

PUBLIC NOTICE

We are instructed by our client, M/s. Chemithon Engineers Pvt.Ltd., to inform the members of the public that on 24 March 2007 a Public Notice was issued by Heavy Water Board inter alia stating that they developed and patented a Flue Gas Conditioning System by injecting Ammonia in Thermal Power Plants in the year 1999. The technology was transferred to M/s. Chemithon Engineers Pvt. Ltd. to implement the same at different Thermal Power Plants for a period of five (5) years from 12.09.2000 which expired on 11 September 2005 and hence M/s. Chemithon Engineers Pvt. Ltd. were not authorized to implement the Flue Gas Conditioning System by injecting Ammonia as a standalone and/or part of Dual Flue Gas Conditioning System, developed and patented by Heavy Water Board, in any plant.

As per our client, the said Notice did not set out the correct facts stated hereunder:

Chemithon, USA has been in the Flue Gas Conditioning business since 1971 and M/s. Chemithon Engineers Pvt. Ltd., an operating company of Chemithon, USA has been offering Flue Gas Conditioning technologies in India since 1996 and these include Sulfur Trioxide, Ammonia and Dual Flue Gas Conditioning systems.

On September 12, 2000 Heavy Water Board entered into a Memorandum of Understanding with M/s. Chemithon Engineers Pvt. Ltd. for a term of five (5) years for the transfer of technology for control of particulate emissions based on the ammonia injection technology developed by Heavy Water Board in 1998. The objective of the said Memorandum of Understanding was to transfer the knowledge and information obtained by Heavy Water Board at their 3x60 MW captive Thermal Power Station at Manuguru in Andhra Pradesh to other Thermal Power Stations based on Chemithon Engineers Pvt. Ltd.'s prior experience and expertise in the field.

Heavy Water Board have failed to comply with all the obligations of the said Memorandum of Understanding.

Department of Atomic Energy was issued Patent No. 194122 on September 25, 2004 for "A method for treating Exhaust Gas Emissions produced during Combustion Coal in a Coal Combustion plant for reducing Suspended Particulate Matter" and this has been challenged at the Controller of Patents, Mumbai.

The said patent claim is specific for Flue Gas flow rates of 40-50 Nm³ / sec. whereas Indian thermal power stations of 200 / 210 MW capacity operate at flue gas flow rates of 325-375 Nm³ / sec. Thus the patent has limited applicability.

Department of Atomic Energy's patent does not cover Dual Flue Gas Conditioning technologies.

Heavy Water Board's contentions in the Public Notice are aimed at maligning M/s. Chemithon Engineers Pvt. Ltd.'s business interests. Dated this 13 day of April 2007

Dated this 13 day of April 2007

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