

NOTICE

NOTICE is hereby given that the **Twenty Second Annual General Meeting of FUTURISTIC OFFSHORE SERVICES & CHEMICAL LIMITED** will be held on Tuesday, 30th November, 2010, at 11 A.M at Panchayat Seva Trust Shree Satyanarayan Goenka Bhavan 87, J.B.Nagar, Andheri (East), Mumbai- 400 059., to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account for the year ended as on that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Rishi R. Pilani who retires by rotation as per Article 134 of the Articles of Association and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. Paresh V. Dalal (Proprietor), Chartered Accountants, be and are hereby appointed as Auditors of the Company in place of M/s. Rahul Singhvi & Associates, Chartered Accountants to hold office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors, in addition to reimbursement of all out of pocket expenses in connection with the audit of the Company."
4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT Shri.Ramesh D.Punjabi, who was appointed as an Additional Director of the company pursuant to section 260 of the Companies Act, 1956 by the Board at its meeting held on 30th January, 2010 and holds office up to the date of this AGM and in respect of whom the company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 from him, signifying his intention as a candidate for the office of director be and is hereby appointed as Director of the company and whose term of office shall be liable to determination by retirement of director by rotation."
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT Shri.Ram Niwas Swami, who was appointed as an Additional Director of the company pursuant to section 260 of the Companies Act, 1956 by the Board at its meeting held on 30th January, 2010 and holds office up to the date of this AGM and in respect of whom the company has received a notice in writing pursuant to Section 257 of the Companies Act, 1956 from him, signifying his intention as a candidate for the office of director be and is hereby appointed as Director of the company and whose term of office shall be liable to determination by retirement of director by rotation."
6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-
"RESOLVED THAT Shri.Ashwani Kumar, who was appointed as an Additional Director of the company pursuant to section 260 of the Companies Act, 1956 by the Board at its meeting held on 05th August, 2010 and holds office up to the date of this AGM and in respect of whom the company has received a notice in writing

pursuant to Section 257 of the Companies Act, 1956 from him, signifying his intention as a candidate for the office of director be and is hereby appointed as Director of the company and whose term of office shall be liable to determination by retirement of director by rotation."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT the company do submit Rehabilitation Scheme, the draft of which was laid before the members of the Company at the meeting and initialed by the Chairman for the purposes of identification, for sanction by the Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 which includes, inter alia:

- i) proposal for reduction of the paid up equity share capital from Rs. 17,31,57,750 to Rs 1,73,15,775 by cancellation of paid-up capital which has been lost or unrepresented by available assets to the extent of Rs 9 per share and by reducing the nominal amount of the equity shares of the company from Rs. 10 per share to Re. 1/- per share and as approved by the members in 2008 simultaneously re-constituting the Authorized Share Capital of the Company from 18,000,000 equity shares of Rs. 10 each aggregating to Rs. 18 crores to 180,000,000 equity shares of Re. 1/- each aggregating to Rs. 18 crores consequent to the aforesaid reduction of paid-up share capital.
- ii) proposal to write off the reserves and surplus comprising of capital reserve, debenture redemption reserve, general reserve and share premium account against accumulated losses;
- iii) proposal to issue and allot 4,44,87,096 (Four Crores Forty Four Lakhs Eighty Seven Thousand Ninety Six) equity shares of Re. 1 each (post-reduction of capital) at a premium of Rs.3 per share or such number of shares of Re. 1 each at such other price and on such other terms and conditions as may be sanctioned by Hon'ble BIFR, to the promoters of the company, credited as fully paid up, in lieu of and against conversion of unsecured loan of Rs. 17,79,48,385 (Seventeen Crores Seventy Nine Lakhs Forty Eight Thousand Three Hundred Eighty Five) lakhs extended by the promoters to the Company and outstanding as payable by the company as on 31st March 2010";
- iv) proposal to issue and allot 1,75,00,000 equity shares of Re. 1 each (after the aforesaid reduction of capital) for cash at par to the promoters against funds to be brought in by the promoters;

RESOLVED FURTHER THAT any director or Company Secretary of the Company be and are hereby severally and/or jointly authorized to do all such acts and deeds as are required to finalise the said Draft Rehabilitation Scheme for submission to Hon'ble BIFR for their sanction to carry out such alteration/modification in the said Scheme as may be deemed necessary in the best interest of the company or as may be required by Hon'ble BIFR and assent to such conditions as may be acceptable and sanctioned by the Hon'ble BIFR."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any,

of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subsequent sanction of rehabilitation scheme by BIFR and subject to the provisions of the Memorandum of Association and the Articles of the Association of the Company and the Listing Agreement entered into by the Company with the stock exchanges where the Company's shares are listed and subject to such approvals, consents, sanctions, permissions as may be necessary from the Securities Exchange Board of India ("SEBI"), stock exchanges and other appropriate, statutory, governmental and other authorities and departments in this regard and subject to such conditions and modifications as may be prescribed by the respective statutory, governmental and other authorities and departments while granting such approvals, consents, sanctions, permissions and subject to such conditions or modifications which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted by the Board to exercise its powers including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to issue, offer and allot such number of equity shares of Re. 1/- each ("Fresh Issue") for an amount not exceeding Rs. 200 crores (Rupees Two hundred Crores) through a follow-on public offer at a price including premium to be determined in accordance with the Book Building process or any other method as may be prescribed by the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (including any statutory modification(s) or re-enactment thereof, for the time being in force) ("ICDR Regulations"), including the provision for Employee Reservation for eligible employees and/or a green shoe (over subscription) option in order to operate a post listing price stabilizing mechanism in accordance with ICDR Regulations and/or for rounding off in the event of any oversubscription as permitted under the ICDR Regulations, to such person or persons, who may or may not be the shareholder(s) of the Company, as the Board may at its sole discretion decide, including one or more of the members, promoters, employees, eligible investors, individuals, Anchor Investor, Non-resident Indians, Foreign Institutional Investors, Mutual Funds, Foreign Venture Capital Investors, Venture Capital Funds, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, multilateral and bilateral financial institutions, banks, bodies corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof whether through public issue, rights issue, pre-IPO placement or otherwise, in one or more modes or combinations thereof and in one or more tranches including through Application supported by Blocked Amount (ASBA) and payment of balance amount on allotment of shares, in consultation with advisors or such persons and on such terms and conditions including the number of shares to be issued, offered, allotted or transferred, at par or at premium and for cash or other consideration on such terms and conditions as may be finalized by the Board and that the Board may finalise all matters incidental thereto as it may in its absolute discretion thinks fit.

RESOLVED FURTHER THAT the Board be and is authorized to determine the anchor investors ("Anchor Investors") portion and issue, offer, allot, transfer or allocate such number of equity shares to various Anchor Investors as the Board may in its absolute discretion decide in accordance with the ICDR Regulations.

RESOLVED FURTHER THAT the equity shares to be

issued, offered, allotted and/or transferred in pursuance of this resolution shall in all respects rank pari passu to the existing equity shares of the Company including rights in respect of dividend.

RESOLVED FURTHER THAT without prejudice to the generality of the above, for the aforesaid issue, allotment and/or transfer of equity shares, consent of the Company be and is hereby accorded to be Board to enter into and execute all such arrangements as the case may be necessary with any book running lead managers, managers, registrar to the issue, underwriters, stabilizing agents, bankers, financial institutions, solicitors, advisors, depositories, custodians, auditors, printers, grading agencies, advertising agencies and other intermediaries in such offerings of equity shares and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of such equity shares on one or more stock exchanges, whenever permissible.

RESOLVED FURTHER THAT the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the Fresh Issue and the utilization of the issue proceeds as it may deem fit and to give such directions and/or instructions, changes, variations, alterations, deletions, additions as regards to the terms and conditions, including the premium to be charged on the shares, to vary the size of the Fresh Issue, appoint book running lead managers, banks and other intermediaries or agencies concerned or as the Board may suo moto decide in its absolute discretion in the best interests of the Company without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to do all such acts, deeds, matters to do things whatsoever, including settle any question, doubt or difficulty that may arise with regard to or in relation to raising of resources as authorized herein.

RESOLVED FURTHER THAT such of these shares to be issued and/or to be transferred, are not subscribed, may be disposed off by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion think fit most beneficial to the Company including offering or placing them with Banks/ Financial Institutions/Investment Institutions/Mutual Funds/Foreign Institutional Investors/Bodies Corporate/ such other persons or otherwise as the Board may in its absolute discretion decide, subject to the applicable laws.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Chairman and Managing Director of the Company or any other Officer or Officers of the Company to give effect to the aforesaid resolutions."

9. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution :

"RESOLVED THAT subsequent to sanction of rehabilitation scheme by BIFR and reduction and reconstitution of capital as above and pursuant to Section 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be increased from Rupees Eighteen Crores (Rupees 18.00 crores) divided into 18,00,00,000 (18 crores) Equity Shares of Re. 1 each to Rs. 40,00,00,000 (Rupees Forty Crores) divided into 40,00,00,000 (Forty Crore) Equity Shares of Re. 1 each by creation of 22,00,00,000 (Twenty two crore) Equity Shares of Re. 1 each and that clause V of the Memorandum of Association of the Company be altered

accordingly."

10. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED THAT subsequent to sanction of rehabilitation scheme by BIFR and reduction and reconstitution of capital as above and pursuant to the aforesaid resolution and pursuant Section 31 of the Companies Act, 1956 the Articles of Association of the Company be altered by substituting the following Article as Article 5 in place of present Article 5 thereof :

5. The Authorised Share Capital of the Company is Rs.40,00,00,000 (Rupees Forty Crores Only) divided into 40,00,00,000 (Forty Crores Only) Equity shares of Re. 1/- each. The Company has the power from time to time increase or reduce its capital. Any of the said

shares and any new shares hereafter to be created may from time to time be divided into shares of several classes in such manner as may be provided hereinafter and the Company may allow and so that the shares of each class may have or confer such preferred or other special rights and privileges may be issued under such restrictions and conditions whether in regard to dividend, voting return of capital or otherwise as shall have been assigned thereto by or under provisions of the Articles of Association but so that special rights or privileges belonging to holders of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for hereinafter.

By Order of the Board

Place : Mumbai
Date : October 5, 2010.

Rishi R. Pilani
Chairman

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Register of Share Transfer of the Company was closed from Monday, 20th September, 2010 to Thursday, 30th September, 2010. (both days inclusive).
4. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the item nos 3, 4, 5, 6, 7, 8, 9 & 10 is annexed hereto
5. Members are requested to bring their copy of the Annual Report along with them to the meeting.
6. Members desiring any information on the accounts are requested to send their queries to the Company's Administrative Office at least 7 days before the Annual General Meeting, so that information can be made available at the meeting.
7. Members are requested to bring their attendance slip duly signed so as to avoid inconvenience.
8. Notice of change of address and mandates must reach the Company's Share Department at A1/A2 Gurudatt Co-op Hsg Soc. Ltd, Near Jankalyan Bank, O.M Nagar, Aijt Nagar, J.B.Nagar, Andheri-E, Mumbai 400 059, in respect of shares held in physical form and to their Depository Participants in respect of shares held in electronic form (Demat Account).
9. Shareholders holding shares in identical order of names in more than one Folio are requested to write to the company enclosing their share certificate to enable the Company to consolidate their holding into one Folio.
10. Members are Requested To Please Furnish Their Shareholding Details Containing: - Folio No, Name of Share Holder, Certificate No., Distinctive No., Total No of Share(S) Etc. Together With Their Specimen Signature For Reconciliation And Updation With Company's Record To Ensure Full Safety And Prompt Services To Them.

Details of the directors Seeking Appointment/Re-Appointment at the Annual General Meeting. (Pursuant to Clause 49 IV(G) of the Listing Agreement.)

Name of the Director	Shri. Ramesh D. Punjabi	Shri. Ram Niwas Swami	Shri. Ashwani Kumar	Shri. Rishi R. Pilani
Date of Birth	13-07-1947	02-08-1949	14-07-1968	(Director retiring by Rotation) 29-04-1978
Date of Appointment	30-01-2010	30-01-2010	05-08-2010	28-06-2008
Expertise in specific Functional Area	Technical & Finance	Banking & Finance	Legal	Finance, Technical
Qualification	B. Tech. (Chem)	B.Sc. (Agr.) MA (sociology), LLB, CAIIB, CRB	B.A. (Hons.) LLB	B.E. (Chem.), M.S. (Finance), M.S. (Ind. Eng.)
No. of Shares held in the Company	100100	NIL	NIL	500
Other Directorships	NIL	NIL	NIL	1
Chairman/Member of the Board Committee of other Companies	NIL	NIL	NIL	1
Relations with other Director	NIL	NIL	NIL	Real brother of Shri. Ravi Pilani & Nephew of Shri. Ramakant Pilani

By Order of the Board

Place : Mumbai
Date : October 5, 2010.

Shri Rishi R. Pilani
Chairman

ANNEXURE TO NOTICE

Explanatory statement as required by Section 173 of the Companies Act, 1956

Item No. 3:

The Statutory Auditors M/s. Rahul Singhvi Associate, Chartered Accountant, Mumbai, Auditors of the Company, have vide their letter dated 07/10/2010 expressed their inability for their re-appointment as auditors of the Company at the ensuing annual general meeting.

The Company has also received a letter from a member of the Company proposing the name of M/s Paresh V. Dalal (Proprietor), Chartered Accountants, to be appointed as Auditors of the Company.

Your Directors therefore recommend the appointment of M/s Paresh V. Dalal (Proprietor), Chartered Accountants as new Auditors of the Company for approval by the members. M/s Paresh V. Dalal (Proprietor), Chartered Accountants, have in terms section 224 (1B) of the Companies Act, 1956, consented to act as Statutory Auditors of the Company if appointed.

None of the Directors is concerned or interested in the said resolution.

Item No. 4:

Shri. Ramesh D. Punjabi was appointed as an Additional Director of the Company with effect from 30th January, 2010 in terms of Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. A notice pursuant to section 257 of the Act has been received from a member signifying his intention to propose the appointment of Shri. Ramesh D. Punjabi as a Director of the company liable to retire by rotation.

Your Board recommends his appointment as a Director of the Company. None of the Directors except Shri. Ramesh Punjabi and is concerned interested in this resolution.

Item No. 5:

Shri. Ram Niwas Swami was appointed as an Additional Director of the Company with effect from 30th January, 2010 in terms of Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. A notice pursuant to section 257 of the Act has been received from a member signifying his intention to propose the appointment of Shri. Ram Niwas Swami as a Director of the company liable to retire by rotation.

Your Board recommends his appointment as a Director of the Company. None of the Directors except Shri. Ram Niwas Swami and is concerned interested in this resolution.

Item No. 6:

Shri. Ashwani Kumar was appointed as an Additional Director of the Company with effect from 05th August, 2010 in terms of Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. A notice pursuant to section 257 of the Act has been received from a member signifying his intention to propose the appointment of Shri. Ashwani Kumar as a Director of the company liable to retire by rotation.

Your Board recommends his appointment as a Director of the Company. None of the Directors except Shri. Ashwani Kumar and is concerned interested in this resolution.

Item No. 7:

The Company is finalizing a rehabilitation scheme for submission to Board for Industrial and Financial Reconstruction (BIFR) under the provision of Sick Industrial Companies (Special Provisions) Act, 1985 and as a matter of abundant caution, is taking the shareholders into confidence and seeking their consent for Draft Rehabilitation Scheme. The draft rehabilitation scheme outlines the strategies for rehabilitation which, inter alia, includes proposal for reduction of capital to the extent of 90% of the face value in order to write off carried forward losses; write off Reserves and Surplus against accumulated losses. Subsequent to the reduction of capital as above, as part of the rehabilitation scheme, promoters are bringing in Rs. 475 lacs out of which Rs. 175 lacs is proposed to be in the form of equity share capital and balance Rs. 300 lacs as unsecured loan. The amount of Rs. 175 lacs being brought in by them will be against issue of 1,75,00,000 equity shares of Re. 1 each for cash at par. Further, in the past, the promoters have from time to time extended unsecured loans to the company to meet its various requirements including settlement of creditors. A sum of Rs. 1802.23 lacs is outstanding as unsecured loans payable by the company to the promoters as on 31.3.2010. It is now provided in the scheme for conversion of the said unsecured loans taken from companies belonging to promoter group into equity shares of Re. 1 each at premium of Rs. 3 per share, (or such other number of shares and at such other price as may be stipulated by BIFR) in order to strengthen the capital base after reduction of capital and write-off of Reserves and Surplus. It may be mentioned here that the shareholders had earlier approved the reduction of capital in their meeting held in 2008. The Draft Rehabilitation Scheme will be presented to BIFR for their approval and will be subject to such changes as may be required by BIFR while sanctioning the Scheme.

Your Directors are confident that with the implementation of Rehabilitation Scheme and with proposed capital expenditure programme to manufacture maleic anhydride through alternative process of using N-butane as raw material, the company will be in a position to revive its business strongly and regain its place in the industry.

This resolution is sought to be passed as Special Resolution. The Board recommends the resolution for the approval of the members.

None of the Directors are concerned or interested in this resolution except the promoter directors, Mr. Rishi Pilani, Mr. Ramakant Pilani and Mr. Ravi Pilani who may be deemed to be interested to the extent of shares that may be allotted to promoter group companies as aforesaid.

Item No. 8:

Upon sanction / implementation of the rehabilitation programme, the company is proposing to take up capital expenditure programme to revamp its existing manufacturing facilities and to install additional facilities for manufacture of maleic anhydride from n-butane. In order to fund these business plans, it is proposed to raise funds from capital market. The expected requirement of funds including for working capital requirements, is estimated presently at around Rs. 200 crores. The directors seek flexibility to decide on the exact nature of fund-raising which may be through a rights issue or a follow-on Public Offer or through OJP placement or preferential allotment to strategic investors. This is an enabling resolution to authorize the Board to find the best possible way to raise funds to meet the new project as well as in expansion of existing business. The Board will decide the issue size, mode of issue, price of issue and the terms of issue within the limit approved by shareholders subject to approval by regulatory authorities. Consent of the shareholders is required for issue of shares to the persons other than the shareholders of the Company. Hence, your consent is sought under Section 81 (1A) of the Companies Act, 1956 for issue of securities to the persons or entities other than its shareholders.

This resolution is required to be passed as Special Resolution. The Board recommends the resolution for the approval of the members.

None of the Directors are concerned or interested in this resolution.

Item No. 9 & 10

Upon sanction of the Rehabilitation scheme by the BIFR and the paid up share capital of the company is proposed to be reduced by 90% by writing off Rs. 9 per share out of the face value

of Rs. 10 per share. Consequently, the authorized capital would also be reconstituted to comprise of equity shares of Re.1 instead of Rs. 10 per share. As a result, the company's authorized share capital will be Rs. 18 crores comprising 18 crore equity shares of Re.1 each. This is proposed to be increased to Rs. 40 crores as the company intends to raise equity funds from capital market for the purpose of meeting its proposed capital expenditure to revamp the existing facilities and also to put up additional facilities for manufacturing maleic anhydride with n-butane as raw material. Hence it is necessary, after completion of BIFR sanction for the rehabilitation scheme, to increase the authorized share capital from Rs. 18,00,00,000 (Rupees Eighteen crores) to Rs. 40,00,00,000 (Rupees forty crores). This will comprise of 40,00,00,000 (Forty crore) shares of Re. 1 each.

An ordinary resolution is therefore proposed at item No. 6 of the accompanying notice for increase in Authorised Share Capital to Rs. 40 crores and consequent alteration of Clause V of the Memorandum of Association as a result of increase in the Authorised Share Capital.

A Special Resolution is also proposed under Section 31 of the Companies Act, 1956 at Item No. 10 of the accompanying notice for alteration of Articles of Association for the aforesaid increase in Authorised Share Capital. Both these resolutions will become operative after completion of BIFR sanction for the rehabilitation proposal.

The Board commend the approval by the members of the said resolutions.

A printed copy of the Memorandum and Articles of Association is open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day.

None of the Directors of the Company is interested in the said resolutions.

By Order of the Board

Place: Mumbai
Date : October, 5 2010.

Shri Rishi R. Pilani
Chairman

DIRECTORS' REPORT

Your Directors present the 22nd Annual Report of the Company for the year ended 31st March, 2010.

FINANCIAL RESULTS*(Rs. in Lacs)*

PARTICULARS	2009-2010	2008-2009
Gross Revenue from Operations	NIL	NIL
Other Income	3.68	NIL
Profit/(Loss) Before Interest, Depreciation And Taxation & Exceptional items	(43.18)	(58.48)
Less: Depreciation	297.08	NIL
Profit/(Loss) Before Interest Taxation & Exceptional items	(43.18)	(58.48)
Less: Interest	1.61	142.13
Profit/(Loss) Before Exceptional items & Taxation	(341.87)	(200.61)
Add: Exceptional items (Profit on OTS)	2906.78	NIL
Less: Prov. For Sundry Advance & Bad Debts	389.84	NIL
Less: Fringe Benefit Tax	NIL	(0.04)
Less: Prior Period Expenses	NIL	(1.27)
Profit/(Loss) For The Year	2178.76	(201.92)
Balance of Profit/(Loss) For Earlier Years	(5758.79)	(5556.87)
Profit/(Loss) Available For Appropriation	(3580.03)	(5758.79)
Add: Transfer from General Reserve	NIL	NIL
Balance Carried Forward To Balance Sheet	(3580.03)	(5758.79)

DIVIDEND

Directors do not recommend any dividend due to inadequate cash profit

OPERATIONS

The gross revenue divisions wise are as follows:-

(Rs. in Lacs)

Division	Year ended 31.3.2010	Year ended 31.03.2009
Chemical	NIL	NIL
Offshore	NIL	NIL

On account of Exceptional Item (profit on OTS), during the year under review, the company recorded a profit of Rs. 2178.76 Lacs as against loss of Rs. 201.92 lacs in previous year.

CAPITAL RESTRUCTURING / FUTURE OUTLOOK

The company is presently registered as a sick industrial company with the Board for Industrial and Financial Reconstruction (BIFR). It is finalizing a rehabilitation scheme for submission to BIFR under the provision of Sick Industrial Companies (Special Provisions) Act, 1985. The draft rehabilitation scheme outlines the strategies for rehabilitation which, inter alia, includes proposal for reduction of capital to the extent of 90% of the face value in order to write off carried forward losses; write off Reserves and Surplus against accumulated losses for which approval of shareholders was obtained in 2008. Your Directors are confident that with the implementation of Rehabilitation Scheme and with proposed capital expenditure programme to manufacture maleic anhydride through alternative process of using N-butane as raw material, the company will be in a position to revive its business strongly and regain its place in the industry. During the second quarter of financial year 2010-11. Company has started its commercial production.

FIXED DEPOSIT

The company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and/or acceptance of Deposit Rules.

The Company does not have any deposit claimed but not paid and/or unclaimed for which information is required to be given in this report.

PERSONNEL AND OTHER INFORMATION

For the particulars of employees as required to be disclosed in the Directors Report in accordance with the Provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975 as amended from time to time, the Directors state that the company does not have any employee.

(i) Who was in receipt of remuneration exceeding Rs.24,00,000/- p.a in the aggregate.

OR

(ii) Who if employed for part of the year was in receipt of remuneration for any part of that year at a rate which in the aggregate was more than 2,00,000/-

OR

(iii) Who was in receipt of a remuneration higher than that of the Managing Director, whole time Director or Manager and was holding more than 2% equity shares of the Company.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies

(Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed hereto.

DIRECTORS:

Shri Rishi Pilani, Director of the Company retires by rotation in accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association and being eligible offers himself for re-appointment.

REPORT ON CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreements, a report on Corporate Governance is appended along with a certificate of compliance from the Auditors of the company, with Management Discussion and Analysis Statement.

Auditors

The Statutory Auditors Mr. Rahul Singhvi & Associates, Chartered Accountant, Mumbai the existing Auditors retire and have expressed their inability to continue as auditors. The observations made in the Auditors Report are self-explanatory and therefore do not call for any further Comments.

The Company has also received communication from a member of the Company proposing the name of M/s Pares V. Dalal (Proprietor) Chartered Accountants, to be appointed as Auditors of the Company. It is, therefore, proposed to appoint them as the new Auditors of the company, subject to approval of members. The proposed new auditors have in terms section 224 (1B) of the Companies Act, 1956, consented to act as Statutory Auditors of the Company if appointed.

Cost Auditors

As the manufacturing operations were closed during the year under review no cost audit was required to be done.

CASH FLOW STATEMENT

In conformity with the provision of Clause 32 of the Listing, Agreement(s) the cash flow statement for the year ended 31st March, 2010 is annexed hereto.

Directors' Responsibility Statement

As required under section 217(2AA) of the Companies Act, 1956 your Directors state that:-

- (i) While preparing Annual Accounts, the applicable accounting standards have been followed and there are no material departures.
- (ii) The Company has selected such accounting policies and applied them consistently and made judgments that are reasonable and prudent so as to give true and fair view of the affairs of the company at the end of the financial year and of the profit and loss for the period ended on that date;
- (iii) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) The Annual Accounts has been prepared on a going concern basis.

Registration to BIFR:-

In earlier years Company net worth had been fully eroded as a result the company had approached to the Board of Industrial Financial Restructuring (BIFR) for protection provided under the sick Industrial Company (Special Provisions) Act, 1985. BIFR had received & registered our reference as 289/2004.

APPRECIATION:

The Board places on record its sincere appreciation for the wholehearted support extended by Financial Institutions Banks, and Share Holders.

On Behalf of the Board of Directors

Place: Mumbai
Date : October 05, 2010

Rishi R. Pilani
Chairman

DECLARATION BY CEO/CFO

I, Ramakant Pilani, CEO of Futuristic Offshore Services & Chemical Limited hereby declare that all the members of the Board of Directors have affirmed compliance with the Code of Conduct, for the year ended March 31, 2010.

For **Futuristic Offshore Services & Chemical Limited**

Ramakant Pilani
CEO

ANNEXURE TO THE DIRECTORS' REPORT

Statement pursuant to section 217(1) (e) of the Companies Act, 1956, and the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31.03.2010

A. CONSERVATION OF ENERGY

In absence of the operation there is no energy consumption during the year under review.

B. TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION

The entire Net worth of the Company has been fully eroded as accumulated losses of the company exceeds Equity & Reserve. Company sought registration under section 15 (1) of SIC (SP) Act, 1985. Company is not having any operation.

C. FOREIGN EXCHANGE EARNINGS AND OUTGOINGS

Total foreign exchange out goings for import of raw materials and others is Rs. Nil (Previous year Nil). Foreign exchange earnings during the year are Nil. (Previous Year Rs. Nil), since there is no operation during the year under review.

For and on behalf of the Board

Place: Mumbai
Date : October 05, 2010.

Rishi R. Pilani
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

Business of the Company

The business of the company is manufacturing and marketing of specialized chemical Maleic Anhydride, and down stream products such as Fumaric Acid, Tetra Hydrophthalic Anhydride, Tetrahydro phthalimide, (THPA/THPI).

Maleic Anhydride is a versatile monomer and chemical intermediate with many uses. The largest end use, accounting for almost half of total consumption, is unsaturated polyester resins. Other uses include Lube oil Additives, Alkyd resins, Fumaric and Maleic acids, copolymers and agricultural chemicals.

Main segments

Products	Applications
MALEIC ANHYDRIDE	For Manufacture of Polyester Resins, Alkyd resins, Agrochemical eg. Malathion(Insecticide), Maleic Hydrazide (Herbicide/Growth Inhibitor), Fumaric Acid, Dye Intermediates, Pharmaceuticals, Surface Coatings Agents, Plasticisers and Speciality Lubricant Additives. It is also used as copolymer in wide range of chemical synthesis.
FUMARIC ACID	Food and Beverage Industries as Acidulant and Flavoring Agent, For upgrading Natural Drying of Oils; To improve Drying Characteristics in Food; Substitute For Tartaric Acid; For manufacture of Plasticizers; Rosin Esters and Adducts, Alkyd Resin Coatings In Organic synthesis as well as in Printing Inks Modifier for Polyester Resins, Alkyd Resins as well as Phenolic Resins;
TETRA HYDROPHTHALIC ANHYDRIDE	For Curing Epoxy Resins, To manufacture of Unsaturated Polyesters it impart Air Drying Properties, Intermediate to manufacture other organic compounds.
TETRA HYDROPHTHLIMIDE	To manufacture Fungicide - Captan.

Opportunities and Threats

Some developments are taking place developing other uses for Maleic Anhydride. It is used as a starting material for synthesis of 1, 4-Butanediol, THF, Speciality dispersants, Succinates in, a biodegradable Chelating Agent, and Polyaspartic Acid, a Biodegradable Dispersing Agent.

Total worldwide consumption is expected to grow at a rate of approximately 5% annually despite recession in most of the economies.

Although the present operation are closed, the company will soon strive to catch the opportunities as it has inherent key strength areas such as:

- State-of-the-Art Manufacturing facilities. Fully computer monitored plant, with technical know-how from Scientific Design Co. Inc., U.S.A. The plant is specifically designed to ensure strict quality standards of the end product range.
- Largest plant in India to produce Maleic Anhydride from basic raw materials.
- Convenient location of the plant of the Company at Tarapur, Maharashtra.
- Strong R&D base.

The management expects to over come the difficulties faced by the Company shortly. The Company is looking at different options to resume operation of factory.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**Review of operations**

There were no manufacturing operation during the year under review or in the previous year.

Outlook

The Chemical Division is expected to perform better due to improvement in the economy. Various options are being pursued to resume the operations of the company.

Risks and concerns

The pricing uncertainties of the raw material of the company for its Chemical Division would continue to affect the profitability of the company.

Financial performance with respect to operational performance

There was no manufacturing operations during the year under review. The OTS has resulted in net profit of Rs. 2178.76 Lacs as against net loss of Rs. 201.92 Lacs in the previous year.

The Company's Ordinary share capital stands at Rs.1731.58 Lacs and there are no outstanding instruments which are convertible into equity at a later date. However, the company is shortly submitting a rehabilitation proposal, broad details of which are given in the Explanatory Statement annexed to the Notice of Annual General Meeting.

The Company has stopped accepting any Deposits.

Internal Control System

No internal audit carried out during the year. The Company has formed Audit Committee which is constituted by three Directors. All the significant audit observations and follow up actions would be reported to the Audit committee.

FINANCIAL CONDITION**Share Capital**

Issued subscribed and paid up capital as at 31st March, 2010 was Rs1731.58 lacs (Rs.1731.58 lacs in the previous year.)

Reserves and Surplus

In view of uncertainty of availment of tax benefit on accumulated business losses and unabsorbed depreciations, company has not recognized deferred tax liabilities/assets. as at March 31, 2010 Reserves and Surplus amounted to Rs. 310.40 lacs (Rs 85.00 lacs in the previous year). Debit Balance in Profit and Loss account amounted to Rs. 3580.04 lacs (Rs. 5758.79 lacs).

Loan Funds

The loan funds stood at Rs. 2012.08 lacs as at March 31, 2010 (Rs. 5247.01) lacs in the previous year.

Deferred tax liability provision outstanding as at March 31, 2010 is Rs. Nil (previous year Rs.NIL)

Fixed Assets

Net Fixed Assets including capital work in progress as at March 31, 2010 are Rs. 1915.59 lacs (Rs.2212.67 lacs in the previous year.

Investments

Total amount of investment as at March 31, 2010 stood at to Rs.0.36 Lacs to (Rs.0.36 lacs in the previous year.

Working Capital

Net Current Assets stood at to Rs (1441.93) lacs as at March 31, 2010 from Rs. (908.23) lacs in the previous year.

HUMAN RESOURCES/INDUSTRIAL RELATIONS

The Company has no employees at present.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, expectations or predictions may be forwarded looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the Country and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

The Report on Corporate Governance forms part of the Directors' Report. This section in compliance with the mandatory listing agreement requirement gives an insight into the process and functioning of the Company.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to respect the laws of the land and rights of the shareholders, to achieve the desired result to the highest level of customer satisfaction, ensuring technical and other achievements to lead the Company towards high growth path. It strives to get respect from all concerned, adopt internal and external measures to increase the level of transparency and accountability. The company has configured organization and actions to achieve improved corporate performance.

2. BOARD OF DIRECTORS

The Board of Directors manages the Company. The Board of Directors has optimum composition of Executive and non-executive Directors, of diverse professional experience and expertise in the related field and Industry. The constitution of the Board during the year was from following Directors:

Name of Director	Category	No. Board Meeting Attended	No. of Directorship of other Companies	No. of Member ship in other Committee
1. Shri. Ramakant S. Pilani	Whole time Director	4	1	2
2. Shri. Ravi R. Pilani	Promoter Director Non Executive	1	Nil	Nil
3. Shri. Rishi R. Pilani	Promoter Director Non Executive	4	6	Nil
4. Shri Kirti H. Desai (up to 30/01/2010)	Independent Director	4	Nil	Nil
5. Shri Ramesh D. Punjabi (w.e.f. 30/01/2010)	Non Executive (Independent)	3	Nil	2
6. Shri Ram Niwas Swami (w.e.f. 30/01/2010)	Non Executive (Independent)	2	Nil	2
7. Shri Ashwani Kumar (w.e.f. 05/08/2010)	Non Executive (Independent)	1	Nil	Nil

During the year under review, Six meetings of the Board of Directors were held on 27.04.2009, 31.07.2009, 31.10.2009, 30.01.2010, 31.05.2010 & 05.08.2010 during the year.

3. AUDIT COMMITTEE

The composition, powers and functions of the Committee meets the requirements of listing Agreement. The Committee meetings were held on 31.07.2009, 31.10.2009, 30.01.2010, 31.05.2010 & 05.08.2010

In order to comply with the Listing requirement of minimum Three members, the Board has appointed Shri. Ramesh D. Punjabi as Chairman of Audit Committee due to resignation of Shri Kirti H. Desai from Directorship. And, Shri Ram Niwas Swami is appointed as a member of Audit Committee due to resignation of Shri. Ramakant S. Pilani from the Members of Audit Committee.

Name of Director	Category	Position	Meeting Attended
1. Shri Kirti H. Desai (Up to 30.01.2010)	Non Executive (Independent)	Chairman	3
2. Shri Ramesh D. Punjabi (w.e.f. 30/01/2010)	Non Executive (Independent)	Chairman	3
3. Shri Ramakant S. Pilani (Up to 30.01.2010)	Whole time Director	Member	3
5. Shri Ram Niwas Swami (w.e.f. 30/01/2010)	Non Executive (Independent)	Member	3
5. Shri Rishi R. Pilani	Promoter Director Non Executive	Member	5

The composition of the Committee meets the stipulations for corporate governance. The functions of the Committee covers the matters specified for Audit Committee under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 such as the following:

- Review the Company's financial reporting process and the disclosure of its financial information.
- Review the quarterly and annual financial statements with primary focus on accounting policies and practices, compliance with accounting standards and legal requirements.
- Review the adequacy of internal control systems and audit function
- Recommend the appointment and removal of statutory auditors, fixation of audit fee and approve payment for other services.