments Ltd. Holds 32.22% of paid up capital of company.	
	2. Futura Polyesters Ltd.	: Mr. S.B. Ghia & Mr. Viren Raheja are common Directors. Futura Polyesters Ltd. Holds 2.70% of paid up capital of company.	
	3. Mr. Satish Raheja	: Holding 45.44% of paid-up capital of company.	
	4. Dr. B.K. Kulkarni	: Whole time Director, Key Management Personnel	
A	List of Related Parties and Key Management Personnel :		2008-2009
	Name	Nature of Relationship	
	1. Innovassynth Investments Ltd. (IIL)	: Mr. S.B.Ghia and Mr. Shyam S. Sami are Common Directors. Innovassynth Investments Ltd. Holds 32.22% of paid up capital of company.	
	2. Futura Polyesters Ltd.	: Mr. S.B. Ghia, Mr. Viren Raheja & Mr. Shyam S. Sami are common Directors. Futura Polyesters Ltd. Holds 2.70% of paid up capital of company.	
	3. Mr. Satish Raheja	: Holding 45.44% of paid-up capital of company.	
	4. Dr. B.K. Kulkarni	: Director, Key Management Personnel	

	5. Mr. S.C. Nanda	:	Director, Key Management Personnel	
A	List of Related Parties and Key Management Personnel :			2007-2008
	Name		Nature of Relationship	
	1. Futura Polyesters Ltd. :	:	Mr. S.B. Ghia is a Common Director. Futura Polyesters Ltd.	
			holds 42.94% of paid up capital of Company.	
	2. Beach Plaza Contractors & Developers Private Limited	:	Significant influence of Mr. Rajan Raheja thru relative Mr. Satish Raheja holding 38.06% Equity shares of the Company.	
	3. Mr. Satish Raheja	:	Relative of Mr. Rajan Raheja	
	4. Dr. B.K. Kulkarni	:	Director, Key Management Personnel	
	5. Mr. S.C. Nanda	:	Director, Key Management Personnel	
A	List of Related Parties and Key Management Personnel :			2006-2007
	Name			
	1. Relationships	:	1. Futura Polyesters Limited	
	a) Holding Company upto 11/1/2007 & thereafter an Investing Party of which the company is an Associate			
	b) Key Management Personnel			
	1. Dr. B.K.Kulkarni - Director			
	2. Mr. S.C.Nanda - Director			
A	List of Related Parties and Key Management Personnel :			2005-2006
	Name			
	1. Relationships	:		
	a) Holding Company			
	Futura Polyesters Limited			
	b) Key Management Personnel			
	1. Dr. B.K.Kulkarni - Director			
	2. Mr. S.C.Nanda - Director			
	c) The Company in which Key management personnel have significant influence.			
	1. Sonata Software Limited			
	2. Sonata Information Tech. Limited			

Annexure - XIV – A

Summary of the transactions with related parties is as follows :-				
				(Rs. In Lacs)
		For the year 2009-10 & (2008-09)		
Sr. No.	Nature of Transaction	Key Management Personnel	Mr. Satish Raheja	Futura Polyesters Ltd
1	Purchase of goods	-	-	-
		(0)	(0)	(30.91)
2	Inter Corporate deposits received & repaid during 2009-10	-	-	-
		(0)	(0)	(246.00)
3	Allotment of Equity Shares	-	-	-
		(0)	(1,250.00)	(0)
4	Remuneration*	7.29	-	-
		(40.84)	(0)	(0)
5	Outstanding receivable as on 31.03.2010	5.00	-	-
		(6.00)	(0)	(0)
6	Outstanding Payable as on 31.03.2010	-	-	375.62
		(0)	(0)	(376.85)

Note: Remuneration for whole time director is for the period 13th Nov. 2009 to 31st March, 2010

Annexure - XIV - B

Summary of the transactions with related parties is as follows :-					
					(Rs. In Lacs)
		For the year 2008-09 & (2007-08)			
Sr. No.	Nature of Transaction	Key Management Personnel	Mr. Satish Raheja	Beach Plaza Contractors & Developers Pvt Ltd	Futura Polyesters Ltd
1	Interest payable	-	-	-	-
		(0)	(0)	(2.12)	(0)
2	Purchase of Goods	-	-	-	30.91
		(0)	(0)	(0)	(27.22)
3	Purchase of Fixed Assets	-	-	-	-
		(0)	(0)	(0)	(1.15)
4	Sale of Goods	-	-	-	-

		(0)	(0)	(0)	(0)
5	Services rendered	-	-	-	-
		(0)	(0)	(0)	(0)
6	Services received	-	-	-	-
		(0)	(0)	(0)	(0)
7	Travelling Expenses payable	-	-	-	-
		(0)	(0)	(0)	(7.11)
8	Guarantees	-	-	-	-
		(0)	(0)	(0)	(0)
9	Stock on loan	-	-	-	-
		(0)	(0)	(0)	(40.19)
10	Inter Corporate Deposits received	-	-	-	246.00
	Outstanding as on 31.03.2009				
		(0)	(0)	(40.00)	(0)
11	Allotment of Equity Shares	-	1250.00	-	-
		(0)	(320.00)	(0)	(80.00)
12	Remuneration	40.84	-	-	-
		(37.54)	(0)	(0)	(0)
13	Outstanding receivables as on 31.03.2009	6.00	-	-	-
		(6.38)	(0)	(0)	(0)
14	Outstanding payables as on 31.03.2009	-	-	-	376.85
		(0)	(0)	(42.12)	(453.28)

Annexure - XIV – C

Summary of the transactions with related parties is as follows :-					
		(Rs. In Lacs)			
		For the year 2007-08 & (2006-07)			
Sr. No.	Nature of Transaction	Key Management Personnel	Mr. Satish Raheja	Beach Plaza Contractors & Developers Pvt Ltd	Futura Polyesters Ltd
1	Interest payable	-	-	2.12	-
		(0)	(0)	(0)	(0)
2	Purchase of Goods	-	-	-	27.22
		(0)	(0)	(0)	(35.55)
3	Purchase of Fixed Assets	-	-	-	1.15
		(0)	(0)	(0)	(0)
4	Sale of Goods	-	-	-	-
		(0)	(0)	(0)	(358.67)
5	Services rendered	-	-	-	-
		(0)	(0)	(0)	(845.10)

6	Services received	-	-	-	-
		(0)	(0)	(0)	(1.56)
7	Travelling Expenses payable	-	-	-	7.11
		(0)	(0)	(0)	(0)
8	Guarantees	-	-	-	-
		(0)	(0)	(0)	(2,800.00)
9	Stock on loan	-	-	-	40.19
		(0)	(0)	(0)	(0)
10	Inter Corporate Deposits received	-	-	40.00	-
	Outstanding as on 31.03.2008	(0)	(0)	(0)	(0)
11	Allotment of Equity Shares	-	320.00	-	80.00
		(0)	(793.62)	(0)	(0)
12	Remuneration	37.54	-	-	-
		(33.69)	(0)	(0)	(0)
13	Outstanding receivables as on 31.03.2008	6.38	-	-	-
		(6.75)	(0)	(0)	(0)
14	Outstanding payables as on 31.03.2008	-	-	42.12	453.28
		(0)	(0)	(0)	(340.81)

Annexure - XIV – D

Summary of the transactions with related parties is as follows:-			
		(Rs. In Lacs)	
		For the year 2006-07 & (2005-06)	
Sr. No.	Nature of Transaction	Key Management Personnel	Futura Polyesters Ltd
1	Purchase of Goods	-	35.55
		(0)	(0)
2	Sale of Goods	-	358.67
		(0)	(211.72)
3	Services rendered	-	845.10
		(0)	(485.01)
4	Services received	-	1.56
			(0)
5	Non Compete Fees Paid	-	0
		(0)	(10.90)
6	Guarantees	-	2,800.00

		(0)	(13.00)
7	Remuneration	33.69	-
		(30.86)	(0)
8	Outstanding receivables as on 31.03.2007	-	340.81
		(0)	(-214.13)

Annexure - XIV - E

Summary of the transactions with related parties is as follows:-			
		(Rs. In Lacs)	
		For the year 2005-06 & (2004-05)	
Sr. No.	Nature of Transaction	Key Management Personnel	Futura Polyesters Ltd
1	Purchase of Goods	-	-
		(0)	(195.23)
2	Sale of Goods	-	211.72
		(0)	(614.31)
3	Services rendered	-	485.01
		(0)	(1,020.63)
4	Interest and Finance Charges paid	-	-
			(14.03)
4	Non Compete Fees Paid	-	10.90
		(0)	(174.72)
5	Guarantees	-	13.00
		(0)	(300.00)
6	Remuneration	31.05	-
		(0)	(0)
7	Outstanding receivables as on 31.03.2006	-	214.13
		(0)	(88.84)

INNOVASSYNTH TECHNOLOGIES (INDIA) LIMITED

Annexure - XV

CASH FLOW FOR THE PERIOD ENDED :-		(Rs. In Lacs)									
	PARTICULARS	YEAR : 2009-2010		YEAR : 2008-2009		YEAR : 2007-2008		YEAR : 2006-2007		YEAR : 2005-2006	
A	CASH FLOW FROM OPERATING ACTIVITIES :										
	Net Profit before tax & extra-ordinary items		(1112.61)		(1353.77)		(1,442.27)		(1,521.97)		(1,984.42)
	Adjustment for										
	- Depreciation	763.68		719.27		655.17		582.00		626.27	
	-Share Issue Expenses written off	6.49		6.22							
	- Miscellaneous Expenditure Written off					3.21		3.00		0.70	
	- Foreign Exchange fluctuation	10.38		23.94		(43.02)		(3.55)		(0.52)	
	- Interest Income	(14.95)		(17.90)		(9.48)		(9.94)		(23.28)	
	- Interest expenses	595.43		785.66		682.95		552.94		340.01	
	- Profit on Sale of Fixed Assets	0.08		13.13		(2.34)		0.10		(0.15)	
	- Provision for Doubtful Advances					5.98		49.38		1.08	
	- Provision for Doubtful Debts / Advances Written Back	50.01		228.00				0.00		(4.28)	
	- Bad debts					0.09		1.03		22.72	
	- Provision no longer required	(10.06)		(273.88)		(59.07)		(33.00)		(25.31)	
	- Misc. Balance written back	(5.90)		0		(45.67)		(22.36)		(7.13)	
	- Misc. Balance written off	0	13,95.15	0	1,484.44	0.64	1,188.46	0.10	1,119.70	1.79	931.90
	Operating Profit / (Loss) before working capital changes		282.54		130.67		(253.81)		(402.27)		(1,052.52)
	Changes in -										

	- Trade & Other Receivables	494.56		(502.45)		(243.58)		47.94		(246.26)	
	- Inventories	(69.71)		(314.52)		(461.83)		(577.18)		(354.81)	
	- Trade Payables	(472.17)	(47.32)	(82.98)	(899.94)	1,146.33	440.92	825.29	296.05	568.12	(32.95)
	Cash generated from operations		235.23		(769.27)		187.11		(106.22)		(1,085.47)
	- Direct Taxes Paid		(0.27)		19.51		(7.21)		(6.63)		(13.27)
	NET CASH USED IN OPERATING ACTIVITIES		235.23		(749.76)		179.90		(112.85)		(1,098.74)
B	CASH FLOW FROM INVESTING ACTIVITIES :										
	- Purchase of Investments	0		(159.00)							
	- Purchase of Fixed Assets	(662.37)		(293.78)		(427.91)		(563.83)		(557.05)	
	- Disposal of Fixed Assets	0		160.01		8.19		0.67		1.54	
	Inflow on Purchase Business (Cap. Reserve)										
	- Interest Received	17.53	(644.84)	17.61	(275.16)	6.90	(412.82)	10.00	(553.16)	24.64	(530.87)
	NET CASH USED IN INVESTING ACTIVITIES		(644.84)		(275.16)		(412.82)		(553.16)		(530.87)
C	CASH FLOW FROM FINANCING ACTIVITIES :										
	- Proceeds from Issue of Share Capital	0		1847.76		600.00		1,048.87		0.00	
	-Share Issue Expenses	(1.35)		(15.04)							
	- Deferred Expenses (Share issue expenses)					(1.07)		(11.50)		(3.50)	
	- Proceeds/Repayment from Long Term borrowings	515.93		397.68		(77.60)		4.18		1,001.02	
	- Proceeds /(Repayment) from Short Term borrowings	481.89		(512.33)		661.00		(35.00)		495.00	
	- Financial Expenses	(484.87)	511.59	(792.78)	925.29	(717.49)	464.84	(483.73)	522.82	(362.76)	1,129.76

	NET CASH FROM FINANCING ACTIVITIES		511.59		925.29		464.84		522.82		1,129.76
D	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		101.70		(99.64)		231.92		(143.19)		(499.85)
E	CASH AND CASH EQUIVALENTS										
	(Opening Balance)		224.44		324.08		92.16		235.35		735.20
F	CASH AND CASH EQUIVALENTS										
	(Closing Balance)		326.15		224.44		324.08		92.16		235.35
G	NET INCREASE / (DECREASE) AS DISCLOSED ABOVE (E-F)		101.70		(99.64)		231.92		(143.19)		(499.85)
NOTE:											
1	Cash and Bank Balances as per accounts have been classified as cash and cash equivalent.										
2	All figures in brackets are outflows.										

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Following material contracts and documents will be available for inspection at the registered office of the Company at Paragon Condominium, Pandurang Budhkar Marg, Mumbai-400 013 from 10.00 a.m. to 1.00 p.m. except on Saturdays, Sundays and public holidays.

1. Memorandum and Articles of Association of ITIL.
2. Memorandum and Articles of Association of IIL.
3. Certificate of Incorporation of ITIL wherein registration No.134105 dated 4.12.2001
4. Certificate of Incorporation of IIL wherein registration No.178923 dated 15.2.2008
1. Certificate of Commencement of business of ITIL dated 4.12.2001
2. Certificate of Commencement of business of IIL dated 4.03.2008
3. Copy of Board Resolution held on 4th January, 2011 approving the Updated Information Memorandum.
4. Report of Auditors, N.M. Raiji & Co. dated 4.1.2011 of the financial statements of ITIL
5. Report of Auditors, N.M. Raiji & Co. dated 4.1.2011 of the financial statements of IIL.
6. Annual Reports of IIL for the financial year ended 31st March, 2008 ,2009 and 2010
7. Annual Report of ITIL for the financial year ended 31st March, 2010,2009, 2008, , 2007, and 2006,.
8. Copy of the Listing application made to Bombay Stock Exchange Ltd., for listing of IIL shares.
9. Tripartite agreement dated 4.8.2008 entered into with NSDL by Registrars and Transfer Agents of IIL to establish direct connectivity with depository
10. Tripartite agreement dated 24.9.2008 entered into with CDSL by Registrars and Transfer Agents of IIL to establish direct connectivity with depository
11. Order of the High Court of Bombay dated July 4, 2008 sanctioning the Scheme of Arrangement.
12. Letter of approval No.DCS/AMAL/RCG/24(f)/2825/2007-08 dated 3.3.2008 from Bombay Stock Exchange Ltd., giving No objection to the Scheme of Arrangement

13. Approval letter from SEBI granting 19(2)(b) exemption Letter No DCS/AMAL/VB/355/2009-10 dated 22nd July 2009 received from the The Bombay Stock Exchange Ltd granting Listing Approval
14. SEBI letter No CFD/DIL/SP//VB/OW/30328/2010 DATED 16th Dec 2010, granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules 1957.

Schedule - A

**Articles of Association of
Innovassynth Investments Ltd.**

Schedule - B

**Articles of Association of
Innovassynth Technologies (India) Ltd.**